



# Environment Committee

Meeting date: July 22, 2008

For the Metropolitan Council Meeting of August 13, 2008

**Business Item**

Item: 2008 – 196

ADVISORY INFORMATION	
<b>Date:</b>	July 10, 2008
<b>Subject:</b>	Infiltration/Inflow (I/I) Mitigation Grant Offer
<b>District(s), Member(s):</b>	all
<b>Policy/Legal Reference:</b>	Water Resource Management Policy Plan
<b>Staff Prepared/Presented:</b>	Jason Willett 651-602-1196; Kyle Colvin 651-602-1151
<b>Division/Department:</b>	MCES/Finance c/o Bill Moore 651-602-1162

## Proposed Action

That the Metropolitan Council authorize changes to the existing Foundation Drain Grant program, substantially in the form of the attached Offer, to broaden the grants to include service line work and extend the duration of the I/I mitigation grant program to 2011.

## Background

When the Foundation Drain Grant offer was made last fall (for 2008 expenses) it was anticipated that the available funds would not last for the full year of 2008. However, demand under this program has lagged those expectations. Through the first half of the year, only five communities have applied, all were deemed eligible and only \$2,783 was requested and granted.

This proposal is that effective October 1<sup>st</sup> the grant offer will be broadened to allow grants for private service line repairs, rehabilitation or replacements. Service lines are the non-municipal pipes between a building and the municipal pipes under the streets). These repairs have cost as much as \$10,000, so the maximum allowed for the grants is proposed to be doubled to \$2,000 (\$1,000 is the maximum for foundation drains). In each case the costs must be actual, reasonable and verifiable and the grant is for no more than 50% of the eligible costs. The term of the program will also be extended to 2011 (coincident with the I/I surcharge program) or until the original \$700,000 total is exhausted.

Draft terms of the offer, incorporating the proposed changes, are attached.

## Rationale

These type of repairs are costly to private parties and important to the continuation of our overall I/I mitigation program.

## Funding

The \$700,000 funding for the program is not proposed to be changed. These funds were from returned Metropolitan Environmental Partnership grant funds. As such, these expenses do not impact the municipal wastewater charge rate base.

## Known Support/Opposition

A few community representatives asked about extending this grant program at the June Customer Forums held by MCES. No known opposition exists.

METROPOLITAN COUNCIL ENVIRONMENTAL SERVICES  
DESCRIPTION OF OFFER OF MATCHING GRANT MONIES TO MUNICIPALITIES  
FOR NON-MUNCIPAL I/I MITIGATION WORK (“the Offer”)

October 1, 2008 (effective date of changed program)

**I. DESCRIPTION & BACKGROUND**

To facilitate the reduction of Inflow and Infiltration into the metropolitan sewer system, Metropolitan Council Environmental Services (MCES) is offering a limited number of grants to municipalities, up to \$1,000 per foundation drain disconnected and up to \$2,000 for service lateral work, until a total of \$700,000 have been expended by MCES on the program (since its inception).

This grant program is part of MCES Inflow and Infiltration Mitigation program:

[http://www.metrocouncil.org/planning/environment/inflow\\_infiltration.htm](http://www.metrocouncil.org/planning/environment/inflow_infiltration.htm)

which is generally described and authorized in the Council’s Water Resources Management Plan:

<http://www.metrocouncil.org/planning/environment/WRMPP/WRMPP2005.htm>

Note that these grants will not impact the I/I surcharge requirements or documentation – but that credit for results of the disconnections *will* be applicable to the Surcharge program, pursuant to that program’s rules. Details of the Surcharge program can be found at:

<http://www.metrocouncil.org/environment/ProjectTeams/documents/2008-I-I-Procedure-Manual.pdf>

**II. ELIGIBILITY**

All municipalities that are: 1) billed for wastewater directly by MCES, 2) are currently identified as having exceeded their I/I goals during the I/I Surcharge program and have not completed the IITC work as described in that program, and 3) have been pre-approved for this grant program by MCES are eligible to apply for these grant monies.

Those municipalities that have already been approved (for the foundation drain version of this offer) will automatically be eligible for the broader scope (service laterals and expenses beyond 2008) as of the effective date of the change.

Further, in order for specific expenses to be eligible, municipalities must: 1) issue plumbing permits for each Eligible Repair within the jurisdiction of the municipality, 2) expenses must be actual paid costs of the Eligible Repairs, reasonable and verifiable, and 3) agree to pass-through the grant awards to the parties that incurred the expenses and to attribute the reimbursement to the Metropolitan Council. Costs for a municipality’s own properties are not eligible; all other buildings within the municipal limits are eligible, including expenses paid by private parties.

Eligible Repairs include: 1) disconnection of individual foundation drains from the sanitary sewer, and 2) repair, rehabilitation or replacement of service lateral pipes connecting the property to the sanitary sewer (but not any pipes owned by the municipality).

Within 30 days of the end of each month, eligible communities must submit the “Grant Claim Request Form” (attached) to MCES to apply to have grant monies awarded for identified eligible expenses.

