

State of Michigan
Jennifer M. Granholm, Governor

Department of Environmental Quality



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INTERNET: <http://www.michigan.gov/deq>

**State Revolving Fund
Strategic Water Quality Initiatives Fund
Final Intended Use Plan - Fiscal Year 2008**

Prepared by:
Revolving Loan and Certification Operation Section
Environmental Science and Services Division
October 2007

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SRF SWQIF SRF SWQIF SRF SWQIF

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SRF Project Priority List for Fiscal Year 2008
SRF Projects Seeking Assistance for Fiscal Year 2008 – By Category
SWQIF Project Priority List for Fiscal Year 2008
Key to Project Priority List Headings for SRF and SWQIF

I. INTRODUCTION

The state of Michigan provides a low-interest loan financing program to assist qualified local municipalities with the construction of needed water pollution control facilities. Michigan's fund is officially known as the Water Pollution Control Revolving Fund. Since its inception in 1989, however, the fund has more commonly been referred to as the **State Revolving Fund**, or **SRF**. This is an important distinction to be made because Michigan also offers similar financing programs: the **Drinking Water Revolving Fund** or **DWRF**, for drinking water projects, and the **Strategic Water Quality Initiatives Fund** or **SWQIF**, for water pollution control projects that are not in public ownership.

While these three programs run on parallel tracks, there are some differences in their requirements. It is important that interested parties work with the Department of Environmental Quality (DEQ) staff to increase their knowledge of these differences. This Intended Use Plan (IUP) will focus on the SRF and SWQIF.

Michigan's SRF program is used by local municipalities to finance construction of their water pollution control projects. These projects may include wastewater treatment plant upgrades or expansions, combined or sanitary sewer overflow abatement, new sewers designed to reduce existing sources of pollution, and other publicly owned wastewater treatment efforts. The SRF can also fund projects to reduce nonpoint sources (NPS) of water pollution. The SWQIF program is used by municipalities to finance two types of projects: (1) the on site upgrade/replacement of septic systems, and (2) the removal of ground water or storm water from sewer leads. Qualified municipalities must meet the federal and/or state requirements for either program, as well as demonstrate their ability to publicly finance their project.

The SRF and the SWQIF are state-managed programs. This Fiscal Year (FY) 2008 IUP describes how the DEQ and the Michigan Municipal Bond Authority (Authority) will jointly administer the SRF and SWQIF during the upcoming fiscal year. The Revolving Loan and Operator Certification Section (RLOCS) of the Environmental Science and Services Division (ESSD) is charged with carrying out the program administration responsibilities for the SRF and the SWQIF. The staff of the Authority will handle financial administration of both programs.

The administrative contacts for the SRF and the SWQIF are as follows:

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The United States Environmental Protection Agency (EPA) continues to offer guidance and annual program oversight reviews that strengthen the management of the SRF and help to ensure consistent application of federal requirements. The SWQIF is a state funded program that has requirements similar to the SRF.

II. STRUCTURE OF THE SRF

From 1989 through 1992, Michigan's SRF operated as a direct loan program. Municipalities requested reimbursement for project costs and draws were processed directly upon federal and state funds as they were requested. Since 1992, however, the state has sold State Revolving Fund Revenue Bonds that are secured by a reserve drawn directly from federal and state funds. The federal and state funds act as collateral for the bond. Bond issuance costs are covered by the bonds sold and, thus, are not identified as direct administrative expenses of the SRF. These bond issuance costs have historically approximated one percent of the total bond issue.

It is from these bond issues that reimbursements are drawn for the project costs of local units of government. Concurrently, the EPA and state funds (both required match contributions and "revolving" fund assets) are deposited into the debt service reserve accounts that provide coverage for the revenue bonds. State funds can include general fund or state match revenue bonds.

Michigan has requested and received a significant amount of federal capitalization grants from the EPA since FY 1989. The federal contribution is \$1.1 billion to date. These funds matched by a required 20 percent contribution from state sources (\$222 million); have created the capital pool from which the low-interest loans can be made.

III. STRUCTURE OF THE SWQIF

The SWQIF was created by the passage of Proposal 2 by Michigan voters in November 2002. The implementation of the fund is codified as Part 52, Strategic Water Quality Initiatives, 1994 PA 451, of the Natural Resources and Environmental Protection Act, as amended (NREPA). The SWQIF is a low interest revolving loan program that allows qualified municipalities to access financing for the construction of needed water pollution control facilities that cannot qualify for SRF assistance. Two types of projects can be financed under the SWQIF, (1) the on site upgrade/replacement of septic systems, and (2) the removal of ground water or storm water from sewer leads. Capital for the SWQIF is provided solely by the state of Michigan. October 1, 2003, began the first fiscal year of SWQIF financing for projects.

The structure of the SWQIF is very similar to the SRF and utilizes the same project planning, application, and review/approval process. Like the SRF, the SWQIF can operate

as a direct loan program or can provide assistance through the sale of leveraged revenue bonds.

