

BUSINESS ITEM 2012-245

INFILTRATION AND INFLOW (I&I)

GRANT PROGRAM DESIGN AND

GUIDELINE APPROVAL

July 24, 2012

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Public Process

- Metro Cities meeting June 19, 2012
- Public Meeting notices to cities; local newspapers and Council website
- Formal public meeting held July 10, 2012
- Comments accepted through July 20, 2012

Bonding Bill Language

- \$4 million appropriated to Council
- Grants for capital improvements to reduce I&I into municipal wastewater collection systems
- City must be identified by Council as excessive I&I contributor
- Grant funding up to 50% of I&I portion of project cost
- Timetable for project construction required
- Pursuant to guidelines established by Council

Key State Requirements

- Non-public benefit must be 5% or less (facility must be owned by city)
- Must extend useful life or substantially increase value of fixed asset
- Cannot be operating or overhead expense\
- M.S.16A.695 restricts sale, lease and management contracts:
 - Includes MMB Commissioner's Order
 - Blanket waiver received June 19, 2012
- Annual Reporting to MMB to document capital improvement project is fully funded and to document the number of jobs created or retained

Key Council Guidelines (2010, updated)

- Cities are eligible if they received MCES preliminary surcharge letter since 2007 and responded with investigative or mitigating effort
- Only construction costs qualify
- Qualified spending between 5/12/12 and 6/30/14*
- Each city award will receive:
 - Part 1: Lesser of \$50,000 or half of eligible expenses submitted, plus
 - Part 2: Allocation proportional to communities' remaining maximum grant after Part 1

*MCES may be able to extend

Key Council Guidelines, *continued*

- Council will not individually negotiate terms of grant agreements
- Cities will have one-time withdraw/revise option
- Funds from withdrawn costs will be re-allocated proportionally (i.e. Part 2 redone)
- Cities cannot change projects once grant agreement is signed
- Disbursement(s) paid on quarterly reimbursement basis
- Grant money un-awarded when grant round ends
- Appeals allowed for final deadline

Eligible I&I Work vs. Project Work

- Municipal pipeline rehabilitation and repair
 - 50% eligible = lining, replacement; 100% = joint sealing
- Municipal maintenance structures
 - 50% eligible = lining, replacement; 100% eligible = sealing (joints, castings, covers, chimney seals)
- Flood mitigation
 - 10% eligible = surface drainage improvements (surface grading, ditch cleaning, storm system and culvert improvements)
- Cross connection elimination
 - 100% eligible = storm/sanitary cross connects, catch basins and area drains

Non-Eligible I&I Work

- Studies, investigations or inspections
- Any improvements to privately owned infrastructure
- Any part of service line serving individual parcel

Qualifying Cities (50)

Apple Valley	Golden Valley	Minneapolis	Shoreview
Arden Hills	Greenwood	Minnetonka	South St. Paul
Bayport	Hopkins	Minnetonka Beach	St. Anthony
Bloomington	Lakeville	Mound	St. Bonifacius
Chanhassen	Lauderville	New Brighton	St. Louis Park
Chaska	Lilydale	New Hope	St. Paul
Columbia Heights	Long Lake	Newport	Stillwater
Eagan	Maple Grove	Oakdale	Tonka Bay
Eden Prairie	Maple Plain	Orono	Vadnais Heights
Edina	Maplewood	Osseo	Waconia
Excelsior	Medicine Lake	Plymouth	West St. Paul
Farmington	Medina	Roseville	
Fridley	Mendota	Savage	

Allocation Example

City	Qualified Expenses Proposed*	Part 1 Allocation	Part 2 Allocation	Total Award	%
A	1,200,000	50,000	361,000	411,000	34.2
B	80,000	40,000	0	40,000	50.0
C	10,000,000	50,000	3,246,000	3,296,000	33.0
D	720,000	50,000	203,000	253,000	35.2
TOTAL	12,000,000	190,000	3,810,000	4,000,000	33.3

- Part 1 = Lesser of \$50K or 50% of qualified expenses proposed
- Part 2 = Proportional to communities' remaining maximum grant after Part 1

**Includes only the I&I mitigation part(s) of project*

Tentative Program Calendar

- June 12 Env. Comm direction to hold public meeting
- June 19 Metro Cities I&I grant discussion
- July 10 Public meeting
- July 24 Environment Committee recommendation
- Aug 8 Council approval of guidelines
- Aug 24 Final program guidelines sent to cities
- Oct 26 Grant proposals due from cities
- Nov 21 Cities notified of initial grant allocation
- Dec 21 Deadline for cities' withdrawal opportunity
- Dec 31 Grant agreements distributed; cities notified of final grant allocations

Questions

