## MICHIGAN DEPARTMENT OF ENVIRONMENT, GREAT LAKES, AND ENERGY

## Funding and Financing Programs



MAY 11, 2022

What Are Michigan's Water Infrastructure Needs?

CITY of FLINT, MICHIGAN WATER and/or SEWER BILL STEVENSON ST

RETURN THIS STUB WITH YOUR PAYMENT

00007553550000009999075750790000009999925507

N THE REPORT OF A DECEMBER OF A DEC ACCOUNT NUMBER DUE DATE

STEN-002610-0000-04 NET AMOUNT DUE > 88.88\*



\$800 Million Annual Need



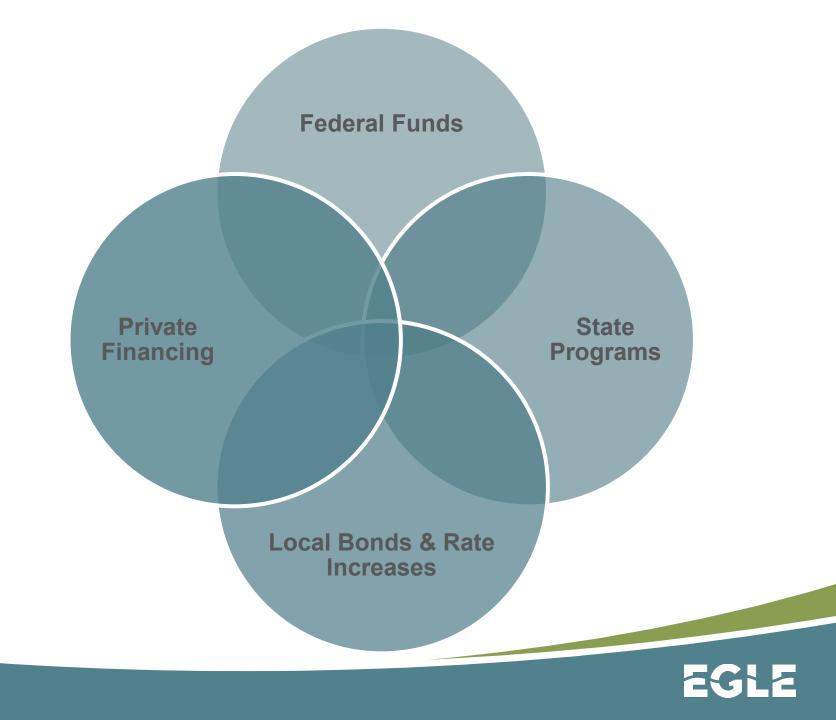
21<sup>ST</sup> CENTURY INFRASTRUCTURE COMMISSION REPORT



Prepared for Governor Rick Snyder



# Water Infrastructure Financing Options



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# Reduce communities' financial barriers to addressing critical infrastructure needs to protect public health and the environment.



# **Guiding Principles**

- Address environmental and public health priorities
- Decrease the cost of treating, collecting, and distributing water
- Prioritize funding to communities implementing asset management plans
- Prioritize funding to disadvantaged communities
- Facilitate economic growth in communities while fostering sustainability and resiliency
- Support the "dig once" philosophy
- Coordinate with federal, state, and local partners



Two Existing State Revolving Fund (SRF) Programs Administered by EGLE

## **Drinking Water**

- Program started in 1998
- Michigan receives \$25 \$30 million annually of federal funds
- 20% state match required
- Program can support up to \$200 million of projects
- \$1.5 billion and 345 projects financed since beginning of program

## **Clean Water**

- Program started in 1988
- Michigan receives \$65 \$70 million federal funds annually
- 20% state match required
- Program can support up to \$800 million of projects annually
- \$5.4 billion and 642 projects financed since beginning of program



