



WIGHTMAN & ASSOCIATES, INC.

ENGINEERING ♦ SURVEYING ♦ ARCHITECTURE

December 2, 2013

Revolving Loan Section
Office of Drinking Water and Municipal Assistance
Michigan Department of Environmental Quality
P.O. Box 30241
Lansing, MI 48909-7741

Allegan Office:
264 Western Ave.
Allegan, MI 49010

Telephone:
(269) 673-8465

Fax:
(269) 673-5464

Website:
www.wightman-assoc.com

Attention: Revolving Loan Section

RE: VILLAGE OF DECATUR, SAW GRANT APPLICATION

To Whom It May Concern:

Enclosed please find one original completed and signed SAW grant application form and required attachments for your review and approval. The application package includes the following documents and attachments:

1. Completed and signed Application Form, pages 2 through 8;
2. Adopted, signed, and dated copy of the Resolution Authorizing the SAW Grant Agreement with the Stormwater, Asset Management, and Wastewater (SAW) Grant Agreement form attached, pages 10 through 23;
3. Completed Appendix C for the Wastewater Asset Management Plan, pages 29 through 32;
4. Completed Appendix C for the Stormwater Asset Management Plan, pages 29 through 32;
5. Attachment #1, Project Need and Proposed Scope of Work; and
6. Attachment #2, Listing of Supporting Documents.

The proposed scope of work will enhance and improve their ability to operate, maintain, and manage their systems and correspondingly improve water quality and reduce long term costs. We are looking forward to an award of a SAW grant and are available to answer any questions that you may have concerning the enclosed application. If you have any questions or need additional information, please contact me at the phone number or email address listed below.

Very truly yours,

WIGHTMAN & ASSOCIATES, INC.

Mickey E. Bittner, P.E.
269-673-8465
mbittner@wightman-assoc.com

PROJECT INFORMATION

Project Name and County Village of Decatur Wastewater & Stormwater AMP, Van Buren County

A. Legal Name of Applicant Village of Decatur

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. N/A

B. Mailing Address of Applicant

Street, P.O. Box 114 N. Phelps

City, State & Zip Decatur, MI 49045

County(s) project is located in Van Buren County

269-423-6114

(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 James Krizan

Title Village Manager

Street, P.O. Box 114 N. Phelps

City, State & Zip Decatur, MI 49045

269-423-6114

(Area Code and Telephone Number)

jkrizanvm@comcast.net

(E-mail Address)

2. Applicant's Financial Advisor

Name N/A

Firm N/A

Street, P.O. Box N/A

City, State & Zip N/A

N/A

(Area Code and Telephone Number)

N/A

(E-mail Address)

3. Applicant's Consulting Engineer (if applicable)

Name Mickey Bittner, P.E.

Firm Wightman & Associates, Inc.

Street, P.O. Box 264 Western Ave.

City, State & Zip Allegan, MI 49010

269-673-8465

(Area Code and Telephone Number)

mbittner@wightman-assoc.com

(E-mail Address)

4. Primary Contact (if different than authorized representative)

Name <u>Mickey Bittner, P.E.</u>	Title <u>Project Manager</u>
<u>269-673-8465</u>	<u>mbittner@wightman-assoc.com</u>
(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.)**

See attachment #1 - Project Need and Proposed Scope of Work

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) N/A

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: 01/2013 (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: 12/2016 (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: N/A

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	0	\$553,000	<input checked="" type="checkbox"/> YES	\$553,000
5. Stormwater Asset Management Plan Costs	0	\$68,000	<input checked="" type="checkbox"/> YES	\$68,000
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				\$621,000
10. LESS Local Match				\$62,100
11. Requested SAW Grant Amount (Line 9 minus Line 10)				\$558,900

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

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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:

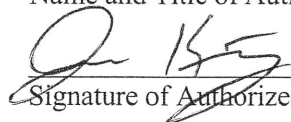
1. The applicant has the legal, managerial, institutional, and financial capability to plan, design, and build the project, or cause the project to be built, and cause all facilities eventually constructed to be adequately operated.
2. The applicant certifies that no undisclosed fact or event, or pending 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 the Village of Decatur (legal name of applicant) agrees to and will abide by the covenants and certifications stipulated above.

James Krizan, Village Manager

Name and Title of Authorized Representative (Please Print or Type)



Signature of Authorized Representative (Original Signature Required)

11-26-13

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, 4TH 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.

Resolution 2013-11

Village _____ of _____ Decatur
County of Van Buren

Resolution Authorizing the SAW Grant Agreement

Minutes of the regular meeting of the Village Council of the Village of Decatur
County of Van Buren, State of Michigan, (the "Municipality") held on
November 4, 2013.

PRESENT: Members: Carl Wickett, Ali Elwaer, Tom Creagan,
Mike Heflin, Norma Strickler, and Greg Cole

ABSENT: Members: Harold Magee

Member Ali Elwaer offered and moved the adoption of the following resolution,
seconded by Member Tom Creagan.

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).

WHEREAS, it is the determination of the Municipality that at this time, a grant in the aggregate
principal amount not to exceed \$592,000 ("Grant") be requested from the MFA and
the DEQ to pay for the above-mentioned undertaking(s); and

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OTHER FORMAT.

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. Village Manager (*title of the designee's position*), a position currently held by James Krizan (*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: Cole, Heflin, Strickler, Creagan, Elwaer, and Wickett

NAYS: Members: None

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

RESOLUTION DECLARED ADOPTED

I hereby certify that the foregoing is a true and complete copy of a resolution adopted by the Village Council of the Village of Decatur, County of Van Buren, 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.



Name Lou Ann Conklin

Village of Decatur, Clerk

Village of Decatur County of Van Buren



RICK SNYDER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF ENVIRONMENTAL QUALITY
LANSING



DAN WYANT
DIRECTOR

November 12, 2014

Mr. James Krizan, Village Manager
Village of Decatur
114 North Phelps
Decatur, Michigan 49045

Dear Mr. Krizan:

SUBJECT: Stormwater, Asset Management, and Wastewater (SAW) Grant Program
Village of Decatur
Wastewater and Stormwater Asset Management Plans
SAW Grant Project Number 1324-01

Congratulations on your award of a SAW Grant for the above-referenced project. Enclosed is one original signed copy of your SAW Grant Agreement. Also, enclosed is a copy of the SAW Grant Disbursement Request (DR) form and Disbursement Instructions.

You may immediately request a disbursement for any previously-incurred eligible costs (since January 2, 2013). The first and final DR must be submitted by mail and signed by the authorized representative (subsequent DRs can be emailed to me or faxed to our office at 517-373-4797). Each DR must be accompanied by complete supporting documentation (invoices or proof of payment) of incurred costs. DRs can be submitted at any time, but only one per calendar month will be processed. DRs will be processed and paid on or after the 15th day of each month. Each DR must also include a brief status report on the SAW Grant activities completed to date.

The approved budget period for your grant-funded activities closes at the end of December 2016. Project scope or end date changes need Department of Environmental Quality (DEQ) approval in advance.

Your SAW Grant requires the following "deliverables" be provided to the DEQ within 3 years of your grant agreement date:

- **Wastewater Asset Management Plan Certification of Project Completeness**
- **Stormwater Asset Management Plan Certification of Project Completeness**

Work with Water Resources Division (WRD) staff to prepare your stormwater management plans, asset management plans, and innovative technology projects. Again, congratulations on your SAW Grant award. I appreciate your interest in improving water quality in your community. Should you have any questions, please contact me either at the phone number listed below, by e-mail at MerchantJ1@michigan.gov, or by mail at DEQ, P.O. Box 30241, Lansing, Michigan 48909-7741.

Sincerely,

Jaclyn Merchant, Project Manager
Revolving Loan Section
Office of Drinking Water and Municipal Assistance
517-284-5412

Enclosures

Mr. James Krizan
Page 2
November 12, 2014

cc: Mr. Mickey Bittner, Wightman & Associates, Inc., Allegan
Mr. Joe Fielek, Department of Treasury, MFA
Mr. Alan J. Lambert, Assistant Attorney General, Office of the Attorney General
Mr. Jordan Kameron, District Supervisor, DEQ-WRD, Kalamazoo District Office
Ms. Debbie Martinson, DEQ-ODWMA



Michigan Finance Authority

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

This Grant Agreement ("Agreement") is made as of October 29, 2014, 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 Village of Decatur, County of Van Buren ("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:

James Krizan, Village Manager
Name/Title of Authorized Representative
114 N. Phelps
Address
Decatur, MI 49045
Address
269-423-6114
Telephone number

GRANT INFORMATION:

Project Name: WW & Stormwater Asset Mgmt Plan
Project #: 1324-01
Project Total: \$ 613,826
Amount of Match \$ 61,383
Grant Award \$ 552,443 (grant plus match)
Start Date: 1/1/2013 End Date: 12/1/2016

DEQ REPRESENTATIVE:


Sonya T. Butler, Chief
Name/Title
525 West Allegan St., PO Box 30473
Address
Lansing, MI 48909-7973
Address
(517) 373-2161
Telephone number
Butlers2@michigan.gov
E-mail address

AUTHORITY REPRESENTATIVE:

Joseph L. Fielek, Executive Director, MFA
Name/Title
430 W. Allegan St., Austin Building
Address
Lansing, MI 48922
Address
(517) 335-0994
Telephone number
treas_bondfinance@michigan.gov
E-mail address

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



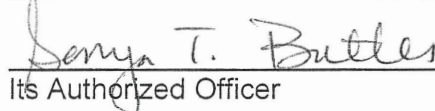
Signature of Grantee
James Krizan, Village Manager

Name and title (typed or printed)

October 29, 2014

Date

MICHIGAN DEPARTMENT OF ENVIRONMENTAL QUALITY




Its Authorized Officer

October 29, 2014

Date

MICHIGAN FINANCE AUTHORITY



Its Authorized Officer

October 29, 2014

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.**

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.

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.

(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.

(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 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. 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.

(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.

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.

SAW Grant Program

Exhibit A

Grantee: Village of Decatur

Project Name: Wastewater and Stormwater Asset Management Plans

DEQ Approved Grant Amount: \$552,443 (Five Hundred Fifty-two Thousand Four Hundred Forty-three Dollars)

Time Period for Eligible Costs: Start Date January 2013

End Date December 2016

Description of Approved Project Scope:

Preparation of a Wastewater Asset Management Plan and a Stormwater Asset Management Plan.

DEQ Approved Project Costs	
1. Project Planning Costs	\$0
2. Design Engineering Costs	\$0
3. User Charge System Development Costs	\$0
4. Wastewater Asset Management Plan Costs	\$545,826*
5. Stormwater Asset Management Plan Costs	\$68,000
6. Stormwater Management Plan Costs	\$0
7. Innovative Wastewater and Stormwater Technology Costs	\$0
8. Disadvantaged Community Construction Costs	\$0
9. Eligible Cost Subtotal	\$613,826
10. LESS Local Match (<i>if applicable</i>)	\$61,383
11. Requested SAW Grant Amount (Line 9 minus Line 10)	\$552,443

* 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:

- A 15-percent mark-up was applied to GIS hardware, software, and training costs. Mark-ups on GIS costs are not eligible.

**STORMWATER / ASSET MANAGEMENT / WASTEWATER (SAW) GRANT PROGRAM
REQUEST FOR DISBURSEMENT OF FUNDS**

THIS INFORMATION IS REQUIRED UNDER AUTHORITY OF PARTS 52 AND 53, 1994 PA 451, AS AMENDED.