**III. PAYMENT OF GRANTS**

While funding lasts, MCES will pay all eligible claims for grants within 30 days of the end of each reporting period (30 days after the end of each month). MCES will monitor the grant requests and notify the communities of the availability of the monies for proposed Eligible Repair work within the municipality.

Once approved by MCES, municipalities may submit monthly grant claim requests and the community will be reimbursed up to 50% of actual monies expended (by any party other than the municipality) for each Eligible Repair.

Funds are available on a first-come–first-serve basis. In the last month of the Offer, when funds are not available to pay all eligible claims, awards will be pro-rated among the eligible claims (e.g. we may only be able to grant 50 cents for each eligible dollar claimed). Once MCES awards the total \$700,000 set aside for the program, or at the end of 2011, (whichever is sooner), the program terminates and participating municipalities will be notified.

#### IV. CITY APPLICATION PROCEDURE

To apply for the program, the Municipal Application form (attached) must be completed and signed by a municipal Officer designated to submit the application by a resolution of the City Council or Town Board.

Attach a copy of the official minutes and/or resolution authorizing the submittal of the Municipal Application with the application form. This official action should include: 1) agreement to: a) pass-through funds awarded by the Council to the parties that incurred the costs and b) attribute the funding to the Metropolitan Council, and 2) agreement to secure and retain receipts for all Eligible Repair costs, and that the Met Council will have reasonable access to audit these records, upon request, and 4) identification of municipal Officer(s) that are authorized to submit this application and the grant award requests.

This form may be submitted to MCES at any time but must be submitted and approved by MCES *prior to the end of the first month in which eligible expenses may be claimed* for reimbursement through this grant program.

#### V. GRANT AWARD REQUEST PROCEDURE

Only pre-approved municipalities (see above) are eligible to apply for grant award. The terms of this Offer, its termination and forms may be modified by MCES at any time, in its sole discretion.

Within 30 days of the end of each month each pre-approved municipality may submit a copy of the Grant Claim Request Form with the list of Eligible Repairs completed in the month. As grant monies are awarded, MCES staff will notify each municipality of the status of their grant request. Grant monies will awarded to the municipality for up to 50% of eligible actual, reasonable and verifiable expenses, limited to \$1000 per permit, for foundation drain separation projects, and \$2000 per permit for service lateral work.

Grants monies awarded will be sent to the communities within 30 days after the end of each reporting period.

MUNICIPAL APPLICATION FORM  
METROPOLITAN COUNCIL ENVIRONMENTAL SERVICES  
For Non-Municipal I/I Mitigation Grant Program

NOTICE TO APPLICANTS: You should read the Offer document “Metropolitan Council Environmental Services – Description of Offer of Matching Grant Monies to Municipalities for Non-municipal I/I Mitigation Work” for guidance on how this grant will be conducted.

CITY (or Township) NAME: \_\_\_\_\_

Correspondence regarding this Application should be mailed to:

Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Street: \_\_\_\_\_  
City, Zip \_\_\_\_\_

E-mail address: \_\_\_\_\_  
Telephone Number: \_\_\_\_\_

Required Attachment: Official minutes of governing body which shows the official action which authorizes applicant to apply for grants pursuant to the Offer.

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*I certify that I have read the Offer statement, am authorized to sign this statement, and we agree to the terms stated therein. Please approve the municipality for participation in the Offer.*

\_\_\_\_\_  
Print Name of Authorized Municipal Officer

\_\_\_\_\_  
Signature of Municipal Officer

Date of Application: \_\_\_\_\_

Send this completed form to: Kyle Colvin, MCES, 390 North Robert Street, St. Paul, MN 55101

GRANT CLAIM REQUEST FORM  
METROPOLITAN COUNCIL ENVIRONMENTAL SERVICES  
For Non-Municipal I/I Mitigation Grant Program

NOTICE TO APPLICANTS: You should read “Metropolitan Council Environmental Services – Description of Offer of Matching Grant Monies to Municipalities for Non-Municipal I/I Mitigation Work” for guidance on how this program will be conducted.

MUNICIPALITY NAME: \_\_\_\_\_ Month/Year of Expenses \_\_\_\_\_

The total number of permits for this month for which Eligible Repair work has been *completed* and a grant is being requested is \_\_\_\_\_.

The total claim request for this month is \$\_\_\_\_\_

Attached is a detailed list of properties for which a grant for an Eligible Repair work is being requested. The detailed list includes the building’s address, type (residential, commercial, governmental, other), total costs of the work, eligible costs (limited to 50% of total costs and no more than \$1000 for foundation drains, \$2000 for service laterals) and the plumbing permit number and date.

*Under penalty of law, I certify that the claim is for eligible expenses that are actual, reasonable and verifiable; that I have personally examined the claim and supporting documentation and that the claim is true and correct to the best of my knowledge; and agree that all related records of the Municipality will be reasonably available to the Council or its agents, upon request, to audit this claim.*

\_\_\_\_\_  
Printed Name of Municipal Officer

\_\_\_\_\_  
Signature of Municipal Officer

Date of Request: \_\_\_\_\_

E-mail address: \_\_\_\_\_

Telephone Number: \_\_\_\_\_

Send this completed form to: Kyle Colvin, MCES, 390 North Robert Street, St. Paul, MN 55101