

MINUTES
WATER QUALITY FEES BOARD
January 16, 2025
Special Meeting

- I. **CALL TO ORDER:** George Woolwine Chairman, called the January 16th Special Meeting of the Water Quality Fees Board (WQFB) to order at 9:00 a.m. via TEAMS.

Water Quality Fees Board Members in Attendance: Donna Fogle, David Lowe, Bill Sallee, and George Woolwine were present. Aaron Vaught was absent.

Staff Members in Attendance: Mark Sanders, P.E., DWQ; Bailee Young, P.E., DWQ, Frank Mabson, DWQ; Denice Bullock, DWQ; Doug Baldwin, P.E., DWQ and Victoria Glascock, Environmental Services.

Guests in Attendance: There were none.

- II. **APPROVAL OF MINUTES:** Mr. Woolwine asked the WQFB to review the minutes of the October 10, 2024, Water Quality Fees Board Meeting.

Mr. Lowe moved to accept the minutes as written. The motion was seconded by Mr. Sallee, and the motion passed unanimously.

- III. **COMMENTS/SUGGESTIONS FROM CITIZENS ABOUT THE INCENTIVE GRANT PROGRAM:** There were none.

- IV. **MEMORANDUM REGARDING PROGRAMMATIC CHANGES:** Mr. Mabson directed the Board's attention to the memorandum dated January 2025, and briefly explained each of the items as follows:

Per comments submitted to the LFUCG Division of Water Quality (DWQ), items discussed at previous Water Quality Fees Board (WQFB) meetings, and items noticed while administering the Stormwater Quality Projects Incentive Grant Program (SQPIGP), we are providing the following list of items to facilitate the discussion during the January 16, 2025, meeting of the WQFB. Table 1 lists the Program's current funding structure and parameters.

Table 1 – SQPIGP Current Funding Structure and Parameters

Funding Description:	1 Class A Neighborhood	2 Class B Education (BE)	3 Class B Infrastructure (BI)	4 Change Order (CO)	5 Innovative & Experimentation (I & E)
Percentage of Annual Funding Allocated:	17.0%	6.0%	77.0%	Capped at 10% of the annual fiscal year's budget	<i>*Fund Receives no annual allocations</i>
Cost Share:	20.0%	20.0% beyond the first \$3,000	20.0%	20.0%	20.0%
Max Award:	\$120,000.00	\$40,000	\$360,000.00	Total Award including CO shall not exceed the maximum amount in columns 1-3	I & E awards are not to exceed the maximum for grant type
Target / Total Amount or Percentage Allocated:	Feasibility Only / \$45,000	Small Projects ≤ \$3,000 / \$12,500	• Feasibility Only / \$55,000; • Infrastructure Projects \$75k or Less / 15% of the Annual Class BI Allocation	The CO Pool currently has a balance of \$106,868.60	The I & E Pool currently has a balance of \$156,800.00

** I & E Pool replenished at the Boards Discretion*

We would like to complete the discussion about programmatic changes, as well as a discussion about the application packets and the scoresheets, for the three grant classes during the January 16, 2025, meeting. This should allow the grant application packets to be finalized and advertised well in advance of the application due date of May 2, 2025, for the Class A and Class B Education grants.

Please note, the Pro and Con lists in the numbered sections below are not exhaustive but have been provided to aid in the discussion. Also please note, the items listed below are not presented in any particular order.

1. **Should the Change Order (CO) Program be continued to allow organizations to request additional funding to help cover extraordinary costs caused by certain unforeseen economic challenges, e.g., rise in material costs. History of CO funds used to date is shown below in Table 2.**

Table 2 – Change Order History (Note: FY balances/allocations are color-coded as follows **FY23, **FY24**, **FY25**)**

Item Description	Amount
Fiscal Year 2023 CO Pool Beginning Balance	\$157,908.00
Awarded to Colt Engineering (dba Thoroughbred Engineering) 239 N. Broadway	\$(111,281.80)
Fiscal Year 2023 CO Pool Ending Balance	\$46,626.20
Fiscal Year 2024 CO Budget Allocation (10% of Annual FY Budget)	\$114,873.80
Fiscal Year 2024 CO Fund Balance	\$161,500.00
Awarded to Hartland Homeowners Association	\$(3,797.62)
Fiscal Year 2024 CO Fund Ending Balance	\$157,702.38
Fiscal Year 2025 CO Budget Allocation (10% of Annual FY Budget)	\$9,688.62
Fiscal Year 2025 CO Fund Balance	\$167,391.00
Awarded to Unitarian Universalist Church of Lexington (UUCL)	\$(60,522.40)
CO Pool Current Balance:	\$106,868.60

Pros – Provides an opportunity to continue projects that might otherwise be canceled due to lack of additional funds warranted by certain economic challenges. Since implementation in 2023, the CO Program has helped continue *three (3)* projects that might have been canceled due to higher-than-expected construction costs.

