MINUTES
WATER QUALITY FEES BOARD
January 13, 2022
Regular Meeting

Prior to today's meeting, Ms. Abigail Allan, Council Clerks Office, swore in Mr. Woolwine and Mr. Vaught to serve as members of the Water Quality Fees Board.

I. <u>**CALL TO ORDER**</u>: George Woolwine, Chairman, called the January 13th Meeting of the Water Quality Fees Board (WQFB) to order at 9:20 a.m.

<u>Water Quality Fees Board Members in Attendance</u>: Donna Fogle (arrived at 9:26 a.m.), David Lowe, Aaron Vaught and George Woolwine. Harry Clarke was absent.

<u>Staff Members in Attendance</u>: Charlie Martin, P.E., Director, DWQ; Greg Lubeck, P.E., Deputy Director, DWQ; Lindsie Nicholas, P.E., DWQ; Frank Mabson, DWQ; Denice Bullock, DWQ; Abigail Allan, Council Clerks Office; and Michael Cravens, Department of Law.

<u>Guests in Attendance</u>: Scott Southall, Earthcycle Design, LLC.

Mr. Woolwine commented that he had enjoyed his time serving as Chair on the Water Quality Fees Board, but he would like to give the same opportunity to another Board member. Since not all members were present, he suggested this be presented at a future meeting.

II. <u>**APPROVAL OF MINUTES**</u>: Mr. Woolwine asked the WQFB to review the minutes of the October 14, 2021, Water Quality Fees Board Meeting.

<u>**Mr. Lowe moved to accept the minutes as written. The motion was seconded by Mr. Vaught, and the motion passed unanimously. Ms. Fogle and Mr. Clarke were absent**</u>.

III. <u>**COMMENTS / SUGGESTIONS FROM CITIZENS ABOUT INCENTIVE GRANT PROGRAM**</u>: There were none.

IV. <u>**MEMORANDUM REGARDING PROGRAMMATIC CHANGES**</u>: Mr. Woolwine said that the memorandum included some items that the Board has discussed every year, as well as reviewing any potential changes to the requirements. Mr. Mabson replied affirmatively and confirmed that there are new items in the memo to be discussed.

Mr. Mabson directed the Board's attention to the memorandum dated January 2022, and briefly explained each of the items as follows:

1. **Should we change the "Cost Share" requirements for any of the grant classifications? We have looked at cost share percentages in previous years and the Board has made changes. For FY22, the Board decided to continue with the percent match for Class B Education (BE) (above the first $2,500) from 50% to 20%, which has helped maintain consistency among the grant classes. (A, BE, BI)**
   - Pro – If % increases, it would mandate a larger contribution by the applicant (higher dollar project for same LFUCG monetary investment), and if % decreases, the grant program might be more appealing to some applicants and increase competitiveness.
   - Con – If % increases, it might discourage some applicants from applying and make the grant program less competitive, and if % decreases, it might decrease the size of the project for the LFUCG monetary investment.

   <u>Board comments</u>: Mr. Woolwine explained the history of the Program's cost share requirement and how by having the cost share helps to fund these stormwater quality projects.

   <u>Staff presentation</u>: Mr. Mabson directed the Board's attention to Item #1, and briefly explained the pros and cons of whether the "cost share" requirements for any of the grant classifications should be changed. He indicated that the staff recommends maintaining the current cost share amounts.

   <u>Board comments and questions</u>: Mr. Woolwine agreed that the cost share should be maintained.

   <u>**Mr. Lowe moved to sustain the current cost-share percentages for all three (3) grant classes; seconded by Mr. Vaught. The motion passed unanimously. Ms. Fogle and Mr. Clarke were absent**</u>.

2. **Should we continue with the Small Project Target (Projects $50,000 or Less) in the Class B Infrastructure (BI) program? For FY22, we continued with the changes made for FY21 where the target amount was lowered to $50,000, and 15% of budgeted funds for Class BI grants were allocated for the Small Project Target Category. Of the seven (7) Class BI applications scored for FY22 funding, only one (1) competed in the category of Projects $50,000 or Less and it was not funded. (BI only)**
   - Pro – Provides an opportunity for some of the smaller projects to be funded, since these typically score lower than the applicants requesting full funding ($300,000 max request amount). Increases the number of applicants who are awarded grants.
   - Con – Reduces available funding for the typically higher-scoring applications requesting full funding. Increases the number of grant projects for LFUCG staff to manage.

