

# SAW GRANT APPLICATION

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Charter Township of Oshtemo

December 2, 2013

2130357

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# SAW GRANT APPLICATION

Rick Snyder, Governor

## Michigan Department of Environmental Quality (DEQ)

Dan Wyant, Director

<http://www.michigan.gov/deq>

## Michigan Department of Treasury Michigan Finance Authority (Authority)

Andy Dillon, State Treasurer

<http://www.michigan.gov/treasury>

### Administered by:

Department of Environmental Quality  
Office of Drinking Water and Municipal Assistance  
Revolving Loan Section  
Sonya T. Butler, Chief

Department of Treasury  
Michigan Finance Authority  
Joseph Fielek, Executive Director

### *Mailing Addresses:*

PO Box 30241  
Lansing, Michigan 48909  
517-284-5433

PO Box 15128  
Lansing, Michigan 48901  
517-335-0994

### *Delivery Addresses:*

Constitution Hall  
4<sup>th</sup> Floor South  
525 West Allegan Street  
Lansing, Michigan 48933

Richard H. Austin Building  
1<sup>st</sup> Floor  
430 West Allegan Street  
Lansing, Michigan 48922

**Completion of this application is mandatory for the applicant  
to be considered for SAW Grant Program assistance.**

Printed under the authority of Parts 52 and 53, of the Natural Resources and Environmental Protection Act,  
1994 PA 451, as amended.

October 21, 2013

# SAW Grant Application Instructions

**Project information:** This portion of the grant application needs to be completed and returned with one or more of the grant activities noted in the appendices below.

**Authorizing Resolution:** The resolution must be signed and dated. Submit the resolution with the project information noted above.

**Sample Grant Agreement:** A sample of the grant agreement must accompany the resolution.

**Appendices:** Provide complete information as noted in the Appendix that corresponds to the proposed project. Each Appendix contains guidance on eligibility and general information related to the grant activity.

- Appendix A: Wastewater Planning, Design and User Charge Activities
- Appendix B: Planning and/or Design of Stormwater and/or Nonpoint Source of Water Pollution
- Appendix C: Asset Management Plan for Stormwater and Wastewater
- Appendix D: Stormwater Management Plan
- Appendix E: SAW Innovative Wastewater and Stormwater Technology
- Appendix F: Disadvantaged Community Status Determination Worksheet

Appendix C and Appendix E will require a separate certification within 3 years of the grant award confirming that grant activities have been completed. The certification forms can be found at: [www.michigan.gov/cleanwaterrevolvingfund](http://www.michigan.gov/cleanwaterrevolvingfund) (select Forms and Guidance).

A hard copy of the grant application must be submitted to the DEQ. Grant applications may be submitted at any time beginning December 2, 2013. Grant awards will be issued quarterly based on the date an application is administratively complete, until available SAW funding had been exhausted.

## PROJECT INFORMATION

**Project Name and County** Charter Township of Oshtemo Asset Management Plan, Kalamazoo County

**A. Legal Name of Applicant** Charter Township of Oshtemo

*The legal name of the applicant may be different from the name of the project. For example, a county may be the legal applicant, while the project may be named for the particular village or township it will serve.*

If applicant is not a City/County/Township/Village, provide Authorizing Statute to qualify as a municipality. \_\_\_\_\_

**B. Mailing Address of Applicant**

Street, P.O. Box 7275 W. Main Street

City, State & Zip Kalamazoo, MI 49009-8210

County(s) project is located in Kalamazoo

(269) 375-4260

(Area Code and Telephone Number)

**C. Designated Contacts for this Project**

1. Authorized Representative (Name below must match the person named in the resolution)

Name Libby Heiny-Cogswell

Title Supervisor

Street, P.O. Box 7275 W. Main Street

City, State & Zip Kalamazoo, MI 49009

(269) 375-4260

(Area Code and Telephone Number)

libbyhc@oshtemo.org

(E-mail Address)

2. Applicant's Financial Advisor

Name Thomas Traciak

Firm H.J. Umbaugh & Associates

Street, P.O. Box 6639 Centurion Drive, Suite 100

City, State & Zip Okemos, MI 48917

(517) 321-0110

(Area Code and Telephone Number)

traciac@umbaugh.com

(E-mail Address)

3. Applicant's Consulting Engineer (if applicable)

Name Thomas Wheat, P.E.

Firm Prein&Newhof

Street, P.O. Box 7123 Stadium Drive

City, State & Zip Kalamazoo, MI 49009

(269) 372-1158

(Area Code and Telephone Number)

twheat@preinnewhof.com

(E-mail Address)

4. Primary Contact (if different than authorized representative)

Name Marc Elliott Title Township Engineer  
(269) 375-4260 melliott@oshtemo.org  
(Area Code and Telephone Number) (E-mail Address)

**D. Disclosure of Conditions Requiring Repayment of Grant**

The intent of the SAW Grant Program is to accelerate the statewide use of asset management planning practices as well as improve water quality. It is expected that SAW grant wastewater or stormwater recipients will implement the necessary construction for which grant funding was provided for any planning, design, and/or user charge grants. SAW grant recipients for wastewater system asset management plans are required to make significant progress (as defined in Appendix C) on the funding structure. Stormwater Asset Management Plan (AMP) recipients are required to implement the plan (as defined in Appendix C). Stormwater management grant recipients must develop a stormwater management plan. An innovative technology grant recipient must proceed with the project if testing and demonstration show that the water quality issue may be successfully and feasibly addressed with full scale implementation. Consistent with this intent and provisions of Part 52 of the Natural Resources and Environmental Protection Act, 1994 PA 451, as amended:

“(a) A grant recipient (shall) proceed with a project for which grant funding is provided within 3 years after the department approves the grant (executed grant agreement). For asset management programs related to sewage collection and treatment systems, this includes significant progress, as determined by the department, toward achieving the funding structure necessary to implement the program.

(b) The grant recipient (shall) repay the grant, within 90 days of being informed to do so, with interest at a rate not to exceed 8 percent per year, to the Authority for deposit into the fund if the applicant is unable to, or decides not to, proceed with a construction project or begin implementation of an asset management program for which grant funding is provided.”

**E. Project Need and Proposed Scope of Work**

In order to improve water quality, the applicant can seek SAW Grant Program assistance to cover the costs of: 1) planning, design, and/or user charge of a wastewater or stormwater system; 2) asset management for a wastewater and/or stormwater system; 3) a stormwater management plan; and 4) innovative wastewater and stormwater technologies. Details for establishing project need for each of these categories can be found in the appendices.

Describe the specific activities you will fund with SAW grant assistance. Describe the system deficiencies and/or water quality problems you want to evaluate/address: **(Attach additional pages as necessary.)**

We are seeking funding for an Asset Management Plan for our wastewater system. Our resulting SAW Asset Management Plan will help us maintain and improve water quality through better stewardship of our financial resources as it relates to the system. The attached Work Plan goes into greater detail.

**F. Ownership of System Facilities or Assets**

Is the legal entity that owns the system facilities or assets described in the proposed scope of work the same as the legal name of the applicant (see Item A)? ■ YES □ NO

If NO, has the applicant obtained the necessary legal documentation delegating the applicant as an agent of the owner who has the authority for implementing the activities associated with the proposed scope of work at the direction of the owner? (Certification of this legal relationship must be provided prior to the applicant receiving SAW grant assistance. The applicant must have the authority to establish a rate structure necessary to demonstrate significant progress with implementing a wastewater asset management plan if applicable. Note that a rate structure is not required for a stormwater asset management grant.)  YES  NO

**G. Funding Source for Associated Construction (if applicable)**

If the proposed scope of work for SAW grant assistance will result in subsequent construction, then identify the anticipated funding source(s) for the construction.

SAW  SRF  SWQIF  Rural Development  Other (explain) \_\_\_\_\_

The applicant intends to seek SAW, SRF, and/or SWQIF loan(s) to construct the proposed project in fiscal year \_\_\_\_\_ (an October 1st to September 30th fiscal year).

If construction financing is anticipated to come from a source other than SAW, SRF and/or SWQIF, identify the proposed construction year(s): \_\_\_\_\_.

**H. SAW Grant Agreement Period**

Start date of grant-funded tasks: July 2013 (month/year). May include services rendered on or after January 2, 2013, the effective date of the SAW program legislation.

Estimated date for completion of **all** grant-funded tasks: April 2017 (month/year). Must be completed within 3 years of executed grant.

**I. Does this project have an associated SRF/SWQIF loan or S2 grant(s)? If so, indicate the project number(s) below:**

S2 Grant Project # \_\_\_\_\_ SRF Loan Project # \_\_\_\_\_ SWQIF Loan Project # \_\_\_\_\_

**J. Is the applicant in receivership?  YES  NO**

**Is the applicant operating under an emergency manager or an emergency financial manager appointed under state law?  YES  NO**

**Is the applicant operating under a consent agreement as provided under the local government fiscal responsibility act, 1990 PA 72, MCL 141.1201 to 141.1291?  YES  NO**

If a disadvantaged community status determination is being requested, then complete and submit the worksheet in Appendix F. Communities considered disadvantaged by the DEQ can be awarded up to \$500,000 in grant funds to construct projects identified in an asset management plan.

## K. Project Cost Worksheet

Read the instructions below before completing the Project Cost Worksheet.

Grant Budget Item	Incurred Project Costs A	Estimated Project Costs B	Cost Supporting Documents Attached?	Total Project Costs A+B
1. Project Planning Costs			<input type="checkbox"/> YES	
2. Design Engineering Costs			<input type="checkbox"/> YES	
3. User Charge System Development Costs			<input type="checkbox"/> YES	
4. Wastewater Asset Management Plan Costs	<b>\$5,000</b>	<b>\$699,850</b>	<input checked="" type="checkbox"/> YES	<b>\$704,850</b>
5. Stormwater Asset Management Plan Costs			<input type="checkbox"/> YES	
6. Stormwater Management Plan Costs			<input type="checkbox"/> YES	
7. Innovative Wastewater and Stormwater Technology Costs			<input type="checkbox"/> YES	
8. Disadvantaged Community Construction Cost			<input type="checkbox"/> YES	
9. Cost Subtotal				<b>\$704,850</b>
10. LESS Local Match				<b>\$70,485</b>
11. Requested SAW Grant Amount (Line 9 minus Line 10)				<b>\$634,365</b>

### 1. Entering Cost Figures

To complete the Project Cost Worksheet, enter costs incurred to date in the first column and estimated costs in the second column. **Use whole dollar amounts for all entries.** A budget line item may have costs entered in each column; however, the entries must accurately reflect the division between incurred costs and estimated (i.e., the costs in the second column must not be a cumulative total but are to represent the balance of costs not yet incurred).

### 2. Supporting Documentation

Documentation must be attached to your application to support the costs included on the Project Cost Worksheet: Validate by checking the box in the third column on each requested line item.

- For incurred costs, adequate supporting documentation means executed contract; an invoice; proof of billing or payment for each cost for which grant assistance is being sought (e.g., copies of the monthly invoices from your consulting engineer, timesheet/payroll records showing hours worked and work performed).
- For estimated costs, adequate supporting documentation means an engineer's estimate; a letter, or email from a vendor detailing the services to be rendered and their costs; or a ledger of anticipated billable force account hours, employee rates, and classifications.

### 3. Executed Contracts (required for reimbursement, not required for grant application)

A contract between the applicant and the vendor must be executed for each service that has been or is to be rendered if the cost of such service is greater than \$50,000. An executed

copy of each contract, with a clear identification of the scope of the service(s) and a contract period, must be submitted prior to reimbursements of costs.

#### 4. Line-By-Line Completion Guidance

In addition to the costs described below, costs eligible for SAW grant assistance include: those incurred for services rendered on or after January 2, 2013; for services to prepare this grant application; and for activities performed by the applicant's employees that are directly related to the project. These incurred costs or cost estimates should be placed under the applicable budget lines.

##### Line 1 – Project Planning Costs

The costs associated with project planning activities and preparation of required planning documents. Refer to Appendix A or B.

##### Line 2 – Design Engineering Costs

The costs associated with engineering design and preparation of design required documents. Bidding phase services, including construction staking, are not eligible for SAW grant assistance. Refer to Appendix A or B.

##### Line 3 – User Charge System Development Costs

The costs associated with developing or updating the applicant's system of rates and user charges to cover the costs of project construction, operation, and maintenance as part of a planning or design grant. The costs to develop, amend, and pass sewer use ordinances, and prepare or revise intermunicipal service agreements necessary for construction of the proposed project are also eligible for reimbursement. Refer to Appendix A or B.

##### Line 4 – Wastewater Asset Management Plan Costs

The costs associated with developing a wastewater asset management plan. Only those components addressing wastewater assets are eligible (e.g., costs associated with conducting an asset inventory of other utilities cannot be included). Refer to Appendix C.

##### Line 5 – Stormwater Asset Management Plan Costs

The costs associated with the development of a stormwater asset management plan. SAW grant assistance is available for the development of an asset management plan for both open and enclosed storm sewer systems. Open drainage systems that are deemed surface waters of the state are not eligible for assistance to develop a stormwater asset management plan. Refer to Appendix C.

##### Line 6 – Stormwater Management Plan Costs

The costs associated with the development of a stormwater management plan. SAW grant assistance is available for the development of plans intended to address water quality problems from MS4 permitted stormwater systems and unpermitted stormwater runoff and nonpoint sources of pollution. Refer to the Stormwater Management Plan guidance and Appendix D for information on eligible plans and planning activities.

##### Line 7 – Innovative Wastewater and Stormwater Technology Costs

The costs associated with testing and demonstrating the practical use of technology to address a water quality issue. The cost of the technology is not eligible for SAW grant assistance. Refer to Appendix E.

