



GRETCHEN WHITMER
GOVERNOR


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



LIESL EICHLER CLARK
DIRECTOR

VIA E-MAIL

TO: Senator Rick Outman, Chair, Senate Environmental Quality Committee
Senator Ed McBroom, Chair, Senate Natural Resources Committee
Representative Gary Howell, Chair, House Natural Resources and
Outdoor Recreation Committee

FROM: Liesl Eichler Clark, Director 

DATE: November 19, 2020

SUBJECT: Report on Clean Water State Revolving Fund's Final Project Priority List for
Fiscal Year (FY) 2021

In accordance with Section 5303(6) of Part 53, Clean Water Assistance, of the Natural Resources and Environmental Protection Act, 1994 PA 451, as amended, attached is the Department of Environment, Great Lakes, and Energy's (EGLE) report on the Clean Water State Revolving Fund's Final Project Priority List for FY 2021.

If you need further information, please contact Paul McDonald, Director, Finance Division, at 517-284-5004; or you may contact me at 517-284-6708.

Attachment

cc/att: Chris Harkins, Director, Senate Fiscal Agency
Mary Ann Cleary, Director, House Fiscal Agency
Chris Kolb, Director, State Budget Office
George W. Cook, III, Legislative Affairs Director, Governor's Office
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MICHIGAN DEPARTMENT OF
ENVIRONMENT, GREAT LAKES, AND ENERGY

Legislative Report

Clean Water State Revolving Fund's Final Project Priority List

Report Period:
Fiscal Year 2021

Authority:
Section 5303(6) of Part 53, Clean Water Assistance, of the
Natural Resources and Environmental Protection Act,
1994 PA 451, as Amended (NREPA)

Background

The Clean Water State Revolving Fund (CWSRF) is a federal-state partnership that provides communities a source of financing for water pollution control projects, including wastewater treatment plant upgrades, combined or sanitary sewer overflow abatement, new sewers to reduce sources of pollution, and other publicly-owned wastewater treatment efforts. The CWSRF can also finance projects that reduce or provide treatment of nonpoint sources (NPSs) of water pollution. The CWSRF is administered by the Department of Environment, Great Lakes, and Energy (EGLE), with assistance provided by the Michigan Finance Authority (Authority). The CWSRF operates as a revolving financing mechanism that offers low interest loans with occasional additional subsidy provided as principal forgiveness. Since the inception of the program in 1989, Michigan has financed over \$5 billion to 625 projects throughout the state.

Each year, Congress appropriates funding for the CWSRF, and the United States Environmental Protection Agency (EPA) awards capitalization grants to each state. The distribution formula is established by the EPA. Michigan's federal allocation for projects financed in fiscal year (FY) 2021 is \$68,329,000. In order to accept the federal funds, states are required to provide a 20 percent state match. Michigan's CWSRF match is acquired via the issuance of a state match bond.

FY 2021 Allocation of Funds

Based on the amount of funds available from the EPA capitalization grant, required match dollars, State Revolving Fund Revenue Bonds, and funds revolved back from previously issued loans, EGLE established the FY 2021 fundable range at \$500,000,000. Twenty-six municipalities submitted final project plans for financing in FY 2021, totaling \$285,825,000. As the fundable range exceeds requests, it is anticipated all projects, able to proceed with construction, will receive CWSRF financing assistance. Michigan's project priority ranking system is defined in the State Revolving Fund (SRF) Administrative Rules filed in 1989.

The provision of additional subsidization to CWSRF applicants is a requirement of the FY 2020 federal Enacted Appropriation and the Water Resources Reform and Development Act (WRRDA) of 2014. For FY 2021 projects, a minimum of 10 percent (\$6,832,900) of the capitalization grant must be provided as additional subsidy to applicants. Additionally, the WRRDA requires between 0 and 30 percent (\$20,498,700) of the capitalization grant be provided as additional subsidization. EGLE is providing no more than \$23,000,000 in total subsidization in the form of principal forgiveness to applicants. Principal forgiveness dollars do not have to be paid back by the applicant and, therefore, do not revolve back into the program, reducing the available funding dollars in future years.