Cons – Reduces available funding for new grant applications. Increase workload for LFUCG staff to manage.

Staff presentation: Mr. Mabson directed the Board’s attention to the Annual Budget Allocation Table and explained the pros and cons of whether to continue the Change Order (CO) Program to allow organizations to request additional funding to help cover extraordinary costs caused by certain unforeseen economic challenges, e.g., rise in material costs. He discussed the history of CO funds used to date as shown in the graph above.

Board comments and questions: Mr. Woolwine asked if the mentioned figure is a percentage or dollar amount. Referencing the budget, Mr. Mabson explained that the FY26 allocations stem from the amount collected from the Water Quality Management Fee Revenue (WQMF). For the FY24 cycle, the WQMF collected \$17,753,183.03. From that total, 10% is allocated to the Stormwater Quality Projects Incentive Grant Program (SQPIGP) (\$1,775,318.00). From that total, 10% of the SQPIGP is allocated to the Change Order Program.

The FY25 Change Order remaining fund balance was \$106,868.60. Since the Change Order Pool capped is set at \$177,531.80, this required using \$70,663.20 from the FY26 SQPIG's annual allocation from the WQMF.

Mr. Woolwine then asked if the Water Quality Fees Board approved the Change Order Program, then the pool would be raised to \$177,531.80. Mr. Mabson agreed.

Mr. Sallee said that in the past, requests were not approved due to the lack of available funds. He asked if the requested amounts were close to the total budgeted amounts. Mr. Mabson replied that the Change Order Program does reduce funding to for new grant applications. However, the CO program helps salvage past projects that need additional funding due to the rise in costs.

Mr. Sallee asked what percentage of the staff’s workload has increased. Mr. Mabson replied that the staff workload has increased by 5 percent reviewing Change Order requests.

Ms. Fogle asked if the amount allocated to the Change Order Program can be decreased or increased. Mr. Mabson replied that 10% of the SQPIGP was allocated to the Change Order Program. The remaining amount (\$1,704,654.80) will be distributed between Class A Neighborhoods (17%), Class B Education (6%), and Class B Infrastructure (77%).

Mr. Lowe indicated due to the increased cost of materials he supports continuing the Change Order Program to help those projects in need.

Mr. Woolwine asked what happens to the remaining balance in the Change Order pool. Mr. Mabson said that those funds are left in the Change Order pool until the next Fiscal Year. The CO pool funds will be capped at 10% of the annual fiscal year's budget.

Mr. Lowe moved to continue the Change Order (CO) Program to allow organizations to request additional funding to help cover extraordinary costs caused by certain unforeseen economic challenges; seconded by Mr. Sallee. The motion passed unanimously. Mr. Vaught was absent.

2. **The program has noticed an increase in the percentage being requested to cover contingency costs over the past few grant cycles. Should language be added to the application packet defining explicitly what types of expenses are allowed to be covered by contingency funding and implement a cap on the percentage allowed per project? If approved, staff recommends adding the following language to the Class A, BE, and BI application packets. (A, BE, BI)**

"Contingency costs refer to a portion of a project budget for construction to cover unknown/unanticipated conditions. Some examples include changes in supply, material, labor, design, or site conditions not initially identified in the budget. Contingency costs shall not exceed 20% of the construction opinion of cost."

Pros – Defining contingency costs will help ensure funds are utilized appropriately. Capping the contingency percentage will result in more complete and accurate opinions of cost from applicants.

Cons – Providing more specific criteria as it relates to how contingency funds can be utilized may necessitate scope revisions or limit some projects from being completed. Defining the contingency percentage may discourage applicants with limited knowledge and/or resources.

Staff presentation: Mr. Mabson explained the pros and cons of whether to add language to the application packet defining explicitly what types of expenses are allowed to be covered by contingency funding and implement a cap on the percentage allowed per project.

