

# Wetland Mitigation Bank Funding (WMBF) Loan Application

Rick Snyder, Governor

## Michigan Department of Environmental Quality (DEQ)

Dan Wyant, Director

<http://www.michigan.gov/deg>

## Michigan Department of Treasury Michigan Finance Authority (Authority)

R. Kevin Clinton, State Treasurer

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525 W ALLEGANS ST  
LANSING MI 48933

**Completion of this application is mandatory for the applicant to be considered for Wetland Mitigation Bank Funding Program assistance.**

The DEQ will not discriminate against any individual or group on the basis of race, sex, religion, age, national origin, color, marital status, disability, political beliefs, height, weight, genetic information or sexual orientation. Questions or concerns should be directed to the Quality of Life – Office of Human Resources, P.O. Box 30473, Lansing, MI 48909-7973.

June 30, 2014

# WMBF Loan Application Instructions

WMBF loans shall provide assistance to municipalities to establish a wetland mitigation bank. Loans shall be used for one or more of the following activities:

- Complete and execute the wetland mitigation banking agreement with the department.
- Completing engineering and design for the wetland mitigation bank.
- Purchase land for the bank and executing conservation easements.
- Construct the wetland mitigation bank.
- Conduct monitoring and maintenance necessary to ensure that the performance standards are or will be met.
- In addition, the department may approve the use of loan funds for other activities needed to establish a wetland mitigation bank upon a demonstrated need by the municipality.

In order to obtain a WMBF loan for establishment of a wetland mitigation bank, an applicant must provide Parts A and B noted below:

## **Part A: Financial Information**

Complete this portion of the loan application and return with all of the following:

- **Authorizing Resolution**
  - The resolution must be signed and dated.
  - The authorized representative designated on the resolution must be the same designee that signs page B-5 of the loan application.
- **Financial information** requested on pages 8 and 9, Item L, 1 through 6, may be submitted electronically.

## **Part B: Project Information**

Complete this portion of the loan application and return with all of the following:

- **Approvable Wetland Mitigation Banking Proposal**

An approvable wetland mitigation banking proposal must be submitted prior to this loan application so DEQ can determine eligibility for a loan. The required information for a wetland mitigation banking proposal can be found at [http://www.michigan.gov/documents/deq/wrd-wetlands-bank-process\\_559934\\_7.pdf](http://www.michigan.gov/documents/deq/wrd-wetlands-bank-process_559934_7.pdf).
- **Signed Covenants and Certification**
- **Application Completion Information**

Three million dollars is available for WMBF loan activities in Fiscal Year 2014. The estimated loan request is \$250,000 to \$500,000 per applicant per year. Loan applications that are approved for WMBF funding in Fiscal Year 2014 and not funded, will be placed on a list to receive future funding as it becomes available. All loan terms (i.e., interest rate, loan limit per application) are subject to change for future years beyond Fiscal Year 2014.

# WMBF Loan Application

## PART A - FINANCIAL INFORMATION

Questions about Part A should be directed to the Michigan Finance Authority at 517-335-0994.

Project Name/Watershed \_\_\_\_\_

Associated WMBF Grant No(s). (if applicable) \_\_\_\_\_

A. Legal Name of Applicant/Bank Sponsor

\_\_\_\_\_

*The legal name of the applicant may be different than the name of the project. For example, a county may be the legal applicant for bonding purposes, while the project may be named for the particular village or township it will serve.*

If applicant is not a City/County/Township/Village, provide Authorizing Statute (citation) to qualify as a municipality. \_\_\_\_\_

B. Address of Applicant

\_\_\_\_\_  
(Street, P.O. Box)

\_\_\_\_\_  
(City, State & Zip)

\_\_\_\_\_  
(Federal Employer Identification Number)

\_\_\_\_\_  
(Area Code and Telephone Number)

C. Designated Contacts for this Project

1. Authorized Representative (as named in the resolution)

Name \_\_\_\_\_

Title \_\_\_\_\_

\_\_\_\_\_  
(Street, P.O. Box)