**DOCUMENTATION TO SUPPORT THE INCURRED COSTS MUST BE INCLUDED WITH EACH REQUEST
PLEASE SEE OTHER SIDE FOR INSTRUCTIONS TO COMPLETE REQUEST**

A. Project #	B. Request #	C. Period Covered by Request _____ to _____ (M/D/Y) (M/D/Y)	D. Request Type <input type="checkbox"/> partial <input type="checkbox"/> final	E. Grantee's EIN	F. Grant Amount
G. Grantee Name:					Phone #
Address:				Email:	
H. Grantee's Bank Name:					Phone #
Address:					
Account Name:				ABA #	Account #
Special Instructions:					
I. Budget Items (Include Eligible Costs Only Using Dollars and Cents)			Requested Incurred Costs This Period	Cumulative Costs Incurred To Date	
1. PROJECT PLANNING COSTS (for SRF plans, USDA-RD Preliminary Engineering Reports, or Project Proposal)			\$	\$	
2. DESIGN ENGINEERING COSTS			\$	\$	
3. USER CHARGE SYSTEM DEVELOPMENT COSTS (awarded under planning or design grant)			\$	\$	
4. WASTEWATER ASSET MANAGEMENT PLAN COSTS			\$	\$	
5. STORMWATER ASSET MANAGEMENT PLAN COSTS			\$	\$	
6. STORMWATER MANAGEMENT PLAN COSTS (Nonpoint Source Watershed Management Plans)			\$	\$	
7. INNOVATIVE WASTEWATER OR STORMWATER TECHNOLOGY COSTS			\$	\$	
8. DISADVANTAGED COMMUNITY CONSTRUCTION COSTS			\$	\$	
9. TOTAL CUMULATIVE AMOUNT FOR PERIOD COVERED BY THIS REQUEST (add totals in 1 st column)			\$		
10. TOTAL CUMULATIVE ELIGIBLE COSTS INCURRED TO DATE (add totals in 2 nd column)				\$	
11. LESS LOCAL MATCH (if applicable)				(\$)	
12. LESS AMOUNT PREVIOUSLY DISBURSED				(\$)	
13. AMOUNT REQUESTED FOR DISBURSEMENT				\$	
J. For each request, describe the scope of work completed to date. Attach separate sheet if more space is needed. Discuss the progress made on the services not yet complete and a schedule for their completion by the grant period end date. If the scope of work will exceed the grant period, request a grant period extension from your DEQ project manager prior to incurring the costs.					
<p>I certify that I am an authorized representative of the grantee and am authorized to make the following certifications on behalf of the grantee: (i) there is no pending litigation or event which will materially and adversely affect the project or the prospects for its completion; (ii) the representations, warranties and covenants contained in the grant agreement for the obligations pursuant to which this request for disbursement is submitted continue to be true and accurate in all material respects as of the date hereof; (iii) to the best of my knowledge and belief, the costs above were incurred in accordance with the terms of the grant agreement and the application for assistance for this project; and (iv) the amount requested for disbursement has not previously been requested.</p> <p>Authorized Representative Name (Print or Type): _____ Title: _____</p> <p>Authorized Representative Signature (Original): _____ Date: _____</p> <p style="text-align: center;">PLEASE RETURN THIS COMPLETED REQUEST TO THE ADDRESS SHOWN ON THE REVERSE SIDE</p>					



RICK SNYDER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF ENVIRONMENTAL QUALITY
LANSING



C. HEIDI GRETHUR
DIRECTOR

October 13, 2016

Mr. Aaron Mitchell, Village Manager
Village of Decatur
114 North Phelps
Decatur, Michigan 49045

Dear Mr. Mitchell:

SUBJECT: Budget Period Extension Request
Village of Decatur
SAW Grant Project Number 1324-01

We have reviewed your request to extend the budget period for the referenced SAW Grant project and have determined that your request is approved as submitted. The revised grant budget period is from January 2013 to October 2017.

Please retain this information for your file records. If you need further assistance on this matter, contact your project manager, Ms. Jaclyn Merchant, by phone at 517-284-5412, or email Merchantj1@michigan.gov; or you may contact us by mail at DEQ, P.O. Box 30241, Lansing, Michigan, 48909-7741.

Sincerely,

Sonya T. Butler, Chief
Revolving Loan Section
Office of Drinking Water and Municipal Assistance
517-284-5433

cc: Mr. Brian Hight, Wightman & Associates
Ms. Mary G. Martin, Executive Director, Michigan Finance Authority
Mr. Jordan Kameron, DEQ-Water Resources Division, Kalamazoo District Office
Ms. Jaclyn Merchant, DEQ



RICK SNYDER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF ENVIRONMENTAL QUALITY
LANSING



DAN WYANT
DIRECTOR

September 3, 2014

Mr. James Krizan, Village Manager
Village of Decatur
114 North Phelps
Decatur, Michigan 49045

Dear Mr. Krizan:

SUBJECT: Notice of Grant Application Approval
Village of Decatur
Wastewater and Stormwater Asset Management Plans
SAW Grant Project Number 1324-01

The Michigan Department of Environmental Quality (DEQ), pursuant to Parts 52 and 53, Clean Water Assistance, of the Natural Resources and Environmental Protection Act, 1994 PA 451, as amended (NREPA), has reviewed your Stormwater, Asset Management, and Wastewater (SAW) Grant Application received on December 2, 2013, and determined that the application is administratively complete. The DEQ has determined that the village of Decatur is eligible to receive grant assistance as provided by Part 5204(4)(b), of the amended NREPA and hereby approves the application. Exhibit A, attached, identifies the DEQ approved grant amount along with the approved project scope, budget items with approved project costs, effective grant period (start/end dates), and ineligible services, if any.

By copy of this letter, we are requesting the Michigan Finance Authority (MFA), who will also receive a copy of your SAW Grant Application, to prepare a grant agreement for the amount stated in the attached exhibit for signature under the provisions set forth in Part 5204(4)(b), of the NREPA, as amended.

You may anticipate the grant award in October 2014. Should you have any questions about this project, please contact the project manager, Jaclyn Merchant, by phone at 517-284-5412, e-mail at MerchantJ1@michigan.gov, or by mail at DEQ, P.O. Box 30241, Lansing, Michigan 48909-7741, or you may contact me.

Sincerely,

Sonya T. Butler, Chief
Revolving Loan Section
Office of Drinking Water and Municipal Assistance
517-284-5433

Attachment

cc/att: Mr. Joe Fielek, Executive Director, MFA (w/copy of SAW Grant Application)
Mr. Mickey Bittner, Wightman & Associates, Inc., Allegan
Mr. Alan J. Lambert, Assistant Attorney General, Office of Attorney General
Mr. Jordan Kameron, District Supervisor, DEQ-WRD, Kalamazoo District Office
Ms. Jaclyn Merchant and Ms. Debbie Martinson, DEQ-ODWMA

SAW Grant Program**Exhibit A**

Grantee: Village of Decatur

Project Name: Wastewater and Stormwater Asset Management Plans

DEQ Approved Grant Amount: \$552,443 (Five Hundred Fifty-two Thousand Four Hundred Forty-three Dollars)

Time Period for Eligible Costs: Start Date January 2013

End Date December 2016

Description of Approved Project Scope:

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4. Wastewater Asset Management Plan Costs	\$545,826*
5. Stormwater Asset Management Plan Costs	\$68,000
6. Stormwater Management Plan Costs	\$0
7. Innovative Wastewater and Stormwater Technology Costs	\$0
8. Disadvantaged Community Construction Costs	\$0
9. Eligible Cost Subtotal	\$613,826
10. LESS Local Match (<i>if applicable</i>)	\$61,383
11. Requested SAW Grant Amount (Line 9 minus Line 10)	\$552,443

* 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:

- A 15-percent mark-up was applied to GIS hardware, software, and training costs. Mark-ups on GIS costs are not eligible.

Lou Ann

From: Mickey E. Bittner <mbittner@wightman-assoc.com>
Sent: Monday, January 05, 2015 6:58 PM
Cc: Lou Ann Conklin
Subject: James Krizan
SAW budget Summary

Below are the total approved amounts. The Village's portion is 10% of the amounts shown for wastewater and storm water and 100% for water.

Wastewater \$545,826
Storm water \$68,000
Water \$24,500

Please let me know if you need a more detailed breakdown.

Mickey E. Bittner, P.E.

Please excuse any typos or grammatical errors as this was sent from a mobile device.



RICK SNYDER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF ENVIRONMENTAL QUALITY
LANSING



DAN WYANT
DIRECTOR

November 12, 2014

Mr. James Krizan, Village Manager
Village of Decatur
114 North Phelps
Decatur, Michigan 49045

Dear Mr. Krizan:

SUBJECT: Stormwater, Asset Management, and Wastewater (SAW) Grant Program
Village of Decatur
Wastewater and Stormwater Asset Management Plans
SAW Grant Project Number 1324-01

Congratulations on your award of a SAW Grant for the above-referenced project. Enclosed is one original signed copy of your SAW Grant Agreement. Also, enclosed is a copy of the SAW Grant Disbursement Request (DR) form and Disbursement Instructions.

You may immediately request a disbursement for any previously-incurred eligible costs (since January 2, 2013). The first and final DR must be submitted by mail and signed by the authorized representative (subsequent DRs can be emailed to me or faxed to our office at 517-373-4797). Each DR must be accompanied by complete supporting documentation (invoices or proof of payment) of incurred costs. DRs can be submitted at any time, but only one per calendar month will be processed. DRs will be processed and paid on or after the 15th day of each month. Each DR must also include a brief status report on the SAW Grant activities completed to date.

The approved budget period for your grant-funded activities closes at the end of December 2016. Project scope or end date changes need Department of Environmental Quality (DEQ) approval in advance.

Your SAW Grant requires the following "deliverables" be provided to the DEQ within 3 years of your grant agreement date:

- **Wastewater Asset Management Plan Certification of Project Completeness**
- **Stormwater Asset Management Plan Certification of Project Completeness**

Work with Water Resources Division (WRD) staff to prepare your stormwater management plans, asset management plans, and innovative technology projects. Again, congratulations on your SAW Grant award. I appreciate your interest in improving water quality in your community. Should you have any questions, please contact me either at the phone number listed below, by e-mail at MerchantJ1@michigan.gov, or by mail at DEQ, P.O. Box 30241, Lansing, Michigan 48909-7741.

Sincerely,

Jaclyn Merchant, Project Manager
Revolving Loan Section
Office of Drinking Water and Municipal Assistance
517-284-5412

Enclosures

Mr. James Krizan
Page 2
November 12, 2014

cc: Mr. Mickey Bittner, Wightman & Associates, Inc., Allegan
Mr. Joe Fielek, Department of Treasury, MFA
Mr. Alan J. Lambert, Assistant Attorney General, Office of the Attorney General
Mr. Jordan Kameron, District Supervisor, DEQ-WRD, Kalamazoo District Office
Ms. Debbie Martinson, DEQ-ODWMA

PROJECT INFORMATION

Project Name and County Village of Decatur Wastewater & Stormwater AMP, Van Buren County

A. Legal Name of Applicant Village of Decatur

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. N/A

B. Mailing Address of Applicant

Street, P.O. Box 114 N. Phelps

City, State & Zip Decatur, MI 49045

County(s) project is located in Van Buren County

269-423-6114

(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 James Krizan

Title Village Manager

Street, P.O. Box 114 N. Phelps

City, State & Zip Decatur, MI 49045

269-423-6114

(Area Code and Telephone Number)

jkrizanvm@comcast.net

(E-mail Address)

2. Applicant's Financial Advisor

Name N/A

Firm N/A

Street, P.O. Box N/A

City, State & Zip N/A

N/A

(Area Code and Telephone Number)

N/A

(E-mail Address)

3. Applicant's Consulting Engineer (if applicable)

Name Mickey Bittner, P.E.

Firm Wightman & Associates, Inc.

Street, P.O. Box 264 Western Ave.

City, State & Zip Allegan, MI 49010

269-673-8465

(Area Code and Telephone Number)

mbittner@wightman-assoc.com

(E-mail Address)

October 21, 2013

4. Primary Contact (if different than authorized representative)

Name Mickey Bittner, P.E.

Title Project Manager

269-673-8465

mbittner@wightman-assoc.com

(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.)**

See attachment #1 - Project Need and Proposed Scope of Work

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) N/A

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: 01/2013 (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: 12/2016 (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: **N/A**

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	0	\$553,000	<input checked="" type="checkbox"/> YES	\$553,000
5. Stormwater Asset Management Plan Costs	0	\$68,000	<input checked="" type="checkbox"/> YES	\$68,000
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				\$621,000
10. LESS Local Match				\$62,100
11. Requested SAW Grant Amount (Line 9 minus Line 10)				\$558,900

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

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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.