Line 8 – Disadvantaged Community Construction Cost

The construction costs associated with a project identified in an asset management plan. The costs cannot exceed \$500,000. This is only available to communities identified as “disadvantaged.” See Appendix F.

Line 10 – Required Local Match

SAW grant assistance is limited to \$2 million per community with a 10-percent local match for the first million and a 25-percent local match for the second million. Applicants who responded “Yes” to any of the questions under Section J of this application or whose community status is determined as disadvantaged by the DEQ are not required to provide a local match.

**L. Covenants and Certifications**

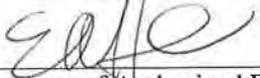
The applicant must abide by all of the covenants and certifications enumerated below:

1. The applicant has the legal, managerial, institutional, and financial capability to plan, design, and build the project, or cause the project to be built, and cause all facilities eventually constructed to be adequately operated.
2. The applicant certifies that no undisclosed fact or event, or pending litigation, will materially or adversely affect the project, the prospects for its completion, or the applicant's ability to make timely repayments of the grant if the project does not proceed.
3. The applicant agrees to provide the local match for grant-eligible costs and disburse match funds to service providers concurrent with grant disbursements.
4. The applicant agrees to maintain complete books and records relating to the grant and financial affairs of the project in accordance with generally accepted accounting principles (GAAP) and generally accepted government auditing standards (GAGAS).
5. The applicant agrees that all municipal contracts related to the project will provide that the prime contractor and any subcontractor may be subject to a financial audit and must comply with GAAP and GAGAS.
6. The applicant agrees to provide any necessary written authorizations to the DEQ and the Authority for the purpose of examining, reviewing, or auditing the financial records of the project. The applicant also agrees to require similar authorizations from all contractors, consultants, property owners, or agents with which the applicant negotiates an agreement.
7. The applicant agrees that all pertinent records shall be retained and available to the DEQ and the Authority for a minimum of three years and that if litigation, a claim, an appeal, or an audit is begun before the end of the three-year period, records shall be retained and available until the three years have passed or until the action is completed and resolved, whichever is longer.
8. The applicant agrees to ensure that planning and design activities of the project are conducted in compliance with the Natural Resources and Environmental Protection Act, 1994 PA 451, as amended; its Administrative Rules; and all applicable state laws, executive orders, regulations, policies, and procedures.
9. The applicant acknowledges that acceptance of a wastewater asset management grant will subsequently affect future NPDES permits to include asset management language as applicable.

I certify that I am the authorized representative designated by the municipality, as defined by Section 324.5301(i) of Part 53 of the Natural Resources and Environmental Protection Act, 1994 PA 451, as amended, that will receive the grant for this project and that the application information being submitted is complete and accurate to the best of my knowledge.

I further certify that Charter Township of Oshtemo (legal name of applicant) agrees to and will abide by the covenants and certifications stipulated above.

Libby Heiny-Cogswell  
Name and Title of Authorized Representative (Please Print or Type)

  
Signature of Authorized Representative (Original Signature Required)

11-19-2013  
Date

**Required Documents**

The following documents must be submitted with this application. This grant application will be deemed incomplete if the required documents are not attached.

- (1) Authorizing Resolution. An adopted and certified copy of the attached standard resolution, **including the SAW Grant Agreement boilerplate marked SAMPLE**, must be attached.
- (2) Application Information. The proposed scope of work must be supported by the additional information required under Section E on page 3.
- (3) Cost Support Documentation. All requested costs must be supported with documentation consistent with the instructions on pages 5-7.
- (4) All of the required information listed in each of the applicable appendices must be provided.

Please return the application and the specified attachments to:

REVOLVING LOAN SECTION  
OFFICE OF DRINKING WATER AND MUNICIPAL ASSISTANCE  
MICHIGAN DEPARTMENT OF ENVIRONMENTAL QUALITY

**MAILING ADDRESS**  
P.O. BOX 30241  
LANSING MI 48909-7741

**SURFACE DELIVERY ADDRESS**  
CONSTITUTION HALL, 4<sup>TH</sup> FLOOR SOUTH  
525 W ALLEGANS ST  
LANSING MI 48933

Grant Application Received By:	Can Expect A Grant Award In:*
July 1	October
October 1	January
January 1	April
April 1	July

\*A hard copy of the grant application must be submitted to the DEQ. Grant application may be submitted at any time beginning December 2, 2013. Grant awards will be issued quarterly based upon the date an application is administratively complete, until available SAW funding has been exhausted.

THE FORM WILL NOT BE ACCEPTED IF IT HAS BEEN EDITED, ALTERED, RETYPED, OR CONVERTED TO ANY OTHER FORMAT.

**APPENDIX C**  
**Asset Management Plan for Stormwater and Wastewater**

**A. Proposed Scope of Work**

Applicants can seek AMP grant assistance to cover the costs of the asset management plan development and implementation for wastewater and stormwater systems. This includes a complete inventory of all existing system assets. If the condition of the asset is not known, a reasonable assumption is acceptable. Cleaning and televising of the entire system is not expected.

If the wastewater AMP identifies a gap in the current revenue needs to meet expenses, then significant progress must be made toward achieving the funding structure necessary to operate the system. If no gap is identified, the applicant has fulfilled the significant progress requirement. Significant progress is defined as a 5-year plan to eliminate the gap with a minimum initial rate increase to close at least 10 percent of the funding gap. The first rate increase must be implemented within three years of the executed grant. The applicant will need to certify that all grant activities have been completed at the end of three years and submit a copy of the 5-year plan with the certification.

The stormwater AMP must be implemented within three years of the executed grant. The applicant is required to submit the Stormwater AMP Certification of Project Completeness within three years of the executed grant.

Describe the specific activities you will fund with the AMP grant assistance. Attach additional pages as necessary:

See attached Work Plan.

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**B. Describe your current asset management plan as applicable:**

We currently do not have an Asset Management Plan.

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Provide the percentage of tasks completed and describe each asset management component of your current asset management plan

1. Asset Inventory and Condition Assessment – 2% (As-built linkage to current GIS)
2. Level of Service – 0%
3. Criticality of Assets – 0%
4. Operation and Maintenance (O&M) Strategies/Revenue Structure – 0%
5. Long-term Funding/Capital Improvement Planning – 0%

**C. Revenue Structure (for wastewater only)**

Attach a copy of the current rates. It is expected that the applicant will submit an updated copy of the rate methodology within 2 ½ years of the executed grant to the DEQ.

If the applicant currently does not have a rate methodology, the asset management plan must include the development of a funding structure and rate methodology that provides sufficient resources to implement the asset management plan.

Is the applicant part of a regional facility? ■ YES □ NO

**D. Cross-Sectoring**

Section 2504 e (2)(i) states that “The municipality shall coordinate, as feasible, with other infrastructure activities in the same geographic area.” Asset management encourages cross-sector utilization (for water utility, roads, gas, phones, etc.); however grant assistance may only be requested for those costs directly related to the requested asset management grant.

If cross-sectoring occurs, describe how SAW costs will be tracked.

We plan to use the information contained in our proposed SAW Asset Management Plan to inform system-wide infrastructure improvement decisions by eventually including our water and road systems in separate future Asset Management Plans. At this time, our expenditures will be limited to solely SAW-eligible activities for our wastewater system.

**E. Project Cost Worksheet**

Carefully read the guidance below before completing the Project Cost Worksheet.

Item	Incurring Costs	Force Account Costs	Estimated Costs	Supporting Documents	Total
Inventory			\$48,233	Ⓚ N	\$48,233
Condition assessment (excluding televising)			\$131,738	Ⓚ N	\$131,738
Metering/modeling			\$5,956	Ⓚ N	\$5,956
AM/GIS Software*			\$7,180	Ⓚ N	\$7,180
AM/GIS Training*			\$16,020	Ⓚ N	\$16,020
AM/GIS Hardware*			\$15,280	Ⓚ N	\$15,280
Cleaning & Televising			\$250,000	Ⓚ N	\$250,000
Contracted costs					
Equip. rental costs					
Labor costs					
Level of Service			\$20,200	Ⓚ N	\$20,200
Service agreement development					
Public meeting cost					
Ordinance cost					
Training/certification For PACP			\$0	Y Ⓚ	\$0
For MACP					
Rate Structure Development costs			\$54,146	Ⓚ N	\$54,146
Other	\$5,000		\$151,097	Ⓚ N	\$156,097

\*Indicates items included in the cost limitations for software, hardware, and training as described in the Guidance below.

**F. National Pollutant Discharge Elimination System (NPDES) Permits for Municipal Wastewater Systems Only (Not Stormwater)**

Do you currently hold a NPDES permit to cover discharges from your wastewater system?  
 YES  NO

If Yes, what is the permit number? \_\_\_\_\_

If you have a NPDES permit, does it currently contain an asset management requirement?  
 YES  NO

**Note:** For all NPDES permit holders, the applicant acknowledges that acceptance of a SAW wastewater asset management grant will result in an asset management condition in the next reissued NPDES permit. The asset management plan developed must meet NPDES permit requirements. The NPDES permit language can be found at: [www.michigan.gov/cleanwaterrevolvingfund](http://www.michigan.gov/cleanwaterrevolvingfund) (select Forms and Guidance).

**GUIDANCE FOR APPENDIX C**

Grant Eligible

- AMP/Geographic Information System (GIS) mapping software/hardware/training. Total limits are as follows:

Service Area Population	Dollar Limit
Less than or equal to 5,000	\$60,000
5,001 to less than or equal to 20,000	\$85,000
20,001 to less than or equal to 50,000	\$110,000
Greater than 50,000	\$160,000

Note: Attach justification when assistance is sought for an applicant with an existing GIS system or for when an exception is being made to the above dollar limits.

- Asset condition assessment (manhole inventory, cleaning and televising)
  - All televising and documentation must be completed in accordance with National Association of Sewer Service Companies (NASSCO) Pipeline Assessment and Certification Program/Manhole Assessment Certification Program (PACP/MACP) requirements and by PACP/MACP certified personnel.
  - ***Equipment rental costs for force account work of cleaning and televising equipment owned by the applicant will be reimbursed at rates no greater than those provided in an informal quote on a per foot basis.***
  - A justification is needed to clean and televise sewers installed or relined within the last 20 years. The limit is to encourage communities to focus on sewers installed or relined prior to 1993.
- Force account costs associated with the direct implementation of the AMP/GIS software and hardware. The maximum rate for fringe costs is 40 percent of salary.
- The technical, legal, and financial costs to develop a funding structure and implementation schedule necessary to implement an AMP, or portion thereof. These tasks include those costs associated with the preparation or amendment of sewer use and rate ordinances, stormwater

management ordinances, policies and design standards, preparation or revision of inter-municipal service agreements, and submittal of the proposed budgets and rate methodologies.

- Any specific tasks named as a condition of an NPDES permit not identified elsewhere in this guidance, such as mapping without GIS, a fixed asset inventory, a business risk evaluation, an annual report of operation, maintenance, and replacement (OM&R)/AMP activities, etc.
- Aerial data collection at the 12-inch resolution when it is purchased from the county or obtained from the state (for GIS purposes only).
- The development of a stormwater funding structure is not required; however, an analysis of costs to maintain the system and to support the asset management program must be included.
- Stormwater utility development costs.
- Level of service may include service agreement development, public meeting costs, and ordinance costs.

#### Grant Ineligible

- Annual license renewals to an existing GIS system.
- Legal fees to defend the rate structure if challenged.



# **Asset Management Work Plan**

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Oshtemo Township

## **Wastewater Collection**

November 2013

2130357

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## **I. COMMUNITY BACKGROUND**

### **A. Asset Management System Need**

Oshtemo Township currently does not have a comprehensive Asset Management Plan for its wastewater collection system. Capital expenditure planning is based on a Capital Improvement Plan that is updated based on known deficiencies and in response to known problem areas in its system. The Capital Improvement Plan sewer planning is based on 3-year planning in 1-year increments and also 30-year planning based on 10-year increments. Also the Township maintains a capital balance in reserve, dedicated to public works and provides line items in the annual budget when expenses are reasonably anticipated. The current user charges do provide funding for long-term capital improvements. Oshtemo Township would like to perform a comprehensive asset inventory and condition analysis, review lifecycle costs, and plan for improvements to its infrastructure systems.

### **B. Community Asset Management Team Members**

Oshtemo Township's Asset Management Committee includes the following people:

- Township Supervisor – Elizabeth Heiny-Cogswell
- Township Clerk – Nancy Culp
- Township Engineer – Marc Elliott, P.E.
- Consultants – Prein&Newhof
- Financial Adviser - H.J. Umbaugh & Associates

### **C. General Community Information**

Oshtemo Township is located in Kalamazoo County, Michigan and its 2010 U.S. Census population is 21,705 people. Oshtemo Township is located in Kalamazoo County on the Van Buren County line, adjacent to and west of the City of Kalamazoo and Kalamazoo

Township, adjacent to and north of Texas Charter Township, and adjacent to and south of Alamo Township. According to the United States Census Bureau, the Township has a total area of 36.2 square miles, of which, 36.0 square miles of it is land and 0.2 square miles is water.

Oshtemo Township owns and the City of Kalamazoo operates, via contract agreement, the following assets related to the wastewater collection system:

- 1,080 Sanitary Manholes
- 10 Pump Stations
- 241,160 Feet of Gravity Sewer
- 30,100 Feet of Force main

#### D. Service Area

The wastewater system serves the area shown on the attached map. It serves 1,492 customers. The customer count includes approximately 242 commercial, 1 industrial, 404 multi-family, 1 public (governmental) and 1 miscellaneous units. The remaining 843 connections are single family households. The total number of Residential Equivalent Users (REUs) equivalence is unknown. The Township began tabulating REU's for new customers in 2000, but there are no records for prior connections. For planning purposes, the Township correlates REUs with Land Use.