\_\_\_\_\_  
(City, State & Zip)

\_\_\_\_\_  
(Area Code and Telephone Number)

\_\_\_\_\_  
(E-mail Address)

2. Primary Contact (if different than authorized representative)

Name \_\_\_\_\_ Title \_\_\_\_\_

\_\_\_\_\_  
(Area Code and Telephone Number)

\_\_\_\_\_  
(E-mail Address)

3. Applicant's Bond Counsel

Name \_\_\_\_\_

Firm \_\_\_\_\_

\_\_\_\_\_  
(Street, P.O. Box)

\_\_\_\_\_  
(City, State & Zip)

\_\_\_\_\_  
(Area Code and Telephone Number)

\_\_\_\_\_  
(E-mail Address)

4. Applicant's Financial Advisor

Name \_\_\_\_\_

Firm \_\_\_\_\_

\_\_\_\_\_  
(Street, P.O. Box)

\_\_\_\_\_  
(City, State & Zip)

\_\_\_\_\_  
(Area Code and Telephone Number)

\_\_\_\_\_  
(E-mail Address)

5. Applicant's Consultant

Name \_\_\_\_\_

Firm \_\_\_\_\_

\_\_\_\_\_  
(Street, P.O. Box)

\_\_\_\_\_  
(City, State & Zip)

\_\_\_\_\_  
(Area Code and Telephone Number)

\_\_\_\_\_  
(E-mail Address)

D. Authorizing Statute

*Identify the statute(s) under which the applicant will bond to finance this project.*

- |                                       |  |  |  |
|---------------------------------------|--|--|--|
| <input type="checkbox"/> PA 3 (1895)  | <input type="checkbox"/> PA 94 (1933)  | <input type="checkbox"/> PA 233 (1955)             | <input type="checkbox"/> PA 342 (1939)           |
| <input type="checkbox"/> PA 7 (1967)  | <input type="checkbox"/> PA 116 (1923) | <input type="checkbox"/> PA 235 (1947)             | <input type="checkbox"/> Part 43, PA 451 (1994)  |
| <input type="checkbox"/> PA 34 (2001) | <input type="checkbox"/> PA 129 (1943) | <input type="checkbox"/> PA 278 (1909)             | <input type="checkbox"/> Part 47, PA 451 (1994)  |
| <input type="checkbox"/> PA 35 (1951) | <input type="checkbox"/> PA 185 (1957) | <input type="checkbox"/> PA 279 (1909)             | <input type="checkbox"/> Part 119, PA 451 (1994) |
| <input type="checkbox"/> PA 40 (1956) | <input type="checkbox"/> PA 188 (1954) | <input type="checkbox"/> PA 312 (1929)             |  |
| <input type="checkbox"/> PA 76 (1965) | <input type="checkbox"/> PA 202 (1943) | <input type="checkbox"/> Public Act _____ of _____ |  |

*The applicant's bond counsel or financial advisor can provide assistance in determining the statute under which the bonding should proceed. Some of the referenced statutes will require the publication of a notice of intent and/or require the holding of a public referendum, which may need to occur several months before bonds are issued.*

E. Project Estimates

*The estimated cost of the project should include all costs, whether eligible for loan assistance or not. The estimated cost should be rounded to the nearest \$5,000.*

Estimated Total Cost of Project: \$ \_\_\_\_\_

Estimated Amount to Be Borrowed: \$ \_\_\_\_\_

F. Principal Payment Dates

*Annual principal payments will be due each year until the debt is retired. Principal payments must commence in April or October but no later than one year after the date of the loan agreement. **Principal payments may not be made in more than 20 annual installments.***

Preference for Payment                       April                       October

Proposed First Principal Payment Will Occur On \_\_\_\_\_

Proposed Last Principal Payment Will Occur On \_\_\_\_\_

Targeted WMBF Construction Date \_\_\_\_\_

G. Investment Grade Rating

*The applicant is required to provide evidence of an investment grade rating before financing can be completed. The investment grade rating intended to be used to satisfy this requirement must be for the bonds the applicant intends to issue or for bonds that have the same security pledged for bond repayment. A bond counsel or financial advisor can provide assistance with assessing options to bring*