   Staff presentation: Mr. Mabson directed the Board's attention to Item #2, and briefly explained the pros and cons on whether or not to continue with the Small Project Target (Projects $50,000 or Less) in the Class B Infrastructure program.

Note: Ms. Fogle arrived to the meeting at this time.

Board comments and questions: Mr. Woolwine asked for clarification that only one (1) out of seven (7) Class BI applications were in the Projects $50,000 or Less category, which leaves a balance. Mr. Mabson replied affirmatively. He said that the funds would be placed back in the general Class BI funding pool. He then said that staff is recommending to continue the Small Project Target.

Mr. Woolwine said that he does not see a downside to having the funds available for smaller targeted projects. If the funds are not used then other projects could benefit from those funds.

Mr. Lowe indicated his agreement with continuing the Small Project Target.

Mr. Lowe moved to continue the Small Project Target (Projects $50,000 or Less) in the Class B Infrastructure program; seconded by Mr. Vaught. The motion passed unanimously. Mr. Clarke was absent.

3. **Should we update or maintain the current funding allocation for Class B Infrastructure Projects $50,000 or Less? Currently, the total allocation for this category is 15% of the Class B Infrastructure budgeted funds. Of the seven (7) Class BI applications scored for FY22 funding, only one (1) was submitted for this category. The 15% allocation allowed full funding for the one application. NOTE: In previous years, staff has recommended returning unused funds from all targeted categories (except for the Innovative and Experimentation Pool) to general pool funds for respective grant classes. (BI only)**
   - Pro – Prior to the COVID-19 pandemic, this target category had increased in its competitiveness than in previous years. Continuing the 15% allocation to this target would still allow for more of the applicants to be awarded a grant if the trend general Class BI funds were to resume post-COVID-19.
   - Con – Reduces available funding for the typically higher-scoring applications requesting full funding. Increases the number of grant projects for LFUCG staff to manage.

   Staff presentation: Mr. Mabson directed the Board's attention to Item #3, and briefly explained the pros and cons on whether or not to continue with the current funding allocation for Class B Infrastructure Projects $50,000 or Less.

Board comments and questions: Mr. Woolwine asked how much was budgeted last year for this Class B Infrastructure. Mr. Mabson replied the total allocation for this category is currently 15% of the Class B Infrastructure budgeted funds. This allows for multiple projects to be funded should the category be competitive.

Staff Comments: Mr. Martin asked if it is fair to say these changes were made prior to the COVID-19 pandemic and the staff only has the pandemic as the data point only to decide whether or not the staff is reacting to the changes that were proposed. Mr. Mabson replied affirmatively.

Mr. Martin said that it is important to know that there is only one data point when making an informed decision. Mr. Mabson said that once the pandemic passes then the staff can reevaluate the information to see if sustaining the current category is still worth it.

Mr. Vaught said that it is hard to make decisions on the allocations. Mr. Mabson said that prior to the COVID-19 pandemic the applications were competitive, but the numbers have decreased.

<u>Mr. Vaught moved to maintain the current funding allocation for Class B Infrastructure Projects $50,000 or Less; seconded by Mr. Lowe. The motion passed unanimously. Mr. Clarke was absent</u>.

4. **Should we continue with the Feasibility Targets in the Class A and Class B Infrastructure programs? For FY22, the targets were $40,000 and $50,000 of budgeted funds, respectively. FYI – For FY22, there was only one (1) Feasibility Only application submitted for Class A and zero (0) Feasibility Only applications were submitted for Class B Infrastructure. (A and BI)**
   - Pro – Provides an opportunity for feasibility projects to be funded since these typically score lower than the applicants requesting funding for design and construction. Allows the Board to anticipate future grant applications for design and construction, and should allow for better use of grant funds. Three (3) of six (6) FY22 Class B Infrastructure applications awarded stem from Feasibility Only projects previously awarded. Increases the number of applicants who are awarded grants.
   - Con – Reduces available funding for the typically higher-scoring applications requesting full funding. Increases the number of grant projects for LFUCG staff to manage.

   <u>Staff presentation</u>: Mr. Mabson directed the Board's attention to Item #4, and briefly explained the pros and cons on whether or not to continue the Feasibility Targets in the Class A and Class B Infrastructure programs.

