



Working together, restoring the river

James W. Ridgway, P.E.  
Executive Director

## DRAFT AGENDA EXECUTIVE COMMITTEE MEETING

Thursday, December 4, 2008, 1:30 p.m.  
Southfield Parks & Recreation Bldg., Room 221 (second floor)  
26000 Evergreen Rd., Southfield

Allen Park  
Auburn Hills  
Beverly Hills  
Bingham Farms  
Birmingham  
Bloomfield Hills  
Bloomfield Twp.  
Canton Twp.  
Commerce Twp.  
Dearborn  
Dearborn Heights  
Farmington  
Farmington Hills  
Franklin  
Garden City  
Inkster  
Lathrup Village  
Livonia  
Melvindale  
Northville  
Northville Twp.  
Novi  
Oak Park  
Oakland County  
Orchard Lake  
Plymouth  
Plymouth Twp.  
Pontiac  
Redford Twp.  
Rochester Hills  
Romulus  
Southfield  
Superior Twp.  
Troy  
Van Buren Twp.  
Walled Lake  
Washtenaw County  
Wayne  
Wayne County  
Wayne County Airport  
Authority  
West Bloomfield Twp.  
Westland  
Wixom  
Ypsilanti Twp.

1. **Welcome** – Tim Faas, Chair
2. **Roll Call of Members** (ECT) and record of others present.

<i>Alliance of Rouge Communities Executive Committee</i>		
<b>Officers</b>		
<b>Chair</b>	<b>Vacant</b>	
<b>Vice-Chair</b>	Gary Mekjian	Southfield
<b>Treasurer</b>	Tim Faas	Canton
<b>Past Vice-Chair</b>	Wayne Domine	Bloomfield Township
<b>Counties</b>		
<b>Oakland Co. – Rep.</b>	John McCulloch	OCDC
<b>Oakland Co. – Alt.</b>	Phil Sanzica	OCDC
<b>Oakland Co. – Alt.</b>	Joseph Colaianne	OCDC
<b>Washtenaw Co.- Rep.</b>	Janis Bobrin	WCDC
<b>Washtenaw Co.- Alt.</b>	Michelle Bononi	WCDC
<b>Wayne Co. - Rep.</b>	Kurt Heise	WCDOE
<b>Wayne Co. - Alt.</b>	Kelly Cave	WCDOE
<b>SWAGs</b>		
<b>Main 1 &amp; 2 - Rep.</b>	Brandy Siedlaczek	Southfield
<b>Main 1 &amp; 2 - Alt.</b>	Meghan Bonifiglio	Bloomfield Township
<b>Main 3 &amp; 4 - Rep.</b>	Jim Murray	Dearborn
<b>Main 3 &amp; 4 - Alt.</b>	Eric Witte	Melvindale
<b>Upper - Rep.</b>	Tom Biasell	Farmington Hills
<b>Upper - Alt.</b>	Jim Zoumbaris	Livonia
<b>Middle 1 - Rep.</b>	Jill Rickard	Northville Township
<b>Middle 1 - Alt.</b>	Aaron Staup	Novi
<b>Middle 3 - Rep.</b>	Jack Barnes	Garden City
<b>Middle 3 - Alt.</b>	Kevin Buford	Westland
<b>Lower 1 - Rep.</b>	Bob Belair	Canton Township
<b>Lower 1 – Alt.</b>	Dan Swallow	Van Buren Township
<b>Lower 2 - Rep.</b>	Ramzi El-Gharib	Wayne
<b>Lower 2 - Alt.</b>	Tom Wilson	Romulus

- |  |             |
|--|-------------|
| <b>3. Summary of September 11, 2008, Executive Committee Meeting</b>           | Action      |
| <b>4. Additions or Changes to Draft Agenda</b>                                 |             |
| <b>5. Executive Director Report (Ridgway)</b>                                  | Information |
| a. Contested case update   | Discussion  |
| b. 501c3 designation   | Information |
| c. MDEQ response on grant eligibility  | Discussion  |
| d. Watershed Management Plan Update  | Information |
| <b>6. Standing Committee Reports (Faas)</b>                                    |             |
| a. Finance Committee (Lawson)  | Discussion  |
| i. 2008 Budget Status Report   | Information |
| ii. Final ARC 2009 Budget  | Information |
| iii. 2009 Interagency Agreement Update   | Information |
| iv. Fiscal Year 2010 DEQ Fee Proposal Storm Water Fees                         | Discussion  |
| b. Organization Committee (Heise/Payne – Co-Chairs)                            |             |
| i. Status Report   | Action      |
| c. PIE (Public Involvement and Education) Committee (Siedlaczek, Chair)        |             |
| i. Status Report   | Information |
| d. Technical Committee (Zorza, Vice Chair)                                     |             |
| i. Status Report   | Information |
| e. Grants Committee (Sanzica)  |             |
| i. Status Report   | Information |
| f. Nominating Committee (Heise)  |             |
| i. Status Report   | Information |
| <b>7. Report from WCDOE (Cave)</b>   |             |
| a. Status Report   | Information |
| <b>8. Report from SWAGS</b><br>(Comments, Concerns, and/or Recommendations)    | Information |
| <b>9. Summary of Executive Committee Actions (Faas)</b>                        |             |
| <b>10. Upcoming Meeting(s)</b>   |             |
| • Full ARC, December 16, 2:00 p.m. at Novi Civic Center, 45175 W. Ten Mile Rd. |             |
| <b>11. Adjourn</b>   |             |



Working together, restoring the river

James W. Ridgway, P.E.  
Executive Director

## EXECUTIVE COMMITTEE MEETING SUMMARY

DRAFT

September 11, 2008, 1:30 p.m.

Canton Administrative Building, 1150 Canton Center Rd.

Allen Park  
Auburn Hills  
Beverly Hills  
Bingham Farms  
Birmingham  
Bloomfield Hills  
Bloomfield Twp.  
Canton Twp.  
Commerce Twp.  
Dearborn  
Dearborn Heights  
Farmington  
Farmington Hills  
Franklin  
Garden City  
Inkster  
Lathrup Village  
Livonia  
Melvindale  
Northville  
Northville Twp.  
Novi  
Oakland County  
Oak Park  
Orchard Lake  
Plymouth  
Plymouth Twp.  
Pontiac  
Redford Twp.  
Rochester Hills  
Romulus  
Southfield  
Superior Twp.  
Troy  
Van Buren Twp.  
Walled Lake  
Washtenaw County  
Wayne  
Wayne County  
Wayne County Airport  
Authority  
West Bloomfield Twp.  
Westland  
Wixom  
Ypsilanti Twp.

