



RICK SNYDER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF ENVIRONMENTAL QUALITY
LANSING



C. HEIDI GREETHER
DIRECTOR

VIA E-MAIL

TO: Senator Arlan Meekhof, Senate Majority Leader
Senator Jim Ananich, Senate Minority Leader
Representative Tom Leonard, Speaker of the House
Representative Sam Singh, House Minority Leader
Ellen Jeffries, Director, Senate Fiscal Agency
Mary Ann Cleary, Director, House Fiscal Agency

FROM: Amy Epkey, Administration Deputy Director

DATE: September 20, 2017

SUBJECT: Report on Water Infrastructure Improvements for the Nation Act –
City of Flint Legislative Report

In accordance with Section 302 of Part 2, Provisions Concerning Appropriations, 2017 PA 33, attached is the Department of Environmental Quality's (DEQ) report on Water Infrastructure Improvements for the Nation Act.

If you need further information, please contact Eric Oswald, Division Director, Drinking Water and Municipal Assistance Division, at 517-284-6544; or you may contact me at 517-284-5002.

cc/att: Al Pscholka, Director, State Budget Office
Darin Ackerman, Governor's Office
Angela Ayers, Governor's Office
Josh Sefton, Senate Fiscal Agency
Austin Scott, House Fiscal Agency
Jacques McNeely, State Budget Office
Jennifer Harrison, State Budget Office
C. Heidi Grether, Director, DEQ
Michael McClellan, Environment Deputy Director, DEQ
Susan Leeming, External Relations Deputy Director, DEQ
Sarah M. Howes, Legislative Liaison, DEQ
Eric Oswald, DEQ
Sonya Butler, DEQ

Water Infrastructure Improvements for the Nation (WIIN) Act

City of Flint Legislative Report

September 2017

Overview

Early in 2017, Michigan applied for and was awarded WIIN grant funds of \$100 million from the U.S. Environmental Protection Agency (EPA). The state provided the matching funds of \$20 million. The purpose of WIIN funds is to address lead and other contaminants in drinking water, including the repair and replacement of public and private drinking water infrastructure. WIIN funds are reimbursed as evidence is presented for eligible activities; WIIN funds are disbursed on a reimbursement basis. The city of Flint originally requested to allocate the funding as follows:

- Service line replacement; \$40 million
- Distribution system/transmission main improvements; \$10 million
- Meter replacement; \$10 million
- Water treatment plant improvements; \$58.5 million
- Corrosion control plans and asset management; \$1.5 million

The EPA has requested additional details from the city of Flint before funds can be used for meter replacements or water treatment plant improvements.

An approved allocation of WIIN funds and the associated match was made to the following projects:

- Lead service line replacement; \$40 million
- Contractual services for corrosion control plans and an asset management program; \$1.5 million

This quarterly report will provide an update on reimbursement requests that have been submitted for the following:

Lead Service Line Replacement

The table below contains information on the lead service line project started in May 2017. While 2,893 lead service lines have been replaced, reimbursement has only been requested for 660 service lines. This phase of the project is expected to be completed in December 2017.

| | May 31, 2017 | August 31, 2017 |
|--|--------------|-----------------|
| Amount requested for reimbursement | \$0 | \$3,055,462 |
| Number of lead service lines reimbursed | 0 | 660 |
| Average cost per replacement | \$0 | \$3,990 |
| Amount of WIIN funds used | \$0 | \$0 |
| Amount of state match used | \$0 | \$3,055,462 |
| Amount of WIIN funds remaining for project | \$20M | \$20M |
| Amount of state match used for project | \$20M | \$16,944,538 |

Contract Services

The table below contains information on the corrosion control plan and asset management activities started in April 2017. This project is expected to be completed in September 2019.

| | May 31, 2017 | August 31, 2017 |
|--|---------------------|------------------------|
| Amount requested for reimbursement | \$95,094.28 | \$97,878.46 |
| Amount of WIIN funds used | \$95,094.28 | \$97,878.46 |
| Amount of state match used | \$0 | \$0 |
| Amount of WIIN funds remaining for project | \$1,404,905.72 | \$1,307,027.26 |
| Amount of state match used for project | \$0 | \$0 |