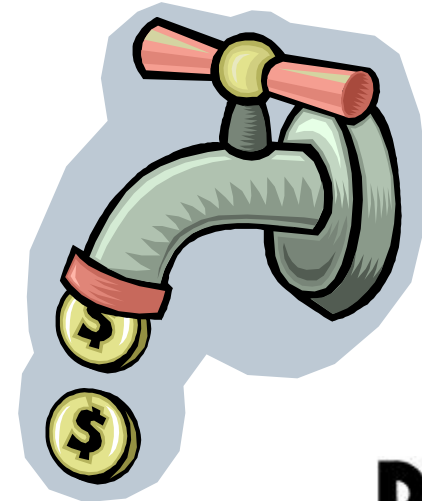


Michigan's Drinking Water and Wastewater Infrastructure: Our Buried Assets

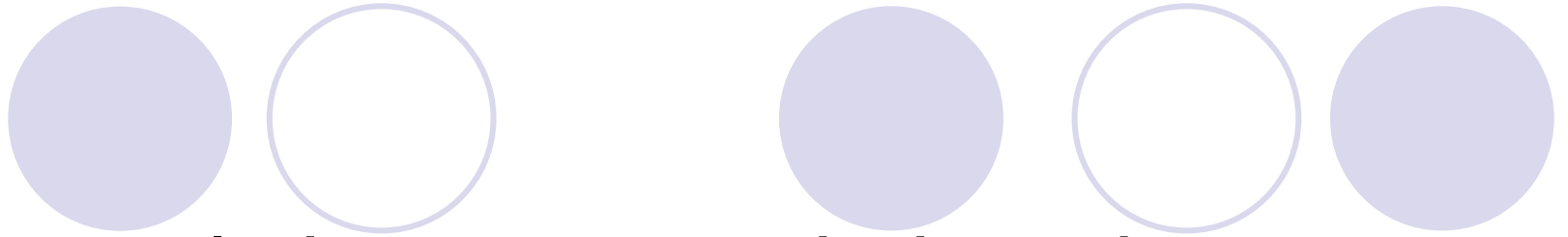


Infrastructure Impacts

- Public Health
 - Safe Drinking Water Supplies
 - Water Borne Disease
- Environment
 - Quality of Life
 - Groundwater and Surface Water Quality
 - Recreation and Tourism
- Economy
 - Redevelopment, Growth and Job Creation

Michigan's Drinking Water and Wastewater Systems

- 1,500 Community Water Systems serving 7.6 million people (76% of Michigan residents)
- 11,000 Non Community Water Systems
- 1,080 POTWs and private wastewater treatment plants serving 6.9 million people (69% of Michigan residents)
- Drinking water provided by DWSD: 126 communities, 4 million people, 12,500 miles of pipe, 3 intakes, 5 treatment plants, 21 booster stations and 32 storage facilities
- Wastewater customers served by DWSD: 78 communities, 3 million people, 14,200 miles of pipe, hundreds of pump stations and over two dozen CSO retention/treatment facilities



“New solutions are needed to what amounts to nearly a trillion dollars in critical water and wastewater investments over the next two decades. Not meeting the investment needs of the next 20 years risks reversing the environmental, public health, and economic gains of the last three decades.”

Water Infrastructure Network – May 2000

Michigan's Systems Needs

- Federal Needs Surveys
 - Wastewater 20 year needs in Michigan: \$6 Billion (2004)
 - Drinking Water 20 year needs in Michigan: \$11.3 Billion (2003)
- Seven County SE Michigan Region:
 - 30 year wastewater needs of between \$5.2 and \$9.4 billion (2001 – SEMCOG), excluding sewer extensions and operation/maintenance

Sources of Financing

- Enterprise Funds
- Open Market Borrowing
- RUS Grants/Loans
- CDBG Funding
- Line Item Appropriations or Earmarks
- State Revolving Loan Funds (Stimulus Bill?)