The estimated principal forgiveness amounts by project are illustrated below. As projects move forward through the application process and construction bidding process, final loan dollar amounts are established. EGLE is estimating awarding just over \$19 million in principal forgiveness to communities that qualify as disadvantaged applicants under Part 53, Clean Water Assistance, of the Natural Resources and Environmental Protection Act, 1994 PA 451, as amended. Additionally, EGLE is estimating awarding approximately \$3 million in principal forgiveness dollars to applicants that are undertaking "Green" projects as defined by EGLE.

Disadvantaged Communities

Project No.	Applicant	Estimated Project Cost	Percent of Project Cost	Principal Forgiveness Amount
5716-01	Harrisville	\$9,625,000	25%	\$2,406,250
5729-01	Benton Twp.	\$1,950,000	25%	\$487,500
5679-01	Muskegon	\$1,840,000	25%	\$460,000
5717-01	Cheboygan	\$16,000,000	25%	\$4,000,000
5706-01	GLWA/DWSD	\$17,500,000	25%	\$4,375,000
5719-01	Oscoda	\$5,335,000	25%	\$1,333,750
5720-01	Highland Park	\$1,705,000	25%	\$426,250
5709-01	Flint	\$23,755,000	25%	\$5,938,750
Total		\$77,710,000		\$19,427,500

Projects With “Green” Component

Project No.	Applicant	Estimated Project Cost	Percent of Project Cost	Principal Forgiveness Amount
5726-01	East Lansing	\$14,060,000	5%	\$703,000
5718-01	Monitor Twp.	\$175,000	5%	\$8,750
5729-01	Benton Twp.	\$982,000	5%	\$49,100
5730-01	Allendale Twp.	\$28,880,000	5%	\$1,444,000
5731-01	Marquette	\$5,670,000	5%	\$283,500
5733-01	Leoni Twp.	\$10,110,000	5%	\$505,500
Total		\$59,877,000		\$2,993,850

Interest Rates

EGLE’s Director has established the interest rates for FY 2021 loans as follows:

Loan Term	Rate
20-year	1.875%
30-year	2.125%

Water Infrastructure Funding Transfer Act

On October 4, 2019, the Water Infrastructure Funding Transfer Act (S.1689) (WIFTA) was signed into law. This statute temporarily expands the CWSRF transfer authority specifically to address lead-related public health threats. WIFTA authorizes states to transfer no more than five percent of the amount of the state’s cumulative CWSRF capitalization grants to the states Drinking Water State Revolving Fund (DWSRF). Funds transferred must be used as additional subsidy in the form of principal forgiveness, negative interest loans, or grants to address lead in drinking water.

EGLE has chosen to exercise the full transfer authority of \$102,175,063 and apply this in the form of principal forgiveness to disadvantaged communities undertaking lead service line replacement projects utilizing the DWSRF program. Beginning in FY 2022, DWSRF applicants that are scored, ranked, and qualify as a disadvantaged community under Part 54, Safe Drinking Water Assistance, of the NREPA, MCL 324.5402, will be eligible for 100 percent principal forgiveness related to lead service line removal construction activities.

The Authority and EGLE's Finance Division have performed capacity analyses and determined the transfer of the WIFTA funds will not significantly impact the CWSRF program.

The tables on the following pages display all qualifying projects in FY 2021 and proposed future projects in priority order for traditional and NPS projects.



