



CONSOLIDATION AND CONTAMINATION RISK REDUCTION (C2R2)

GRANT OVERVIEW

Section 1002, 2019 PA 57

Introduction

Under Section 1002 of 2019 PA 57, the Michigan Legislature appropriated \$25 million to the Michigan Department of Environment, Great Lakes, and Energy (EGLE) for a grant program to award funds to drinking water systems for contaminant remediation efforts or connection to an alternate system, as well as to invest in technologies to address contaminants in public water systems.

Applicants with a drinking water regulation violation or exceedance (apart from lead) in accordance with existing state or federal rules are eligible for grant application. Local drinking water systems that are connecting private residents with PFAS-contaminated residential wells are also eligible to apply.

To protect public health and promote proactive projects, a drinking water system that has a contaminant result that reaches greater than 50 percent of a maximum contaminant level (MCL) is also eligible to apply. A list of regulated contaminants can be found [here](#). PFAS-related MCLs can be found [here](#). Additionally, \$5 million of the total grant funding available will be set-aside for consolidation projects outside of a drinking water regulation exceedance as discussed below.

Funding

The maximum grant amount allowable per applicant is \$5 million; applicants may apply multiple times until this maximum amount is awarded. There are no local match requirements.

Applications will be accepted continuously beginning November 16, 2020, until funding is exhausted. Applications will be scored and processed quarterly. Priority will be given to water supplies with reported PFAS chemical levels greater than Michigan's recently adopted standards.

If all available program funds have not been allocated after one year, EGLE may re-evaluate system and program needs.

Completion of all grant-related activities is expected within three years of an executed grant agreement.

The total grant award will be based on reasonably estimated costs and documentation provided by the grantee at grant application. The grant will function on a reimbursement basis whereas work must occur, and associated invoices or other appropriate documentation are submitted to EGLE, prior to grant funds being released to the grantee.

Final document submittals must include a report summarizing the work completed under the grant, significant lessons learned, and any anticipated needs moving forward.

Eligibility

Entities that own or operate a public drinking water distribution or treatment system are eligible to apply. The applicant should be the entity that will hold the vendor contracts, if applicable. Applicants must not appear on the federal Debarment and Suspension List (www.sam.gov/SAM/) and must be in good standing with EGLE programs (i.e., no EGLE grant revoked or terminated



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and no demonstrated inability to manage a grant or meet obligations in a project contract with EGLE). Applicants must have proof of a successful financial audit within 24 months of the grant award or receive an exemption from EGLE.

Applicants must demonstrate they have exceeded a regulated MCL or have reached a level greater than 50 percent of the MCL to qualify. If consolidating systems without reaching the 50 percent cut off, the applicant must have a documented finding or concern from EGLE staff. Applications for projects connecting residential wells to a local system related to PFAS contamination must demonstrate a PFAS contamination issue and will be evaluated on a case-by-case basis related to the plume and associated sampled area.

Eligible Activities

Funding is restricted to projects that remove or treat PFAS or other federal- or state-regulated contaminants or consolidation efforts to connect a system or private residential wells to a local municipal system. \$5 million of the \$25 million will be made available for consolidation projects that are not a result of a drinking water regulation exceedance or a violation in accordance with existing state or federal rules. Consolidation-only projects must have a documented finding or concern from EGLE staff (through a sanitary survey or other means), such as technical, managerial, or financial capacity issues. Eligibility of activities will be project-specific and determined on a case-by-case basis. Eligible activities under the grant may include, but are not limited to:

- Planning, design, and construction or installation of equipment/technology to address PFAS or other contaminants in drinking water
- Planning, design, and construction activities related to consolidation efforts
- Project associated inspection costs
- Associated well abandonment

EGLE, at its sole discretion, may fund “tap” or “connection” fees that a public water system may use as a standard charge for new systems making a connection to their existing public water system. In general, these charges must:

- Reflect the cost of the actual connection to the public water system
- Be well documented and itemized
- Be consistently applied to all connections
- Not include anticipated costs or other costs the system may not incur
- Not be punitive in nature so as to prevent a particular system from making a connection
- Not also be included in a vendor contract

For the application, a quote/estimate for the proposed work is acceptable. A signed contract is required for services greater than \$50,000 before reimbursement can be made. Competitive bidding for construction work greater than \$50,000 is required unless prior EGLE approval is granted. Force account may be utilized with justification documenting the need. Force account fringe benefits are limited to 40 percent. Eligible project costs incurred on or after November 16, 2020, can be included in the grant.



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Ineligible Activities

Any activities not directly related to the proposed project. This includes, but is not limited to:

- Local fees (may be eligible if fee covers tangible construction (labor and materials) or inspection of new infrastructure associated with the grant)
- Utility indirect costs (rent, overhead, etc.)
- Force account holiday and/or overtime pay

Proposal Evaluation Criteria/Funding Priority

Applications will be batched and scored quarterly based on the following criteria:

Criteria	Points Awarded
Applicant has reported PFAS chemical levels greater than one or more of the PFAS MCLs: PFNA 6 ng/L (ppt) PFOA 8 ng/L (ppt) PFHxA 400,000 ng/L (ppt) PFOS 16 ng/L (ppt) PFHxS 51 ng/L (ppt) PFBS 420 ng/L (ppt) HFPO-DA 370 ng/L (ppt)	15 points
Applicant has had an MCL violation other than PFAS in the past 3 years	5 points
Applicant is consolidating systems as part of the grant	3 points
Total Available Points	23 points
Bonus/Tiebreaker Questions	
Associated population benefiting from the project	Actual population
Project area is within or adjacent to an active or past MPART official site or area of interest	2 points
Most recent sanitary survey completed with no deficiencies	2 points
Total Bonus/Tiebreaker Points	Varies
Total Overall Points Available	23 plus tiebreaker

Process, Schedule, and Deadlines

The grant application will be available on EGLE's website on November 16, 2020. Applications can be submitted electronically to EGLE-DWGrants@Michigan.gov and will be accepted continuously until funds are exhausted.

Applications received by close of business on January 31, 2021, will be considered for the first round of funding. Applicants can expect grant awards to be executed within 75 days of quarterly application deadlines.



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Deadlines for quarterly scoring and award processing are illustrated below. Grant applications must be received by close of business on these dates to be funded in the applicable quarterly funding cycle.

	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Application Deadline	January 31, 2021	April 30, 2021	July 31, 2021	October 31, 2021
Anticipated Grant Award Date (on or before)	April 15, 2021	July 15, 2021	October 15, 2021	January 15, 2022

EGLE may request additional information for clarification purposes. EGLE may offer grant amounts other than those requested and request changes to the proposed work plan. Submitted application information is not confidential. Grant applications are considered public information under the Freedom of Information Act, 1976 PA 442, as amended. A report, including grants awarded and associated dollar amounts, will be submitted annually to the Michigan Legislature and others pursuant to 2019 PA 57.

Successful applicants will be required to enter into a project contract with EGLE. A project contract consists of standard “boilerplate” grant language and the applicant’s project description, work plan, timeline, and budget information.

Contact

For questions about this grant, contact Katie Thrush, Finance Division, EGLE, at 517-647-3482 or via email at ThrushK1@Michigan.gov.