



STATE OF MICHIGAN
 DEPARTMENT OF
 ENVIRONMENT, GREAT LAKES, AND ENERGY
 LANSING

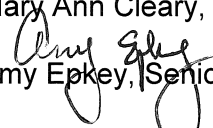


GRETCHEN WHITMER
 GOVERNOR

LIESL EICHLER CLARK
 DIRECTOR

VIA E-MAIL

TO: Senator Mike Shirkey, Senate Majority Leader
 Senator Jim Ananich, Senate Minority Leader
 Representative Lee Chatfield, Speaker of the House
 Representative Christine Greig, House Minority Leader
 Chris Harkins, Director, Senate Fiscal Agency
 Mary Ann Cleary, Director, House Fiscal Agency

FROM:  Amy Epkey, Senior Deputy Director

DATE: December 17, 2019

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 Environment, Great Lakes, and Energy's (EGLE) report on Water Infrastructure Improvements for the Nation Act.

If you need further information, please contact Kelly Green, Administrator, Water Infrastructure Financing Section, Finance Division, at 517-284-5409; or you may contact me at 517-284-5002.

Attachment

cc/att: Chris Kolb, Director, State Budget Office
 Jennifer Flood, Legislative and Public Affairs Director, Governor's Office
 Emily Laidlaw, Policy Director, Governor's Office
 Abbey Frazier, Senate Fiscal Agency
 Austin Scott, House Fiscal Agency
 Jacques McNeely, State Budget Office
 Jennifer Harrison, State Budget Office
 Carly Kirk, State Budget Office
 Liesl Eichler Clark, Director, EGLE
 Aaron B. Keatley, Chief Deputy Director, EGLE
 Sarah M. Howes, Legislative Liaison, EGLE
 David Fiedler, Regulatory Affairs Officer, EGLE
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 Kelly Green, EGLE

**Flint Water Infrastructure Funding
As of November 29, 2019**

In early 2017, the U.S. Environmental Protection Agency awarded Water Infrastructure Improvements for the Nation (WIIN) grant funds of \$100 million. In addition, the city of Flint (City) and State entered into a settlement agreement in late March 2017 to provide additional service line replacement funding. The following table summarizes the \$167 million available for the City to address infrastructure needs. To date, 59% of the funds are remaining.

Category	Budget	Amount Approved for Reimbursement to City	Balance	Percent Remaining	Revised Project Time Frame
<u>Federal WIIN Funds</u>					
Service line replacements	\$ 20,000,000	\$ 7,468,430	\$ 12,531,570	63%	May 2017 - Dec 2019
Secondary water source	\$ 9,163,300	\$ 338,719	\$ 8,824,581	96%	Mar 2020 - Oct 2020
Dort and Cedar storage/pumping	\$ 10,125,000	\$ 333,155	\$ 9,791,845	97%	Dec 2019 - Dec 2020
Chemical feed building	\$ 3,400,000	\$ 482,953	\$ 2,917,047	86%	Mar 2020 - Dec 2020
Northwest transmission main	\$ 12,296,900	\$ 324,932	\$ 11,971,968	97%	Mar 2020 - Nov 2020
Water main replacement	\$ 13,683,125	\$ -	\$ 13,683,125	100%	Oct 2019 - Dec 2024
Meter replacement	\$ 18,460,000	\$ 1,933,034	\$ 16,526,966	90%	Oct 2019 - Jun 2020
Water quality monitoring	\$ 612,500	\$ 127,272	\$ 485,228	79%	Oct 2019 - Oct 2020
Local assistance/capacity development	\$ 2,259,175	\$ 1,742,230	\$ 516,945	23%	May 2017 - Dec 2019
Service line replacement contingency	\$ 10,000,000	\$ -	\$ 10,000,000	100%	May 2017 - Dec 2019
Total Federal Funding	\$ 100,000,000	\$ 12,750,725	\$ 87,249,275	87%	
<u>Other Funding</u>					
Service line replacement CHIP/DHHS	\$ 10,319,659	\$ 10,319,659	\$ -	0%	May 2017 - Sep 2019
Service line replacement State	\$ 56,700,000	\$ 45,282,407	\$ 11,417,593	20%	May 2017 - Dec 2019
Total Other Funding	\$ 67,019,659	\$ 55,602,066	\$ 11,417,593	17%	
Total Water Infrastructure Funding					
	\$ 167,019,659	\$ 68,352,791	\$ 98,666,868	59%	

The City's FAST Start Team reports that 24,304 lines have been excavated and 9,448 lines replaced as of November 15, 2019, indicating a 38% replacement rate. An average cost per line will be calculated upon completion of work and reimbursement of invoices.

CHIP/DHHS funds were available in fiscal year (FY) 2017, FY 2018, and FY 2019. These funds lapse each year and as a result, the City was only able to utilize \$10.3 million from this funding source. EGLE issued an amendment increasing the service line replacement grant by \$7.7 million to account for the lapsed CHIP dollars. This amendment is illustrated in the "Service line replacement State" line above.