



Michigan Department of Environmental Quality
<http://www.michigan.gov/deg>

Environmental Science and Services Division

Request for Proposals

January 9, 2006

Michigan's Nonpoint Source Program

To be used in applying for:

- 1. Developing watershed management plans.**
- 2. Implementing approved watershed management plans.**
- 3. Implementing approved watershed management plans developed under a Watershed-Based Municipal Storm Water Permit (Voluntary Storm Water Permit).**

Jennifer M. Granholm, Governor
Steven E. Chester, Director

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NONPOINT SOURCE PROGRAM GRANTS
January 9, 2006

TABLE OF CONTENTS

Introduction	1	
Funding Categories	1	
Funding Sources	1	
Eligible Applicants	2	
Ineligible Applicants.....	2	
The Michigan Prevailing Wage Act/The Davis-Bacon and Related Acts (DBRAs)	2	
Volunteer Rates for Match	2	
Content.....	3	
Electronic Applications	4	
Project Clarification/Revisions	4	
Confidentiality.....	4	
Acceptance of Proposal Content	4	
Post-Project Audit	4	
Deadline	4	
Submittal Addresses	5	
 Funding Categories		
1. Developing Watershed Management Plans	6	
2. Implementing Approved Watershed Management Plans	10	
3. Implementing Approved Watershed Management Plans Developed under a Voluntary Storm Water Permit	17	
 Forms and Instructions		
• Instructions for Project Description Portion of The Application.....	20	
• Instructions for Work Plan and Timetable	23	
• Instructions for ESSD Grant Application Attachments	25	
• Checklist For A Complete Application.....	26	
 Appendix A: Process for Approved Watershed Management Plans.....		27
Appendix B: Terms and Conditions of Grant Award		36
Appendix C: General Guidance for Land and Water Permits.....		38
Appendix D: Post-Project Audit Information		40

NONPOINT SOURCE PROGRAM GRANTS

Introduction

The mission of the Department of Environmental Quality (DEQ), Nonpoint Source (NPS) Program is to: (1) proactively reduce and prevent nonpoint sources of pollution in order to provide for healthy and diverse aquatic ecosystems, protect public health, and enhance environmentally compatible recreation opportunities, (2) develop public recognition of the value of Michigan's lakes, streams, wetlands and groundwater, and (3) encourage stewardship of these resources. In an effort to fulfill this mission, the following funding opportunities are offered.

The Michigan NPS home page on the Internet (www.michigan.gov/deqnps) offers a list of DEQ NPS staff and their expertise located in Lansing and in district offices throughout the state. The NPS home page also contains other resources useful in completing a successful application.

Funding Categories

The DEQ, Environmental Sciences and Services Division (ESSD), is requesting proposals in three broad categories:

1. Projects for the development of watershed management plans. Details for this category begin on page 6.
2. Projects implementing elements of approved watershed management plans which control nonpoint sources of pollution. Details for this category begin on page 10.
3. Projects implementing water quality elements contained in plans developed under a Watershed-Based Municipal Storm Water Permit (Voluntary Storm Water Permit). Details for this category begin on page 17.

Funding Sources

This RFP contains information concerning four funding sources. Two of the funding sources are authorized under the federal Clean Water Act and two utilize state funds under the Clean Michigan Initiative (CMI). Additional detail and requirements for each funding source are included later in this document.

Federal

Section 319(h): Approximately \$2.5 million is available for Watershed Management Planning projects and projects implementing approved watershed management plans.

205(j)/604(b): Approximately \$120,000 is available for Watershed Management Planning projects.

State

CMI NPS: Approximately \$1 million is available for projects implementing approved plans.

CMI Clean Water Fund - Voluntary Storm Water Permit: Approximately \$2.1 million is available for projects implementing approved watershed management plans required under a Watershed-Based Municipal Storm Water Permit.

Eligible Applicants

Local units of government and nonprofit entities are eligible to receive grant funding through the ESSD under these grant programs. Eligible entities include sub-state units of government (counties, cities, townships, and villages), public and private colleges and universities, regional planning agencies, lake boards, county commissions, and incorporated not-for-profit organizations. Nonprofit entities are those exempt from taxation under Section 501(c)(3) of the Internal Revenue Code.

To be eligible, local units of government and nonprofit entities must meet all of the following:

- Must demonstrate an ability to carry out the proposed project.
- Must have undergone a successful financial audit within the 24-month period immediately preceding the application as demonstrated by an Independent Auditors Report from a Comprehensive Annual Report.
- Must demonstrate there is an identifiable source of funds for the future operation and maintenance of the proposed project.
- Must not have had a grant with the DEQ revoked or terminated within the 24-month period immediately preceding the application.
- Must not have demonstrated an inability to manage a grant or meet the obligations in a project contract with the DEQ within the 24-month period immediately preceding the application.

Ineligible Applicants

Federal and state agencies, individuals, for-profit organizations, and groups without nonprofit status under Section 501(c)(3) of the Internal Revenue Code are not eligible applicants. However, these entities can serve as project partners or receive grant funds as subcontractors to eligible grantees.

The Michigan Prevailing Wage Act/The Davis-Bacon and Related Acts (DBRAs)

Implementation grants are subject to conditions of The Michigan Prevailing Wage Act or the DBRA depending on funding source. Additional information can be found at: http://www.michigan.gov/documents/Brochure_89314_7.166.pdf.

Volunteer Rates for Match

The DEQ has instituted a new policy to clarify the use of Volunteer time as match. The DEQ will allow grantees to claim match using the following three categories:

1. **Unskilled laborers.** (For example, Boy Scouts/Girl Scouts, volunteers, etc.) The acceptable rate for these workers is the prevailing minimum wage, which has been \$5.15 since 2004.

2. **Professionals not working in a professional capacity.** As an example, if a drain commissioner or an attorney hand out brochures at a watershed festival or install rock riprap on a stream bank, they would not claim their normal professional rate because they are not working in a professional capacity. However, professionals' participation in watershed projects, for example, is vital to help obtain buy-in from other stakeholders, so these professionals only claiming minimum wage is not appropriate either. An appropriate rate is based on the Independent Sectors annual evaluation of volunteer time, which has been \$17.55 since 2004 (available at <http://www.independentsector.org/>, click on RESEARCH, Dollar Value of Volunteer Time). As the rate is updated on the Web site, the DEQ will apply the new rate.

Also in this category are landowners donating their time to install best management practices on their property (very common in agricultural nonpoint source projects).

3. **Professionals, including skilled labor, working in their normal professional capacity.** Professionals, including skilled laborers, providing their normal professional services may count as match their normal rate of pay; this would be considered the value of the volunteer work provided. For example, a drain commissioner providing technical input at a steering committee could claim his/her normal rate of pay for time spent at the meeting.

Content

This RFP contains descriptions of three funding categories and four sources of funding, as well as detailed instructions and specific forms that are required for a complete application. Each project should be applied for separately with a complete application package consisting of **ten (10)** clear copies of all required components. The size and amount of information to be included in a grant application is limited. Please read this information package carefully. Extraneous information will not be accepted or included in the grant application review process. Staple or clip the pages of the proposal, **do not bind the proposal or use a cover sheet other than the ESSD Application Cover Sheet.**

If color graphics such as maps or photographs are important for evaluating your proposal, your application package should include **ten (10)** color copies of each.

Instructions for the grant application start on page 17. Follow the directions. **Use the checklist on page 26 to make sure you have a complete application.**

Proposal evaluation will be based on the information received by the due date. Late materials (including "Proof of Audit" letters and required forms) will not be accepted.

All of the required forms for this grant application are available from the NPS home page (www.michigan.gov/deqnps under "Grant Applicant Information"), or NPS Program staff (See http://www.michigan.gov/deq/0,1607,7-135-3313_3682_3714-13151--,00.html, or on the NPS Program Web site <http://www.michigan.gov/deqnps> under the

Information and Education heading). Forms should be downloaded and completed and then submitted with the other components of the grant application.

Electronic Applications

Applicants are **required** to submit the project description, work plan, time line, and budget of their application on a 3.5" diskette or a compact disk, using Microsoft Office compatible formats.

Applicants must submit ten (10) complete clear copies of their grant application and one (1) electronic copy of the project description, work plan, time line, and budget.

Project Clarification/Revisions

The DEQ can award grants for amounts other than those requested and/or request changes to the proposed work plan.

The DEQ may request additional information for clarification purposes.

Confidentiality

Application information will not be kept confidential. Grant applications are considered public information under the Freedom of Information Act, PA 442 of 1976.

Acceptance of Proposal Content

Successful applicants will be required to enter into a project contract with the DEQ. A project contract consists of standard "boilerplate" language (summarized in Appendix B), the applicant's project description, work plan, time line, and budget information. Failure of a successful applicant to accept these obligations may result in cancellation of the grant award. Copies of the boilerplate can be obtained by contacting Ms. Nancy Steffen, DEQ, Environmental Science and Services Division, at 517-373-9540.

Post-Project Audit

Projects receiving grant funds may be subject to a post-project audit. The DEQ Office of Internal Audit reviews all of the ESSD Environmental Stewardship Grants and Loans Unit files, and may conduct an audit of a grant recipient's financial files before releasing final payment to the grantee. Applicants are encouraged to read the additional audit information and reporting requirements in Appendix D.

Deadline

Applications must be hand-delivered by 4:00 p.m., **March 9, 2006**, or carrier dated (i.e., United States Postal Service, United Parcel Service, and Federal Express) no later than **March 9, 2006**. Please note: Dates from mail metering machines will not be accepted as a qualifying date. Metered mail must be delivered, or separately U.S. Postal Service post-marked by the deadline noted above (metered mail is not usually post-marked – you must specifically request this service). The tracking code and electronic tracking systems will be relied on to determine carrier dates for proposals

sent via United Parcel Service and Federal Express. Faxes and e-mail submissions will not be accepted. Late proposals will not be considered for funding.

