

**State of Michigan**  
Jennifer M. Granholm, Governor

## **Department of Natural Resources & Environment**

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# **Drinking Water Revolving Fund Final Intended Use Plan Fiscal Year 2011**

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**Prepared by:  
Revolving Loan Section  
Environmental Resource Management Division  
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DWRF Final Project Priority List (PPL) for Fiscal Year (FY) 2011  
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Category Costs for FY 2011 Final PPL

## I. INTRODUCTION

The program details of Michigan's Drinking Water Revolving Fund (DWRF) are set forth in Part 54, Safe Drinking Water Assistance, MCL 324.5401-324.5421, of the Natural Resources and Environmental Protection Act, 1994 PA 451, as amended (Act 451).

The Michigan Department of Natural Resources and Environment (DNRE) through the Environmental Resource Management Division (ERMD) administers the DWRF. In addition, the Michigan Finance Authority (Authority) is charged with administering DWRF funds through the Shared Credit Rating Act, 1985 PA 227, as amended (Act 227).

The DWRF provides reduced interest rate loan financing to qualified water suppliers to finance construction of public water systems. Projects may include new wells, new water treatment plants, storage facilities, upgrades or expansions to existing facilities, transmission lines, pumping facilities, and other related waterworks system improvements. Suppliers must meet federal and state program requirements, as well as demonstrate their ability to publicly finance their project and retire project debt. In addition to the loan provided by the DNRE, suppliers also have the option to pay for part of their project with cash and other resources.

The DWRF is a state-managed program. This final Intended Use Plan (IUP) describes how the DNRE and the Authority will jointly administer the DWRF during fiscal year (FY) 2011. The Revolving Loan Section (RLS) of the ERMD is charged with carrying out the program administration responsibilities. The Drinking Water and Environmental Health Section (DWEHS) and the Field Operations Sections of the ERMD will assess project priority, issue the necessary construction permits, and offer technical review and assistance throughout project planning, design, and construction. Financial administration of the program will be handled by the staff of the Authority.

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The U.S. Environmental Protection Agency (EPA) Region 5 staff will offer guidance and conduct annual program oversight reviews of the DWRF. The EPA serves as a helpful partner in creating and maintaining this program.

The relationship between the DNRE, the Authority, and the EPA is established in an Operating Agreement signed by authorized signatories from each agency. The Operating Agreement is incorporated into this IUP by reference and is available from the DNRE upon request.

This final IUP includes detail on specific project funding and identifies amounts to be set aside from federal capitalization grants for other uses authorized under the federal Safe Drinking Water Act (SDWA) and Part 54 of Act 451. A public hearing for the IUP and the Project Priority List (PPL) were held on August 25, 2010.

The DNRE certifies that it is recognized by the EPA as the primary agency for management of the drinking water program. The priority system was developed by the DNRE and will be used each fiscal year to determine which projects will have access to DWRF assistance. The priority system is designed to provide low interest financing to those projects that will have the greatest impact in facilitating safe drinking water supplies.

## **II. STRUCTURE OF THE DWRF**

A leveraged financing structure of the DWRF would be similar to the State Revolving Fund (SRF). For water suppliers who are municipalities with bonding authority, the DWRF would sell tax-exempt revenue bonds to provide money that would be used to reimburse communities for incurred project costs. As the DWRF reimburses suppliers, federal funds from the capitalization grant and the required state match would be deposited into the loan fund. Principal and interest payments from local borrowers would be dedicated to servicing the leveraged debt. As the DWRF project construction progresses, project funds would be disbursed to the supplier from the bonds sold.

For FY 2011, however, the DNRE will continue with a direct loan structure. In a direct loan structure, federal funds and state match, or fund assets that have 'revolved' back into the fund, are paid directly to municipal borrowers. Although a direct loan structure results in a lower lending capacity in the short-term, the long-term health/capacity of the fund is enhanced.

For borrowers who are non-municipal entities, limitations on private activity from tax-exempt issues would require the DNRE and the Authority to fund private water suppliers from funds other than tax-exempt revenue bonds. These loans will be made as direct loans with a letter of credit supplied by the private borrower or through a partnership with a

private lending institution with the state providing an insurance annuity. There are no private water suppliers on the FY 2011 final PPL.

There is a provision for subordinate investment of funds between the DWRF and the SRF. This concept permits the administrators of the two funds to make temporary investments from one fund or the other in the event that moneys are needed to service debt on the state's tax-exempt bond issues, cover deficiencies in a fund's reserve accounts, or satisfy other reserve account requirements. Only those funds periodically released from debt service reserve accounts, supplemental reserve accounts, revenue accounts, or any other account of the fund, wherein released moneys may be generated, may be used for the purposes of subordinate investment. This provision will not be exercised in FY 2011.

At each point that moneys are released, the DNRE and the Authority will undertake a "snapshot" look at both the SRF and the DWRF. For each fund, we will first examine whether we need to service debt or satisfy reserve account requirements within the fund from which the released moneys originated. Next, we will examine the other fund for the same conditions. Then, if sufficient moneys are available to satisfy requirements for each fund, the released money will pass completely through and become available for future commitments to new projects consistent with its source.

Set-asides in the DWRF are derived from the capitalization grant awarded to the state by the EPA. Set-asides are designated for specified uses within the DWRF to address areas of concern included in the reauthorization of the SDWA. Legal provisions included in Act 227, permit the Authority and DNRE to establish accounts and sub-accounts to track revenues and expenditures for the set-asides. The set-asides for program and other activities will be directly administered by the DWEHS. DWEHS staff will also be responsible for the technical assistance activities, except for those funds made available to subsidize loans to disadvantaged communities. The disadvantaged community loans will be managed by the RLS.

The following is a list of potential set-asides identified in Section 1452 of the federal SDWA.

**DWRF Administration - 4 percent**

**Technical Assistance - 2 percent**

**Program Set-asides - 10 percent**

- Public Water System Supervision
- Source Water Protection
- Capacity Development
- Operator Certification

**Other Activities - 15 percent, not to exceed 10 percent for any one activity**

- Loans for Source Water Protection
- Assistance for Capacity Development
- Implement Wellhead Protection

It is imperative to note that the program set-asides also require a one-for-one state match, in addition to the regular 20 percent state match calculated on the entire amount of the

federal capitalization grant. Thus, money diverted to these set-asides will demand a heavier investment of state or local funds.

### **III. ADVANTAGES OF THE DWRF**

The primary advantage for Michigan water suppliers will be their ability to borrow funds at interest rates below market. The DWRF interest rate is established prior to each new fiscal year. As identified in Part 54 of Act 451, determination of the interest rates is based on loan demand, market conditions, program costs, and future needs.

In setting the interest rates for FY 2011, the DNRE examined a widely used market index for general obligation municipal bonds to identify current market conditions existing at the time the final IUP is prepared. Then, to establish a rate of interest for municipal borrowers, the DNRE will consider present and future demand for DWRF assistance and the costs to comply with program requirements.

Once the interest rate is determined for municipal borrowers, the resulting interest subsidy to municipalities would be used for private borrowers. If a private borrower chose to obtain a letter of credit and receives a direct DWRF loan from the Authority, the interest rate would be determined by using the U.S. T-bill rate as the base and applying an identical percentage reduction of interest as municipalities receive. For those private borrowers who chose to obtain financing through a financial institution, the interest rate would be the lending institution's rate, reduced by an identical percentage as a municipality would receive.

The interest rate for municipal borrowers in FY 2011 is 2.5 percent and was announced at the public hearing. Private borrowers would receive an interest rate subsidy that equates to the same subsidy received by municipal borrowers.

Apart from the low interest rate, suppliers also benefit from the DWRF in that they can finance all eligible waterworks system costs. The major benefit results from the fact that water supply financing in the past has always been left to the local units of government or private entities. Historically, there has been no significant state financial assistance available to local officials in meeting water supply needs. The DWRF provides an ongoing source of funding to maintain or improve drinking water quality and public health.