*the loan to an investment grade level. Refer to the Quarterly Financing Schedule for applicable dates.*

Check the appropriate box below and provide the requested information:

The applicant has obtained an investment grade rating, as detailed below:

Fitch's Long-Term Rating \_\_\_\_\_ Date \_\_\_\_\_

Type of Borrowing \_\_\_\_\_

Moody's Long-Term Rating \_\_\_\_\_ Date \_\_\_\_\_

Type of Borrowing \_\_\_\_\_

Standard & Poor's Long-Term Rating \_\_\_\_\_ Date \_\_\_\_\_

Type of Borrowing \_\_\_\_\_

The applicant will achieve an investment grade rating, as detailed below:

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H. Project Funding from Other Sources

*WMBF loan cannot be used to pay for project costs which have been or will be covered by another source of funding, either public or private (e.g., grants or loans from other state or federal agencies or cash reserves already on hand). List the anticipated project costs which are to be covered by another funding source and identify the funding source(s).*

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I. Tax Base Information

*Sections I and J are intended to provide credit information about the issuer of the bonds. If the applicant is issuing the bonds directly, complete the information below. If instead the applicant is issuing the bonds through the county, the information provided should be for the county. If the applicant is issuing the bonds, an official statement for a general obligation bond issued within the past 12 months may be submitted instead and Sections I and J do not have to be filled out. If the county is issuing the bonds, an official statement for a general obligation bond which the county issued within the past 12 months may be submitted instead and Sections I and J do not have to be filled out.*

Official Statement Included (Sections I and J do not have to be filled out.)

1. Five Largest Employers in the Service Area:

EMPLOYER	TYPE OF BUSINESS	NUMBER OF EMPLOYEES
1.		
2.		
3.		
4.		
5.		

2. Five Largest Taxpayers in the Service Area:

TAXPAYER	ASSESSED VALUATION	ASSESSED % OF TOTAL VALUATION
1.		
2.		
3.		
4.		
5.		

J. Tax History Information

1. Tax History for the Two Preceding Fiscal Years

TAX HISTORY	Two Preceding Fiscal Years:	
	20____ - 20____	20____ - 20____
	AMOUNT	AMOUNT
Millage: Operating Allocated	mills	mills

Millage: Operating Voted		mills		mills
Millage: Capital Improvements		mills		mills
Millage: Debt		mills		mills
Millage: Other		mills		mills
Taxable Value	\$		\$	
Tax Levies: Total	\$		\$	
Tax Collections to Date	\$		\$	
Delinquent Taxes	\$		\$	
Tax Collections as % of Total Tax Levy		%		%

## 2. Tax History for the Current Fiscal Year

TAX HISTORY	Current Fiscal Year: 20____ - 20____		
	AMOUNT	MILLAGE LIMIT	MILLAGE EXPIRES
Millage: Operating Allocated		mills	
Millage: Operating Voted		mills	
Millage: Capital Improvements		mills	
Millage: Debt		mills	
Millage: Other		mills	
Taxable Value	\$		
Tax Levies: Total	\$		
Tax Collections to Date	\$		
Delinquent Taxes	\$		
Tax Collections as % of Total Tax Levy		%	

## 3. Property Tax Information

COMPOSITION OF TAXABLE VALUE	AMOUNT	PERCENT
Residential Property		%
Industrial Property		%
Commercial Property		%



Agricultural Property		%
Other Property		%
Industrial/Commercial Facilities	\$	
Total Taxable Value	\$	

K. WMBF Project Cost Worksheet

The WMBF Project Cost Worksheet should be completed as accurately as possible and submitted with the WMBF Application.