Board comments and questions: Mr. Lowe indicated his support for the staff's recommendation.

Mr. Sallee asked if there had been a contingency percentage cap in the past. Mr. Mabson replied not on record but the 20% seemed to be standard. However, staff has received budgets requesting contingency higher than 20%. By capping the contingency percentage, the applicant will need a more complete and accurate opinion of the cost of the project. This will also help to make sure funds are utilized appropriately.

Mr. Woolwine asked if each project has different contingency amounts. Mr. Mabson replied yes. He added that the staff is requesting that the applicant define/list what the contingency amount would be used for (supply, material, labor, design) that is not listed in the budget.

Mr. Woolwine said that this would be requesting the applicant to clarify what the contingency funds would be used for. Mr. Mabson replied yes.

Mr. Lowe moved to add "Contingency costs refer to a portion of a project budget for construction to cover unknown/unanticipated conditions. Some examples include changes in supply, material, labor, design, or site conditions not initially identified in the budget. Contingency costs shall not exceed 20% of the construction opinion of cost." to all application packets; seconded by Mr. Sallee. The motion passed unanimously. Mr. Vaught was absent.

3. **To encourage new applicants for Class A and B Infrastructure grants, should preferential treatment be given to applicants that have never received a Stormwater Quality Projects Incentive Grant before? Table 3 and 4 below are examples of proposed formats for the FY 2026 Class A and BI scoresheets (also see Exhibit A and C). (A, BI)**

Table 3 – Proposed New Question for Section 2. Project Implementation of the Class A Scoresheet

2d)	Has applicant received a Stormwater Quality Projects Incentive Grant award in the past?	If No: 5
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Table 4 – Proposed New Question for Section 2. Project Implementation of the Class B Infrastructure

2d)	Has applicant received a Stormwater Quality Projects Incentive Grant award in the past?	If No: 10
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Pros – Expands applicant base.

Cons – Places repeat grantees at a disadvantage.

Staff presentation: Mr. Mabson explained the pros and cons of whether to give preferential treatment to applicants who have never received a Stormwater Quality Projects Incentive Grant before to expand the new applicant base.

Board comments and questions: Ms. Fogle indicated her support for the staff recommendation but suggested removing “preferential treatment”, so it does not mislead someone to believe the program is unfair.

Mr. Lowe said that the spirit of this request has good intentions. However, he hesitates when the scoring is involved. He believed there were other ways to expand the applicant pool. He was worried that this change would punish the returning applicants.

Mr. Woolwine agreed with Mr. Lowe.

Mr. Sallee indicated that he agreed with the concerns.

Mr. Mabson said that the staff can present their exhibit of the scoring matrix.

Mr. Woolwine was concerned with passing over a previous applicant with a strong application for a new applicant with a weak application. He asked if the staff was making a recommendation on the number of points.

Ms. Young directed the Board’s attention to the score sheet and explained that the staff is recommending a 5-point adjustment which she does not anticipate making a significant difference in the overall scoring of the application. The staff anticipates a strong application will still be ranked higher.

Mr. Mabson shared the scoresheet with the Board and explained the staff is recommending adding the language noted in red to each of the scoresheets:

Project Team on the Class A Neighborhood scoresheet:

2d) Has applicant received a Stormwater Quality Projects Incentive Grant award in the past? If No: 5 points.

Project Implementation on the Class B Infrastructure scoresheet:

2d) Has applicant received a Stormwater Quality Projects Incentive Grant award in the past? If No: 5 points.

Mr. Woolwine said that it would be very unlikely this change would have a big impact on requests when scoring the projects. Mr. Mabson understood the Board’s concern but said the staff does not believe this will have a big impact in terms of scores.

Mr. Woolwine said that this would encourage new applicants and their projects. Mr. Mabson said that the staff wants to market the Stormwater Quality Projects Incentive Grant Program to those who have never applied for a grant before.

Mr. Lowe said if the staff has a concern about repeat applicants, then those concerns should be addressed directly. If the staff does not and this is a matter of getting more applicants, then he believes there are other ways to generate new applicants.

Mr. Mabson said that there are no problems with repeat applicants because they have mastered how to present their projects to receive high scores. He said that this is simply being used as a marketing strategy to encourage new applicants.

Mr. Woolwine asked if the staff could think of any repeat applicant who did not receive funding. Mr. Mabson indicated Ashwood Townhomes of Laredo applied twice before receiving funding.

