



GRETCHEN WHITMER  
GOVERNOR

STATE OF MICHIGAN  
DEPARTMENT OF  
ENVIRONMENT, GREAT LAKES, AND ENERGY  
LANSING



LIESL EICHLER CLARK  
DIRECTOR

February 7, 2022

TO: All Interested Citizens, Organizations, and Government Agencies

SUBJECT: **DRINKING WATER STATE REVOLVING FUND (DWSRF)  
CATEGORICAL EXCLUSION  
City of Saginaw, Saginaw County  
DWSRF Project Number: 7534-01**

The purpose of this notice is to advise interested parties of a proposed decision by the Michigan Department of Environment, Great Lakes, and Energy (EGLE) that the criteria for qualifying for a Categorical Exclusion are met and this project will not have a significant adverse impact on the environment or public health, and thus, qualifies for a Categorical Exclusion under Section 5408 of 1994 PA 451. Consequently, an Environmental Assessment or an Environmental Impact Statement is not required to implement the water supply project discussed in the attached document.

#### **CRITERIA USED IN MAKING THE DETERMINATION**

Part 54 of the Safe Drinking Water Assistance Act specifies six exclusionary criteria that must be met before EGLE can conclude that a proposed project qualifies for a Categorical Exclusion. The criteria are as follows:

- (1) The project must not result in an increase in residuals and sludge generated by drinking water processes which would negatively impact the performance of the waterworks system or the disposal methods or would threaten an aquifer recharge zone.*
- (2) The proposed facilities must not be designed to provide service to a population greater than 30 percent of the existing population unless population projections required in section 5405(3)(e) support projected needs.*
- (3) The proposed public water supply project must not be expected, to affect cultural areas, fauna, or flora habitats directly or indirectly, endangered or threatened species, or environmentally important natural resource areas.*
- (4) The proposed public water supply project must not directly or indirectly involve the extension of transmission systems to new service areas.*
- (5) The proposed public water supply project has been shown to be the cost-effective alternative.*
- (6) The proposed public water supply project will not cause significant public controversy.*

#### **PROJECT DETAIL**

An attachment describing the proposed project is provided. This information is also available on our website at [www.michigan.gov/DWSRF](http://www.michigan.gov/DWSRF) under "Related Links." It presents information related to the proposed project, including the alternative selected, rationale for our decision to grant a Categorical Exclusion, and other pertinent information. Map(s) showing the location of the proposed project are also included.

The attachment provides information and allows appropriate federal crosscutter agencies and state agencies an opportunity to submit information that may impact EGLE's decision prior to its

Categorical Exclusion

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effective date. Significant issues raised by these agencies could result in EGLE staff preparing a full Environmental Assessment.

**WHERE DO I SUBMIT COMMENTS?**

Any comments regarding this decision should be submitted to:

Ms. Kathy Roeder, Project Manager  
Water Infrastructure Financing Section  
Finance Division  
Michigan Department of Environment, Great Lakes, and Energy  
P.O. Box 30457  
Lansing, Michigan 48909-7957

**EFFECTIVE DATE OF THE EGLE DECISION ON THE CATEGORICAL EXCLUSION**

Absent comments that introduce significant information contrary to EGLE's final determination, the Categorical Exclusion will become effective upon conclusion of the 30-day comment period.

Questions regarding this project can be directed to Ms. Kathy Roeder, Project Manager, Water Infrastructure Financing Section, Finance Division, by phone at 517-897-2579 or by email at [RoederK1@michigan.gov](mailto:RoederK1@michigan.gov), or by mail at EGLE, P.O. Box 30457, Lansing, Michigan, 48909-7957; or you may contact me. Your interest in this process is greatly appreciated.

Sincerely,



Kelly Green, Administrator  
Water Infrastructure Financing Section  
Financing Division  
517-284-5433

Attachment

**DEPARTMENT OF ENVIRONMENT, GREAT LAKES, AND ENERGY**  
**Drinking Water State Revolving Fund**  
**City of Saginaw, Saginaw County**  
**Categorical Exclusion**  
**February 2022**

**PROJECT IDENTIFICATION**

**Applicant:** City of Saginaw, Saginaw County

**Address:** 1315 South Washington Avenue  
Saginaw, Michigan 48601

**Authorized Representative:** Mr. Paul Reinsch

**Project Number** 7534-01

**PROJECT BACKGROUND**

The City of Saginaw (Saginaw) encompasses a land area of 17.81 square miles in northern Saginaw County. According to data from the East Michigan Council of Governments (EMCOG), Saginaw has a residential population of 45,993 as of 2020. EMCOG projects Saginaw's population will decrease to 36,276 by 2040.