Submittal Addresses:

Postal Address:

Attention: Robert Sweet
Department of Environmental Quality
Environmental Science and Services Division
P.O. Box 30457
Lansing, Michigan 48909-7957

Physical Address:

Attention: Robert Sweet
Department of Environmental Quality
Environmental Science and Services Division
Constitution Hall, 1 North Tower
525 West Allegan Street
Lansing, Michigan 48933

1. Developing Watershed Management Plans

Description

Successful applicants under this category will be required to develop an approvable watershed management plan, as defined in the administrative rules for the CMI NPS Pollution Control Grants and the CMI Clean Water Fund, as well as addressing the nine (9) elements required by the U.S. Environmental Protection Agency (USEPA) (Appendix A). Projects must also include a task to complete a road/stream crossing inventory using the DEQ protocol (or equivalent).

Project length should not exceed two (2) years and will be on a cost-reimbursable basis. Watershed Management Planning grants require a 10 percent local match. Funds are expected to be available to the grantee before August 2006.

All watershed management planning projects must:

1. Identify current water quality impairments, and potential future water quality impacts due to land use changes.
2. Completely inventory all sources, and evaluate future land use based on current trends, and the potential water quantity/quality impact(s).
3. Prioritize all sources, and all sites within each source category, based on water quality impacts.

Watershed Management Plans for streams that will require streambank stabilization, channel realignment, changes to channel geometry, or changes impacting flow or sediment transport must include a stream geomorphology assessment equivalent to the USDA – NRCS 580 standard.

Eligible Activities

All activities needed for the development of a DEQ-approvable (under CMI rules) Watershed Management Plan or to meet the USEPA Nine Minimum Elements (Appendix A) are eligible. Guidance for the development of approvable plans, under CMI rules, is contained in the document entitled “Developing a Watershed Management Plan for Water Quality: An Introductory Guide.” Copies of this document are available free of charge on the NPS Web site <http://www.deq.state.mi.us/documents/deq-swq-nps-Watershed.pdf>, or contact Mr. Robert Sweet, DEQ, ESSD, at 517-335-6967, or e-mail: sweetr@michigan.gov.

Tasks for the assessment of the hydrology and geomorphology are also eligible activities. These assessments may be required to seek future implementation funding (See page 11).

Available Funding

Federal Clean Water Act Section 319(h). Under federal statute, a maximum of \$580,000 is available for planning projects with FY06 funding.

Federal Clean Water Act Section 205(j)/604(b). Approximately \$120,000 is available under Sections 205(j) and 604(b) of the federal Clean Water Act for Watershed Management Planning proposals.

Priorities

The NPS Program priorities are to: (a) protect high quality waters, and (b) restore water quality in areas where water quality standards are not currently being met. The DEQ has compiled a list of waterbodies which are not currently meeting standards, as required by Section 303(d) of the federal Water Pollution Control Act (PL92-500). In addition, federal statute requires states to develop a schedule for addressing these waterbodies. The list of waterbodies not attaining water quality standards (the "303(d) list") may be found at http://www.michigan.gov/deq/0,1607,7-135-3313_3686_3728-12711--,00.html, or from the DEQ home page, <http://www.michigan.gov/deq>, on the left side of the page, click on "WATER," then "Water Quality Monitoring," then "Assessment of Michigan Waters." The link to Water Quality and Pollution Control in Michigan (2004 Sections 303(d) and 305(b) Integrated Report) is listed in the "Information" section). The schedule for addressing these waterbodies by developing Total Maximum Daily Load (TMDL) calculations may be found in Appendix XIV of Michigan's 2004 Sections 303(d) and 305(b) Integrated Report (available at <http://www.deq.state.mi.us/documents/deq-wd-swqas-intrepapp14.pdf>).

Federal Clean Water Act Section 319(h) Highest priority will be given to those waters requiring development of a TMDL in 2008 or subsequent years. The DEQ is encouraging local efforts to address the water quality issues prior to the required development of a TMDL by the state. It is the hope of the DEQ that water quality can be restored and the need for TMDL development negated.

Lesser priority will be given to projects in waterbodies on the 303(d) list scheduled for TMDL development prior to 2008.

Federal Clean Water Act Section 205(j)/604(b). The priority for 205(j)/604(b) planning funds will be those waters not listed on the 303(d) list. Among these waters, highest priority will be given to projects producing protective plans for high quality watersheds.

Phase II Storm Water Communities and Funding for Watershed Management Planning Efforts

In general, activities that are required or will be required under a permit (or required in an enforcement order) are not eligible for federal grant funding. However, activities that are above and beyond permit requirements are eligible for funding. The application must clearly identify the permit requirements and the activities above and beyond the requirements for which grant funds are being requested. Additional information and a list of Michigan's Phase II (MS4) storm water communities can be found at: http://www.michigan.gov/deq/0,1607,7-135-3313_3682_3716---,00.html.

Section 319 funding is not available for planning projects in watersheds in which more than 1/3 of the total area is covered under Phase II Storm Water Permits. However, Section 319 funds can be used to update plans developed under the

Watershed-Based Municipal Storm Water Permit to meet CMI and USEPA watershed management planning criteria.

Ineligible Activities

This grant category is intended for projects that focus primarily on planning activities. Proposals that will not lead to the production of an approvable watershed management plan are not eligible under this category.

Quality Assurance Project Plans

Projects must include an evaluation element to determine the success of the project activities in relation to the stated project goals. Planning projects may also collect baseline environmental information. All projects that include physical, chemical, biological, or societal monitoring activities for evaluation or project guidance will be required to submit a Quality Assurance Project Plan (QAPP) for approval by the DEQ. Monitoring activities are not eligible for grant funds or for use as match until a QAPP has been approved by the DEQ. A QAPP is not needed for the application phase. Please contact the appropriate NPS Program staff (http://www.michigan.gov/deq/0,1607,7-135-3313_3682_3714-13151--,00.html), or see the NPS Program Web site for additional information and guidance. The QAPP guidance for social surveys can be found at: http://www.michigan.gov/deq/0,1607,7-135-3313_3682_3714-75944--,00.html, or from the NPS home page (www.michigan.gov/deqnps) click on “Social Surveys” under “Information/Education.” The QAPP guidance for water quality monitoring is available at: <http://www.deq.state.mi.us/documents/deq-wd-water-nps-QAPPguidance.pdf>, or on the NPS Program home page under “Monitoring and Field Investigations.”

Application Requirements

- Required elements as detailed on the checklist found on page 26.
- A minimum of 10 percent local match.

Evaluation Criteria

- The anticipated water quality benefits of the project in relation to the cost of the project (although a thorough cost/benefit analysis is not required).
- The ability of the applicant and the partners and contractors to carry out the project as demonstrated by previous NPS grants or submitted information.
- Commitments for financial and technical assistance from the partners in the project, as documented by letters of commitment.
- Financial and other resource contributions, including in-kind services, by project partners in excess of the required minimum match. *Note: The percent match listed in the proposal will be used in the project contract if the proposal is selected for funding.*
- The anticipated water quality benefits of the project in relation to sources of drinking water.
- The consistency of the project with DEQ and USEPA guidance on Watershed Management Planning.

- The anticipated improvement or protection of water quality.

Prior to awarding a grant, the DEQ will consider the extent to which the making of the grant contributes to the achievement of a balanced distribution of projects throughout the state.

Contact

For questions, contact either the appropriate NPS Program staff person (see http://www.michigan.gov/deq/0,1607,7-135-3313_3682_3714-13151--,00.html), or Robert Sweet, at 517-335-6967.

2. Implementing Approved Watershed Management Plans

Description

Proposals will be accepted for implementing priority nonpoint source control elements in approved watershed management plans (See http://www.michigan.gov/deq/0,1607,7-135-3313_3682_3714_4012-95955--,00.html). To be eligible for funding, the Watershed Management Plan must meet the criteria established under the Clean Michigan Initiative and by the USEPA (Appendix A and see Funding Source related requirements below). Questions concerning this requirement should be addressed to the appropriate DEQ staff (see http://www.michigan.gov/deq/0,1607,7-135-3313_3682_3714-13151--,00.html) or [Robert Sweet](#) 517-335-6967.

Funding is anticipated to be available for selected projects by August 2006. Project contracts require a minimum of 25 percent match and cannot exceed three years. All projects must include an evaluation component to measure the success of the project in achieving the stated goals.

Implementation proposals must include, as an attachment, a statement on the status of the implementation of the watershed management plan (one page maximum). The statement should summarize past and on-going actions (what and when) and discuss progress in terms of the stated priorities of the watershed management plan.

BMP Funding Policy

1. A site or task is eligible for funding if the site or task is consistent with the priority targeted pollutants and sources of threat or impairment in the approved watershed management plan.
2. To be eligible for funding, all practices that will affect stream flow must first be evaluated through a hydrologic analysis, including a determination of whether current hydrology should be modified with appropriate upland practices. If BMP implementation will alter hydrology, the hydrologic analysis must include an evaluation of potential upstream and downstream impacts.

Eligible Activities

Some eligible activities may require permits from the DEQ. Appendix C contains additional information concerning the types of activities that may require a permit and the information needed by the DEQ to help make this determination. Application for a grant does not constitute a permit application, nor does it signify DEQ approval for a permitted activity.

Federal Clean Water Act Section 319(h): Eligible activities include implementing structural Best Management Practices (BMPs), vegetative BMPs, managerial BMPs, information and education strategies, and water quality based land protection strategies. Monitoring is an eligible activity as long as the monitoring is related to the implementation or evaluation of the BMPs. Implementation projects must be consistent

with the approved Watershed Management Plan and must directly address the pollutants and sources identified as an impairment or threat in the Watershed Management Plan. Federal implementation funds may be used to update Watershed Management Plans previously approved under the CMI to meet the new USEPA criteria.

State CMI – NPS Pollution Control Grants: Activities eligible for funding are limited to implementing the physical improvements identified in DEQ-approved watershed management plans. All sites selected for BMP implementation must be directly tied to addressing a priority pollutant and the source/cause identified in the approved watershed management plan. Note that hydrologic fluctuations due to changing land use may be considered as a cause of pollution. Eligible activities include implementing structural BMPs, vegetative BMPs, and water quality based permanent conservation easement projects. Monitoring is an eligible activity as long as the monitoring is related to the implementation or evaluation of the BMPs. Information and education, planning, and similar activities are not eligible under CMI-NPS Pollution Control Grants.

