

Michigan Department of Environment, Great Lakes, and Energy

Clean Water State Revolving Fund Fiscal Year 2025 Annual Report

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EGLE



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I. Introduction

The [Clean Water State Revolving Fund](#) (CWSRF) is a federal and state partnership program that awards low interest loan financing to qualified municipalities that are undertaking wastewater and/or stormwater projects that improve and protect water quality, the environment, and public health.

The federal Clean Water Act (CWA) requires a report on annual state CWSRF activities. The Water Infrastructure Funding and Financing Section (WIFFS) of the Department of Environment, Great Lakes, and Energy (EGLE) submits this CWSRF annual report for Michigan's fiscal year (FY) 2025 (October 1, 2024, through September 30, 2025).

This report describes the uses of funds, project overviews, and the manner in which the WIFFS managed the projects, goals, and objectives of the FY 2025 Intended Use Plan (IUP).

II. Executive Summary

Since 1999, Michigan's CWSRF program has issued \$7.9 billion to Michigan municipalities undertaking wastewater or stormwater infrastructure projects. This financial assistance has positively impacted environmental and public health, recreation, and increased construction jobs across the state. However, the continued increase in the volume of CWSRF applications indicate further work and financial assistance is needed. Infrastructure continues to approach and extend beyond its design limits along with the growing need to reduce pollutants and address climate challenges. The total amount of dollars awarded in FY 2025 through the CWSRF program to 29 applicants was \$521,100,400. Of this amount, \$45,003,200 was issued as loan principal forgiveness.

Limited funds in local municipal budgets for competing interests compounds the need for water infrastructure projects. CWSRF provided solutions in FY 2025 to lessen communities' financial burden:

- All interest rates are well below market rates (1.0% - 2.75%)
- 24 loans received principal forgiveness totaling \$45,003,200

EGLE and the Michigan Finance Authority (MFA) administered the FY 2025 CWSRF program funds in accordance with the Intended Use Plan published by EGLE in October 2024.

III. Program Activity

Financing through the CWSRF program assists communities in complying with their treatment standards for discharging effluent into rivers, lakes, streams, and groundwater per the National Pollutant Discharge Elimination System (NPDES) administered by

EGLE. In FY 2025, WIFFS executed milestone schedules and completed environmental reviews with all applicants that received CWSRF assistance.

Twenty-nine CWSRF bidding commitments were executed to Section 212, publicly owned treatment works projects, totaling \$521,100,400. Total principal forgiveness awarded was \$45,003,200. Interest rates for projects were established per Table 1 below. Twenty-four projects or 82-percent of loans were to qualified disadvantaged communities. Attachment 1 illustrates applicants that were awarded CWSRF funds including the associated project components, disadvantaged status, and total loan and principal forgiveness amounts.

Table 1 Interest Rates

Term	Disadvantaged Status	Rate
20-year	N/A	2.50 %
30-year	N/A	2.75 %
20-year	Overburdened	2.00 %
30-year	Overburdened	2.00 %
20-year	Significantly Overburdened	1.00 %
30-year	Significantly Overburdened	1.00 %

The project priority list (PPL) for FY 2025 was issued as final in October 2024, it included a CWSRF total fundable range of \$686,051,800. After the issuance of the final PPL, twenty projects declined funds.

Traditional Capitalization Grant

EGLE applied for and was awarded the 2024 federal capitalization grant from EPA and provided a 20-percent state match of \$6,450,800 from proceeds of the sale of a state match revenue bond. In addition to the federal and state contributions, the CWSRF is also capitalized with principal and interest payments from earlier loans, account earnings, state match bonds, and released funds from debt service reserve accounts. The table below illustrates the Capitalization Grant, required state match, and total revolving fund dollars allocated to projects on the FY 2025 project priority list.

Table 2 Total Traditional Capitalization Grant

Grant	Federal Appropriation Amount	State Match Dollars	Total Traditional CWSRF Dollars Awarded
FY 2024 Capitalization Grant	\$35,102,000	\$7,020,400	\$438,708,560

Bipartisan Infrastructure Law

On November 15, 2021, the Infrastructure Investment and Jobs Act was signed into law. Referred to as the Bipartisan Infrastructure Law (BIL), it included an appropriation to the EPA to strengthen the nation’s drinking water and wastewater systems. A portion of the BIL dollars flow through the CWSRF.