### 1. Welcome – Gary Mekjian, Vice Chair

### 2. Roll Call of Members

ECT took roll call of members and others present. A quorum was present.

#### In Attendance:

<i>Officers</i>			<i>In Attendance</i>
<b>Chair</b>	<b>Vacant</b>		
<b>Vice-Chair</b>	Gary Mekjian	Southfield	Yes
<b>Treasurer</b>	Tim Faas	Canton	Yes
<b>Past Vice-Chair</b>	Wayne Domine	Bloomfield Township	No
<i>Counties</i>			
<b>Oakland Co. – Rep.</b>	John McCulloch	OCDC	No
<b>Oakland Co. – Alt.</b>	Phil Sanzica	OCDC	Yes
<b>Oakland Co. – Alt.</b>	Joseph Colaianne	OCDC	No
<b>Washtenaw Co.- Rep.</b>	Janis Bobrin	WCDC	No
<b>Washtenaw Co.- Alt.</b>	Michelle Bononi	WCDC	Yes
<b>Wayne Co. - Rep.</b>	Kurt Heise	WCDOE	Yes
<b>Wayne Co. - Alt.</b>	Kelly Cave	WCDOE	Yes
<i>SWAGs</i>			
<b>Main 1 - 2 - Rep.</b>	Jennifer Lawson	Troy	Yes
<b>Main 1 - 2 - Alt.</b>	Meghan Bonifiglio	Bloomfield Township	No
<b>Main 3 - 4 - Rep.</b>	Jim Murray	Dearborn	Yes
<b>Main 3 - 4 - Alt.</b>	Eric Witte	Melvindale	No
<b>Upper - Rep.</b>	Tom Biasell	Farmington Hills	Yes
<b>Upper - Alt.</b>	Jim Zoumbaris	Livonia	Yes
<b>Middle 1 - Rep.</b>	Jill Rickard	Northville Township	Yes
<b>Middle 1 - Alt.</b>	Aaron Staup	Novi	No
<b>Middle 3 - Rep.</b>	Jack Barnes	Garden City	Yes
<b>Middle 3 - Alt.</b>	Kevin Buford	Westland	Yes
<b>Lower 1 - Rep.</b>	Bob Belair	Canton Township	Yes
<b>Lower 1 – Alt.</b>	Dan Swallow	Van Buren Township	Yes
<b>Lower 2 - Rep.</b>	Ramzi El-Gharib	Wayne	Yes
<b>Lower 2 - Alt.</b>	Tom Wilson	Romulus	No

**Others Present:** Jim Ridgway; Executive Director, Gary Zorza, Vice-Chair – Technical Committee; Dave Payne, Chair – Organizational Committee, Kelly Karll, ECT; Chris O’Meara, ECT and Zachare Ball – ECT

**3. Summary of June 6, 2008, Executive Committee Meeting**

A motion was made by J. Zoumbaris to accept the June 6, 2008, meeting summary. The motion was seconded by R. El-Gharib. Motion passed.

**4. Additions or Changes to Draft Agenda**

There were no additions or changes to the agenda.

**5. Executive Director Report (Ridgway)**

a. Contested case update

J. Ridgway stated that the MDEQ cancelled the 9/12/08 settlement meeting due to lack of interest. The status conference is still scheduled for 10/1/08. ECT has drafted a comparison document that will be helpful for the attorneys. J. Ridgway and K. Heise suggested that the communities let the attorneys go to the October meeting. This was the consensus of the group. The meeting will mainly be administrative issues, setting the ground rules and procedures. All communities should make sure that they send in a letter to the state by 9/23 designating a representative. This will assure that you get all correspondence related to the contested case.

b. 501c3 designation

J. Ridgway stated that the Alliance of Rouge Communities is not a 501c3. The ARC will need this designation as it applies for grants in the future. The form has been filled out by an accountant and will be reviewed by a nonprofit attorney. It will take approximately 8-12 weeks to receive the designation.

c. MDEQ response on grant eligibility

B. Sweet of the MDEQ confirmed that the ARC will not be eligible for CMI funding because we are not a 501c3. Use of a fiduciary is not allowed either. K. Heise stated that he will look into the issue more.

**6. Standing Committee Reports**

a. Finance Committee

i. 2008 Budget Amendments – T. Faas reported that the amendments requested made adjustments to the PIE and Technical Committee budgets and also added a task for the fall advertising campaign. The Executive Committee reviewed the amendments. The motion was made by J. Rickard to approve and recommend to the full ARC the requested 2008 budget amendments as presented by the treasurer and depicted in the Public Education and Involvement Committee amendments 1, 2 and 3 and Technical Committee amendment 1. The motion was seconded by J. Lawson, motion passed.

ii. 2008 Budget Status Report – T. Faas reviewed the status report and stated that we are doing good on the revenue side. He stated that some dues are still coming and may not have shown up within Wayne County’s accounting system. If we have not received a member’s dues we will follow-up with them. Wayne County will also be invoicing Oak Park for their membership in the ARC.

iii. 2009 Interagency Agreement between Wayne County and the ARC – T. Faas reviewed the draft IAA between Wayne County and the ARC. He stated that some things still need to be decided like the amount that will be carried over from 2008 to 2009 and what the insurance needs will be once the ARC no

longer has Wayne County as the fiduciary and is a stand alone non-profit. J. Ridgway will work with B. Benton of Wayne County to make sure that the ARC will meet the DBE/WBE requirements of the Rouge grant. T. Faas stated that as the ARC moves forward we will have to be more sensitive when it comes to cash flow. As it works now the townships are billed in January, the cities in July and we received reimbursement from Wayne County throughout the year. ECT will work with the insurance agent to get the quote for 2009 coverage. The draft IAA will be an agenda item for the full ARC meeting on 9/23.

iv. 2009 Draft Budget

- a. T. Faas reviewed the one page summary of the 2009 budget. The assessment to ARC members is proposed to remain the same again in 2009 for a total of \$296,694. Wayne County has agreed to provide federal grant funding in the amount of \$292,846 through an IAA with the ARC. The budget also shows revenue totaling \$58,500 from other grants plus \$5,000 in charges to non-member attendees of ARC sponsored workshops during the year. Revenues total \$749,559 for 2009. Many of the budgeted tasks for 2009 are similar to past years. The proposed budget includes an extension of the ECT contract into 2009, the Green Infrastructure Campaign and a tree canopy green infrastructure analysis of the watershed. The total expenditures total \$685,191 which is similar to 2008. The contingency has been increased from past years 5% to 8.5% for 2009.