# SRF Eligible Projects

### **Drinking Water**

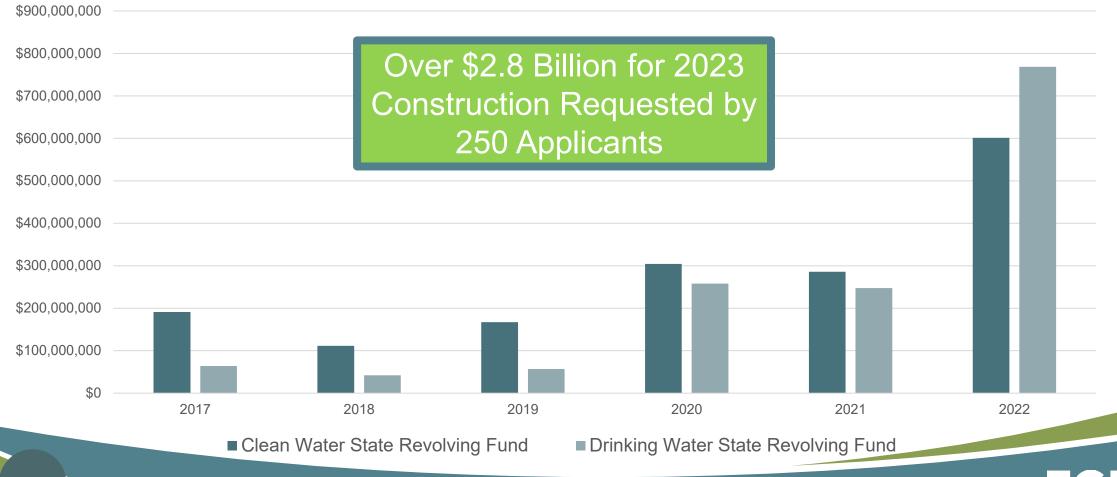
- Intake structures
- Pumping stations
- Storage tanks
- Treatment plants
- Distribution system improvements (pipelines, etc.)
- Water service lines (lead and galvanized)
- Municipal wells

## **Clean Water**

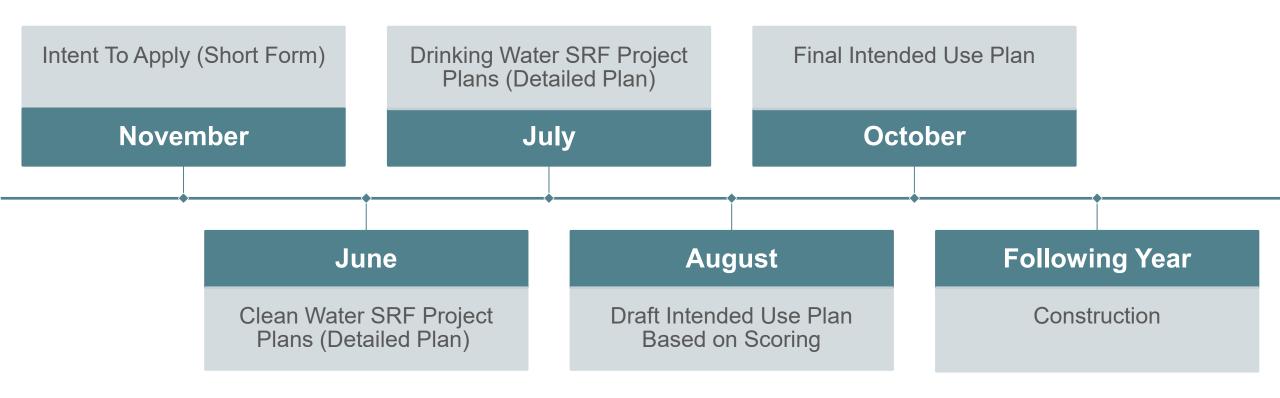
- Elimination of combined sewer overflows
- Wastewater treatment system
- Collection system
- Removal of excessive inflow/infiltration
- Major sewer rehabilitation
- Pump station
- Nonpoint source projects
- Stormwater treatment



# Water Infrastructure Funds Requested



# **SRF Project Selection Process**





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# SRF Project Scoring Criteria

### Defined in Statute and Rules

- Administrative Rules (Clean Water)
- Part 54, Safe Drinking Water Assistance, of Public Act 451 of 1994, as amended

