



GRETCHEN WHITMER
GOVERNOR

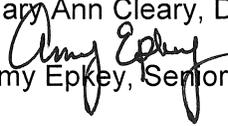
STATE OF MICHIGAN
DEPARTMENT OF
ENVIRONMENT, GREAT LAKES, AND ENERGY
LANSING



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: March 13, 2020

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

In accordance with Section 302 of Part 2, Provisions Concerning Appropriations, of 2017 PA 33, attached is the Department of Environment, Great Lakes, and Energy's (EGLE) Water Infrastructure Improvements for the Nation Act – City of Flint Legislative Report.

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
Paul McDonald, EGLE
Eric Oswald, EGLE
Dale Shaw, EGLE
Kelly Green, EGLE

Michigan Department of Environment, Great Lakes, and Energy
Flint Water Infrastructure Funding
As of February 25, 2020

In early 2017 the United States 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, 57% 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 | \$ 48,391,118 | \$ 8,308,882 | 15% | May 2017 - Dec 2019 |
| Total Other Funding | \$ 67,019,659 | \$ 58,710,777 | \$ 8,308,882 | 12% | |
| Total Water Infrastructure Funding | | | | | |
| | \$ 167,019,659 | \$ 71,461,502 | \$ 95,558,157 | 57% | |

The City reports that 24,889 lines have been excavated and 9,499 lines have been replaced as of January 24, 2020, indicating a 38% replacement rate. An average cost per line will be calculated upon completion of work and reimbursement of invoices. EGLE recognizes there are outstanding invoices not yet submitted by the City for work completed.

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.