Department of Environment, Great Lakes, and Energy

Current Project Priority List

CWSRF

Rank	Project #	Project Name, Location and Description			Water Quality Severity Pts						Fal OSSS	Sptg Rec	Enf Pts	Dis Pts	Population	Pop Pts	Exist. Disch	Rec Waters	Dil Ratio	Rat Pts	Tot Pts	Bind. Com Date	Bind. Com Amount
					DO	NUT	TOX	MICR	GWD	Tot													
PROJECTS WITH PRIOR YEAR SEGMENTS																							
1	5647-02	City of St Joseph	Berrien County	CSO improv	0	0	0	27	0	27	0	0	300	0	8,625	80	0.674	2,440	0.0003	40	447	08/09/2021	\$17,000,000
2	5446-02	Milk River Intercounty	Wayne County	Pump Station/RTB Improv	0	0	0	0	0	0	0	0	0	31,334	90	22.76	27.85	>.6000	100	190	11/16/2020	\$4,290,000	
3	5729-99	Benton Charter	Berrien County	swr reconstr, PS improv	0	0	0	0	0	0	0	0	50	14,430	85	9.398	950	0.0099	55	190	Future	\$15,285,000	
4	5655-03	GLWA	Wayne County	Detroit Riv intcp finc segment 3	0	0	0	0	0	0	0	0	0	3,100,000	100	609	130,000	0.0047	55	155	Future	\$15,000,000	
PROJECTS WITHOUT PRIOR YEAR SEGMENTS																							
5	5659-01	Macomb Interceptor	Macomb County	Recovery Shaft Inter Rehab Seg 3	100	8	0	27	0	135	0	0	300	0	500,437	100	42.1033	86.7667	0.4852	85	620	Future	\$22,720,000
5	5659-02	Macomb Interceptor	Macomb County	Recovery Shaft Inter Rehab Seg 4	100	8	0	27	0	135	0	0	300	0	500,437	100	42.1033	86.7667	0.4852	85	620	Future	\$18,110,000
6	5005-25	City of Lansing	Ingham County	CSO separation	8	5	0	27	0	40	0	0	300	0	70,801	95	2.24	210	0.0107	70	505	Future	\$31,700,000
6	5005-24	City of Lansing	Ingham County	CSO separation	8	4	0	27	0	39	0	0	300	0	62,301	95	3.34	170	0.0196	70	504	Future	\$15,200,000
7	5702-99	Charter County of	Wayne County	RVSDS LTCAP - future work	0	0	0	0	0	0	0	0	300	0	404,849	100	9.62	28.73	0.3348	85	485	Future	\$35,000,000
7	5702-01	Charter County of	Wayne County	RVSDS LTCAP	0	0	0	0	0	0	0	0	300	0	404,849	100	9.62	28.73	0.3348	85	485	08/09/2021	\$16,000,000
8	5693-01	Macomb Interceptor	Macomb County	15 Mi Rd. Intcp (PCI-15B & 15C)	0	0	0	0	0	0	0	0	300	0	505,265	100	50.5	164,000	0.0003	40	440	05/17/2021	\$29,875,000
8	5693-99	Macomb Interceptor	Macomb County	Lakeshore/Garfield Rd. Intcp	0	0	0	0	0	0	0	0	300	0	505,265	100	50.5	164,000	0.0003	40	440	Future	\$127,610,000
9	5696-99	City of Flint	Genesee County	WWTP and collection sys impr	100	0	50	0	0	150	0	0	0	50	112,666	95	40.7	160	0.2544	85	380	Future	\$60,725,000
10	5709-01	City of Flint	Genesee County	WWTP impr, PS impr	100	0	50	0	0	150	0	0	0	50	112,666	95	40.7	160	0.2544	85	380	08/09/2021	\$23,755,000
11	5717-01	City of Cheboygan	Cheboygan County	WWTP impr	0	0	50	0	0	50	0	0	0	50	5,700	75	2.152	400	0.0054	55	230	08/09/2021	\$16,000,000
12	5679-02	City of Muskegon	Muskegon County	swr rehab/replac	0	0	0	0	0	0	0	0	0	50	38,401	90	22.6	1,020	0.0222	70	210	08/09/2021	\$1,840,000
13	5706-01	GLWA/DWSD	City of Detroit	sanitary sewers project B	0	0	0	0	0	0	0	0	0	50	714,000	100	580.5	164,000	0.0035	55	205	05/17/2021	\$17,500,000
14	5678-01	YCUA	Washtenaw County	Aerator blower & switchgear repl	0	0	0	0	0	0	0	0	0	0	308,890	100	26.2	.3	>.6000	100	200	11/16/2020	\$4,910,000
15	5726-01	City of East Lansing	Ingham County	CS improv, WRRF rehab, CSO	0	0	0	0	0	0	0	0	0	0	91,787	95	11.003	14	>.6000	100	195	08/09/2021	\$34,630,000
15	5726-99	City of East Lansing	Ingham County	Cs improv, WRRF rehab, CSO	0	0	0	0	0	0	0	0	0	0	91,787	95	11.003	14	>.6000	100	195	Future	\$41,090,000
16	5729-01	Benton Charter	Berrien County	swr reconstr, PS improv	0	0	0	0	0	0	0	0	0	50	14,430	85	9.398	950	0.0099	55	190	05/17/2021	\$1,950,000
17	5733-01	Leoni Township	Jackson County	WWTP membrane sys replac	0	0	0	0	0	0	0	0	0	0	27,272	90	2.119	5	0.4238	85	175	08/09/2021	\$10,110,000



