

## District's Project Overview

To assist the municipalities served by the Milwaukee Metropolitan Sewerage District (District) with Total Maximum Daily Load (TMDL) compliance and to improve municipal stormwater management that may affect the District's system, the District's 2015-2027 Capital Budget includes a project, Green Solutions (GS), that will serve as a funding mechanism to the municipalities for Commission-approved types of green infrastructure and combined sewer separation.

## Project Purpose

The purpose of this project is to provide financial incentive to District municipalities to help achieve TMDL compliance while also progressing towards the District's 2035 Vision's goals related to integrated watershed management (IWM), the District's Regional Green Infrastructure Plan, and the District's discharge permit. In particular, it addresses the following goals:

- 1) Work with District partners to strive toward zero basement backups.
- 2) Work with District partners to achieve, to the extent feasible, zero sanitary sewer overflows and zero combined sewer overflows.
- 3) Use green infrastructure to capture the first 0.5 inch of rainfall.
- 4) Harvest the first 0.25 gallons per square foot of area of rainfall.

In projects within the separate sewer systems, the project goals include green infrastructure projects that reduce stormwater runoff (and potentially inflow and infiltration or I/I), while also providing water quality benefits.

In projects within the combined sewer systems, the project goals include green infrastructure projects that reduce stormwater runoff.

## Project Sponsors

Project sponsors are defined as the public and the private property owners of project sites.

## Eligible Work

*Appendix A* includes a table that lists examples of eligible work. The following constraints to green infrastructure implementation should be evaluated: topographic slopes greater than 12 percent, depth to bedrock less than 6 feet, or depth to groundwater less than 6 feet. Eligible green infrastructure work should be separated by a minimum of ten feet laterally from known underground sanitary sewer infrastructure and other underground utilities, unless space constraints prove to be impractical.

## Implementation Process

In 2013, the District established the goals and objectives for this program through the adoption of the Regional Green Infrastructure Plan. In 2014, the District formed a Green Infrastructure Ad Hoc Subcommittee of the Commission comprised of Commissioners and outside regional partners. The Ad Hoc Subcommittee created an implementation approach for this program that was subsequently approved by the MMSD Commission.

Per the Ad Hoc Subcommittee, the regional green infrastructure goal of 740 million gallons will be subdivided by municipal boundary creating a municipality-specific green infrastructure goal allocation. Each municipality will then collaborate with the District to create their own green infrastructure strategic plan that outlines strategies to reach their goal. The District will craft guidance for plan

development together with the Technical Advisory Team's green infrastructure subcommittee. The District will also pay for the development of these plans.

In the first quarter of each year from 2016 moving forward, each municipality will provide to the District the volume in per-storm gallons of green infrastructure stormwater capture they will implement that drains to the District's service area in the coming year to reach their strategic goal using modeling or design calculations, or the following table,:

<b>GI Strategy</b>	<b>Gallons/Unit of Measurement</b>	<b>Units</b>
Constructed Wetlands	8.3	Gal/SF
Native Landscaping	0.4	Gal/SF
Porous Pavement	3	Gal/SF
Cisterns	*	Gal/unit
Stormwater Trees	25	Gal/unit
Bioswales	7.5	Gal/SF
Rain Gardens	4.4	Gal/SF
Green Roofs	1	Gal/SF
Depaving	*	Gal/SF
*measure based on actual capacity/analyzed on a case by case basis.		

This volume should be consistent with the municipality's plan to the extent practicable and should be provided before any work commences. This volume will be included in a brief annual workplan that includes the following:

- Description of work to be performed
- Outreach and education strategy
- Timeframe and schedule
- Estimated costs
- Detailed proposed cost share (no cost share is required), include District reimbursement and anticipated timeline for costs
- Anticipated results
- Project Funding Agreement signatory (name, title, contact info)

If desired by the municipality, the District can assist with developing the annual workplan where resources are limited or where multidisciplinary input is desired to maximize project co-benefits. Annual workplans should be submitted, or funding rollover amounts (described below) should be requested by May 1<sup>st</sup>. Funding agreements will be developed by the District prior to authorizing the annual workplan to proceed. If desired, municipalities may pool money and work across boundaries for mutual benefit; when this is done, it will be considered on a case-by-case basis. If municipalities prefer to not program work for the coming year or roll over funding, a third option is that the District can commence a RFP process (as described below) to leverage additional green infrastructure capacity that benefits the municipality. These projects would need to be at least a \$25,000 value. If the District views the funds as insufficient, then the funds will be rolled over into the next year. This RFP process will begin on July 1<sup>st</sup>

and close on September 15<sup>th</sup>. Non-municipal property funding agreements will be executed by December 31<sup>st</sup> of the same calendar year.