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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:

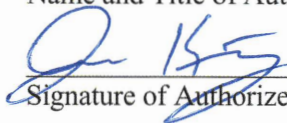
1. The applicant has the legal, managerial, institutional, and financial capability to plan, design, and build the project, or cause the project to be built, and cause all facilities eventually constructed to be adequately operated.
2. The applicant certifies that no undisclosed fact or event, or pending 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 the Village of Decatur (legal name of applicant) agrees to and will abide by the covenants and certifications stipulated above.

James Krizan, Village Manager

Name and Title of Authorized Representative (Please Print or Type)



Signature of Authorized Representative (Original Signature Required)

11-26-13

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, 4TH 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.

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Resolution 2013-11

Village _____ of _____ Decatur
County of _____ Van Buren

Resolution Authorizing the SAW Grant Agreement

Minutes of the regular meeting of the Village Council of the _____ Village _____ of _____ Decatur
County of _____ Van Buren _____, State of Michigan, (the "Municipality") held on
November 4, 2013 _____.

PRESENT: Members: Carl Wickett, Ali Elwaer, Tom Creagan,
Mike Heflin, Norma Strickler, and Greg Cole

ABSENT: Members: Harold Magee

Member Ali Elwaer offered and moved the adoption of the following resolution,
seconded by Member Tom Creagan _____.

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).

WHEREAS, it is the determination of the Municipality that at this time, a grant in the aggregate
principal amount not to exceed \$592,000 ("Grant") be requested from the MFA and
the DEQ to pay for the above-mentioned undertaking(s); and

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OTHER FORMAT.

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. Village Manager (*title of the designee's position*), a position currently held by James Krizan (*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: Cole, Heflin, Strickler, Creagan, Elwaer, and Wickett

NAYS: Members: None

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

RESOLUTION DECLARED ADOPTED

I hereby certify that the foregoing is a true and complete copy of a resolution adopted by the Village Council of the Village of Decatur, County of Van Buren, 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.



Name Lou Ann Conklin
Village of Decatur, Clerk
Village of Decatur County of Van Buren

VILLAGE OF DECATUR
SAW GRANT APPLICATION
ENGINEER'S ESTIMATE AND SUMMARY OF FEES
10/18/13

Engineer's Estimate

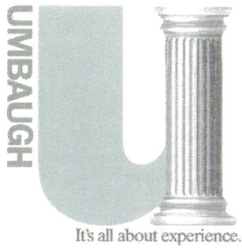
Optional Tasks

Task	Sanitary	Storm	Water	Total
Application	\$ 6,100	\$ -		\$ 6,100
Asset Management Plan	111,960.38	58,348.62		170,309.00
GIS/AMP Hardware, Software and Training	62,000.00	-		62,000.00
Develop GIS Mapping for Major Components	29,780.00	14.00	23,540.00	53,334.00
AMP and GIS Onsite Setup and Orientation	17,780.00	-		17,780.00
Attach Record Drawings and Other Data to GIS Data	5,220.00	750.00		5,970.00
Add Service Locations to GIS Data	-	-	11,460.00	11,460.00
Clean and TV System	257,000.00	-		257,000.00
Reimbursable Expenses	-	-		-
Flow Metering and Modeling	-	-		-
Community Force Account - Labor	4,759.62	1,487.38		6,247.00
Community Force Account - Water and Disposal	4,400.00	4,400.00		8,800.00
Asset Condition Training	5,000.00	1,000.00		6,000.00
Total	504,000.00	66,000.00	35,000.00	605,000.00
Less Grant	90%	453,600.00	59,400.00	513,000.00
Match	10%	50,400.00	6,600.00	92,000.00
Less Amount Incurred and Paid Prior to Application				-
Anticipated Net Match		50,400.00	6,600.00	92,000.00
Less Force Account Work and Services		9,159.62	5,887.38	15,047.00
Net Cost to Community	\$	41,240	\$ 713	\$ 35,000
				\$ 76,953

Force Account Labor Estimate
Class, rate, fringes, hours

Summary of Fees

Task	Responsible Entity	Sanitary	Storm	Water	Total
Application	WAI	\$ 6,100.00	\$ -	\$ -	\$ 6,100.00
Asset Management Plan	WAI	150,240.38	60,112.62	35,000.00	245,353.00
Cleaning and TV Sewers	WAI	257,000.00	-	-	257,000.00
Reimbursable Expense	WAI	-	-	-	-
Force Account Work	Village	9,159.62	5,887.38	-	15,047.00
Financial	NA	14,000.00			14,000.00
AMP/GIS Hardware, Software, Training	WAI/TBD	62,000.00	-	-	62,000.00
IT Consultant	TBD	5,500.00	-		5,500.00
Other	NA				-
Total		\$ 504,000.00	\$ 66,000.00	\$ 35,000.00	\$ 605,000.00



H.J. Umbaugh & Associates
Certified Public Accountants, LLP
6639 Centurion Drive
Suite 100
Lansing, MI 48917
Phone: 517-321-0110
FAX: 517-321-8866

October 22, 2013

Village of Decatur

H.J. Umbaugh & Associates, Certified Public Accountants, LLP (“Umbaugh”) is providing the outline below describing the scope of service for an Asset Management Financial Plan. The fee for this service will be \$11,000.

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 operating cost.

- Based on current budget with leveling for base operating cost.
- Determination of anticipated changes to operating cost.

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.

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.

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 effected 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, 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.

- The elements of a rate structure, including the proportion of revenue generated from ready to serve and commodity charge are determined by allocation of fixed and variable cost, and other customer base characteristics.
- Rate adjustment over time may be incremental or one time in nature.



Terra Contracting Services, LLC

October 25, 2013

Crystal Bross
Wightman & Associates
2303 Pipestone Road
Benton Harbor, MI 49022
cbross@wightman-assoc.com

Regarding: Village of Decatur, MI SAW Grant Program – Asset Management Plan Development

Terra Contracting Tracking #2013-0961
HB# MS130961

Ms. Bross,

Pursuant to your request, Terra Contracting Services, LLC appreciates the opportunity to submit this proposal for your consideration.

SCOPE OF WORK

It is understood that the customer has requested budgetary pricing for a "package" of services in an effort to develop an asset management plan in accordance with the MDEQ SAW Grant Program for the Village of Decatur, MI. The list of services is to include: cleaning and televising gravity sanitary sewer and performing Panoramio SI manhole inspections on the manholes within the Village of Decatur sewer system. An inventory listing the quantity of 8"-15" sanitary sewer and number of manholes to be inspected has been provided.

It is understood that the sewer system in Decatur was installed in approximately 1971 and apart from a portion being cleaned in 2000, has had little to no maintenance performed over the years outside of emergency sewer backups. A print has been provided of the sanitary sewer. These reaches are understood to be all gravity 8"-15" PVC and VCP pipe. Average section length within the Village sanitary sewer system is about 282 lineal feet and average flow is around 150,000 gallons per day.

Water for the cleaning operation can be obtained from assigned hydrant structures only within the Village of Decatur. It has been assumed that water from the Village of Decatur will be available at no cost to Terra. The debris removed from the sewers must be hauled off site to a licensed disposal facility.

Upon project completion, the customer has requested the information to be formatted in a manner where it can be incorporated into a GIS system that the customer will be establishing for the Village.

Terra Contracting Services, LLC

5787 Stadium Drive | Kalamazoo, MI 49009 | P: (269) 375-9595 | F: (269) 375-2830



Terra Contracting Services, LLC

Terra Contracting Services, LLC will furnish necessary supervision, labor, and equipment to perform condition assessment services and reporting by utilization of sewer inspection equipment for the purposes of supporting Wightman & Associates' efforts to develop Asset Management Plans in accordance with the MDEQ SAW Grant Program for the Village of Decatur, MI. Terra will provide a Vactor® with a trained operator to perform the cleaning operations. Terra will provide a Closed Circuit Television Unit (CCTV) with a trained operator to perform the televising operation. Terra assumes that a staging area will be provided for roll off boxes in order to consolidate debris prior to disposal.

As it is understood that the sanitary sewer system has had little to no maintenance performed, it is likely that there will be sections of sewer that will require heavy cleaning. That being said, Terra has provided a "light" and "heavy" cleaning price for the sanitary sewers. For the purpose of this proposal, light cleaning will involve making three passes with a sewer cleaning nozzle. If additional cleaning is required in order to perform an inspection, the heavy cleaning rate will be charged in addition to the light cleaning unit cost. Heavy cleaning will involve "step" cleaning each section by making (3) passes, each pass equating to 1/3 the sewer section length. Any deposits and/or lateral protrusions that exist but do not interfere with the inspection will not be addressed during the cleaning efforts unless otherwise requested by the customer at which point these services will be billed at time and materials rates.

Manhole inspections will be performed with the use of a Panorama SI unit. Utilizing Panorama SI for the inspection, the information obtained from the scan will be converted to a written report utilizing MACP coding and linked to the scanned image of the manhole.

All condition assessments will be provided utilizing NASSCO Certified PACP Software (PipeLogix®). All files can be exported in shape files to be fully integrated to most GIS programs. It is assumed the customer will provide Terra with the proposed GIS mapping information so that the information obtained from the field inspections can be converted correctly. The customer will provide pre-assigned asset numbers for each structure to be integrated into the final GIS data.

The pricing structure below is based on information provided by the customer. It has been assumed that fifteen percent of the sanitary sewer system will require heavy cleaning. Actual quantities will be billed accordingly.

The estimated quantities listed within the project pricing are based on information provided. Quantities and pricing are for budgetary purposes only.

HEALTH AND SAFETY

The Terra team embraces the Loss Prevention System (LPS™) behavioral based safety program – LPS™ will be the key around which worker safety will be achieved on this project. All of the site personnel onsite will be trained in the LPS™ System.

Terra team operations will be conducted with safety at the forefront of every move, under the oversight of the Terra Health and Safety Officer. This person's primary responsibility will be to



Terra Contracting Services, LLC

implement the LPS™ system on the site and inspect and evaluate the activities onsite to ensure safety of all employees. Terra will also have a corporate health and safety officer perform safety audits at each site. The information and lessons learned from our site safety audits will be implemented immediately and be carried forward to the other sites.

The LPS™ behavioral based system puts the implementation of safety initiatives in the hands of the people who can make a difference – the field staff. Management provides the stewardship and structure while the field staff puts it into motion through the various LPS™ tools such as:

1. JSA – Job Safety Analysis – Identification of all associated hazards related to each task of a project by the safety department. This document precipitates a field document called an STHA, (Site Task Hazard Analysis). The STHA is prepared and implemented by the field staff. The STHA is a living document that changes as the project evolves. As the project conditions change the document is altered and all involved are informed.
2. LPO - Loss Prevention Observation – The LPO is a peer review of a task being conducted. The observer reads the JSA and STHA prior to the observation. The observer then documents the observation relative to its adherence to the JSA and STHA as well as providing input as to how the operation can be executed safer or improved in some other way. These observations are then shared with the party being observed.
3. SPSA – Self Performance Self Assessment – A self performance self assessment simply asks each person to:
 - a. **ASSESS** the risk
 - i. What could go wrong?
 - ii. What is the worst thing that could happen if something does go wrong?
 - b. **ANALYZE** how to reduce the risk
 - i. Do I have all the necessary training and knowledge to do this job safely?
 - ii. Do I have all the proper tools and personal protective equipment?
 - c. **ACT** to ensure safe operations
 - i. Take necessary action to ensure the job is done safely!
 - ii. Follow written procedures!
 - iii. Ask for assistance, if needed!

Any near losses, losses or questionable behavior are documented at which point a root-cause analysis is conducted. The findings of these analyses are communicated throughout the entire company on a weekly basis through conference calls involving all project management and weekly meetings of upper management.