IV. ADVANTAGES OF THE SRF AND SWQIF

The primary advantage of the SRF and the SWQIF to Michigan municipalities is the ability to borrow funds below the market rate. The following table shows the interest rate history of the SRF program.

<u>Fiscal Year</u>	<u>Interest Rate</u>
1989-1994	2.000%
1995-1998	2.250%
1999-2003	2.500%
2004	2.125%
2005-2007	1.625%

Since the SRF's inception, 30-year tax exempt fixed interest rates have ranged from approximately 5 to 8 percent. The relative stability of the SRF has allowed communities to more adequately plan without factoring in major market rate adjustments.

The interest rate for SRF and SWQIF municipal borrowers in FY 2008 is 2.5 percent. The interest rate decisions are based on demand, market conditions, program costs, and future project needs.

Apart from the low interest rate, municipalities also benefit from the SRF and SWQIF in that they can finance all eligible water pollution control costs. Municipalities often do not have to seek other sources or enter the market to obtain local share financing. Everything is handled by this "one-stop shopping" concept. The amount of time it takes to commence construction is greatly reduced. This streamlined financing approach has resulted in lower bid costs because of the tighter timeframe. A streamlined approach has removed the unexpected elements that occurred when communities would obtain a grant and then have to secure financing for the local share. We expect that municipalities will also experience a streamlined benefit by financing their SWQIF projects with DEQ.

The SRF can also be used to fund qualified NPS projects. The DEQ director annually allocates funds between traditional point source projects and the NPS projects. At least 2 percent of available SRF lending capacity will be made available to NPS projects that are consistent with Section 319 of the federal Clean Water Act. There continues to be little interest from local units of government to finance projects for NPS pollution control through the SRF. The impediment likely results from the difficulty of generating a viable source of repayments for NPS projects. There are no NPS projects seeking SRF assistance in FY 2008.

V. PROJECT PRIORITY

The NREPA requires the SRF and SWQIF to offer assistance in priority order from the state's annual Project Priority Lists (PPLs). The criteria used to prioritize the projects are contained in the NREPA, with details set forth in administrative rules (R323.951 to R323.965).

This FY 2008 IUP, as well as the PPLs for the SRF and the SWQIF, include projects seeking Orders of Approval (the state's binding commitment) between October 1, 2007, and September 30, 2008. Shortly after the beginning of the FY 2008, letters will be sent to those communities on the PPL for the SRF and the SWQIF to identify the fundable and contingency projects. Communities with projects in the fundable range must negotiate a milestone schedule with the RLOCS project manager assigned to their project.

Historically, many projects in the contingency range of the PPL have been funded when others in the fundable range fail to satisfactorily meet program requirements in a timely manner. Therefore, it is imperative that municipal officials work closely with the DEQ and the Authority to ensure that no opportunity for funding is lost.

NOTE: There is no actual or implied guarantee that inclusion on the PPL or the IUP will constitute a commitment of financial assistance from the SRF or SWQIF. All program requirements must be satisfied before a binding commitment will be offered and a loan closed.

VII. LONG-TERM GOALS

Michigan's SRF and SWQIF are funding sources used to protect and preserve the water resources within the state's boundaries. As more attention is given to water pollution abatement efforts within specific watersheds, the DEQ will continue to work toward establishing tighter integration of the federal/state/local partnership. This includes efforts to satisfy EPA that the pace of Michigan's SRF is satisfactory.

The DEQ has expressed its willingness to work together with various federal and state agencies, such as United States Rural Development and the Michigan Department of Labor and Economic Growth, so that our agencies may collectively fund projects and maximize use of our capital pool to protect Michigan water resources.

Such protection of the state's waters will ultimately benefit everyone. Industry, tourism, the economy, and the day-to-day quality of life are strengthened when our most valuable natural resource is preserved for our use and enjoyment. This includes improvement of existing surface waters that suffer impairment, protection of groundwater resources from improperly treated discharges, reduction of harmful discharges from sanitary and combined sewer overflows, and the protection of aquatic ecosystems that cannot thrive in conditions of degraded water quality. To this end, long-term goals for Michigan's SRF and SWQIF are:

- A. To achieve and maintain statewide compliance with all applicable state and federal laws, rules, and standards.
- B. To protect the public health and environmental quality of our state.

- C. To further integrate principles of watershed management and water quality restoration within urban areas, as well as out-state areas.
- D. To secure Michigan's full share of federal funding available under Title VI of the Federal Water Pollution Control Act. To expeditiously obligate the federal funds, along with the state contributions for the construction of water pollution control projects that meet state and federal requirements.
- E. To maximize the volume of annual lending capabilities while maintaining stable/predictable terms to the maximum extent possible.
- F. To maintain strategies within the SRF and SWQIF to assist smaller, hardship communities in meeting water quality standards.