Exceptions can be made for a municipality for certain hardships. For example, if a project receives zero bidders then the District may waive funding constraints in consultation with the municipality.

### **Intermunicipal Agreements for Fund Transfers**

Municipalities may agree to transfer available Green Solutions funding from one municipality to another municipality solely for purposes of funding Green Solutions projects. Such arrangements must be memorialized in a written agreement signed by the chief elected official for each municipality (i.e. Mayor, Village President), and appropriately authorized by the governing board of each respective municipality. Such an intermunicipal agreement to transfer funds must be provided in writing to the District prior to:

- authorization by the Metropolitan Sewerage Commission, only for projects exceeding \$300,000; and
- execution of a Funding Agreement for the Green Solutions project being funded by the transferred funds between the District and the municipality receiving the transferred funds and performing the Green Solutions project.

As with all other Green Solutions projects, the District shall pay for work on a reimbursement basis, after the work has been performed in compliance with the Funding Agreement and these guidelines.

### **Roll-Over Process**

Starting in 2019, when \$5 million per year is allocated to the municipalities, then \$300,000 may be rolled over in any given year until 2026. Exceptions can be given when larger projects are known about. All remaining funds must be spent in the sunset year of the program in 2027.

All roll-over funding requests must be formally reported to the District in a memo or email signed by the municipality by May 1<sup>st</sup> of the calendar year. The memo should include the funding amount to be rolled over, not exceeding \$300,000.

### **District Review and Approval Process**

#### **Municipal Project Review (January 1 until May 1)**

Municipal workplans will be submitted by the municipality to the District for review in the first quarter of each year. The District will review the workplans in a timely manner as they are submitted. Projects can be chosen to be put on both private and municipal property as long as the private party agrees to the terms of the funding agreement.

The District will provide via email an approval, conditional approval, or disapproval of the workplan. Once approved, the District will draft a funding agreement for execution.

#### **Project Review occurring following the RFA process**

Following the May 1<sup>st</sup> deadline, if a municipality does not submit a workplan or roll over its funding, a RFA will be released by the MMSD. Project applications will be reviewed between

September 16<sup>th</sup> and October 15<sup>th</sup> by a review team comprised of municipal staff and the District. Each municipality may appoint one staff member to participate in the application review process for their respective municipality's RFP. Non-municipal property projects must be located within the municipal boundaries that are eligible to receive the funding.

The funding request must be based on the incentive amounts in the following table. Non-municipal property project partners' funding requests are eligible for the incentive amounts up to 50% of the total green infrastructure (GI) project cost. This means non-municipal property project partners must commit to a minimum 50% match contribution of funds for any given project. This is a benefit to municipalities in that private funding is leveraged.

<b>GI Strategy</b>	<b>Maximum Reimbursement Rate</b>	<b>Units</b>
Constructed Wetlands	1.95	\$/Gal
Native Landscaping	1.95	\$/Gal
Porous Pavement	1.76	\$/Gal
Cisterns	1.95	\$/Gal
Stormwater Trees	1.95	\$/Gal
Bioswales	1.95	\$/Gal
Rain Gardens	1.95	\$/Gal
Green Roofs	1.95	\$/Gal
Pavement Removal	0.50	\$/Gal
Other GI	*	\$/Gal
*Analyzed on a case by case basis.		

Table will be updated annually.

### **Funding Agreement**

The District shall require a Funding Agreement with the project sponsor that details the scope, including but not limited to the GS work to be done and the timeline for the work to be completed. All projects must have a minimum value of \$25,000 of Green Infrastructure work in order generate a funding agreement.

### **Limited Term Conservation Easement**

Upon completion of construction, the District shall require a 10-year limited term conservation easement to be set in place before the project is reimbursed. The conservation easement will be drafted by the District staff once a detailed description of green infrastructure, zone map showing the

green infrastructure, property map, and an identification of green infrastructure property boundaries of the property are provided.

### **Project Notice to Proceed**

The project sponsor shall commence GS work upon execution of a completed funding agreement. The District shall provide a notice to proceed upon execution of a completed funding agreement.