#### E. Soils, Topography, Special or Unusual Features

There are four general soil types within the Township:

- Kalamazoo-Schoolcraft: Nearly level to rolling, well drained soils that have a loamy subsoil or a loamy and sandy subsoil; formed in the glacial outwash.

- Oshtemo-Coloma-Kalamazoo: Undulating to steep, well drained or somewhat excessively drained soils that have a sandy subsoil or a loamy and sandy subsoil; formed in glacial outwash and sandy morainic deposits.
- Coloma-Spinks-Oshtemo: Nearly level to rolling, somewhat excessively drained or well drained that have a sandy subsoil or a loamy and sandy subsoil; formed in the glacial outwash and sandy morainic deposits.
- Thetford-Gilford-Granby: Nearly level, somewhat poorly drained to very poorly drained soils that have a sandy subsoil or a loamy and sandy subsoil; formed in the glacial outwash.

Kalamazoo-Schoolcraft soils cover the eastern third of the township with groundwater generally greater than 20 feet below grade.

Oshtemo-Coloma-Kalamazoo soils cover approximately one-sixth of the township and are located in the middle third of the northern half of the township with groundwater ranging greatly from less than 5 feet to greater than 20 feet below grade.

Coloma-Spinks-Oshtemo soils cover approximately 50 percent of the township and are generally located in the west half of the township with groundwater ranging greatly from less than 5 feet to greater than 20 feet below grade.

Thetford-Gilford-Granby soils cover only a very small portion of the northwest corner of Section 6 of the township with groundwater typically less than 5 feet below grade.

There are very little major surface water features in the area; however, the eastern two-thirds of the township consist of many depressions, ridges, and valleys with various degrees of elevation change. The western third of the township has a general slope to the northwest. The ground elevation at the northwest corner of the township is approximately

732 feet USGS and climbs to approximately 1044 feet USGS at the middle third of the township. As mentioned earlier the eastern two-thirds vary widely, but are typically above 880 feet USGS.

## F. Income and Demographics

Its 2010 U.S. Census Median household income was \$36,766 compared to the Michigan median income of \$45,255 from the same Census.

Current wastewater rates average \$200 per household/REU per year. The City of Kalamazoo bills the customers within Oshtemo Township, who use the City of Kalamazoo's established rates. (See attached rate sheet). These rates are for operation and maintenance costs only. The Township adds a 2 percent surcharge to the bill for long-term capital improvements and this 2 percent generates approximately \$25,000 per year.

Oshtemo Township currently has no wastewater system debt. Oshtemo Township's current annual operation and maintenance expense for its wastewater system is generally paid for through the rates set by the City of Kalamazoo in accordance with the Oshtemo-Kalamazoo retail service contract. The Township does perform \$10,000 to \$20,000 a year in repair replacement activities that fall outside the scope of the City contract.

## G. Desired Management System

Oshtemo Township currently utilizes hard copy prints, GIS mapping, and institutional staff knowledge, including the City of Kalamazoo staff, to manage its infrastructure system.

This does not allow long-term system management due to lack of comprehensive system information and allows loss of system information when staff changes occur. Oshtemo

Township wants to utilize a GIS-based Asset Management System to map its asset inventory, to link existing documents for its wastewater infrastructure, and track the type,

size, location, and condition of its assets. The GIS system will allow for easily updatable mapping, linkage to other system records, and publication of system maps for communication with elected officials and the public. The Township's record plans of the sanitary collection system covers approximately 100 percent of the overall system and have been hyper-linked to their GIS sanitary collection systems.

Oshtemo Township would like to expand their GIS capability in-house for use by its staff for tracking, updating and record keeping. To accomplish this, Oshtemo Township will need to purchase new hardware and software for one GIS workstation to be located at the Township Hall. To facilitate full use of its Asset Management system, Oshtemo Township proposes to purchase and utilize one mobile GIS work pad for use by field staff and/or a building inspector to access the GIS data while in the field and working on the utility assets. ArcPad software is also required. They also intend on purchasing one handheld GPS unit for ongoing inventory of the physical assets.

Oshtemo Township intends to utilize a consultant to set-up, update, and manage the GIS system that uses the ArcGIS software. They will also require the training of two people for the use of ArcGIS software and two people for the use of ArcReader software.

## H. Financial Analysis

### 1. Historical and Current Financials

Historical operating expenses are reviewed using audit and budget information.

- Three years audits.
- Current and proposed (if available) budgets.

A "Test Year" is developed that reflects a baseline cost.

- Based on current budget with leveling for base operating cost.

- Determination of anticipated changes to cost.

## 2. Customer Base

The customer base is reviewed, including the number of billable customers and volumetric sales.

- The accuracy of this data is verified by applying it to the current rate structure and compared to “Test Year” revenue.
- Other operating and non-operating revenues evaluated.

## 3. Forecasting

Assumptions are made regarding the customer base through the forecasted period. -

Prediction of customer and volume counts (may include more than one scenario)

Trending in system utilization, particularly for industry.

Projection of operating cost.

- Anticipated inflation by expense category.
- Determination of any additions or reductions based on changing operations.

Compilation of existing debt

- Existing annual debt service by debt issue.
- Debt is separated by revenue support, in particular, debt that is paid from rates.
- Refinancing and/or restructuring possibilities are explored.

## 4. Asset Management Funding

The Asset Management System will identify the estimated asset investment cost by year for a selected forecast period of time.

- The annual investment cost is evaluated and scenarios developed for cash funding and debt financing.

- Funding asset investment from cash balances is weighed against potential efficiency of grouping certain cost together for purposes of debt financing.
- Financing options are considered including State and Federal agency funding sources as well as open market bonds. Open market options will be affected by the size of the borrowing as well as other aspects such as credit and security.

The projected cash flow is solved to a cash and investment balance.

- Actual cash and investments are analyzed (not “Fund Balance” as found in the audit).
- A cash balance policy is developed that identifies a targeted upper limit as well as a minimum balance. These balances encompass legal commitments and good business practices.
- The policy includes flexibility for temporary reductions below the minimum balance based on a plan to attain the level within a given period.
- Separate capital improvement funds are considered. If utilized, a policy is developed as to whether they are to be restricted, and if so, whether by resolution or ordinance.

Rate management may be accomplished with more than one approach as to rate structuring and rate adjustment timing.

- As the operations and maintenance rates are addressed through the City of Kalamazoo retail contracts, funds for Asset Management will likely be collected through a fee established as a surcharge to the rates to be paid by the Township’s customers during normal billing cycle.
- Rate adjustment over time may be incremental or one time in nature.

## I. Asset Management Plan

The final Asset Management Plan will incorporate the results of the condition assessments, criticality reviews, alternatives analysis, and financial analysis. Required operations, maintenance, and improvements will be identified on a life cycle basis for all assets within the system. The resulting Asset Management System is intended to be used and updated by the community on a regular basis. The final system will also include clear methodologies, schedules, and parameters for continuing evaluation.

Oshtemo Township plans to present its Asset Management Plan to the Township Board in a series of three work sessions.

- Session One: Introductory session to review the Asset Management Plan, financing alternatives, and solicit Board comments. Also recommend expansion of the Asset Management Committee, which would include Oshtemo Township staff, two board members, and two or three members from the community at large. This would be a working committee to review the Asset Management Plan, financing, and education plans.
- Session Two: Review recommendations of the Asset Management Committee, provide detailed plan and cost review, and receive full Board comments.
- Session Three: Finalize Asset Management Plan and Public Education Program.

Following the Board work sessions, Oshtemo Township will implement the Public Education Program to present the Asset Management Plan, solicit public comment, and make adjustments as necessary to the Asset Management Plan.

## II. WASTEWATER COLLECTION SYSTEM ASSET MANAGEMENT PLAN

### A. Existing System

- The wastewater collection system currently serves approximately 18 percent of the land area within the municipal boundaries and comprises of 1,492 customers. The wastewater collection system has approximately 1,080 manholes and 250,000 feet of gravity piping consisting primarily of plastic pipe. Pipe diameters range from 8 to 24 inches, with the majority of the pipe being 8 to 12 inches in diameter. There are 10 municipal pump stations in the collection system with 30,100 feet of various size diameter force main. It is estimated that approximately 91,500 feet of the sanitary collection system was built prior to 1993 (over 20-year old pipe) and the remaining 150,000 feet was constructed from 1994 to date.
- The existing wastewater treatment system is provided by the City of Kalamazoo which also provides the “regional” wastewater treatment for all communities in Kalamazoo County, along with the Village of Mattawan in Van Buren County, and portions of Prairieville Township and Barry Township in Barry County.
- Oshtemo Township, being adjacent to the Kalamazoo Township and the City of Kalamazoo, has numerous points where wastewater flow enters the City of Kalamazoo where it then flows to the WWTP.
- One adjacent municipalities flow through Oshtemo Township to get to the WWTP and include the following community:
  - Texas Township

### B. System History/Concerns

Currently the wastewater collection system experiences the following known problems:

1. Heavy commercial/ restaurant use along West Main Street (M-43) increases the risk of high grease within the system and the potential for blockages.
2. The “N” Avenue interceptor just west of 12<sup>th</sup> Street, which is shared by Oshtemo and Texas Township, has shown some deleterious effects from sulfide attack of the concrete pipe. This is a result of the Mattawan forcemain discharging into the City of Kalamazoo interceptor sewer at 12<sup>th</sup> Street.
3. There has been a history of sewer blockages on Crystal Lane which serves an assisted living facility.
4. The original interceptor (Stadium, KL Avenue, 9<sup>th</sup> Street, and 11<sup>th</sup> Street) is a primary link to the surrounding area and is a concern for its high criticality for the Township, based on its flows and age of this portion of the system.
5. There is known sulfide damage to concrete manhole structure in the area of O’Park and Stadium Drive where the Greystone Pump Station discharges to the interceptor.
6. There is known sulfide damage to concrete manhole structure in the area of Stadium Pines and Stadium Drive where the Stadium Drive Pump Station discharges to the interceptor.
7. Two segments of older force main along Stadium Drive are of concern for condition due to their age.

Oshtemo Township would like to understand and/or evaluate all known wastewater issues identified above by the following methods:

- Grease issues will be evaluated by cleaning and televising the sewer pipe within the area of known concern and delineating areas that are prone to high grease.
- Sulfide issues will be evaluated by televising of sewer pipe, along with visual eye inspection of manholes within the area of known concern.

- Address blockages and back-ups issues will be evaluated by cleaning and televising the sewer pipe within the area of known concern and delineating areas that are prone to blockages and/or back-ups.
- The interceptor evaluation will be evaluated by CCTV, PACP ratings, and flow monitoring.

Other than the blockage on Crystal Lane, the Township is unaware of any other backup problems. Previous backups have typically affected one to two residents per occurrence. Infiltration and Inflow is not an issue within the system and no pump stations experience capacity problems and flow surges during/after rain events.

## C. Available Information

### 1. Maps

Oshtemo Township currently has an overall wastewater system map constructed within the Township's GIS system and identifies pipes, pipe sizes, and manhole locations.

The overall system map was created by a combination of CAD file conversions and/or from record plans. Although approximately 100 percent of the sanitary manholes and pipes are geographically represented in the GIS system, their accuracy is not reliable.

Record plans are currently "hyperlinked" to this GIS system and the record plans of the collection system identify pipe lengths, pipe sizes, and manhole locations. A hard copy of these plans is also stored at the Township Hall.

### 2. Condition Ratings

Oshtemo Township does not maintain records of sewer break repairs, but is not aware of any breaks within their collection system. There are no formal records for back-up histories (Crystal Lane) on file; the Township relies on the City of Kalamazoo to notify

the Township if any back-ups occur. No computer modeling of the sanitary has been performed to date. In 2000, the City of Kalamazoo installed flow monitoring equipment at all locations where the collection systems crosses jurisdictional boundaries to collect flow data. No other flow monitoring has been performed to date. The Township has no videos of CCTV or has not had NASSCO's Pipeline Assessment Certification Program (PACP) ratings performed on their sanitary system.

#### D. System Inventory

Oshtemo Township proposes the following methods to establish and/or update its asset inventory:

- Manholes – Utilize handheld GPS for horizontal location of all manholes (three foot accuracy), which will be performed at the time of the condition assessment.
- Gravity Sewer Piping - Coordinate field mapping of pipe sizes, material type, and year of construction by utilizing available construction drawings and secondary field verification with laptop editing at the time of condition assessment.
- Pump Station – Utilize Handheld GPS for horizontal location (three foot accuracy), which will be performed at the time of condition assessment. An equipment inventory of all significant components will be established.
- Force Main Piping - Utilize record plans for depicting the underground force main piping locations, size, material type, and year of construction and secondary field verification with laptop editing. Utilize Handheld GPS for horizontal location (three foot accuracy) of air-releases and cleanouts, which will be performed at the time of condition assessment.