VIII. SHORT-TERM GOALS

In order to accomplish the long-term goals, we must also focus on more immediate objectives. Therefore, our short-term goals for FY 2008 are:

- A. To fund those projects identified in the PPL for the SRF and the SWQIF that are determined to be in the fundable range, enabling municipalities to proceed with construction as adopted in their project plans.
- B. Work with other agencies and offices in developing integrated approaches in watershed management efforts.
- C. Coordinate disbursement practices with the DEQ's Financial and Business Services Division to ensure accurate reporting of program information for administrative/project expenditures.
- D. Increase awareness about the SWQIF and the SRF.
- E. Identify and integrate, wherever possible, outreach efforts focused on pollution prevention activities.
- F. To ensure that funded projects have reviewed and considered the security needs of the wastewater system.
- G. Identify and report project outcome by participating in the EPA/Association of State and Interstate Water Pollution Control Administrators (ASIWPCA) Environmental Benefits data collection effort.

IX. ALLOCATION OF FUNDS FOR SRF

With Michigan’s decision to utilize a leveraged SRF bond program, the establishment of a fundable range for any given fiscal year entails a series of steps that culminate in a determination of how much leveraged borrowing fund resources can support. Using a series of interest rate assumptions (SRF loan rate, return on investment rates, and revenue bond rate) the process for FY 2008 is outlined on the following page:

1. The DEQ reviewed the total amount of loans committed through September 30, 2007, and other draw amounts that affect the SRF.

Total loan commitments through 9/30/07	\$2,823,660,000
Less reduction in loans for admin. complete projects	(\$ 33,684,924)
Less direct loan draws to date	(\$ 170,685,315)
Less total revenue bonds issued to date	<u>(\$2,083,758,269)</u>
Additional revenue bond amount needed to service loans through FY 2007	\$ 535,531,492

2. To establish an estimate of reserve fund capabilities, the DEQ assumed that the capitalization grant would remain constant for the next four years (for planning purposes only). Using the FY 2007 appropriation amount of \$1.083 million, approximately \$46 million in capitalization funds from the EPA would be available each year from FY 2008 through FY 2011. It was assumed that additional state match contribution from the general fund would not be available, necessitating the generation of state match needs from within the fund.
3. The DEQ then looked at how much the SRF could support in leveraged borrowing using a five-year forecast at varying capitalization levels and interest rates. These analyses indicate that the DEQ can leverage approximately \$628 million each year for five years. The leveraged capacity estimate does assume a Proposal 2 capitalization amount of \$180 million per year, the maximum allowed by law, which increases our lending capacity.

After subtracting the amount needed to service existing loans, fund resources could support \$521 million in new loan commitments for FY 2008. The total amount of projects seeking SRF loans in FY 2008 is estimated at \$648 million (amount taken from the SRF PPL). There are no projects seeking NPS assistance.

X. SRF PROGRAM ASSETS

The DEQ and the Authority review the benefits of refunding previous bond issues each time a bond sale is anticipated. It is anticipated that the 2008 bond issue will close on October 25, 2007. DEQ will not refund any prior year bond issues at this time.

The following chart provides the SRF program assets prior to the start of FY 2008. Funds drawn from leveraged bond issues will be used to pay program expenses and make loans to communities. Reserve account balances will be retained to use for future leveraging upon release.

Capitalization Grant Amount (to be pledged to bond issue)	\$ 46,020,249
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Direct Loan Repayment Balance (as of 7/31/07)	\$ 138,678,711
Released Account Balance (as of 7/31/07)	\$ 292,522,349
2006 Leveraged Bond Issue Balance (as of 10/15/07)	\$ 41,877,278

XI. ALLOCATION OF FUNDS FOR SWQIF

As additional projects apply for SWQIF loans, the SWQIF can be established as a leveraged program. Using a series of interest rate assumptions (project demand, loan rate, return on investment rates, and revenue bond rate), the establishment of a fundable range can be completed. The total amount of projects ready to receive SWQIF loans in FY 2008 is \$2,140,000. With the funds currently available, the SWQIF fundable range will extend through the entire PPL in FY 2008.

XII. ASSURANCES

The final guidelines from the EPA set forth provisions that the state must provide certain assurances in order to qualify for capitalization grant funding. Such assurances are incorporated into the Operating Agreement and are included here by reference.

XIII. CRITERIA AND METHOD FOR DISTRIBUTION OF FUNDS

The state of Michigan will provide financial assistance from the SRF and the SWQIF to municipalities in the relative order that they appear on the PPLs developed for the fiscal year covered by this IUP. It is probable, however, that lower-ranked communities will receive money sooner if higher-ranked communities are not ready to proceed.

As a result of the DEQ's review, 47 SRF projects totaling \$648,295,000 have expressed their intent to proceed in FY 2008 and are included on the FY 2008 SRF PPL. Staff also identified 11 projects and/or segments equaling \$1,082,270,000 that will be considered for funding in the future. There are no NPS projects on the FY 2008 NPS PPL.