### **Procurement**

Procurement rules and standards must be followed by each respective municipality's own set of procurement rules. For non-municipal project partners the following must be followed:

- For all expenditures over \$3,000 and less than \$20,000, the Partner will solicit three quotes and will provide these quotes to the District upon request. The Partner will give disadvantaged business enterprises, including small, women-owned, and minority-owned business enterprises, an opportunity to compete for work on this project by soliciting quotes from those businesses to the maximum extent possible. The District's procurement office will provide a list of these businesses, upon request.
- For all expenditures estimated to cost \$20,000 or more, the Partner will use a sealed competitive bidding process. The Partner will solicit small, women-owned, and minority-owned businesses to the maximum extent possible. The District will assist with the public bidding process, upon request.

### **Change Process**

The project sponsor should communicate any requested changes or deviations from the funding agreement in a timely manner. The District will review the request for a change in a timely manner. The District will provide in writing an approval or disapproval of the change.

### **Project Completion**

The project sponsor shall notify the District upon completion of the GS work. The District has put together a template to aide with the report. This notification is not meant to be arduous and should include the following:

- rainwater capture capacity (maximum per storm) and other information regarding runoff rate reduction or pollutant capture;
- an identification of green infrastructure property boundaries on the property where the project is located (for the conservation easement);
- lessons learned;
- an operations and maintenance plan, including how to fund for 10 years;
- an outreach and education strategy with completed and planned activities;
- an itemization of all construction costs, with supporting documentation;
- photos showing the project during construction and upon project completion
- a W-9 Tax Identification Number form;
- a list of all permits collected during the construction process;
- the bid tab from construction;
- executed construction contracts;
- a Small, Women, and Minority Business Enterprise Report; and

- an Economic Impact Report, showing the total number of people and the estimated number of hours worked on design and construction of the project by the project sponsor, contractors, consultants, and volunteers.

If requested by a municipality, District staff can assist with this report. With time, the District plans to automate this reporting online with simple fill-in-the-blank and drop-down menu responses only required.

### **Annual Maintenance Report**

This report will summarize project performance to the extent easily known and the project sponsor's maintenance activities during the preceding year. This report is due April 30<sup>th</sup> of each year. The project sponsor will provide these reports for the 10 calendar years following the year in which the project sponsor completes construction. The District will create an online tool to simplify this process.

If requested by a municipality, District staff can assist with this annual report.

### **District Funding**

At the initiation of this effort, funding will be allocated to each municipality based on equalized value for that municipality, the means by which the funding is collected. Up to 20% of the allocated annual funding can be used for staff, consultant, or legal staff for reports and applications, planning, engineering, design, and construction inspection of green infrastructure.

If MMSD staff time is required to help manage the project, this will be set up in an ICA and will be reimbursed from a municipality's Green Solutions allocation. MMSD staff time will not count against the 20% cap.

Starting in 2019, when \$5 million per year is allocated to the municipalities, then \$300,000 may be rolled over in any given year. After May 1<sup>st</sup> of each year, any balance of uncommitted funds will be used in the years RFP process.

The District will not normally advance any funds to a project sponsor for any project. Where planning/design costs up front are needed or where special circumstances will create a demonstrated hardship, the District may advance funds to a project sponsor.

The District will maintain a list of the allocation by municipality, including any accumulated or net amounts.

### **Reimbursement**

District reimbursement is contingent upon the following criteria:

- the District must have approved the project before the project is commenced;
- the project shall be substantially complete;
- the project sponsor will have provided documentation of the project's results as described in the Project Completion section above (including the baseline report);
- conservation easement will be executed. GS work is expected to be maintained and functional for a 10-year period of time;
- project sponsors will post educational signage;

- municipalities will post a photograph and short description of the project and its benefits in public newsletters and/or on the internet.

Upon satisfaction of the above criteria, reimbursement may be requested.

The District will reimburse the project sponsor when the District contact approves the completion of GS work and satisfaction of all terms in the Funding Agreement. The online tool to be created by the District is expected to simplify this process.

### **Disclaimer**

This project is included in the District's 2015 - 2027 Capital Budget and long-range financing plan. For each fiscal year, the District's Commission adopts an annual budget and approves a long-range financing plan. Such approval of the long-range financing plan does not commit the District to any future project or funding. Should the project not be approved in future years' capital budgets, the District's funding and reimbursement obligation will be limited to projects having a completed funding agreement with the District for the work.

Any work performed by a municipality prior to District approval is done at the municipalities' own risk.

Any exceptions to the above policy will be on a case by case basis at the discretion of the District's Executive Director.

### **District Contact for the Green Solutions:**

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