The subject project involves replacement of approximately 1,300 lead service lines throughout Saginaw (see Figure A). Water service lines containing lead pipes or galvanized steel previously connected to lead (collectively, "lead service lines," or LSLs, as defined in the Michigan Lead and Copper Rule) will be replaced with copper service lines. This project will only seek to replace service lines for residential users; no commercial service lines are anticipated for replacement under this project.

The project will cost an estimated \$5,935,000 (see Table 1). Saginaw is applying for a loan through the Drinking Water State Revolving Fund (DWSRF) administered by the Michigan Department of Environment, Great Lakes, and Energy (EGLE) for the replacement of LSLs. As a qualifying disadvantaged community, Saginaw is eligible to receive Water Infrastructure Fund Transfer Act (WIFTA) funding through the DWSRF loan. WIFTA funding can provide up to 100 percent principal forgiveness for LSL replacement construction costs, not to exceed an average of \$5,000 per service line. Saginaw anticipates receiving WIFTA funding totaling \$4,500,973. The remaining project cost of \$1,434,027 will be paid via a city fund from existing user fees, according to Saginaw's Three-Year Water Rate Schedule implemented August 5, 2019.

**PROPOSED PROJECT**

**A. Project Need**

Saginaw's drinking water system contains over 427 miles of water distribution mains, ranging from 4-inches to 48-inches in diameter. A majority of the Saginaw distribution system was installed prior to 1936, and the oldest water mains were installed around 1876. The water system service area includes the entirety of the city. Saginaw owns and operates its Water Treatment Plant, which has a design capacity of 52 million gallons per day (MGD) and currently operates at a maximum of 27 MGD.

The June 2018 Lead and Copper Rule revisions to the Michigan Safe Drinking Water Act, 1976 PA 399, as amended (MI LCR) requires municipalities to submit a complete Distribution System Materials Inventory (DSMI) by January 1, 2025, and replace a minimum average of five percent of their LSLs every year for the next 20 years, beginning January 1, 2021.

According to Saginaw’s Preliminary DSMI submitted to EGLE in January 2020, the Saginaw drinking water distribution system supplies 34,356 water services, of which 56.4 percent are known or likely LSLs. The system has 11,469 known LSLs. The system has 7,920 service lines of unknown materials which are suspected to be LSLs. There are 2,794 service lines that are of completely unknown materials. As of June 2021, Saginaw had already replaced 2,276 LSLs using city funds under its existing LSL Replacement Program.

**B. Description of the Proposed Project**

Over the course of three years, the proposed DWSRF project will replace approximately 1,300 LSLs across the water service area, totaling 75,650 linear feet. Saginaw expects to replace about 400 LSLs each year as part of this project, though it may vary depending on cost effectiveness and how many residents sign private easements. Because the locations of the LSL replacements for each year are difficult to know at this stage in planning, this Categorical Exclusion covers the entire system service area. All LSLs will be replaced on both the publicly-owned and privately-owned sides with copper or high-density polyethylene (HDPE) service lines. Partial replacements are prohibited by the MI LCR. A majority of the LSL replacement work will use horizontal directional drilling (HDD) and/or other trenchless technologies; open cut methods will only be used where necessary to connect the installed service lines to the distribution mains or if HDD is not feasible. Because HDD allows for underground installation without trenching or excavating, it minimizes disturbance to the surrounding environment.

Prior to construction, Saginaw will obtain permission to access properties and buildings as necessary to remove all lead and galvanized steel service lines. Private property easements (“LSLR Service Agreement and Release of Liability Form”) will be obtained by Saginaw and the engineering consultant working with the affected residents. During scheduling of work, residents will be given at least 24 hours’ notice of work on their property via door hanger. The project is expected to cost \$5,935,000 (see Table 1), and construction is expected to take three years to complete, starting in summer 2022. The DWSRF loan amount will not exceed \$4,500,973.

**Table 1: Project Number 7534-01 Cost Estimate**

Project Portion	Cost Estimate
Legal, Financial, and Administrative	\$80,000
Design & Construction Engineering	\$855,000
LSL Replacement Construction	\$3,510,000
Restoration Construction	\$1,242,000
Subtotal Project Cost	\$5,687,000
Contingency	\$248,000
<b>Total Project Cost*</b>	<b>\$5,935,000*</b>

\* A maximum of \$4,500,973 of the project cost will be funded by DWSRF loan dollars.

**C. Alternatives Considered**

Saginaw considered three alternatives to service line replacement: No-action, rehabilitation, and regionalization. All three of these alternatives are inadequate given that they do not

address the requirements of the MI LCR. The proposed project of replacement is the only feasible alternative and is the only plan that adequately addresses the necessary compliance with the MI LCR.