   <u>Board comments and questions</u>: Mr. Woolwine explained that a feasibility project allows for the study of potential BMPs for a particular area/site. The applicant could then submit an application for future funding.

   Mr. Woolwine asked how many feasibly studies have been done that resulted in larger projects. Mr. Mabson replied approximately 14 projects.

   Mr. Vaught asked if a feasibility study is a feeder system into a project. Mr. Mabson indicated yes.

   <u>Mr. Vaught moved to continue with the Feasibility Targets in the Class A and Class B Infrastructure programs; seconded by Ms. Fogle. The motion passed unanimously. Mr. Clarke was absent</u>.

5. **Should we consider increasing the allocation of funding for the Feasibility Targets in the Class A and Class B Infrastructure programs? For FY22, the targets were $40,000 and $50,000 of budgeted funds, respectively, which might go to one grant applicant in each class. (A and BI)**
   - Pro – If these targets are competitive, it would allow for more of the applicants to be awarded a grant, especially for the Class B Infrastructure Feasibility Target.
   - Con – Reduces available funding for the typically higher-scoring applications requesting full funding. Increases the number of grant projects for LFUCG staff to manage.

   <u>Staff Comment</u> – Ms. Nicholas asked the Board to table Item #5 until the discussion about Item #11 since both speak to adjusting maximum grant amounts.

   <u>Mr. Vaught moved to increase the allocation of funding for the Feasibility Targets in the Class A and Class B Infrastructure programs as part of the discussion and resolve for Item #11; seconded by Mr. Fogle. The motion passed unanimously</u>.

6. **Should we continue with the Innovation and Experimentation funding allocation for FY23? This was first introduced in FY20; however, to date, no applicant has received funding from this allocation. NOTE: The seed funding for the Innovation and Experimentation allocation came from an FY19 grant recipient who canceled their project. (A, BE, BI)**
   - Pro – Allows LFUCG to fund applications that are innovative, but that might not score well within the existing scoring matrix. Allows LFUCG to fund applications that are innovative, while maintaining funding levels for "traditional" applications.

- Con – If the Board does not fund a grant from this allocation, then keeping the $300,000 held in reserve for Innovation and Experimentation prohibits using these funds for a "traditional" application.

Staff presentation: Mr. Mabson directed the Board's attention to Item #6, and briefly explained the pros and cons on whether or not to continue with the Innovation and Experimentation funding allocation for FY 2023.

Board comments and questions: Mr. Woolwine said that the Innovation and Experimental funding allows projects to be considered that might not score well within the existing scoring matrix.

Mr. Mabson said that the funding for this category has never been utilized and is still available.

Mr. Woolwine confirmed that the funds have been allocated but are still in reserve. Mr. Mabson replied affirmatively. He said that the staff is recommending continuing with the Innovation and Experimentation funding allocation for FY 2023.

Mr. Woolwine said that the funds allocated would not be spread between the categories if they are not used. Mr. Mabson replied affirmatively.

Mr. Woolwine asked if the funds are not used would the amount increase. Mr. Mabson replied no, and said that currently, the funds balance is at $300,000.00 and does not increase each year.

Mr. Martin explained that should the Finance Department inform the staff the funds need to be used, that amount will be reallocated in the next Fiscal Year then earmarked for if and when an application is submitted should the Board decides to invest in it. The staff is recommending continuing with the Innovation and Experimentation funding allocation for FY 2023. Mr. Mabson replied affirmatively and indicated that the funds are moved each year to reflect the current fiscal year.

Mr. Woolwine indicated his agreement to continue with the Innovation and Experimentation funding for FY 2023.

Mr. Martin said that due to the pandemic the staff had not been able to take advantage of the set-aside funding but all it would take is for one project to make it worth it.

Mr. Lowe moved to continue with the Innovation and Experimentation funding allocation for FY 2023 and open any remaining funds from the Innovation and Experimentation funds for any unfunded grant applications received in any class during FY 2023; seconded by Mr. Vaught. The motion passed unanimously. Mr. Clarke was absent.

7. Question 2b of the Class B Education Scoresheet asks "What is the size of the target audience?" For FY22, the Class B Education applications were competitive. In scoring these applications, staff noted that in terms of quantifiable measures, there was little room to differentiate the applications and most of the target audiences were similar in size. Should we consider adjusting the ranges of the target audiences for question 2b of the FY23 Class B Education Scoresheet in hopes of greater separation of the competition?

