

AMENDED I/I GRANT PROGRAM GUIDELINES

These changes supersede guidelines of March 23, 2007 as approved by Resolution No. 07-0250R.

POLICY:

The City of Duluth will remove inflow and infiltration (I/I) from the sanitary sewer collection system by conducting an inspection program to identify contributions of I/I on private property. Properties that are contributing I/I will be offered grants of up to \$2,150 in specified allowances to assist in funding corrective work to remove I/I. Funding private property corrective work to remove I/I was authorized by the Minnesota State Legislature on March 15, 1996 as codified in Minnesota Statutes Section 471.342 subd. 4.

GRANT PROCEDURE:

The purpose of this procedure is to provide the mechanism for efficiently disbursing and tracking I/I Grants. The I/I Reimbursement Grant Program will reimburse the party making the corrections in the amount of up to \$2,150 toward the cost of corrective work. The authorization given to the City by the Minnesota State Legislature requires the City Council to adopt grant guidelines. The City is required to adhere to a strict schedule for the control or elimination of sanitary sewer overflows (SSO's) as identified in the National Pollution Discharge Elimination System (NPDES) Permit MN0066206 for the sanitary sewer collection and interceptor system.

1. The City of Duluth has an I&I Remediation Plan, Public Document No. 96-0129-13(b), that was approved by City Council Resolution No. 96-0098R dated January 29, 1996. The plan included a grant program. The program guidelines for the grant program were last modified on March 23, 2007. The grant program guidelines describe the process for selecting and awarding grant recipients.
2. The City sanitary sewer collection system consists of 30 sewer basins. The City will use basin selection criteria to determine when each basin will be targeted for inspection. When a basin is identified and selected for the program, the City will notify all homeowners in the basin through letters, public service announcements, and community meetings. The City will schedule inspections of all homes in the basin and will determine whether the homes have active foundation drains connected to the sanitary sewer system. If foundation drains are contributing I/I, the property owner will be required to disconnect foundation drains from the sanitary sewer and, if necessary, install a sump pump and remove the house trap unless the location of the trap or other physical factors outside the control of the owner make it financially infeasible to remove the trap, in which case the Director of Public Works and Utilities or his/her designee may exercise their discretion and give an exemption. All properties that require disconnection work in the target basin will be given an opportunity to receive a grant of up to \$2,150 on a reimbursement basis. Additionally, properties identified as contributing I/I at the time of Point of Sale as described in Section 43-33.4 of the City Code will be eligible for the grant program regardless of whether the property is in a targeted basin or not. Corrective action to address code deficiencies in existing sump pumps is not grant eligible.
3. When the City schedules a target basin, all property owners within the basin will be notified by mail and invited to a neighborhood meeting to explain the program. Grants will be offered and available in target basins.
4. The inspections in target basins will be mandatory. The City will schedule inspections for the entire basin. If a property owner does not allow the City in to perform an inspection for I/I, an administrative search warrant will be secured to authorize the inspection. If an administrative search warrant is to be sought, then

timely notice must be given to any affected person that a warrant is being requested and that person may be present at any court proceeding to consider the requested search warrant.