Thus, 58 different projects totaling \$1.7 billion are identified on the SRF PPL, along with a brief description, their total priority points, population to be served, targeted binding commitment date, and targeted binding commitment amount. The attached Key to Project Priority List Headings identifies the project priority categories in which each project received points on the SRF and SWQIF PPLs. The Scoring Detail is included for the NPS PPL.

For the SWQIF, there are two projects totaling \$2,140,000 that have expressed intent to proceed in FY 2008 and appear on the FY 2008 SWQIF PPL.

The FY 2008 PPLs for the SRF and the SWQIF are included as part of the IUP process, and were presented as part of the public hearing notification package. Additional copies of the PPLs are available from the RLOCS.

Section 5309 of the NREPA permits the DEQ to limit funding in certain circumstances to maximize funds and achieve greater environmental gains. It reads:

To ensure that a disproportionate share of available funds for a given fiscal year is not committed to a single sewage treatment work project or

storm water project, the department may segment a sewage treatment works project if either of the following criteria is present:

(a) The cost of the proposed project is more than 30 percent of the available funds.

(b) Upon application of a municipality, the department has approved a municipality's application for segmenting a project.

The DEQ has implemented these provisions as shown on the SRF PPL.

Financial assistance to municipalities during FY 2008 will consist solely of loans. There will be no guarantees of indebtedness.

XIV. PROPOSED PROGRAM CHANGE

As a result of increased demand for SRF/SWQIF, resources exhibited starting in FY 2008, and a re-evaluation of program intent/priorities, the DEQ has discontinued providing SRF/SWQIF assistance to projects that accomplish the refinancing/refunding of construction debt. Beginning with FY 2007, no new project plan submittals for projects that proceeded to construction with non-SRF/SWQIF financing will be accepted. Those refinancing projects that appear on the FY 2008 PPL, the village of Shelby and the township of Berrien Springs, will be considered for refinancing upon submittal of a complete application. This program change is being proposed because fund resources are limited and refinancing projects does not provide any new environmental/public health benefits to water quality.

XV. PUBLIC REVIEW AND COMMENT

In order to satisfy public participation requirements, the DEQ held a public hearing on the SRF and SWQIF IUP and PPLs (including the NPS PPL) on September 26, 2007. This hearing was announced in newspapers throughout the state, published in the DEQ Calendar of Events, individually noticed to each municipality on the proposed draft FY 2008 PPLs along with their consulting engineer, and sent to interested parties.

Items addressed at the public hearing included Michigan's draft PPLs for the SRF, and the SWQIF, the draft IUP, priority point assignments, planned funding schedules, and proposed binding commitment amounts for projects, which might be assisted with SRF or SWQIF moneys during FY 2008. This hearing provides an opportunity for municipalities and other interested parties to comment and request changes to their project's ranking criteria.

Questions about the public hearing, the PPLs, or this IUP may be directed to:

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XVI. ORIGINATION OF DOCUMENTS

The Chief of the Revolving Loan and Operator Certification Section of the DEQ is responsible for issuing the IUP.

