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# The Loan Arranger

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Spring  
2016

Revolving Loan Section  
Office of Drinking Water and Municipal Assistance  
Michigan Department of Environmental Quality



## The DEQ Announces New Loan Commitments Through the SRF and DWRF

**9 communities earn local infrastructure loans**  
*4 communities awarded principal loan forgiveness*

The DEQ announces \$59 million in loans awarded to fund wastewater and drinking water projects needed to improve water quality and public health around the state. A portion of the Clean Water Revolving Fund, or SRF, and the Drinking Water Revolving Fund, or DWRF, is provided from the U.S. Environmental Protection Agency through capitalization grants. The loans include more than \$3 million in principal loan forgiveness.

With interest rates below those otherwise available in the open market, funding infrastructure projects through the SRF and DWRF loan programs allow recipients to pass the savings along to their wastewater or drinking water system customer base.

The local units of government receiving DWRF loan assistance are:

- **Burton - \$4.03 million with \$500,000 in principal loan forgiveness**  
Funds new water mains and the replacement of existing water mains and valves in the southwestern region of the city to advance water quality, pressure, reliability, and redundancy, as well as replace system components that have exceeded or are at the end of their recommended useful design lives.
- **Grand Rapids - \$2.83 million with \$500,000 in principal loan forgiveness**  
Funds a 500,000-gallon elevated storage tank and associated water main on Four Mile Road in the city of Walker to improve reliability and reduce energy use.

The local units of government receiving SRF loan assistance are:

- **Clinton Township - \$2.575 million**  
Funds a new gravity relief sewer and a new force main relief sewer with a wet well for additional bypass pumping to address sanitary sewer overflows up to the 25-year/24-hour design storm in the southern central portion of the township, generally near 15 Mile Road and Groesbeck Highway.

- Great Lakes Water Authority (GLWA) - \$21.485 million with \$2 million in principal loan forgiveness  
Partially funds construction of a new Biosolids Dryer Facility to improve solids processing and disposal at the GLWA wastewater treatment plant, as well as for compliance with the wastewater discharge permit, an Administrative Consent Order (as amended), and federal air quality regulations.



*Biosolids Dryer Facility in Detroit*

- Lansing - \$3.335 million with \$100,000 in principal loan forgiveness  
Funds rehabilitation of the Francis Park Pump Station to reduce the risks of sanitary sewer overflows and basement backups in the city.
- Lincoln Park - \$1.16 million  
Funds sanitary sewer pipe lining and sectional replacement, as well as rehabilitation of manholes to improve structural integrity and system reliability.
- Macomb County - \$3.145 million  
Funds improvements necessary to restore operational and structural integrity to components within the Northeast Relief Sewer system, including the rehabilitation of two pump stations, to reduce the potential for failures.
- Milford - \$2.735 million  
Funds work to the wastewater treatment plant, including an equalization basin, a sludge storage tank, upgrades to the headworks, and structural concrete repairs to improve system operation and water quality for the area.
- Wayne County - \$17.705 million  
Funds renovations to the secondary and headworks systems, including the laboratory, at the Downriver Wastewater Treatment Facility to maintain compliance with the effluent limits in its wastewater discharge permit.

The SRF was established in 1988 and has since provided low-interest loans totaling more than \$4.5 billion. The DWRF was established in 1997 and has since provided low-interest loans totaling more than \$860 million.

If you would like more information on the SRF and DWRF loan programs, please visit:

- [SRF Web site](http://www.michigan.gov/cleanwaterrevolvingfund) (www.michigan.gov/cleanwaterrevolvingfund)
- [DWRF Web site](http://www.michigan.gov/drinkingwaterrevolvingfund) (www.michigan.gov/drinkingwaterrevolvingfund)



## A “Reverse” Timeline for the Submittal of State Revolving Fund & Strategic Water Quality Initiative Fund Final Project Plans for Any Fiscal Year

**Note: The Drinking Water Revolving Fund Project Plan submittal date for fiscal year 2017 has been extended to July 1, 2016.**

The following Reverse Timeline is a valuable tool to show the basic sequencing of project plan preparation. The dates specified in the Timeline are flexible (with the exception of the project plan submittal date of July 1) and intended to assist you in the planning process.

The final Project Plan must be received by the DEQ: **July 1**  
Project Plan received by the Office of Drinking Water and Municipal Assistance

If the council meets on the first and third Thursdays of each month:  
Resolution of Project Plan Adoption **on or about June 15**

The final Project Plan must be available prior to the council meeting:  
Project Plan completed and available for public display **on or about June 14**

To allow at least one week to incorporate public comments:  
Public Hearing held on draft project plan **on or about June 8**

To provide the **mandatory 30-day notice** for the Public Hearing:  
Public Hearing notice on the draft Project Plan is published **on or about May 9**

To provide at least a week for incorporating DEQ comments on the draft project plan:  
**Draft** Project Plan is completed **on or about May 1**

To provide DEQ staff with an opportunity to review & comment upon the draft plan:  
Submit draft Project Plan to both ODWMA & Water Resources Division **on or about April 1**

Assume minimum\* of 3 months to complete the draft Project Plan:  
Council authorizes engineering work **on or about January 1**

To ensure you are on the right track and to facilitate approval of the Project Plan:  
Preplanning conference with community/consultant & the DEQ **on or about December 1**

To initiate the Project Plan Process:  
Council/Board decision to proceed **on or about November 15**

The earlier the contact with the DEQ, the more likely the project plan will be approved upon submittal.