Budget Item	Cost Supporting Documents Attached?	Estimated Project Costs
1. Complete/Execute Banking Agreement	<input type="checkbox"/> YES	
2. Engineering and Design Costs	<input type="checkbox"/> YES	
3. Land Purchase	<input type="checkbox"/> YES	
4. Construction of Bank	<input type="checkbox"/> YES	
5. Monitoring/Maintenance of Bank	<input type="checkbox"/> YES	
6. Other Costs	<input type="checkbox"/> YES	
7. Legal/Financial Services	<input type="checkbox"/> YES	
8. Administrative Costs	<input type="checkbox"/> YES	
9. Bond Counsel Fees	<input type="checkbox"/> YES	
10. Bond Advertisement Costs	<input type="checkbox"/> YES	
11. WMBF Project Cost Subtotal (sum of Line 1 through Line 6)		
12. Project Cost to be Funded by WMBF 8 to the nearest \$5,000		

L. Other **Required** Documents

Check the appropriate boxes and attach the following items to your Part A submittal. **All attachments must be included or submitted electronically.**

1. Current year budget.
  - Attached
  - Submitted electronically
  
2. Most recent official statement or prospectus, if applicable.
  - Attached
  - Submitted electronically

N/A

3. **Direct and overlapping debt schedules and a list of future debt that has been authorized but unissued.**
  - Attached
  - Submitted electronically
  - No Debt
  
4. **Explanation of payment default on any security, if applicable.**
  - Attached
  - Submitted electronically
  - No default
  
5. **Disclosure of any pending litigation or legislation that is material to your financing or that could have an adverse impact on the financial condition of the borrower.**
  - Attached
  - Submitted electronically
  - None
  
6. **A financial projection demonstrating revenue supporting debt service, including a bond repayment schedule.**
  - Attached
  - Submitted electronically

# Wetland Mitigation Bank Funding (WMBF) Loan Application

## PART B - PROJECT INFORMATION

Questions about Part B should be directed to your DEQ wetland mitigation banking coordinator.

Project Name/Watershed \_\_\_\_\_

WMBF Loan Number \_\_\_\_\_

- A. Wetland Mitigation Banking Proposal (The required information for a wetland mitigation banking proposal can be found at [http://www.michigan.gov/documents/deq/wrd-wetlands-bank-process\\_559934\\_7.pdf](http://www.michigan.gov/documents/deq/wrd-wetlands-bank-process_559934_7.pdf).)
- B. The Signed Covenants and Certification form certifying that the applicant agrees to abide by the covenants, assurances and certifications which will be incorporated into the WMBF loan agreement  
 Attached
- C. Application Completion Information

- 1. Identify the authorized bonding ceiling for the project(s):  
WMBF Project: \$ \_\_\_\_\_
- 2. Are funds being provided for the project(s) from a source other than Michigan's WMBF program?  
 YES  NO

*If YES, identify below all sources of funding for project costs which will not be financed through WMBF loan assistance. Project cost that have been or will be covered by another source of funding, either public or private, must be excluded from the requested reimbursement costs.*

<u>Source of Non-WMBF Funding</u>	<u>Amount of Funding</u>
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- 3. Have all easements, land, and leasing arrangements necessary for WMBF project construction been obtained?  
 YES  NO  N/A

*If NO, attach a separate sheet detailing the schedule for the completion of this activity.*

- 4. Provide a current project implementation schedule(s):

WMBF Construction Start Target Date \_\_\_\_\_

WMBF Initiation of Operation Target Date \_\_\_\_\_

Completion of WMBF Construction Target Date \_\_\_\_\_

D. Estimated Schedule of WMBF Disbursements

*In the table below, identify an estimated schedule for receiving disbursements from the WMBF program. Attempt to accurately estimate the monthly disbursements. **Note that the estimates provided will not limit the amount of funds received in a given month.***

Dollar amount used to calculate the schedule below \_\_\_\_\_

MONTH/YEAR	AMOUNT REQUESTED	MONTH/YEAR	AMOUNT REQUESTED

*Attach an additional schedule sheet if WMBF loan disbursements will be requested over a period that is longer than 20 months.*

I certify that I am the authorized representative designated by the governmental unit that will issue the bond(s) for this project and that information being submitted is complete and accurate to the best of my knowledge.