### **IV. LONG-TERM GOALS**

Michigan's DWRF establishes a funding source designed to protect and preserve public health within the state's boundaries. Michigan's geographical identity as a "Great Lakes" state affords its citizens with an abundant and high quality water resource from which to draw its drinking water. Unlike many states, Michigan water supplies are plentiful and periods of restricted use are few in most communities. The great challenge for water suppliers lies in protecting the high quality of the resource, as well as ensuring that adequate volume and pressure exist to deliver potable water to the customer.

Given the limitations on pooled capital, the DNRE will work toward establishing tighter integration of the federal, state, and local partnership. The DNRE continues to examine ways to work together with various federal and state agencies, such as Rural Development and the Michigan Department of Energy, Labor and Economic Growth, so

that we may collectively fund qualifying projects and maximize use of our capital pool to achieve stated goals.

Such partnerships will ultimately benefit everyone. Industry, tourism, and day-to-day quality of life are strengthened when our most valuable natural asset is preserved and made available for use and enjoyment. To this end, Michigan's DWRF seeks the following:

- A. To maintain statewide compliance with all applicable state and federal drinking water laws, rules, and standards.
- B. To protect the public health and environmental quality of our state.
- C. To maintain source water assessment, wellhead protection, and source water protection programs.
- D. To develop strategies within the DWRF to assist smaller, economically disadvantaged communities in meeting drinking water standards.
- E. To promote the DWRF as a viable tool for use by Michigan water suppliers in financing waterworks system improvements or upgrades.
- F. To secure Michigan's full share of federal funding and to expeditiously obligate these moneys, along with the state contributions, for the construction of eligible facilities that meet state and federal requirements.
- G. To develop effective partnerships with other federal and state financing sources to promote efficiency in environmental review procedures and coordination of funding.
- H. To apply a capacity assessment program for all new and existing community and nontransient noncommunity water supplies.
- I. To continue operator certification program requirements to assure proper operation and maintenance of public water systems.

**V. SHORT-TERM GOALS**

In order to accomplish the long-term goals, we must also focus on more immediate objectives. Therefore, our short-term goals in FY 2011 are:

- A. Allocate funds equitably among those projects currently appearing on the FY 2011 final PPL that are willing and able to progress to loan closing consistent with a project milestone schedule.
- B. Ensure that the additional requirements of the 2010 capitalization grant (Davis-Bacon Act compliance, additional subsidy, and Green Project Reserve) are met, including those that are imposed on local borrowers.
- C. To continue our outreach effort to publicize the DWRF through direct mail, electronic media, newsletter publication, and meetings.

- D. To continue implementation plans for source water protection focused on statewide surface water assessments and groundwater assessments in areas tributary to the Great Lakes.
- E. To continue the state's wellhead protection program through the implementation of a matching grant program.
- F. To continue a technical assistance program for small communities.
- G. To fund projects identified on the PPL enabling them to proceed during FY 2011 with construction of facilities included in their adopted project plans.
- H. To ensure that funded projects have reviewed and considered the security needs of water systems.

**VI. ALLOCATION OF FUNDS**

The establishment of a fundable range for any given fiscal year entails a series of steps that culminate in a determination of how much fund resources could support. Using a series of assumptions (DWRf loan rate, return on investment rates, and level of capitalization) the process for FY 2011 is outlined below:

1. The DNRE reviewed the total amount of loans committed through September 30, 2010.

Total loan commitments through 9/30/2010	\$ 650,505,000
Remaining loan amount to be drawn via projects (as of 9/1/10)	\$ 63,964,243
Remaining ARRA amount to be drawn via projects (as of 9/1/10)	\$ 19,764,106

2. The DNRE assumed that the new federal capitalization grant and the appropriated state match would remain constant for the next five years (for planning purposes only). However, it should be noted that the DNRE has **no assurance** of state general fund monies to match federal funds beyond the FY 2011 capitalization grant. Since the 2008 capitalization grant, no general fund has been provided for match of the grant. The current presidential budget recommendation for the DWRf in FY 2011 is \$1.3 billion.

Balance of 2009 cap grant available for loans (as of 9/1/2010)	\$10,531,017
Balance of 2009 match (9/1/2010)	\$ 2,495,733
2010 cap grant for loans (total grant is \$41,226,000)	\$35,302,440
2010 cap grant match	\$ 8,245,200

3. After subtracting the amount needed to service existing loans, with continuation of a direct loan structure, fund resources could support \$43 million in new binding loan commitments in FY 2011. Projects in the shaded area of the PPL will receive funding in FY 2011. A direct loan structure will result in higher lending capacities in out years and maximize the fund's ability to compensate for the loss of state match funds that have resulted from general fund budget cuts in recent years.

The provision of additional subsidy is a requirement of the 2010 capitalization grant. The additional subsidy will be in the form of principal forgiveness and will not exceed

\$12,367,800 in FY 2011. When principal forgiveness is provided from available loan proceeds to projects, it greatly reduces the amount of the assets returning to the DWRF as loan repayments, which could be used to make future loans.

Principal forgiveness will be made available for projects expected to close on a loan in FY 2011. For green projects or components, principal forgiveness will not exceed 40 percent of the loan amount. For non-green projects or components, principal forgiveness will not exceed 15 percent of the loan amount. DNRE reserves the option to limit projects to the PPL binding commitment amount ensure that the 15 percent is provided equitably for the non-green projects.

Each state may transfer 33 percent of available funds between the SRF and the DWRF programs. This may occur starting one year after a state receives its first capitalization grant for project funds. At this time, Michigan does not propose to transfer funds between the SRF and DWRF programs.

## **VII. CRITERIA AND METHOD FOR DISTRIBUTION OF FUNDS - SET-ASIDES**

The DNRE has established the set-asides based on what it needs to effectively administer the program(s) and what it can utilize within the fiscal year. The split of moneys is structured to meet not only expected needs (e.g., four percent for administration), but also to target programs that can help suppliers prepare themselves to qualify for DWRF loans (e.g., technical assistance funds used to defray planning costs).

### **Administration**

Up to four percent of the federal capitalization grant can be used to administer the fund. Michigan intends to utilize the full four percent, which is \$1,649,040. Any funds not utilized in FY 2011 will be retained on account for administration costs in future years.

### **Technical Assistance**

The Technical Assistance Program for FY 2010 will use 2 percent of the federal grant award or approximately \$824,520 of the expected federal grant. Approximately \$325,000 or 2.5 full time employees (FTEs) from this set-aside will be used to support staffing for FY 2011.

**Abandoned Well Management (AWM)** - The DNRE will utilize 1.0 FTE from this set-aside to administer and conduct a statewide, comprehensive AWM Program. There are three components to the AWM Program: training of well drilling contractors and local health department (LHD) staff, development of public education materials, and enforcement of abandoned well plugging regulations. Training and consultant services are provided to 43 LHDs who implement the AWM Program in the field. In addition, the DNRE provides direct enforcement assistance and provides public education materials to community public water suppliers for distribution.

**Wellogig Data System** - The DNRE will utilize .5 FTE from this set-aside to administer the Wellogig online water well data system. Activities performed by staff include development of new applications, maintenance of existing data system structures, and training of system users.

**Small Water Systems Treatment** - The DNRE will utilize 1.0 FTE from this set-aside for technical staff who provide direct assistance to small public water systems employing treatment for compliance, especially the new treatment applications for removal of arsenic.

**Small and Disadvantaged Community Planning Assistance** - In addition, the DNRE will use available funds from this set-aside to pay for project planning costs for disadvantaged communities with less than 10,000 people who apply for DWRP assistance. Available funds will be used to provide direct financial planning assistance to certain small community water systems wishing to make improvements.