The motion was made by K. Buford to approve and recommend the 2009 budget to the full ARC. The motion was seconded by J. Zoumbaris, motion passed.

After discussion, the Executive Committee decided against adding a budget item for the legal costs associated with the Phase II Permit due to the fact that not all of the ARC members are contesting the permit.

T. Faas stated that the 2010 budget will need to include costs for an audit once the ARC receives the 5013c designation.

- v. Quickbooks Accounting software – C. O’Meara worked with R. Alsaigh to setup the Quickbooks software to mirror the Wayne County financial status reports in preparation of taking over the financial responsibility of the ARC in 2009. Several reports were passed out to show the different information that will be available to the Executive Committee through Quickbooks (i.e., A/R report, A/P report, budget status report, and balance sheet). Member invoices will go out, bills will be entered and a grant reimbursement request will be sent to Wayne County using the Quickbooks software. A checking account will also be set up prior to the end of 2008.

b. Organizational Committee

- i. There was an amendment made to the Purchasing Policy to include reference to a checking account along with some other minor grammatical changes. The motion was made by K. Heise to approve the purchasing policy as amended by T. Faas and recommend it to the full ARC. The motion was seconded by K. Buford, motion passed. The revised document will be sent to the Executive Committee.

- c. PIE Committee
  - i. J. Lawson stated that Howard Knorr hosted the July PIE Committee meeting and she wanted to thank him for his wonderful garden site. The PIE Committee is working on a draft of the Main 3-4 poster which will be distributed at the Rouge 2008 event on October 24, 2008. The PIE is also working on a video regarding what is happening in the Rouge with the help of Farmington Hills. This video will be available to all ARC members to show on their cable stations or via the web.
- d. Technical Committee
  - i. G. Zorza stated that the Technical Committee continues to work on the watershed management plan. The plan will be available on the ARC website for review by the ARC members.
- e. Grants Committee
  - i. Nothing to report.
- f. Nominating Committee
  - i. K. Heise stated that the committee met and reviewed all nominations received for the 2009-2010 ARC officers. The nominations that the committee suggests be forwarded to the full ARC are: Chair – Tim Faas, Vice Chair – Gary Mekjian and Treasurer – Jennifer Lawson. The motion to approve and submit the nominations to the full ARC for vote on 9/23/08 was made by R. El-Gharib and seconded by K. Buford. The motion passed.

## **7. Report from WCDOE**

K. Cave reviewed the memo to G. Mekjian regarding the awarding of the Round IX Subgrant Program under the Rouge River National Wet Weather Demonstration Project for Round IX-Part A and Part B. K. Cave stated that additional Rouge Project funding will be available for ARC activities during 2009. She also was confident that there will be a grant X in the future. The motion was made by K. Buford to accept the memorandum regarding the distribution of the Round IX Subgrant as presented by Wayne County. The motion was seconded by J. Lawson, motion passed.

K. Cave informed the committee that Wayne County will be asking the communities to prepare information and provide photos of success stories within the Rouge for Wayne County's upcoming progress report for 2008.

K. Cave informed the committee that Rouge 2008 will be held at the University of Michigan-Dearborn on October 24. This will also be one of the locations for the required public hearing for the review of the watershed management plan as part of the public participation process.

## **8. Other Business**

D. Swallow stated that as new elected officials come in over the next few months there may be a need for some presentations about the ARC to councils, etc. J. Ridgway agreed and communities can make that request as needed.

## **9. Summary of Executive Committee Actions**

- The committee approved the 6/6/08 Executive Committee Meeting Summary.
- ARC staff to request a quote from Chapman Insurance Agency regarding new IAA for 2009.
- The committee voted to approve and recommend to the full ARC the requested 2008 budget amendments as presented by the treasurer and depicted in the Public Education and Involvement Committee amendments 1, 2 and 3 and Technical Committee amendment 1.
- The committee voted to approve and recommend the 2009 budget to the full ARC.

- The committee voted to approve the purchasing policy as amended by T. Faas and recommend it to the full ARC.
- The committee voted to forward the nominations to the full ARC for vote on 9/23/08 for: Chair – Tim Faas, Vice Chair – Gary Mekjian and Treasurer – Jennifer Lawson.
- The committee voted to accept the memorandum regarding the distribution of the Round IX Subgrant as presented by Wayne County.
- ARC staff to send out the password for the Watershed Management Plan review on the website again.
- ARC staff to send out email to remind communities contesting the permit to send in their letter designating their representative by 9/23/08.

**10. Upcoming Meeting(s)**

- Full ARC, September 23, 1:30 p.m. at Summit on the Park, Chestnut Room, Canton
- SWAG Meetings:
  - Middle 1/Lower 1, October 2, 9:30 – 11:30 a.m. at Northville Township
  - Upper/Main 1-2, October 14, 1:30 p.m. at Drake Sports Park West Bloomfield Twp.
  - Middle 3/Lower 2/Main 3-4, October 2, 1:30 p.m. at Livonia DPW
- Technical Committee, October 8, 1:30 p.m., Farmington Hills
- Public Involvement and Education Committee, October 16, 1:30 p.m. at the City of Southfield, Carpenter Lake Tour
- Organizational Committee, November 5, 2008, time TBD, location TBD
- Finance Committee, November 6, 2008 at 1:30 p.m., Wayne County DOE - Commerce Court, Wayne

**6. Adjourn**

The motion to adjourn the meeting was made by K. Buford. Seconded by J. Zoumbaris, motion passed.



*James W. Ridgway, P.E.*  
*Executive Director*

October 8, 2008

Mr. Steve Chester  
Constitution Hall  
525 West Allegan St.  
PO Box 30473  
Lansing, MI 48909

**Re: Request for determination**

Dear Mr. Chester:

I am writing at the request of the communities of Southeast Michigan that have committed time and resources to participate in a Watershed Alliance under PA 517 of 2005. Specifically, we are requesting your formal determination regarding their eligibility for CMI -related grant funds. Mr. Robert Sweet has determined that the Alliance of Rouge Communities (ARC) is not eligible to receive Clean Michigan Initiative (CMI) funds.

PA 517 was enacted to form a "sub-state unit of government" capable of seeking state grant funds. We would ask you to review Mr. Sweet's determination that the ARC and similar entities do not fall into that definition.