\_\_\_\_\_  
Name and Title of Authorized Representative (*Please Print or Type*)

\_\_\_\_\_  
Signature of Authorized Representative (*Original Signature Required*) Date

In accordance with the date in the financing schedule, return the completed Part A and B with **all** specified attachments to:

WETLANDS, LAKES, AND STREAMS UNIT  
WATER RESOURCES DIVISION  
MICHIGAN DEPARTMENT OF ENVIRONMENTAL QUALITY

**MAILING ADDRESS**  
P.O. BOX 30485  
LANSING MI 48909-7958

**SURFACE DELIVERY ADDRESS/OVERNIGHT EXPRESS**  
CONSTITUTION HALL, 3<sup>rd</sup> FLOOR SOUTH  
525 W ALLEGAN ST  
LANSING MI 48933

\*A hard copy of the loan application must be submitted to the DEQ. Loan application may be submitted at any time beginning July 1, 2014. Loans will be issued quarterly based upon the date an application is administratively complete, until available WMBF funding has been exhausted.

**A RESOLUTION ADOPTING A FINAL WETLAND MITIGATION BANKING PROPOSAL  
AND  
DESIGNATING AN AUTHORIZED PROJECT REPRESENTATIVE**

**WHEREAS**, the \_\_\_\_\_ (*legal name of applicant intends to establish a wetland mitigation bank*); and

**WHEREAS**, the \_\_\_\_\_ (*legal name of applicant*) authorized \_\_\_\_\_ (*name of consulting engineering firm, if applicable*) to prepare a Wetland Mitigation Banking Proposal, which recommends the establishment of (specify name and watershed of bank site)

\_\_\_\_\_  
\_\_\_\_\_ ; and

**NOW THEREFORE BE IT RESOLVED**, that the \_\_\_\_\_ (*legal name of applicant*) formally adopts said Wetland Mitigation Banking Proposal and agrees to implement the project.

**BE IT FURTHER RESOLVED**, that the \_\_\_\_\_ (*title of the designee's position*), a position currently held by \_\_\_\_\_ (*name of the designee*), is designated as the authorized representative for all activities associated with the project referenced above, including the submittal of said Wetland Mitigation Banking Proposal as the first step in applying to the State of Michigan for a Wetland Mitigation Bank Funding loan to assist in the implementation of a wetland mitigation bank.

Yeas:

Nays:

Abstain:

Absent:

I certify that the above Resolution was adopted by \_\_\_\_\_ (*the governing body of the applicant*) on \_\_\_\_\_.

**BY:** \_\_\_\_\_  
Name and Title (*please print or type*)

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

# WMBF Loan Instructions for Completing the Project Cost Worksheet

## 1. Entering Cost Figures

To complete the Project Cost Worksheet, enter estimated costs in the third column. **Use whole dollar amounts for all entries.** Contact the assigned DEQ Wetland Mitigation Banking Coordinator for guidance concerning questions on line item entries.

## 2. Supporting Documentation

**Adequate documentation must be attached to the Part A submittal to support the costs included on the Project Cost Worksheet submitted with the Wetland Mitigation Banking Proposal.** Check the box in the second column on each requested line item.

- Adequate supporting documentation means either an executed contract or an invoice or letter from the vendor detailing the services to be rendered and their costs.
- For work performed by applicant employees (force account work), adequate supporting documentation means summaries that list the title or classification, hours worked, hourly wage rate, and fringe benefits (limited to 40 percent of salary) of each employee involved in WMBF project work. The services provided by each employee must be described in brief and specifically linked to the project. The term "employee" refers to permanent staff on the current payroll of either the applicant or the municipality for which the WMBF project is being constructed. Also note that the actual hours worked must be accounted for each employee; a summary of estimated hours will not be accepted when the final project costs are reviewed by the DEQ .
- For land purchases (Line 3), adequate supporting documentation means a letter from the applicant that details the location, acreage, purchase price, and need for each land purchase for which WMBF reimbursement is being sought. A copy of the written appraisal that was performed for each parcel to be purchased must be attached to this letter.
- For construction costs (Line 4), adequate supporting documentation means either the successful bidder's proposal or, if pre-qualified contractors or applicant employees perform construction the basis by which the applicant derived its cost estimate.