## E. Condition Assessment

Oshtemo Township proposes the following methods to perform a condition assessment of its assets:

- Manholes - Condition assessment will be performed by naked-eye Visual Assessment and Photographic Documentation of defects identified during visual assessment.
- Gravity Sewer Piping (physical) – Condition assessment of all piping segments will be performed by Visual Assessment of the first 50 feet of pipe from each manhole with zoom camera. In-line inspection of the system with CCTV will be used on all pipes constructed prior to 1993, and all critical pipes, concrete and clay pipes, and impacted pipes as determined by zoom camera inspection. A certified technician will determine NASSCO’s Pipeline Assessment Certification Program (PACP) pipe rating based on video documentation.
- Gravity Sewer Piping (capacity) – Flow study for the original interceptor (Stadium, KL Ave, 9<sup>th</sup> Street & 11<sup>th</sup> Street) will be performed.
- Pump Stations – Condition assessment of the pump station components will be performed by the following methods:
  - Structure – Naked-Eye Visual Assessment
  - Pumps - Motor/Impeller –Components Inventory, Drawdown Testing, and Amp Reading during starts and pump runs.
  - Internal Piping – Naked-Eye Visual Assessment
  - Site Conditions – Naked-Eye Visual Assessment
  - Generator – Visual Assessment, Load Testing, and Maintenance Records Review.
  - Control Panel – Major Components Evaluation (Panel Condition, Telemetry, and Controller) by the following methods:

- Panel Condition – Naked-Eye Visual Assessment
- Telemetry – Visual inspection of controls, review of maintenance records, inventory age and capabilities of components, and review performance of system.
- Controller - Visual inspection of sensors and controls, review of maintenance records and inventory adequacy of data, functionality, age, and capabilities
- Force Main Piping - Condition review will be performed by naked-eye Visual Assessment of the exterior of the pipe and Photographic Documentation will be performed if defects are identified during visual assessment. Condition review will typically take place at air-release manholes, discharge locations, and other points of visual observations. A study of the soils condition along the route will be performed to determine the possibility of corrosive soils. Condition assessment will also be performed by digging and exposing the force main in one location for each of two identified critical force main segments.

## F. Criticality Review

### *Risk of Failure*

- The risk is based on condition of assets and environmental conditions.

### *Consequence of failure*

- The consequence is based on physical location of asset and the value of adjacent assets.
- User types in service district and potential damage/loss from loss of service
  - Potential physical damage
  - Potential economic damage
    - Identify major economic impacts and determine impact calculation methodology.
- Size of service district determines the magnitude of the loss of service impact

- o Environmental Impact

## G. Life Cycle Cost Analysis

The Life Cycle Cost Analysis will be performed for each of the system assets. For the various system components, least cost alternatives will be reviewed. Decisions regarding the desired alternatives will be based on the most effective and currently available technologies. For piping systems, potential alternatives include joint repairs, rehabilitation, cured-in-place lining, slip lining, and replacement. For pump stations, analysis will include review of energy usage, pumping efficiencies, maintenance frequencies, and reliability.

The Life Cycle Cost Analysis matrix will be periodically reviewed and updated as additional technologies become available.



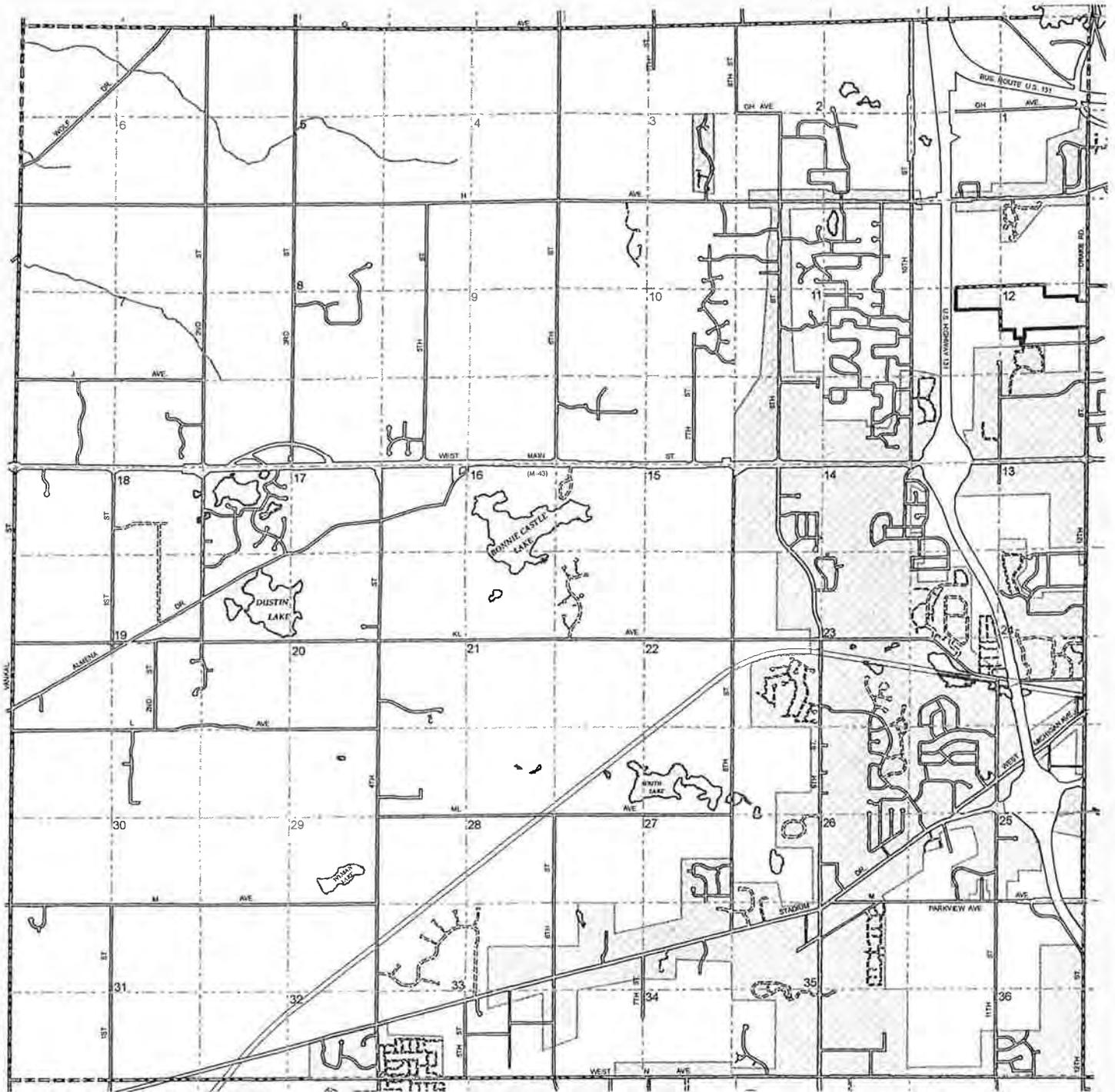
# CHARTER TOWNSHIP OF OSHTEMO

SAW Grant  
 Asset Management Planning & Budgeting Worksheet  
 Wastewater Collection System  
 Engineer's Cost Estimate: Prein&Newhof

Task	Method	Total Cost
<b>TOTAL COSTS</b>		<b>\$704,850</b>
<b>PRE-APPLICATION COSTS</b>		<b>\$5,000</b>
Work plan development (PN proposal)		\$5,000
Client's Eligible Costs (See worksheet on last tab)		
<b>INVENTORY - DATA COLLECTION</b>		<b>\$48,233</b>
<b>Manholes</b>		<b>\$0</b>
Field Location of Rims	Survey GPS	\$5,808
	Handheld GPS	
		\$144
Mapping Manholes from Survey or Handheld	Import	\$0
Mapping using Aerial or other overlays	Graphical from Aerial or other maps	
		\$0
Manhole Internal Info (inverts/sizes/material)	Sizes/inverts by opening structure	\$3,598
Input MH Internal Info	Sizes/inverts	
		\$1,688
Pipes - all in office work	GIS line work	
<b>Pump Station</b>		<b>\$2,863</b>
ID location	Handheld GPS	\$0
ID location	Survey	\$0
ID location	Based on aerial map	\$14,280
Linking data to GIS - O&M manuals, etc.		
		\$2,000
Force Main		\$0
Other Assets - Equipment		\$0
Special Features		\$0
Scan/Link Documents	GIS linking of as-builts to maps	\$0
Scan/Link Documents	GIS linking of Videos	\$0
Scan/Link Documents	GIS linking of Photos	\$0
<b>OTHER</b>		<b>\$2,738</b>
Internal Meetings		\$1,586
Client Meetings		\$13,528
Project Management and internal coordination		
		<b>\$131,738</b>
<b>CONDITION ASSESSMENT</b>		<b>\$30,018</b>
<b>Manholes and Pipes</b>		<b>\$30,018</b>
Field Review	Visual and zoom camera	\$20,560
Office review - Condition Rating Input	Data Review	
		\$53,470
Pump Station - Submersible/Can	includes all components	\$0
Pump Station - Drywell/Wet well below grade	includes all components	\$0
Pump Station - Drywell/Wetwell with building	includes all components	\$0
Pump Station - Major station	includes all components	
		\$10,000
FM Assessment		\$0
Condition Assessment based on Owner provided video		
		\$1,974
Assessment Mapping		\$5,249
Assessment Review	per foot of pipe	
<b>OTHER</b>		<b>\$3,722</b>
Internal Meetings		\$3,318
Client Meetings		\$3,428
Project Management and internal coordination		
		<b>\$8,707</b>
<b>LEVEL OF SERVICE - Physical Asset Evaluation</b>		<b>\$2,902</b>
Review Capacities		\$2,902
Review breakage/repair demands		\$2,902
Input level of service ratings		

RISK/CONSEQUENCE		\$51,385
<b>Risk of failure Evaluation</b>	Review Asset failure modes, condition, and LOS	
Manholes	Based on structure type and condition rating	\$1,100
Pipes and Forcemains	Data Review	\$2,902
Pump Station - Submersible/Can	Includes all components	\$6,080
Pump Station - Drywell/Wet well below grade	includes all components	\$0
Pump Station - Drywell/Wetwell with building	includes all components	\$0
Pump Station - Major station	includes all components	\$0
<b>Consequence of failure Evaluation</b>	Review population served and failure damage	\$0
Manholes	Data Review	\$1,100
Pipes and Forcemains	Data Review	\$7,256
Pump Station - Submersible/Can	includes all components	\$12,160
Pump Station - Drywell/Wet well below grade	includes all components	\$0
Pump Station - Drywell/Wetwell with building	includes all components	\$0
Pump Station - Major station	Includes all components	\$0
<b>Generate Criticality Rating</b>		\$0
Manholes	Data Review	\$1,100
Pipes and Forcemains	Data Review	\$2,902
Other - Master Plan		
OTHER		
Internal Meetings		\$4,302
Client Meetings		\$3,878
Project Management and internal coordination		\$8,604
<b>DEVELOP ASSET MANAGEMENT PLAN</b>		<b>\$91,005</b>
Determine rehab/replacement options	per foot of pipe	\$5,249
Determine recommended action	per foot of pipe	\$8,463
Develop costs for O&M (lifecycle)	per foot of pipe	\$5,249
Develop Costs for Rehab/Replacement	per foot of pipe	\$5,249
Create Map of Improvements and with Criticality Factors	per foot of pipe	\$2,984
Create Map of Projects and Timeline	per foot of pipe	\$2,984
Develop AM plan with projects, costs, and timeline	per foot of pipe	\$8,463
Pump Station - Submersible/Can	includes all components	\$24,320
Pump Station - Drywell/Wet well below grade	includes all components	\$0
Pump Station - Drywell/Wetwell with building	includes all components	\$0
Pump Station - Major station	includes all components	\$0
Develop draft A.M. report		\$7,120
Produce final report		\$2,788
OTHER		
Internal Meetings		\$5,883
Client Meetings		\$5,397
Project Management and coordination		\$6,856
<b>METERING/MODELING</b>		<b>\$5,956</b>
<b>Capacity Review - Flow Modeling</b>	Based on system size, number of pipe segments	\$0
Calculate Potential Contributing Flow		\$0
Flow Monitoring	per location - 12 week monitoring period	\$5,956
Model Calibration		\$0
Run Capacity Analysis		\$0
<b>I/I Evaluation</b>	Flostiks, Meters, Engineer, Modeling, Report	
Flow Monitoring	per location - 12 week monitoring period	\$0
Data Analysis	based on size of area, PM to set hours	\$0
Final Report and recommendations		\$0
Smoke Testing		\$0
OTHER		
<b>MAPPING - Check against MDEQ allowable limit</b>		<b>\$38,480</b>
ARC GIS Software	Initial Software	\$7,180
GIS Hardware		
Installation	2 days setup of hardware by P&N	\$1,280
Laptop / desktop computer		\$2,000
Field book		\$2,000
Handheld GPS Unit with software		\$10,000
GIS Training		
P&N Provided training	2 day training plus 100 hours as needed help	\$12,760
Online courses		\$0

ESRI courses		\$1,500
OTHER - Arc Reader Training	1 - day	\$1,760
		<b>\$250,000</b>
<b>CLEANING AND TELEVISIONING</b>		
Cleaning	Cut and Jet	\$125,000
Televising	CCTV (1993 or before with estimated 20% of newer identified as necessary)	\$125,000
		<b>\$20,200</b>
<b>LEVEL OF SERVICE - Administrative</b>		
Service Agreement Development		\$13,360
Public Meetings including prep time		\$6,840
Ordinance Development		\$0
		<b>\$0</b>
<b>TRAINING AND CERTIFICATION (PACP/MACP)</b>		
PACP Certification	Course Fee and personnel time	\$0
MACP Certification	Course Fee and personnel time	\$0
		<b>\$54,146</b>
<b>RATE STRUCTURE/USER CHARGE SYSTEM DEVELOPMENT COSTS</b>		
Financial analysis, rate evaluation, financial plan	Scope and Costs by Financial Advisor	
Review Historical Operating Expenses		\$1,800
Develop Test Year Model		\$1,200
Review Customer Base		\$1,200
Cost Forecasting		\$3,000
Funding Options and long term Financing		\$1,800
Cash and Investment Policy development		\$1,200
Long Term System Management Plan		\$1,800
		\$9,570
Governing Body Work Sessions and prep time		\$12,760
Public Education Meetings and prep time		
		\$6,324
Internal Meetings		\$6,636
Client Meetings		\$6,856
Project Management and coordination		



**LEGEND**

 Service Area

**Charter Township of Oshtemo**  
 Kalamazoo County, Michigan  
**Existing Sanitary Sewer**  
**Service Area**



October 2013

Prein&Newhof

## WASTEWATER COMMODITY CHARGES (Rate Schedules "E" & "F")

Rate per cubic meter on all water used (see section on limitations below). Commodity charges are determined by Operation, Maintenance, and Replacement cost (OM&R) plus Capital expense. The components and total commodity charge for each customer class for accounts in the City and Outside the City are detailed below.