Fiscal Year 2008 Project Priority List By Rank

Rank	Project Number	Project Name and Description			Water Quality Severity Pts					Fal OSSS	Sptg Rec	Enf Pts	Population	Pop Pts	Exist. Disch	Rec Waters	Dil Ratio	Rat Pts	Tot Pts	Bind. Com Date	Bind. Com Amount	
					DO	NUT	TOX	MICR	GWD													Tot
PROJECTS WITH PRIOR YEAR SEGMENTS																						
1	5249-02	Geo W Kuhn D	Oakland Co	12 Towns RTB Flush Sys (Seg 2)	0	0	0	0	0	0	0	0	209,000	100	12.16	1.7	>.6000	100	200	8/29/2008	\$8,000,000	
2	5236-02	Muskegon Co	Muskegon Co	Seg 2; WWTP Impr	0	0	0	0	0	0	0	0	109,153	95	27.05	1	>.6000	100	195	3/13/2008	\$1,060,000	
2	5236-99	Muskegon Co	Muskegon Co	WWTP Impr-Future Segs	0	0	0	0	0	0	0	0	109,153	95	27.05	1	>.6000	100	195	Future	\$8,700,000	
3	5229-06	Genesee Co	Ragnone Syste	Seg 6; NEES Intcp Swr - Cont 4	0	0	0	0	0	0	0	0	242,010	100	26.73	220	0.1216	85	185	8/29/2008	\$6,150,000	
3	5229-07	Genesee Co	Ragnone Syste	Seg 7; NEES Intcp Swr - Cont 5	0	0	0	0	0	0	0	0	242,010	100	26.73	220	0.1216	85	185	Future	\$3,050,000	
3	5229-08	Genesee Co	Ragnone Syste	Seg 8; NEES Intcp Swr - Cont 6	0	0	0	0	0	0	0	0	242,010	100	26.73	220	0.1216	85	185	Future	\$2,750,000	
4	5275-02	Grand Valley R	GR/Wyoming	Seg 2 Solids Handling Impr	0	0	0	0	0	0	0	0	446,000	100	44	830	0.0530	70	170	3/13/2008	\$17,680,000	
5	5217-02	Wayne Co	Downriver WW	WWTP Impr-Seg 2-Generators	0	0	0	0	0	0	0	0	283,590	100	61.05	29200	0.0022	55	155	8/29/2008	\$5,140,000	
5	5217-03	Wayne Co	Downriver WW	WWTP Impr-Seg 3-Final Clarifiers	0	0	0	0	0	0	0	0	283,590	100	61.05	29200	0.0022	55	155	8/29/2008	\$6,620,000	
5	5217-04	Wayne Co	Downriver WW	WWTP Impr-Seg 4/6-Sludge;HVA	0	0	0	0	0	0	0	0	283,590	100	61.05	29200	0.0022	55	155	8/29/2008	\$7,900,000	
5	5217-05	Wayne Co	Downriver WW	WWTP Impr-Seg 5-SCADA	0	0	0	0	0	0	0	0	283,590	100	61.05	29200	0.0022	55	155	8/29/2008	\$2,710,000	
5	5217-07	Wayne Co	Downriver WW	WWTP Impr-Seg 7-UV Enclosure	0	0	0	0	0	0	0	0	283,590	100	61.05	29200	0.0021	55	155	8/29/2008	\$660,000	
5	5217-99	Wayne Co	Downriver WW	Downriver WWTP Impr-Future Seg	0	0	0	0	0	0	0	0	283,590	100	61.05	29200	0.0022	55	155	Future	\$73,810,000	
6	5263-02	South Branch	Emmett	Seg 2 WWTP/CS	0	0	0	0	0	100	0	0	261	30	0.017	9999999	<.0002	25	155	3/13/2008	\$340,000	
PROJECTS WITHOUT PRIOR YEAR SEGMENTS																						
7	5175-07	Detroit	Wayne Co	Seg 7 CSO; Oakwood Swr Impr	100	100	0	27	0	227	0	0	300	3,111,047	100	18	20	>.6000	100	727	8/29/2008	\$84,840,000
7	5175-09	Detroit	Wayne Co	Seg 9 CSO; URT - Cont 1&2 (1)	100	100	0	27	0	227	0	0	300	3,111,047	100	18	20	>.6000	100	727	8/29/2008	\$76,160,000
7	5175-99	Detroit	Wayne Co	CSO; URT- Future Segs	100	100	0	27	0	227	0	0	300	3,111,047	100	18	20	>.6000	100	727	Future	\$625,240,000
8	5207-06	Dearborn	Wayne Co	Seg 6 CSO; Phase B Tr Shaft 2	52	42	0	27	0	121	0	0	300	60,730	95	3.11	3.5	>.6000	100	616	8/29/2008	\$60,000,000
8	5207-07	Dearborn	Wayne Co	Seg 7 CSO; Phase B Tr Shaft 1&5	52	42	0	27	0	121	0	0	300	60,730	95	3.11	3.5	>.6000	100	616	Future	\$40,000,000
9	5005-21	Lansing	Ingham Co	Seg 21 CSO; Swr Sep, Phase IV-5	7	100	0	37	0	144	0	0	300	62,301	95	1.268	48	0.0264	70	609	3/13/2008	\$27,755,000
9	5005-99	Lansing	Ingham Co	CSO; Swr Sep - Future Segs	7	100	0	37	0	144	0	0	300	62,301	95	1.268	48	0.0265	70	609	Future	\$264,885,000
10	5006-99	Port Huron	St Clair Co	CSO; Swr Sep Future Segs	0	30	0	27	0	57	0	0	300	32,338	90	2.67	30	0.089	85	532	Future	\$5,200,000
11	5302-01	Detroit	Wayne Co	Seg 1; 2nd Det Riv Outfall Comple	0	0	0	27	0	27	0	0	300	3,272,047	100	273	66	>.6000	100	527	8/29/2008	\$161,000,000
11	5302-02	Detroit	Wayne Co	Seg 2; 2nd Det Riv Outfall Comple	0	0	0	27	0	27	0	0	300	3,272,047	100	273	66	>.6000	100	527	Future	\$16,770,000
12	5287-01	Inkster	Wayne Co	Seg 1 CSO; Retention Structure	7	5	0	27	0	39	0	0	300	29,384	90	0.78	3.5	0.223	85	514	8/29/2008	\$13,500,000
12	5287-99	Inkster	Wayne Co	CSO; Future Segs	7	5	0	27	0	39	0	0	300	29,384	90	0.78	3.5	0.223	85	514	Future	\$33,865,000
13	5314-01	Owosso	Shiawassee C	SSO; Manhole Rehab	0	0	0	27	0	27	0	0	300	24,000	90	0.5	96	0.0052	55	472	3/13/2008	\$1,000,000
14	5173-01	Leoni Twp	Jackson Co	WWTP Expan/Upgrd	0	0	0	0	0	0	0	0	300	20,478	85	1.362	4.7	0.2899	85	470	6/5/2008	\$30,850,000
15	5317-01	Niles	Berrien Co	CSO; Div Structure/Swr Impr	0	0	0	27	0	27	0	0	300	17,203	85	1.92	1860	0.0010	40	452	3/13/2008	\$600,000
16	5129-99	Sault Ste Marie	Chippewa Co	CSO; Sewer Sep - Future Segs	0	1	0	27	0	28	0	0	300	9,323	80	0.043	78000	<.0002	25	433	Future	\$8,000,000
17	5320-01	St Ignace	Mackinac Co	WWTP upgrd: swr sys impr	0	0	0	0	0	0	0	0	300	2,678	70	0.716	9999999	<.0002	25	395	6/5/2008	\$3,390,000
18	5286-01	Portage Lake	Houghton Co	New FM; PS Upgrd; Sep Hand Fa	0	0	0	0	0	0	0	100	0	10,100	85	1.89	0	>.6000	100	285	6/5/2008	\$1,835,000
19	5316-01	Solon Twp	Leelanu Co	New WWTP/CS (Cedar)	0	0	0	0	75	75	100	0	0	135	30	0.018	9999999	<.0002	25	230	8/29/2008	\$1,340,000
20	5304-01	Muskegon Co	Muskegon Co	Swr Sys Impr	3	0	0	27	0	30	0	0	0	109,153	95	27.05	1	>.6000	100	225	8/29/2008	\$18,410,000
21	5300-01	Allegan	Allegan Co	WWTP Impr	0	0	0	0	0	0	0	100	0	5,092	75	0.75	410	0.0018	40	215	8/29/2008	\$7,450,000
22	5306-01	8 1/2 Mile Relie	Macomb Co	Chapaton RTB Impr	0	0	0	0	0	0	0	0	0	47,159	90	28.4	0	>.6000	100	190	3/13/2008	\$3,390,000
23	5310-01	Allegan Twp	Allegan Co	New CS (Miner Lake)	0	0	0	0	0	0	100	0	0	660	40	0.037	410	<.0002	25	165	6/5/2008	\$5,065,000