Funding Source Related Requirements

All projects must be in an area included in a Watershed Management Plan approved by DEQ as meeting the CMI criteria on or before February 17, 2006.

Federal Clean Water Act Section 319(h): The plan must also be approved as meeting USEPA criteria on or before February 17, 2006, or projects can include a separate task in the proposed work plan to address the USEPA criteria. All contracts will be on a cost reimbursable basis. Up to \$2.5 million is available for implementation projects through FY06 Section 319 funding.

State CMI – NPS Pollution Control Grants: All projects must be in an area included in a Watershed Management Plan approved by the DEQ as meeting the CMI criteria on or before February 17, 2006. Approximately \$1 million is available for implementation projects through the CMI-NPS funding.

Priorities (not in ranked order)

- Implementation projects that will achieve or make substantial progress in achieving the NPS portion of an existing Total Maximum Daily Load (TMDL).
- Implementation projects in water bodies listed on the state's 303(d) list to remove impairments before a TMDL is developed. (See http://www.michigan.gov/deq/0,1607,7-135-3313_3686_3728-12711--,00.html, or from the DEQ home page, <http://www.michigan.gov/deq>, on the left side of the page, click on "WATER," then "Water Quality Monitoring," then "Assessment of Michigan Waters." The link to the Water Quality and Pollution Control in Michigan (2004 Sections 303(d) and 305(b) Integrated Report) is listed in the "Information" section). Projects must directly address the problem in the 303(d) listing or TMDL. For this priority, the TMDL must be scheduled for development in 2008 or later.

- Projects that implement long term protection techniques for high quality waters to address land use changes that are threatening or have impacted water quality. This includes activities such as permanent conservation easements and changes to local zoning or ordinances.
- Projects that implement low impact development techniques and practices in urban and urbanizing areas.
- Projects that implement innovative treatment practices that protect water quality by addressing agricultural waste or urban storm water runoff.
- Projects that restore the geomorphology and hydrology of a river and correct impacts from hydrologic change (i.e., river or stream restoration).
- Projects that implement plans that meet both the CMI and the USEPA criteria (this allows the DEQ to use the CMI funded projects as state match for the federal grant).

Hydrologic and Geomorphic Analysis

Applicants proposing major stream treatments such as meander restoration or stream bank stabilization must prepare and submit a statement on Hydrology/Morphology. This one-to-two page statement should detail the hydrologic condition of the stream, including if and how the hydrology has changed over time and the corresponding changes to the morphological stream conditions. The statement should summarize reports and data and outline the steps taken to determine the hydrologic/geomorphic status. Applicants should be prepared to supply the full reports or data used to make the hydro/geo assessment.

The assessment should utilize recognized tools such as stream flashiness indexes; channel evolution models; measures of channel dimension, pattern, and profile; stream bed particle size assessments; stream power calculations; regime equation calculations; or similar measurements or models. Hydrologic and geomorphic stability assessments are especially important in watersheds that have been significantly disturbed or modified within the last 20 years. Hydrologic and geomorphic assessment shall include an inventory of current site condition (i.e., stable, aggrading, or degrading), identification of the type, extent, magnitude, and cause(s) of the stability problem(s) to be addressed, and a prediction of future stream response to the proposed treatment.

Alternative treatment options should be considered that are based on suitability of the site, an analysis of bank and/or bed stability, and be consistent with an appropriate bank and/or bed stabilization techniques. For stream bank stabilization projects, the applicant shall first consider vegetative treatments. Problems that cannot be controlled by vegetative treatments alone should consider a combination of structural treatments and vegetative treatments. No stream stabilization should be implemented until it has been determined that the hydrology of the contributing watershed is stable.

Geomorphic assessments for proposed changes in channel alignment, or channel geometry, shall include the stream reaches upstream and downstream of the project area. Channel width-to-depth ratios, stream bed slope, meander pattern, and other bed features of the proposed channel designs, shall be modeled according to a stable

reference reach. Reference reaches are nearby, hydrologically and geomorphically stable stream segments. A reference reach could be upstream or downstream of the project area, or in a nearby watershed. Assessment of the current and future discharge and sediment regimes shall be based on conditions in the watershed above the proposed channel alignment, as close as possible to the project reach.

Evaluation and Quality Assurance Project Plans

Some type of evaluation is required for all projects to measure the success of the project in achieving the stated goals. The evaluation component of the project should be designed to detect changes that result from the project. It is important to consider the scale of change that will result from the project (site specific, stream reach, sub-basin or larger). It is also helpful to incorporate links to ongoing monitoring efforts such as those conducted by the state, local units of government, and volunteer groups that will be carried out during the project time frame.

Qualitative assessments (i.e., general, non-numeric efforts such as “before” and “after” pictures) are acceptable in many cases. **Quantitative** evaluations typically require large numbers of samples or measurements for statistically significant conclusions, and therefore often require assistance from a qualified consultant or a research organization to ensure that the results are meaningful.

Applicants proposing to perform environmental measurements (water quality, macroinvertebrate populations, stream morphology, etc.) should include a list of the parameters to be measured, the measurement or analytical technique, the expected number of locations to be sampled, and the expected sampling frequency, in their proposal.

All projects that include monitoring activities (including social surveys) for evaluation or project guidance will be required to submit a Quality Assurance Project Plan (QAPP) for approval by the DEQ. Monitoring activities are not eligible for grant funds or for use as match until a QAPP has been approved by the DEQ. A QAPP is not needed for the application phase. Please contact the appropriate NPS Program staff (see http://www.michigan.gov/deq/0,1607,7-135-3313_3682_3714-13151--,00.html), or the NPS Program home page under “Monitoring and Field Investigations,” for additional information and guidance.

Site Plans

Applicants must submit site plans for any vegetative or structural practices, including any earth change activities, physical modifications of the stream channel and practices that modify hydrology. Site Plans are a depiction of each project area showing all existing waterbodies (including designated flood plains and wetlands) and structures as well as the proposed treatment. For the application, conceptual site plans will suffice. However, prior to implementing a BMP, an engineered site plan prepared by a licensed professional engineer (P.E.) or architect or other professional working under a licensed engineer’s authority must be submitted to and approved by a NPS program engineer.

Phase II Storm Water Communities and Funding

Activities that are required or will be required under a Storm Water Permit are not eligible for funding under this category of the RFP. However, these activities are eligible under the following funding category of this RFP beginning on page 17.

Activities that are above and beyond permit requirements are eligible for funding under this category. However, the application must clearly identify the permit requirements and the activities above and beyond the requirements for which grant funding is being requested or which will be used as match. Additional information on Phase II requirements and a list of Michigan's Phase II (MS4) storm water communities can be found at: http://www.michigan.gov/deq/0,1607,7-135-3313_3682_3716---,00.html, or from the DEQ home page (<http://michigan.gov/deq/>) on the left side of the page click on "WATER," then "Surface Water," then "Storm Water."

The USEPA and the DEQ recognize the benefits of integrating nonpoint source funds and storm water activities as much as is legally allowable. Listed below are a variety of urban runoff management activities that could be eligible for Section 319(h) funding:

- BMPs for pollution prevention and runoff control (except for BMPs required by a draft or final National Pollutant Discharge Elimination System (NPDES) permit).
- Technology transfer and training (i.e., a workshop demonstrating new innovative urban storm water BMP, which could be used elsewhere in Michigan).
- Development and implementation of regulations, policies, and local ordinances to address storm water runoff. (These may apply to areas covered by NPDES permits, provided that the regulations, policies, and ordinances apply to non-permitted areas as well).
- Development and implementation of professional certification programs such as Certified Operator Training Programs.

Ineligible Activities:

The following types of activities will not be considered for funding:

- Maintenance practices (including, but not limited to, weed harvesting, alum treatments, dredging, integrated crop management, and catch basin repairs).
- Land acquisition.
- Construction, operation, or maintenance of septage facilities.
- Construction or maintenance of traditional storm sewer collection systems which are used strictly for the conveyance of storm water and do not provide treatment or infiltration.
- Construction or maintenance of sanitary sewer collection systems.
- Purchasing capacity at an existing wastewater treatment plant.
- Removing inflow or infiltration to sanitary sewers.
- Other point-source pollution related projects.
- Land use planning.
- Development of geographic information systems.

- Wetland banking or off-site wetland mitigation.
- Dam removal or repair.

Projects that negatively impact any water resource, including rivers, streams, lakes, wetlands, and public water supplies will not be considered for funding.

Evaluation Criteria

- The consistency of the project with the priorities identified in the watershed management plan being implemented.
- The anticipated water quality benefits of the project in relation to the cost of the project (although a thorough cost/benefit analysis is not required).
- The ability of the applicant and the partners and contractors to carry out the project as demonstrated by previous NPS grants or submitted information.
- Commitments for financial and technical assistance from the partners in the project, as documented by letters of commitment.
- Financial and other resource contributions, including in-kind services, by project partners in excess of the required minimum match. *Note: The percent match listed in the proposal will be used in the project contract if the proposal is selected for funding.*
- The anticipated water quality benefits of the project in relation to sources of drinking water.
- The anticipated improvement or protection of water quality.
- The anticipation that the project will result in a water body meeting one or more of its designated uses.
- The length of time the applicant has committed to maintain any structural or vegetative BMPs.
- Whether the project addresses the pollutant(s) of concern in a watershed on the non-attainment list (i.e. a watershed included in the publication, "Clean Water Act Section 303(d) List" as updated annually by the DEQ).
- A commitment on the part of the applicant to conduct an evaluation of the effectiveness of the project, including a commitment to provide monitoring data or other information that documents improvement in water quality or the reduction of pollutant loads, and document the success of proactive efforts such as pollution prevention controls and information/education activities.
- Letters of support from affected stakeholders and local units of government.
- Linkage to "Cool Cities" projects or implementation of "Cool Cities" project elements (See <http://www.coolcities.com/>).