Ms. Fogle moved to approve changing the format for the FY 2026 Class A and BI scoresheets, as presented by the staff; seconded by Mr. Sallee. The motion passed 3-1. Mr. Lowe opposed. Mr. Vaught was absent.

4. **Should the Innovation and Experimentation pool be modified to include a “Research / Monitoring” component? The program could fund research projects to monitor BMP effectiveness and further research alternatives to LFUCG BMPs. If approved, the revised language shown below would be used for the Innovation and Experimentation pool in the FY 2026 Application Packet for all grant classes with the additions noted in red ink. (A, BE, BI)**

“Innovation, Experimentation, and Research / Monitoring (IER) Funding Allocation for Fiscal Year 2026

*In an effort to promote and encourage innovative, experimental, and **research/monitoring** projects to improve surface water quality in Fayette County, the Water Quality Fees Board has allocated \$156,800 across all three grant classes for applications they deem to be worthy of funding; however, due to the nature of the proposed project, the application might not score well within the constraints of the scoring system. Based on the types of applications received for Fiscal Year 2026 funding, this allocation may or may not be used.*

*The criteria for the **IER** Pool Funds shall be defined as items not currently prescribed in the LFUCG Stormwater Manual but meet the goals of the Stormwater Quality Projects Incentive Grant Program as defined by Section 16-410 of Code of Ordinance. **IER** projects are considered a deviation from previously approved applications and propose new or experimental methods or approaches to stormwater quantity and quality management. The applicant is required to provide the research behind the proposed innovative, experimental, **research/monitoring** project element(s).*

Pros – Measuring BMP effectiveness may inform BMP implementation strategies moving forward.

Cons – May be difficult to define project goals that are beneficial to both the applicant and LFUCG.

Staff presentation: Mr. Mabson explained the pros and cons of whether the Innovation and Experimentation pool should be modified to include a “Research/Monitoring” component. The program could fund research projects to monitor BMP effectiveness and further research alternatives to LFUCG BMPs.

Board comments and questions: Mr. Lowe indicated his support, adding that expanding the Innovation and Experimentation pool to include research and monitoring would be beneficial, and it is a reasonable request.

Ms. Fogle indicated her agreement.

Mr. Sallee commented that this change makes perfect sense.

Mr. Woolwine was pleased with the staff recommendation and indicated that it would be a good improvement.

Ms. Fogle moved to approve modifying the “Innovation, Experimentation” component to include “Research/Monitoring” component for Fiscal Year 2026; seconded by Mr. Lowe. The motion passed unanimously. Mr. Vaught was absent.

5. **The program has noticed an increase in grant applicants attempting to include costs in the budget associated with impervious areas (e.g. concrete, asphalt, etc.) However, impervious surfaces are considered non-water quality/quantity related items and are not eligible for grant reimbursement or to be counted as cost share. Should the Application Packet explicitly state for all grant classes that the program will NOT fund impervious items including areas proposed adjacent to proposed BMPs? If approved, staff recommends adding the following language to the Class BI Application Packet. (A, BE, BI)**

"The Program will not consider funding of impervious areas (i.e., concrete or asphalt) including impervious areas “adjacent” to proposed BMPs with the exception of items included for site restoration (i.e., curbing and sidewalks)."

Pros – Ensures grant funds are used to mitigate water quality/quantity issues. Saves staff time in having to request revised budgets.

Cons – Could impact the number of applications submitted.

Staff presentation: Mr. Mabson explained the pros and cons of whether the application packet should explicitly state for all grant classes that the program will NOT fund impervious items including areas proposed adjacent to proposed BMPs.

Board comments and questions: Mr. Woolwine said that the grant program always focused on water quality issues, not water quantity issues. Ms. Young replied that the grant program’s focus is water quantity reduction and water quality enhancement. Mr. Mabson said that the grant program typically does not provide funds for impervious materials such as concrete or asphalt.

Mr. Lowe said that it seems that the staff’s recommendations are helpful tips for the application packet. Mr. Mabson agreed and said that during the staff’s evaluation, applicants are contacted by staff for clarification, and sometimes this leads to the disqualification of certain line items and a need for a revised budget. If these changes were in the application packet, then the staff could reference that section to reduce review time.

Mr. Lowe agreed, adding that there have been applications that were somewhat of a challenge.