- Pro – Allows LFUCG staff to better differentiate the applications in the case of strong competition.
- Con – none

Staff presentation: Mr. Mabson directed the Board's attention to Item #7, and briefly explained that in terms of quantifiable measures, there is little room to differentiate between applications because most of the target audiences were similar in size. The pros to adjusting the ranges of the target audiences for question 2b of the FY23 Class B Education Scoresheet will give greater separation of the competition.

Board comments and questions: Mr. Vaught asked what the staff's thoughts were in proposing the updated numbers. Mr. Mabson said that the staff felt this would simply help to better differentiate the applications.

Mr. Woolwine agreed that the proposed breakdown will help differentiate between the applications and keep from receiving the same scores.

Ms. Nicholas said that the Board also has the option to adjust the values if it feels the proposed values are insufficient. Mr. Mabson indicated that he feels the proposed changes are sufficient.

Mr. Vaught moved to adjust the ranges of the target audiences for question 2b of the FY23 Class B Education Scoresheet in hopes of greater separation of the competition; seconded by Ms. Fogle. The motion passed unanimously. Mr. Clarke was absent.

8. Similar to Item #7, to differentiate the Class B Education applications should we update the Class B Education scoresheet to provide a breakdown of the 40 points allocated for a long-term educational component? The current format in the Application Document asks whether or not the proposed educational program contains a long-term component for ongoing education, then asks applicants to provide a description. However, the current Class BE Scoresheet does not award extra points for details and allows for applicants that simply answer "yes" to receive the full 40 pts. (BE only)

- Pro – If the Class BE applications are competitive, this will help to differentiate the impact of long-term components for ongoing education; thus differentiating the applications. The breakdown will allow scorers to penalize applicants who simply answer "yes", and provide little to no details about long-term educational components. The breakdown would include a range of 0-40 points and allow for more points to be awarded to applications with greater detail and context.
- Con – None.

Staff presentation: Mr. Mabson directed the Board's attention to Item #8, and briefly explained the pros and cons on whether or not to update Class B Education scoresheet to provide a breakdown of the 40 points allocated for a long-term educational component. He added that the current format in the Application Document already asks whether or not the proposed educational program contains a long-term component for ongoing education, however, the current Class BE Scoresheet does not award extra points for details and allows for applicants to simply answer "yes" to receive the full 40 pts.

Board comments and questions: Mr. Woolwine said that this change will also help differentiate between the applications and keep them from receiving the same score.

Mr. Lowe asked if the application is clear that the applicant needs to describe the long-term educational component. Mr. Mabson replied affirmatively.

Mr. Cravens asked what the staff is looking for to help differentiate between the applications. Mr. Mabson replied that the staff is looking for more detail about the long-term educational component and how it will be sustained versus applicants simply answering yes.

Mr. Cravens said that the staff will need to articulate as to why an application scored higher or lower than another application.

Ms. Fogle asked how the staff will be able to determine what score to assign. Mr. Mabson said that when scoring an application, the staff takes into account the information that was submitted with the application, and the level of detail and will come to a consensus on the score for this catergory as well as other.

Mr. Vaught asked if the staff will report their findings next year. Mr. Mabson replied affirmatively.

Mr. Mabson added that if an application gives more long-term educational component details then the score will be higher than an application that only gives minimal information.

Ms. Nicholas asked if the proposed format could be detrimental to or help a project. Mr. Mabson replied negatively and said that the maximum score would be 40 for this particular scoring component. So, the adjustment will not be super impactful in relation to the entire scoring matrix.

Mr. Woolwine said that the 40 points will not be significant to the total score of the project. Mr. Mabson said that funds should be granted to projects that will have a longer educational component in their curriculum. Ms. Nicholas clarified that if the application gave no details then the score would be zero. Mr. Mabson replied affirmatively and indicated the more detail on the sustainability for a long-term educational component the higher the score.

Mr. Vaught moved to update the Class B Education scoresheet to provide a breakdown of the 40 points allocated for a long-term educational component; seconded by Ms. Fogle. The motion passed unanimously. Mr. Clarke was absent.