The BIL provides two federal grants to Michigan through the CWSRF, the Supplemental CWSRF Grant and the Emerging Contaminants Grant. The following table illustrates FY 2024 BIL dollars, associated state match dollars, and the amount required to be awarded to applicants as additional subsidy (awarded by EGLE as principal forgiveness).

Table 3 Total BIL Grants

Grant	Federal Appropriation Amount	State Match Dollars	Awarded Additional Subsidy Dollars
Supplemental CWSRF	\$97,784,000	\$19,556,800	\$47,914,160
Emerging Contaminant	\$9,144,000	\$0	\$9,144,000

IV. Short Term Goals

Michigan’s FY 2025 IUP included six short term goals which were addressed as follows:

1. *Apply for all CWSRF federal grants (including BIL) and ensure requirements of the grant terms and conditions are met.*

All federal grants were applied for, and grant terms were added to the loan agreements.

2. *Assist borrowers listed on the annual PPL in meeting CWSRF requirements to successfully close on a loan.*

Project managers worked closely with applicants assisting them through the application and eventual loan issuance process. Where projects experienced delays or declined funding, WIFFS made every effort possible to award those unused dollars to other projects originally outside the PPL's fundable range.

3. *Procure and maintain a new data system for tracking CWSRF and related state grant programs.*

WIFFS entered into a contract with a vendor for database development and held the database kickoff meeting the week of September 8, 2025.

4. *Assist disadvantaged communities through the allocation of principal forgiveness and grant dollars.*

All disadvantaged communities receiving CWSRF dollars in FY2025 were awarded some form of principal forgiveness. In addition, disadvantaged communities were offered reduced interest rates compared to non-disadvantaged applicants.

5. *Continue to improve and maintain WIFFS [online dashboard](#) for projects that are financed using SRF dollars.*

The WIFFS online dashboard is updated quarterly with project details and locations, meeting EPA signage requirements. Numerous states and the Council of Infrastructure Financing Authorities have reached out to WIFFS with interest in the online dashboard.

6. *Support the use of green infrastructure for stormwater, traditional wastewater, and climate resiliency projects across the state.*

WIFFS again offered a zero-percent interest rate to green stormwater projects in FY 2025, however no applicants applied. WIFFS awarded CWSRF dollars in the amount of \$27,250,787 to green infrastructure spread across three projects. These projects are illustrated on attachment 1.

V. Bipartisan Infrastructure Law

The Bipartisan Infrastructure Law (BIL) provided two federal grants to Michigan through the CWSRF: Supplemental CWSRF Grant and the Emerging Contaminants (EC) Grant. In FY 2025, Michigan applied for and received 100% of available federal funds from both grants, \$97,784,000 in BIL Supplemental CWSRF dollars and \$9,144,000 in BIL EC grant dollars.

The BIL EC grant required 100% of funds to be awarded as additional subsidization. Michigan awarded \$9,144,000 of EC grant funds as principal forgiveness to one project in the City of Warren. This project included the replacement of an incinerator with a two-

step dryer and energy recovery system for thermal drying and oxidation to destroy Perfluoroalkyl and polyfluoroalkyl substances in the sludge. This project was considered an equivalent project with federal cross-cutter requirements being met. The project also met the Green Project Reserve (GPR) requirement for increased energy efficiency through a heat recovery system related to the incinerator at a GPR amount of \$922,700.

VI. Additional Subsidization (Traditional Grant)

Michigan’s 2024 capitalization grant (\$35,102,000) required a 10% (\$3,510,200) appropriation subsidy and an additional 10-30% (\$10,530,660) Clean Water Act subsidy. The total amount of subsidy awarded as traditional principal forgiveness was \$12,481,200 as illustrated in the table below.

Table 4 Additional Subsidy

10-percent Subsidy Required	Up to 30-percent Subsidy Awarded	Minimum Subsidy	Maximum Subsidy	Total Traditional Subsidy Awarded
\$3,225,400	\$10,530,660	\$7,020,400	\$14,040,860	\$12,481,200

Michigan uses the term ‘disadvantaged system’ when describing applicants that meet the state’s affordability criteria. There are two qualifying disadvantaged tiers, overburdened or significantly overburdened. In FY 2025, 24 projects, or 82-percent of total financed projects, qualified as a disadvantaged system.

