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# The Loan Arranger

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**Fall/Winter  
2015**

Revolving Loan Section  
Office of Drinking Water and Municipal Assistance  
Michigan Department of Environmental Quality



## **Project Highlight: Farmington Hills Evergreen Farmington Sewage Disposal System (EFSDS)**

*by Karen Nickols*

In September 2014, the Oakland County Water Resources Commissioner's Office received an SRF loan to construct a 7,710-foot-long, 9-foot-diameter, 3.7-million-gallon transport/storage tunnel under Middlebelt Road from I-696 to 13 Mile Road in Farmington Hills. The cost of the project is \$36,855,000.

During wet weather events, the flows in the sanitary collection system upstream of 13 Mile Road exceed the existing pipe size downstream causing a bottleneck reaction within the sewer, resulting in surcharging of the upstream sewers and ultimately sanitary sewer overflows. The intent of the tunnel project is to temporarily store excess wet weather flows within the Farmington Arm of the EFSDS until such time that the wet weather peaks pass and downstream pipe capacities allow for the controlled release back into the sewage disposal system. The project is intended to positively impact the communities of Keego Harbor, Farmington Hills, West Bloomfield, and Orchard Lake by reducing the occurrences of sanitary sewer overflows within these areas. The project is currently under construction and has an expected completion date of November 2016.



The operator control segment of the tunnel boring machine.

The Revolving Loan Section commends the Oakland County Water Resources Commissioner's Office and the communities within the EFSDS for addressing this wastewater infrastructure need.



A segment of the tunnel boring machine in the entrance shaft. Tunnel entrance is on the right.



from Chip Heckathorn

**Project Planning Done Right  
(some things never change)**

updated by J. Berman and J. Merchant 2015



The key to any successful State Revolving Fund or Drinking Water Revolving Fund project lies in the quality of an applicant's project planning. In completing a project plan, an applicant undertakes a detailed examination of its existing system and projected needs over a 20-year planning period, and then selects the alternative that best meets those needs. A critical and necessary element of the planning effort involves addressing federal crosscutting authorities and determining what state permits will be required. This is accomplished while ascertaining the potential impacts the project will have on resources regulated under these programs.

A number of the crosscutting/permitting authorities rest with the Department of Environmental Quality's (DEQ) Water Resources Division (WRD), including:

- Wetlands
- Floodplains
- Great Lakes Shorelines
- Great Lakes Submerged Lands
- Inland Lakes and Streams
- Soil Erosion and Sedimentation Control
- Sand Dunes Protection

During project planning, applicants are required to contact the WRD, provide a detailed description of the proposed project, and using input from WRD staff, provide a discussion of the impacts the proposed project will have on these resources. The plan must evaluate alternatives and propose measures to mitigate (i.e. lessen and/or compensate for) those resource impacts that cannot be avoided.

In many instances, this evaluation will result in the realization that one or more WRD permits will be necessary. Although it can be argued that these permits are not necessary until construction starts, it is in the best interest of all involved to apply for and obtain these permits as early as possible. The application information and permit conditions will, in some cases, provide the information necessary to adequately complete the project plan review process and complete the state authored Environmental Assessment.

You should maintain close contact with your assigned DEQ project manager during preparation of the project plan. He/she can provide assistance regarding these planning requirements. For general permitting questions, you can contact the Office of Environmental Assistance, Permit Coordination program through the Environmental Assistance Hotline at 800-662-9278, or you can visit the Web site at [DEQ-Water-Permits](#).

**Deadlines for Submission of  
Project Plans for the Fiscal Year 2017 Project Priority Lists:**  
**Drinking Water Revolving Fund** – Project Plans must be received in our office by close of business  
OR postmarked no later than **May 1, 2016**.  
**State Revolving Fund/Strategic Water Quality Initiatives Fund**– Project Plans must be received  
OR postmarked no later than **July 1, 2016**.

**2015 Fiscal Year End Stats:** The Revolving Loan Section funded 28 new SRF projects (\$237M) and 12 new DWRF projects (\$48M) during the year. Additionally, 134 SAW Notice of Grant Application Approvals (\$100M) were completed and mailed to applicants in September.

## And the winner is.....

by Eric Pocan



The Revolving Loan Section is excited to announce a new awards program starting in 2016 that will recognize the State of Michigan's Clean Water State Revolving Fund (CWSRF) and Drinking Water Revolving Fund (DWRf) projects. The Michigan Revolving Fund Project of the Year Awards will be given annually to an outstanding CWSRF and DWRf funded project as demonstrated by their performance in one or more of the following categories; resolving water quality issues, securing public support, cooperative funding efforts, and green project implementation.

An award in each program will be announced annually in February and a presentation will be scheduled to honor the two chosen projects. The honorees will also be recognized on the DEQ's Web site with a press release, a Loan Arranger article, and on social media. Eligible projects are those which were administratively complete or have commenced operation during the previous calendar year. Good luck to all the projects that qualify in 2016!!!

### Fly Away.....

Ms. Jessica Ferris, project manager in the East Unit, has left the RLS nest. Still true to her heart, she accepted a position in Michigan Department of Transportation's environmental office. We will miss not only her incredible work ethic and passionate volunteerism, but also that twinkle in her eye and the spark she ignites wherever she goes!



### GOOD TO KNOW.....

- Rate Methodology – User Charge Reviews will now be referred to as Rate Methodology Reviews. This name change better reflects the nature and scope of the individual reviews. The date for the Rate Methodology Approval has also been moved up slightly on the Financing Schedule so that it is no longer combined with the Part II Application, FNSI Clearance, and Plans & Specs Approval. The rate methodologies are reviewed by our rate analysts, Bob and Mark, and not the project managers; this revision will help keep the submittals separate.
- S2 Grant Expenditures – Most S2 grants are nearing completion. Please ensure that all reimbursable expenses occurred within the budget period noted on the grant agreement/ amendment.
- Disbursement Requests – Please ensure that each disbursement request has the correct financial institution data (i.e., routing number and account number) noted in the upper right corner of the disbursement request form. Payment transactions are accomplished using a wire transfer. If the financial information provided to us is wrong or incomplete, then there may be a delay in processing the payments. If you have questions, please contact your project manager.
- The interest rate for DWRf, SRF, SWQIF, and SAW 20-year loans closing in fiscal year 2016 is 2.5 percent. If a community wants and qualifies for a 30-year SRF loan, the interest rate is 2.75 percent.
- The discount rate is not currently available for fiscal year 2017 project planning. After the new rate has been set by the Environmental Protection Agency, it will be posted on our website. This rate is to be used for project planning that begins on or after October 1, 2015, for preparation of the cost-effectiveness analysis. Remember, this is NOT a rate that should be used to calculate debt retirement needs, but rather is used in cost-effectiveness analyses to “bring” future expenditures back into today's dollars for total present worth or equivalent annual cost comparisons.

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