Prior to awarding a grant, the DEQ will consider the extent to which the making of the grant contributes to the achievement of a balanced distribution of projects throughout the state.

Application Requirements

- Required Elements as detailed on the check list on page 26.
- A minimum of 25 percent local match.
- A Proposed BMP Sheet and photographs of each site where BMPs will be implemented.
- Statement on the implementation status of the Watershed Management Plan.
- Statement on hydrology/morphology (if applicable).

Contact

For questions, contact either the appropriate NPS Program District Staff person (see http://www.michigan.gov/deq/0,1607,7-135-3313_3682_3714-13151--,00.html), or Robert Sweet, at 517-335-6967.

3. Implementing approved watershed management plans developed under a Watershed-Based Municipal Storm Water Permit (Voluntary Storm Water Permit)

For purposes of this RFP, Watershed-Based Municipal Storm Water Permits includes the “voluntary storm water permits” issued prior to April 1, 2003.

Description:

The ESSD will provide financial assistance for implementing CMI-approved watershed management plans developed for Watershed-Based Municipal Storm Water Permits. Approved watershed management plans are those that have been accepted by the Storm Water Program and approved by the NPS Program. **Note:** Submitting a Watershed Management Plan to meet your permit requirement does NOT automatically mean your plan was approved under the CMI rules by the Nonpoint Source Program. To be eligible for this funding, you must specifically request the NPS Program review your plan under the CMI Clean Water Fund rules. If your Watershed Management Plan was developed under a Watershed-based Permit, and you want to see if it has been approved contact the appropriate NPS Program staff (http://www.michigan.gov/deq/0,1607,7-135-3313_3682_3714-13151--,00.html).

Watershed Management Plans not developed under, or accepted by, the Storm Water Program are not eligible under this category.

Source of Funding and Funding Availability:

Up to \$2.1 million of CMI Clean Water Fund money will be available to implement water quality protection or improvement activities in the DEQ-approved watershed management plans developed under a Watershed-Based Municipal Storm Water Permit that are not otherwise required by federal regulations. Projects require a minimum of 50 percent local match. Funding is anticipated to be available by August 2006.

Eligible Activities:

All activities that implement long-term storm water BMPs identified in the watershed management plan are eligible. The BMPs include installing infiltration practices and other low-impact development techniques, retrofitting retention/detention basins, or establishing permanent conservation easements to protect sensitive areas along the riparian corridor.

Low impact development techniques address the hydrologic impacts as well as pollution prevention measures associated with urban areas. Low impact development includes designing sites that are less disruptive to the natural environment yet accommodate desired growth. Low impact development techniques store, infiltrate, evaporate, and detain runoff. Use of these techniques helps to reduce off-site runoff and ensure adequate groundwater recharge. Best management practices include use of modular pavement to reduce imperviousness, rain gardens, grass swales, and buffer strips. For examples of these types of practices, see <http://www.michigan.gov/deqnps>, under Technical Assistance, click on Infiltration BMPs. For specific examples of projects

funded by the NPS Program, on the NPS home page under Information/Education, click on Nonpoint Source Project Fact Sheets and look at the Ann Arbor District Library project and the Huron River Demonstration Park project.

Some eligible activities may require permits from the DEQ. Appendix C contains additional information concerning the types of activities that may require a permit and the information needed by the DEQ to help make this determination. Application for a grant does not constitute a permit application, nor does it signify DEQ approval for a permitted activity.

Ineligible Activities:

Projects to meet permit application requirements are not eligible.

Priorities:

Priority will be given to applications that can show that their community has instituted long-term land use management practices, including but not limited to ordinances: (1) addressing flow and sediment from new construction areas and requiring a setback or buffer along riparian corridors, (2) that allow for reductions in impervious areas (promoting narrower street widths, sidewalks on one side of the road, infiltration practices such as porous pavers), and (3) that protect wetlands, promote native plantings, or promote incentives for redevelopment.

Evaluation Criteria:

- The consistency of the project with the priorities identified in the watershed management plan being implemented.
- The anticipated water quality benefits of the project in relation to the cost of the project (although a thorough cost/benefit analysis is not required).
- The ability of the applicant and the partners to carry out the project, as demonstrated by previous NPS Grants or submitted information.
- Commitments for financial and technical assistance from the partners in the project, as demonstrated by letters of commitment.
- Financial and other resource contributions, including in-kind services, by project partners in excess of the required **50 percent minimum match**. *Note: The percent match listed in the proposal will be used in the project contract if the proposal is selected for funding.*
- The anticipated improvement or protection of sources of drinking water.
- The length of time the applicant has committed to maintain any structural or vegetative BMPs.
- Whether the project addresses the pollutant(s) of concern in a watershed on the non-attainment list (i.e. a watershed included in the publication, "Clean Water Act Section 303(d) List" as updated annually by the DEQ).
- Whether the project will provide for the long-term improvement or protection of water quality, or result in a water body meeting one or more of its designated uses.

- The commitment by the applicant and partners to institutionalize and enforce practices, using tools such as ordinances, to ensure water quality improves or is protected after the project ends.
- Whether the application addresses hydrology as well as water quality.
- Linkages to “Cool Cities” projects or implementation of “Cool Cities” project elements (see www.coolcities.com).
- A commitment on the part of the applicant to conduct an evaluation of the effectiveness of the project, including a commitment to provide monitoring data or other information that documents improvement in water quality or the reduction of pollutant loads, and document the success of proactive efforts such as pollution prevention controls and information/education activities.

Prior to awarding a grant, the DEQ will consider the extent to which the awarding of the grant contributes to the achievement of a balanced distribution of projects throughout the state.

Application Requirements:

- Required Elements as detailed in the check list on page 26.
- A watershed management plan developed under a (Phase 2) Watershed-Based Municipal Storm Water Permit that is also CMI-approved.
- Minimum 50 percent match.

Contact:

For questions, contact either the appropriate NPS Program District Staff person (see http://www.michigan.gov/deq/0,1607,7-135-3313_3682_3714-13151--,00.html), or Robert Sweet, at 517-335-6967.

Instructions for Nonpoint Source Program Grants

Project Description

In no more than five pages, provide the following information in the order listed, and using the headings given. **While there is a five page maximum for this section, you are not required to use the full five page allowance.** Consider each bulleted statement as it applies to your project. Use 11 or 12-point font on 8 ½" x 11" paper with 1" margins. At the top of the page, write "Project Description for" and the project name. Number the pages and attach to page 1, the Application Cover Sheet, and page 2, the Standard Statements. **Be sure to include a complete entry for each element A through G.** Due to space limitations, it is recommended that applicants focus their efforts on developing elements B, D, F, and G.

A. Statement of water quality concerns/issues.

- Briefly describe the watershed/project setting.
- Indicate the percentage of land use in the watershed (i.e., X percent urban, Y percent agriculture, Z percent forested, etc.)
- Describe the current water quality conditions, and the needs/problems to be addressed with the proposed project.
- Summarize past and ongoing watershed activities.

B. Project goals and objectives.

- Describe the project goals (what you hope to achieve) and measurable objectives.
- Describe how you intend to accomplish the goals and objectives.
- For implementation projects, cite the specific task(s) or recommendation(s) from the watershed management plan that will be implemented.
- Describe how the project will result in improved water quality.
- Describe the anticipated water quality benefits in relation to the cost of the project.
- Describe how these goals and objectives compliment any ongoing water quality projects within the project area.

C. Organization Information.

- Briefly state the organization's mission, goals, relevant programs, activities, and accomplishments.
- Describe the relevant qualifications of project staff that will ensure the success of the project. The organization receiving the grant **must** have paid staff working on the project (staff may be grant funded or used as local match).
- List any previous DEQ grants, including project name and tracking code number, which the organization has received.

D. Partners and Related Funding.

- Describe the project partners, their roles, and commitments.
- Describe any other sources of funding not listed on page 1 of the proposal or on the budget, and include other grants you have received that relate to this proposal.

E. Project Sustainability.

- Describe any water quality activities that will continue after the project is completed.
- Describe the measures you or your partners have taken to identify potential land use conflicts within the proposed project area.

F. Evaluation

Some type of evaluation is required for all projects to measure the success of the project in achieving the stated goals. The evaluation component of your project should be designed to detect changes that result from the project. It is important to consider the scale of change that will result from your project (site specific, stream reach, sub-basin or larger). It is also helpful to incorporate links to ongoing monitoring efforts such as those conducted by the state, local units of government, and volunteer groups that will be carried out during the project time frame.

Qualitative assessments (general and non-numeric assessments) are acceptable in many cases. Quantitative assessments (specific measured evaluation) require large numbers of samples or measurements for statistically significant conclusions, and therefore, typically require assistance from a qualified consultant or a research organization to assure that the results are meaningful. Applicants proposing to perform environmental measurements (water quality, macroinvertebrate populations, stream morphology, etc.) should include a list of the parameters to be measured, the measurement or analytical technique, the expected number of locations to be sampled, and the expected sampling frequency, in their proposal. All projects that include monitoring activities (including social surveys) for evaluation or project guidance will be required to submit a QAPP for approval by the DEQ. Monitoring activities are not eligible for grant funds or for use as match until a QAPP has been approved by the DEQ. Please contact the appropriate NPS Program staff listed at http://www.michigan.gov/deq/0,1607,7-135-3313_3682_3714-13151--,00.html for additional information and guidance.

As part of your application:

- Describe how an evaluation of the project will be done, including how success will be defined and measured.
- Describe how evaluation results will be used and disseminated.
- Describe the active involvement of partners in evaluating the project.
- (For implementation projects) Describe how the project evaluation supports the larger watershed management plan monitoring strategy.

G. Project Summary

In **150 words or less**, provide a summary of your project. This will be used as a basis for the DEQ summary documents during the review process, and, if the project is funded, edited for the DEQ Internet Web site.

For your summary, include the following:

- The name of the waterbody being protected or improved.
- Size of the watershed or project area.
- Land use in the watershed or project area.
- If the project area includes 303(d)/TMDL or Phase 2 storm water areas.
- Pollutants threatening or impairing the waterbody and the sources.
- The goal(s) and objectives of the project.
- Anything that makes your project unique.