1. Significantly Overburdened applicants were awarded 20% of eligible project loan costs, put to a maximum of \$20,000,000 as principal forgiveness.
2. Overburdened applicants were awarded 12% of eligible project loan costs, up to a maximum of \$20,000,000 of principal forgiveness.
3. All other non-disadvantaged applicants within the fundable range received 100% loan dollars.

In some instances, applicants request additional loan dollars after receiving project bids and prior to loan issuance. If loan funds are available, EGLE will award additional loan dollars but will not increase the amount of forgiveness greater than what is illustrated on the PPL.

VII. Green Project Reserve

The FY 2024 capitalization grant conditions required EGLE award not less than 10% of the grant to Green Project Reserve (GPR) projects to the extent available. Additionally, the same 10-percent requirement is in place for both the BIL Supplemental CWSRF grant and the BIL EC grant. EGLE’s GPR projects totaled \$27,250,787 and are illustrated on attachment 1.

VIII. NEPA Review and Equivalency

All projects receiving CWSRF dollars were subject to an environmental review by WIFFS consistent with Michigan’s National Environmental Policy Act (NEPA) State Environmental review process. Findings of no significant impact were issued for all projects awarded dollars prior to the start of any construction activities.

In FY 2025, WIFFS applied equivalency for CWSRF projects. Equivalency (federal) projects must meet EPA’s equivalency requirements including compliance with all federal cross cutters and qualifications-based selection process. Projects below were used to meet equivalency in FY 2025 and are also illustrated on attachment 1.

Project Number	Applicant
5005-27	City of Lansing
5999-01	Sault Ste Marie
5872-01	Evergreen-Farmington SDDD
5799-01	City of Warren
6001-01	Great Lakes Water Authority

IX. Uses of Funds

EGLE has agreed to administer the CWSRF in accordance with the capitalization grant terms, the FY 2025 IUP, and the Operating Agreement. In doing so, certain administrative procedures are implicit. The operation of the fund is bound by the following provisions:

- Agreement to accept payments.
- State laws, rules, and procedures.
- State accounting and auditing procedures.
- Sub-recipient accounting and auditing procedures.
- Use of the Automated Standard Application for Payments.
- Debit Repayment.
- Annual audit requirements.
- Annual performance review.

Additionally, the state of Michigan has provided all necessary certifications from the state Attorney General's office, which attest to its ability to implement the CWSRF and bind itself to the terms of the Capitalization Grant Agreement.

EGLLE partners with the Michigan Finance Authority (MFA) to manage and leverage the program funds.

X. CWSRF Accomplishments

Michigan's CWSRF has financed a total of \$7.9 billion in wastewater and stormwater projects over the life of the program. In FY 2025, a total of \$521,100,400 in CWSRF was awarded to projects across the state. Project awards can be found on WIFFS' interactive online [dashboard](#) which is updated quarterly.

Eighty-two percent of projects receiving funds through the FY2025 CWSRF process qualified as disadvantaged communities. The City of Lansing, a disadvantaged community, was awarded their 27th segment of CWSRF dollars to address their combined sewer overflow long term correction program.

Michigan's WIFFS have financed clean water infrastructure projects for 36 years. We look forward to working with our partners to continue to develop innovative solutions to assist communities addressing their infrastructure needs for generations to come.