Customer Class	OM&R	Capital	Commodity Charge	Total
City				
Residential	\$.490	\$(.132)	\$.358	
Commercial	.490	(.132)	.358	
Industrial	.490	(.132)	.358	
Dewatering	.490	(.159)	.331	
Sepage Haulers	248.364	22.044	270.408	
Outside City				
Residential	.490	.283	.773	
Commercial	.490	.283	.773	
Industrial	.490	.283	.773	
Dewatering	.490	.295	.785	
Sepage Haulers	248.364	22.044	270.408	

### Limitations on Wastewater Commodity Charges:

Establishment of Sewer Base:

**\*Small Users, Quarterly:** Any quarterly wastewater customer that uses less than 200m<sup>3</sup> of water during the "winter quarter" (Nov.-Mar.) shall be given a sewer base during the remaining three quarters. The sewer base will be based on the actual usage during the winter quarter, however, the maximum quantity billed for shall not exceed 120% of the sewer base established in the winter quarter.

**\*Small Users, Monthly:** Any wastewater customer whose maximum monthly metered water consumption is less than 66 m<sup>3</sup> during the winter months (Nov.1-April 20) shall be given a sewer base during the remaining six months. The sewer base will be based on the actual usage during the winter months, however, the maximum quantity billed for shall not exceed 120% of the sewer base established in the winter months.

**Large Users:** Customers whose metered water consumption exceeds the above limits shall be billed on the basis of actual metered water for all water used.

**Special Sewer Metering:** Customers with their own water supply require special metering or billing arrangements by ordinance. "Large users" disposing of some wastewater by other than the City wastewater system need special metering arrangements to correctly bill the sewer service. These arrangements are the responsibility of the customer and are subject to prior approval of the Wastewater Division.

### How a Bill is Calculated:

The amount shown on the bill for water and for sewer includes an availability fee and a commodity charge.

### Sample Billing Calculation

Quarterly residential customer inside city with 5/8" meter using 70 m<sup>3</sup> of water, Schedule "A".

Water	
Availability Fee, 5/8" meter	= \$20.70
Residential Commodity Charge, City = .284 per m <sup>3</sup> 70 m <sup>3</sup> x .284	= \$19.88
<b>Total Water</b>	<b>= \$40.58</b>

### Wastewater

Availability Fee, 5/8" meter	= \$ 6.77
Commodity Charge, City = .358 per m <sup>3</sup> 70 m <sup>3</sup> x .358	= \$25.06
<b>Total Sewer</b>	<b>= \$31.83</b>
<b>Total Charge, Water and Wastewater</b>	<b>= \$72.41</b>

**Township Surcharges:** A township may elect to impose a Utility Improvement Surcharge. The City of Kalamazoo is contractually obligated to collect and forward the fee to the township office. Any questions regarding this improvement surcharge should be directed to the township office.

**Surcharges:** Wastewater of unusual strengths and characteristics will be charged special surcharges, according to ordinance. Questions on the application and interpretation of surcharges should be referred to the Wastewater Division, 337-8157.

**Collection Policies:** Charges for water and sewer are due 21 days after billing date. After the due date the "gross" amount shown on the bill must be paid, which includes a 5% penalty. Accounts become delinquent 45 days after billing, and service may be discontinued until the bill and a \$10 collection fee are paid.

**Availability Fee/Minimum Charge:** This is a fee charged to all active accounts, even if there is no usage. It covers the cost to read and maintain the meter and to process your bill, while the service is on and available for use. This charge will be discontinued only when the customer responsible for the account requests the water to be turned off.

**Meters:** Meters for water customers are furnished and maintained by the City Utilities without charge. Only one customer's name is permitted on a single service. The size of the meter is determined by the Utility, based on peak demand flow required by the customer.

### BILLING UNITS

Kalamazoo's water meters measure in metric units. The billing unit is the cubic meter (m<sup>3</sup>) which is equal to 264.2 gallons. Conversions to other measurements are shown below.

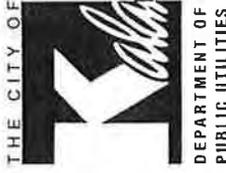
1 cubic meter (m <sup>3</sup> )	=	1,000 liters
1 cubic meter (m <sup>3</sup> )	=	.3531 x 100 cubic feet
1,000 gallons	=	3,785 cubic meters
1(00) cubic foot	=	2,832 cubic meters

General Offices, Billing,  
and Customer Services:

241 W. South Street  
Kalamazoo, MI 49007  
Phone: 337-8149

Wastewater Reclamation Plant  
1415 N. Harrison St.  
Kalamazoo, MI 49007  
Phone: 337-8157

Form No. 557 (Rev. 3/1/12)



# WATER and WASTEWATER RATE SCHEDULES

## March 1, 2012

**WATER RATES**

The charge for water service is the sum of the Availability Fee (determined by the size of the water meter) plus the Commodity Charge (determined by the amount of water used). Commodity rates vary depending on customer class (i.e., residential, multi-family residential, and commercial/industrial).

**Rates Outside City of Kalamazoo**

Customers outside the corporate limits of the City of Kalamazoo are charged the rates identified "outside city" in the following schedules.

- Township Surcharges - Water
  - Oshkimo - 4%
  - Comstock - 3%
  - Kalamazoo Township - 3%

**QUARTERLY WATER AVAILABILITY FEES (Rate Schedule "A")**

For all small general and residential customers, billed every three months. Rates are based on a 90 day period.

Meter Size	City	Outside City
5/8-3/4"	\$20.70	\$24.48
1"	27.48	32.76
1 1/2"	34.25	41.04
2"	52.87	63.82

**MONTHLY WATER AVAILABILITY FEES (Rate Schedule "B")**

For commercial and other users large enough to warrant monthly billing. Rates are based on a 30 day period.

Meter Size	City	Outside City
5/8-3/4"	\$9.41	\$10.67
1"	11.67	13.43
1 1/2"	13.93	16.19
2"	20.14	23.79
3"	65.86	79.70
4"	82.79	100.41
6"	122.80	148.72
8"	167.45	203.94

**WATER COMMODITY CHARGES (Rate Schedules "A" & "B")**

Rates per cubic meter on all water used.

Customer Class	City	Outside City
Residential (1-3 dwelling units, includes mobile home parks)	\$0.284	\$0.516
Multi Family Residential (4 or more dwelling units)	0.255	0.343
Commercial/Industrial (Also Institutional)	0.286	0.365

**FIRE PROTECTION (Schedule "C")**

For water service to accounts with fire protection systems.

**Monthly Availability Fee**

Rates are based on a 30 day period

Detector Check Size	City	Outside City
4"	\$23.63	\$30.86
6"	28.03	36.13
8"	37.12	46.84
10"	77.33	92.01

**Monthly Commodity Charge**

per cubic meter

Detector Check Size	City	Outside City
First 15 m <sup>3</sup> /mo.	\$0.275	\$0.377
Over 15 m <sup>3</sup> /mo.	0.825	1.131

**Quarterly Availability Fee**

Rates are based on a 90 day period

Detector Check Size	City	Outside City
4"	\$39.37	\$46.32
6"	51.57	60.00
8"	78.85	88.61
10"	199.49	218.99

**Quarterly Commodity Charge**

per cubic meter

Detector Check Size	City	Outside City
First 45 m <sup>3</sup> /qtr.	\$0.275	\$0.377
Over 45 m <sup>3</sup> /qtr.	0.825	1.131

Fire Hydrants (fall arrest):

\$3.33 per month or \$40.00 per year on each private fire hydrant maintained in service.

**SEASONAL USE (Schedule "D")**

For those water service accounts that are primarily seasonal in character and demand, such as lawn sprinkling and air conditioning.

**Monthly and Quarterly Availability Fees**

Fees under this schedule are based on meter size and service area the account is located in and are the same as in Schedules "A" and "B".

**Commodity Charge:**

Rate per cubic meter on all water used.  
City: \$0.597 per cubic meter  
Outside City: \$1.019 per cubic meter

**WASTEWATER RATES**

The charge for wastewater treatment service is the SUM of the availability fee (determined by the size of the water meter) PLUS the COMMODITY CHARGE (determined by the amount of water used). Commodity rates vary depending on customer class (i.e., residential/multi-family residential, commercial, or industrial).

**Rates Outside the City**

Wastewater treatment customers outside the corporate limits of the City of Kalamazoo are charged the rates identified "outside city" in the following schedules.

- Township Surcharges - Sewer
  - Oshkimo - 2%
  - Comstock - 3%
  - Kalamazoo Township - 3%

**QUARTERLY AND MONTHLY WASTEWATER CHARGES**

All wastewater availability fees, inside and outside the City and both quarterly and monthly, contain a billing cost of \$4.35 which is a portion of the Operating, Maintenance, and Replacement (OM&R) fee. In addition to that amount, there is also a Capital expense charge. These charges are determined by the meter size and are detailed for accounts in the City and Outside the City as follows:

**CITY QUARTERLY BILLING (Rate Schedule "E")**

Based on a 90 day period.

Meter Size	OM&R	Capital	Total Minimum Charge
5/8"	\$7.99	\$(1.22)	\$6.77
3/4"	8.25	(1.39)	6.86
1"	9.03	(1.88)	7.15
1 1/2"	10.07	(2.55)	7.52
2"	12.94	(4.37)	8.57
3"	34.03	(17.78)	16.25
4"	41.84	(22.75)	19.09
6"	60.07	(34.35)	25.72

Flat Rate \$36.84

**OUTSIDE CITY QUARTERLY BILLING**

Based on a 90 day period.

Meter Size	OM&R	Capital	Total Minimum Charge
5/8"	\$7.99	\$2.51	\$10.50
3/4"	8.25	2.77	11.02
1"	9.03	3.56	12.59
1 1/2"	10.07	4.59	14.66
2"	12.94	7.45	20.39
3"	34.03	28.48	62.51
4"	41.85	36.27	78.12
6"	60.08	54.44	114.52

Flat Rate \$75.43

**CITY MONTHLY BILLING (Rate Schedule "E")**

Based on a 30 day period.

Meter Size	OM&R	Capital	Total Minimum Charge
5/8"	\$6.25	\$(0.11)	\$6.14
3/4"	6.34	(0.34)	6.00
1"	6.60	(0.34)	6.26
1 1/2"	6.95	(0.56)	6.39
2"	7.90	(1.17)	6.73
3"	14.93	(5.63)	9.30
4"	17.54	(7.30)	10.24
6"	23.61	(11.16)	12.45

**OUTSIDE CITY MONTHLY BILLING**

Based on a 30 day period.

Meter Size	OM&R	Capital	Total Minimum Charge
5/8"	\$6.25	\$0.78	\$7.03
3/4"	6.34	0.87	7.21
1"	6.60	1.13	7.73
1 1/2"	6.95	1.47	8.42
2"	7.90	2.43	10.33
3"	14.93	9.45	24.38
4"	17.54	12.04	29.58
6"	23.61	18.10	41.71

Municipalities 5.38  
Dewatering 5.38  
Septage 5.38

June 18, 2013

Ms. Elizabeth Heiny-Cogswell  
Supervisor  
Charter Township of Oshtemo  
7275 W. Main Street  
Kalamazoo, MI 49009-8210

RE: Asset Management – Appraisal Phase Proposal

Dear Libby:

Thank you for the opportunity to submit this proposal for Asset Management Services in conjunction with Michigan's new Stormwater, Asset Management and Wastewater (SAW) Grant. An Asset Management Plan will identify your infrastructure assets, evaluate their condition, determine potential failures/risks/consequences, project future ownership costs, and create a financing plan to sustainably maintain your infrastructure assets while providing your desired level of service to your customers.

Additionally, regulatory permitting agencies are recognizing the need for Asset Management Planning (AMP) and are either currently requiring or will require AMPs for public infrastructure as a condition of future permits.

There are several basic steps to creating an Asset Management plan (also see attached flow chart):

- **Appraisal** – Review what you have, how you want to manage it, and what it will take to create an Asset Management system.
- **Inventory/Mapping** – Define what you have and where it is located.
- **Condition Assessment** – Document the condition, failure risk, and the cost to maintain and replace an asset.
- **Asset Management Plan** – Defines what is to be maintained or replaced and establish a schedule and cost for that work. Includes a Capital Improvement Plan and a Financing Plan.

The first step in developing your Asset Management System is an Appraisal. The Appraisal sets the groundwork for your AMP and includes the following scope of services:

1. Identify Assets to be Managed
  - a. Sanitary Sewer system
    - i. Collection - Pipes, manholes, pump stations

2. Understand System History/Concerns
  - a. Discussion of system layout and age
  - b. Historical information
    - i. Materials, soils, groundwater, contamination, etc.
    - ii. Funding – rates, grant eligibility, customer base, etc.
3. Determine Level of Service
  - a. Existing system performance and staff levels
  - b. Desired performance and staffing
4. Review Available Information – level of completeness and accessibility
5. Desired Management System
  - a. Software
  - b. Hardware
  - c. Institutional and Community Culture
6. Detailed Work Plan Development
  - a. Scope, schedule, and budget for the AMP

To accomplish the scope of services, we propose the following schedule:

- Kick off meeting (4 hours)
  - Identify the infrastructure Assets that will be included in the AMP
  - Review the systems' history and maintenance/replacement concerns
  - Discuss existing and desired levels of service (including cost implications)
- Review Available Information (16 hours)
  - Review mapping, data, formats, records to determine starting point of the AMP
  - Identify quantity and quality of existing information and assess practicality for incorporation into the AMP
- Management System (8 hours)
  - Prepare preliminary work plan and AMP recommendations
  - Meeting to review preliminary findings
- Final Work Plan (32 hours)
  - Create summary report of findings
  - Develop detailed scope, schedule, and budget for AMP to be used in MDEQ's SAW Grant Application in late summer 2013.
  - Prepare Grant Application for submittal

The final detailed work plan will be used to generate the grant application to the Michigan Department of Environmental Quality for the newly-available SAW Grant (stormwater, asset management, and wastewater). These grants have a maximum amount of \$2,000,000 per community, a low match requirement (10% for the first \$1,000,000 and 25% for the second \$1,000,000), and are awarded on a first come/first serve basis.