Attach this information behind Page 2, Standard Statements, and continue on the next page.

Instructions for Section 319 Nonpoint Source Program Grants

Work Plan and Timetable

Work plan. Maximum three-pages. Use 11 or 12 point font on 8 ½” x11” paper with 1” margins.

- The work plan should begin with a heading consisting of the bolded title of the project.
- The work plan should be presented by task (with sub-tasks, as necessary), including a brief narrative description.
- For each task, include an estimated percentage of time (grantee time only – not contractual time). The estimated percentage of time for all tasks must total 100 percent.
- For each task, identify which staff person or other agency will be responsible for carrying out the task.
- For each task, identify the resulting product(s).
- Each contractual service listed on the first page of the Grant Application Budget Information sheet must have its own task(s), responsible agency, and product(s).

Note: All work plans must include the following mandatory task:

Task #X – Grant Administration and close out – x%

- A. Develop and submit quarterly status reports following ESSD guidance. Reports will be submitted within 30 days of the end of each quarter.
- B. Provide draft and final products and deliverables, including any data collected in both hard copy and electronic format. A minimum of five hard copies and one electronic copy of all final products and deliverables will be submitted to the DEQ.
- C. Develop and submit a draft final report following ESSD guidance, at least 45 days prior to the end of the project. Incorporate DEQ comments and submit final report within 30 days of the end of the grant.
- D. Submit a release of claims statement on letterhead with the final report.
- E. Submit in both hard copy and electronic format a draft and final project fact sheet utilizing the ESSD template. The draft project fact sheet is due 30 days prior to the end of the project. The final project fact sheet will be submitted with the final report.
- F. Submit an electronic copy of all before and after photos and other project-related photos with the final report.

Products: Quarterly reports, five (5) hard copies of all products and deliverables, one electronic copy of all products and deliverables, draft and final project report, project fact sheet, and release of claims statement.

Note: Projects installing BMPs and/or collecting or generating water quality or social data will be required to include the following sub-tasks.

Required sub-tasks for all BMP installation:

- A. Submit engineering plans for [DEQ review and approval](#) at least 9 weeks prior to construction. Construction will not begin without DEQ approval.

- B. Submit a BMP Form each reporting period in which BMPs are installed. When a site is complete (e.g. all BMPs are implemented on that site), the BMP form must include the pollutant load calculations for that site. In addition, when a site is completed, hard copies of photographs must be submitted to verify that the site was completed.

Required sub-tasks for monitoring ([water quality](#) and [social monitoring](#)):

- A. Develop and submit a Quality Assurance Project Plan (QAPP) to DEQ for review and approval at least 8 weeks prior to monitoring. Monitoring will not begin without DEQ approval.

- B. All data will be submitted in both hard copy and electronic formats. If applicable, water quality data will be recorded and submitted using the DEQ template.

Timetable. Maximum 2 pages. Include a timetable of activities, showing when each task will be completed. This should be presented in a table format and cover all quarters or months of the project. If by quarter, they must correspond to the state's quarter system (i.e., October, November, December; January, February, March; April, May, June; July, August, September). Note also that the timetable should include time for the DEQ staff to review and comment on all draft products and deliverables.

Include a 9 work time slot for DEQ review of QAPPs.

Include a 9 work time slot for DEQ review of Engineering plans for BMPs.

Number the page(s) of the timetable and attach to the work plan.

Instructions for Nonpoint Source Program Grants

Attachments

The following attachments are to be submitted by all applicants.

Map(s). Limit all maps to a single 8½” x 11” page.

For Implementation Projects:

- A watershed map delineating the project area(s) in relation to the critical area(s) and identifying the specific location of each site proposed for BMPs.

For Planning Projects:

- A watershed map delineating the boundaries of the project area. The map should show all affected waterbodies (including designated flood plains and wetlands).

Audit. All applicants must include with their application, an *Independent Auditors Report from a Comprehensive Annual Report* documenting that the organization has undergone a successful financial audit within the last 24 months. The letter must also include the dates and scope of the successful financial audit. This information is necessary to assure that the applicant has a financial accounting system in place that operates in accordance with accepted accounting principles.

The following attachments are to be submitted if appropriate.

Letters of Commitment. Required for all proposals that include local match from partners. These are letters from partners in the project committing a specific amount of time, money, activities, or other specified resources for the project and reflected on the budget. General letters of support (those not showing time, money or specific resource commitment) are not needed and will not be considered, except for proposals funded under the CMI Nonpoint Source Pollution Control Grants category.

Contractors Qualification Form. Required for all proposals with entries in the contractual portion of the budget. The form should include the name and qualifications of all known contractors listed on the budget.

Statement on Hydrology/Morphology. Required for all projects that propose major stream treatments or stream bank stabilization. The statement must include detailed information on the hydrologic condition of the stream including if and how the hydrology has changed over time and the corresponding changes to the morphological stream conditions.

Site Plan(s). Required for all proposals that propose implementing physical BMPs. A depiction of each project area showing all existing waterbodies (including designated flood plains and wetlands) and structures as well as the proposed treatment.

Site Photo(s). Required for all proposals that propose implementing physical BMPs. A depiction of each project area showing all existing conditions.

All other information--including binders, extraneous reports, etc.--will not be considered, reviewed, or returned.

Appendix A

Approved Watershed Management Plans

The United States Environmental Protection Agency's (USEPA's) Nine Minimum Elements of Watershed Management Planning

To ensure that Section 319 projects make progress towards restoring waters impaired by nonpoint source pollution, watershed-based plans that are developed or implemented with Section 319 funds must include the elements detailed in Table 1 of this appendix. The USEPA believes that these nine elements are critical to assure that public funds are used effectively.

Beginning with Fiscal Year 2004 (FY04) grants, the USEPA required all implementation, demonstration, and outreach-education projects funded under Section 319 of the federal Clean Water Act to be supported by a Watershed Management Plan which includes the nine elements described in Table 1. To be eligible for FY06 Section 319 funding, Watershed Management Plans must address all nine elements. All plans developed using FY04 or subsequent Section 319 monies must incorporate these nine elements.

Clean Michigan Initiative (CMI) Administrative Rules on Watershed Management Planning

Administrative rules promulgated in October 1999 for the CMI Nonpoint Source (NPS) Pollution Control Grants require Watershed Management Plans be approved by the Department of Environmental Quality (DEQ). In addition, the rules require the DEQ to use CMI NPS funds to implement only DEQ-approved watershed management plans. As of December 1, 2005, the DEQ has approved 94 watershed management plans. In addition, Remedial Action Plans developed for the 14 Areas of Concern and Lakewide Management Plans, are also approved.

Local units of government and non-profit entities are encouraged to submit Watershed Management Plans to the appropriate DEQ Water Bureau District Supervisor or the Nonpoint Source Unit Chief for approval after comparing their plans to the criteria below. Plans will be reviewed any time throughout the year. Please note that the rules allow up to 90 days to review and approve plans.

Also note that all plans, with the exception of Remedial Action Plans and Lakewide Management Plans developed under the Great Lakes Water Quality Agreement, must be formally submitted and approved under CMI guidance—they are not automatically approved under CMI when they are approved under other programs (Phase II Storm Water).

Interested applicants should submit their Watershed Management Plans in both hard copy and electronic formats to either the DEQ Water Bureau District Supervisors according to the map at http://www.michigan.gov/deq/0,1607,7-135-3313_3682_3714-13151--,00.html or the Nonpoint Source Unit Chief in Lansing. Staff will review plans for approval based on the criteria identified in the CMI rules as well as the USEPA's nine elements. The DEQ District Supervisors and the Nonpoint Source Unit Chief have the authority to approve Watershed Management Plans. Approval letters will be mailed to applicants meeting the requirements in the rules. Plans that do not meet the approval criteria in the rules will not be approved. The DEQ District Supervisors will mail a letter to the applicant explaining why the plan was not approved. Plans not approved can be resubmitted when the missing elements are added to the plan.

Table 1. The nine minimum elements of Watershed Management Planning

USEPA Minimum Elements	Clarification	Examples
<p>a. An identification of the causes and sources or groups of similar sources that will need to be controlled to achieve the load reductions estimated in this watershed-based plan (and to achieve any other watershed goals identified in the watershed-based plan).</p>	<p>Sources that need to be controlled should be identified at the significant subcategory level with estimates of the extent to which they are present in the watershed. Information can be based on a watershed inventory, extrapolated from a sub-watershed inventory, aerial photos, GIS data, and other sources.</p>	<p>X numbers of dairy cattle feedlots needing upgrading, including a rough estimate of the number of cattle per facility. Y acres of parking lots needing improved run off management. Z linear miles of eroded streambank needing remediation.</p>
<p>b. An estimate of the load reductions expected for the management measures described in element (c) below.</p>	<p>This can be done using the “Pollutants Controlled Manual” (available on the DEQ Web site) and technical resources on the Web such as: http://www.bmpdatabase.org/ Percent reductions can be used only in conjunction with a current or known load.</p>	<p>PDR on X acres would prevent Y additional in put during development and y input annually. Y miles of grassed swales would reduce sediments to Z percent of the 2002 loadings from the subwatershed.</p>
<p>c. A description of the NPS management measures that will need to be implemented to achieve the load reductions estimated in element (b) above, and an identification (using a map or a description) of the critical areas in which those measures will be needed to implement this plan.</p>	<p>The USEPA defines management measures as including BMPs and measure needed to institutionalize changes (i.e., Information/ Education (I/E) tasks, land use tasks). A critical area should be determined for each combination of source and BMP. Designating the entire watershed for all BMPs is not acceptable.</p>	<p>X acres of wetlands will be restored (or protected) below the 585 foot topological contour. A downspout disconnection program will be implemented in all neighborhoods built prior to 1960. Management support targeting producers adopting nutrient management.</p>
<p>d. An estimate of the amounts of technical and financial assistance needed, associated costs, and/or the sources and authorities that will be relied upon, to implement this plan.</p>	<p>“Authorities” are the specific state or local legislation which allows, prohibits, or requires an activity. BMP costs are available on-line.</p>	<p>Michigan Wetland Protection Act for protecting wetlands > 5 acres. Local Wetland Protection Ordinance for wetlands 1 to 5 acres. Need technical assistance to delineate wetlands and \$250,000 CMI funds for an easement program. 1/X FTE technical assistance for crop residue management for each Y acres or Z producers.</p>