Rank	Project Number	Project Name and Description			Water Quality Severity Pts					Fal OSSS	Sptg Rec	Enf Pts	Population	Pop Pts	Exist. Disch	Rec Waters	Dil Ratio	Rat Pts	Tot Pts	Bind. Com Date	Bind. Com Amount	
					DO	NUT	TOX	MICR	GWD													Tot
24	5319-01	Chelsea	Washtenaw Co	WWTP expansion	0	0	0	0	0	0	0	0	5,001	75	0.79	1.9	0.4158	85	160	6/5/2008	\$10,820,000	
25	5315-01	Sturgis	St. Joseph Co	New Intcp/FM/PS/Gen	0	0	0	0	0	0	0	0	11,285	85	0.72	41	0.0176	70	155	3/13/2008	\$7,200,000	
26	5307-01	Howard City	Montcalm Co	WWTP Upgrd; Swr Repl; PS Impr	0	0	0	0	0	0	0	0	1,796	55	0.92	1.1	>.6000	100	155	6/5/2008	\$2,770,000	
27	5311-01	Sheridan Twp	Newago Co	Swr Ext (Fremont Lake)	0	0	0	0	0	100	0	0	287	30	0.02	9999999	<.0002	25	155	6/5/2008	\$2,500,000	
28	5252-01	Parma	Jackson Co	WWTP Xpan/Upgrd	0	0	0	0	0	0	0	0	907	50	1.06	1.2	>.6000	100	150	3/13/2008	\$4,865,000	
29	5278-01	Monroe	Monroe Co	WWTP Upgrd	0	0	0	0	0	0	0	0	49,600	90	8.02	996	0.0081	55	145	3/13/2008	\$8,200,000	
30	5312-01	West Iron Co S	Iron Co	WWTP Impr	0	0	0	0	0	0	0	0	5,677	75	0.989	43	0.023	70	145	6/5/2008	\$355,000	
31	5270-01	Sparta	Kent Co	WWTP Xpan/Upgrd	0	0	0	0	0	0	0	0	5,128	75	0.744	59	0.0127	70	145	6/5/2008	\$3,945,000	
32	5298-01	Port Austin Are	Huron Co	WWTP Upgrd	0	0	0	0	0	0	0	0	737	45	0.193	0	>.6000	100	145	3/13/2008	\$1,600,000	
33	5308-01	Hamburg Twp	Livingston Co	Repl Grinder Pmps (Ore Lake)	0	0	0	27	0	27	0	0	853	45	0.068	1.7	0.04	70	142	8/29/2008	\$2,205,000	
34	5290-01	Niles	Berrien Co	WWTP Upgrd	0	0	0	0	0	0	0	0	17,203	85	2.29	960	0.0024	55	140	3/13/2008	\$10,940,000	
35	5309-01	Iron Mountain	Dickinson Co	PS Repl/Impr; Swr Repl	0	0	0	0	0	0	0	0	13,597	85	1.78	770	0.0023	55	140	3/13/2008	\$970,000	
36	5264-01	Big Rapids	Mecosta Co	WWTP Upgrd; Swr Rehab/Repl	0	0	0	0	0	0	0	0	12,344	85	1.07	400	0.0028	55	140	3/13/2008	\$7,700,000	
37	5305-01	West Branch	Ogemaw Co	WWTP Impr; Swr Rehab	0	0	0	0	0	0	0	0	2,743	70	0.71	17	0.0418	70	140	8/29/2008	\$15,250,000	
38	5299-01	Maybee	Monroe Co	Lagoon Impr; MH Rehab	0	0	0	0	0	0	0	0	505	40	0.7	0.2	>.6000	100	140	8/29/2008	\$155,000	
39	5291-01	Dexter	Washtenaw Co	Swr Rehab	0	0	0	0	0	0	0	0	2,338	65	0.31	15	0.0207	70	135	8/29/2008	\$1,000,000	
40	5313-01	Elba Twp	Lapeer Co	WWTP Impr	0	0	0	0	0	0	0	0	857	45	0.71	1.2	0.5916	85	130	3/13/2008	\$1,510,000	
41	5303-01	Marysville	St. Clair Co	SCADA, Screening and Sludge St	0	0	0	0	0	0	0	0	10,248	85	2.27	26000	<.0002	25	110	8/29/2008	\$1,715,000	
42	5168-01	Berrien Springs	Berrien Co	WWTP Repl (refinance)	0	0	0	0	0	0	0	0	2,543	65	0.25	1080	0.0003	40	105	8/29/2008	\$7,000,000	
43	5292-01	St Ignace	Mackinac Co	Swr Sys Impr	0	0	0	0	0	0	0	0	2,678	70	0.716	9999999	<.0002	25	95	6/5/2008	\$1,900,000	
44	5253-01	Shelby	Oceana Co	WWTP Xpan/Upgrd (refinance)	0	0	0	0	0	0	0	0	1,942	60	0.53	9999999	<.0002	25	85	8/29/2008	\$2,850,000	
58 Projects																					\$1,730,565,000	