Terra Contracting Services, LLC

BUDGETARY PRICING

Item	Description	Qty	Unit	Rate	Extension
1	Light Cleaning 8" Sanitary Sewer	65,500	LF	\$ 1.09	\$ 71,395.00
2	Heavy Cleaning 8" Sanitary Sewer	9,825	LF	\$ 1.67	\$ 16,407.75
3	Light Cleaning 10" Sanitary Sewer	2,900	LF	\$ 1.21	\$ 3,509.00
4	Heavy Cleaning 10" Sanitary Sewer	435	LF	\$ 1.55	\$ 674.25
5	Light Cleaning 12" Sanitary Sewer	5,600	LF	\$ 1.23	\$ 6,888.00
6	Heavy Cleaning 12" Sanitary Sewer	840	LF	\$ 1.74	\$ 1,461.60
7	Light Cleaning 15" Sanitary Sewer	11,000	LF	\$ 1.19	\$ 13,090.00
8	Heavy Cleaning 15" Sanitary Sewer	1,650	LF	\$ 1.48	\$ 2,442.00
9	Televised 8"-15" Sanitary Sewer	85,000	LF	\$ 0.99	\$ 84,150.00
10	Manhole Inspections - Panaramo SI	295	EA	\$ 77.63	\$ 22,900.85
Total					\$ 222,918.45

FUEL SURCHARGE

The maximum fuel surcharge is based on fuel reaching a price of \$ 5.00 per gallon equating to an additional \$ 5,202.00. Fuel surcharges will be prorated based on current fuel pricing.

TERMS AND CONTINGENCIES

- Based on weekday hours only.
- Budgetary pricing is valid until December 31, 2015.
- Any delays caused by others and not directly the result of Terra actions will be documented and billed at established rates.
- Pricing is based on current off road and on road diesel fuel prices, fuel surcharges may apply.
- Village of Decatur to provide access to water at adjacent hydrants.
- Gross vehicle weight (GVW) not to exceed 54,000 lbs on tandem axle trucks (Vactors) and 80,000 lbs on roll off truck.
- Traffic Control Measures will be in accordance with current MMUTCD Guidelines.
- Terra Contracting will utilize PACP standards during the CCTV investigation.
- Any start or completion dates agreed to by Contractor are only approximate and are subject to reasonable variation. Contractor shall not be liable for delays or failures in performance resulting from causes beyond its control and without its willful misconduct or gross negligence, including acts of God. Contractor may, in its sole discretion, engage sub-contractors on behalf of Customer to perform any portion of the Services. The customer shall be responsible for all waiting time of Terra Contracting outside the immediate control of Terra (i.e. no/delayed access to work area/site, mandatory breaks act.) or any other influences outside the control of Terra and its associates. Such time shall be in addition to the base quotation in the form of additional T&M charges.
- A signed Terra Contracting Professional Services Agreement (PSA) or purchase order (PO) issued by Customer, incorporating the terms and conditions included in this proposal, must be in place prior to project scheduling.
- Change Orders. All change orders or amendments to this Agreement become effective only upon acceptance by Contractor and Customer. No modifications shall be accepted in any other way.

Terra Contracting Services, LLC

5787 Stadium Drive | Kalamazoo, MI 49009 | P: (269) 375-9595 | F: (269) 375-2830



Terra Contracting Services, LLC

- Payment. Terms are net thirty (30) days from MDEQ approval (submitted quarterly). No discount rebates or credits may be taken unless agreed to by Contractor in writing. Invoices paid beyond thirty (30) days after invoice date will incur a service charge of one and one-half percent (1-½%) per month on the unpaid balance, or, if lower, the highest percentage amount allowable by law. Contractor may suspend Services if Customer does not pay every invoice promptly and in full.
- This proposal is deemed proprietary information and its contents, including pricing may not be disclosed to any entity outside of the person addressed to without written permission by Terra.

EXCLUSIONS

- Approvals, testing, notifications, monitoring and/or inspection for our work not specifically named above.
- Parking fees for Terra personnel.
- Union personnel, Prevailing wages.
- Minority participation including MBE, DBE, RPP, EBE, WBE, etc.
- Frost laws or any other circumstances that would preclude maximum tonnage/volume being loaded and transported from project site.
- Impact of underground obstructions to our work, we shall be compensated for costs of excavating, removing, or otherwise dealing with such obstructions.
- Once Work has commenced, Work suspension or delay by Contractor or Owner for more than 30 days.
- Performance and Payment Bond, however, same can be provided on a cost reimbursement basis.
- Any items of work not specifically included or referenced in this proposal shall not be our responsibility.
- Bid is awarded as a single project.
- Default or delay in the completion of the work when caused by strike, riot, weather, war, terrorism, Act of God, site access restrictions or other similar circumstances beyond our control.

Thank you again for the opportunity to present this proposal. Please do not hesitate to contact me at (269) 375-9595 ext. 311 with any questions or clarification you might require. To indicate your acceptance of this proposal, please sign below and either email or fax it back to (269) 375-2830.

Submitted by:
TERRA CONTRACTING SERVICES, LLC

Suzanne Grix
Territory Sales Manager

Accepted By:	
Signature:	
Date	

Terra Contracting Services, LLC

5787 Stadium Drive | Kalamazoo, MI 49009 | P: (269) 375-9595 | F: (269) 375-2830



Michigan Finance Authority

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

This Grant Agreement ("Agreement") is made as of October 29, 2014, 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 Village of Decatur, County of Van Buren ("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:

James Krizan, Village Manager
Name/Title of Authorized Representative
114 N. Phelps
Address
Decatur, MI 49045
Address
269-423-6114
Telephone number

GRANT INFORMATION:

Project Name: WW & Stormwater Asset Mgmt Plan
Project #: 1324-01
Project Total: \$ 613,826
Amount of Match \$ 61,383
Grant Award \$ 552,443 (grant plus match)
Start Date: 1/1/2013 End Date: 12/1/2016

DEQ REPRESENTATIVE:

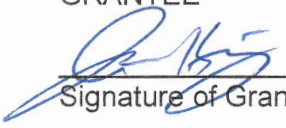
Sonya T. Butler, Chief
Name/Title
525 West Allegan St., PO Box 30473
Address
Lansing, MI 48909-7973
Address
(517) 373-2161
Telephone number
Butlers2@michigan.gov
E-mail address

AUTHORITY REPRESENTATIVE:

Joseph L. Fielek, Executive Director, MFA
Name/Title
430 W. Allegan St., Austin Building
Address
Lansing, MI 48922
Address
(517) 335-0994
Telephone number
treas_bondfinance@michigan.gov
E-mail address

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

October 29, 2014
Date

James Krizan, Village Manager
Name and title (typed or printed)

MICHIGAN DEPARTMENT OF ENVIRONMENTAL QUALITY


Its Authorized Officer

October 29, 2014
Date

MICHIGAN FINANCE AUTHORITY


Its Authorized Officer

October 29, 2014
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.**

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.

(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.

(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 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. 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.

(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.

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.

SAW Grant Program**Exhibit A**

Grantee: Village of Decatur

Project Name: Wastewater and Stormwater Asset Management Plans

DEQ Approved Grant Amount: \$552,443 (Five Hundred Fifty-two Thousand Four Hundred Forty-three Dollars)

Time Period for Eligible Costs: Start Date January 2013

End Date December 2016

Description of Approved Project Scope:

Preparation of a Wastewater Asset Management Plan and a Stormwater Asset Management Plan.

DEQ Approved Project Costs	
1. Project Planning Costs	\$0
2. Design Engineering Costs	\$0
3. User Charge System Development Costs	\$0
4. Wastewater Asset Management Plan Costs	\$545,826*
5. Stormwater Asset Management Plan Costs	\$68,000
6. Stormwater Management Plan Costs	\$0
7. Innovative Wastewater and Stormwater Technology Costs	\$0
8. Disadvantaged Community Construction Costs	\$0
9. Eligible Cost Subtotal	\$613,826
10. LESS Local Match (<i>if applicable</i>)	\$61,383
11. Requested SAW Grant Amount (Line 9 minus Line 10)	\$552,443

* 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:

- A 15-percent mark-up was applied to GIS hardware, software, and training costs. Mark-ups on GIS costs are not eligible.



WIGHTMAN & ASSOCIATES, INC.

ENGINEERING ♦ SURVEYING ♦ ARCHITECTURE

Allegan Office:
264 Western Ave.
Allegan, MI 49010

Telephone:
(269) 673-8465

Fax:
(269) 673-5464

Website:
www.wightman-assoc.com

October 4, 2013

Village of Decatur
114 N. Phelps Street
Decatur, MI 49045

Attention: Ms. Lou Ann Conklin, Village Clerk

RE: SAW GRANT APPLICATION

Dear Ms. Conklin:

The following proposal is to prepare and submit an application for the new Stormwater Asset Management and Wastewater (SAW) grant program. The MDEQ's SAW grant and loan program is targeting asset management programs, storm water facilities and wastewater systems. Up to \$2M with 0-25% match will be available to your community to start proactively managing systems. Attached is some background information on the program.

We will work with you to complete the following for the application:

- Identify needs and prepare a draft work plan
- Determine eligibility of completed and proposed work
- Estimate cost to complete the plan and all required work
- Provide a draft work plan and application for review
- Prepare required governmental resolution
- Complete and submit work plan and application

The cost to prepare the application is a grant eligible activity. The cost to prepare the application will be determined after the needs and draft work plan are identified and will be invoiced upon completion of the application. If you prefer, we can defer the payment until you are awarded funding as long as our firm is retained to complete the work. It is important to understand that you must demonstrate progress implementing the plan within 3 years or the grant may have to be repaid. This may include utility rate increases if required to sustain the assets.

Applications are due December 2 so it is critical to start now as awards will be made on a first come first serve basis. We will provide a draft work plan and application for review so the final resolution can be adopted in November.

Very Truly Yours,

WIGHTMAN & ASSOCIATE, INC.

Mickey E. Bittner, P.E.

mbittner@wightman-assoc.com



STORMWATER, ASSET MANAGEMENT & WASTEWATER (SAW) GRANT AND LOAN PROGRAM HIGHLIGHTS

Eligible Applicants – Cities, Villages, Townships, Counties, Authorities or Indian Tribes

Grant Eligible Activities

- ♦ Asset management program for wastewater or storm water systems
- ♦ Development of GIS inventory and mapping
- ♦ Cleaning and televising sewer systems
- ♦ Acquisition of hardware and software
- ♦ Training staff to complete and implement plan
- ♦ Assessment of existing assets
- ♦ Development of funding structures and an implementation plan
- ♦ Developing a storm water management plan
- ♦ Planning, design, user charge systems and funding applications for wastewater or storm water projects
- ♦ Planning, design and funding applications for wetland mitigation banking
- ♦ Testing and demonstration of innovative wastewater and storm water technologies
- ♦ Disadvantaged communities are eligible for \$500,000 of grant monies on construction activities
- ♦ Applications and eligible activities incurred after January 2, 2013



Amounts Available

- ♦ Grants of up to \$2,000,000 with a 10% local match for first \$1M and 25% match up to \$2M
- ♦ 100% grants for disadvantaged communities, communities in receivership, communities operating under an emergency manager, or communities operating under a consent agreement
- ♦ Grants of up to \$500,000 for disadvantaged communities to implement projects in plan
- ♦ Low interest loans are available for implementing the plan and projects

Application and Award Criteria – Awards are on a first come first serve basis for applications received on or before December 2, 2013. They expect the number of applications to exceed the funding available in which case they will award via lottery. Unfunded applications will receive priority for future funding in 2014.



877-927-0109 • www.Wightman-Assoc.com

STORMWATER, ASSET MANAGEMENT & WASTEWATER (SAW) GRANT AND LOAN PROGRAM FAQs

Frequently Asked Questions

What is an Asset Management Plan?

- Proactively managing infrastructure to minimize the life cycle cost while delivering the desired level of service to your customers. An asset management plan typically includes the following:
 - GIS based inventory of assets
 - Assessment of condition and criticality of assets
 - Review of capacity, efficiency and reliability of systems
 - Evaluation of staffing for sufficiency and compliance
 - Capital improvement plan
 - Long-term budgeting, rate analysis and capital funding strategy
 - Implementation strategy

Why Prepare an Asset Management Plan?