Department of Environment, Great Lakes, and Energy

Attachment 1

Clean Water State Revolving Fund FY2025 Awarded Projects



Project Number	Applicant	Disadvantaged Applicant	Project Scope	Awarded CWSRF BIL EC	Total Loan	Total PF	Total Awarded Dollars
5005-27	City of Lansing	Yes	CSO and PS EQB Improvements	\$ -	\$ 39,890,000	\$ 4,200,000	\$ 44,090,000
5999-01	Sault Ste. Marie	Yes	WWTP and CS Improvements		\$ 25,080,000	\$ 3,420,000	\$ 28,500,000
5997-01	City of Monroe	No	WWTP and CS Improvements		\$ 9,480,000	\$ -	\$ 9,480,000
5866-01	City of Gladstone	Yes	CS and Lift Station Improvements		\$ 5,337,200	\$ 727,800	\$ 6,065,000
5825-01	City of Grand Ledge	Yes	WWTP and PS Improvements		\$ 47,715,000	\$ -	\$ 47,715,000
5826-01	Village of Sparta	Yes	WWTP Improvements		\$ 19,839,800	\$ 2,275,200	\$ 22,115,000
5872-01	Evergreen-Farmington SDDD	No	PS Improvements		\$ 9,355,000	\$ -	\$ 9,355,000
6001-01	GLWA (CSO facilities impr - Oakwood, Leib, Conner/Baby Creek)	Yes	CSO Improvements		\$ 60,418,000	\$ 6,852,000	\$ 67,270,000
5782-01	City of Burton	Yes	CS Improvements		\$ 3,149,400	\$ 390,600	\$ 3,540,000
5844-01	City of East Lansing	No			\$ 44,855,000	\$ -	\$ 44,855,000
6007-01	City of Bronson	Yes	WWTP and Lift Station Improvements		\$ 1,365,400	\$ 505,000	\$ 1,870,400
6008-01	City of Kingsford	Yes	CSO Separation, LS Rem, MH Rep		\$ 4,932,400	\$ 672,600	\$ 5,605,000
5918-01	McMillan Twp.	Yes	CS Improvements		\$ 1,016,800	\$ 133,200	\$ 1,150,000
5870-01	Bessemer Area Sewer Authority	Yes	WWTP improvements		\$ 6,138,000	\$ 837,000	\$ 6,975,000
5920-01	City of Saginaw	Yes	WWTP and RTB Improvements		\$ 15,056,000	\$ 3,764,000	\$ 18,820,000
5793-01	City of Traverse City	No	WWTP and CS Improvements		\$ 41,030,000	\$ -	\$ 41,030,000
5922-01	City of Iron River	Yes	FM, MH, and Siphon Improvements		\$ 4,994,000	\$ 681,000	\$ 5,675,000
5862-01	City of Hudson	Yes	CS Improvements		\$ 255,200	\$ 34,800	\$ 290,000
5936-01	Village of Hesperia	Yes	WWTP Improvements		\$ 4,960,000	\$ 1,240,000	\$ 6,200,000

Project Number	Applicant	Disadvantaged Applicant	Project Scope	Awarded CWSRF BIL EC	Total Loan	Total PF	Total Awarded Dollars
6002-01	City of Detroit (District 1 & District 2, 4, 5, 6, 7)	Yes	CS Improvements		\$ 8,944,000	\$ 2,236,000	\$ 11,180,000
5952-01	Portage Lake Water and Sewer Authority	Yes	WWTP Improvements		\$ 3,044,000	\$ 761,000	\$ 3,805,000
5937-01	City of Big Rapids	Yes	WWTP Improvements		\$ 6,280,000	\$ 1,570,000	\$ 7,850,000
5905-01	Baraga	Yes			\$ 3,600,000	\$ 900,000	\$ 4,500,000
5934-01	Village of Muir	Yes	WWTP and CS Improvements		\$ 2,998,000	\$ 682,000	\$ 3,680,000
5716-01	City of Harrisville	Yes	PS Rep		\$ 1,600,000	\$ 400,000	\$ 2,000,000
5949-01	Benton Charter Township	Yes	LS Rep		\$ 2,152,000	\$ 538,000	\$ 2,690,000
5930-01	City of Ewart	Yes	WWTP and CS Improvements		\$ 6,064,000	\$ 1,516,000	\$ 7,580,000
5939-01	Village of Barryton	Yes	Lagoon and LS Improvements		\$ 5,775,000	\$ 1,440,000	\$ 7,215,000
5799-01	City of Warren	Yes	Incinerator Improvements-PFAS mitigation	\$ 9,227,000	\$ 90,773,000	\$ 9,227,000	\$ 100,000,000
				Total	\$ 476,097,200	\$ 45,003,200	\$ 521,100,400

Blue =
Equivalency