### **Program Set-Asides - \$ 2,450,000**

The DNRE intends to continue four programs in FY 2011 using program set-asides. The additional required matching funds will be provided through the Public Water System Supervision Program from state general fund and restricted fund (fee) revenue, plus the perpetual match from the FY 1993 Public Water System Supervision matching money. The following is a breakdown of the \$2,450,000 projected amount:

**Capacity Development** - State staff, augmented by contracts for services with LHDs, are being used to implement the program based upon EPA guidance and our policies for new systems. The 1998 amendments to the Michigan Safe Drinking Water Act, 1976 PA 399, as amended (Act 399), provided authorization to conduct the program. The amendments allow the DNRE to apply capacity assessment criteria to new community and nontransient noncommunity public water supplies, to DWRP applicants and existing systems selected under a state strategy. The DNRE developed guidance for these efforts using stakeholders for public participation. Capacity development activities are inherent in the job functions of staff implementing the Public Water System Supervision Program and we will continue to support these activities in FY 2011 to the extent necessary to meet current workload and maintain current level of effort.

To conduct financial capacity assessments of new community systems, DNRE staff review financial information submitted by proposed systems. Approval must be granted before these systems commence operation. The LHDs also conduct capacity assessments of new, nontransient noncommunity systems and are reimbursed for this activity. In recent years, the amount expended on conducting capacity-related assessments for new systems has decreased from previous years due to the downturn in the economy. This is expected to continue in FY 2011 unless the state's economy improves.

The DNRE will also continue to provide education and outreach efforts in FY 2011 by cosponsoring a newsletter delivered four times a year to all community public water systems. The newsletter promotes better operation and maintenance practices and provides regulatory guidance.

The DNRE proposes to utilize \$450,000 (all federal funds) for the above activities.

**Source Water Protection** – The total projected amount for this activity is \$700,000 (all federal funds). The DNRE proposes to utilize 6.0 FTEs funded through this set-aside that would be split between several activities: the Surface-Source Water

Protection Program, the Well Construction Regulation Program, and the On-Site Wastewater Program.

#### Surface-Source Water Protection

The DNRE will utilize up to .3 FTE funded through this set-aside to conduct the Surface-Source Water Protection Program serving 70 communities that use surface water as their drinking water source. The funding allows the DNRE to facilitate implementation of surface water-related source water protection activities in these communities and to initiate development of Surface Water Intake Protection Program rules.

#### Well Construction Regulation

The DNRE proposes to utilize up to 1.6 FTEs funded through this set-aside to conduct the Well Construction Regulation Program. This program serves to protect public and private drinking water source aquifers by proactively administering proper well construction practices. This program provides the first line of defense for Michigan's groundwater source drinking water supplies, by preventing contaminant entry into well intakes and protecting aquifers through field implementation of protective well drilling and decommissioning practices. The program provides training, enforcement assistance, and field consultation services to 43 LHDs, as well as training and field consultation to well installation and plugging contractors.

#### On-Site Wastewater

The DNRE proposes to utilize up to 4.6 FTEs funded through this set-aside to conduct the On-Site Wastewater Program. Previous funding through general funds to support this critical program has been eliminated due to unprecedented state budget shortfalls. This program serves to protect public health and the groundwater of the state that are used for drinking water by assuring proper treatment of effluent from individual residential and collective residential wastewater treatment and disposal systems. Administering this program in 43 LHDs to facilitate proper system design and proper operation in the field assures that effluent will receive maximum natural attenuation of microbial agents, nutrients, and other contaminants before the effluent enters the groundwater. In addition to this core activity, the DNRE would also continue to provide the following oversight activities:

- Accreditation of LHD on-site wastewater programs conducted on a three year cycle to assure compliance with DNRE minimum program requirements.
- Administration of current DNRE statewide program that regulates on-site systems with flows less than 10,000 gallons conducted by authorized LHDs.
- Administration of the current statewide review and approval process for subdivisions and condominiums that rely on individual on-site wastewater systems.
- Training and consultation of LHDs staff.

**Operator Certification** - The Operator Training and Certification Unit (OTCU) continues to administer the program through expansion and improvement to the existing Waterworks Operator Certification Program. The EPA approved the Operator Certification Program in July 2001 and has annually certified continued

compliance with the requirements of the Federal Operator Certification Guidelines. Based upon the activities required for continued program approval, the DNRE has estimated the costs to expand/revise and continue the program. Operator training is also included with this program.

The majority of the estimated annual cost of the program, \$650,000, is for permanent staff (6 FTEs). Four OTCU staff work exclusively on drinking water training and certification program issues. Reduced state resources necessitates moving partial funding for two current OTCU drinking water program staff, the program unit chief and the program unit secretary, to this funding as well. Additionally, a portion of 1.0 FTE (a Michigan Department of Technology, Management and Budget computer programmer), is assigned part-time to the OTCU to work exclusively on the OTCU database tracking system. The tracking system includes data management equipment and support services for recordkeeping and compliance tracking. Fifty thousand dollars will be used for certification examination and renewal; training services and outreach; and exam development and validation activities for community and noncommunity operators and systems. The total projected amount for the Operator Certification Program elements is \$700,000 (all federal funds).

**Public Water System Supervision** – The state is continuing to experience increasing cost to support existing staff in the drinking water program, resulting from decreasing or stable federal grants and reduced state general fund support. Work responsibilities continue to increase with implementation and promulgation of new drinking water regulations such as arsenic; LT2 Surface Water Treatment Rule, Stage 2 Disinfection By-Products; and the Ground Water Rule.

The DNRE proposes to withhold \$600,000 (all federal funds) in FY 2010 to support existing staff and the existing scope of the Public Water System Supervision Program. No additional staff is proposed. This will allow the DNRE additional management flexibility to address priority work efforts, including the highest priority activities associated with the new drinking water regulations.

#### **Wellhead Protection (Section 1452(k)) - \$1,000,000**

The DNRE has authorization under Act 399 to implement a wellhead protection matching grant program to enhance the existing voluntary state program. A stakeholder process was used for developing and promulgating administrative rules.

Approximately 2.5 FTEs support the program. In addition, contract services include: wellhead protection outreach; education and training of water system personnel; and database enhancements and maintenance. The DNRE entered a contract beginning in the fourth quarter of FY 2008 to support enhancement of Michigan Interactive Groundwater for Wellhead Protection (MIGWWP) to delineate wellhead protection areas using existing state databases, plus upgrade mapping capabilities. A Governor's Executive Directive delayed issuance of Wellhead Protection Grants in 2008. The FY 2009 work plan was modified to use the resulting unspent dollars for a Wellogic code rewrite, one of the component databases necessary to support MIGWWP. The wellhead protection grants will revert to fiscal year contracts in FY 2010 using approximately \$300,000. The grant funds are matched 100 percent by public water system awardees. The program emphasis is

scientific delineation of wellhead protection areas, obtaining state approval for complete wellhead protection programs, and implementation activities.

The following table depicts the history of wellhead protection grants in Michigan:

Fiscal Year	Number of Communities	Grant Dollars Awarded
1999	54	\$1,014,044
2000	62	\$1,080,390
2001	66	\$1,044,266
2002	85	\$1,286,589
2003	84	\$1,260,180
2004	67	\$ 857,772
2005	57	\$ 848,143
2006	50	\$ 682,029
2007	43	\$ 677,629
2008	43	\$ 699,247

**VIII. CRITERIA AND METHOD FOR DISTRIBUTION OF FUNDS - PROJECT LOANS**

Michigan’s DWRf will commit loans for qualified projects based on project plans that were submitted to the RLS by May 1, 2010. Plans were reviewed by staff of the DNRE to ensure compliance with Section 5405 of Act 451, before being placed on the draft PPL for FY 2011. The DWRf, to the maximum extent practicable, must give priority to projects that:

- address the most serious risks to human health,
- are necessary to ensure compliance with the requirements of the federal SDWA;
- in addition, assist systems most in need according to the state’s affordability requirements.