9. **Should we add language to the application packets to assert that the Water Quality Management Fee will not be used to fund irrigation projects or irrigation projects outside the Urban Service Boundary? We included this discussion item as a result of the discussion regarding the FY22 Class BI Application for Bluegrass Roots Farm Foundation, Inc. As mentioned by the Director, during the meeting, the Applicant did not provide "clear guidelines as to what reuse of water should be, as opposed to an irrigation system which exposes the government to future requests from almost any farm, golf course, commercial or institutional parcel within Fayette County." Mr. Cravens also warned that the FY22 Bluegrass Roots Farm Foundation Application did not fit under the *Code of Ordinance, Section 16-410(a)* or *(b)* which states the following:**

   (1) There is established a stormwater quality projects incentive grant program ("program") to provide funding where urban county monetary participation is justified for the following:

   a) Cost-sharing assistance for stormwater projects / programs on residential and commercial /industrial properties with existing stormwater concerns; and

   b) Grants for community-based stormwater projects.

- Pro – Allows the Program to maintain focus on the overall intent of the Stormwater Quality Projects Incentive Grant Program (SQPIGP). Given the advice from Law, adding this language would help remove the gray area in terms of eligible projects.
- Con – Denying applicants might mean denying organizations who pay the Water Quality Management Fee for projects that capture and reuse water from the proposed site.

Staff presentation: Mr. Martin directed the Board's attention to Item #9, and briefly explained that the staff had received an application that was basically to build a detention pond in an effort to irrigate the crops on the farm. That application did not meet the intent of what the Water Quality Management Fee is trying to accomplish. The staff believed that had the application moved forward then that would be the beginning of golf courses submitting applications to help irrigate their courses.

Mr. Martin said that the staff recommends adding language to the application packets to assert that the Water Quality Management Fee will not be used to fund irrigation projects or irrigation projects outside the Urban Service Boundary. The staff would seek the guidance of the Law Departments on the final language.

Mr. Cravens said that the Stormwater Incentive Grants Program exists because of the funding from the Water Quality Management Fee. The reason the Water Quantity Management Fee was adopted to address stormwater management. He added that the grant program is a way to allow ratepayers an option and to help the city with stormwater management. An irrigation system is not what the program was intended to be used for.

Mr. Mabson said that an irrigation system might not be deemed a community-based stormwater project.

Mr. Martin said that with the exception of some rural community centers, the MS4 permit does not cover problems in rural areas. This program was not intended to help mitigate flooding along a stream.

Board comments and questions: Mr. Woolwine asked that for the properties that pay into Water Quality Management Fee, why should they not benefit from the program. Mr. Martin said that a farm is paying a residential fee of $5.23 a month so if this was allowed there would be more farms submitting applications to receive a $300,000.00 grant, which does not seem practicable.

Mr. Cravens said this could create more pressure on projects that this grant program was designed for. Instead of dealing with ten applications, the Board may see twenty (20) applications that may not be worthy of the grant program. Under the terms of the grant program, this is about solving a stormwater issue and not a water reuse program. Mr. Martin said that a line is crossed when public funding is being used for a business enterprise in order to maximize their profit.

Ms. Nicholas commented that the reuse of water would be beneficial because the water is being collected during a rain event and is not entering the stormwater / sanitary system. The water can then be released during a time when it is not raining. She added that this is not black and white and the language is too vague. Mr. Martin said that if the water was being collected off a parking lot, reducing sheet flow then that is different from collecting stormwater to reuse for the irrigation of crops on a farm. Ms. Nicholas said that her concern is banning all irrigation projects; especially since the stormwater is being collected.

Mr. Woolwine asked if the Code of Ordinance, Section 16-410(a) or (b) addresses the staffs concerns. Mr. Mabson said that the Code of Ordinance, Section 16-410(a) or (b) speaks to the existing stormwater concerns, but does not explicitly speak to the concern of reusing water.

Mr. Woolwine said that determination by law reusing water is not consistent with the Code of Ordinance and asked if this addresses the ambiguity that is being discussed. Mr. Cravens said that the staff is not saying the grant funds could not be used for a project with an irrigation component, but the Board needs to be careful and clear about what the grant program is being used for. Public funding cannot be used for a business enterprise to maximize profits. The public funding is to be used to solve a stormwater issue. Mr. Cravens said that a project needs to promote the purpose of the grant program which is related to stormwater concerns.

