



MICHIGAN DEPARTMENT OF
ENVIRONMENT, GREAT LAKES, AND ENERGY

DRINKING WATER STATE REVOLVING FUND

Intended Use Plan - Fiscal Year 2024



TABLE OF CONTENTS

Water Infrastructure Funding and Financing Section.....	3
Drinking Water State Revolving Loan Fund Overview.....	4
Federal Bipartisan Infrastructure Law and American Rescue Plan	5
Michigan’s DWSRF Program	8
Program Marketing and Outreach	10
Long-Term Program Goals	10
Short-Term Program Goals	10
Programmatic Requirements	11
Fund Financial Management	14
Set-Asides	18
Public Review	18
Origination of Documents	19

Attachments:

Attachment 1 – Fiscal Year 2024 DWSRF Project Priority List

Attachment 2 – SRF Project Manager Contact Information

Attachment 3 - DWSRF Schedule of Net Positions

WATER INFRASTRUCTURE FUNDING AND FINANCING SECTION

Michigan's Water Infrastructure Funding and Financing Section (WIFFS) within EGLE assists municipalities in their efforts to protect public health and the environment through the administration of low interest loans and grants and by providing project support and outstanding customer assistance. Information on Michigan's Drinking Water State Revolving Fund (DWSRF) can be found at www.Michigan.gov/DWSRF.



Paul McDonald, EGLE CFO



Kelly Green, WIFFS Administrator

The Michigan Department of Environment, Great Lakes, and Energy does not discriminate on the basis of race, sex, religion, age, national origin, color, marital status, disability, political beliefs, height, weight, genetic information, or sexual orientation in the administration of any of its programs or activities, and prohibits intimidation and retaliation, as required by applicable laws and regulations. Questions or concerns should be directed to the Nondiscrimination Compliance Coordinator at EGLE-nondiscriminationCC@michigan.gov or 517-249-0906.

To request this material in an alternate format, contact EGLE-Accessibility@Michigan.gov or 800-662-9278.

DRINKING WATER STATE REVOLVING LOAN FUND OVERVIEW

The Drinking Water State Revolving Fund (DWSRF) low interest loan program was established via the Safe Drinking Water Act (SDWA) Amendments of 1996. The DWSRF is a program to assist public water systems in financing the costs of replacement and repair of drinking water infrastructure to protect public health and achieve or maintain compliance with the SDWA requirements.

Congress appropriates funding for the DWSRF annually. EPA awards capitalization grants from those Congressional appropriations to each state for their DWSRF based upon an allocation formula determined from the most recent Drinking Water Infrastructure Needs Survey. In accepting the award, States are required to provide a 20 percent match.

The SDWA places an emphasis on preventing contamination rather than a reactive approach. Central to this is the development of state prevention programs including, source water protection, capacity development, and operator training and certification. To fund these programs, the SDWA allows the creation of four set-aside accounts. States may take up to 31% of their annual capitalization grant as set-asides. The remaining balance after taking the set-asides, plus the State's match, is placed into a dedicated revolving loan fund. This fund provides loans to water systems for eligible infrastructure projects. As water systems repay their loan, the repayments and interest flow back into the dedicated fund and can be used to make new loans.

Michigan's DWSRF program has awarded over \$1.8 billion dollars to 428 drinking water projects across the state since 1998. Of that, over \$79 million has been awarded as principal forgiveness (PF), or as loan dollars not required to be paid back. PF dollars greatly assist communities with affordability issues. However, they do not revolve back into the program and thereby reduce fund growth.

As required by the SDWA, Michigan, prepares this Intended Use Plan (IUP) to identify the DWSRF loan projects that will utilize the funds available in a given fiscal year (FY) as well as the set-asides. This IUP includes the draft project priority list for FY2024 projects. The capitalization grant used for Michigan's FY2024 projects are from EPA's FY2023 budget, or any prior capitalization grants that may still be open. As a result of federal appropriations to Michigan, EGLE's capitalization grant for FY2024 projects is \$11,267,000.

The work of WIFFS staff to assist applicants through the financing and environmental review process while assuring state and federal laws are met is an invaluable resource to Michigan's residents. The DWSRF program continues to contribute vastly to the protection of public health across the state.

FEDERAL BIPARTISAN INFRASTRUCTURE LAW AND AMERICAN RESCUE PLAN

Bipartisan Infrastructure Law

On November 15, 2021, the Infrastructure Investment and Jobs Act was signed into law. Referred to as the Bipartisan Infrastructure Law (BIL), it included an appropriation to the EPA to strengthen the nations drinking water and wastewater systems. A sizeable portion of BIL dollars are disbursed through the DWSRF.

The BIL provides three federal grants to Michigan through the DWSRF: the DWSRF Supplemental Grant, the DWSRF Emerging Contaminants Grant, and the DWSRF Lead Service Line Replacement Grant. These grants will be awarded to states annually through 2026. Table 1 below illustrates Michigan's allocation of BIL for FY2024 projects. WIFFS has two years to allocate funds once they have been applied for from EPA. BIL language requires each grant allocation provide additional subsidization as follows:

- DWSRF Supplemental: 49 percent additional subsidization.
- DWSRF Emerging Contaminants (EC): 100 percent (minimum 25 percent of funds must go towards disadvantaged communities or public water systems serving fewer than 25,000 people) additional subsidization.
- Lead Service Line Replacement (LSLR): 49 percent additional subsidization.

Additional subsidization will be awarded to applicants in the form of loan principal forgiveness as illustrated on Attachment 1.