- Reduce life cycle costs by proactively managing OM&R decisions
- Meet customer service expectations and regulatory requirements
- Set rates based on sound operational and financial planning
- Budget focused on activities critical to sustained performance
- Improve responses to emergencies
- Improve the security and safety of assets
- This is a unique opportunity to have it paid for by grant funding
- Required for some permits and will likely be a condition of future funding and permits

What is the cost for a plan?

- Cost will vary depending on complexity of assets, amount of available information and level of analysis and planning desired
- Up to \$2M funding is available with a 10% match on the first \$1M and 25% on the next \$1M
- Up to 100% grant funding is available for disadvantaged communities

What is application schedule?

- August – Determine preliminary scope of work and corresponding cost
- September – Review scope and costs with staff
- October – Obtain approval from community leaders
- November – Adopt resolution and submit application
- December 2 – Submit application

Who should I contact for more information or to coordinate an application?

- Matt Davis, PE LEED AP mdavis@wightman-assoc.com 269 927 0100 x309 or the Wightman & Associates representative you typically work with.



ASSET MANAGEMENT PLAN

(Highlighted items are eligible, but not required activities)

Typical Table of Contents

Executive Summary

Asset Inventory and Conditional Assessment

- Asset Inventory and Mapping
- GIS Mapping
- Sewer Cleaning and Inspection
- Asset Conditions and Remaining Life
- Asset Values and Replacement Costs

Level of Service

- Short and Long Term Capacity Analysis
- Regulatory Compliance
- Reliability of Service

Criticality of Assets

- Identification of Critical Assets
- Likelihood, Consequence and Cost of Failure

Operation and Maintenance Strategies

- Operation and Maintenance Analysis
- Staffing/Contract Analysis
- Preventative Maintenance Plan
- Energy Efficiency Evaluation
- Lifecycle Cost Analysis for Assets and Process

Capital Improvement Planning

- Identify Strategic Capital Improvement Costs and Schedule

Revenue Structure and Long-Term Funding

- Required Revenues for Long Term OM&R
- Strategy to Finance Future Capital Improvements
- Evaluation of Current Rates and Methodology for Establishing Rates
- Recommended Rates and Methodology for Managing Rates

Implementation Plan

- Implement Operation and Maintenance Strategies
- Implement Recommended Rate Changes
- Regularly Update GIS Mapping and Inventory
- Plan for Capital Improvements and Acquisition of Funding Sources
- Incorporate Asset Management Plan with Budgeting Process
- Update Asset Management Plan



WIGHTMAN & ASSOCIATES, INC.
ENGINEERING ♦ SURVEYING ♦ ARCHITECTURE

October 4, 2013

Village of Decatur
114 N. Phelps Street
Decatur, MI 49045

Attention: Ms. Lou Ann Conklin, Village Clerk

Allegan Office:
264 Western Ave.
Allegan, MI 49010

Telephone:
(269) 673-8465

Fax:
(269) 673-5464

Website:
www.wightman-assoc.com

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mbittner@wightman-assoc.com

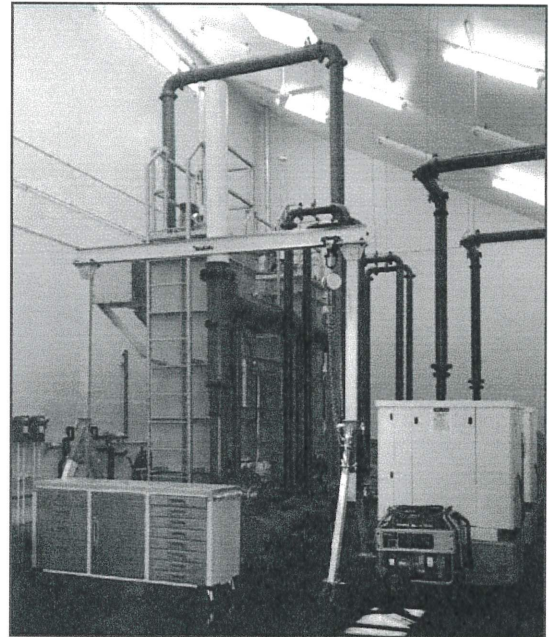


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Resolution 2013-11

Village _____ of _____ Decatur
County of _____ Van Buren _____

Resolution Authorizing the SAW Grant Agreement

Minutes of the regular meeting of the Village Council of the Village _____ of _____
County of _____ Van Buren _____, State of Michigan, (the "Municipality") held on
November 4, 2013 _____.

PRESENT: Members: Carl Wickett, Ali Elwaer, Tom Creagan,
Mike Heflin, Norma Strickler, and Greg Cole _____

ABSENT: Members: Harold Magee _____

Member Ali Elwaer _____ offered and moved the adoption of the following resolution,
seconded by Member Tom Creagan _____.

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).

WHEREAS, it is the determination of the Municipality that at this time, a grant in the aggregate
principal amount not to exceed \$592,000 ("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. Village Manager (*title of the designee's position*), a position currently held by James Krizan (*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: Cole, Heflin, Strickler, Creagan, Elwaer, and Wickett

NAYS: Members: None

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

RESOLUTION DECLARED ADOPTED

I hereby certify that the foregoing is a true and complete copy of a resolution adopted by the Village Council of the Village of Decatur, County of Van Buren, 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.



Name Lou Ann Conklin

Village of Decatur, Clerk

Village of Decatur County of Van Buren

Village of Decatur SAW Grant Line Item Detail as Presented to and Approved by the MDEQ

SAW GRANT

SUMMARY OF FEES

Summary of Fees						Grant		MDEQ Approved Project Costs
WASTEWATER ASSET MANAGEMENT PLAN						Application		
Task								
GIS Based Asset Inventory						\$ 48,000.00		\$ 48,000.00
Condition Assessment						\$ 21,000.00		\$ 21,000.00
GIS and AM Software						\$ 25,000.00		\$ 25,000.00
Training for GIS and AMP						\$ 18,000.00		\$ 10,826.00
GIS and AM Hardware						\$ 12,000.00		\$ 12,000.00
Cleaning and Televising						\$ 257,000.00		\$ 295,000.00
Level of Service						\$ 10,000.00		\$ 10,000.00
Training and Certification PACP/MACP						\$ 5,000.00		\$ 5,000.00
Rate Structure Development						\$ 36,000.00		\$ 36,000.00
Force Account						\$ 11,539.00		\$ 11,539.00
Other						\$ 71,461.00		\$ 71,461.00
					Total	\$ 515,000.00		\$ 545,826.00

Summary of Fees						Grant		MDEQ Approved Project Costs
STORMWATER ASSET MANAGEMENT PLAN						Application		
Task								
GIS Based Asset Inventory						\$ 25,000.00		\$ 25,000.00
Condition Assessment						\$ 5,000.00		\$ 5,000.00
Level of Service						\$ 8,000.00		\$ 8,000.00
Training and Certification PACP/MACP						\$ 1,000.00		\$ 1,000.00
Rate Structure Development						\$ 6,000.00		\$ 6,000.00
Force Account						\$ 1,487.00		\$ 1,487.00
Other						\$ 21,513.00		\$ 21,513.00
					Total	\$ 68,000.00		\$ 68,000.00

					Grand Total Project Costs	\$ 583,000.00		\$ 613,826.00
					Less Local Match*	\$ 58,300.00		\$ 61,383.00
					Grant Award			\$ 552,443.00

* Match Includes Force Account Work, Actual Encumbrance Requirement for Local Match:

Sewer Fund		\$ 43,043.60						
Streets		\$ 5,313.00						
Total		\$ 48,356.60						

Village of Decatur SAW Grant Line Item Detail as Presented to and Approved by the MDEQ								
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SUMMARY OF FEES								
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				Less Local Match*		\$ 58,300.00		\$ 61,383.00
				Grant Award				\$ 552,443.00
*Local Match Includes Force Account Work, Actual Encumbrance Requirement for Local Match:								
Sewer Fund		\$ 43,043.60						
Streets		\$ 5,313.00						
	Total	\$ 48,356.60						

Village of Decatur SAW Grant Line Item Detail

Application	6,100.00
Asset Plan	150,240.38
Cleaning/TV	257,000.00
Force acct	9,159.62
Financial	14,000.00
GIS	62,000.00
IT Consult	5,500.00
	<hr/>
	504,000.00
Storm Sewer	60,112.62
	5,887.38
	<hr/>
	66,000.00
	570,000.00



RICK SNYDER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF ENVIRONMENTAL QUALITY
LANSING



C. HEIDI GRETHUR
DIRECTOR

January 5, 2018

Mr. Aaron Mitchell, Village Manager
Village of Decatur
114 North Phelps
Decatur, Michigan 49045

Dear Mr. Mitchell:

SUBJECT: Stormwater, Asset Management, and Wastewater (SAW) Grant Program
Village of Decatur
Wastewater and Stormwater Asset Management Plans
SAW Grant Project Number 1324-01

We are pleased to inform you that your final disbursement request (No. 28), in the amount of \$4,557.60 was paid on December 7, 2017. The following were received on the date specified:

Wastewater Rate Methodology

Rate Methodology Approval Date: March 27, 2017

Wastewater Asset Management Plan

WWAMP Certification Of Project Completeness Received Date: October 17, 2017

Stormwater Asset Management Plan

SWAMP Certification Of Project Completeness Received Date: October 17, 2017

The subject SAW Grant project is now administratively complete/closed.

The final SAW Grant amount and local match are \$551,731.02 and \$61,303.45, respectively. For your files, I am enclosing the SAW Final Project Cost Summary from our database, which reflects and confirms the amounts on your final disbursement request.

Please note that the Michigan Finance Authority (MFA) or the Michigan Department of Environmental Quality (DEQ) may conduct an audit or other review of your project to determine whether SAW program requirements have been met. You will be notified in advance of any on-site review. Please retain all project records, whether in written or computerized form, for three years from the date of this letter. If requested, you must provide such records to the MFA, the DEQ, or their agents for inspection.

We are pleased that we could assist you in your effort to protect and preserve the water quality of our state.

Mr. Mitchell
Page 2
January 5, 2018

If you have any questions, please call the project manager, Jaclyn Merchant at 517-284-5412, by email at Merchantj1@michigan.gov, or you may contact us by mail at DEQ, P.O. Box 30817, Lansing, Michigan 48909-8311.

Sincerely,

A handwritten signature in cursive script, appearing to read "Sonya T. Butler".

Sonya T. Butler, Section Manager *for*
Revolving Loan Section
Drinking Water and Municipal Assistance Division
517-284-5433

Attachment

cc: Mr. Mickey Bittner, Wightman & Associates, Inc. Allegan
Ms. Nichole Dorr, MFA
Mr. Jordan Kameron, DEQ-WRD, Kalamazoo District Office
Ms. Debbie Martinson, DEQ



Department of Environmental Quality

SAW Project Cost Summary

SAW Grant

Applicant: Village of Decatur

Location:

Line Item	Requested Amount	Approved Amount	Allowable Percentage	Approved Final Costs
Wastewater Asset Management Plan Costs	\$549,476.54	\$549,476.54	100.00 %	\$549,476.54
Stormwater Asset Management Plan Costs	\$63,557.93	\$63,557.93	100.00 %	\$63,557.93

Eligible Cost Subtotal: \$613,034.47

Less Local Match: \$61,303.45

Disadvantaged For: NA

Total Approved Project Cost: \$551,731.02



WIGHTMAN & ASSOCIATES, INC.

ENGINEERING ♦ SURVEYING ♦ ARCHITECTURE

Benton Harbor Office:

2303 Pipestone Road
Benton Harbor, MI 49022

Telephone:

(269)927-0100

Fax:

(269)927-1300

Website:

www.wightman-assoc.com

Stormwater, Asset Management, and Wastewater (SAW)
Asset Management Plan Executive Summary Guidance
Village of Decatur, Michigan

Wastewater Sewer System

Date: October 12, 2017

To: Ms. Jaclyn Merchant

RE: Organization: Michigan Department of Environmental Quality

From: Wightman & Associates, Inc.