Michigan’s priority system takes these factors into account in the assignment of priority points. Acute violations receive a larger number of points than any other category. In fact, standard compliance offers over 41 percent of a project’s total possible points. All factors point to the need for the project to comply with federal drinking water requirements; affordability is addressed by the award of additional points for disadvantaged community status, and is the ultimate tiebreaker. Michigan’s priority point system is detailed in Section 5406 of Act 451.

The FY 2011 DWRf draft PPL was included as part of the IUP and was presented as part of the public hearing. The DWRf final PPL has 73 projects totaling \$362 million. This includes 24 projects and/or segments equaling \$160 million for funding in the future.

Section 1452(a)(2) of the federal SDWA requires the state to first make available 15 percent of all funds annually credited to the DWRf for financial assistance to water suppliers serving fewer than 10,000 persons. For FY 2011, Michigan must reach or exceed \$6,183,900 to satisfy this requirement.

All projects are reviewed and scored based upon the priority point system outlined in Part 54 of Act 451. Funds are made available for commitment based on the priority ranking and projects will only be funded out of order to satisfy requirements for small community assistance.

Employing the criteria found in Section 5415 of Act 451, the Director of the DNRE set the interest rate prior to the public hearing for FY 2011. The term of the loan will run up to 20 years for most projects. Those suppliers meeting disadvantaged community criteria will, however, be able to extend their terms for up to 30 years, if desired.

Part 54 of Act 451 also permits suppliers serving less than 10,000 persons to receive reimbursement of project planning costs upon delivery of an approvable project plan to the DNRE. Legislation has been passed to provide a funding mechanism for this reimbursement. Interim planning loans first became an option for DWRf applicants in FY 2001.

## **IX. PROGRAM CHANGE**

Beginning October 1, 2009, the DNRE implemented the EPA's new Disadvantaged Business Enterprise (DBE) Rule (40 CRF Part 33). The DBE rule applies specifically to **ANY** procurement made utilizing EPA financial assistance. EPA financial assistance includes DWRf funding. The new DBE rule changed substantially from the prior Minority Business Enterprise (MBE) and Women's Business Enterprises (WBE) rule. The DBE rule requires that MBE and WBE firms be certified. Certification applies to enterprises that are at least 51 percent owned and/or controlled by socially and economically disadvantaged individuals who are of good character, are citizens of the United States and have an initial and continued personal net worth of less than \$750,000.

DBE requirements apply to the DNRE, DWRf loan recipients, and the loan recipient's prime contractors. Additional information regarding the DBE requirements is available on the DNRE DWRf website ([www.michigan.gov/dnre](http://www.michigan.gov/dnre)).

## **X. DISADVANTAGED COMMUNITY STATUS**

Disadvantaged community status is determined by the DNRE based on information submitted with a supplier's project plan. To qualify, an applicant must first meet the definition of "municipality" found in Part 54 of Act 451. Next, the updated median annual household income (MAHI) of the area to be served must be less than 120 percent of the state's updated MAHI. Finally, the costs of the project must be borne by the customers in the service area. If costs are spread over a larger area, then that area must demonstrate that it meets the poverty or affordability criteria.

Once these conditions are met, a community will be awarded the disadvantaged community status if one of the following is true:

- More than 50 percent of the area to be served by the proposed project is identified as a poverty area by the U.S. Census Bureau.
- The updated MAHI of the area to be served is less than the most recently published federal poverty guidelines for a family of four in the contiguous United States.
- The updated MAHI is less than the updated statewide MAHI and the annual user costs for water supply exceed 1.5 percent of the service area's MAHI.
- The updated MAHI is more than the updated statewide MAHI and the annual user costs for water supply exceed 3 percent of the service area's MAHI.

The major benefits for qualified communities include 50 additional priority points, extension of loan terms to 30 years, and assistance to help defray the costs of preparing project plans. There are no projects on the FY 2011 final PPL that qualify for disadvantaged community status.

A complete discussion of the disadvantaged community status may be found in a guidance document prepared by the DNRE to more fully explain how a supplier can achieve the status and benefit from it. RLS staff encourages all applicants to supply the pertinent data to allow the DNRE to perform a disadvantaged community status analysis.

#### **XI. EPA AUTOMATED CLEARINGHOUSE ACTIVITIES**

The EPA employs an Automated Standard Application for Payments (ASAP) system to make disbursements of federal funds. Michigan will comply with this system's requirements and deposit funds drawn from it into appropriate accounts set up for the DWRP.

Beginning in the first quarter of FY 2011, Michigan anticipates drawing capitalization grant funds from the ASAP system.

One request for disbursement may be submitted by the local project's authorized representative (or state agencies) each month. As project costs (or program administrative/set-aside costs) are incurred, the request for disbursement of funds will be sent directly to the DNRE, who will then process the request as part of a weekly draw request. Upon delivery to its office, the Authority will execute the fund drawdown electronically by transferring money from the federal ASAP and state accounts.

Moneys will be automatically deposited into the debt service reserve account of the DWRP, while funds are electronically wired to a municipal water supplier's bank from a DWRP account. For non-municipal water suppliers, the funds will be transferred from direct federal and state capitalization amounts established specifically for the purpose of reimbursing their eligible project costs.

#### **XII. ASSURANCES**

The final guidelines from the EPA set forth provisions that the state must provide certain assurances in order to qualify for capitalization grant funding. Such assurances are incorporated into the Operating Agreement and are included here by reference.

#### **XIII. OUTPUT/OUTCOME MEASURES**

To comply with the EPA requirements on Environmental Benefits of the DWRP, Michigan estimates that the following outputs could result from project loans in FY 2011 (excluding any projects noted as future on the PPL):

- A. Output: Michigan could fund approximately 43 drinking water transmission/distribution loans in FY 2011 to construct/rehabilitate/upgrade drinking water transmission and distribution systems across the state. The total dollar amount of these applications total approximately \$146,975,050.

Outcome: The funding of these projects could result in more people receiving improved drinking water from current and existing treatment systems in Michigan.

- B. Output: Michigan could fund approximately five drinking water treatment projects in FY 2011 to construct and/or rehabilitate drinking water treatment facilities across the state. The total dollar amount of these applications total approximately \$4,869,525.

Outcome: The funding of these projects could result in improved drinking water for thousands of people in Michigan and, upon completion of the projects, facilities that meet all applicable permits and SDWA requirements.

- C. Output: Michigan could fund approximately five drinking water storage projects in FY 2011 to construct and/or rehabilitate drinking water storage facilities across the state. The total dollar amount of these applications total approximately \$8,470,956.

Outcome: The funding of these projects could result in improved drinking water and storage facilities that meet all applicable permits and SDWA requirements.

- D. Output: Michigan could fund approximately seven drinking water source projects in FY 2011 to construct and/or rehabilitate drinking water source facilities across the state. The total dollar amount of these applications total approximately \$14,260,866.

Outcome: The funding of these projects could result in improved drinking water for thousands of people across Michigan.

Please note that the number of applications will not agree with the number of loans on the PPL, as many of the project loans include work in more than one category (i.e. transmission/distribution, treatment, storage, and source).

#### **XIV. PUBLIC REVIEW AND COMMENT**

In order to satisfy public participation requirements, the DNRE held a public hearing to discuss the DWRF draft IUP on August 25, 2010. The hearing was publicly noticed in the Detroit Legal News, the Lansing State Journal, and the Marquette Mining Journal; posted on the DNRE calendar of events; mailed to all persons and engineering firms on our newsletter mailing list, and individually noticed to each water supplier on the FY 2011 draft PPL. These sources promote the hearing to ensure maximum public input from those interested in the DWRF. The hearing affords stakeholders and other interested parties an opportunity to hear and comment on how the DNRE plans to disburse the DWRF loan funds. All comments will be responded to upon the close of the hearing record.