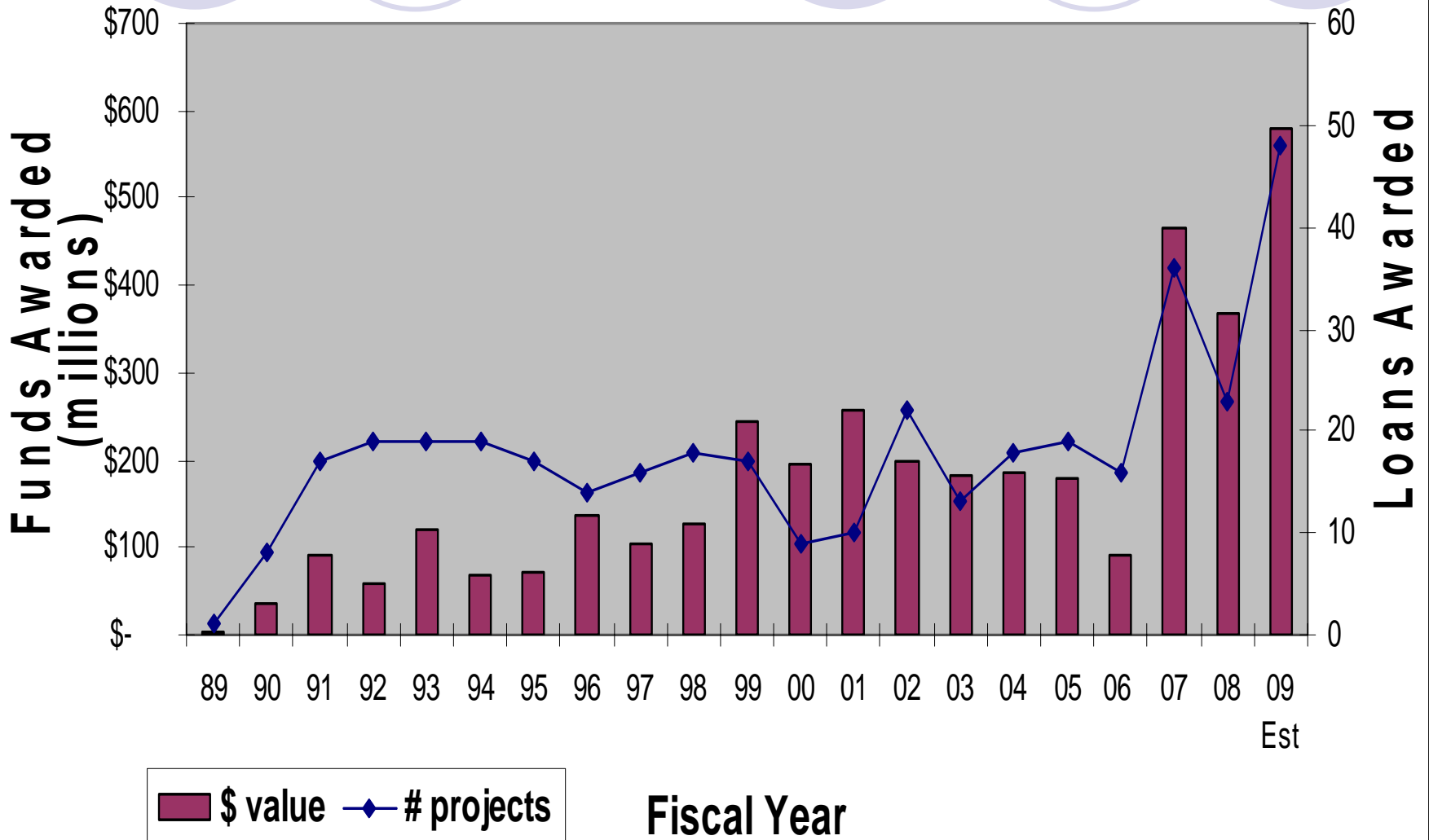
State Revolving Fund (SRF or CWSRF)

- First loan tendered in 1989
- Jointly administered by MDEQ and MMBA
- Fixed rate loans with 20 year amortization
- Interest rates set annually, well below market (1 5/8% - 2 1/2 %); 2 1/2% for FY 2009
- Federal cap grants and 20% state match plus up to \$900 million in Proposal 2 resources
- Current lending capacity @ \$500 million/yr
- Over \$3.19 **billion** w/ 327 loans to date

Great Lakes Water Quality Bond Fund (Proposal 2) Status/Recap

- Nov 2002: Vote authorizes \$1 Billion GO bonds to be sold for water pollution control projects – 90% for additional capitalization of the SRF
- \$49 million sold to date
- From 2002 thru 2007, SRF was able to fully meet all application demands w/o Prop 2 resources
- SRF need remains high – demand in FY 09 and for the foreseeable future exceeds the fund's ability to lend
- \$180 million/yr to be sold beginning in 2009