In a recent e-mail from Mr. Sweet to the ARC staff, he made a distinction between a fiduciary and a partner (attached). Some of our communities could not discern between these terms. Historically, Wayne County (and other Southeast Michigan counties) has served as a fiduciary for CMI-related projects. Mr. Sweet has suggested that this fiduciary role would be unacceptable but Wayne County could serve as a "partner." Our communities noted that these new requirements were not included in previous grant rounds, and only serve to exclude the ARC and the Alliance of Downriver Watersheds. The ARC Executive Committee has asked me to inquire if the bill authorizing the formation of the alliances failed at forming a vehicle for communities to cooperate and seek state and federal funds.

Community leaders in Wayne, Oakland, and Washtenaw counties worked hard to get the Watershed Alliance Act to allow us to seek this type of funding. The ARC Executive Committee is seeking a more formal reading of the legal underpinnings of these seemingly conflicting pieces of legislation/rules before additional action is required.



October 8, 2008

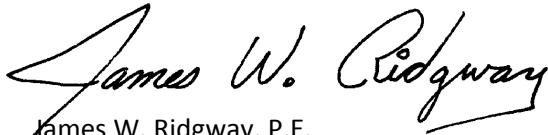
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Because the ARC will continue to seek state funding for our efforts, we are requesting your interpretation of this critical issue, consistent with the guiding principles of PA 517 - regional cooperation and cost-savings for local governments.

If you have any questions, please feel free to contact me at 313-410-6504.

Sincerely,

**ALLIANCE OF ROUGE COMMUNITIES**

A handwritten signature in black ink that reads "James W. Ridgway". The signature is written in a cursive style with a prominent loop at the end of the last name.

James W. Ridgway, P.E.  
Executive Director

-----Original Message-----

From: Robert Sweet [mailto:sweetr@michigan.gov]

Sent: Monday, September 08, 2008 3:25 PM

To: 'kkarll@ectinc.com'

Cc: 'Tim Faas'; 'Noel Mullett'; 'Razik Alsaigh'; 'Jim Ridgway'; 'Zachare Ball'; Amy Peterson

Subject: Re: Watershed Alliance Legislation & Grants

Kelly,

The FY09 NPS Program Request for Proposals (RFP) defines eligible applicants as either sub-state units of government or incorporated nonprofit organizations (under Section 501(c)(3) of the Internal Revenue Code). Organizations established under PA 517 of 2004 do not appear to meet either of these criteria.

While Section 31204 (1)(d) of PA 517 of 2004 may allow watershed alliances to apply for grants it does not pre-empt the Clean Michigan Initiative (CMI) legislation (MCL 324.8808) or the rules which governs the Nonpoint Source Program grants (specifically rule 5(1) and 5(4) from R 324.8805) and on which the RFP is based.

The RFP also requires all applicants to supply proof of a successful financial audit within the 24-month period immediately preceding the application and further requires that the audit must be of the applicant organization - No fiduciary arrangements are accepted. According to information posted on the Alliance of Rouge Communities (ARC) web site, ARC will be unable to meet this requirement as it operates through a fiduciary arrangement and does not maintain the necessary financial structure required under CMI- Nonpoint Source Pollution Control Grants (NPS) rules.

The issue of eligibility of watershed alliances was discussed with the Michigan Department of Environmental Quality Management in December 2007. The language in the current RFP reflects the outcome of that discussion.

Please note that the member organizations of watershed alliances are separately eligible entities (assuming they meet the audit requirements). We would suggest that one of the eligible members apply on behalf of the other members to implement the priority elements of an approved and eligible plan. The "partner" members could receive grant funds via the applicant or earn project match.

Please feel free to contact me should you have additional question or if you would like further clarification of the above issues.

Thanks  
Bob Sweet

Robert Sweet  
Environmental Science & Services Division  
Department of Environmental Quality  
517-335-6967

>>> Kelly Karll <[kkarll@ectinc.com](mailto:kkarll@ectinc.com)> 9/8/2008 9:21 AM >>>  
Bob,

I understand that you have recently indicated to the Alliance of Downriver Watersheds group that they are not eligible as a group to apply for grant funding which has prompted me to email you on this topic. The State legislature

passed the Watershed Alliance Legislation in 2004  
( <http://www.allianceofroungecommunities.com/PDFs/2004-PA-0517.pdf> ) This was signed into effect by Governor Granholm. Please look at Section 31204 (1) d & e which references solicitation and expenditure of grant funds.

There appears to be a disconnect between this legislation and the eligibility requirements outlined in the recently issued grant RFP. This legislation was passed to form Watershed alliances and thus authorize the groups to solicit grant funds thru federal, state, etc. sources without having to set up a separate 501(c)(3)number/designation.

Perhaps the coordination of this legislation with the grants issued/offered by the state has not been completely outlined. The ARC (and probably ADW) would certainly like to apply for grant funds without the need to set up a separate fiduciary; however, in the past (in 2006), the ARC did receive a CMI grant for BST project in which Wayne County was the fiduciary, but the grant agreement was signed by an ARC member. The MDEQ only requested the Tax ID number..no 501(c)(3) was required.

We would appreciate your review of these procedures/eligibility requirements so that we may accurately prepare the necessary documentation for possible grant applications.

Thanks,  
Kelly

-----  
Kelly C. Karll, PE  
Senior Civil Engineer  
Environmental Consulting & Technology, Inc.  
2200 Commonwealth Blvd., Suite 300  
Ann Arbor, MI 48105  
734.769.3004  
734.769.3164 (fax)  
[www.ectinc.com](http://www.ectinc.com)

**Alliance of Rouge Communities Status Report  
2008 Fiscal Year  
Updated 11/24/2008**

<b>Activity</b>	<b>Budget*</b>	<b>Paid</b>	<b>Remaining Balance</b>
Technical Committee Activities			
- Baseline Sampling Program (RPO)	\$107,400	\$84,397	\$23,003
- Pursue Other Grant Funding Opportunities	\$5,000	\$0	\$5,000
- Update of Storm Water Management Plans	\$196,483	\$178,663	\$17,820
Public Education/Involvement Activities			
- Long-Term Planning Efforts	\$4,420	\$4,372	\$48
- Household Hazardous Waste Education	\$4,080	\$4,073	\$7
- Main 3-4 Measuring Our Success Poster	\$11,250	\$7,643	\$3,607
- Information Packet for ARC Members/Local Officials	\$7,000	\$2,897	\$4,103
- Septic System Maintenance Reminder Cards	\$9,000	\$1,741	\$7,259
- ARC Website Design and Maintenance	\$12,160	\$11,074	\$1,086
- Nutrient Reduction Fall Advertising Campaign	\$20,000	\$1,013	\$18,987
- Rouge River Public Education Video	\$7,000	\$5,768	\$1,232
Staff Support to Alliance			
- Staff, Committees and SWAG Support	\$95,097	\$91,134	\$3,963
- ARC Insurance (David Chapman Agency)	\$4,140	\$4,100	\$40
- ARC Advocacy and Administration	\$55,548	\$51,764	\$3,784
Total Budgeted	\$538,578	\$448,639	\$89,939
Contingency (Not Budgeted)	\$193,366		
Total Available Funds for 2008	\$731,944		

