

**Water Quality Management Fee
Incentives Workgroup Meeting Notes
September 25, 2009**

Schedule & Meeting Location

2nd and 4th Friday of Each Month at 9:30 a.m.
Next Meeting Friday, October 9th

Town Branch Wastewater Treatment Plant
301 Lisle Industrial Ave., Lexington, KY

Water Quality Management Fee Incentive Workgroup Voting Members in Attendance

Chairperson Andy Haymaker, Representing Commercial Developers
Kelly Breeding, Fayette County Schools
Patrick Brewer, LexMark
LFUCG Councilmember Linda Gorton
Emma Tibbs, Representing Fayette County Neighborhood Council
Knox van Nagell, Fayette Alliance
Vacant, Representative of Small Business Owner
Vacant, Representative of Major Institution

Water Quality Management Fee Incentive Workgroup Voting Members Absent

Bob Wiseman, University of Kentucky

Others in Attendance

Scott Camargo, CDP Engineers, Inc.
John Cobb, Rainscape
Chad Harpole, Commerce Lexington
Shelby C. Jett, Citizen
Scott Smith, SMG
Amy Sohner, Bluegrass PRIDE

Staff

Charles Martin, Division of Water Quality
Richard Walker, Tetra Tech, CD Project Manager
Susan Plueger, Division of Water Quality
Julie Mantrom, Division of Water Quality

Discussion

The Water Quality Management Fee Incentive Workgroup (Workgroup) discussed trying to fill the two remaining vacancies on the Workgroup since the business contacted by Councilmember Gorton on Southland had not responded. The Workgroup Chair said he would try to get a small business, and the Director of the YMCA was suggested as the representative for a major institution. Knox van Nagell moved, and Councilmember Gorton seconded, a motion to accept the Workgroup notes from the September 11th meeting.

Before the Workgroup began editing the draft Incentive Grant Application, several issues were raised that the Workgroup wanted to consider when the application was discussed:

- Who would be doing oversight of construction for projects awarded funds to insure met project goals?
- Are the grants available for new developments as well as renovations?
- The program should be structured to insure all the funds are awarded.
- Can more than one application be submitted by one entity and how often can one apply?
- Can one entity take all the money in a given year or should the award be capped?

Patrick Brewer suggested the community could miss a big opportunity to have the most significant impact on water quality if it limited the incentive award or prohibited multiple applications from a single entity. He also suggested the private sector should be involved in the review and award of the incentive grants.

Per the Ordinance, Charles Martin explained the Division of Water Quality (DWQ) will review applications and make recommendations to the Water Quality Fee Board. The Water Quality Fee Board will be appointed by the Mayor. Councilmember Gorton suggested these issues will be decided as the application is developed.

Since the deadline for finishing the grant application is the beginning of December before the bills go out in January 2010, the Chairperson recommended tackling one section of the application at each of the upcoming meetings. He asked the Workgroup to focus on the **Introduction** and **Eligibility** sections at this meeting, **Guidelines** will be refined at the next meeting, **Application Process** and the actual **Grant Application** at the other meetings. Revisions to the sections discussed at each meeting will then be made by staff, and emailed with the meeting notice before the next meeting to be voted on/further refined at the next meeting.

Introduction

Mr. Brewer suggested expanding the Objective to explain the purpose of the program is to help business with the fee and encourage innovation that improves water quality. The Workgroup agreed the primary objective of the fee and the incentive program is to achieve the goal of improved water quality. The following was suggested:

The main goal of the Water Quality Management Fee Incentive Grant Program is the improvement of water quality. To accomplish this goal the Incentive Grant Program will: (followed by list in current application). The list would be followed by a new sentence: **Applications will be scored based on the meeting of these objectives.** The Workgroup generally endorsed the introduction with these changes, and Mr. Brewer asked the application be forwarded to the Workgroup so they could review before the next meeting.

Mr. Brewer reiterated that the size of the incentive grant award should not be limited to preclude large/high profile projects from being eligible to receive funding—biggest bang for the buck. Councilmember Gorton and Kelly Breeding brought up the watershed rating discussion from the previous meetings, and suggested applicants receive more points for projects that have the greatest impact in the most impaired watersheds. Knox van Nagell and Emma Tibbs mentioned staff should get a copy of the PDR application—which has a point scoring system. Staff said they would get the information from PDR and work on a draft scoring system.

Ms. van Nagell suggested that there should be some thoughtful effort to strike a balance between big and small applicants/grant awards; however, she did agree that projects with the greatest impact should receive more points when the application is reviewed/scored. The Workgroup agreed to delete under **Eligibility** the first sentence that limited the maximum of one grant per parcel owner per fiscal year.

The Workgroup endorsed the second bullet under **Eligibility** that indicated a tenant must have the owner's written permission for a grant application. Amy Sohner, Bluegrass Pride, asked for clarification of application status. Staff clarified that whoever pays the fee—including a tenant if they pay the fee, could apply for a grant with the property owner's permission.

The Workgroup had questions about the third and fourth **Eligibility** bullets. Staff explained that the purpose of these bullets was to make sure an applicant was not applying for incentive funds to become compliant or to apply for funds during redevelopment to meet the stormwater requirements. Richard Walker explained that redevelopment projects actually have less stringent stormwater requirements than new construction. Scott Camargo, CDP Engineers, Inc., pointed out that older projects that don't meet current standards were grandfathered in so they are technically compliant.

The Workgroup agreed that the purpose of the grant program is to get people to consider utilizing stormwater controls that go beyond the current minimum standards—not bring projects up to the current code. Redevelopment projects should be eligible to apply if they exceed minimum requirements for redevelopment projects. Projects for properties that were grandfathered in should be eligible to apply since they are technically in compliance—if they apply to use stormwater grant funds for a project that takes them beyond the minimum standards for new development.

Based on the Workgroup discussion, Susan Plueger proposed the following bullets to replace the original third and fourth bullets:

- **Any portion of a proposed project which relates to meeting current LFUCG standards is not eligible for funds. Project components which serve to exceed minimum standards may be considered.**
- **The applicant must be in full compliance with all provisions of the LFUCG Code of Ordinances Chapter 5 - Building and Building Regulation, Chapter 7 – Finance and Taxation, Chapter – 12 Housing, and Chapter 16 – Sewage, Garbage, Refuse and Weeds prior to qualifying for a grant award. Significant non-compliance prior to or after grant award may negatively impact the applicant’s present or future eligibility.**

The Workgroup asked staff to rework Eligibility to reflect the changes discussed.

Next Meeting

The Chair asked the Workgroup to review the Guidelines for discussion at the next Meeting on October 9th. Staff was asked to review the PDR scoring, and develop a draft scoring system for the Workgroup’s consideration at the next meeting.