## 3. Line-By-Line Completion Guidance

### Line 1 – Complete/Execute Banking Agreement

The costs associated with finalizing the banking agreement and required conservation easement with the department. An applicant is required to have a signed banking agreement and conservation easement before any construction can occur. Preparation of these documents can be completed by vendors and/or the applicant's employees (force account work). For force account costs the maximum rate for fringe benefits of force account costs is 40 percent of salary. Overtime is not eligible.

### Line 2 – Engineering and Design Costs

The costs associated with final design of the wetland mitigation bank. The final design plan will need to be incorporated into the final banking agreement.

### Line 3 – Land Purchase Costs

The costs associated with purchasing land for the wetland mitigation bank should be placed on Line 3. This may include land that will be purchased under an easement conveyed to the DEQ by a private property owner to allow for the establishment of the wetland mitigation bank. Other eligible land purchase costs include:

- (1) The costs of a necessary appraisal of any property to be acquired for WMBF project construction, including any studies necessary to properly value improvements, minerals, timber, or other resources on the property.
- (2) The costs of surveys and legal boundary descriptions of any property to be acquired for WMBF project construction.
- (3) The costs of necessary services associated with the acquisition of property for WMBF project construction such as title searches, lease or easement agreement preparation, legal descriptions of the property, legal notices, and closing costs (e.g., transfer tax, evidence of title, recording fee) as well as the cost of easements purchased to provide rights to construct a wetland on privately owned property.

#### Line 4 – Construction of Bank

All costs associated with construction of the wetland mitigation bank should be included on line 4. This will include costs for construction staking, surveying, grading, planting, seeding, installation of habitat structures, installation of monitoring wells and staff gauges, installation of water control structures, etc. A cost breakdown of each item must be provided.

##### *Bid Contracts*

The costs associated with project construction that has been or will be competitively bid. It is recommended that construction work should be competitively bid. Applicants can add a reasonable contingency line item to the bidding documents. An overall total loan contingency will not be included in the loan. The costs associated with publishing bid advertisements on The Michigan Infrastructure and Transportation Association's website or in a local newspaper or other publication should be included on Line 4. The invoices for these publications should be sent to the assigned DEQ Wetland Mitigation Banking Coordinator as soon as they are received.

##### *Force Account*

The costs associated with actual construction that has been or will be performed by applicant employees. The maximum rate for fringe benefits of force account costs is 40 percent of salary.

##### *Construction Engineering*

The costs shall also include costs associated with construction engineering services, including inspections and construction oversight. An applicant may choose to use its own staff to perform inspections, either independent from or concurrent with inspection performed by a contracted engineering firm.

#### Line 5 – Monitoring/Maintenance of Bank

##### *Monitoring*

Bank sponsors are required to monitor wetlands yearly in accordance with the signed banking agreement. It is anticipated that a minimum of 5 years of monitoring will be required. A monitoring report and annual bank report are required to be submitted annually. Monitoring shall take place by a wetland professional. Equipment costs associated with monitoring (monitoring wells, stakes, flagging, transects, etc.) should be included in Line 5.

##### *Maintenance*

Most wetland projects required some form of maintenance/corrective action throughout the monitoring period. Examples of corrective action include, but are not limited to, invasive species control, re-planting, replacement of signs, removal of trash, etc. Estimated maintenance costs are 5-10% of the project total.

#### Line 6 – Other Costs

The department may approve the use of loan funds for other activities needed to establish a wetland mitigation bank upon a demonstrated need by the municipality.

#### Line 7 – Legal/Financial Service Fees

The costs associated with financial adviser services directly related to the WMBF project.

The cost to obtain a credit opinion from a recognized rating agency (e.g., Fitch's, Moody's, or Standard & Poor's) is eligible for WMBF reimbursement.

The costs associated with legal services directly related to the WMBF project.