Amount Paid from Alliance Dues	\$226,369
Amount Paid from Federal Grant	\$222,269

Alliance Dues Received	\$368,042
Alliance Dues Available for Future Bills in FY08 Budget	\$141,673

\* Including Budget Amendment Approved by the Full Alliance on September 23, 2008.

**Alliance of Rouge Communities Status Report**  
**Payment Status Report**  
**2008 Fiscal Year**  
**Updated 11/24/2008**

Vendor	Invoice #	Invoice Amount	Amount Paid	Date Paid	Total per Vendor
Activity: Baseline Sampling Program					
CDM (RPO)	58	\$13,531.22	\$13,531.22	3/24/2008	
CDM (RPO)	59	\$34,399.68	\$34,399.68	5/28/2008	
CDM (RPO)	60	\$13,384.90	\$13,384.90	7/28/2008	
CDM (RPO)	61	\$12,568.48	\$12,568.48	9/30/2008	
CDM (RPO)	62	\$10,512.99	\$10,512.99	11/25/2008	Anticipated
CDM (RPO)			\$0.00		
Subtotal: CDM (RPO)					\$84,397.27
Activity: Pursue Other Grant Funding Opportunities					
ECT (Executive Director)			\$0.00		
ECT (Executive Director)			\$0.00		
Subtotal: Pursue Other Grant Funding Opportunities					\$0.00
Activity: Update of Storm Water Management Plans					
ECT (Executive Director)	081276 (#5)	\$23,162.23	\$23,162.23	4/28/2008	
ECT (Executive Director)	081738 (#9)	\$10,015.55	\$10,015.55	5/28/2008	
ECT (Executive Director)	082218 (#13)	\$11,829.67	\$11,829.67	7/28/2008	
ECT (Executive Director)	082638 (#17)	\$34,477.48	\$34,477.48	8/25/2008	
ECT (Executive Director)	083029 (#21)	\$49,635.97	\$49,635.97	8/25/2008	
ECT (Executive Director)	083575 (#25)	\$15,032.19	\$15,032.19	10/27/2008	
ECT (Executive Director)	084030 (#29)	\$21,131.01	\$21,131.01	10/27/2008	
ECT (Executive Director)	084506 (#33)	\$13,378.57	\$13,378.57	11/25/2008	Anticipated
ECT (Executive Director)			\$0.00		
Subtotal: Update of Storm Water Management Plans					\$178,662.67
<b>Total: Monitoring Program</b>					<b>\$263,059.94</b>
Activity: Long-Term Planning Efforts					
ECT (Executive Director)	082217 (#12)	\$318.67	\$318.67	7/28/2008	
ECT (Executive Director)	082637 (#16)	\$147.79	\$147.79	8/25/2008	
ECT (Executive Director)	083574 (#24)	\$729.86	\$729.86	10/27/2008	
ECT (Executive Director)	084029 (#28)	\$1,059.15	\$1,059.15	10/27/2008	
ECT (Executive Director)	084505 (#32)	\$2,117.00	\$2,117.00	11/25/2008	Anticipated
ECT (Executive Director)			\$0.00		
Subtotal (Long-Term Planning Efforts )					\$4,372.47
Activity: Household Hazardous Waste Education					
ECT (Executive Director)	080861 (#1)	\$626.56	\$626.56	4/28/2008	
ECT (Executive Director)	081214 (#2)	\$731.24	\$731.24	4/28/2008	
ECT (Executive Director)	081737 (#8)	\$1,705.72	\$1,705.72	5/28/2008	
ECT (Executive Director)	082217 (#12)	\$1,009.11	\$1,009.11	7/28/2008	
ECT (Executive Director)			\$0.00		
ECT (Executive Director)			\$0.00		
Subtotal (Household Hazardous Waste Education)					\$4,072.63

Activity: Main 3-4 Measuring Our Success Poster					
ECT (Executive Director)	081214 (#2)	\$996.80	\$996.80	4/28/2008	
ECT (Executive Director)	081737 (#8)	\$432.59	\$432.59	5/28/2008	
ECT (Executive Director)	083028 (#20)	\$1,861.20	\$1,861.20	8/25/2008	
ECT (Executive Director)	083574 (#24)	\$1,363.72	\$1,363.72	10/27/2008	
ECT (Executive Director)	084029 (#28)	\$1,362.26	\$1,362.26	10/27/2008	
ECT (Executive Director)	084505 (#32)	\$1,626.43	\$1,626.43	11/25/2008	Anticipated
ECT (Executive Director)			\$0.00		
Subtotal (Main 3-4 Measuring Our Success Poster )					\$7,643.00
Activity: Information Packet for ARC Members/Local Officials					
ECT (Executive Director)	080861 (#1)	\$1,424.00	\$1,424.00	4/28/2008	
ECT (Executive Director)	081737 (#8)	\$153.94	\$153.94	5/28/2008	
ECT (Executive Director)	082217 (#12)	\$227.84	\$227.84	7/28/2008	
Wayne County	4th Quarter 2007	\$1,091.62	\$1,091.62	9/30/2008	
Subtotal					\$2,897.40
Activity: Septic System Maintenance Reminder Cards					
ECT (Executive Director)	080861 (#1)	\$56.96	\$56.96	4/28/2008	
ECT (Executive Director)	081214 (#2)	\$980.95	\$980.95	4/28/2008	
ECT (Executive Director)	081737 (#8)	\$561.13	\$561.13	5/28/2008	
ECT (Executive Director)	082217 (#12)	\$142.40	\$142.40	7/28/2008	
Subtotal: Septic System Maintenance Reminder Cards					\$1,741.44
Activity: ARC Website Design and Maintenance					
ECT (Executive Director)	080861 (#1)	\$71.91	\$71.91	4/28/2008	
ECT (Executive Director)	081214 (#2)	\$313.28	\$313.28	4/28/2008	
ECT (Executive Director)	081737 (#8)	\$795.90	\$795.90	5/28/2008	
ECT (Executive Director)	082217 (#12)	\$772.81	\$772.81	7/28/2008	
ECT (Executive Director)	082637 (#16)	\$3,020.40	\$3,020.40	8/25/2008	
ECT (Executive Director)	083028 (#20)	\$523.42	\$523.42	8/25/2008	
ECT (Executive Director)	083574 (#24)	\$5,504.29	\$5,504.29	10/27/2008	
ECT (Executive Director)	084505 (#32)	\$71.90	\$71.90	11/25/2008	Anticipated
Subtotal (ARC Website Design and Maintenance)					\$11,073.91
Activity: Nutrient Reduction Fall Advertising Campaign					
Wayne County	4th Quarter 2007	\$1,012.71	\$1,012.71	9/30/2008	
			\$0.00		
			\$0.00		
Subtotal					\$1,012.71
Activity: Rouge River Public Education Video					
ECT (Executive Director)	084505 (#32)	\$5,767.98	\$5,767.98	11/25/2008	Anticipated
			\$0.00		
			\$0.00		
Subtotal					\$5,767.98
<b>Total: Public Involvement &amp; Education Committee Support</b>					<b>\$38,581.54</b>
Activity: Staff, Committees and SWAG Support					