## **EXISTING ENVIRONMENT AND PROJECT IMPACTS**

Construction related to this project will only take place in previously disturbed areas typically at or near current service line locations, in existing rights-of-way, or previously disturbed areas used for roads and utilities.

There are no coastal zones, Wild and Scenic Rivers, or National Natural Landmarks present in the project area. The Saginaw River flows through the city and there are some associated wetlands; however, no project work will occur on or near the Saginaw River or associated wetlands. All proposed work is outside of the Saginaw River's 100-year floodplain. During construction, soil erosion and sedimentation control measures will be used to ensure no impacts to surface waters. There are no anticipated impacts to state-regulated water resources of lakes, streams, rivers, wetlands, or floodplains.

No adverse impacts to threatened and endangered species are expected as a result of this project. According to a Michigan Natural Features Inventory assessment, there are three federally listed species in the project area: Indiana bat (*Myotis sodalis*), Northern long-eared bat (*Myotis septentrionalis*), and Eastern Massasauga (*Sistrurus catenatus*). The Indiana bat and Northern long-eared bat are sensitive to tree removals in critical habitat areas. There are no critical habitats in the project area, and no tree removals are expected as part of the project work. According to a United States Fish and Wildlife Service online review in June 2021, there are no expected impacts because the work is isolated to highly developed public rights-of-way and outside of sensitive periods.

No adverse impacts to historical or cultural resources are expected as a result of this project. No work is proposed in the historic districts for this project (see Figure A). All work will be conducted within developed public rights-of-way and LSL replacement will occur on private property. None of the work will encroach upon historical districts.

There are no known contamination areas in the LSL replacement locations. Asbestos-cement is a common material for water mains in the Saginaw distribution system. If contamination is encountered, contamination mitigation methods listed in the contract specifications will require work to follow local, state, and federal regulations for contamination abatement, removal, handling, and disposal. No contamination issues are anticipated for this project.

Construction impacts are expected to be minimal. Typical construction impacts such as dust, noise, and minor traffic changes may occur. Construction will take place on public and private property where existing water service lines are located. Trenchless technologies will be utilized, when possible, in order to minimize disturbance of the surface environment. The contractor will control noise, dust, traffic, and surface restoration according to local ordinances and contract specifications.

## **PUBLIC PARTICIPATION**

Saginaw held a public hearing on the proposed project plan on June 7, 2021, in the Saginaw City Hall. The public hearing was streamed live on SGTV Channel 191 and on the city's website. The public hearing and project plan were advertised in *The Saginaw News: Daily Edition* on April 27, 2021. The project plan was made publicly available at the Saginaw City Clerk's Office at the time of advertisement. During the public hearing, there was one comment

clarifying that this DWSRF project supplements Saginaw's currently ongoing LSL replacement work as approved by a summer 2019 city plan. Saginaw signed a Resolution formally adopting the project plan immediately after the hearing.

## **RATIONALE FOR CATEGORICAL EXCLUSION**

In accordance with Part 54, Safe Drinking Water Assistance, of the Natural Resources and Environmental Protection Act, 1994 PA 451, as amended, Section 5408(5) specifies criteria that must be met to grant a Categorical Exclusion from further environmental review activity to a proposed DWSRF-assisted project. EGLE staff have carefully reviewed the Saginaw LSL replacement project plan and related documents and determined no significant adverse impacts are anticipated as a result of project implementation.