Ms. Fogle agreed with the staff's recommendation.

Mr. Sallee agreed, adding that this would save staff time in having to request revised budgets.

Mr. Sallee moved to approve adding "The Program will not consider funding of impervious areas (i.e., concrete or asphalt) including impervious areas "adjacent" to proposed BMPs with the exception of items included for site restoration (i.e., curbing and sidewalks)" to all application packets; seconded by Ms. Fogle. The motion passed unanimously. Mr. Vaught was absent.

6. **The program has seen an increase in grant applications proposing BMP locations that do not meet the minimum clearance requirements listed in the stormwater manual. Should language be added to all application packets stating explicitly the minimum clearance requirements between BMPs and existing and proposed infrastructure? If approved, staff recommends adding the following language to the Class A, BE, and BI Application Packets. (A, BE, BI)**

"All proposed BMPs must be located at least 10 feet, horizontally, from existing and proposed buildings and LFUCG sanitary lines with the exception of tree trenches and planter boxes which should use a minimum setback distance of 5 feet. If known sanitary sewer or basement infiltration problems exist, a greater horizontal distance must be used."

Pros – Including this information in the application packet provides an opportunity to educate applicants about location requirements for BMPs relative to structures during the conceptual phase of their planning process.

Cons – None

Staff presentation: Mr. Mabson explained the pros and cons of whether to add language to all application packets stating explicitly the minimum clearance requirements between BMPs and existing and proposed infrastructure.

Board comments and questions: Mr. Woolwine asked if the Stormwater Manual could be referenced. Ms. Young said that the staff chose not to reference the Stormwater Manual since private properties are not regulated by it.

Mr. Woolwine said that he was trying to show where the numbers came from but if it does not apply to all parties, he agrees.

Ms. Fogle, Mr. Lowe and Mr. Sallee indicated their agreement with the staff recommendation.

Ms. Fogle moved to add "All proposed BMPs must be located at least 10 feet, horizontally, from existing and proposed buildings and LFUCG sanitary lines with the exception of tree trenches and planter boxes which should use a minimum setback distance of 5 feet. If known sanitary sewer or basement infiltration problems exist, a greater horizontal distance must be used" to all application packets; seconded by Mr. Sallee. The motion passed unanimously. Mr. Vaught was absent.

7. **The program currently has guidelines to limit certain types of work on ponds including dredging which is not an eligible grant expense. To emphasize water quality enhancement and water quantity reduction, for FY26 and beyond, should a guideline be added to make pond armoring a non-eligible grant expense? If approved, staff recommends adding the following language to the Class A and BI application packets. (A, BI)**

"For the Fiscal Year 2026 Incentive Grant program, pond armoring is not considered eligible for grant funding as the program seeks to emphasize water quality enhancement and water quantity reduction."

Pros – Ensures grant funds are used to mitigate water quality/quantity issues.

Cons – Could impact the number of applications submitted.

Staff presentation: Mr. Mabson explained the pros and cons of whether to add a guideline to make pond armoring a non-eligible grant expense.

Board comments and questions: Mr. Woolwine asked for clarification on pond armoring. Ms. Young explained that an example of pond armoring would be placing rip rap on the banks to protect the shoreline from erosion. The staff is emphasizing water

quality enhancements such as installing plants rather than just using rip rap. Ms. Young noted that staff is not interested in paying to maintain ponds if there is not a water quality benefit.

Mr. Sallee asked if a project could use a combination of rip rap and plants. Ms. Young indicated that would be beneficial and perhaps the staff could nuance the verbiage. Mr. Mabson suggested adding language to say pond armoring could not be the sole project element.

Mr. Lowe asked if pond armoring is an inorganic material such as rock. Ms. Young said that the staff can make the language clearer by and say hard armoring.

Mr. Woolwine asked if there is a pond armoring that includes organic material. Ms. Young replied that combinations do exist, and that staff can nuance the verbiage to include armoring that enhances water quality.

Mr. Lowe moved to add a guideline to read “For the Fiscal Year 2026 Incentive Grant program, pond armoring is not considered eligible for grant funding as the program seeks to emphasize water quality enhancement and water quantity reduction” to include favoring organic material versus inorganic material; seconded by Mr. Sallee. The motion passed unanimously. Mr. Vaught was absent.