ECT (Executive Director)	081274 (#3)	\$18,942.41	\$18,942.41	4/28/2008	
ECT (Executive Director)	081735 (#6)	\$6,348.40	\$6,348.40	5/28/2008	
ECT (Executive Director)	082215 (#10)	\$15,481.88	\$15,481.88	7/28/2008	
ECT (Executive Director)	082635 (#14)	\$14,745.61	\$14,745.61	8/25/2008	
ECT (Executive Director)	083026 (#18)	\$9,079.86	\$9,079.86	8/25/2008	
ECT (Executive Director)	083422 (#22)	\$13,631.57	\$13,631.57	10/27/2008	
ECT (Executive Director)	084027 (#26)	\$6,672.77	\$6,672.77	10/27/2008	
ECT (Executive Director)	084503 (#30)	\$6,231.14	\$6,231.14	11/25/2008	Anticipated
CDM (RPO)			\$0.00		
CDM (RPO)			\$0.00		
Subtotal (Staff, Committees and SWAG Support)					\$91,133.64
Activity: ARC Insurance					
David Chapman Agency	218721	\$4,100.00	\$4,100.00	1/15/2008	
Subtotal Insurance					\$4,100.00
Activity: ARC Advocacy and Administration					
ECT (Executive Director)	081275 (#4)	\$11,746.58	\$11,746.58	4/28/2008	
ECT (Executive Director)	081736 (#7)	\$5,163.25	\$5,163.25	5/28/2008	
ECT (Executive Director)	082216 (#11)	\$6,171.56	\$6,171.56	7/28/2008	
ECT (Executive Director)	082636 (#15)	\$1,031.43	\$1,031.43	8/25/2008	
ECT (Executive Director)	083027 (#19)	\$4,790.69	\$4,790.69	8/25/2008	
ECT (Executive Director)	083423 (#23)	\$13,426.72	\$13,426.72	10/27/2008	
ECT (Executive Director)	084028 (#27)	\$7,293.81	\$7,293.81	10/27/2008	
ECT (Executive Director)	084504 (#31)	\$2,139.82	\$2,139.82	11/25/2008	Anticipated
ECT (Executive Director)			\$0.00		
Subtotal					\$51,763.86
<b>Total: ARC Staff Support</b>					<b>\$146,997.50</b>
<b>TOTAL</b>					<b>\$448,638.98</b>

**NOTES:**

- (1) Payments for services provided and costs incurred against the 2008 budget.
- (2) There are additional funds which have been expended against the 2008 budget which have not yet been billed/paid.  
There is a delay of 30 to 60 days between expenditure and payment.

**Alliance of Rouge Communities  
2009 Approved Budget**

**Expected Revenues Available for 2009**

* 2009 Dues from Communities	\$	296,694
** 2009 Rouge Project Grant	\$	292,846
Future other Grants (Estimated)	\$	58,500
Charges for Services	\$	5,000
Rollover Dues from 2008 Budget (Estimated)	\$	96,683
	\$	<u>749,723</u>

Proposed 2009 Budget Items	Committee Proposal	Funding Source			"Provider" using Budget (6)
		ARC Dues	Rouge Grant	Other Source	
<b>Organization Committee</b>					
OC1 Executive Director Services	\$ 159,391	\$ 79,696	\$ 79,696		Exe.Dir. Serv.
(1) OC2.a ARC Insurance	\$ 4,500	\$ 4,500	\$ -		outside purchase
(4) OC2.b Fiduciary Services	\$ -	\$ -	\$ -		
(5) OC4 ARC Advocacy and Administration	\$ -	\$ -	\$ -		
<i>Organization Committee Total</i>	\$ 163,891	\$ 84,196	\$ 79,696	\$ -	
<b>Public Education and Involvement Committee</b>					
PIE1 Green Infrastructure Campaign	\$ 80,000	\$ 37,500	\$ 37,500	\$ 5,000	Exe.Dir. Serv./Wayne County
PIE2 Detention Pond Maintenance Manual Update	\$ 7,500	\$ 3,750	\$ 3,750		Exe.Dir. Serv.
PIE3 Pub Ed Materials	\$ 22,500	\$ 11,250	\$ 11,250		Exe.Dir. Serv./Wayne County
PIE4 Collaborative PEP	\$ 5,000	\$ 2,500	\$ 2,500		Exe.Dir. Serv.
PIE5 Website Maintenance	\$ 6,000	\$ 3,000	\$ 3,000		Exe.Dir. Serv.
PIE6 Rouge 2009	\$ 7,800	\$ 3,900	\$ 3,900		Exe.Dir. Serv.
PIE7 PIE Initiatives	\$ 9,700	\$ 4,850	\$ 4,850		Not Defined
<i>PIE Committee Total</i>	\$ 138,500	\$ 66,750	\$ 66,750	\$ 5,000	
<b>Technical Committee</b>					
TC1 Rouge River Watershed Monitoring Activities	\$ 64,800	\$ 32,400	\$ 32,400		Friends of the Rouge- RPO
TC2 ARC Collaborative IDEP and E. coli TMDL Plan	\$ 100,000	\$ 50,000	\$ 50,000		Exe.Dir. Serv./Wayne County
TC3 Green Infrastructure and Impervious Cover Mapping	\$ 85,000	\$ 42,500	\$ 42,500		Contractor to be procured
(2) TC4 Pursuing Grant Opportunities	\$ 100,000	\$ 36,500	\$ 5,000	\$ 58,500	Not Defined
TC5 NPDES Phase II Workgroup	\$ 18,000	\$ 9,000	\$ 9,000		Exe.Dir. Serv.
TC6 Technical Committee Initiatives	\$ 15,000	\$ 7,500	\$ 7,500		Not Defined
<i>Technical Committee Total</i>	\$ 382,800	\$ 177,900	\$ 146,400	\$ 58,500	
<b>Total Amount Requested by All Committees</b>	\$ 685,191	\$ 328,846	\$ 292,846	\$ 63,500	
<b>Available Unallocated Budget</b>	\$ 64,532	\$ 64,532	\$ -	\$ -	