5. A Water Quality Specialist will conduct the inspection to look for evidence of I/I. If no such evidence is found, the property will be in compliance and no work will be required. If such evidence of I/I is found, the property will be considered in noncompliance and the property owners will be informed by a mailed Notice to Correct.
6. Properties that are in noncompliance will be required to perform the corrective work needed to get into compliance. The Water Quality Specialist will prepare a "Form A" identifying the corrective action required. Once the corrective action is identified, the property owner will be responsible for making arrangement to have the repairs completed within 90 days of the notification of inspection. Property owners who fail to make the required corrections within the time specified will have a monthly surcharge added to their sewer bill as established by council resolution until the necessary corrections have been made. The property owner will be responsible for design of the corrective work to conform to that set forth and described on Form A, to obtain any permits required to perform said work, and to have the corrective work done. Form A will be signed by a designated City Official. In addition, to be qualified to receive grant funds under these guidelines, the property owner will be required to sign Form A.
7. Owners of property within the target basin that is in noncompliance will be given the opportunity to request a grant to reimburse them for a portion of the costs of bringing the property into compliance. Property owners seeking a reimbursement grant must apply to the Department and receive approval of grant funds before commencing corrective work to be eligible for grant funds under these guidelines.
8. Whether or not a reimbursement grant is sought, the property owner will be responsible for obtaining bid proposals, awarding the contract(s), and paying for the corrective work. The property owner is responsible to insure that the work contracted for and performed complies with the requirements for the work set forth in Form A.
9. Upon approval of the grant, the property owner will be sent a letter informing them of the approval. The property owner shall then be responsible to make the improvements as set out in Form A and to pay all contractors and/or materialmen supplying labor or materials for the work. It shall be the responsibility of the property owner to be sure that all necessary permits are obtained and the work is completed within 90 days of the notice of non-compliance.
10. The property owner is responsible to contact the Department of Building Safety for all inspections required under the Building Code. All such inspections have to be completed prior to final inspection by the Water Quality Specialist referred to in Paragraph 11 below and prior to releasing the grant funds.
11. Upon the completion of the work and all inspections referred to in Paragraph 10 above, the property owner will notify the Department that the work is completed and, if a reimbursement grant is being sought, shall also request such reimbursement in writing together with copies of contracts, receipts, and other documentation demonstrating that the property owner is entitled to such reimbursement under the program. The Water Quality Specialist will inspect to ensure the work identified on Form A has been completed. Form B will be prepared by the Water Quality Specialist to process the grant.
12. The Water Quality Specialist will submit Form B to the Utility Operations Manager to authorize the release of the grant funds. Upon approval, the Water Quality Specialist shall forward a copy of both Form A and Form B to an Administrative Finance Specialist in the City Auditor's office. Upon presentation of adequate documentation, allowable expenses for the work will be reimbursed up to a total amount not to exceed \$2,150. Reimbursement for labor will be allowed only for costs of labor paid to a licensed contractor

performing the work on the property; in-kind costs of labor supplied by or for the owner or by persons other than licensed contractors will not be allowed. The City will reimburse up to the following amounts for the specified work, provided that the total reimbursement does not exceed \$2,150:

- A. \$1,400 - Working sump pump or gravity system including dedicated electrical outlet
- B. \$350 - Removal of house trap(s)
- C. \$250 - Tap into an existing storm line, catch basin, or I/I stub
- D. \$150 - Additional electrical work (side panel or electrical upgrade)

The City Auditor shall then issue a check or checks to the grantee. If payment is based on any unpaid invoices, checks to pay for such costs may be made payable jointly to the owner and the invoicing contractor or materialman. Payment may be made directly to the contractor if requested by the property owner.

If an inspection has been done in the previous 180 days and the dwelling has been found to be in compliance, no POS inspection will be required prior to sale.

- 13. The Public Works & Utilities - Utility Operations Division will maintain a record of which properties have been inspected and all actions taken.
- 14. Point of Sale inspections are required upon the signing and acceptance of a legally binding offer to purchase or at least 30 days before transfer of title, entering into a contract for deed, or contract for sale of real estate. A one week notice to request an inspection is preferred but, under special circumstances, a minimum of a 24 hour notice would ensure that the Point of Sale Inspection could be scheduled.

An inspection fee payable to the City will be required in advance.

- 15. A Water Quality Specialist will conduct the inspection to look for sources of I/I. If no I/I is noted, the property will be in compliance and a POS Certificate of Compliance will be issued. If sources of I/I are found, the property will be considered in non-compliance and the property owners will be informed by a mailed Notice to Correct. The owner will then be eligible to apply for grant assistance under the terms of these guidelines.

INCOME BASED SUPPLEMENTAL GRANT PROCEDURE:

The purpose of this portion of the procedure is to provide the guidelines under which the City of Duluth will provide additional funding to income eligible property owners to perform corrective work to remove I/I.

- a. Supplemental grant funding will be available to property owners in the target area with income of 50% less than the median income. The additional funding will be available to complete *required* work for installation of the sump pump (electrical upgrades, floor replacement, plumbing repairs, etc.), but cannot be used for home improvements unrelated to I/I removal.
- b. At the time of the original inspection by the Water Quality Specialist, information on the supplemental grant program will be made available to property owners.
- c. Property owners must apply for the income based supplemental grant program through the Housing Redevelopment Authority (HRA) office. The HRA will contract with the City to do the income eligibility determinations. The HRA will determine whether an applicant is qualified for a supplemental grant and forward the information to the City.