



GRETCHEN WHITMER
GOVERNOR

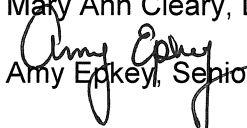
STATE OF MICHIGAN
DEPARTMENT OF
ENVIRONMENT, GREAT LAKES, AND ENERGY
LANSING



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: September 6, 2019

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

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

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
Greg Bird, Legislative 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
Liesl Eichler Clark, Director, EGLE
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Sarah M. Howes, Legislative Liaison, EGLE
David Fiedler, Regulatory Affairs Officer, EGLE
Paul McDonald, EGLE
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**Flint Water Infrastructure Funding
As of August 23, 2019**

In early 2017, the U.S. 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, 61% of the funds are remaining.

Category	Budget	Amount Approved for Reimbursement to City	Balance	Percent Remaining	Revised Project Time Frame
Federal WIIN Funds					
Service line replacements	\$ 20,000,000	\$ 7,468,340	\$ 12,531,660	63%	May 2017 - Dec 2019
Secondary water source	\$ 9,163,300	\$ 272,686	\$ 8,890,614	97%	May 2017 - Dec 2019
Dort and Cedar storage/pumping	\$ 10,125,000	\$ 275,470	\$ 9,849,530	97%	Aug 2019 - Mar 2021
Chemical feed building	\$ 3,400,000	\$ 20,917	\$ 3,379,083	99%	Apr 2019 - Dec 2019
Northwest transmission main	\$ 12,296,900	\$ 324,932	\$ 11,971,968	97%	Apr 2019 - Dec 2019
Water main replacement	\$ 13,683,125	\$ -	\$ 13,683,125	100%	Dec 2019 - Dec 2024
Meter replacement	\$ 18,460,000	\$ 200,993	\$ 18,259,007	99%	Apr 2019 - Feb 2020
Water quality monitoring	\$ 612,500	\$ 127,272	\$ 485,228	79%	Apr 2019 - July 2019
Local assistance/capacity development*	\$ 2,259,175	\$ 1,491,294	\$ 767,881	34%	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	\$ 10,181,904	\$ 89,818,096	90%	
Other Funding					
Service line replacement CHIP/DHHS	\$ 18,000,000	\$ 10,319,659	\$ 7,680,341	43%	May 2017 - Dec 2019
Service line replacement State	\$ 49,000,000	\$ 44,657,139	\$ 4,342,861	9%	May 2017 - Dec 2019
Total Other Funding	\$ 67,000,000	\$ 54,976,798	\$ 12,023,202	18%	
Total Water Infrastructure Funding					
	\$ 167,000,000	\$ 65,158,702	\$ 101,841,298	61%	

The City's FAST Start Team reports that 22,651 lines have been excavated and 9,074 lines replaced as of August 9, 2019. An average cost per line will be calculated upon completion of work and payment of invoices. The State has not received reimbursement requests for any service line replacement work that has occurred from May 2019 to present. The State is currently working with the City to update the revised project timeframe as a number of the projects are behind schedule.

* In January 2019, per the City's request, the local assistance grant amount was increased to \$2,259,175 from \$1,500,000. The difference was deducted from water main replacement. The local assistance grant is related to asset management and corrosion control studies.