#### Line 8 – Administrative Costs

The eligible costs associated with WMBF project administration by the applicant's employees. Appropriate supporting documentation, as delineated on Page 1 of these instructions, must be attached to the Part A submittal. Force account costs are eligible. The maximum rate for fringe benefits of force account costs is 40 percent of salary. Overtime is not eligible.

When a county serves as the applicant for one or more applicant that lacks an investment grade bond rating, the work performed by county employees is eligible for WMBF reimbursement. The salary, fringe benefits, and travel expenses of elected officials are not eligible for WMBF reimbursement.

The costs associated with a millage election held to increase the local property tax in order to pay for debt incurred in completing a WMBF project, or the costs associated with a referendum required to implement the intended method of financing, are eligible for WMBF reimbursement.

#### Line 9 – Bond Counsel Fees

The costs associated with bond counsel services rendered for the applicant and directly related to the WMBF project.

#### Line 10 – Bond Advertisement Costs

Although the applicant will not need to publish a bond advertisement since a buyer for the WMBF bonds has already been identified, it may be necessary to publish a notice of intent to sell bonds to satisfy statutory or charter requirements. The cost to publish this notice of intent is eligible for WMBF reimbursement.

Depending upon the state statute under which the applicant will be bonding to finance the WMBF project, it may be necessary to hold a public referendum. When necessary to comply with state statute, the cost to publish a referendum notice is eligible for WMBF reimbursement.



**A RESOLUTION TO TENTATIVELY AWARD  
A CONSTRUCTION CONTRACT  
FOR A WETLAND MITIGATION BANK SITE**

**WHEREAS**, the \_\_\_\_\_ (*legal name of applicant*) wishes to establish a wetland mitigation bank; and

**WHEREAS**, the wetland mitigation bank site project formally adopted on \_\_\_\_\_ (*date of final Wetland Mitigation Bank Proposal adoption*) will be funded through Michigan's *Wetland Mitigation Banking Fund (WMBF program)*; and

**WHEREAS**, the \_\_\_\_\_ (*legal name of applicant*) has sought and received construction bids for the proposed improvements and has received a low bid in the amount of \$\_\_\_\_\_ from \_\_\_\_\_ (*name of the contractor*); and

**WHEREAS**, the project engineer, \_\_\_\_\_, has recommended awarding the contract to the low bidder.

**NOW THEREFORE BE IT RESOLVED**, that the \_\_\_\_\_ (*legal name of applicant*) tentatively awards the contract for construction of a wetland mitigation bank site to \_\_\_\_\_ (*name of the contractor*), contingent upon successful financial arrangements with the WMBF Program.

Yeas:

Nays:

Abstain:

Absent:

I certify that the above Resolution was adopted by \_\_\_\_\_ (*the governing body of the applicant*) on \_\_\_\_\_.

BY: \_\_\_\_\_  
Name and Title (*please print or type*)

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

## COVENANTS AND CERTIFICATIONS

*The authorized representative for the project(s) will be asked to certify that the applicant will abide by the following covenants and certifications, which will be incorporated into the WMBF loan agreement(s). Please read all of them carefully and contact your DEQ Wetland Mitigation Banking Coordinator if you have any questions.*

