

MI Clean Water plan

Fact Sheet

COVID-19 has magnified the need to ensure all Michiganders have access to clean, safe, affordable water, which starts with healthy surface and groundwater and clean discharges of wastewater into our rivers and lakes. While helping meet that basic need, major water infrastructure investments can support communities and workers across our state in recovering from the economic crisis and building resilient futures.

The MI Clean Water plan will align \$500 million in federal dollars, state bonding authority, and existing/prospective state revenues into a comprehensive water infrastructure package that will support communities in every corner of Michigan in creating jobs, protecting public health, and improving environmental quality. The plan addresses urgent infrastructure issues including undersized sewers, failing septic systems, unaffordable water rates, and protection from lead, PFAS and other contaminants that can affect drinking water. With EPA estimating that every \$1 million invested in water infrastructure creates 15 jobs, this package will provide a major boost to Michigan's economy as it recovers from the global pandemic.

As described below, the MI Clean Water plan consists of a \$207 million in investments directly related to clean, safe drinking water and \$293 in investments related to improving the wastewater management. These new investments are in addition to the traditional low interest loans that EGLE provides to Michigan's communities annually through the State Revolving Loan Fund program. Last year, EGLE authorized \$304 million in wastewater loans and \$258 million in drinking water loans.

Drinking Water Quality - \$207 million

- **Disadvantaged Community Lead Service Line Replacement Program - \$102 million**

The federal Water Infrastructure Transfer Act of 2019 allows states to transfer funds from the Clean Water State Revolving Fund (CWSRF) to the Drinking Water State Revolving Fund (DWSRF) for lead service line replacements. The MI Clean Water plan proposes using Michigan's allowed allocation of **\$102 million to provide disadvantaged community 100% loan forgiveness for lead service line replacements**. Grants will be capped based on population size.

- **Drinking Water Asset Management Grants - \$37.5 million**

The State Legislature established a **\$37.5 million grant program for asset management planning** in 2019. While other projects will be eligible, these grants will be prioritized to help communities implement Michigan's strengthened Lead and Copper Rule.

- **Drinking Water Infrastructure Grants - \$35 million**

Last year, state lawmakers appropriated \$35 million in DWSRF loan forgiveness for **projects to facilitate overall drinking water system upgrades**. Combining these funds with the two above programs, communities can submit comprehensive proposals involving water main work, service line replacements, plant enhancements, and other upgrades. Grants will be capped at the lesser of 30% of project costs or \$2 million.

- ***Consolidation and Contamination Risk Reduction Grants - \$25 million***

The State Legislature also created a \$25 million grant program in 2019 for projects related to **PFAS or other drinking water contaminants**. These funds will support communities in addressing PFAS and other emerging contaminants by consolidating local water systems and/or connecting residents on private wells to municipal systems.

- ***Affordability and Planning Grants - \$7.5 million***

The State Legislature appropriated \$7.5 million in 2019 for affordability and planning grants. These funds will support communities in developing **sustainable water rate plans** and implementing **affordability pilots**. Grants will be capped at \$500,000 for water supplies applying individually. Multiple supplies partnering to develop a regional plan can receive up to \$2 million.

Wastewater Protection - \$293 million

The MI Clean Water plan proposes leveraging \$290 million of authorization from the **Great Lakes Water Quality Bond of 2002**. This will occur upon enactment of legislation and an appropriation by the legislature to provide grants to Michigan communities for sewage treatment, stormwater, and non-point-source pollution projects. These dollars will be supplemented by previous bond authorization to round out the \$293 million wastewater portion of the MI Clean Water plan.

- ***Clean Water Infrastructure Grants - \$235 million***

These funds will be granted to communities for design and construction projects to address sanitary and combined sewer overflows, expand green infrastructure, and correct illicit connections to municipal MS4 drainage systems.

- ***Substantial Public Health Risk Reduction Grants - \$20 million***

Expanding on an existing \$10 million pilot, this funding will help communities address significant **public health and environmental risks related to raw sewage discharges**. For example, a project to repair or replace a failing wastewater lagoon treatment system would be eligible.

- ***Failing Septic System Elimination Program - \$35 million***

The MI CLEAN WATER PLAN proposes establishing a Community Development Financial Institution (CDFI) to administer a revolving low-interest loan program to support homeowners and communities in **replacing failing septic systems or eliminating septic systems**. Septic

systems are used by about 30% of Michigan households to manage residential wastewater. Failing systems can lead to public health and environmental risks, including impacts to Michigan's lakes and rivers.

- ***Stormwater, Asset Management, and Wastewater (SAW) Grants - \$3 million***

The SAW program was established in 2013 to **help municipalities develop, update, and improve asset management plans for their wastewater and stormwater systems**. The plans provided communities with an increased understanding of current and future needs and informed rate decisions. An additional \$3 million is being made available for the expansion of the program.