Ms. Elizabeth Heiny-Cogswell  
June 18, 2013  
Page 3

We propose to complete the Appraisal services on a time & material basis not to exceed \$5,000. Based on currently available information, all or part of this may be reimbursable through the SAW grant.

If this proposal meets with your approval, please sign and date below returning one copy as acknowledgement of the attached Terms & Conditions and as authorization to proceed. A faxed or emailed signed version of the proposal is sufficient for scheduling; however, please return an original signed version for our records. If you have any questions, please contact our office.

Sincerely,

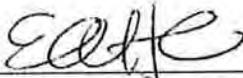
**Prein&Newhof**



Thomas C. Wheat, P.E.

TCW:dlj

APPROVED BY:

  
\_\_\_\_\_

Date 7/2/2013

*Bill To/Ship To (if different than above)*

Name: \_\_\_\_\_

Company: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

Ph: \_\_\_\_\_

Fx: \_\_\_\_\_

Email: \_\_\_\_\_

## Prein&Newhof Standard Terms & Conditions – Engineering

### A. Execution

If the attached proposal / agreement is not executed within thirty (30) days from the date of the proposal / agreement letter, Prein&Newhof reserves the right to revise fees and schedule commitments.

### B. Standard of Care

Prein&Newhof, Inc. ("Prein&Newhof") will provide professional engineering services for Client in connection with the Project. Prein&Newhof will perform such services as expeditiously as is consistent with the professional skill and care in the orderly progress of the work.

Nothing contained in this Agreement shall require Prein&Newhof to exercise professional skill and judgment greater than that which can be reasonably expected from other engineers performing similar services and practicing in the same or similar locality. The standard of care shall exclusively be judged as of the time the services are rendered and not according to later standards. Prein&Newhof makes no warranties, expressed or implied.

Client recognizes that actual conditions may vary from those encountered at test locations made by us or provided to us by others, and that our data, interpretations and recommendations are based solely on the information available to us. We will be responsible for our data, interpretations and recommendations, but shall not be responsible for the interpretation by others of the information developed. Unless specifically stated herein, plans prepared under this agreement are not intended for machine guidance use or purposes. No guarantee is made that the electronic data systems or file structure used by the firm will be compatible with the electronic systems used by the contractor. Client also recognizes that monitoring of construction by a qualified engineering firm is essential to verifying that designs are appropriate for actual site conditions.

### C. Site Access Permission

In the event the project site is not owned by the client, the client must obtain all necessary permission for Prein&Newhof to enter and conduct investigations on the project site. It is assumed that the client possesses all necessary permits and licenses required for conducting the scope of work. Access negotiations may be performed at additional costs.

### D. Unanticipated Hazardous Materials

Sites may contain hazardous materials where there is no reason to believe they could or should be present. Prein&Newhof and the Client agree that the discovery of unanticipated hazardous materials constitutes a changed condition that may require us to renegotiate the scope of our services or terminate our work. We and the Client also agree that the discovery of unanticipated hazardous materials may make it necessary for us to take immediate measures to protect health and safety. Client agrees to compensate us for any equipment decontamination or other costs incident to the discovery of unanticipated hazardous materials.

### E. Underground Utilities

In the execution of our work, we will take reasonable precautions to avoid damage or injury to underground utilities and other underground structures, including contacting the MISS-DIG system and reviewing utility drawings that are provided to us. The Client agrees to hold Prein&Newhof harmless for any damages to below ground structures that are not brought to our attention and correctly shown or described on documents that we are furnished.

### F. Public Liability Insurance

Prein&Newhof and our agents, staff and consultants employed by us are protected by worker's compensation insurance and we have coverage under public liability and property damage insurance policies which we deem to be adequate. Certificates verifying our coverage can be provided to the client upon request. Within the limits and conditions of such insurance, we agree to indemnify and save client harmless from and against any loss, damage or liability to the extent caused by any negligent acts by us, our agents, staff or consultants employed by us. We shall not be responsible for any loss, damage, or liability beyond the amounts, limits and conditions of such insurance. We shall not be responsible for any loss, damage or liability arising from any negligent acts by client, its agents, staff and other consultants employed by the client.

### G. Limitation of Professional Liability

Client and persons claiming through Client agree to limit the liability of Prein&Newhof its agents and employees, for all claims arising out of, in connection with, or resulting from, the performance of the services under this agreement to an amount of \$25,000 or the fee paid to us for professional services on this project, whichever is less.

Client acknowledges that Prein&Newhof is a corporation and agrees that any claim made by Client arising out of any act or omission of any director, officer, or of the employee of Prein&Newhof, in execution or performance of this Agreement, shall be made against Prein&Newhof, Inc. and not against such director, officer, or employee.

Client further acknowledges that Prein&Newhof has not agreed to provide and is not responsible for safety precautions and programs in connection with the project or work, including but not limited to signs, markings, barricades, temporary or permanent traffic control marking or devices, or temporary or permanent warning signs, devices, or markings. Prein&Newhof's role in working with contractors hired directly by the client is that of observer and not as supervisor. Prein&Newhof shall not be responsible for limiting access to the project site or for the safety of anyone but Prein&Newhof employees, or our subcontractors.

### H. Ownership of Records

~~All field notes, original laboratory reports, original maps, drawings, meters, studies, tests or other work products or supporting documentation shall remain the property of and under the control of Prein&Newhof. The client or the client's representative is entitled to inspect all such documents and to receive copies of the same at the client's request and expense. The client shall pay for document review, copy charges, and associated expenses should the records be subpoenaed.~~ *7/18/13*

Any electronic media (e-mail or computer files) transmitted are only for the convenience of the recipient. Any conclusions or information obtained or derived from the data on the electronic media will be at the users' sole risk. Prein&Newhof's responsibility is limited to only the printed copies (also known as hard copies) that are delivered pursuant to the service under the agreement with the client.

### I. Terms of Payment

Unless alternate terms are included within the proposal / agreement, the project will be invoiced on a monthly basis until the completion of the project. All monthly invoices are payable within 30 days of the date of the invoice. Should full payment of the invoice not be received within 30 days, the amount due shall bear a service charge of 1.5 percent per month or 18 percent per year plus the cost of collection, including reasonable attorney's fees. If the client has any objections to any invoice submitted by Prein&Newhof, the client must so advise Prein&Newhof in writing within 14 days of receipt of the invoice.

### J. Premature Project Termination

If the project is terminated in whole or in part, Prein&Newhof shall be entitled to be paid for all services performed prior to our receiving or issuing written notice of such termination, including reimbursable expenses, and for any shut-down costs incurred. Shut-down costs may, at our discretion, include expenses incurred for completion of analysis and records necessary to document our files and to protect our professional reputation.

In addition to any other remedies Prein&Newhof may have, Prein&Newhof shall have the absolute right to cease performing any basic or additional services in the event payment has not been made on a current basis.

### K. Extended Project Cost Increases

Any projected cost estimates provided by Prein&Newhof for work to be performed over an extended period of time may be subject to periodic cost increases imposed by our suppliers and increases in billing rates. The time and amount of any increases are unknown and Prein&Newhof must pass these periodic price increases on to the client following consultation with the client.

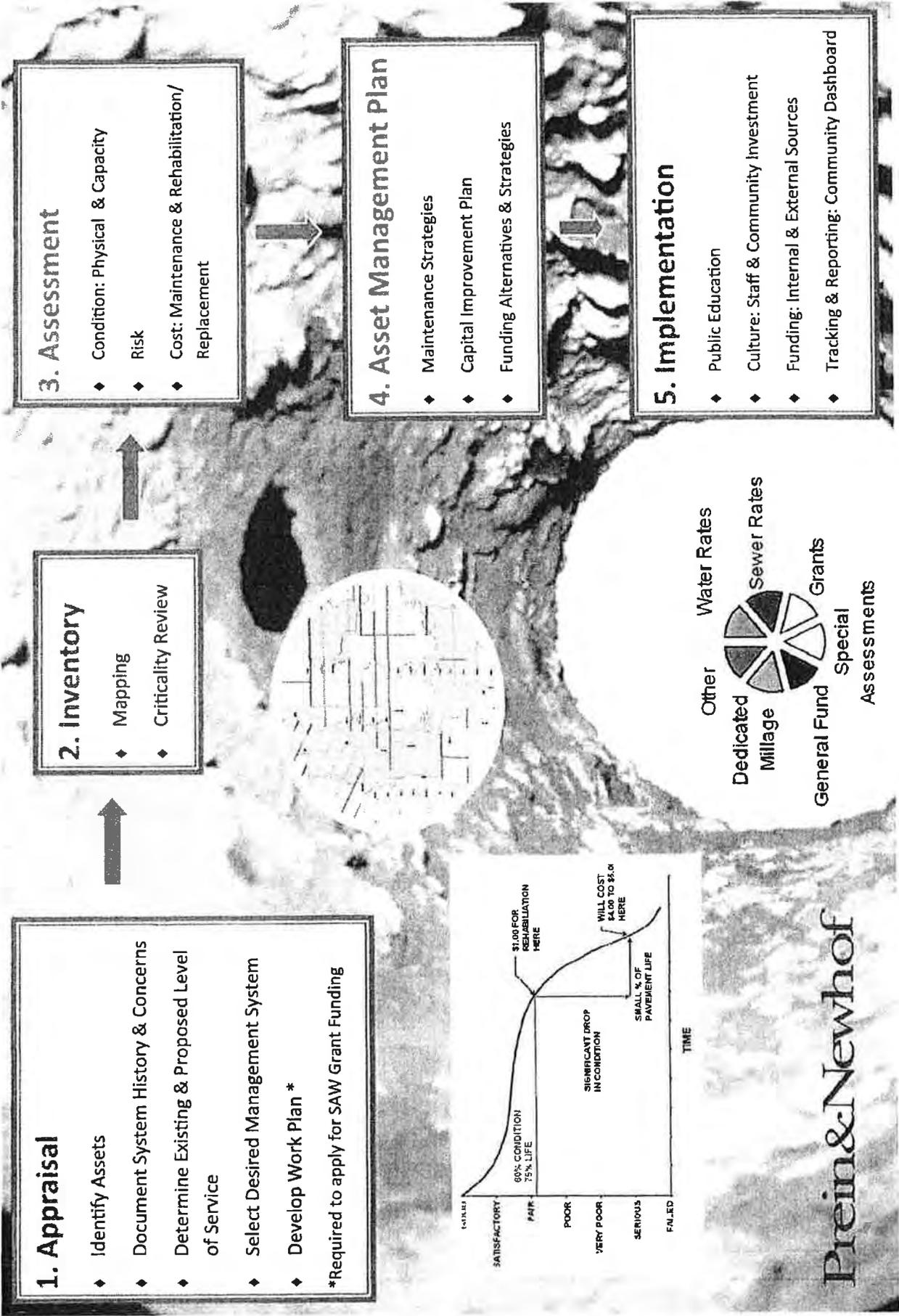
### L. Consultation Beyond Scope of Work

Consultation, including but not limited to expert witness testimony, initiated by the client or client's representatives with Prein&Newhof after completion of the work specified herein will be considered beyond the scope of work presented herein and will be billed separately.

### M. Non-scope Items

Our scope of work does not include evaluations regarding environmental conditions or contamination, wetlands or the presence of endangered species at the property or the potential impact of these on the future use of the property.

# 5 Steps to Managing your Stormwater and Wastewater (SAW) Assets



# Letter of Transmittal

Date: 7/1/2013

To: Tom Wheat  
Prein & Newhof  
7123 Stadium Drive  
Kalamazoo MI 49009

From: Libby Heiny-Cogswell  
Oshtemo Township  
7275 West Main Street  
Kalamazoo MI 49009

Tom,

Enclosed please find the Original signed & approved, Asset Management - Appraisal for Oshtemo Charter Township.

Regards,

Libby

RECEIVED K  
JUL - 8 2013  
Prein&Newhof

## Resolution & Grant Agreement

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Charter Township of Oshtemo

County of Kalamazoo

Resolution Authorizing the SAW Grant Agreement

Minutes of the regular meeting of the Township Board of the Charter Township of Oshtemo  
County of Kalamazoo, State of Michigan, (the "Municipality") held on  
November 12, 2013.

PRESENT: Members: Elizabeth Heiny-Cogswell, Deborah Everett, Nancy Culp  
Nancy Carr, Dusty Farmer, Lee Larson

ABSENT: Members: Dave Bushouse

Member Lee Larson offered and moved the adoption of the following resolution,  
seconded by Member Deborah Everett.

WHEREAS, Part 52 (strategic water quality initiatives) of the Natural Resources and  
Environmental Protection Act, 1994 PA 451, as amended ("Part 52"), provides at MCL  
324.5204e that the Michigan Finance Authority (the "MFA") in consultation with the Michigan  
Department of Environmental Quality (the "DEQ") shall establish a strategic water quality  
initiatives grant program; and

WHEREAS, in accordance with the provisions of 2012 PA 511, which provides grants to  
municipalities for sewage collection and treatment systems or storm water or nonpoint source  
pollution control; and

WHEREAS, in accordance with the provisions of 1985 PA 227, as amended, Part 52, and other  
applicable provisions of law, the MFA, the DEQ, and the Municipality that is a grant recipient  
shall enter into a grant agreement (the "SAW Grant Agreement") that requires the Municipality  
to repay the grant under certain conditions as set forth in MCL 324.5204e, as amended; and

WHEREAS, the Municipality does hereby determine it necessary to (select one or more)  
 establish an asset management plan,  establish a stormwater management plan,  establish  
a plan for wastewater/stormwater,  establish a design of wastewater/stormwater,  pursue  
innovative technology, or  initiate construction activities (up to \$500,000 for disadvantaged  
community).