8. Should the program give preferential treatment to projects proposing to perform or educate the public on the restoration or maintenance of impaired stream segments? If approved, staff recommends the following additions to current scoresheets. Tables 5-7 below are examples of proposed formats for each of the FY 2026 score sheet documents (*also see Exhibit A-C*). (A, BE, BI)

Table 5 – Class A – Proposed New Question for Section 1. Project Impact

Does the project...

<i>1i)</i>	<i>Involve restoration/maintenance of an impaired stream segment?</i>	<i>If YES: 5 points</i>
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Table 6 – Class B Education – Proposed New Question Section 1. Project Impact

Does the project involve...

<i>1h)</i>	<i>educational programming about impaired stream segments?</i>	<i>If YES: 5 points</i>
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Table 7 – Class B Infrastructure – Proposed New Question Section 1. Project Impact

Does the project involve...

<i>1j)</i>	<i>Restoration/maintenance of an impaired stream segment?</i>	<i>If YES: 5 points</i>
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Pros – Targets impaired waters which could contribute to the delisting of streams.

Cons – None

Staff presentation: Mr. Mabson explained the pros and cons of whether to give preferential treatment to projects proposing to perform or educate the public on the restoration or maintenance of impaired stream segments.

Board comments and questions: Mr. Woolwine asked if the points would be adjusted to maintain 100 points. Mr. Mabson replied yes and explained the list of items that would be changed on the scoresheets and how the points would be distributed.

Mr. Woolwine said this addition to the scoresheets would help impaired streams. Mr. Mabson said that this is similar to when the E. coli component was added to the applications and scoresheets.

Mr. Woolwine asked how the staff would determine an impaired stream. Ms. Young said that the Division of Water keeps a list of impaired streams, and the goal is to remove a stream from that list. She said that the Division of Water Quality assesses impaired waters.

Mr. Woolwine asked if an impaired stream can be documented within a project area. Ms. Young replied yes.

Mr. Sallee asked if the location of the impaired streams was also mapped. Ms. Young replied yes.

Mr. Lowe was in support of the staff's recommendation and asked if this could be revisited next year at the January meeting.

Mr. Sallee agreed with trying the staff's recommendation for a year.

Mr. Lowe moved to give preferential treatment to projects proposing to perform or educate the public on the restoration or maintenance of impaired stream segments; seconded by Ms. Fogle. The motion passed unanimously. Mr. Vaught was absent.

9. The program has seen an increase in application packets that note the proposed project addresses E. Coli pollution without data to back up the assertion. Should the program incentivize BMPs based on E. Coli removal effectiveness based on the *International Stormwater BMP Database*? Tables 8 and 9 below are examples of formats proposed for the FY 2026 Class A and BI scoresheets (*also see Exhibits A and C*). (A and BI)

Table 8 – Class A – Proposed Revised Question for Section 1. Project Impact

Does the project...

1g)	Involve a water quality BMP that addresses E. Coli pollution?	Circle one:
	Detention Basin, Wetland Basin, Bioretention, Retention Pond, or Media Filter	5
i.	Subsurface Flow Wetlands, Permeable Pavement, or Engineered Media for Biofilters	4
ii.	Other (provide supporting data)	3

Table 9 – Class BI – Proposed Revised Question for Section 1. Project Impact

Does the project involve...

1g)	Installation of a water quality BMP that addresses E. Coli pollution?	Circle one:
	Detention Basin, Wetland Basin, Bioretention, Retention Pond, or Media Filter	5
i.	Subsurface Flow Wetlands, Permeable Pavement, or Engineered Media for Biofilters	4
ii.	Other (provide supporting data)	3

Pros – Targets impaired waters which could contribute to the delisting of streams. This prevents applicants from checking the box without effectively targeting E. Coli pollution.

Cons – None

Staff presentation: Mr. Mabson explained the pros and cons of whether the program incentivizes BMPs based on E. Coli removal effectiveness based on the *International Stormwater BMP Database*.

Board comments and questions: Mr. Sallee commented that the supporting documentation makes sense.

Mr. Woolwine said that there have been three (3) changes to the scoresheet that impact points. Individually the change is not significant, but when looking at all three it could have an impact on projects. He is in favor of the intent, but this change could disqualify good projects because there are no impaired streams or E. Coli problems within the project area. Everyone should be aware of the type of projects that are being submitted.