Re: Village of Decatur Grant: Summary of Wastewater Asset Management Plan

Grantee Information:

Village of Decatur

114 N. Phelps St.

Decatur, MI 49045

amitchell@decaturmi.org

Mr. Aaron Mitchell; Village Manager

Ph: (269) 423-6114

SAW Project #: 1324-01

Executive Summary: *Summary of the project scope, and grant and match amount, if applicable. List the key components that make up an Asset Management Plan (AMP).*

An asset management program is a tool for community leaders and utility managers to proactively decide when to repair, replace or rehabilitate assets and how those improvements will be funded to maintain a perpetual level of service. The Key Components of the Asset Management Program (AMP)

- 1) Asset Inventory and Condition Assessment
- 2) Level of Service
- 3) Criticality of Assets
- 4) Capital Improvement Plan
- 5) Asset Management Financial Plan and Revenue Structure

The program is organized into three components that answer the following questions:

Asset Management Program (AMP):

- What level of service will be provided?
- What improvements need to be made and when?
- What changes to operations need to be made?
- How will these improvements and changes be funded?
- How is the plan implemented?

Geographic Information System (GIS)

- What do we own, where is it, what is the condition and what is the remaining life?
- What are the most critical assets?
- Where was maintenance performed and what was done?
- Where are improvements needed?

System User Manual

- How will the asset management program tools be used?
- How will the asset management program be maintained and updated?
- How will the asset management program provide a guide for planning decisions?

	<u>Sanitary</u>	<u>Storm</u>	<u>Total</u>
1) Total Grant:	\$545,826	\$ 68,000	\$ 613,826
2) Less: Match	<u>\$ 54,583</u>	<u>\$ 6,800</u>	<u>\$ 61,383</u>
3) Net Grant:	\$491,243	\$ 61,200	\$ 552,443

Wastewater Asset Inventory: *Describe the system components included in the AMP. Discuss how they were located and identified, if applicable. Describe the platform used to develop and maintain the inventory of assets.*

The first step in developing an AMP is to identify the equipment, infrastructure, personnel, tools, and anything else that comprises or services the utility in question.

Description:

Decatur owns and operates both a wastewater treatment facility (WWTF) and a wastewater collection system. The collection system consists of several miles of both gravity sewer pipes and pressurized force mains and over 300 manholes of varying age. In addition to the pipes and manholes in the collection system, Decatur relies on two sewage lift (pump) stations to convey the wastewater through the system and to the WWTF.

With a thorough knowledge of the basic layout of the collection system and the WWTF, a comprehensive inventory of all wastewater system assets was performed using as-built utility drawings and on-site Global Positioning System (GPS) field locations. Using the data collected, detailed maps of the wastewater collection system and the treatment facility were prepared using Geographical Information System (GIS) software. The mapping was prepared using the state

plane coordinate system, allowing the operator to obtain coordinates for and accurately locate system assets in the field utilizing handheld GPS equipment. The ability to accurately locate utility assets will allow for quicker responses to and resolution of service calls, ensuring the highest level of customer service and ongoing efficiency in labor usage.

Condition Assessment: *Discuss the condition assessment process, including what methods were used. Summarize the results of the assessment for each asset category. The percentage of good, fair, and poor for each category can be used, if preferred.*

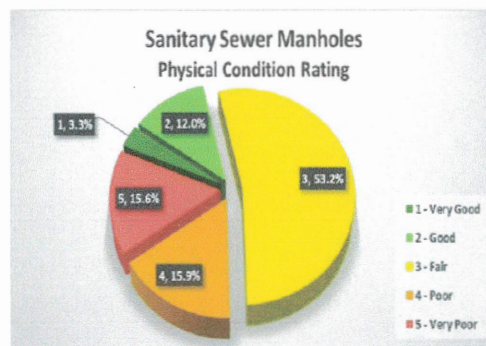
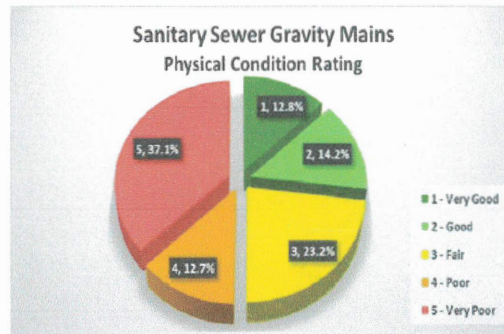
After completing the comprehensive inventory of the utility system assets, conditional assessments of all asset components were performed. The condition assessment provides the critical information needed to assess the physical condition and functionality of the assets in the collection and treatment systems and estimate their remaining service life. Wightman and Associates, Inc. (WAI) performed the conditional assessments beginning with a complete visual and physical inspection of both wastewater lift stations, the WWTF, and some manholes in the wastewater collection system. In addition, all the pipe in the wastewater system and all the wastewater manholes were videoed using closed-circuit televising (CCTV) equipment designed for internal pipe inspection and imaging. The CCTV service was provided by Terra Contracting Services, LLC.

The conditional assessments for assets that were physically inspected were based on the National Association of Sewer Service Companies (NASSCO) numerical grading system, which defines the severity of observed defects or the condition of the asset. Condition grades for both structural and operational and maintenance (O&M) defects were assigned based on the condition of the immediate defect and the likelihood of further defect deterioration or asset failure. The numerical system uses numbers ranging from 1 to 5 as shown in the Table below.

Condition Rating	Condition Description	Defect/Deterioration Description
1	Very Good	New asset, no or minor defects
2	Good	Defects that have not begun to deteriorate
3	Fair	Moderate defects that will continue to deteriorate
4	Poor	Severe defects with significant deterioration
5	Very Poor	Defect requires immediate action

Table 1 - NASSCO conditional assessment system

The following figures show the condition rating for the wastewater system based upon NASSCO Standards. The ratings are included as an attribute in each asset's entry in the GIS mapping database



Level of Service Determination: Discuss the level of service the municipality has determined that it wants to provide its customers based on the municipality's ability to provide the service and customer expectations. Discuss the procedures used to involve stakeholders in the AMP discussion. What are the trade-offs for the service to be provided? This may include any technical, managerial, health standard, safety, or financial restraints, as long as all regulatory requirements are met. Discuss how this was determined.

Level of Service: The Level of Service (LOS) defines the way in which the Owner desires the facility or utility to perform over the long term. The LOS should ensure that all regulatory requirements are met and should include any technical, managerial, or financial components the Owner deems necessary to meet customer expectations. The LOS is a fundamental part in defining how the Village of Decatur's wastewater system will be operated and maintained in the future. As with all components of the AMP, defining the desired LOS will be an ongoing process.

The Asset Management Team has selected the following statements to define the desired LOS:

1. We will strive to maintain compliance with all regulatory requirements at all times.
2. Should a blockage, break, or lift station failure occur causing an untreated discharge, we will correct the problem as soon as possible to minimize any environmental damage.

3. We will develop and implement a preventative maintenance program to reduce the likelihood of the occurrence of a blockage, break, or lift station failure.
4. We will respond to customer complaints and system alarms within two hours for an emergency and within twenty-four hours for a non-emergency during normal business hours. Communication with the complainant or customers affected will be maintained until the issue is resolved.
5. We will maintain an asset management program for the system and provide reports on an as needed basis.
6. We will develop a work order system to identify, assign, and track preventative and reactive work on the system and report on the status of work orders to the Village on an as needed basis.
7. We will inform the customers of our desired level of service and report on the compliance with the level of service to the Village on an as needed basis.

Criticality of Assets: *Provide a summary of the method used to assess the criticality of assets considering the likelihood and consequence of failure. Based on the condition of the assets, and the determined risk tolerance, how were the assets ranked? What assets were considered most critical?*

Criticality is determined by multiplying the likelihood of failure by the consequence of failure and is a significant factor in prioritizing capital improvements. In general, the higher the criticality of an asset, the more resources that should be allocated to maintain the asset. However, criticality is only one tool that can be utilized to analyze and prioritize capital improvements and its use is subject to careful evaluation of the asset(s) in question and sound engineering judgement.

A. Likelihood of Failure

The likelihood of failure is determined by the condition rating. Below is the ranking system for likelihood of failure that was used to analyze the system.

NASSCO Condition Assessment System	
Condition Rating	Description
1	New or Excellent (Very Good)
2	Minor Deterioration (Good)
3	Moderate Deterioration (Fair)
4	Significant Deterioration (Poor)
5	Unserviceable (Very Poor)

B. Consequence of Failure

To determine the consequence of failure, it is important to consider the significant costs of failure. These costs include: cost of repair; social cost associated with the loss of the asset; repair/replacement costs related to collateral damage caused by the failure; legal costs related to additional damage caused by the failure; environmental costs created by the failure; loss of business revenue to the community; and any other associated costs or losses. The consequence of failure can be high if any one of these costs are significant or the accumulation of several costs occur with a failure. Below is the ranking system that was used to determine the consequence of failure for the Decatur system.

Consequence of Failure Rating	Social, Human, and Environmental Effects ¹	Collateral Damage Effects
1 (Insignificant)	< 10% loss of service, limited potential for human contact with sewage, minimal property damage	Structure/pipe outside of road right-of-way (ROW), no impact to traffic or other structures
2 (Minor)	10% to 24% loss of service, potential for human contact with sewage, minimal property damage	Structure/pipe located under the pavement or curb of a residential or minor local road
3 (Moderate)	25% to 49% loss of service, potential for human contact with sewage, limited property damage, disruption to essential services/major industry	Structure/pipe located under the pavement or curb of a major collector roadway
4 (Major)	50% to 89% loss of service, likely human contact with sewage, moderate property damage, disruption to multiple industries/essential services	Structure/pipe located along state roadways, interstate highways, railroad ROW, or close enough to a building to cause collateral damage
5 (Catastrophic)	90+% loss of service, high potential of human contact with sewage, extensive property damage	Structure/pipe located under the pavement or curb of state roadways or interstate highways, under railroad tracks, or underneath a building

Loss of service for the wastewater system refers to number of service connections impacted due to a single isolated failure.

¹ Loss of service for the wastewater system refers to the number of service connections impacted due to a single failure.

Revenue Structure: *Discuss how the rates, charges, or other means of revenue were reviewed to determine if there will be sufficient funds to cover system operation, maintenance, replacement, capital improvement projects, and debt costs, identified in the AMP. If the current rate structure was not sufficient, discuss what increases were needed to ensure the desired level of service is sustainable and if any changes were made.*

A. Methodology – Asset Management Financial Review

A significant effort has been made by Village of Decatur to inventory assets, evaluate the infrastructure, and determine asset criticality. The result is the identification of asset investment cost by project and by year. The AMFR covers an extended forecast period to take this asset evaluation into account.

The AMFP is a four step process: 1) historical comparison with audits and budgets, 2) test year, or normalized budget year, along with inflation assumptions for purposes of forecasting, 3) proof of rate to revenue for reliance on customer data, and 4) cash flow forecast including revenue, operating expense, capital spending, debt, and fund balance (i.e., actual cash and investment balance). The analysis is “cash basis” approach as described in the AWWA Manual of Rate Making Practices. From year to year, this AMFR may be used to implement policy regarding rate management and budgeting.

Management Summary

Rates: Consider a rate increase, possibly combined with financing of some of the capital improvements to level-off the future operating and cash fund balance. Options include:

- Cash approach to capital costs – Recommend immediate rate increase(s) in the short term with annual increases (tied to the Consumer Price Index for Utilities) thereafter. As the larger capital projects are completed, re-evaluate with consideration for rate reduction(s) beyond 2030.
- Debt approach to capital costs – Recommend combining the largest capital projects into a single project financed by a loan along with an immediate rate increase and another increase after the loan is secured (when debt service payments would begin) with annual increases (tied to the Consumer Price Index for Utilities) in other years.

Cash Balance: Reduce cash and investment balances to six months of capital and operating expenses.

Capital Cost: Either a cash approach or a combination of cash and debt approach, as modeled in the cash flow forecasts.