USEPA Minimum Elements	Clarification	Examples
e. An I/E component that will be used to enhance public understanding of the project and encourage their early and continued participation in selecting, designing, and implementing the NPS management measures that will be implemented.	Blue book guidance is acceptable.	
f. A schedule for implementing the NPS management measures identified in this plan that is reasonably expeditious.	Blue book guidance is generally acceptable. Specific dates are not required. However, if terms such as "short-term" are used they must be defined.	Short-term = 1 to 3 years Mid-term = 3 to 7 years Long-term = 7 to 15 years
g. A description of interim, measurable milestones for determining whether NPS management measures or other control actions are being implemented.	Milestones should be tied to the progress of the plan to determine if it is moving in the right direction.	Livestock excluded from all tributaries by 2008. Treatment of 40 percent of the critical area by 2010. Complete I/E efforts by year 6.
h. A set of criteria that can be used to determine whether loading reductions are being achieved over time and substantial progress is being made towards attaining water quality standards and, if not, the criteria for determining whether this watershed-based plan needs to be revised.	The criteria for loading reductions <u>do not</u> have to be based on analytical water quality monitoring results. Rather, indicators of overall water quality from other programs can be used. The criteria for the plan needing revision should be based on the milestones (g. above) and water quality changes.	Increased time between dredging a river mouth as an indication of reduced sediment rates. Fewer beach closings as an indication of reduced <i>e. coli</i> levels. Student monitoring results Improved fishery as demonstrated by creel survey.
i. A monitoring component to evaluate the effectiveness of the implementation efforts over time, measured against the criteria established under item (h) immediately above.	The monitoring component should include required project specific needs, the criteria in h. above, local monitoring efforts and it should also be tied to the State water quality monitoring efforts (i.e., environmental, social, administrative, and water quality elements).	Social surveys (and follow-up) for homeowners, officials, students, and farmers. Number of grants received, amount committed. Water quality and ecological trend results (both ambient monitoring and indicators).

Table 2. Comparison of CMI Elements, USEPA Elements, and Phase II Requirements

DEQ CMI Required Elements (NPS)	USEPA Minimum Elements (319)	Michigan's Phase II Minimum Requirements	Content Requirements Meeting All Three
<p>1. <i>The geographic scope of the watershed.</i></p> <ul style="list-style-type: none"> • Watershed boundaries are appropriate. <ul style="list-style-type: none"> • Plan includes a watershed map that clearly shows the watershed boundaries and the location of surface waters. • Plan provides a description of the watershed, including such information as land use information, predominant soil types, significant natural features, and hydrology information. 	<p>a. An identification of the causes and sources or groups of similar sources that will need to be controlled to achieve the load reductions estimated in this watershed-based plan.</p>	<p><i>The boundaries of the Watershed Management Plan are required to be identified as an element of the Application and included in the Certificate of Coverage (the boundary must make hydrologic sense and should not be based on political boundaries).</i></p>	<ul style="list-style-type: none"> • Watershed boundaries must be hydrologically based and delineated on a map. • The watershed description should include such information as: <ul style="list-style-type: none"> ○ Hydrology ○ Geology ○ Ecology ○ Land Use
<p>2. <i>The designated uses and desired uses of the watershed.</i></p> <ul style="list-style-type: none"> • Plan includes the designated uses that are being met. • Plan includes a list of desired uses, including restoring and/or protecting designated uses. 			<ul style="list-style-type: none"> • An assessment of the nature and status of the watershed ecosystem to the extent necessary to achieve the purpose of the Watershed Management Plan (WMP). • <i>The purpose of the WMP shall be to resolve water quality concerns including those related to a Total Maximum Daily Load (TMDL), which are caused by wet-weather discharges from</i>
<p>3. <i>The water quality threats and/or impairments in the watershed.</i></p> <ul style="list-style-type: none"> • Plan identifies the water quality threats. • Plan identifies the water quality impairments, if applicable, including the designated uses that are not being met. 			<ul style="list-style-type: none"> • Include the sources and causes of the threats and impairments

DEQ CMI Required Elements (NPS)	USEPA Minimum Elements (319)	Michigan's Phase II Minimum Requirements	Content Requirements Meeting All Three
<p>4. The known or suspected cause of each threat or impaired use, including specific <i>pollutants</i>.</p> <p>5. The <i>sources of the pollutants</i> causing the impairments or threats and those that are critical to control in order to meet water quality standards or other water quality goals.</p> <ul style="list-style-type: none"> • The plan includes the sources of pollutants. • The method used to inventory sources is included. • An inventory has been completed to identify priority areas. • The sources have been prioritized. • The prioritization method is included. 		<p><i>separate storm water drainage systems.</i></p> <ul style="list-style-type: none"> • <i>An Illicit Discharge (to storm sewers) Elimination Plan is required and specifically targets this source.</i> 	<p>including a quantification or estimate of the magnitude of each source or cause and a prioritization of the sources and causes.</p> <ul style="list-style-type: none"> • <i>DEQ includes designation of critical areas tied to sources – USEPA includes designation of critical areas tied to BMPs. These are equivalent requirements and described below.</i>
<p>6. A clear statement of the <i>water quality improvement or protection goals</i> of the Watershed Management Plan.</p> <ul style="list-style-type: none"> • Plan identifies water quality improvement goals, including restoring designated uses. <p style="text-align: center;">AND/OR</p> <ul style="list-style-type: none"> • Plan identifies water quality protection goals, including protecting designated uses. 	<p>b. An estimate of the load reductions expected for the management measures described in element (c) below.</p>	<ul style="list-style-type: none"> • Long-term goals for the watershed (which shall include both protection of designated uses and attaining compliance with any TMDL established within the watershed). 	<ul style="list-style-type: none"> • Plan identifies water quality improvement goals, including restoring designated uses. <p style="text-align: center;">AND/OR</p> <ul style="list-style-type: none"> • Plan identifies water quality protection goals, including protecting designated uses. <ul style="list-style-type: none"> • Plan identifies an estimate of the load reduction needed to attain the water quality goal. <p style="text-align: center;">AND/OR</p> <ul style="list-style-type: none"> Plan identifies an estimate of the maximum allowable load to protect

DEQ CMI Required Elements (NPS)	USEPA Minimum Elements (319)	Michigan's Phase II Minimum Requirements	Content Requirements Meeting All Three
			water quality.
<p>7. The <i>tasks</i> that need to be completed to prevent or control the critical sources of pollution or address causes of impairment, including as appropriate:</p> <ul style="list-style-type: none"> • Plan identifies specific tasks to accomplish the identified goals, the responsible party and the anticipated products. • Tasks include one or more of the following: <ul style="list-style-type: none"> ○ BMP needed, including physical improvements. ○ Revisions needed or proposed to local zoning ordinances and other land use management tools. ○ Information and educational activities. ○ Activities needed to institutionalize watershed protection. 	<p>c. A description of the NPS management measures that will need to be implemented to achieve the load reductions estimated in element (b) above, and an identification (using a map or a description) of the critical areas in which those measures will be needed to implement this plan.</p>	<ul style="list-style-type: none"> • Determination of the actions needed to achieve the short-term objects. • Determination of the actions needed to achieve the long-term goals. 	<p>A description of the tasks and activities that will need to be implemented to achieve the water quality goals and tied to the estimated loads. The description must describe the critical area for each task and activity.</p>
<p>8. Estimated <i>cost</i> of implementation activities, by category (such as BMP implementation, land use management activities, I/E activities, etc.)</p>	<p>d. An estimate of the amounts of technical and financial assistance needed, associated costs, and/or the sources and authorities that will be relied upon to implement this plan.</p>	<ul style="list-style-type: none"> • Assessment of the benefits and costs of the actions (a cost/benefit analysis is not required). 	<ul style="list-style-type: none"> • An estimate by category of the amounts of technical and financial assistance needed, associated costs, and/or the sources and authorities that will be relied upon. • Assessment of the benefits and costs of the actions.

DEQ CMI Required Elements (NPS)	USEPA Minimum Elements (319)	Michigan's Phase II Minimum Requirements	Content Requirements Meeting All Three
<p>10. Summary of the <i>public participation process</i>:</p> <ul style="list-style-type: none"> • Plan included an opportunity for public comment. • Plan identifies how public input and comments were solicited. • Plan identifies the partners that were involved in the development of the plan, and their roles and responsibilities. • Plan involved a wide variety of agencies and interests, including those most affected by the plan and/or able to help implement the plan. 	<p>e. An information/education component that will be used to enhance public understanding of the project and encourage their early and continued participation in selecting, designing, and implementing the NPS management measures that will be implemented.</p>	<ul style="list-style-type: none"> • <i>A Public Education Plan (PEP) is required as detailed in Part I Section A.3.b. of the permit... "The PEP shall promote, publicize, and facilitate watershed education for the purpose of encouraging the public to reduce the discharge of pollutants in storm water to the maximum extent practicable... The PEP shall describe a method for determining the effectiveness of the various public education activities.</i> • <i>Watershed Partners (both permitted and voluntary must be identified in the permit application.</i> • <i>There must be a process to involve the watershed jurisdictions and the public in the development of the WMP.</i> 	<ul style="list-style-type: none"> • Phase II has specific requirements including a stormwater P2 element.