1. The applicant has the legal, managerial, institutional, and financial capability to plan, design, and establish the wetland mitigation bank.
2. The applicant certifies that no undisclosed fact or event, or pending litigation, will materially or adversely affect the project, the prospects for its completion, or the applicant's ability to make timely loan repayments.
3. The applicant agrees that the rates and charges for the services of the project will be established, levied, or collected in an amount sufficient to pay the expenses of administration, operation, and maintenance of the project and to pay the principal and interest requirements on all bonds payable from revenues of the project.
4. The applicant agrees to provide all moneys in excess of bond proceeds necessary to complete the project and to maintain adequate revenues from a user-based source to fund the operation of the project.
5. The applicant agrees to maintain complete books and records relating to the construction, operation, and financial affairs of the project in accordance with generally accepted accounting principles (GAAP) and generally accepted government auditing standards (GAGAS).
6. The applicant agrees that all contracts related to the project will provide that the contractor and any subcontractor may be subject to a financial audit and must comply with GAAPs and GAGAS.
7. The applicant will maintain and carry insurance on all physical properties of the project, of the kinds and in the amounts normally carried by applicants engaged in the establishment of wetland mitigation banks. All moneys received for losses under any such insurance policies shall be applied to the replacement and restoration of the property damaged or destroyed or for repayment of the bond held by the Authority.
8. The applicant will notify the DEQ and the Authority within 30 days of the occurrence of any event which, in the judgment of the applicant, which may affect the integrity of the wetland mitigation bank site.
9. The applicant agrees to provide any necessary written authorizations to the DEQ and the Authority for the purpose of examining the wetland mitigation bank site. The applicant also agrees to require similar authorizations from all contractors, consultants, or agents with which the applicant negotiates an agreement.
10. The applicant agrees that all pertinent records shall be retained and available to the DEQ and the Authority for a minimum of three years after the actual initiation of operation of the project and that if litigation, a claim, an appeal, or an audit is begun before the end of the three-year period, records shall be retained and available for a minimum of three years after the action is completed and resolved, whichever is longer.
11. The applicant has, or will have prior to the start of construction, all applicable state and federal permits required for construction of the project and will comply with the conditions set forth in such permits.
12. The applicant will provide a status of land, easements, and leasing arrangements necessary for WMBF project construction. Prior to loan award, the applicant must have sufficient rights to the project land to ensure undisturbed building and operation of the project for its useful life.
13. The applicant agrees to not discriminate on the basis of race, color, religion, national origin, sex, handicap, or age in any activity related to the project.
14. The applicant agrees to comply with the equal employment opportunity provisions of Executive Order 11246 (September 24, 1965), as amended by Executive Order 11375 (October 13, 1967) and supplemented by U.S. Department of Labor Regulations (41 CFR Part 60).

15. If the project involves construction or property acquisition in a special flood hazard area, the applicant agrees to comply with the flood insurance purchase requirements of the Flood Disaster Protection Act of 1973 (Pub.L. 93-234) whereby the applicant will purchase flood insurance in conformance with the National Flood Insurance Program (42 U.S.C. §4001-4128).
16. If historic or archeological artifacts or remains are discovered during project construction, the applicant agrees to immediately contact the State Historic Preservation Officer and the DEQ. The applicant further agrees to discontinue work in the vicinity of the discovery until the State Historic Preservation Officer has determined the general limits and potential significance of the site. If human remains are discovered during project construction, the applicant agrees to immediately contact the State Police.
17. The applicant agrees to construct and operate the project in compliance with all other applicable state and federal laws, executive orders, regulations, policies, and procedures.
18. The applicant agrees that the project shall proceed in a timely fashion and will exercise its best efforts to complete the project in accordance with the estimated date of initiation of operation set forth in this application.
19. The applicant agrees to maintain the wetland mitigation bank site in accordance with the banking agreement.
20. The applicant agrees to not sell, lease, abandon, dispose of, or transfer its title to the project or any part thereof, including lands and interest in lands, by sale, mortgage, lease, or other encumbrances, without an effective assignment of obligations and the prior written approval of the DEQ and the Authority.
21. The applicant is certifying that it is not an Iran linked business, and that its contractors are not Iran linked to businesses as outlined in Michigan Compiled Law 129.312.
22. The applicant will certify to the best of its knowledge and belief that it, its agents, and its subcontractors are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any federal department or the state.

I certify that I am the designated authorized representative that will issue the bond(s) for this project and that the information being submitted is complete and accurate to the best of my knowledge.

I further certify that \_\_\_\_\_ (*legal name of applicant*) agrees to and will abide by the covenants, assurances and certifications stipulated above.

\_\_\_\_\_  
 Name and Title of Authorized Representative (*Please Print or Type*)

\_\_\_\_\_  
 Signature of Authorized Representative (*Original Signature Required*) Date