State Revolving Loan Fund Projects Seeking Assistance for Fiscal Year 2008 - By Category

Project #	Secondary Treatment CatI	Advanced Treatment CatII	Infiltration/ Inflow CatIIIA	Sewer System Rehabilitation CatIIIB	New Collector Sewers CatIVA	New Interceptors CatIVB	CSO Correction CatV	Storm Water Management CatVI	Non Point Source CatVII	Sum
5005-21							27,755,000			27,755,000
5168-01					6,666,667	333,333				7,000,000
5173-01	30,850,000									30,850,000
5175-07							84,840,000			84,840,000
5175-09							76,160,000			76,160,000
5207-06							60,000,000			60,000,000
5217-02	5,140,000									5,140,000
5217-03	6,620,000									6,620,000
5217-04	7,900,000									7,900,000
5217-05	2,710,000									2,710,000
5217-07	660,000									660,000
5229-06						6,150,000				6,150,000
5236-02	1,060,000									1,060,000
5249-02				8,000,000						8,000,000
5252-01	4,865,000									4,865,000
5253-01	2,850,000									2,850,000
5263-02					340,000					340,000
5264-01	7,442,832		1,254	255,914						7,700,000
5270-01	3,945,000									3,945,000
5275-02	17,680,000									17,680,000
5278-01	8,200,000									8,200,000
5286-01	282,308			397,797		1,154,895				1,835,000
5287-01							13,500,000			13,500,000
5290-01	10,940,000									10,940,000
5291-01			1,000,000							1,000,000
5292-01					1,900,000					1,900,000
5298-01	1,167,932	432,068								1,600,000
5299-01	113,737		41,263							155,000
5300-01	7,450,000									7,450,000
5302-01						161,000,000				161,000,000

State Revolving Loan Fund Projects Seeking Assistance for Fiscal Year 2008 - By Category