*\*The time necessary to complete a project plan varies greatly with the scope of the project. Work may include research and design; pilot testing; environmental agency contacts; analyses/evaluations; historical information; surveys; public involvement; rate structure development; mapping; etc.*

## Affording Native American Tribes Opportunity to Comment

by Wendy Fitzner

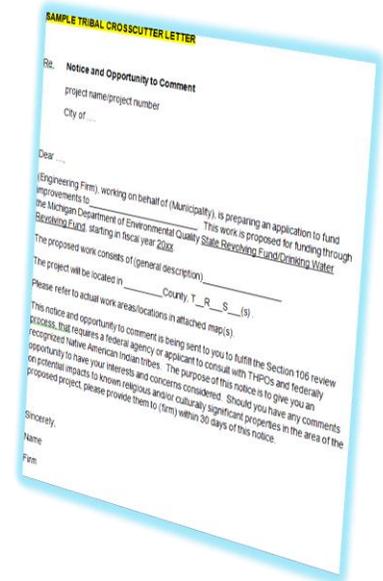
Please be sure to identify federally-recognized Native American tribes that might attach religious and cultural significance to properties within the project area while conducting the environmental review for your project plan. In Michigan, there are 12 federally-recognized tribes that have had a presence in various parts of the state. Seven of these tribes have designated Tribal Historic Preservation Officers (THPO), and their responsibility is to assume the role of the State Historic Preservation Office for projects on tribal lands.

A list of the federally identified tribes and the counties where they may have interest is provided on the [RLS Web site - THPO](http://www.michigan.gov/documents/deq/deq-ess-mfs-formsguidance-THPO_249047_7.pdf) (www.michigan.gov/documents/deq/deq-ess-mfs-formsguidance-THPO\_249047\_7.pdf). This list is also included as Attachment H in the DWRF Guidance and Attachment I in the SRF Guidance.

Once you have identified the tribes with a current or historic presence in your project area, they should be provided a **Notice of an Opportunity to Comment** on the project. The purpose of this activity, required under Section 106 of the National Historic Preservation Act, is to give the tribe(s) an opportunity to have their interests and concerns considered, whether the project will take place on tribal lands or not. An example of the **Notice of an Opportunity to Comment** is provided at the back of the tribal list for your use.

If the THPO or tribe provides comment that historic properties with religious and/or cultural significance will be impacted by the proposed project, a discussion of the impacts must be provided, mitigative measures integrated into the plan, or an alternative project site selected.

While active participation of tribes is encouraged, it does not obligate payment for consultation. If, however, any specific information and documentation regarding the location, nature, and condition of an individual site or a survey is required due to an identified impact, the tribe would be justified in requiring payment for its services. These are eligible planning costs and may be included in your loan.



RLS team members Clarence Jones and Jonathan Berman managed an Earth Day Event Booth held at the DEQ office on April 21, 2016. The booth, titled *Where Does Your Poop Go?*, attracted quite the crowd of young students where they learned the basics behind the wastewater treatment process in a modern wastewater treatment facility as well as an on-site septic system. The booth included a wastewater treatment plant model, posters, videos, and free 'samples' (aka Tootsie Rolls)!



## Extra! Extra! Read all about it!



- The DWRF project plan submittal date for fiscal year 2017 has been extended to July 1, 2016.
- As of April 18, 2016, SAW grant and loan disbursement requests may be submitted any time during the month for processing. Our office processes over 100 SAW disbursement requests each month. SAW submittals will be processed like our other loan and grant disbursements. Only one disbursement request per month will be processed no matter when the request is submitted.
- The following are eligible for DWRF assistance if necessary to comply with the Lead and Copper Rule:
  - Full lead service line (both the public and the privately owned portions)
  - Galvanized service lines
- The 20-year interest rate for DWRF (includes 30-year), SRF, and SWQIF loans closing in fiscal year 2016 is 2.5 percent. The interest rate for 30-year SRF loans is 2.75 percent.
- The Office of Management and Budget set the real discount rate (which does not include an inflation premium) for fiscal year 2016 at 1.2 percent (0.012). This rate is to be used for project planning that begins on or after October 1, 2015, for preparation of the cost-effectiveness analyses only.

Remember, this is NOT a rate that should be used to calculate debt retirement needs, but rather is used in cost-effectiveness analyses to “bring” future expenditures back into today’s dollars for total present worth or equivalent annual cost comparisons.
- Look for RLS project managers and technical support staff out and about again this summer. Our goal is to maintain project communication and offer assistance to improve the state’s clean water and drinking water infrastructure.

### PUBLIC HEARING DATES ARE ANNOUNCED

The Michigan Department of Environmental Quality has set the dates for the fiscal year 2017 public hearings on the draft Project Priority Lists and draft Intended Use Plans.

Drinking Water Revolving Fund – September 21, 2016, at 1:30 p.m.  
(for project plans received or postmarked no later than July 1, 2016)

State Revolving Fund – September 21, 2016, at 2:30 p.m.  
(for project plans received or postmarked no later than July 1, 2016)

Both public hearings will be held in Constitution Hall, at 525 W. Allegan in downtown Lansing.

If you know someone, who would like to be added to **THE LOAN ARRANGER** mailing list, have an address change, or would like to receive **THE LOAN ARRANGER** electronically, please e-mail a request to the editor, Ms. Carla Winegar, at [WinegarC@michigan.gov](mailto:WinegarC@michigan.gov).

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