THE FORM WILL NOT BE ACCEPTED IF IT HAS BEEN EDITED, ALTERED, RETYPED, OR CONVERTED TO ANY  
OTHER FORMAT.

WHEREAS, it is the determination of the Municipality that at this time, a grant in the aggregate principal amount not to exceed \$634,365.00 ("Grant") be requested from the MFA and the DEQ to pay for the above-mentioned undertaking(s); and

WHEREAS, the Municipality shall obtain this Grant by entering into the SAW Grant Agreement with the MFA and the DEQ.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. Township Supervisor (title of the designee's position), a position currently held by Elizabeth Heiny-Cogswell (name of the designee), is designated as the Authorized Representative for purposes of the SAW Grant Agreement.
2. The proposed form of the SAW Grant Agreement between the Municipality, the MFA and DEQ (attached Sample Grant Agreement) is hereby approved and the Authorized Representative is authorized and directed to execute the SAW Grant Agreement with such revisions as are permitted by law and agreed to by the Authorized Representative.
3. The Municipality shall repay the Grant, within 90 days of being informed to do so, with interest at a rate not to exceed 8 percent per year, to the Authority if the Municipality is unable to, or decides not to, proceed with constructing the project or implementing the asset management program for which the funding is provided within 3 years of the Grant award.
4. The Grant, if repayable, shall be a first budget obligation of the Municipality, and the Municipality is required, if necessary, to levy ad valorem taxes on all taxable property in the Municipality for the payment thereof, subject to applicable constitutional, statutory and Municipality tax rate limitations.
5. The Municipality shall not invest, reinvest or accumulate any moneys deemed to be Grant funds, nor shall it use Grant funds for the general local government administration activities or activities performed by municipal employees that are unrelated to the project.
6. The Authorized Representative is hereby jointly or severally authorized to take any actions necessary to comply with the requirements of the MFA and the DEQ in connection with the issuance of the Grant. The Authorized Representative is hereby jointly or severally authorized to execute and deliver such other contracts, certificates, documents, instruments, applications and other papers as may be required by the MFA or the DEQ or as may be otherwise necessary to effect the approval and delivery of the Grant.
7. The Municipality acknowledges that the SAW Grant Agreement is a contract between the Municipality, the MFA and the DEQ.
8. All resolutions and parts of resolutions insofar as they conflict with the provisions of this Resolution are rescinded.

YEAS: Members: Elizabeth Heiny-Cogswell, Deborah Everett, Nancy Culp,  
Dusty Farmer, Lee Larson

THE FORM WILL NOT BE ACCEPTED IF IT HAS BEEN EDITED, ALTERED, RETYPED, OR CONVERTED TO ANY OTHER FORMAT.

NAYS: Members: Nancy Carr

RESOLUTION DECLARED ADOPTED

I hereby certify that the foregoing is a true and complete copy of a resolution adopted by the Township Board of the Charter Township of Oshtemo, County of Kalamazoo, said meeting was conducted and public notice of said meeting was given pursuant to and in full compliance with the Open Meetings Act, being Act 267, Public Acts of Michigan, 1976, and that the minutes of said meeting were kept and will be or have been made available as required by said Act.

Deborah Everett 11-12-13  
Name Deborah Everett  
Charter Township of Oshtemo, Clerk  
of County of Kalamazoo



## Michigan Finance Authority

### Stormwater, Asset Management, and Wastewater (SAW) GRANT AGREEMENT

This Grant Agreement ("Agreement") is made as of \_\_\_\_\_ 20\_\_\_\_, among the Michigan Department of Environmental Quality, Office of Drinking Water and Municipal Assistance (the "DEQ"), the Michigan Finance Authority (the "Authority") (the DEQ and the Authority are, collectively, the "State") and the \_\_\_\_\_, County of \_\_\_\_\_ ("Grantee") in consideration for providing grant assistance to the Grantee.

The purpose of this Agreement is to provide funding for the project named below. The State is authorized to provide grant assistance pursuant to the Natural Resources and Environmental Protection Act, 1994 PA 451, as amended. Legislative appropriation of funds for grant disclosure is set forth in 2013 Public Act 59.

**The Grantee shall be required to repay the grant made under this Agreement (the "Grant"), within 90 days of being informed by the State to do so, under certain conditions, as set forth in Section XVIII. Program Specific Requirements: SAW Grant.**

Award of a Grant under this Agreement and completion of the activities identified in Exhibit A does not guarantee loan assistance from the State Revolving Fund, Strategic Water Quality Initiatives Fund, or Stormwater, Asset Management or Wastewater.

#### GRANTEE INFORMATION:

\_\_\_\_\_  
Name/Title of Authorized Representative

\_\_\_\_\_  
Address

\_\_\_\_\_  
Address

\_\_\_\_\_  
Telephone number

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

#### GRANT INFORMATION:

Project Name: \_\_\_\_\_

Project #: \_\_\_\_\_

Amount of Grant: \$ \_\_\_\_\_

Amount of Match \$ \_\_\_\_\_

Project Total \$ \_\_\_\_\_ (grant plus match)

Start Date: \_\_\_\_\_ End Date: \_\_\_\_\_

#### DEQ REPRESENTATIVE:

\_\_\_\_\_  
Name/Title

\_\_\_\_\_  
Address

\_\_\_\_\_  
Address

\_\_\_\_\_  
Telephone number

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

#### AUTHORITY REPRESENTATIVE:

\_\_\_\_\_  
Name/Title

\_\_\_\_\_  
Address

\_\_\_\_\_  
Address

\_\_\_\_\_  
Telephone number

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

THE FORM WILL NOT BE ACCEPTED IF IT HAS BEEN EDITED, ALTERED, RETYPED, OR CONVERTED TO ANY OTHER FORMAT.

The individuals signing below certify by their signatures that they are authorized to sign this Grant Agreement on behalf of their respective parties, and that the parties will fulfill the terms of this Agreement, including the attached Exhibit A, and use this Grant only as set forth in this Agreement.

GRANTEE

\_\_\_\_\_  
Signature of Grantee

\_\_\_\_\_  
Date

\_\_\_\_\_  
Name and title (typed or printed)

MICHIGAN DEPARTMENT OF ENVIRONMENTAL QUALITY

\_\_\_\_\_  
Its Authorized Officer

\_\_\_\_\_  
Date

MICHIGAN FINANCE AUTHORITY

\_\_\_\_\_  
Its Authorized Officer

\_\_\_\_\_  
Date

**I. PROJECT SCOPE**

This Agreement shall be in addition to any other contractual undertaking by the Grantee contained in the Resolution authorizing the Grant (the "Resolution").

This Agreement, including its exhibit(s), constitutes the entire agreement between the DEQ, the Authority, and the Grantee.

(A) The scope of this Grant is limited to the activities specified in Exhibit A (the "Project"), and such activities as are authorized by the State under this Agreement. Any change in project scope requires prior written approval in accordance with Section III, Changes, in this Agreement.

(B) By acceptance of this Agreement, the Grantee commits to complete the Project identified in Exhibit A within the time period allowed for in this Agreement and in accordance with the terms and conditions of this Agreement.

**II. AGREEMENT PERIOD**

This Agreement shall take effect on the date that it has been signed by all parties (the "Effective Date"). The Grantee shall complete the Project in accordance with all the terms and conditions specified in this Agreement no later than the End Date shown on page one. **Only costs incurred on or after January 2, 2013 and between the Start Date and the End Date shall be eligible for payment under this Grant.**

THE FORM WILL NOT BE ACCEPTED IF IT HAS BEEN EDITED, ALTERED, RETYPED, OR CONVERTED TO ANY OTHER FORMAT.

### **III. CHANGES**

Any decreases in the amount of the Grantee's compensation, significant changes to the Project, or extension of the End Date, shall be requested by the Grantee in writing, and approved in writing by the State in advance. The State reserves the right to deny requests for changes to the Agreement including its Exhibit A. No changes can be implemented without approval by the State.

### **IV. GRANTEE PAYMENTS AND REPORTING REQUIREMENTS**

The Grantee shall meet the reporting requirements specified in Section XVIII of this Agreement.

### **V. GRANTEE RESPONSIBILITIES**

- (A) The Grantee agrees to abide by all local, state, and federal laws, rules, ordinances and regulations in the performance of this Grant.
- (B) All local, state, and federal permits, if required, are the responsibility of the Grantee. Award of this Grant is not a guarantee of permit approval by the state.
- (C) The Grantee shall be solely responsible to pay all taxes, if any, that arise from the Grantee's receipt of this Grant.
- (D) The Grantee is responsible for the professional quality, technical accuracy, timely completion, and coordination of all designs, drawings, specifications, reports, and other services furnished by its subcontractors under this Agreement. The State will consider the Grantee to be the sole point of contact concerning contractual matters, including payment resulting from this Grant. The Grantee or its subcontractor shall, without additional grant award, correct or revise any errors, omissions, or other deficiencies in designs, drawings, specifications, reports, or other services.
- (E) The DEQ's approval of drawings, designs, specifications, reports, and incidental work or materials furnished hereunder shall not in any way relieve the Grantee of responsibility for the technical adequacy of the work. The DEQ's review, approval, acceptance, or payment for any of the services shall not be construed as a waiver of any rights under this Agreement or of any cause of action arising out of the performance of this Agreement.
- (F) The Grantee acknowledges that it is a crime to knowingly and willfully file false information with the State for the purpose of obtaining this Agreement or any payment under the Agreement, and that any such filing may subject the Grantee, its agents, and/or employees to criminal and civil prosecution and/or termination of the Grant.

### **VI. ASSIGNABILITY**

The Grantee shall not assign this Agreement or assign or delegate any of its duties or obligations under this Agreement to any other party without the prior written consent of the State. The State does not assume responsibility regarding the contractual relationships between the Grantee and any subcontractor.

## **VII. NON-DISCRIMINATION**

The Grantee shall comply with the Elliott Larsen Civil Rights Act, 1976 PA 453, as amended, MCL 37.2101 *et seq*, the Persons with Disabilities Civil Rights Act, 1976 PA 220, as amended, MCL 37.1101 *et seq*, and all other federal, state, and local fair employment practices and equal opportunity laws and covenants that it shall not discriminate against any employee or applicant for employment, to be employed in the performance of this Agreement, with respect to his or her hire, tenure, terms, conditions, or privileges of employment, or any matter directly or indirectly related to employment, because of his or her race, religion, color, national origin, age, sex, height, weight, marital status, or physical or mental disability that is unrelated to the individual's ability to perform the duties of a particular job or position. The Grantee agrees to include in every subcontract entered into for the performance of this Agreement this covenant not to discriminate in employment. A breach of this covenant is a material breach of this Agreement.

## **VIII. UNFAIR LABOR PRACTICES**

The Grantee shall comply with the Employers Engaging in Unfair Labor Practices Act, 1980 PA 278, as amended, MCL 423.321 *et seq*.

## **IX. LIABILITY**

(A) The Grantee, not the State, is responsible for all liabilities as a result of claims, judgments, or costs arising out of activities to be carried out by the Grantee under this Agreement, if the liability is caused by the Grantee, any subcontractor, or anyone employed by the Grantee.

(B) All liability as a result of claims, demands, costs, or judgments arising out of activities to be carried out by the State in the performance of this Agreement is the responsibility of the State and not the responsibility of the Grantee if the liability is materially caused by any State employee or agent.

(C) In the event that liability arises as a result of activities conducted jointly by the Grantee and the State in fulfillment of their responsibilities under this Agreement, such liability is held by the Grantee and the State in relation to each party's responsibilities under these joint activities.

(D) Nothing in this Agreement should be construed as a waiver of any governmental immunity by the Grantee, the State, its agencies, or their employees as provided by statute or court decisions.

## **X. CONFLICT OF INTEREST**

No government employee or member of the legislative, judicial, or executive branches or member of the Grantee's governing body, its employees, partner, agencies or their families shall have benefit financially from any part of this Agreement.

## **XI. AUDIT AND ACCESS TO RECORDS**

See Section XVIII (C).

## **XII. INSURANCE**

(A) The Grantee shall maintain insurance or self insurance that will protect it from claims that may arise from the Grantee's actions under this Agreement or from the actions of others for whom the Grantee may be held liable.

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- (B) The Grantee must comply with applicant workers' compensation laws while engaging in activities authorized under this Agreement.

### **XIII. OTHER SOURCES OF FUNDING**

The Grantee guarantees that any claims for reimbursement made to the State under this Agreement shall not be financed by any source other than the State under the terms of this Agreement. If funding is received through any other source, the Grantee agrees to delete from Grantee's billings or to immediately refund to the State, the total amount representing such duplication of funding.

### **XIV. COMPENSATION**

- (A) A breakdown of Project costs covered under this Agreement is identified in Exhibit A. The State will pay the Grantee a total amount not to exceed the amount on page one of this Agreement, in accordance with Exhibit A, and only for expenses incurred. All other costs over and above the Grant amount, necessary to complete the Project, are the sole responsibility of the Grantee.
- (B) The Grantee is committed to the match amount on page one of this Agreement, in accordance with Exhibit A. The Grantee shall expend all local match committed to the Project by the End Date of this Agreement.
- (C) The State will approve payment requests after approval of reports and related documentation as required under this Agreement.
- (D) The State reserves the right to request additional information necessary to substantiate payment requests.