### **Calculation of Various Factors**

- Severity
- Compliance
- Population
- Disadvantaged
- Type of Project

P	roject Priority List (PPL) Scoring Data I	Form
	nation requested below and indicate the page numbers or n provided. Enter "N/A" if information is not pertinent.	appendices in the project plan
PROJECT APPLICANT:	City of Midland	
PROJECT LOCATION:	Midland, Michigan	
1. Water Pollution Sev	verity Data (0 to 500 points)	
	e-project conditions, including wastewater collection/ ter quality problems currently occurring.	treatment deficiencies and
00.07	st-project conditions, including proposed facilities an	d water quality improvements.
	ility (or facilities) being upgraded, expanded, or replac ndwater discharge monitoring reports?	ed by this project file either
YES, Proceed to Sec	tion C or 🗌 NO, Proceed to Section A or B	
	a surface water or groundwater discharge is also causing a nitrate proble re to complete Item B.5. Projects may receive points for both surface wa	
A. Data on Existing Surf	ace Water Discharge	
page <sup>5</sup> 1. Dis	scharge type:	
	Continuous	
	Seasonal	
	Intermittent (if CSO, or SSO, please complete Section	s E and F below)
	<b>bw</b> . For facilities that discharge to regional treatment ants and do not file surface water discharge monitoring	
page 5 rep	ports, provide the average daily metered flow (identify	8.30 MGD
	ether units are MGD or MGY)	Tittabawassee River
5	entify Receiving Water and Type	S27 T14N R2E
4. LU	cation (town, range, and section)	327 114N KZE
	isting Treatment	r Overflow 🗹 Tertiary
	Untreated Secondary Combined Seven Primary (including septic systems with direct surface wa	
page N/A 6. Ex	isting Disinfection Process:	ter discharge)
page 0. EX	None	
	Chlorination	
	Alternative Technology (specify type)	
	rationality recurring (specify type)	
B. Data on Eviating Crai	undwater Discharge	
B. Data on <u>Existing Gro</u> page 1. Dis	undwater Discharge scharge Type:	

# SRF Disadvantaged Communities

### **Defined in Statute**

- Part 53, Clean Water Assistance, of Public Act 451 of 1994, as amended
- Part 54, Safe Drinking Water Assistance, of Public Act 451 of 1994, as amended

### **Calculation of Various Factors**

- Median Household Income
- Operation and Maintenance Costs
- Debt

NATURAL RESOURCES AND ENVIRONMENTAL PROTECTION ACT (EXCERPT) Act 451 of 1994

ARTICLE I

GENERAL PROVISIONS

PART 1 SHORT TITLE AND SAVINGS CLAUSES

#### 324.101 Short title.

Sec. 101. This act shall be known and may be cited as the "natural resources and environmental protectic act".

History: 1994, Act 451, Eff. Mar. 30, 1995.

Compiler's note: For transfer of powers and duties of department of natural resources and environment to department of natur resources, see E.R.O. No. 2011-1, compiled at MCL 324.99921.

Popular name: Act 451

Popular name: NREPA

#### 324.102 Repeal of statute; effect.

Sec. 102. The repeal of any statute by this act does not relinquish any penalty, forfeiture, or liabilit whether criminal or civil in nature, and such statute shall be treated as still remaining in force as necessary fit the purpose of instituting or sustaining any proper action or prosecution for the enforcement of the penalt forfeiture, or liability.

History: 1994, Act 451, Eff. Mar. 30, 1995.

Popular name: Act 451

Popular name: NREPA

#### 324.103 Heading or title; effect.

Sec. 103. A heading or title of an article, chapter, part, or subpart of this act shall not be considered as part of this act or be used to construe the act more broadly or narrowly than the text of the sections of the a would indicate, but shall be considered as inserted for the convenience of the users of this act.

History: 1994, Act 451, Eff. Mar. 30, 1995.

Popular name: Act 451

Popular name: NREPA

#### 324.104 Members of predecessor agency; powers.

Sec. 104. When a board, commission, committee, council, or other agency created by or pursuant to th act was preceded by an agency with the same or similar name and functions, members of the predecessor agency shall continue in office for the duration of the terms of office for which they were appointed and wit the new members appointed shall constitute the new agency. Members shall be appointed under this act on as terms of the former members expire or vacancies occur. Members of the predecessor agency may be appointed to the new agency to succeed themselves subject to the limits for the total period of service set for in this act.

History: 1994, Act 451, Eff. Mar. 30, 1995.