	Secondary Treatment	Advanced Treatment	Infiltration/ Inflow	Sewer System Rehabilitation	New Collector Sewers	New Interceptors	CSO Correction	Storm Water Management	Non Point Source	
Project #	CatI	CatII	CatIIIA	CatIIIB	CatIVA	CatIVB	CatV	CatVI	CatVII	Sum
5303-01	1,715,000									1,715,000
5304-01						18,410,000				18,410,000
5305-01	11,995,816		3,254,184							15,250,000
5306-01							3,390,000			3,390,000
5307-01	2,560,000		210,000							2,770,000
5308-01				2,205,000						2,205,000
5309-01				970,000						970,000
5310-01					5,065,000					5,065,000
5311-01					2,500,000					2,500,000
5312-01	355,000									355,000
5313-01	1,510,000									1,510,000
5314-01			1,000,000							1,000,000
5315-01						7,200,000				7,200,000
5316-01	549,681				790,319					1,340,000
5317-01	600,000									600,000
5319-01	10,820,000									10,820,000
5320-01	2,286,564			1,103,436						3,390,000
	152,268,870	432,068	5,506,701	12,932,147	17,261,986	194,248,228	265,645,000	-	-	648,295,000
# of projects	27	1	6	6	6	6	6			

Fiscal Year 2008 Project Priority List By Rank

Rank	Project Number	Project Name and Description			Water Quality Severity Points					Enf Points	Exist. Disch	Dilu Ratio	Rec Water	Ratio Points	Total Points	Bind. Com Date	Bind. Com Amount	
					DO	NUT	TOX	MCR	GWD									Total
PROJECTS WITHOUT PRIOR YEAR SEGMENTS																		
1	3002-05	Ann Arbor	Washtenaw Co	FDD; Seg 5	0	0	0	27	0	27	300	0.002	77	<.0002	25	352	11/21/2007	\$950,000
2	3008-01	Benzonia/Lake	Benzie Co	Repair/repl OSSS	0	0	0	0	0	0	0	0.014	9999999	<.0002	25	25	3/13/2008	\$1,190,000
2 Projects																	\$2,140,000	



Environmental Science and Services Division, Michigan Department of Environmental Quality

**State Revolving Fund (SRF)
Strategic Water Quality Initiatives Fund (SWQIF)
Priority List Ranking For SRF/SWQIF Projects**

AS REQUIRED BY PUBLIC LAW 92-500 (SRF), AS AMENDED, AND PARTS 52 (SWQIF) and 53 (SRF), ACT NO. 451 OF PA OF 1994

KEY TO PROJECT PRIORITY LIST HEADINGS

HEADING	DEFINITION
Rank	Order of eligibility for State Revolving Fund (SRF)/Strategic Water Quality Initiatives (SWQIF) loan funding in accordance with total points assigned.
Project Number	The identification number assigned to a project.
Project Name and Description	Name and location of applicant municipality. May include an additional identification when the applicant is a county or when more than one project is within the applicant area. The description identifies the basic type of project.
Water Quality Severity Pts	Points based on the pollutant load or the receiving water impairment that the proposed project will abate. The project is assessed in five categories (0-100 points each): 1. DO = Dissolved Oxygen 2. NUT = Nutrients 3. TOX = Toxic Materials 4. MICR = Microorganisms 5. GWD = Groundwater Discharge Tot = Total Water Quality Severity Points
Fin OSSS	On Site Septic Systems: Points (100) are assigned for projects addressing on site system failures where conditions prevent replacement, necessitating off site remedy. (SRF Only)
Sptg Rec	Septage Receiving: Points (100) are assigned if the project includes the construction of septage receiving facilities. (SRF Only)
Enf Pts	Enforcement points (300) are assigned if the project is necessary to comply with a construction schedule established by an order, permit, or other document issued by the director or entered as part of an action brought by the state against a municipality.
Pop Pts	Population points (30-100) are based upon the total existing residential population to be served by the project submitted. (SRF Only)
Exist. Disch	Existing flow discharged (mgd)
Rec Waters	Expected low flow of receiving of the receiving waters during the period of discharge.
Dil Ratio/Rat Pts	The dilution ratio points (25-100) are based upon a ratio derived from the existing flow discharged (Exist. Disch), divided by the expected flow of the receiving waters (Rec Waters) during the period of discharge.
Tot Pts	The sum of the above comprises the total points assigned to each project for determining rank.
Bind. Com Date	The date projected by DEQ, based on the applicant's intentions, that it will issue a binding commitment for an SRF/SWQIF loan.
Bind. Com Amount	The estimated dollar amount of the SRF/SWQIF loan.
PROJECTS WITH PRIOR YEAR SEGMENTS	As specified by law and rule, after funding assistance for the first segment of a project is accepted, remaining segments retain first priority for funding assistance on the next three fiscal year Project Priority Lists. Project segments are ranked in order of total points.
PROJECTS WITHOUT PRIOR YEAR SEGMENTS	No segments of the listed project have been funded in the prior three fiscal years. Projects are ranked in order of total points.

Note: These criteria are specified in the Department of Environmental Quality's State Administrative Rules 323.958 (Rule 8) and 323.961 (Rule 11) and Parts 52 & 53 of ACT NO. 451 OF PA OF 1994.