Department of Environment, Great Lakes, and Energy

Current Project Priority List

CWSRF

18	5711-01	City of Owosso	Shiawassee County	WWTP nit/rough tower	0	0	0	0	0	0	0	0	0	0	0	24,175	90	3.77	37	0.1019	85	175	Future	\$2,750,000
19	5735-01	GRSD Sewer	Barrien County	WW sys improv	0	0	0	0	0	0	0	0	0	0	0	22,218	90	2.204	33	0.0668	85	175	08/09/2021	\$2,370,000
19	5735-99	GRSD Sewer	Barrien County	CIP items	0	0	0	0	0	0	0	0	0	0	0	22,218	90	2.204	33	0.0668	85	175	Future	\$5,570,000
20	5730-01	Allendale Charter	Ottawa County	WWTP upgrd	0	0	50	0	0	50	0	0	0	0	0	14,900	85	1.562	900	0.0017	40	175	08/09/2021	\$39,875,000
21	5724-01	Village of Manchester	Washtenaw County	WWTP Improv	0	0	0	27	0	27	0	0	0	0	0	1,981	60	0.355	4.5	0.0789	85	172	08/09/2021	\$3,300,000
22	5686-02	City of Marquette	Marquette County	sewer replac	0	0	0	0	0	0	0	0	0	0	0	20,629	85	3.28	17	0.1929	85	170	05/17/2021	\$1,305,000
23	5731-01	City of Marquette	Marquette County	WWTP sld hand improv	0	0	0	0	0	0	0	0	0	0	0	20,629	85	3.099	17	0.1823	85	170	05/17/2021	\$5,670,000
24	5700-01	City of Owosso	Shiawassee County	Detention tank	0	0	0	27	0	27	0	0	0	0	0	14,539	85	0.476	97	0.0049	55	167	Future	\$3,540,000
25	5728-01	Lenawee County	Lenawee County	PS replac	0	0	0	0	0	0	0	0	0	0	0	7,380	80	0.86	1.6	0.5375	85	165	05/17/2021	\$7,120,000
26	5715-01	City of Burton	Genesee County	Collection sys impr (Yr 1)	0	0	0	0	0	0	0	0	0	0	0	29,999	90	2.4	120	0.0200	70	160	02/26/2021	\$3,070,000
26	5715-99	City of Burton	Genesee County	Collection sys impr (future)	0	0	0	0	0	0	0	0	0	0	0	29,999	90	2.4	120	0.0200	70	160	Future	\$12,835,000
27	5720-01	City of Highland Park	Wayne County	Sewer rehab	0	0	0	0	0	0	0	0	0	50	0	11,398	85	1.14	164,000	<.0002	25	160	08/09/2021	\$1,705,000
28	5716-01	City of Harrisville	Alcona County	PS repl, sewer rehab, lagoon imp	0	0	0	0	50	50	0	0	0	50	0	469	35	0.89	99,999,999	<.0002	25	160	05/17/2021	\$9,625,000
29	5673-01	GLWA	Wayne County	Rehab PS-1 Ferric CL Sys	0	0	0	0	0	0	0	0	0	0	0	3,100,000	100	580.5	164,000	0.0035	55	155	02/26/2021	\$13,045,000
30	5719-01	Oscoda Charter Twp	Iosco County	PS impr	0	0	0	0	0	0	0	0	0	50	0	6,797	80	0.414	99,999,999	<.0002	25	155	05/17/2021	\$5,335,000
31	5725-99	Delta Charter	Eaton County	WWTP Improv	0	0	0	0	0	0	0	0	0	0	0	9,300	80	4.446	96	0.0463	70	150	Future	\$35,795,000
31	5725-01	Delta Charter	Eaton County	WWTP Improv	0	0	0	0	0	0	0	0	0	0	0	9,300	80	4.446	96	0.0463	70	150	Future	\$35,175,000
32	5718-01	Charter Twp of	Bay County	Collection sys rehab/repl, PS	0	0	0	0	0	0	0	0	0	0	0	10,735	85	1.409	500	0.0028	55	140	05/17/2021	\$2,450,000
33	5685-01	8 1/2 Mile Relief	Macomb County	Drain strg control structures	0	6	0	0	0	6	0	0	0	0	0	43,830	90	37.6	164,000	0.0002	40	136	05/17/2021	\$11,195,000
34	5732-01	City of Menominee	Menominee County	swr replac	0	0	0	0	0	0	0	0	0	0	0	8,108	80	3.281	1,190	0.0028	55	135	05/17/2021	\$1,900,000
Total 42 Projects																							\$763,930,000	