DEQ CMI Required Elements (NPS)	USEPA Minimum Elements (319)	Michigan's Phase II Minimum Requirements	Content Requirements Meeting All Three
9. The estimated period of <i>time needed to complete each task</i> and the proposed <i>sequence of task completion</i> .	f. A schedule for implementing the NPS management measures identified in this plan that is reasonably expeditious.	<ul style="list-style-type: none"> • Commitments, identified by specific permittee or others, to implement actions by specified dates necessary to achieve the short-term objectives <i>and to initiate achievement of the long term goals</i>. 	<ul style="list-style-type: none"> • NPS and 319 are equivalent and do not require specific dates only a plan year or range. • Phase II requires specific dates for completion.
11. A description of the process that will be used to <i>evaluate the effectiveness</i> of implementing the plan and achieving its goals.	g. A description of interim, measurable milestones for determining whether NPS management measures or other control actions are being implemented.	<ul style="list-style-type: none"> • Short-term measurable objectives. 	Establish measurable interim milestones for water quality improvement and progress on implementation efforts.
	h. A set of criteria that can be used to determine whether loading reductions are being achieved over time and substantial progress is being made towards attaining water quality standards and, if not, the criteria for determining whether this watershed-based plan needs to be revised.	<ul style="list-style-type: none"> • Methods for evaluation of progress, which may include chemical or biological indicators, flow measurements, erosion indices, and public surveys. 	Establish a process and criteria for evaluating the effectiveness of the plan and the resulting changes in water quality. The monitoring component should include required project specific needs, the measurable interim milestones, local monitoring efforts and it should also be tied to the State water quality monitoring efforts (i.e. environmental, social, administrative, and water quality elements).
	i. A monitoring component to evaluate the effectiveness of the implementation efforts over time, measured against the criteria established under item (h) immediately above.		

Column 1: DEQ CMI Required Elements – Excerpted from the Watershed Management Plan approval checklist.

Column 2: USEPA Minimum Elements – Excerpted from the Fiscal Year 2003 Section 319 Guidance.

- Column 3: Michigan's Phase II Minimum Requirements – Excerpted from Section 1.B.1. of the "Watershed" Permit. Information in this column that is in *italics* is not a requirement for the WMP but comes from other portions of the permit or permit process.
- Column 4: Elements needed for a plan to be consistent with all three programs.

Appendix B

Environmental Science and Services Grants

Terms and Conditions of Nonpoint Source Program Grant Award

Responsibilities of Grant Recipients

- Grant recipients will be required to carry out all obligations contained in the project contract with the Department of Environmental Quality (DEQ). A project contract consists of standard “boilerplate” language (some of which has been simplified and included here), the applicant’s work plan, timetable and budget information, and a compensation clause.
- The DEQ Environmental Science and Services Division (ESSD) also reserve the right to review and approve all products developed and paid for by grants or used for local match. All such products become the property of the state of Michigan.
- Grant recipients will be responsible for meeting the match amount committed to in the project contract.
- Site plans must be reviewed and approved by the Nonpoint Source Program engineer prior to installation. Practices installed without prior approval risk both not being reimbursed with grant funds and also not being counted as eligible match.
- Additional requirements, relevant to an individual project, may be specified in the project contract.

Subcontracts

- The grant recipient will be required to secure professionally qualified personnel and/or subcontractors necessary to perform the duties of the project contract. The state reserves the right to approve all subcontractors for the project and to require the grant recipient to replace subcontractors found to be unacceptable.
- The grant recipient will be required to assume responsibility for all contractual activities included in their work plan whether or not they perform them. Further, the state will consider the grant recipient the sole point of contact with regard to contractual matters, including payment of any and all charges resulting from the project contract. The grant recipient is totally responsible for adherence by the subcontractor to all provisions of the project contract.

Audit Requirements

The DEQ reserves the right at any time to conduct an audit of the grantee’s records. All successful applicants will therefore be expected to maintain records and make available to the DEQ all records pertaining to the grant.

Reporting

- All grantees must submit **status reports** to the DEQ within 30 days of the end of each quarter of the grant period. A status report consists of a cover letter, detailed narrative detailing the status of each task, and a financial status report, form EQP-5847. The grantee’s status report will include all of the following:
 - A summary of what each staff charging to the grant did. This should be part of the task-by-task narrative description. Grantees do not have to submit timesheets, however, must keep them on file in their office in case the DEQ needs to review them.
 - In the narrative, a brief description of what each contractor did for the project.

- For all match items, a letter from the matching organization or agency verifying the work they did and the value of the work.
- On the financial status report, the number of miles traveled, mileage rate, and related costs, when applicable.
- Copies of status reports shall be submitted to and approved by the DEQ before reimbursement payments will be made. Grantees will submit copies as follows:
 - Original status report to the ESSD Administrative staff in Lansing, including any required original receipts, with four (4) copies of any products developed.
 - One (1) copy of the status report and any required receipts, and one (1) copy of any products developed to the DEQ Project Administrator.
- The ESSD reserves the right to request **annual progress reports** of any grant recipient.
- **Final project reports** will be submitted to and approved by the DEQ Project Administrator before the final grant payment will be made. Final reports should detail what was attempted in the project, what worked, what did not work, and any lessons learned. Note: The final project report is not the same as the final quarterly status report.

Incurring Costs

The state is not liable for any cost incurred by the grant recipient or any subcontractor prior to the signing of a project contract. Liability of the state is limited solely to the terms and conditions of this request and any resulting grant. The state fiscal year is October 1 through September 30. Grants awarded in any given fiscal year are contingent upon enactment of both federal and state legislative appropriations.

Conflict of Interest

No member of the legislature, judicial or executive branch of state government or any local unit of government official shall benefit from any resulting grant agreement. No member of or delegate to Congress, or resident Commissioner, shall be admitted to any share or part of any resulting grant agreement or to any benefit that may arise therefrom.

Cancellation

The state may immediately cancel this Agreement without further liability if the Grantee, or any agent of the Grantee, or any agent of any sub-agreement is: convicted of a criminal offense incident to the application for or performance of a state, public, or private contract or subcontract; 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, attempting to influence a public employee to breach the ethical conduct standards for state of Michigan employees; convicted under state or federal antitrust statutes; or convicted of any other criminal offense which, in the sole discretion of the state, reflects on the Grantee's business integrity.

Appendix C

General Guidance for Land and Water Permits

Many activities that use or involve the physical alteration of aquatic ecosystems at the land/water interface (lakes, rivers/streams, wetlands, and Great Lakes and flood plains) require permits under the Natural Resources and Environmental Protection Act, 1994 PA 451, as amended (NREPA).

The following information is intended to be used as a general guide to assist grant applicants in determining if a State permit may be necessary to conduct activities involving physical alterations at the land/water interface, i.e., inland lakes, great lakes, rivers, streams, wetlands, and flood plains. This is not an all-inclusive guide. (Activities involving environmental areas, high-risk erosion areas, and critical dunes are not addressed here. Information specific to these programs is available on the internet at www.michigan.gov/deq and click on Water. *Depending on the complexity of the activity, it may be prudent to secure necessary permits in advance of submitting a grant proposal.*

It is recommended that this information be used in conjunction with consultation with Land and Water Management Division (LWMD) field staff. In addition, professional consultants may provide assistance if practiced in the specific area of interest. District LWMD staff contact information is available at: <http://www.deq.state.mi.us/documents/deq-lwm-lwmdstaff.pdf>.

Generally, most activities that involve or result in a use or physical change to a regulated aquatic resource at the land/water interface will require a permit.

Grant applicants are advised that NOT ALL land/water interface activities can be permitted and should therefore use sound environmental practices and methods when planning or designing a project. It is essential to avoid activities that cannot or are unlikely to be permitted when submitting proposals. When developing a project proposal applicants should address the items listed below. These queries are intended to draw the applicants' attention to the possible need of permits and direct their efforts towards avoiding the need of a permit or towards increasing the potential of securing a permit.

1. Have all the aquatic features, including flood plains, where appropriate, been identified on the project plans? **Yes [] No []**
2. Have all the regulated natural resources been located on the project site(s) and identified on the plans? **Yes [] No []**
3. Does the grant proposal involve impacts to any of the following: inland lakes, the great lakes, streams, rivers, wetlands, or floodplains? Impacts would include activities such as dredging, excavating, filling, draining, construction in, relocating, converting, increased flows, increased water temperature (this is a partial list of usual activities and is not all-inclusive). If the answer is yes, a permit is required (unless specifically exempted).
Yes [] No []
4. Is the extent of impact to the regulated resources incidental (minor) i.e., does it qualify as a minor activity under the NREPA, and is the bulk of the work on upland/non-flood plain with

only a small ancillary activity (necessary to make the primary project functional) in the regulated resource? **Yes [] No []**

5. Is the work major (with significant impact to the resource) in nature (i.e., most or all of the planned work will occur in a regulated resource and will have considerable impact to the regulated resource)? **Yes [] No []**
6. Has the design been adjusted to avoid and minimize the impact to regulated resources? **Yes [] No []**
7. Have the best available design elements been utilized in developing the plan? **Yes [] No []**
8. Have you contacted the GLMD staff for advice or information? **Yes [] No []**
9. Has your consultant advised you of the need for and likelihood of acquiring needed permits? **Yes [] No []**
10. Have you applied for a permit? **Yes [] No []**
11. Have you determined if the project can be accomplished if a permit cannot be granted for any regulated activity associated with the project? **Yes [] No []**

NOTE: Permit reviews are normally multi-faceted considering a number of elements. In addition to assessing those noted in item '3' above, some of the other resource specific elements that may be considered are wildlife habitat, fish habitat, degree of impact, alternatives, flood potential, amount of resource impacted, presence of endangered or threatened species, location of affected resource, relationship of affected resource to other features, ownership riparian rights, public trust, and public interest as well other elements. If a permit is required, it is crucial that the likelihood of securing such permit is addressed early in the process. There is no certainty that a permit can be issued until a permit application has been fully processed.

Appendix D

Status Report and Audit Documentation

This document is intended to help grantees produce status reports that can be reviewed and approved easily and allow the grantee to be reimbursed quickly for expenses. This document also is intended to help grantees meet the requirements of a post-project audit so that their final payment will not be delayed. The Environmental Science and Services Division (ESSD) and the Water Bureau (WB) encourage applicants to read these requirements prior to application.

A post-project audit will consist of the DEQ Internal Audit staff conducting an audit of DEQ ESSD Administrative Unit files at the end of a project contract and before the DEQ releases the final withholding amount identified in the contract. In order to facilitate the post-project audit, the following information must be submitted to ESSD/WB at the time specified.