Capital Improvement Plan: *Describe the long-term Capital Improvement Plan that was developed to address system needs identified in the AMP. Provide a list of the identified improvements/projects.*

Capital improvement projects are projects that a utility has an extended period of time to plan for and are typically projects that cover high-cost, non-recurring expenditures. To ensure that the desired LOS can be maintained, a long-term plan for required capital improvements, known

as a Capital Improvement Plan (CIP), is required as part of an AMP. The CIP helps to ensure that the long-term reliability needs of the utility are met. The CIP is based upon planning for those capital improvements determined to be required or likely to be required due to the likelihood of failure of the assets and their criticality. The planning period for a CIP is 20 years to allow for the development of a rate structure adequate to finance those projects that can reasonably be predicted to be needed during that period.

The Table below and continued on the following page lists the recommended capital improvement projects as well as cyclical improvement projects (i.e. equipment replacement) over the next twenty years for the wastewater collection system and the WWTF. Detailed descriptions and cost estimates for each project listed can be found in The AMP. Where appropriate, the estimated project costs shown in the Table include engineering, construction observation, and contingency costs, thus representing the total estimated cost for the project. All costs shown in the Table are in current costs (no inflation) unless otherwise noted.

Priority	CIP Year	Project Name	Estimated Cost
1	2018	Repair Sanitary Sewer Cross-Bored by Utility	\$ 5,000
2	2018	Manhole Lining - 2018	\$ 47,000
3	2018	Lift Station 1 Comminutor Rebuild/Replacement	\$ 22,000
4	2019	Lift Station 1 Lighting Upgrade	\$ 5,000
5	2019	Recoat Exposed Piping and Valves at Lift Station 1	\$ 11,000
6	2019	Lift Station 2 Lighting Installation	\$ 5,000
7	2019	Sewer Spot Repairs - 2019	\$ 32,000
8	2019	Replace Lagoon 2 Effluent Shear Gate Valve	\$ 3,000
9	2019	Miscellaneous Manhole Repairs - 2019	\$ 7,000
10	2020	Coat Lift Station 1 Wet Well Number 1	\$ 75,000
11	2021	Coat Lift Station 2 Wet Well Number 1	\$ 75,000
12	2022	Lagoon 3 Bank Regrading and Repair	\$ 442,000
13	2023	Sewer Lining - 2023	\$ 327,000
14	2024	Lagoon Sludge Removal	\$ 236,000
15	2025	Replace Lift Station 1 Generator, Flow Meter, and Controls	\$ 108,000
16	2025	Replace Lift Station 1 Pump Number 1	\$ 18,000
17	2026	Replace Lift Station 1 Pump Number 2	\$ 18,000
18	2026	Rosewood Sewer Reconstruction	\$ 24,000
19	2026	Sewer Spot Lining - 2026	\$ 28,000
20	2026	Manhole Lining - 2026	\$ 32,000

Priority	CIP Year	Project Name	Estimated Cost
21	2026	Miscellaneous Manhole Repairs - 2026	\$ 11,000
22	2026	Install Lagoon Effluent Flow Monitoring and Logging	\$ 12,000
23	2027	Lagoon 2 Bank Repair	\$ 285,000
24	2028	Sewer Lining - 2028	\$ 190,000
25	2029	Manhole Lining - 2029	\$ 35,000
26	2029	Miscellaneous Manhole Repairs - 2029	\$ 27,000
27	2030	Replace Lift Station 2 Generator and Controls	\$ 87,000
28	2030	Replace Lift Station 2 Pump Number 1	\$ 9,000
29	2031	Replace Lift Station 2 Pump Number 2	\$ 9,000
30	2031	Additional Sanitary Sewer and Manhole Repairs - 2031	\$ 115,000
31	2033	Additional Sanitary Sewer and Manhole Repairs - 2033	\$ 115,000
32	2035	Additional Sanitary Sewer and Manhole Repairs - 2035	\$ 115,000
33	2037	Additional Sanitary Sewer and Manhole Repairs - 2037	\$ 115,000

Total Estimated Project Cost for Twenty-Year CIP (current costs) = \$ 2,645,000
Total Estimated Project Cost for Twenty-Year CIP (inflation adjusted² costs) = \$ 3,179,000

A. List of Major Assets: *Provide a general list of the major assets identified in the AMP.*

The following is a summary of the Village Assets:

Table 1 contains a summary of the Decatur wastewater collection system assets identified and included in the wastewater AMP.

Asset Description	Quantity	Units
18" Sanitary Sewer	805	LF
15" Sanitary Sewer	9,779	LF
12" Sanitary Sewer	6,602	LF
10" Sanitary Sewer	6,572	LF
8" Sanitary Sewer	63,965	LF
4-foot Diameter Sanitary Manhole	302	EA
Service Lead, Complete	1,129	EA
Lift Station > or = 500 gpm	1	EA
Lift Station < 500 gpm	1	EA
8" Force Main	2,289	LF
6" Force Main	2,142	LF

Table 2 - Village of Decatur wastewater collection system assets

² Twenty-year inflation adjusted calculations assumed a compounded annual inflation rate of 2% per year.

Table 2 contains a summary of the Decatur WWTF assets identified and included in the wastewater AMP.

Asset Description	Quantity	Units
Treatment Lagoon	3	EA
Diversion Chamber	1	EA
Lagoon Water Level Control Chamber	3	EA
Lagoon Outlet Structure	2	EA
Weir Manhole	2	EA
Lagoon Outlet Piping and Lined Ditch	2	EA
Security Fencing	5,800	LF
Access Road	9,560	SF
Warning Sign	10	EA
Site Sign	1	EA
10" Lagoon Influent Piping and Fittings	1,080	LF

Table 3 - Village of Decatur wastewater treatment facility assets



WIGHTMAN & ASSOCIATES, INC.

ENGINEERING ♦ SURVEYING ♦ ARCHITECTURE

Benton Harbor Office:
2303 Pipestone Road
Benton Harbor, MI 49022

Telephone:
(269)927-0100

Fax:
(269)927-1300

Website:
www.wightman-assoc.com

Stormwater, Asset Management, and Wastewater (SAW)
Asset Management Plan Executive Summary Guidance
Village of Decatur, Michigan

Stormwater System

Date: October 12, 2017
To: Ms. Jaclyn Merchant
RE: Organization: Michigan Department of Environmental Quality
From: Wightman & Associates, Inc.
Re: Village of Decatur Grant: Summary of Stormwater Asset Management Plan

Grantee Information:

Village of Decatur
114 N. Phelps St.
Decatur, MI 49045
amitchell@decaturmi.org
Mr. Aaron Mitchell; Village Manager
Ph: (269) 423-6114
SAW Project #: 1324-01

Executive Summary: *Summary of the project scope, and grant and match amount, if applicable. List the key components that make up an Asset Management Plan (AMP).*

An asset management program is a tool for community leaders and utility managers to proactively decide when to repair, replace or rehabilitate assets and how those improvements will be funded to maintain a perpetual level of service. The Key Components of the Asset Management Program (AMP)

- 1) Asset Inventory and Condition Assessment
- 2) Level of Service
- 3) Criticality of Assets
- 4) Capital Improvement Plan
- 5) Asset Management Financial Plan and Revenue Structure

The program is organized into three components that answer the following questions:

Asset Management Program (AMP):

- What level of service will be provided?
- What improvements need to be made and when?
- What changes to operations need to be made?
- How will these improvements and changes be funded?
- How is the plan implemented?

Geographic Information System (GIS)

- What do we own, where is it, what is the condition and what is the remaining life?
- What are the most critical assets?
- Where was maintenance performed and what was done?
- Where are improvements needed?

System User Manual

- How will the asset management program tools be used?
- How will the asset management program be maintained and updated?
- How will the asset management program provide a guide for planning decisions?

	<u>Sanitary</u>	<u>Storm</u>	<u>Total</u>
1) Total Grant:	\$545,826	\$ 68,000	\$ 613,826
2) Less: Match	<u>\$ 54,583</u>	<u>\$ 6,800</u>	<u>\$ 61,383</u>
3) Net Grant:	\$491,243	\$ 61,200	\$ 552,443

Storm Water Asset Inventory: *Describe the system components included in the AMP. Discuss how they were located and identified, if applicable. Describe the platform used to develop and maintain the inventory of assets.*

The first step in developing an AMP is to identify the equipment, infrastructure, personnel, tools, and anything else that comprises or services the utility in question.

Description:

Decatur owns and operates a storm water collection and retention system. The collection system consists of over 3.5 miles of gravity sewer pipes and more than 220 buried structures (storm sewer manholes and stormwater inlet structures). In addition to the pipes and structures in the collection system, there are two retention basins and 10 discharge points to ditches, surface water bodies, wetlands, and the retention basins.

With a thorough knowledge of the basic layout of the stormwater system, a comprehensive inventory of all stormwater collection and retention system assets owned by Decatur was performed using as-built utility drawings and on-site Global Positioning System (GPS) field

locations. Using the data collected, detailed maps of the storm water collection and retention system were prepared using Geographical Information System (GIS) software. The mapping was prepared using the state plane coordinate system, allowing the operator to obtain coordinates for and accurately locate system assets in the field utilizing handheld GPS equipment. The ability to accurately locate utility assets will allow for quicker responses to and resolution of service calls, ensuring the highest level of customer service and ongoing efficiency in labor usage.

Condition Assessment: *Discuss the condition assessment process, including what methods were used. Summarize the results of the assessment for each asset category. The percentage of good, fair, and poor for each category can be used, if preferred.*

The focus of the Decatur stormwater AMP was to locate and document the stormwater assets present in the system. However, after completing the comprehensive inventory of the utility system assets, limited conditional assessments of all assets that could be visually inspected were performed. These conditional assessments provided the information needed to assess the physical condition and functionality of these assets. Wightman and Associates, Inc. (WAI) performed limited conditional assessments on the retention ponds, manholes, and inlet structures within the storm water collection system. However, no closed-circuit televising (CCTV) was conducted within the storm sewer system.

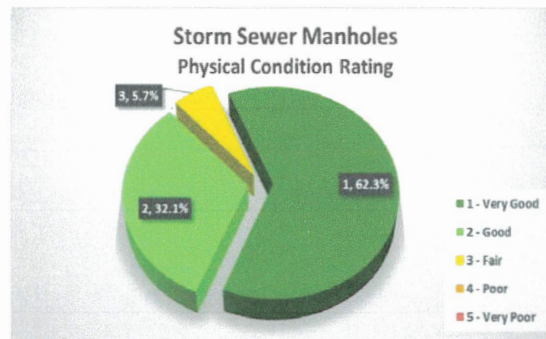
After the field inspection was complete, overall asset conditions were assessed using a systematic method to produce consistent, useful information. This information was used to make decisions about asset rehabilitation, replacement, and/or the need for further inspections. The asset conditions for assets that were physically inspected were based on the National Association of Sewer Service Companies (NASSCO) numerical grading system, which defines the severity of observed defects or the condition of the asset. The numerical system uses numbers ranging from 1 to 5 as shown in the Table below. This ranking considers both the immediate defect and the likelihood of further deterioration of the defect.

Condition Rating	Condition Description	Defect/Deterioration Description
1	Very Good	New asset, no or minor defects
2	Good	Defects that have not begun to deteriorate
3	Fair	Moderate defects that will continue to deteriorate
4	Poor	Severe defects with significant deterioration
5	Very Poor	Defect requires immediate action

Table 1 - NASSCO conditional assessment system

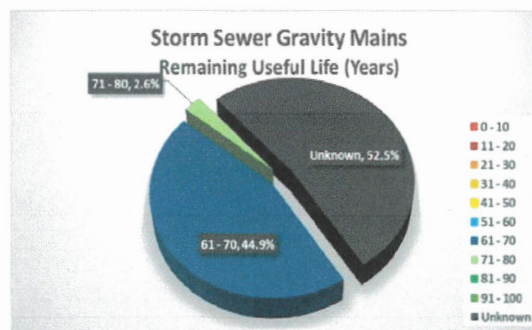
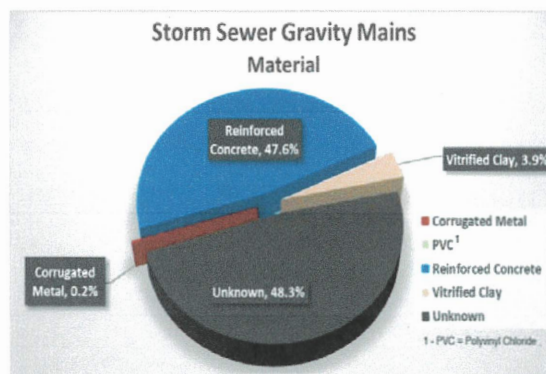
The storm sewer manholes were assessed in accordance with the NASSCO Manhole Assessment Certification Program (MACP) and any defects noted in the visible portions of the storm sewer piping were graded according to the guidelines of the NASSCO Pipeline Assessment Certification Program (PACP). Once the individual defects were graded, an overall condition rating was applied to each storm sewer manhole based on the worst defect rating noted within the manhole. However, due to the limited amount of pipeline that was physically

assessed, the overall condition rating for the storm sewer pipe was based on remaining life as described below. The Figure below shows the condition ratings for the storm sewer manholes.