Department of Environment, Great Lakes, and Energy

Current Project Priority List

Non-Point Source

Rank	Project #	Project Name, Location and Description			Water Quality Points					Enf Points	High Quality	Ongoing Int	Use Value	Local Part	Total Points	Bind. Com Date	Bind. Com Amount
					MICR	PHO	NIT	TSS	Tot								
	5468-01	Malletts Creek DD	Ann Arbor	NPS-Malletts Ellsworth Basin	80	80	0	80	240	0	0	100	200	200	740	Future	\$2,430,000
	5704-01	Washtenaw County WRC	Washtenaw County	Carpenter Rd Dr detention basin	0	80	0	80	160	0	200	100	200	0	660	Future	\$1,200,000
	5705-01	Washtenaw County WRC	Washtenaw County	Upper Paint Cr SBS	0	80	0	80	160	0	200	100	200	0	660	Future	\$2,280,000
	5353-01	Allen Creek DD	Ann Arbor	NPS- Detroit St. SW	80	80	80	80	320	0	0	100	200	0	620	Future	\$1,090,000
	5506-02	Malletts Creek Drain DD	Ann Arbor	NPS-South 7th St (Greenview to S	80	80	80	80	320	0	0	100	200	0	620	Future	\$1,625,000
	5597-01	Malletts Creek Drain DD	Ann Arbor	NPS-Scio Church Rd (Main to 7th)	80	80	0	80	240	0	0	100	200	0	540	Future	\$220,000
	5668-01	Traver Creek DDD	Ann Arbor	NPS- Traver Creek SBS	80	0	0	80	160	0	0	100	200	0	460	Future	\$1,000,000
	5508-03	Malletts Creek Drain DD	Ann Arbor	NPS- Springwater BMPs (Springwat	0	0	0	80	80	0	0	100	0	200	380	Future	\$710,000
	5477-01	Swift Run DD	Ann Arbor	NPS-Swift Run Basin	0	0	0	80	80	0	0	100	0	200	380	Future	\$640,000
	5479-01	Malletts Creek Drain DD	Ann Arbor	NPS-Malletts Crk Dr Dist SS	0	0	0	80	80	0	0	100	200	0	380	Future	\$2,770,000
	5504-09	Huron River Green	Ann Arbor	NPS-Trees	50	50	0	50	150	0	0	0	0	200	350	Future	\$420,000
	5480-01	Huron River Green	Ann Arbor	NPS-Millers Crk SBS	80	80	0	80	240	0	0	100	0	0	340	Future	\$650,000
	5664-01	Malletts Creek Drain DD	Ann Arbor	NPS-Scio Church Maple to 7th	80	0	0	80	160	0	0	100	0	0	260	Future	\$1,625,000
	5669-01	Malletts Creek Drain DD	Ann Arbor	NPS- Chalmers Drive SW Improve	80	0	0	80	160	0	0	100	0	0	260	Future	\$475,000
	5667-01	Huron River Green	Ann Arbor	NPS-Geddes Church to Highland	80	0	0	80	160	0	0	100	0	0	260	Future	\$780,000
	5666-01	Allen Creek DD	Ann Arbor	NPS - 5th Ave Kingsley Catherine	80	0	0	0	80	0	0	100	0	0	180	Future	\$380,000
Total 16 Projects																\$18,295,000	