Questions about the DWRF final IUP may be directed to:

**Ms. Sonya T. Butler, Chief  
Revolving Loan Section  
Environmental Resource Management Division  
Department of Natural Resources & Environment  
P.O. Box 30241  
Lansing, MI 48909-7741  
517-373-2161  
Fax: 517-335-0743**

**XV. ORINATION OF DOCUMENTS**

The ERMD is responsible for issuing the DWRF final IUP and its accompanying information.

DWRF

## Drinking Water Revolving Fund Current PPL Fiscal Year 2011 Project Priority List - By Rank

DWRF

Project No.	Loanee	Location	Description	Population	Total Points	Binding Commitment Date	Binding Commitment Amount
7333-01	Ann Arbor	Washtenaw Co	Water sys impr	120,000	800	6/3/2011	3,970,000
7325-01	Ann Arbor	Washtenaw Co	Repl mains, WTP imp	120,000	800	11/23/2010	5,500,000
7350-01	Three Rivers	St Joseph Co	WTP impr; main repl/looping	7,180	780	6/3/2011	5,120,000
7338-01	Cadillac	Wexford Co	New wells/main	10,245	765	8/26/2011	3,855,000
7340-01	Genesee Co	Genesee Co	Phase 1 trans mains	145,100	725	3/11/2011	1,820,000
7361-01	Allegan	Allegan Co	Repl mains; river crossing (Phase 2)	5,092	630	3/11/2011	980,000
7365-01	Grand Rapids	Kent Co	Water Sys Impr (SE Tank)	296,973	615	8/26/2011	3,980,000
7346-01	Grand Rapids	Kent Co	Water Sys Impr (LMFP VFD;S. Walker)	296,973	615	3/11/2011	2,430,000
7364-01	Grand Rapids	Kent Co	Water Sys Impr (Dean Lake)	296,973	615	6/3/2011	1,380,000
7336-01	Constantine	St Joseph Co	New well, strg tank, trans main	2,200	595	6/3/2011	1,955,000
7294-01	Dexter	Washtenaw Co	WM Repl	3,557	555	3/11/2011	1,300,000
7309-01	Pittsfield Twp	Washtenaw Co	Trans WM	35,413	540	8/26/2011	3,250,000
7278-01	Plainfield Twp	Kent Co	Filter/trans impr; repl mains/looping	43,506	540	3/11/2011	7,775,000
7360-01	Manistee	Manistee Co	Repl mains; well impr (Phase 2)	6,517	530	3/11/2011	775,000
7269-01	Howell	Livingston Co	Repl mains (Phase 3)	9,821	530	11/23/2010	3,140,000
7282-01	Holland	Ottawa Co	Interconnect; new transfer pump	57,483	500	8/26/2011	6,320,000
7335-01	Pontiac	Oakland Co	Trans mains looping; tank scada; WM repl	67,133	475	6/3/2011	5,455,000
7363-01	Marquette	Marquette Co	Water sys impr (Phase 2)	20,457	465	3/11/2011	2,425,000
7310-01	Flint	Genesee Co	PS upgrd; trans main repl	118,465	450	3/11/2011	13,870,000
7314-01	South Lyon	Oakland Co	Repl mains, add. LS pump	11,035	440	6/3/2011	6,260,000
7299-01	Northville Twp	Wayne Co	Repl mains & booster stn upgrd	26,969	415	3/11/2011	1,960,000
7337-01	Ottawa Co Rd Comr	NOWS	New trans/backwash tank; pump impr	49,454	415	3/11/2011	5,835,000
7329-01	Grand Blanc Twp	Genesee Co	Trans main; 500,000 gal ground strg tank	35,015	390	8/26/2011	5,605,000
7302-01	Warren	Macomb Co	Repl water meters; PRVs (Phases 1 and 2)	134,457	350	11/23/2010	10,980,000
7281-01	Kentwood	Kent Co	New trans; repl mains; looping	33,900	340	3/11/2011	5,405,000
7348-01	Escanaba	Delta Co	New intake; strg impr	13,700	340	3/11/2011	3,425,000
7344-01	Marysville	St. Clair Co	Intake Rehab; WTP Sedimentation Basins	9,964	330	6/3/2011	3,000,000
7352-01	Port Huron	St Clair Co	Repl mains (Water St)	54,205	325	3/11/2011	1,400,000
7274-01	Dearborn	Wayne Co	Repl mains (Phase 2)	90,107	325	3/11/2011	3,540,000
7316-01	Macomb Twp	Macomb Co	Repl trans main, repl mains, main ext	75,052	325	6/3/2011	3,965,000
7355-01	Livonia	Wayne Co	Phase 1 WM Repl; PRV	95,269	325	6/3/2011	7,960,000
7349-01	St Clair Shores	Macomb Co.	WM Repl	59,879	325	3/11/2011	5,115,000
7196-01	Southfield	Oakland Co	Repl mains (Phase 1)	76,267	325	8/26/2011	15,520,000
7339-01	Wayne Co	Sumpter Twp	WM Repl	11,994	315	6/3/2011	105,000
7306-01	Port Huron	St Clair Co	Repl mains; looping (Erie N)	31,725	315	11/23/2010	2,575,000
7256-01	Redford Twp	Wayne Co	Repl mains/ looping	48,285	315	8/26/2011	4,320,000
7330-01	Macomb Twp	Macomb Co	Trans main; looping	24,576	315	6/3/2011	3,380,000
7343-01	Port Huron	St Clair Co	Repl main; looping (21st St)	31,725	315	3/11/2011	5,600,000
7231-01	Ecorse	Wayne Co	Repl mains/redundancy	11,229	315	3/11/2011	2,425,000

DWRF

Drinking Water Revolving Fund Current PPL  
Fiscal Year 2011 Project Priority List - By Rank

DWRF

Project No.	Loanee	Location	Description	Population	Total Points	Binding Commitment Date	Binding Commitment Amount
7300-01	Melvindale	Wayne Co	Repl mains/services; looping	10,734	315	3/11/2011	3,600,000
7244-01	River Rouge	Wayne Co	Repl mains/meters/valves (Phase 1)	9,395	305	6/3/2011	4,675,000
7323-01	YCUA	Washtenaw Co	Repl mains (Ford Blvd)	74,537	300	3/11/2011	380,000
7320-01	YCUA	Washtenaw Co	Repl mains (E. Michigan Ave)	74,537	300	3/11/2011	390,000
7324-01	YCUA	Washtenaw Co	Repl mains (Holmes Rd Ph 3)	74,537	300	3/11/2011	1,645,000
7322-01	YCUA	Washtenaw Co	Repl mains (E. Clark Rd)	74,537	300	3/11/2011	2,330,000
7291-01	Royal Oak Twp	Oakland Co	Repl mains	2,660	295	8/26/2011	805,000
7295-01	Mt Clemens	Macomb Co	New WM	19,605	290	3/11/2011	880,000
7296-01	Clinton Twp	Macomb Co	Repl mains	95,648	225	8/26/2011	8,005,000
7290-01	Wayne	Wayne Co	Upgrd meters w/ cent read sys; repl mains	18,200	215	6/3/2011	4,465,000
49	Projects						\$ 200,850,000

DWRP

Drinking Water Revolving Fund Green Projects  
Fiscal Year 2011 in Project Priority List Order