Remaining life estimation is another method commonly used to characterize the condition of assets – especially those assets that were not physically assessed (such as by visual inspection or utilizing CCTV inspection). Remaining life is defined as the duration of time remaining until an unacceptable condition exists or an asset no longer meets its primary function.

Remaining useful life for storm sewers is dependent on the materials used in construction. Storm sewer pipe materials have evolved over the years, beginning with brick and non-reinforced concrete, transitioning to corrugated metal, clay and reinforced concrete and, more recently, to reinforced concrete, plastic (HPDE), and PVC piping.



Level of Service Determination: *Discuss the level of service the municipality has determined that it wants to provide its customers based on the municipality's ability to provide the service and customer expectations. Discuss the procedures used to involve stakeholders in the AMP discussion. What are the trade-offs for the service to be provided? This may include any technical, managerial, health standard, safety, or financial restraints, as long as all regulatory requirements are met. Discuss how this was determined.*

The Level of Service (LOS) defines the way in which the Owner desires the facility or utility to perform over the long term. The LOS should ensure that all regulatory requirements are met and should include any technical, managerial, or financial components the Owner deems necessary to meet customer expectations. The LOS is a fundamental part in defining how the Decatur stormwater system will be operated and maintained in the future. As with all components of the AMP, defining the desired LOS will be an ongoing process.

The Asset Management Team selected the following statements to define the desired LOS for the Decatur stormwater system:

1. We will strive to maintain compliance with all regulatory requirements at all times.
2. Should a blockage or break occur, we will correct the problem as soon as possible to minimize any future flooding.
3. We will develop and implement a preventive maintenance program to reduce the likelihood of the occurrence of a blockage or breakage.
4. We will respond to customer complaints during normal business hours. Communication with the complainant or customers affected will occur.
5. We will maintain an asset management program for the system and provide reports on an as needed basis.
6. We will develop a work order system to identify, assign and track preventative and reactive work on the system and report on the status of work orders to the Village on an as needed basis.
7. We will inform the customers of our desired level of service and report on the compliance with the level of service to the Village on an as needed basis.

Criticality of Assets: *Provide a summary of the method used to assess the criticality of assets considering the likelihood and consequence of failure. Based on the condition of the assets, and the determined risk tolerance, how were the assets ranked? What assets were considered most critical?*

Criticality is determined by multiplying the likelihood of failure by the consequence of failure and is a significant factor in prioritizing capital improvements. In general, the higher the criticality of an asset, the more resources that should be allocated to maintain the asset

A. Likelihood of Failure

The likelihood of failure is determined by the condition rating. Below is the ranking system for likelihood of failure that was used to analyze the system.

NASSCO Condition Assessment System	
Condition Rating	Description
1	New or Excellent (Very Good)
2	Minor Deterioration (Good)
3	Moderate Deterioration (Fair)
4	Significant Deterioration (Poor)
5	Unserviceable (Very Poor)

B. Consequence of Failure

To determine the consequence of failure, it is important to consider the significant costs of failure. These costs include: cost of repair; social cost associated with the loss of the asset; repair/replacement costs related to collateral damage caused by the failure; legal costs related to additional damage caused by the failure; environmental costs created by the failure; loss of business revenue to the community; and any other associated costs or losses. The consequence of failure can be high if any one of these costs are significant or the accumulation of several costs occur with a failure. Below is the ranking system that was used to determine the consequence of failure for the Decatur system.

Consequence of Failure Rating	Social Effects	Collateral Damage Effects
1 (Insignificant)	Minimal property damage	Structure/pipe outside of road right-of-way (ROW), no impact to traffic or other structures
2 (Minor)	Minimal property damage	Structure/pipe located under the pavement or curb of a residential or minor local road
3 (Moderate)	Limited property damage, disruption to essential services/major industry	Structure/pipe located under the pavement or curb of a major collector roadway
4 (Major)	Moderate property damage, disruption to multiple industries/essential services	Structure/pipe located along state roadways, interstate highways, railroad ROW, or close enough to a building to cause collateral damage
5 (Catastrophic)	Extensive property damage	Structure/pipe located under the pavement or curb of state roadways or interstate highways, under railroad tracks, or underneath a building

Table 2 - Consequence of failure rating scheme for stormwater assets

Revenue Structure: *Discuss how the rates, charges, or other means of revenue were reviewed to determine if there will be sufficient funds to cover system operation, maintenance, replacement, capital improvement projects, and debt costs, identified in the AMP. If the current rate structure was not sufficient, discuss what increases were needed to ensure the desired level of service is sustainable and if any changes were made.*

As previously mentioned, one of the primary goals of an AMP is to develop a long-term plan for revenues capable of supporting the required capital improvements in addition to routine O&M costs. However, unlike a sanitary sewer AMP, where a source of revenue exists from sanitary sewer user fees, stormwater systems have no separate stream of revenue. Improvements to the stormwater system are usually funded as a part of a street improvement project and routine O&M costs are covered in the day-to-day operations of the DPW. As such, an in-depth asset management financial review (AMFR) cannot be conducted and a revenue structure cannot be developed for the stormwater system.

Capital Improvement Plan: *Describe the long-term Capital Improvement Plan that was developed to address system needs identified in the AMP. Provide a list of the identified improvements/projects.*

Capital improvement projects are projects that a utility has an extended period of time to plan for and are typically projects that cover high-cost, non-recurring expenditures. To ensure that the desired LOS can be maintained, a long-term plan for required capital improvements, known as a Capital Improvement Plan (CIP), is required as part of an AMP. The CIP helps to ensure that the long-term reliability needs of the utility are met. The CIP is based upon planning for those capital improvements determined to be required or likely to be required due to the likelihood of failure of the assets and their criticality. The planning period for a CIP is 20 years to allow for the development of a rate structure adequate to finance those projects that can reasonably be predicted to be needed during that period.

A. Recommended Stormwater System Projects

The Table below lists the recommended capital improvement projects for the next twenty years for the stormwater system. Where appropriate, the estimated project costs shown in the Table include engineering, construction observation, and contingency costs, thus representing the total estimated cost for the project. Detailed descriptions and cost estimates for each project listed can be found in Appendix E in the Asset Management Plan.

Priority	CIP Year	Project Name	Estimated Cost ¹
1	2018	Develop Stormwater System Master Plan	\$ 19,000
2	2019	Closed Circuit Televising of Storm Sewer – 2019	\$ 18,000
3	2020	Closed Circuit Televising of Storm Sewer – 2020	\$ 18,000
4	2021	Closed Circuit Televising of Storm Sewer – 2021	\$ 18,000

¹ Estimated CIP project costs shown include both engineering fees and a contingency budget, where appropriate.

5	2022	Closed Circuit Televising of Storm Sewer – 2022	\$ 18,000
6	2023	Closed Circuit Televising of Storm Sewer – 2023	\$ 18,000
Total Estimated Project Cost for Twenty Year Stormwater CIP (current dollars) =			\$ 109,000
Total Estimated Project Cost for Twenty Year Stormwater CIP (future dollars) =			\$ 120,000

Table 3 - Recommended stormwater system capital improvement projects

In addition to the capital improvement projects listed above, sufficient funds must also be budgeted to continue to provide the routine operation and maintenance (O&M) services required to maintain the desired LOS within the Decatur stormwater system.

A. List of Major Assets: *Provide a general list of the major assets identified in the AMP.*

The following is a summary of the Village Assets:

The following Table contains a summary of the stormwater system assets owned by Decatur that were identified and included in the stormwater AMP.

Asset Description	Quantity	Units
30" Storm Sewer	40	LF
24" Storm Sewer	1,226	LF
18" Storm Sewer	2,705	LF
15" Storm Sewer	1,659	LF
12" Storm Sewer	11,313	LF
10" Storm Sewer	1,210	LF
8" Storm Sewer	674	LF
6" Storm Sewer	592	LF
4-foot Diameter Manhole	54	EA
Inlet Structure	167	EA
Storm Water Discharge Point	10	EA
Storm Water Retention Pond	2	EA

Table 4 - Village of Decatur stormwater collection and retention system assets



Department of Environmental Quality (DEQ)
Stormwater, Asset Management, and Wastewater (SAW) Grant
Wastewater Asset Management Plan
Certification of Project Completeness

Completion Date October 31, 2017
(no later than 3 years from executed grant date)


The Village of Decatur, Michigan (*legal name of grantee*) certifies that all wastewater asset management plan (AMP) activities specified in SAW Grant No. 1324-01 have been completed and the implementation requirements, per Part 52 of the Natural Resources and Environmental Protection Act, 1994, PA 451, as amended, are being met. Section 5204e(3) requires implementation of the AMP and that significant progress toward achieving the funding structure necessary to implement the AMP be made within 3 years of the executed grant.

Please answer the following questions. If the answer to Question 1 is No, fill in the date of the rate methodology approval letter and skip Questions 2-4:

- 1) Funding Gap Identified: Yes or No
If No - Date of the rate methodology approval letter: March 27, 2017
- 2) Significant Progress Made: Yes or No
(The DEQ defines significant progress to mean the adoption of an initial rate increase to meet a minimum of 10 percent of any gain in revenue needed to meet expenses, as identified in a 5-year plan to eliminate the gap. A copy of the 5-year plan to eliminate the gap must be submitted with this certification.)
- 3) Date of rate methodology review letter identifying the gap: _____.
- 4) An initial rate increase to meet a minimum of 10 percent of the funding gap identified was adopted on _____.

Attached to this certification is a brief summary of the AMP that includes a list of major assets. Copies of the AMP and/or other materials prepared through SAW Grant funding will be made available to the DEQ or the public upon request by contacting:

<u>Mr. Aaron Mitchell</u>	at	<u>(269) 423-7014</u>	<u>amitchell@decaturmi.org</u>
Name		Phone Number	Email

	<u>10/17/17</u>
Signature of Authorized Representative (Original Signature Required)	Date

Mr. Aaron Mitchell, Village Manager
Print Name and Title of Authorized Representative

April 2017



Department of Environmental Quality
SAW Grant
Stormwater Asset Management Plan
Certification of Project Completeness

Completion Due Date 10/31/17
(no later than 3 years from executed grant date)

The Village of Decatur (*legal name of grantee*) certifies that all stormwater asset management plan (SWAMP) activities specified in SAW Grant No. 1324-01 have been completed and the SWAMP, prepared with the assistance of SAW Grant funding, is being maintained. Part 52 of the Natural Resources and Environmental Protection Act, 1994, PA 451, as amended, requires implementation of the SWAMP within 3 years of the executed grant (Section 5204e(3)).

Attached to this certification is a summary of the SWAMP that identifies major assets. Copies of the SWAMP and/or other materials prepared through SAW Grant funding will be made available to the Department of Environmental Quality or the public upon request by contacting:

Mr. Aaron Mitchell	at	(269) 423-7014
Name		amitchell@decaturmi.org
	Phone Number	Email

Signature of Authorized Representative (Original Signature Required)

Date

Aaron Mitchell; Village Manager

Aaron Mitchell, Village Manager
Print Name and Title of Authorized Representative