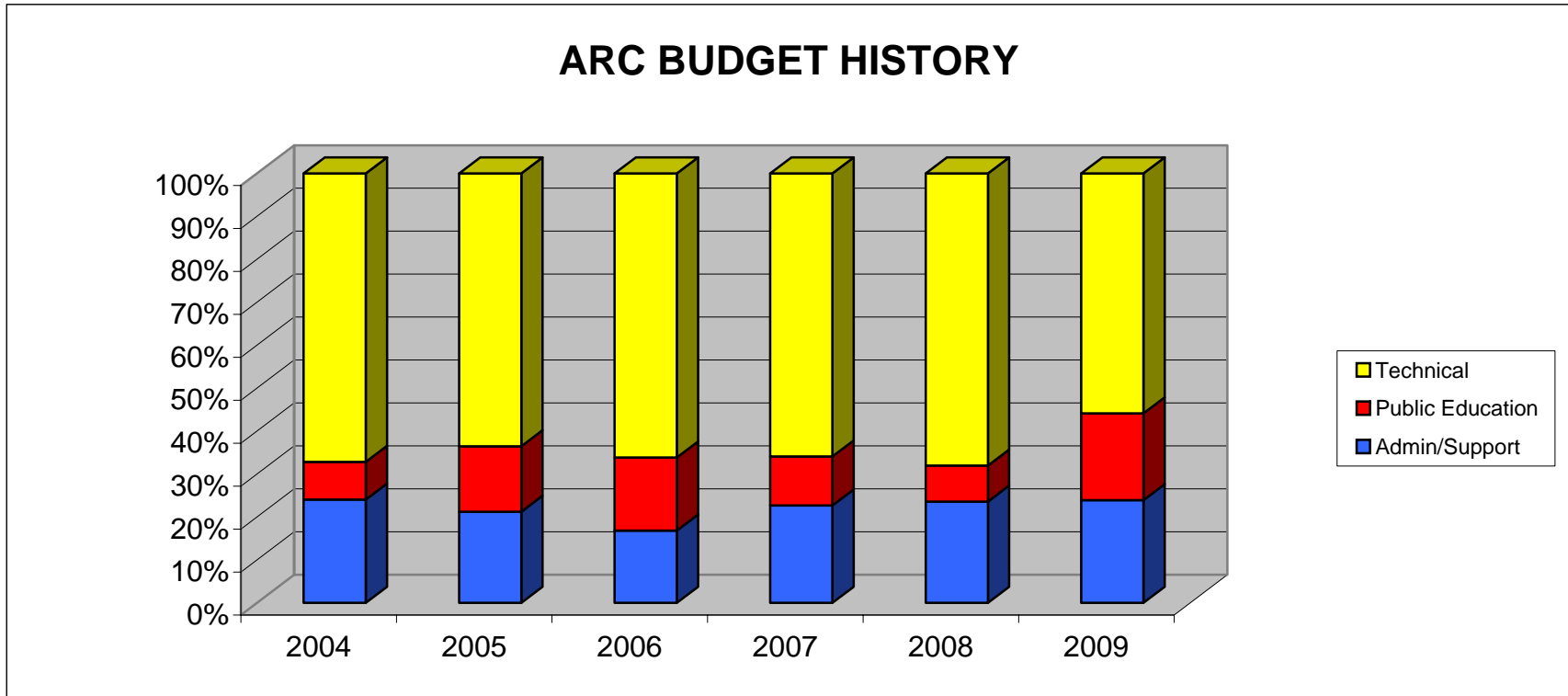
**Notes**

- (1) Not a Rouge grant eligible item; funded 100% from ARC dues.
  - (2) Eligibility of using Rouge Grant funds to prepare applications to other funding sources needs to be investigated  
Grant Writing is currently budgeted 50/50 (ARC/Rouge Grant), while the project is Budgeted 35/65 (ARC/New grant).  
this request anticipate \$58,500 grant, \$31,500 Match and \$10,000 grant pursuing effort.
  - (3) Not used
  - (4) Executive Director through Task OC1 will be providing this service in 2009 instead of Wayne County.
  - (5) Task OC4 was included in Task OC1 in the 2009 budget.
  - (6) Officers & Committee Members provide assistance to implement most of the ARC tasks. Cost for this assistance is not included in ARC Budget.
- \* Based on 2008 dues amounts  
\*\* Amount may be less if some of the costs associated with pursuing other funding sources is determined to be ineligible



## ARC Budget History

<u>Component</u>	<u>EXPENDITURES BUDGETED AT START OF FISCAL YEAR</u>					
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Admin/Support	171,200	161,000	100,000	144,140	154,785	163,891
Public Education	62,500	115,690	100,900	72,500	54,910	138,500
Technical	478,000	481,840	392,689	418,850	446,383	382,800
Totals =	\$711,700	\$758,530	\$593,589	\$635,490	\$656,078	\$685,191



**Fiscal Year 2010 DEQ Fee Proposal**  
**Storm Water Fees**  
**October 28, 2008**

**Program Description.** The Michigan Department of Environmental Quality (MDEQ), Water Bureau (WB), has authority from the United States Environmental Protection Agency (USEPA) to implement the Federal Storm Water Program. Mandated by Congress under the Clean Water Act (CWA), the Federal Storm Water Program is a comprehensive, national program for addressing industrial, construction, and municipal sources of storm water discharges that adversely affect the quality of the nation's surface waters. The program uses National Pollutant Discharge Elimination System (NPDES) permits to prevent harmful pollutants from being discharged by storm water runoff into rivers, lakes, and wetlands.