DWRP

Project No.	Loanee	Location	Project Description	GPR Amt	Binding Commitment Amt	Type of GPR	
						Categorical	Business Case
7350-01	Three Rivers	St Joseph Co	WTP impr; main repl/looping	\$ 2,881,500	\$ 5,120,000		X
7338-01	Cadillac	Wexford Co	New wells/main	\$ 457,000	\$ 3,855,000		X
7361-01	Allegan	Allegan Co	Repl mains; river crossing (Phase 2)	\$ 800,000	\$ 980,000		X
7346-01	Grand Rapids	Kent Co	Water Sys Impr (LMFP VFD;S. Walker)	\$ 750,000	\$ 2,430,000		X
7294-01	Dexter	Washtenaw Co	WM Repl	\$ 1,300,000	\$ 1,300,000		X
7278-01	Plainfield Twp	Kent Co	Filter/trans impr; repl mains/looping	\$ 1,899,000	\$ 7,775,000		X
7269-01	Howell	Livingston Co	Repl mains (Phase 3)	\$ 3,140,000	\$ 3,140,000		X
7363-01	Marquette	Marquette Co	Water sys impr (Phase 2)	\$ 1,849,000	\$ 2,425,000		X
7314-01	South Lyon	Oakland Co	Repl mains, add. LS pump	\$ 5,780,000	\$ 6,260,000		X
7337-01	Ottawa Co Rd Commi	NOWS	New trans/backwash tank; pump impr	\$ 490,000	\$ 5,835,000		X
7302-01	Warren	Macomb Co	Repl water meters; PRVs (Phases 1 and 2)	\$ 10,980,000	\$ 10,980,000	X	
7281-01	Kentwood	Kent Co	New trans; repl mains; looping	\$ 2,830,000	\$ 5,405,000		X
7344-01	Marysville	Marysville	Intake Rehab; WTP Sedimentation Basins	\$ 1,055,000	\$ 3,000,000		X
7352-01	Port Huron	St Clair Co	Repl mains (Water St)	\$ 1,400,000	\$ 1,400,000		X
7355-01	Livonia	Wayne Co	Phase 1 WM Repl; PRV	\$ 5,930,000	\$ 7,960,000		X
7349-01	St. Clair Shores	Macomb Co.	WM Repl	\$ 5,115,000	\$ 5,115,000		X
7196-01	Southfield	Oakland Co	Repl mains (Phase 1)	\$ 15,520,000	\$ 15,520,000		X
7343-01	Port Huron	St Clair Co	Repl main; looping	\$ 5,600,000	\$ 5,600,000		X
7300-01	Melvindale	Wayne Co	Repl mains/services; looping	\$ 3,600,000	\$ 3,600,000		X
7323-01	YCUA	Washtenaw Co	Repl mains (Ford Blvd)	\$ 380,000	\$ 380,000		X
7320-01	YCUA	Washtenaw Co	Repl mains (E. Michigan Ave)	\$ 390,000	\$ 390,000		X
7324-01	YCUA	Washtenaw Co	Repl mains (Holmes Rd Ph 3)	\$ 1,645,000	\$ 1,645,000		X
7322-01	YCUA	Washtenaw Co	Repl mains (E. Clark Rd)	\$ 2,330,000	\$ 2,330,000		X
7290-01	Wayne	Wayne Co	Upgrd meters w/ cent read sys; repl mains	\$ 2,315,000	\$ 4,465,000		X
				<b>\$ 76,121,500</b>	<b>\$ 102,445,000</b>		

DWRF

Drinking Water Revolving Fund Future Projects  
Fiscal Year 2011 in Project Priority List Order

DWRF

Project No.	Loanee	Location	Project Description	Total Points	Binding Commitment Date	Binding Commitment Amount
7362-01	Ann Arbor	Washtenaw Co	Water sys imp	120,000	800	2,340,000
7341-01	Genesee Co	Genesee Co	Phase 2 trans mains	145,100	725	1,060,000
7313-01	Monroe Co	Exeter Twp	New WM Service (District 4-B)	1,196	695	3,980,000
7328-01	Allegan	Allegan Co	New stg; main repl/looping (future phases)	5,092	630	4,350,000
7347-01	Grand Rapids	Kent Co	Water Sys Impr (future phases)	296,973	615	32,525,000
7238-01	St Joseph	Berrien Co	WTP upgrade (future phase)	27,836	540	9,970,000
7331-01	Manistee	Manistee Co	Repl/loop mains; well impr; meters (Future phases)	6,517	530	1,585,000
7285-01	Marquette	Marquette Co	Water sys impr (future phases)	20,457	465	4,115,000
7311-01	Flint	Genesee Co	Trans main repl	118,645	450	18,250,000
7271-01	St Joseph	Berrien Co	Repl/loop mains (Upton/Ridgeway); River crossing	27,836	440	540,000
7272-01	St Joseph	Berrien Co	Repl/loop mains (Morton/Wolcott/Orchard)	27,836	440	3,340,000
7010-99	Sault Ste Marie	Chippewa Co	Repl mains @ CSO areas (future phases)	14,903	365	3,315,000
7303-01	Warren	Macomb Co	Repl mains (Phase 3)	134,457	350	11,545,000
7357-01	Livonia	Wayne Co	Phase 3 WM Repl	95,269	325	3,420,000
7359-01	Livonia	Wayne Co	Phase 5 WM Repl	95,269	325	3,420,000
7326-01	Dearborn	Wayne Co	Repl mains (Phase 3)	90,107	325	4,000,000
7222-01	YCUA	Washtenaw Co	Repl mains; looping (Eastlawn area)	74,537	325	3,335,000
7327-01	Dearborn	Wayne Co	Repl mains (Phase 4)	90,107	325	4,295,000
7358-01	Livonia	Wayne Co	Phase 4 WM Repl	95,269	325	4,910,000
7175-01	YCUA	Washtenaw Co	Repl mains; looping (Rawsonville area)	74,537	325	4,740,000
7356-01	Livonia	Wayne Co	Phase 2 WM Repl	95,269	325	6,460,000
7173-01	YCUA	Washtenaw Co	Future phases (through FY2015)	74,537	325	17,055,000
7131-01	Port Huron	St Clair Co	Repl mains; looping (future phases)	31,725	315	10,350,000
7298-01	Belleville	Wayne Co	Repl mains/services	3,860	305	1,500,000
24	Projects					160,400,000

Category Description	Points	7010-99	7131-01	7173-01	7175-01	7196-01	7222-01	7231-01	7238-01	7244-01	7256-01	7269-01	7271-01	7272-01	7274-01	7278-01	7281-01	7282-01
<b>DRINKING WATER SYSTEM COMPLIANCE - TOTAL</b>	<b>450 (max)</b>	150	150	150	150	150	150	150	375	150	150	150	150	150	150	150	150	150
Acute Viol. of DW Standards, Health Advisory Levels, SWTT, Disease	250																	
Non-Acute Viol. of DW Standards, Health Advisory Levels, SWTT, Disease	200						■		■									
Facility Upgrade to Maintain Compliance	150	■	■	■	■	■		■	■	■	■	■	■	■	■	■	■	■
Aesthetic Upgrades to Maintain Compliance	25								■									
<b>INFRASTRUCTURE IMPROVEMENTS/UPGRADES - TOTAL</b>	<b>350 (max)</b>	125	125	125	125	125	125	125	125	125	125	250	250	250	125	250	150	200
Source/Treatment w/ Connecting Mains	125 (max)	0	0	0	0	0	125	125	125	125	0	100	0	0	0	125	0	125
Meet Minimum Capacity	100						■	■	■	■		■				■		■
Reliability	75								■									■
Other Upgrades	25						■	■	■	■						■		
Enforcement Action	25																	
Source Water Protection	50								■									
Transmission/Distribution Mains	125 (max)	125	125	125	125	125	0	0	0	0	125	125	125	125	125	125	125	75
Meet Minimum Capacity	100	■	■	■	■	■					■	■	■	■	■	■	■	
Reliability	75	■	■	■							■		■	■	■	■	■	■
Other Upgrades	25	■	■	■	■	■						■			■		■	
Enforcement Action	25																	
Storage Facilities/Pumping Stations	125 (max)	0	0	0	0	0	0	0	0	0	0	25	125	125	0	0	25	0
Meet Minimum Capacity	100												■	■				
Reliability	75																	
Other Upgrades	25											■	■	■			■	
Enforcement Action	25																	
<b>POPULATION - TOTAL</b>	<b>50 (max)</b>	40	40	50	50	50	50	40	40	30	40	30	40	40	50	40	40	50
0-500	10		■															
501-3,300	20			■	■		■											
3,301-10,000	30	■								■		■						
10,001-50,000	40	■	■			■		■	■	■	■	■	■	■		■	■	
>50,000	50			■	■	■	■	■	■		■	■			■		■	■
<b>DISADVANTAGED COMMUNITY - TOTAL</b>	<b>50 (max)</b>	50	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Granted	50	■																
<b>CONSOLIDATION - TOTAL</b>	<b>100 (max)</b>	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Achieve Compliance	100																	
Correct Deficiencies	60																	
Other	40																	
<b>COMP. WELLHEAD/SOURCE WATER PROTECT PLANS - TOTAL</b>	<b>100 (max)</b>	0	0	0	0	0	0	0	0	0	0	100	0	0	0	100	0	100
Granted	100											■				■		■
<b>TOTAL PRIORITY POINTS ASSIGNED</b>	<b>1000 (max)</b>	365	315	325	325	325	325	315	540	305	315	530	440	440	325	540	340	500

