



Financial Sustainability for Water Infrastructure

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Since the passage of the Clean Water Act and the Safe Drinking Water Act, Michigan communities have made good progress toward water quality – often with the aid of Federal and State funding. High levels of treatment for drinking water and wastewater are the norm throughout Michigan, and we enjoy one of the highest levels of water quality in the world.

Nonetheless, non-local funding has been neither sustainable nor sufficient. Historically, Michigan communities have received periodic Federal funding for infrastructure projects in response to a local crisis or because of a national initiative. However, there is no ongoing Federal funding to meet ongoing infrastructure needs. The same could be said for State of Michigan funding. Local governments have remained responsible for the bulk of water and wastewater improvements, funding them through taxes and user fees.

Unfortunately, periodic outside funding has the side effect of lowering overall user rates and thereby keeps citizens from understanding the true cost of the service they receive. Citizens and local governments have come to expect and depend on Federal and State funding, and voters often balk at funding necessary infrastructure projects through tax and rate increases. In other words, when no outside funding is available, citizens can refuse to pay for projects that they know are needed.

The MWEA believes that a consistent, sustainable funding scheme should be found to support necessary, ongoing water and wastewater improvements. Citizens will be best served, and the environment best protected, when clear funding roles are established for Federal, State, and local governments.