Mr. Mabson indicated that the overall mission of the program is to improve water quality and adding that impaired streams would be beneficial. In terms of the E. Coli, if the applicant stated that they were installing a documented BMP, they would receive points. If the applicant has indicated that the project impacts an impaired stream, they would also receive points.

Mr. Woolwine asked if every project would still receive the points, but perhaps not the additional points if there would not be a major impact on E. coli. Mr. Mabson said that the applicant would need to check the box saying they intend to address E. coli and provide supporting documentation to that effect. The staff understands there are different levels of BMP performance, some less effective in treating E. coli. Ms. Young said that the staff wants to eliminate the applicants who check the box for addressing E. coli but do not submit any supporting documentation as to how they intend to address it.

Mr. Lowe moved to allow the program to incentivize BMPs based on E. coli removal effectiveness based on the International Stormwater BMP Database; seconded by Ms. Fogle. The motion passed unanimously. Mr. Vaught was absent.

10. The program has seen an increase in grant applications proposing activities that are unrelated to water quality enhancement or quantity reduction, especially for Class B Education grants. Should language be added to the application packet for all grant classes clarifying what types of expenses are eligible for grant reimbursement or to be counted as cost share? If approved, staff recommends adding the following language to the Application Packets for all

grant classes under “What types of expenses are not eligible (for either grant reimbursement and/or cost share)” which is in the section titled “Project Funding”. (A, BE, BI)

“Costs associated with items unrelated to water quality/quantity or not aligned to the proposed project elements.”

Pros – Ensures grant funds are used appropriately. Helps provide clarity to applicants on what items to exclude in the budget proposals.

Cons – None

Staff presentation: Mr. Mabson explained the pros and cons of whether language should be added to the application packet for all grant classes clarifying what types of expenses are eligible for grant reimbursement or to be counted as cost share. Mr. Mabson indicated that this change will prevent an applicant from submitting receipts for animal food that has nothing to do with water quality or quantity reduction.

Board comments and questions: Mr. Woolwine remembered staff mentioned an applicant submitting receipts for animal food as part of the stormwater grant reimbursement.

Mr. Sallee moved to add language to the application packet for all grant classes clarifying what types of expenses are eligible for grant reimbursement or to be counted as cost share; seconded by Ms. Fogle. The motion passed unanimously. Mr. Vaught was absent.

11. **Should the program require applicants to provide documentation detailing how the proposed project will exceed the regulatory items? This came up while evaluating FY 2025 Class B Infrastructure grant applications where some applications lacked clarity on whether proposed elements were over and beyond the new/re-development requirements. Table 10 below is an example of the proposed format for the FY 2026 Class BI scoresheet (*also see Exhibit C*). (BI)**

Table 10 – Class B Infrastructure – Proposed New Question Section 2. Project Implementation

2b)	<i>Does the applicant provide documentation detailing how the proposed project will exceed the regulatory items?</i>	<i>0 to 20 points:</i>
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Pros – Ensures program funding is spent appropriately.

Cons – Some Class BI applicants might see this as an undue burden.

Staff presentation: Mr. Mabson explained the pros and cons of whether the program requires applicants to provide documentation detailing how the proposed project will exceed the regulatory items.

Board comments and questions: Mr. Lowe said that this would protect the program from funding something that was a regulatory item. Mr. Mabson said that the grant funding is only to be used for items over and beyond what is already required.

Mr. Woolwine said that this would only apply to those projects that exceed regulatory standards. Ms. Young clarified that grant funding should only pay for what is over and beyond regulatory requirements.

Mr. Lowe moved to require the applicants to provide documentation detailing how the proposed project will exceed the regulatory items; seconded by Ms. Fogle. The motion passed unanimously. Mr. Vaught was absent.

12. **Some Class B Education projects incorporate stormwater facilities (e.g. small rain gardens, bio-swales, etc.). During the FY 2024 grant cycle, the Board approved providing a separate attachment regarding maintenance responsibilities for these facilities on private property. This came up during staff discussions about establishing an inspection program to track the status of maintenance of previously funded grant projects. Should a disclaimer and a signature line be added to the Class BE grant Application Packet to ensure the property owner agrees with the installation and maintenance requirements for proposed projects (see Figure 1 below)?**

Figure 1 – Example Property Owner signature line in the Class B Education application packet

IF THE SITE OF THE PROPOSED PERMANENT INFRASTRUCTURE OR EQUIPMENT IS NOT OWNED BY THE APPLICANT, THE PROPERTY OWNER SHALL SIGN BELOW.