Category Description	Points	7285-01	7290-01	7291-01	7294-01	7295-01	7296-01	7298-01	7299-01	7300-01	7302-01	7303-01	7306-01	7309-01	7310-01	7311-01	7313-01	7314-01	
<b>DRINKING WATER SYSTEM COMPLIANCE - TOTAL</b>	<b>450 (max)</b>	150	150	150	150	150	150	150	150	150	150	150	150	150	150	150	150	450	150
Acute Viol. of DW Standards, Health Advisory Levels, SWTT, Disease	250																	■	
Non-Acute Viol. of DW Standards, Health Advisory Levels, SWTT, Disease	200																	■	
Facility Upgrade to Maintain Compliance	150	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■			■
Aesthetic Upgrades to Maintain Compliance	25																		
<b>INFRASTRUCTURE IMPROVEMENTS/UPGRADES - TOTAL</b>	<b>350 (max)</b>	275	25	125	275	100	25	125	225	125	150	150	125	350	250	250	125	250	
Source/Treatment w/ Connecting Mains	125 (max)	125	0	0	125	0	0	0	0	0	25	25	0	125	0	0	0	125	
Meet Minimum Capacity	100	■			■									■				■	
Reliability	75				■													■	
Other Upgrades	25	■			■						■			■					
Enforcement Action	25											■							
Source Water Protection	50																		
Transmission/Distribution Mains	125 (max)	125	25	125	125	100	25	125	100	125	125	125	125	125	125	125	125	125	
Meet Minimum Capacity	100	■		■	■				■	■	■	■	■	■	■	■	■	■	
Reliability	75	■		■		■			■	■	■	■	■	■	■	■	■	■	
Other Upgrades	25	■	■		■	■	■	■	■	■	■	■		■	■	■			
Enforcement Action	25																		
Storage Facilities/Pumping Stations	125 (max)	25	0	0	25	0	0	0	125	0	0	0	0	125	125	125	0	0	
Meet Minimum Capacity	100								■					■	■	■			
Reliability	75													■	■	■			
Other Upgrades	25	■			■				■					■	■	■			
Enforcement Action	25																		
<b>POPULATION - TOTAL</b>	<b>50 (max)</b>	40	40	20	30	40	50	30	40	40	50	50	40	40	50	50	20	40	
0-500	10																		
501-3,300	20			■													■		
3,301-10,000	30				■			■											
10,001-50,000	40	■	■			■			■	■			■	■				■	
>50,000	50						■				■	■			■	■			
<b>DISADVANTAGED COMMUNITY - TOTAL</b>	<b>50 (max)</b>	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Granted	50																		
<b>CONSOLIDATION - TOTAL</b>	<b>100 (max)</b>	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	100	0	
Achieve Compliance	100																■		
Correct Deficiencies	60																		
Other	40																		
<b>COMP. WELLHEAD/SOURCE WATER PROTECT PLANS - TOTAL</b>	<b>100 (max)</b>	0	0	0	100	0	0	0	0	0	0	0	0	0	0	0	0	0	
Granted	100				■														
<b>TOTAL PRIORITY POINTS ASSIGNED</b>	<b>1000 (max)</b>	465	215	295	555	290	225	305	415	315	350	350	315	540	450	450	695	440	

Category Description	Points	7316-01	7320-01	7322-01	7323-01	7324-01	7325-01	7326-01	7327-01	7328-01	7329-01	7330-01	7331-01	7333-01	7335-01	7336-01	7337-01	7338-01
<b>DRINKING WATER SYSTEM COMPLIANCE - TOTAL</b>	<b>450 (max)</b>	150	150	150	150	150	400	150	150	150	150	150	175	400	150	150	150	375
Acute Viol. of DW Standards, Health Advisory Levels, SWTT, Disease	250						■							■				
Non-Acute Viol. of DW Standards, Health Advisory Levels, SWTT, Disease	200																	■
Facility Upgrade to Maintain Compliance	150	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■
Aesthetic Upgrades to Maintain Compliance	25												■					■
<b>INFRASTRUCTURE IMPROVEMENTS/UPGRADES - TOTAL</b>	<b>350 (max)</b>	125	100	100	100	100	250	125	125	350	200	125	225	250	275	325	125	250
Source/Treatment w/ Connecting Mains	125 (max)	0	0	0	0	0	125	0	0	125	0	0	100	125	125	125	125	125
Meet Minimum Capacity	100						■			■				■	■	■	■	■
Reliability	75						■			■			■	■	■			■
Other Upgrades	25						■			■			■	■		■	■	■
Enforcement Action	25																	
Source Water Protection	50									■						■		
Transmission/Distribution Mains	125 (max)	125	100	100	100	100	125	125	125	125	100	125	125	125	125	75	0	125
Meet Minimum Capacity	100	■	■	■	■	■	■	■	■	■	■	■	■	■	■			■
Reliability	75	■						■	■	■		■	■	■	■	■		■
Other Upgrades	25						■	■	■				■	■	■			
Enforcement Action	25																	
Storage Facilities/Pumping Stations	125 (max)	0	0	0	0	0	0	0	0	100	100	0	0	0	25	125	0	0
Meet Minimum Capacity	100									■	■					■		
Reliability	75																	
Other Upgrades	25														■	■		
Enforcement Action	25																	
<b>POPULATION - TOTAL</b>	<b>50 (max)</b>	50	50	50	50	50	50	50	50	30	40	40	30	50	50	20	40	40
0-500	10																	
501-3,300	20															■		
3,301-10,000	30									■			■					
10,001-50,000	40										■	■					■	■
>50,000	50	■	■	■	■	■	■	■	■				■	■				
<b>DISADVANTAGED COMMUNITY - TOTAL</b>	<b>50 (max)</b>	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Granted	50																	
<b>CONSOLIDATION - TOTAL</b>	<b>100 (max)</b>	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Achieve Compliance	100																	
Correct Deficiencies	60																	
Other	40																	
<b>COMP. WELLHEAD/SOURCE WATER PROTECT PLANS - TOTAL</b>	<b>100 (max)</b>	0	0	0	0	0	100	0	0	100	0	0	100	100	0	100	100	100
Granted	100						■			■			■	■		■	■	■
<b>TOTAL PRIORITY POINTS ASSIGNED</b>	<b>1000 (max)</b>	325	300	300	300	300	800	325	325	630	390	315	530	800	475	595	415	765