Status Reports: Submitted Quarterly

Status reports are reports submitted to the DEQ to provide an update on the progress of a project and include any required financial documentation. They must consist of the following elements:

- A cover letter, as described below.
- A detailed narrative status report, as described below.
- A financial status report, as described below.
- Products, as defined in the work plan.
- All implementation projects must submit a completed Best Management Practice (BMP).
- Cost-Share form.
- All agricultural implementation projects funded with federal Clean Water Act Section 319 funds must submit an Integrated Crop Management Reporting form (in addition to the BMP Cost-Share form).
- Any other additional information requested by the NPS Program Project Administrator (PA). For example, the PA may request copies of the status reports submitted to the grantee by the sub-contractor, or additional details on the match generated.

Cover Letter from the grantee to the WB PA requesting reimbursement. The letter should be:

- Dated.
- Signed by grantee's representative or project manager.
- Include the quarter or month being reported.
- Include the amount requested for reimbursement/payment.
- Include the DEQ tracking code.

Narrative Status Report. A narrative report is a written summary that helps the NPS Program PA determine whether the grant is proceeding according to the project contract. Narrative information also helps the ESSD share project successes and products. The project narrative

must include enough information to justify all the costs being charged to the grant or counted as match. Include:

- Project name, grantee name, reporting period, and DEQ tracking code.
- Accomplishments achieved during the reporting period, by task, including grant funds and match. Provide enough information that it is clear to a DEQ person unfamiliar with the project what was done and how the cost are justified for reimbursement. For example, if Task #1f of a contract is to print copies of the Watershed Management Plan and the quarterly report is submitted with \$1,500 on the budget sheet under printing, the narrative should indicate the number of copies made of that plan and to whom the plan was sent. This specific information is also entered into our grants database and for 319 project, submitted to the USEPA.
- A summary of what staff charging to the grant did. This is to be part of the task-by-task narrative description (i.e., who completed the work for each task). For example, the grantee will report that Jane, Mike, and Jo collectively spent 27 hours on Task 1 and they accomplished [X]. The financial form, then, would include the total number of hours Jane, Mike, and Jo each spent on all tasks. Grantees do not have to submit timesheets, but must keep them on file in their office. Timesheets must be readily accessible in case Internal Audit staff request to review them.
- For all tasks for which contractual costs were incurred, a sentence or more in the narrative report stating what the contractor did for the project. Grantees will submit copies of all invoices from contractors. Invoices from contractors must include the dollar amount, a one-line sentence explaining the services provided and identify the task the work pertained to.
- Any other successes (nongrant-funded or spin-offs from the grant), including nongrant-funded BMPs implemented or pollutants reduced, any new partners made, ordinances or other land use tools being developed or that were passed, public involvement that occurred, or any information/education activities that were implemented outside of the project.
- A one-line summary of each product developed during the reporting period.
- Significant activities planned for the next quarter.
- Barriers and an explanation of any deviations to the work plan. (*Note: Prior to implementing ANY deviation to a contract, grantees must submit a request to the NPS Program PA for approval prior AND receive approval in writing from the PA*).

Financial Status Report. Financial status reports help the WB PA know if the budget in the project contract is being followed.

Financial status reports must be submitted on the “Financial Status Report” form, using the “Instructions for the Financial Status Report form, EQP-5847.”

- To document the **miles traveled** on the financial status form, simply put down the number of miles traveled, multiplied by the approved mileage rate (in the contract) and include the total. Grantees do not have to (but can) turn in mileage logs, but must keep travel logs on file in their office. Travel logs must be readily available if requested by Internal Audit staff. Travel logs are to include miles traveled, destination, and the purpose of travel. Travel

rates in the grantee's status reports are based on their contract, which is based on the grant application package.

- At the bottom of the form, be sure to include the source of match and its value.
- Grantees must submit **receipts** for any equipment rented or purchased, or any supplies purchased costing over \$100 per item. Receipts do not have to be submitted for items less than \$100, but the items and their cost should be listed either on the report itself or as an attachment.
- **If numerous charges are submitted within the same budget category, the invoice must be itemized, include the relevant task and indicate what those items are for.**
- If grantees use a **credit card** for purchasing items, they will need to submit both the receipt from the purchase, followed by a copy of the credit bank statement with purchase information the following reporting period.

To document match:

- If the grantee's organization provided the match, they must state in the narrative what work each matching staff person did and the value of that work. It must be clear that this is match and is different from any grant-funded activity.
- If match is provided by a contractor other than volunteers, the grantee must submit an invoice or letter from the contractor indicating the work they did and the value of that work. The grantee must indicate which task(s) the contractor worked on. This must clearly state that this is matching time (and not to be paid by the grant). This does not apply to meeting attendance (see below).
- If match is provide by volunteers, the grantee must submit documentation verifying the number of volunteers, amount of time each volunteer "donated" and the value of each volunteer's time, related to a specific task.
- If match is provided by an organization or agency other than the grantee, a contractor or volunteers, the grantee must submit a letter from the organization/agency verifying the work they did (related to a specific task) and the value of that work. This does not apply to meeting attendance.
- When meeting attendance is to be used as match, the grantee must submit a sign-in sheet (or table developed from the sign-in sheet), copy of the agenda and/or meeting summary for each meeting. The sign-in sheet (or table from the sign-in sheet) must indicate the hourly value of each person's time, the amount of time each person was at the meeting discussing the grant-related items, and the total value of each person's time. Match earned by meeting attendance is only allowed when the individual(s) are conducting and/or participating in the meeting, such as a technical committee meeting. For most CMI grants (which are funding only implementation activities) the meeting must be necessary for the implementation of the BMP. In all cases, the meeting must be included in the contract work plan.
- Indirect costs do not need verification in any form, as these are based on salaries and fringes of staff whose time is being documented, above.
- Proof of payment, which is something that details how much the grantee's contractor was paid, when it was paid, and to whom it was paid. Examples of proof of payment are cancelled checks, electronic transfer receipt, or project-specific information from the organization's ledger. This must verify the expenses paid by the grantee.

- For all reimbursement contracts (i.e., contracts in which the grantee has the financial ability to reimburse contractors and landowners for work completed under the contract), proof of payment must be submitted with the status report.
- For all cost-incurred contracts (i.e., contracts in which the grantee does **not** have the financial ability to reimburse contractors and landowners for work completed under the contract), in accordance with WD procedure, grantees must submit with their status report a copy of an invoice from the contractor or landowner verifying the costs that were incurred. The grantee must then submit in the subsequent status report proof that payment was made to the landowner or contractor (i.e., cancelled check or electronic transfer receipt).

○ Note: The ESSD has the authority to not pay reimbursement requests if the cancelled check or electronic transfer receipt is not included.

- Grantees must indicate on the proof of payment the tracking code and the task or tasks the payment was for.

A note on ineligible costs:

- The DEQ will not be reimbursing CMI grantees for, nor allowing as match, conferences or workshops, motel costs, meals, cameras, GPS units, vehicles, computers, or audits. These expenses should not be included in the Financial Status Report.
- Each Request for Proposal (RFP) specifies eligible expenses.

Five copies of products. All products generated from the project must be sent to the DEQ. Grantees must send one copy to the PA and four copies to the Administrative Services Unit in Lansing.

Completed BMP Cost-Share Form (implementation projects only). This information documents for the State, the USEPA, the Michigan Legislature, and Congress what practices are being installed in the NPS Program using state and/or federal grant funds. It includes both the Best Management Practices (BMPs) implemented and pollutants reduced. Follow the “Instructions for BMPs Cost-Share form, EQP-5846.”

- Grantees will maintain in their offices, contracts with landowners and other documentation to substantiate costs.
- Before and after photographs of all sites at which BMPs were installed.
- Integrated Crop Management (ICM) Report (agricultural nonpoint projects only). The ICM report is a mandatory reporting element for all NPS projects funded with federal Clean Water Act Section 319 dollars and implementing agricultural BMPs. Projects should follow the “Instructions for ICM Reporting Form, EQJP-5848.”

Any other information in the contract, or that is requested by the PA. For example, the DEQ has the authority to approve all sub-contractors, and may ask for additional information from a sub-contractor if questions arise while reviewing quarterly reports.

Other Odds and Ends:

- Contractor’s Qualifications forms. For each contractual line item—whether listed under grant funds or matching funds—grantees must submit a Contractor’s Qualifications Form. This form describes the qualifications of the person or agency doing the contract work. If contractors are known at the beginning of the project, the form should be submitted with the grant application. If contractors are hired after the project starts, grantees will need to submit a Contractor’s Qualifications Form(s) to the PA for their approval. Note that this form does not need to be submitted for volunteer labor or for NRCS engineering support. The form is available in the CMI grant application packages and from PAs.
- Changes to a contract. ANY change to a contract (including the budget, timetable, or work plan) must be agreed to by the WB PA, **AND the appropriate documentation must be submitted and approved before the change can occur.** Grantees must contact the PA to discuss the change. If the PA agrees with the proposed change, they will ask the grantee to submit either a Notice of Change Letter or an amendment, depending on the change requested. The written request, the Notice of Change letter or amendment, and the PA’s written approval all become part of the audit file.

How the audit will be conducted:

Once the Administration Unit in Lansing has:

- A copy of an approved Final Report (see guidance provided by the PA) AND
- The last status report (approved by the PA) AND
- A Release of Claims (a form letter that releases the State from all further claims from the grantee).
- A project fact sheet, AND
- Any outstanding products.

The ESSD has committed to releasing the withholding payment within 30 days of the completion of the post-project audit.

▪ Note that total expenditures are subject to audit, and repayment of any overpayment of the State share will be required if the audit determines that any project costs were not incurred as billed.

- It will take 2-4 weeks for the PA to review and approve the last status report, final report and any outstanding products. Grantees should incorporate this review time into the project timetable.

Audit Reminders:

- Include dates on all project documentation.
- Include the project number (i.e., tracking code) on all project documentation.

- If unique situations occur, feel free to contact the PA for help and recommendations.