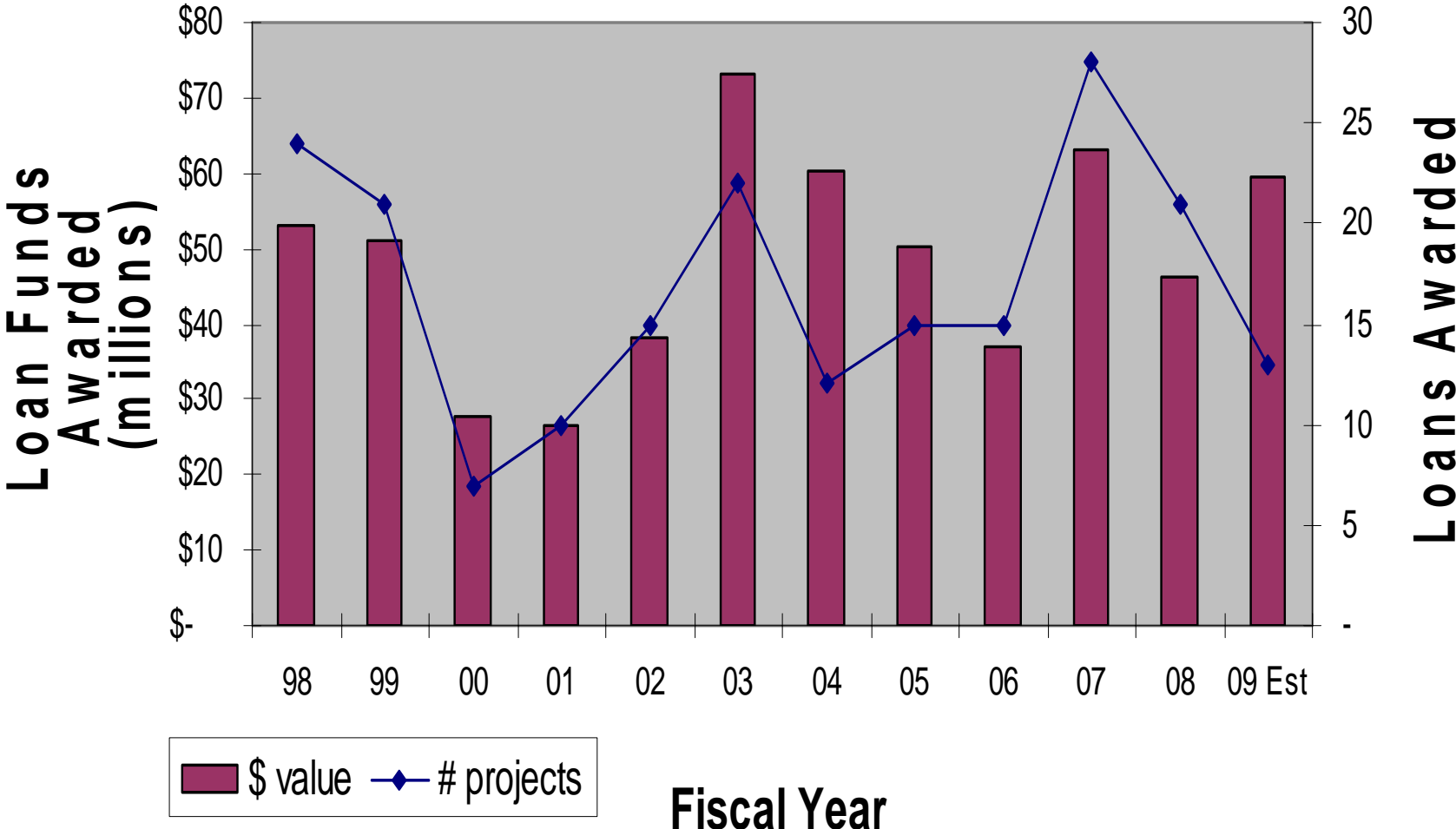
SRF HISTORY IN MICHIGAN



Drinking Water Revolving Fund (DWRF)

- First loan tendered in 1998
- Jointly administered by MDEQ and MMBA
- Fixed rate loans with 20 year amortization; 30 year option for disadvantaged communities
- Interest rates set annually well below market (2 1/8 – 2 1/2 %); 2 1/2% for FY 2009
- Federal cap grants and 20% state match
- Current lending capacity @ \$60 million/yr
- Over \$522 **million** w/ 190 loans to date

DWRF HISTORY IN MICHIGAN



SWQIF Loan Project Eligibility

- On-Site Septic Tank & Tile Field Upgrade or Replacement (0%)
- Infiltration/Inflow Removal from Sanitary or Combined Sewer Leads (100%)
 - Footing drain removal
 - Yard drain removal
 - Downspout disconnection
 - House lead rehabilitation

Strategic Water Quality Initiatives Fund (SWQIF)

- Jointly administered by MDEQ and MMBA
- Grants for SRF/SWQIF application costs
- Fixed rate loans with 20 year amortization
- Interest rates set annually (2 1/2 % for FY 08)
- State funded from 10% of Proposal 2 resources (up to \$100 million; 60/40 loans/grants)
- First loan tendered in 2004
- Current lending capacity @ \$10 million/yr
- Over \$7 **million** w/ 7 loans to date

SRF/DWRF Program Contact Information

- Department of Environmental Quality
Revolving Loan and Operator Certification
Section

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