Category Description	Points	7339-01	7340-01	7341-01	7343-01	7344-01	7346-01	7347-01	7348-01	7349-01	7350-01	7352-01	7355-01	7356-01	7357-01	7358-01	7359-01	7360-01
<b>DRINKING WATER SYSTEM COMPLIANCE - TOTAL</b>	<b>450 (max)</b>	150	450	450	150	150	175	175	150	150	375	150	150	150	150	150	150	175
Acute Viol. of DW Standards, Health Advisory Levels, SWTT, Disease	250																	
Non-Acute Viol. of DW Standards, Health Advisory Levels, SWTT, Disease	200		■	■							■							
Facility Upgrade to Maintain Compliance	150	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■
Aesthetic Upgrades to Maintain Compliance	25		■				■	■			■							■
<b>INFRASTRUCTURE IMPROVEMENTS/UPGRADES - TOTAL</b>	<b>350 (max)</b>	125	125	125	125	150	350	350	150	125	275	125	125	125	125	125	125	225
Source/Treatment w/ Connecting Mains	125 (max)	0	0	0	0	125	125	125	125	0	125	0	0	0	0	0	0	100
Meet Minimum Capacity	100					■	■	■	■		■							
Reliability	75					■												■
Other Upgrades	25								■									■
Enforcement Action	25						■	■			■							
Source Water Protection	50																	
Transmission/Distribution Mains	125 (max)	125	125	125	125	25	125	125	0	125	125	125	125	125	125	125	125	125
Meet Minimum Capacity	100	■	■	■	■		■	■		■	■	■	■	■	■	■	■	■
Reliability	75		■	■	■		■	■			■		■	■	■	■	■	■
Other Upgrades	25	■	■	■		■				■	■	■	■	■	■	■	■	■
Enforcement Action	25										■							
Storage Facilities/Pumping Stations	125 (max)	0	0	0	0	0	125	125	25	0	25	0	0	0	0	0	0	0
Meet Minimum Capacity	100						■	■										
Reliability	75						■	■										
Other Upgrades	25								■		■							
Enforcement Action	25																	
<b>POPULATION - TOTAL</b>	<b>50 (max)</b>	40	50	50	40	30	50	50	40	50	30	50	50	50	50	50	50	30
0-500	10																	
501-3,300	20																	
3,301-10,000	30					■					■							■
10,001-50,000	40	■			■				■									
>50,000	50		■	■			■	■		■		■	■	■	■	■	■	
<b>DISADVANTAGED COMMUNITY - TOTAL</b>	<b>50 (max)</b>	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Granted	50																	
<b>CONSOLIDATION - TOTAL</b>	<b>100 (max)</b>	0	100	100	0	0	40	40	0	0	0	0	0	0	0	0	0	0
Achieve Compliance	100		■	■														
Correct Deficiencies	60																	
Other	40						■	■										
<b>COMP. WELLHEAD/SOURCE WATER PROTECT PLANS - TOTAL</b>	<b>100 (max)</b>	0	0	0	0	0	0	0	0	0	100	0	0	0	0	0	0	100
Granted	100										■							■
<b>TOTAL PRIORITY POINTS ASSIGNED</b>	<b>1000 (max)</b>	315	725	725	315	330	615	615	340	325	780	325	325	325	325	325	325	530

Category Description	Points	7361-01	7362-01	7363-01	7364-01	7365-01													
<b>DRINKING WATER SYSTEM COMPLIANCE - TOTAL</b>	<b>450 (max)</b>	150	400	150	175	175													
Acute Viol. of DW Standards, Health Advisory Levels, SWTT, Disease	250		■																
Non-Acute Viol. of DW Standards, Health Advisory Levels, SWTT, Disease	200																		
Facility Upgrade to Maintain Compliance	150	■	■	■	■	■													
Aesthetic Upgrades to Maintain Compliance	25				■	■													
<b>INFRASTRUCTURE IMPROVEMENTS/UPGRADES - TOTAL</b>	<b>350 (max)</b>	350	250	275	350	350													
Source/Treatment w/ Connecting Mains	125 (max)	125	125	125	125	125													
Meet Minimum Capacity	100	■	■	■	■	■													
Reliability	75	■	■																
Other Upgrades	25	■	■	■															
Enforcement Action	25				■	■													
Source Water Protection	50																		
Transmission/Distribution Mains	125 (max)	125	125	125	125	125													
Meet Minimum Capacity	100	■	■	■	■	■													
Reliability	75	■		■	■	■													
Other Upgrades	25		■	■															
Enforcement Action	25																		
Storage Facilities/Pumping Stations	125 (max)	100	0	25	125	125													
Meet Minimum Capacity	100	■			■	■													
Reliability	75				■	■													
Other Upgrades	25			■															
Enforcement Action	25																		
<b>POPULATION - TOTAL</b>	<b>50 (max)</b>	30	50	40	50	50													
0-500	10																		
501-3,300	20																		
3,301-10,000	30	■																	
10,001-50,000	40			■															
>50,000	50		■		■	■													
<b>DISADVANTAGED COMMUNITY - TOTAL</b>	<b>50 (max)</b>	0	0	0	0	0													
Granted	50																		
<b>CONSOLIDATION - TOTAL</b>	<b>100 (max)</b>	0	0	0	40	40													
Achieve Compliance	100																		
Correct Deficiencies	60																		
Other	40				■	■													
<b>COMP. WELLHEAD/SOURCE WATER PROTECT PLANS - TOTAL</b>	<b>100 (max)</b>	100	100	0	0	0													
Granted	100	■	■																
<b>TOTAL PRIORITY POINTS ASSIGNED</b>	<b>1000 (max)</b>	630	800	465	615	615													

**Michigan Drinking Water Revolving Fund  
Estimated Category Costs for FY 2011 Final Project Priority List (PPL)**

Project No.	Transmission/Distribution	Treatment	Storage	Source	Other	Total
7196-01	15,520,000					15,520,000
7231-01	2,425,000					2,425,000
7244-01	4,675,000					4,675,000
7256-01	4,320,000					4,320,000
7269-01	3,140,000					3,140,000
7274-01	3,540,000					3,540,000
7278-01	5,797,365	32,851	1,944,784			7,775,000
7281-01	5,405,000					5,405,000
7282-01					6,320,000	6,320,000
7290-01	2,147,789				2,317,211	4,465,000
7291-01	805,000					805,000
7294-01	1,300,000					1,300,000
7295-01	880,000					880,000
7296-01	8,005,000					8,005,000
7299-01	1,960,000					1,960,000
7300-01	3,600,000					3,600,000
7302-01	1,584,258				9,395,742	10,980,000
7306-01	2,575,000					2,575,000
7309-01	3,250,000					3,250,000
7310-01	9,790,588				4,079,412	13,870,000
7314-01	5,778,462	481,538				6,260,000
7316-01	3,965,000					3,965,000
7320-01	390,000					390,000
7322-01	2,330,000					2,330,000
7323-01	380,000					380,000
7324-01	1,645,000					1,645,000
7325-01	4,205,882				1,294,118	5,500,000
7329-01	4,524,800		1,080,200			5,605,000
7330-01	3,380,000					3,380,000
7333-01	2,118,601			1,851,399		3,970,000
7335-01	5,455,000					5,455,000
7336-01	195,000		1,025,000	735,000		1,955,000
7337-01				5,119,000	716,000	5,835,000
7338-01	887,269			2,967,731		3,855,000
7339-01	105,000					105,000
7340-01	1,820,000					1,820,000
7343-01	5,600,000					5,600,000
7344-01		2,500,000		500,000		3,000,000
7346-01	1,658,880				771,120	2,430,000
7348-01			440,972	2,984,028		3,425,000
7349-01	5,115,000					5,115,000
7350-01	3,375,000	1,745,000				5,120,000
7352-01	1,400,000					1,400,000
7355-01	7,960,000					7,960,000
7360-01	671,292			103,708		775,000
7361-01	980,000					980,000
7363-01	2,314,864	110,136				2,425,000
7364-01					1,380,000	1,380,000
7365-01			3,980,000			3,980,000
	<b>146,975,050</b>	<b>4,869,525</b>	<b>8,470,956</b>	<b>14,260,866</b>	<b>26,273,603</b>	<b>200,850,000</b>

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