



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION 5
77 WEST JACKSON BOULEVARD
CHICAGO, IL 60604-3590

DEC 07 2017

REPLY TO THE ATTENTION OF:

W-15J

C. Heidi Grether, Director
Michigan Department of Environmental Quality
525 West Allegan Street
PO Box 30473
Lansing, MI 48909

The Honorable Karen W. Weaver, Mayor
City of Flint
1101 South Saginaw Street
Flint, MI 48502

Dear Director Grether and Mayor Weaver:

Pursuant to the Water Infrastructure Improvements for the Nation Act (WIIN), on March 17, 2017, EPA conditionally awarded \$100,000,000 in supplemental drinking water state revolving funds (DWSRF) to the Michigan Department of Environmental Quality (MDEQ). These funds, along with the required state match of \$20,000,000, are intended to fund DWSRF eligible projects in the City of Flint (City) for the purpose of addressing lead or other contaminants in the drinking water system, including repair and replacement of lead service lines and public water system infrastructure.

I note that out of the \$120,000,000 that was made available, as of November 16, 2017, it appears that roughly \$11,000,000 in state funds and only \$192,972 in federal funds have been paid out for projects thus far.

The conditional award approved \$51,500,000 for three projects: lead service line replacement (\$40,000,000), water main replacement (\$10,000,000), and a corrosion control study and asset management plan (\$1,500,000). While the lead service line replacement project, and the corrosion control study and asset management plan are proceeding, the water main project has not begun. Also, plans for the remaining \$68,500,000 have not been finalized.

As noted in Robert Kaplan's March 17, 2017 letter, in order to access the funds, the City is required to follow the state DWSRF application procedures. Once the City completes the application process and the application is accepted by MDEQ, an amended intended use plan would need to be submitted by MDEQ to EPA for approval. The City and State would then need to enter into financial assistance agreements. This process takes time so it is important for the City to select and plan eligible projects.

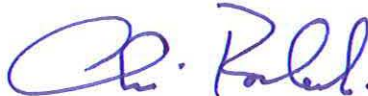
Beyond the MDEQ DWSRF application process, WIIN also requires:

- A description of the projects to be funded
- An explanation of the means by which the projects will address a situation causing the declared emergency
- The estimated costs of the projects
- The projected start date for construction of the projects

Based on the expenditures to date, EPA requests that MDEQ and the City make efforts to expedite the planning and implementation of critically needed infrastructure improvement projects.

We look forward to continuing our efforts working together to improve the City's water system. If you have any questions about this letter, please do not hesitate to contact me.

Sincerely,



Christopher Korleski
Director, Water Division

cc: Mr. Keith Creagh, Director, Michigan Department of Natural Resources
Ms. Amy Epkey, Deputy Director, Office of Administration, MDEQ
Ms. Sonya Butler, Chief, Revolving Loan Section, Drinking Water and Municipal Assistance Division MDEQ
Ms. Kelly Green, Infrastructure Coordinator, Office of Administration, MDEQ
Mr. Eric J. Oswald, Director, Drinking Water and Municipal Assistance Division, MDEQ