Mr. Woolwine asked how the project at Lexmark is different from the Bluegrass Roots Farm Foundation Application. Mr. Mabson explained that Lexmark is not a farm and they pay the Water Quality Management Fee based on their square footage.

Mr. Woolwine then asked whether the reuse of the water at Lexmark was the sole component of the project. Mr. Mabson replied negatively. Mr. Martin explained that Lexmark is a Class B commercial facility and part of the MS4. He said that whatever sheet flows off the Lexmark impervious areas does impact the downstream customers from a flooding standpoint and the water quality standpoint.

Mr. Woolwine asked if the staff has developed new language to address this concern. Mr. Mabson read the following proposed language into the record:

"*The Water Quality Management Fee cannot be used to fund farming, golf courses, commercial or institutional irrigation projects that do not clearly define what the reuse of the water will be or that do not provide a lasting and / or direct benefit to the public.*"

Mr. Cravens said that the Law Department will review the proposed language.

Mr. Vaught moved to add language to the application packets to assert that the Water Quality Management Fee will not be used to fund irrigation projects or irrigation projects outside the Urban Service Boundary; seconded by Mr. Lowe. The motion passed unanimously. Mr. Clarke was absent.

Through coordination between the Division of Water Quality staff and the Law Department, the following language will be used in the FY23 Application documents:

To justify monetary participation by LFUCG in a Stormwater Quality Project by an award of an incentive grant, the project should have direct and immediate benefits to the public, such as by addressing an existing stormwater concern or by implementing a community-based stormwater project. Irrigation projects for the benefit of individual farm properties, golf courses, or commercial/industrial properties which offer only remote or incidental benefits to the public are not candidates for grant funding.

10. During the scoring of FY22 Class BI Applications, the Director was concerned over the Program funding new development/expansion parking projects versus funding retrofitted parking projects. He explained that the Program should focus on value, and mentioned the idea of a standard unit price for asphalt parking per sq. ft. and a standard unit price for a pervious lot per sq. ft. The Director suggests only funding the net value of new development projects. The burden of the calculations would be placed on the applicants and DWQ would provide the *formula. If the Board does approve, the following language is proposed for the FY23 Class BI grant Application Form document. (BI only)

> *"If the project is proposing new or additional parking, please provide justification for the value of the proposed improvements using the following formula:*
>
> **Unit Price of a Standard Pervious Lot (in sq.ft.) – Unit Price of a Standard Asphalt Parking Lot (in sq.ft.) = SQPIG Funding Value"*

- Pro – Allows LFUCG to focus most of its funding on applications that propose the removal of impervious surfaces (i.e., retrofitted parking projects) versus new development/expansion parking projects. Adds language to the Application Form to support language that already exist in the project guidelines of the Application Packet (page 5).
- Con – Might discourage new developers from including pervious areas in their design since the cost of asphalt is cheaper that pervious installations. Also, with inconsistent market prices, it might be challenging for LFUCG staff in terms of verifying pricing.

Staff presentation: Mr. Martin directed the Board's attention to Item #10, and briefly explained the concerns that the staff has over the Stormwater Quality Grants Program funding new development / expansion parking projects versus funding retrofitted parking projects.

Ms. Nicholas said that the language already exists in the Class B application packet and the staff is now recommending adding proposed language to the Class BI Application form to support the language that already exists under the project guidelines section of the Application Packet (page 5).

Board comments and questions: Mr. Woolwine asked if the staff has a way to breakdown the base costs of an asphalt parking lot versus the additional costs of installing permeable pavers. He said that if the costs is a small amount that may not be enough incentive to the applicant. Mr. Martin said that underdrains installed under a parking lot can become expensive. Mr. Mabson said that the future savings on the Water Quality Management Fee may also make the difference. Mr. Martin said that all new development is required to have a water quality component in their development. Instead of having to build a separate detention basin that is unusable they can install pervious pavers and have it be useful, and generate revenue.

Mr. Woolwine said that this would generate more funds for other projects.

Mr. Mabson said that the staff is recommending adding the following language to the FY23 Class BI grant Application Form document (BI only):

> *"If the project is proposing new or additional parking, please provide justification for the value of the proposed improvements using the following formula:*
>
> **Unit Price of a Standard Pervious Lot (in sq. ft.) – Unit Price of a Standard Asphalt Parking Lot (in sq.ft.) = SQPIG Funding Value"*

Mr. Woolwine asked whether the grant could help fund parking retrofit projects. Mr. Mabson replied affirmatively, and stated that one reason is an organization might choose to retrofit is the potential to lower their Water Quality Management Fee (WQMF). Mr. Woolwine said that this would help a project where the parking lot needs to be replaced. Mr. Mabson indicated his agreement. Ms. Nicholas said that this would also apply to projects that are looking to expand the existing parking area.