PROPERTY OWNERS

I hereby authorize the above-signed Applicant to apply for a Water Quality Management Fee-funded Class B Education Stormwater Quality Projects Incentive Grant. If this project is selected for a grant, I authorize construction of the described project elements on my property located at (provide complete address): [REDACTED]. I also agree to execute the *Agreement to Maintain Stormwater Control Facilities Funded by an LFUCG Class B Education Stormwater Quality Projects Incentive Grant* at the completion of construction.

Signature of Property Owner

Date

Printed Name of Property Owner

Pros – This will help establish acknowledgment of installation and maintenance responsibilities for Class B Education grants similar to the Class A and B Infrastructure attachments.

Cons – None

Staff presentation: Mr. Mabson explained the pros and cons of whether a disclaimer and a signature line be added to the Class BE grant Application Packet to ensure the property owner agrees with the installation and maintenance requirements for proposed projects.

Board comments and questions: Mr. Lowe indicated his support for the staff's recommendation.

Mr. Woolwine said that the staff is asking the property owner to agree to maintain the program element that the grant program funded. Mr. Mabson replied, the Board had approved a maintenance agreement (aka Attachment B) for Class B Education. The staff's recommendation is simply to add a signature line for property owners in the application form document which helps to ensure that property owners agree with the project.

Mr. Woolwine indicated that maintenance has been an issue for some years and this recommendation would make sure the grantee is committed. Mr. Mabson replied that the staff recommendation is to ensure that the property owner, if different from the applicant, is on board.

Mr. Sallee moved to add a disclaimer and a signature line to the Class BE grant Application Packet to ensure the property owner agrees with the installation and maintenance requirements for proposed projects; seconded by Ms. Fogle. The motion passed unanimously. Mr. Vaught was absent.

13. Since no changes can be made to the project elements once the application deadline has passed, should language be added to the application packet requiring potential applicants to include a letter of support or endorsement from the Royal Spring Wellhead Protection Committee, if applicable? Several FY 2025 grant applicants had to modify BMP design after the Royal Springs Wellhead Protection Committee noted certain BMP facilities could potentially impact local drinking water sources. During its quarterly meeting, the Royal Spring Wellhead Protection Committee recommended that certain BMPs not be allowed above the aquifer recharge area. If approved, staff recommends adding the following language to the Class A and BI Application Packet documents. (A, BI)

“Since no changes can be made to the project elements once the application deadline has passed, for Fiscal Year 2026, we are requiring applicants to include a letter of support or endorsement from stakeholders (i.e., homeowner associations, Royal Spring Wellhead Protection Committee, etc.) that might be impacted by BMPs included in the proposal.”

“If the proposed BMP is within the extents of the Royal Springs recharge area, a map showing the BMP location relative to the aquifer should be included in the application.”

Pros – It could potentially save the applicant time and money by not pursuing conceptual design(s) that includes BMPs currently not recommended by the Royal Spring Wellhead Protection Committee.

Cons – None

Staff presentation: Mr. Mabson explained the pros and cons of whether language should be added to the application packet requiring potential applicants to include a letter of support or endorsement from the Royal Spring Wellhead Protection Committee, if applicable.

Board comments and questions: There were none.

Mr. Lowe moved to add language to the application packet requiring potential applicants to include a letter of support or endorsement from the Royal Spring Wellhead Protection Committee, if applicable; seconded by Mr. Sallee. The motion passed unanimously. Mr. Vaught was absent.

14. **Other Items:** There were none.

- V. **FY 2026 GRANT APPLICATION DOCUMENTS:** Mr. Mabson presented a brief overview of the Class A Neighborhood, Class B Education, and Class B Infrastructure FY26 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.

Mr. Lowe moved to approve the changes as discussed to the FY26 application packet for Class A, BE, and BI, clarifying pond armoring (Item #7); seconded by Mr. Sallee. The motion passed unanimously.

- VI. **INCENTIVE GRANT STATUS UPDATE:** Mr. Mabson briefly provided an update on the Incentive Grants between FY 2016 to FY 2025; commenting on a few select projects.

Board comments and questions: There were none.

VII. ADJOURNMENT:

Mr. Sallee moved to adjourn the meeting at 10:36 a.m.; seconded by Ms. Fogle. The motion passed unanimously. Mr. Vaught was absent.