### **XV. CLOSEOUT**

- (A) A determination of Project completion shall be made by the DEQ after the Grantee has met any match obligations and satisfactorily completed the activities and provided products and deliverables described in Exhibit A.
- (B) Upon issuance of final payment from the State, the Grantee releases the State of all claims against the State arising under this Agreement. Unless otherwise provided in this Agreement or by State law, final payment under this Agreement shall not constitute a waiver of the State's claims against the Grantee.
- (C) The Grantee shall immediately refund to the State any payments or funds in excess of the costs allowed by this Agreement.

### **XVI. CANCELLATION**

This Agreement may be canceled by the State, upon 30 days written notice, due to Executive Order, budgetary reduction, or other lack of funding upon request by Grantee or upon mutual agreement by the State and Grantee. The State reserves the right to provide just and equitable compensation to the Grantee for all satisfactory work completed under this Agreement.

## **XVII. TERMINATION**

(A) This Agreement may also be terminated by the State for any of the following reasons upon 30 days written notice to the Grantee:

(1) If the Grantee fails to comply with the terms and conditions of the Agreement or with the requirements of the authorizing legislation cited on page 1 or the rules promulgated thereunder, or with other applicable law or rules.

(2) If the Grantee knowingly and willfully presents false information to the State for the purpose of obtaining this Agreement or any payment under this Agreement.

(3) If the State finds that the Grantee, or any of the Grantee's agents or representatives, offered or gave gratuities, favors, or gifts of monetary value to any official, employee, or agent of the State in an attempt to secure a subcontract or favorable treatment in awarding, amending, or making any determinations related to the performance of this Agreement.

(4) During the 30-day written notice period, the State shall also withhold payment for any findings under subparagraphs 1 through 3, above.

(5) If the Grantee or any subcontractor, manufacturer, or supplier of the Grantee appears in the register of persons engaging in unfair labor practices that is compiled by the Michigan Department of Licensing and Regulatory Affairs or its successor.

(B) The State may immediately terminate this Agreement without further liability if the Grantee, or any agent of the Grantee, or any agent of any subagreement, is:

(1) Convicted of a criminal offense incident to the application for or performance of a state, public, or private contract or subcontract;

(2) Convicted of a criminal offense, including but not limited to any of the following: embezzlement, theft, forgery, bribery, falsification or destruction of records, receiving stolen property, or attempting to influence a public employee to breach the ethical conduct standards for State of Michigan employees;

(3) Convicted under state or federal antitrust statutes;

(4) Convicted of any other criminal offense which, in the sole discretion of the State, reflects on the Grantee's business integrity; or

(C) If a grant is terminated, the State reserves the right to require the Grantee to repay all or a portion of funds received under this Agreement.

## **XVIII. PROGRAM-SPECIFIC REQUIREMENTS: SAW REPAYABLE GRANT**

(A) General Representations. The Grantee represents and warrants to, and agrees with, the Authority and DEQ, as of the date hereof as follows:

(1) Grant funds shall be expended only to cover costs for the development of an Asset Management Plan, Stormwater Management Plan, innovative wastewater or stormwater technology, construction costs for disadvantaged communities, or for planning, design and user charge development.

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(2) Grant funds used for administrative activities or activities performed by municipal employees shall be limited to work that is directly related to the Project and is conducted by employees of the Grantee.

(3) The Grantee has full legal right, power and authority to execute this Agreement, and to consummate all transactions contemplated by this Agreement, the Resolution, and any and all other agreements relating thereto. The Grantee has duly authorized and approved the execution and delivery of this Agreement, the performance by the Grantee of its obligations contained in this Agreement, and this Agreement is a valid, legally binding action of the Grantee, enforceable in accordance with the terms thereof except as enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting the rights of creditors generally, and by principles of equity if equitable remedies are sought.

(4) The Resolution has been duly adopted by the Grantee, acting through its executive(s) or governing body, is in full force and effect as of the date hereof, and is a valid, legally binding action of the Grantee, enforceable in accordance with the terms thereof except as enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting the rights of creditors generally, and by principles of equity if equitable remedies are sought.

(5) The execution and delivery of this Agreement by the Grantee, and the fulfillment of the terms and conditions of, and the carrying out of the transactions contemplated by the Resolution and this Agreement do not and will not conflict with or constitute on the part of the Grantee a breach of, or a default under any existing law (including, without limitation, the Michigan Constitution), any court or administrative regulation, decree or order or any agreement, indenture, mortgage, obligation, lease or other instrument to which the Grantee is subject or by which it is bound and which breach or default would materially affect the validity or binding effect of the Grant, or result in a default or lien on any assets of the Grantee. No event has occurred or is continuing which with the lapse of time or the giving of notice, or both, would constitute a default by the Grantee under the Resolution or this Agreement.

(6) No consent or approval of, or registration or declaration with, or permit from, any federal, state or other governmental body or instrumentality, is or was required in connection with enactment by the Grantee of the Resolution, or execution and delivery by the Grantee of this Agreement which has not already been obtained, nor is any further election or referendum of voters required in connection therewith which has not already been held and certified and all applicable referendum periods have expired.

(7) Proceeds of the Grant will be applied (i) to the financing of the Project or a portion thereof as set forth in the Resolution and Exhibit A or (ii) to reimburse the Grantee for a portion of the cost of the Project. The Grantee will expend the proceeds of each disbursement of the Grant for the governmental purpose for which the Grant was issued.

(8) The attached Exhibit A contains a summary of the estimated cost of the Project, which the Grantee certifies is a reasonable and accurate estimate.

(9) The Grantee reasonably expects (i) to fulfill all conditions set forth in this Agreement to receive and to keep the Grant, and (ii) that no event will occur as set forth in this Agreement which will require the Grantee to repay the Grant.

(B) Repayment of Grant. The Grantee shall repay the Grant, within 90 days of being informed to do so, with interest calculated from the date Grant funds are first drawn at a rate not to exceed 8% per year, to be determined by the Authority, to the Authority for deposit into the SWQIF.

“(a) A grant recipient (shall) proceed with a project for which grant funding is provided within 3 years after the department approves the grant (executed grant agreement). For asset management programs related to sewage collection and treatment systems, this includes significant progress, as determined by the department, toward achieving the funding structure necessary to implement the program.

(b) The grant recipient (shall) repay the grant, within 90 days of being informed to do so, with interest at a rate not to exceed 8 percent per year, to the Authority for deposit into the fund if the applicant is unable to, or decides not to, proceed with a construction project or begin implementation of an asset management program for which grant funding is provided.”

SAW grant recipients for wastewater system asset management plans are required to make significant progress on the funding structure. Significant progress is defined as a 5-year plan to eliminated the gap with a minimum initial rate increase to close at least 10 percent of the funding gap. The first rate increase must be implemented within three years of the executed grant. The applicant will need to certify that all grant activities have been completed at the end of three years. Asset management plans for stormwater systems are to be implemented. Stormwater management grant recipients must develop a stormwater management plan. Innovative project grant recipients must proceed with full implementation or certify that the project is not financially or technically feasible.

(C) Covenants and Certifications.

(1) The Grantee has the legal, managerial, institutional, and financial capability to plan, design, and build the Project, or cause the Project to be built, and cause all facilities eventually constructed to be adequately operated.

(2) The Grantee certifies that no undisclosed fact or event, or pending litigation, will materially or adversely affect the Project, the prospects for its completion, or the Grantee's ability to make timely repayments of the grant if any of the two (2) conditions identified under Section XVIII(B) occur.

(3) The Grantee agrees to provide the minimum appropriate local match for grant-eligible costs and disburse match funds to service providers concurrent with grant disbursements.

(4) The Grantee agrees to maintain complete books and records relating to the grant and financial affairs of the Project in accordance with generally accepted accounting principles ("GAAP") and generally accepted government auditing standards ("GAGAS").

(5) The Grantee agrees that all municipal contracts related to the Project will provide that the contractor and any subcontractor may be subject to a financial audit and must comply with GAAP and GAGAS.

(6) The Grantee agrees to provide any necessary written authorizations to the DEQ and the Authority for the purpose of examining, reviewing, or auditing the financial records of the Project. The applicant also agrees to require similar authorizations from all contractors, consultants, property owners or agents with which the applicant negotiates an agreement.

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(7) The Grantee agrees that all pertinent records shall be retained and available to the DEQ and the Authority for a minimum of three years after satisfactory completion of the Project and final payment. If litigation, a claim, an appeal, or an audit is begun before the end of the three-year period, records shall be retained and available until the three years have passed or until the action is completed and resolved, whichever is longer.

(8) The Grantee agrees to ensure that planning and design activities of the Project are conducted in compliance with the requirements of the Natural Resources and Environmental Protection Act, 1994 PA 451, as amended, its Administrative Rules; and all applicable state and federal laws, executive orders, regulations, policies, and procedures.

(9) The Grantee agrees that the Project shall proceed in a timely fashion and will exercise its best efforts to satisfy the program requirements as identified under Section XVIII(B) within three years of award of the SAW Grant from the Strategic Water Quality Initiatives Fund in accordance with Section 5204(e) of the Natural Resources and Environmental Protection Act 1994, PA 451, as amended.

(10) The Grantee acknowledges that acceptance of a wastewater asset management grant will subsequently affect future NPDES permits to include asset management language as applicable.

(D) Grantee Reimbursements and Deliverables

The Grantee may request grant disbursements no more frequently than monthly, using the Disbursement Request Form provided by the DEQ. Upon receipt of a disbursement request, the DEQ will notify the Authority, which will in turn disburse grant funds equal to 75 percent, 90 percent, or 100 percent of eligible costs, whichever percentage is applicable, that have been adequately documented. The forms provided by the State will include instructions on their use and shall be submitted to the DEQ representative at the address on page 1. All required supporting documentation (invoices) for expenses must be included with the disbursement request form. The Grantee is responsible for the final submittal of all documents prepared under this Grant and included in the Project Scope identified in Exhibit A.

(E) Miscellaneous Provisions.

(1) Applicable Law and Nonassignability. This Agreement shall be governed by the laws of the State of Michigan.

(2) Severability. If any clause, provision or section of this Agreement be ruled invalid or unenforceable by any court of competent jurisdiction, the invalidity or unenforceability of such clause, provision or section shall not affect any of the remaining clauses, provisions or sections.

(3) Execution of Counterparts. This Agreement may be executed in several counterparts each of which shall be regarded as an original and all of which shall constitute one and the same document.

**XIX. USE OF MATERIAL**

Unless otherwise specified in this Agreement, the Grantee may release information or material developed under this Agreement, provided it is acknowledged that the DEQ funded all or a portion of its development.

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## **XX. SUBCONTRACTS**

The State reserves the right to deny the use of any consultant, contractor, associate or other personnel to perform any portion of the project. The Grantee is solely responsible for all contractual activities performed under this Agreement. Further, the State will consider the Grantee to be the sole point of contact with regard to contractual matters, including payment of any and all charges resulting from the anticipated Grant. All subcontractors used by the Grantee in performing the project shall be subject to the provisions of this Agreement and shall be qualified to perform the duties required.

## **XXI. ANTI-LOBBYING**

If all or a portion of this Agreement is funded with state funds, then the Grantee shall not use any of the grant funds awarded in this Agreement for the purpose of lobbying as defined in the State of Michigan's lobbying statute, MCL 4.415(2). "Lobbying" means communicating directly with an official of the executive branch of state government or an official in the legislative branch of state government for the purpose of influencing legislative or administrative action." The Grantee shall not use any of the grant funds awarded in this Agreement for the purpose of litigation against the State. Further, the Grantee shall require that language of this assurance be included in the award documents of all subawards at all tiers.

## **XXII. IRAN SANCTIONS ACT**

By signing this Agreement, the Grantee is certifying that it is not an Iran linked business, and that its contractors are not Iran linked businesses as outlined in Michigan Compiled Law 129.312

## **XXIII. DEBARMENT AND SUSPENSION**

By signing this Agreement, the Grantee certifies to the best of its knowledge and belief that it, its agents, and its subcontractors:

- (1) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any federal department or the state.
- (2) Have not within a 3-year period preceding this Agreement been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state, or local) transaction or contract under a public transaction as defined in 45 CFR 1185; violation of federal or state antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property.
- (3) Are not presently indicted or otherwise criminally or civilly charged by a government entity (federal, state, or local) with commission of any of the offenses enumerated in subsection (2).
- (4) Have not within a 3-year period preceding this Agreement had one or more public transactions (federal, state, or local) terminated for cause or default.
- (5) Will comply with all applicable requirements of all other state or federal laws, executive orders, regulations, and policies governing this program.

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Project No. \_\_\_\_\_

**SAW Grant Program**

**Exhibit A**

Grantee: \_\_\_\_\_

Project Name: \_\_\_\_\_

DEQ Approved Grant Amount: \$ \_\_\_\_\_ ; \_\_\_\_\_  
\_\_\_\_\_ Dollars

Time Period for Eligible Costs: Start Date \_\_\_\_\_ (month/year)

End Date \_\_\_\_\_ (month/year)

Description of Approved Project Scope:

\_\_\_\_\_  
\_\_\_\_\_

DEQ Approved Project Costs	
1. Project Planning Costs	
2. Design Engineering Costs	
3. User Charge Development Costs	
4. Wastewater Asset Management Plan Costs	
5. Stormwater Asset Management Plan Costs	
6. Stormwater Management Plan Costs	
7. Innovative Wastewater and Stormwater Technology Costs	
8. Disadvantaged Community Construction Cost	
9. Cost Subtotal	
10. LESS Local Match	
11. Requested SAW Grant Amount (Line 9 minus Line 10)	

The following services have been determined to be ineligible for SAW Grant assistance, for the reasons listed, and have been excluded from the approved project costs shown above:

\_\_\_\_\_  
\_\_\_\_\_

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