**MCL Citation.** Sections 324.3118 and 324.3119 of the Natural Resources and Environmental Protection Act, 1994 PA 451, as amended, establish the current fund and fee structure.

**Sunset Date.** The storm water fees sunset on October 1, 2009.

**Last Fee Increase.** The last storm water fee increase was enacted in 2004.

**Who Pays the Fees?** The storm water annual fees are paid by approximately 330 Municipal Separate Storm Sewer Systems (MS4) owners or operators, consisting of cities, villages, townships, and counties, and approximately 3,300 industrial facilities that are billed annually. In addition, annually approximately 750 construction operators pay a one-time application fee.

**Services Provided.** Services provided include the protection and enhancement of the surface waters. Program activities that support this service include permit issuance, compliance, enforcement, technical assistance, monitoring, data management, and water quality standards.

**Benefits of the Services Provided.** Benefits include the protection of public health and surface waters, sustainable ecosystems, and the support of a healthy economy. This is accomplished by promptly issuing permits and ensuring compliance and enforcement. Timely issuance of permits protects surface waters via permit requirements based on new treatment standards, water quality standards, monitoring, and facility inspection information. Technical services to the regulated community increases compliance with permit requirements. Another benefit is preventing delays for new construction and expansion of existing businesses, which are key to Michigan jobs.

**What Happens Without the Services.** Without the services, contaminated storm water and other pollutants can seriously degrade our waters and negatively impact public health and the environment. Specific examples of negative impacts include an increased need for fish consumption advisories, increases in nuisance weeds and algal blooms, and fish kills due to lower oxygen levels in the water. In addition, failure to provide timely issuance of permits may result in a loss of business and delays in remediation efforts.

**Current Fee Revenue.** The current fee system generates approximately \$1.84 million annually.

**Proposed Fee Revenue.** The proposed fees will generate a projected additional \$1,900,000, for an annual budget of \$3,740,000.

**Service Improvements and Efficiencies.** Key improvements made by the MDEQ since the fees were initiated in 2004 include:

- The MDEQ increased compliance by facilities that needed a storm water permit but had not applied for a permit before.

- The MDEQ converted from paper records to electronic records in the MDEQ databases. This saves the program time and materials.
- The MDEQ created Web access to permit information and implemented electronic public noticing on the MDEQ Web site. This allows the public access to permit-related information directly on the Web, instead of requesting the information and/or filing a Freedom of Information (FOIA) request. This also reduces the amount of staff time spent responding to these requests, thus reducing the MDEQ's costs.
- The MDEQ implemented the use of e-mail to send permit-related documents to applicants, instead of paper copies via mail services.
- The MDEQ consolidated field activities related to Construction Site Storm Water Permits and Soil Erosion and Sedimentation Control (SESC) to improve the efficiencies in our activities, decrease confusion among the regulated community, and reduce staff time required for conducting core program activities.
- The MDEQ consolidated the SESC and Construction Site Certified Operator Training into one training instead of having two separate trainings required.

**Service Reductions.** As a result of inadequate fees, the Storm Water Program was supplemented with Federal 106 funds to fund approximately 7 FTEs as a temporary measure until the fees are renewed. This form of "bridge funding" takes monies away from NPDES core activities, such as compliance and enforcement, monitoring, NPDES Permit Reissuance, and Total Maximum Daily Load studies. The current Storm Water Program is operating with reduced permit processing, compliance inspections, and enforcement.

**Impact Without Fee Increases.** Without the proposed fee increase, the program cannot meet its statutory responsibility to protect surface waters and process permits. Without adequate funding, the program would be scaled back or abolished. The impact of this would be permit issuance delays and backlogs, fewer inspections, and reduced monitoring. This will have a detrimental impact on the MDEQ's ability to protect human health and the environment and advance economic growth.

The MDEQ will not meet their USEPA commitments for permit reissuance and thus jeopardize federal funding and program delegation. The regulated community has long maintained its desire that the MDEQ administer the NPDES program, rather than the USEPA because the State is more accessible and has firm deadlines.

Without the fee increase, the program must continue to reduce its compliance efforts, including facility inspections and addressing facilities discharging without a permit. A credible compliance program is necessary so that water dischargers obtain and follow their permits. Without continued effort in this area, unpermitted facilities will have an unfair advantage over permitted facilities because they have not provided treatment to meet state standards. Also, fewer compliance inspections and technical assistance activities will result in an increased risk of pollutants being discharged from contaminated storm water.

Without the funding, permit issuance delays will result in adversely impacting entities that rely on timely permit processing for expansions or new facilities in the state. Businesses cannot build or expand in a timely fashion unless permits required by state law can be issued in a timely fashion. This could result in businesses choosing to locate outside of Michigan.

Another detrimental impact of a permit backlog is the delay in incorporating up-to-date requirements in permits. Timely reissuance of permits is needed to incorporate new water quality standards and treatment technology standards.

## Storm Water Fees

Current Sunset – October 1, 2009

Type	Description		Current Fee	Proposed Fee
Construction Application Fee	A 1-time application fee is required for a permit related solely to a site of construction activity for each permitted site. The fee shall be submitted by the construction site permittee along with his or her Notice of Coverage (NOC). No application fee for sites 1 - 5 acres of disturbance.		\$400	\$1,425
Municipal Separate Storm Sewer System (MS4) Annual Fee	MS4 Population Range	0 – 1,000	\$500	\$750
		1,001 – 3,000	\$1,000	\$1,500
		3,001 – 10,000	\$2,000	\$3,000
		10,001 – 30,000	\$3,000	\$4,500
		30,001 – 50,000	\$4,000	\$6,000
		50,001 – 75,000	\$5,000	\$7,500
		75,001 – 100,000	\$6,000	\$9,000
		Greater than 100,000	\$7,000	\$10,500
	Counties		\$3,000	\$4,500
	Others		\$500	\$750
Industrial Annual Fee	An annual fee is required for a permit related solely to a storm water discharge associated with industrial activity or from a commercial site for which the MDEQ determines a permit is needed.		\$260	\$500

\*The total generated by this fee proposal is \$3,740,000, which is the amount needed to fund the program for FY2010. This DRAFT fee proposal includes a provision for an annual inflation adjustment based on the Detroit Consumer Price Index (CPI) with no sunset date for this fee. However, the fee proposals included in the FY 2010 Executive Budget may not include a CPI adjustor. In that event, the DEQ proposes a sunset date for this fee.