Popular name: Act 451

Popular name: NREPA

#### 324.105 Existing rules; effect.

Sec. 105. When the department or other agency is directed to promulgate rules by this act and rules exi on the date the requirement to promulgate rules takes effect, which rules the department or agency believe adequately cover the matter, the department or agency may determine that new rules are not required or ma delay the promulgation of new rules until the department or agency considers it advisable.

History: 1994, Act 451, Eff. Mar. 30, 1995.

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# New Funding Public Act 53 of 2022 (Senate Bill 565)

## Includes \$4.7 Billion of Infrastructure Funding

#### \$1.9 Billion Will be Administered by EGLE

3 Funds Included:

- American Rescue Plan Act (ARPA)

- Bipartisan Infrastructure Law (BIL)/Infrastructure Investment Jobs Act (IIJA)

- General Fund

15 Times More Than Annual EGLE State Revolving Fund Amount



# Public Act 53

## Will

- Support Needed Projects
- Provide Grant and Loan Funds, With the Majority Being Grants
- Build on the Success of the SRF Programs

## Will Not

- Fund 100% of Statewide Water Infrastructure Needs
- Violate Federal and State
  Statute
- Unlikely to Decrease
  Current Water Rates



# What Funds Can Communities Apply For Within Public Act 53?

# Infrastructure Investment and Jobs Act

- \$500 million loans and loan forgiveness
- Submit project plans in accordance with SRF process

## American Rescue Plan Act

- \$1 billion grant funding
  - \$600 million drinking water
  - \$400 million clean water
- Submit project plans in accordance with SRF process



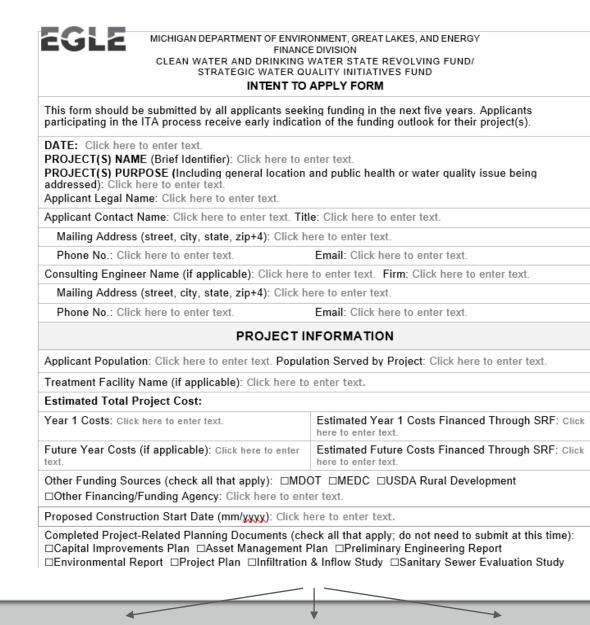
## How Can Communities Apply For Funds Within Public Act 53?

One Intent To Apply Form Triggers Conversation for Multiple Sources of Funding:

SRF Traditional

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- SRF IIJA
- ARPA



**SRF Traditional** 

**SRF IIJA** 

ARPA

# Public Act 53 Two Year Cycle



Communities who applied for 2023 SRF cycle are eligible for IIJA and ARPA funding (funding determinations will be made by October 2022)



Communities who have not applied for 2023 SRF cycle can apply by November 2022 to be eligible for 2024 funding (funding determinations will be made by October 2023)



# **Contact Information**



For communities that have not applied or those wanting general information regarding funding opportunities:

Contact Water Infrastructure Financing Section staff at 517-284-5433 or email <u>EGLE-WIFS@Michigan.gov</u>

Communities that have applied:

Have already been assigned an EGLE project manager and an engineer.



# Clean Watersheds Needs Survey

EGLE is reaching out to municipal officials for information, typically contained in a capital improvement plan, as part of a nationwide survey to guide investments in clean water infrastructure.

The Clean Watersheds Needs Survey (CWNS) helps determine resources needed in the next 20 years to improve wastewater, stormwater, decentralized, and nonpoint source systems.

- For more information, go to: www.epa.gov/cwns
- EGLE contact: Mark Conradi at ConradiM@Michigan.gov



Michigan Department of Environment, Great Lakes, and Energy

800-662-9278 Michigan.gov/EGLE



## Follow us at: Michigan.gov/egleConnect