Mr. Vaught moved to add the following language to the FY23 Class BI grant Application Form document (BI only):

> *"If the project is proposing new or additional parking, please provide justification for the value of the proposed improvements using the following formula:*
>
> **Unit Price of a Standard Pervious Lot (in sq. ft.) – Unit Price of a Standard Asphalt Parking Lot (in sq. ft.) = SQPIG Funding Value"*

The motion was seconded by Ms. Fogle. The motion passed unanimously. Mr. Clarke was absent.

11. **FY21/22 ushered in many challenges, including supply chain issues and inflation. Awardees have expressed concerns with the grant process taking several months between the time of award and the notice to proceed because contractors are refusing to honor pricing provided during the grant application process. Should we consider increasing the maximum grant award amount across the board for FY23? The Table below shows the current and proposed amounts for maximum grant requests for each grant class / type.**

Class	*Cost Share Requirements*	*Maximum Grant Request (Current)*	*Maximum Grant Request (Proposed)*
*A - Feasibility Only ***	*20%*	*$ 40,000*	*$ 45,000.00*
A		*$ 100,000*	*$ 120,000.00*
*B Education - Under $2500 ***	*0%*	*$ 2,500*	*$ 3,000.00*
B Education - Over $2500	*20%*	*$ 35,000*	*$ 40,000.00*
*B Infrastructure - Feasibility Only Components ***	*20%*	*$ 50,000*	*$ 55,000.00*
*B Infrastructure - $50,000 or Less Components ***		*$ 50,000*	*$ 60,000.00*
B Infrastructure - Design & Construction Components		*$ 300,000*	*$ 360,000.00*

NOTE: *National Association of Home Builders, Bureau of Labor Statistics – Producer Price Index (PPI) reports, and current Inflation rates (6.8%) were taken into consideration when proposing the increases shown above; rounding where applicable.*

Source: https://nahbnow.com/2021/08/building-material-prices-climbing-at-record-year-to-date-pace/

Staff presentation: Mr. Mabson directed the Board's attention to Item #11, and briefly explained that the Grantees have expressed concerns over the timing between the award and the Notice to Proceed phase. He said that in the past year contractors have refused to honor pricing provided at the time of the original proposals. To help mitigate this issue staff recommends increasing the maximum grant award amounts for FY23.

Board comments and questions: Mr. Woolwine asked if the increases are across the board. Mr. Mabson replied affirmatively.

Mr. Lowe indicated that he also reviewed the numbers and the reports do show costs rising.

Mr. Mabson said that recently a few Grantees have expressed concerns with increasing costs, and have requested to speak to the Board at the April meeting. Mr. Woolwine agreed. Mr. Mabson said he has advised the Grantees that they will need to present as much detail as possible to the Board. Mr. Woolwine replied affirmatively.

Ms. Fogle moved to increase the maximum grant award amount across the board for FY23; seconded by Mr. Vaught. The motion passed unanimously. Mr. Clarke was absent.

V. FY 2023 GRANT APPLICATION DOCUMENTS:

Staff presentation: Mr. Mabson presented a brief overview of the Class A Neighborhood, Class B Education, and Class B Infrastructure FY23 applications. He then requested approval to make the necessary changes to the applications and to implement the changes approved by the Board during this meeting.

Board comments and questions: Mr. Woolwine confirmed that the staff would make the necessary changes to the application packet. Mr. Mabson replied affirmatively.

VI. INCENTIVE GRANT STATUS UPDATE: Mr. Mabson briefly provided an update on the Incentive Grants between FY 2016 to FY 2022; commenting on a few select projects.

Comments: Scott Southall, Earthcycle Design, LLC briefly provided an update on a few select projects, he is involved with.

VII. OTHER MATTERS: Mr. Woolwine suggested for the April meeting, the Board take a field trip to see some of the ongoing or recently completed grant projects.

VIII. ADJOURNMENT: The meeting was adjourned at 10:41 a.m.