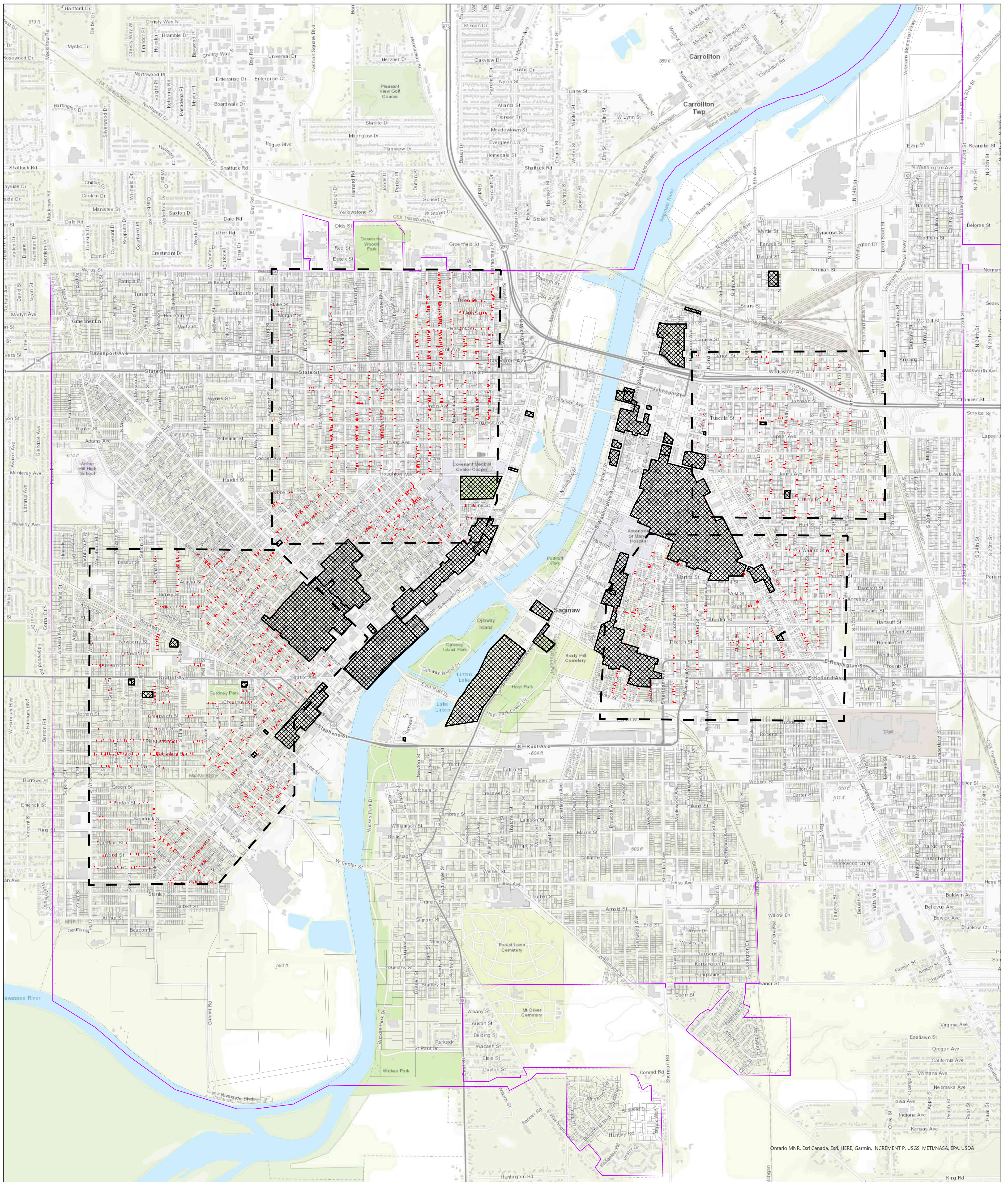
Please visit [Michigan.gov/MILeadSafe](https://www.michigan.gov/MILeadSafe) for information on exposure to lead in drinking water and more.

Questions regarding this Categorical Exclusion should be directed to:

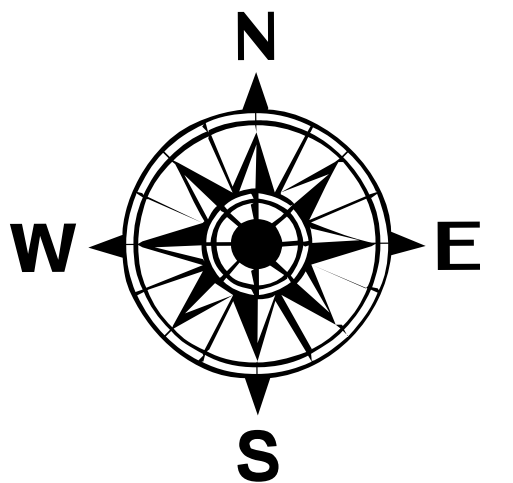
Ms. Kathy Roeder, Project Manager  
Water Infrastructure Financing Section  
Finance Division  
Michigan Department of Environment, Great Lakes, and Energy  
P.O. Box 30457  
Lansing, Michigan 48909-4957  
Telephone: 517-897-2579  
E-Mail: [roederk1@michigan.gov](mailto:roederk1@michigan.gov)

# City of Saginaw

Figure A: Historical District Map With Service Areas



- Legend**
- Project Service Areas
  - Historical Districts
  - Lead Meter Sets (529)
  - Lead Connections (1,562)
  - Lead Extensions (1,053)



Ontario MNR, Esri Canada, Esri, HERE, Garmin, INCREMENT P, USGS, METI/NASA, EPA, USDA