With this IUP, EGLE will apply for 100 percent of the available BIL dollars from the EPA for this fiscal year. Any BIL dollars remaining unallocated at the conclusion of FY2024 will be carried forward and allocated to projects in FY2025. Carry over dollars will be allocated prior to any new allotments.

The BIL allows the use of up to 31% of the grants as set-asides. The categories of set-asides are aligned with the traditional DWSRF grant, are tracked on a per grant basis, and must be used to address needs in the category they are taken. For example, set asides taken from the EC grant must be used to address eligible emerging contaminant activities. EGLE is utilizing \$5,500,000 of BIL DWSRF Supplemental set asides. Set-aside workplans are completed by EGLE's Drinking Water and Environmental Health Division and can be found on the [DWSRF website](#).

DWSRF - Intended Use Plan Fiscal Year 2024

Table 1. BIL Allocation

Appropriation	Grant Allocation	Amount of Additional Subsidization	Amount for Set-Aside Use	Carry-over Additional Subsidization from FY23	Carry-over Loan Amount from FY23	Total Available for Applicants
DWSRF Supplemental	\$48,042,000	\$23,540,580	\$5,500,000	\$0	\$0	\$42,542,000
DWSRF Emerging Contaminants	\$17,433,000	\$17,433,000	\$0	\$8,791,000	\$0	\$26,224,000
DWSRF Lead Service Line Replacement	\$72,881,000	\$35,711,690	\$0	\$17,844,597	\$18,572,948	\$109,298,545

Emerging Contaminants

The BIL EC funds must be used for eligible DWSRF projects with the primary purpose to address emerging contaminants in drinking water. The funds must focus on projects addressing perfluoroalkyl and polyfluoroalkyl (PFAS) substances or any contaminant on [EPA's Contaminant Candidate Lists](#). Additionally, grant funds under this category are not subject to state matching requirements of the SDWA. As previously discussed, 100% of the Emerging Contaminant Grant must be provided as additional subsidization to applicants. EGLE awarded these funds to eligible applicants in priority order until the funds were exhausted. All projects on the PPL receiving these BIL dollars are PFAS related projects. EGLE provided 100% forgiveness equivalent to the eligible PFAS portion of the proposed project as funds are available. The remaining non-PFAS related project costs were allocated other funds bypassing priority order but consistent with the overall funding tiers to assure project completion through full funding. These projects are illustrated on Attachment 1.

Lead Service Line Replacement

The BIL LSLR funds must be used for lead service line replacement work and associated activities directly connected to the identification, planning, design, and replacement of lead service lines. Projects must be DWSRF eligible and full replacement of a lead line must occur in accordance with [Michigan's Lead and Copper Rule](#).

EPA grant funds under this BIL appropriation are not subject to state match requirements. In addition, BIL requires states to provide 49% of the grant as additional subsidization to applicants that meet the state's disadvantaged community criteria. Michigan is applying these funds to lead service line replacement projects as principal forgiveness as illustrated on Attachment 1.

Build America, Buy America (BABA) Act

On November 15, 2021, the Infrastructure Investment and Jobs Act (IIJA), Pub. L. No. 117-58, which includes the Build America, Buy America Act (BABA). Pub. L. No. 117-58, §§ 70901-52, was signed into law strengthening Made in America Laws. The law requires that no later than May 14, 2022, 180 days after the enactment of the IIJA, the head of each covered Federal agency shall ensure that “none of the funds made available for a Federal financial assistance program for infrastructure, including each deficient program, may be obligated for a project unless all of the iron, steel, manufactured products, and construction materials used in the project are produced in the United States.” This expands domestic sourcing requirements to include all steel, iron, manufactured products, non-ferrous metals, plastic, and polymer-based products (including polyvinylchloride, composite building materials, and polymers used in fiber optic cables), glass (including optic glass), lumber, and drywall used in infrastructure projects for federal financial assistance programs must be produced in the United States. The Made in America Office at the Office of Management and Budget (OMB) has developed [initial overarching implementation guidance](#): Additional information from EPA and the waiver process is posted to their [BABA website](#).

American Rescue Plan (ARP) Water State Revolving Funds

Michigan Public Act 53 of 2022 was signed into law effective March 30, 2022. Section 308 of that law includes language allocating funds for drinking water improvements. These ARP dollars will work in tandem with DWSRF and operate as a grant. No more than \$20 million can be awarded per project, \$188 million must be awarded to communities with a population of less than 10,000, and \$152 million must be awarded to communities undertaking a lead service line replacement project. A total of \$605,400,000 is to be awarded for drinking water improvement projects over FYs 2023 and 2024. Michigan has \$376,141,738 of total ARP dollars remaining to be awarded to projects in FY2024.

As part of the FY2023 Budget, Supplemental Bill PA 119 of 2023, was passed providing an additional \$78.8 million of federal ARP dollars for projects on the FY2024 PPL that are undertaking a LSLR project. These dollars can be used for LSLR and associated watermain replacements.

All ARP water infrastructure dollars must be under contract by no later than December 2024. Attachment 1 illustrates ARP dollar allocations in FY2024.

Drinking Water Infrastructure Grant

In FY2021, \$35,000,000 was made available to DWSRF projects under Michigan’s Clean Water Plan. These funds were awarded as grants under the Drinking Water Infrastructure (DWI) grant program to projects on the FY2022 DWSRF PPL. An applicant was eligible to receive the lesser of 30 percent of DWSRF project costs or \$2,000,000. As a result of projects coming in under budget, projects dropping, or other reasons, \$7,707,728 is now available for reallocation. These remaining funds are being awarded on the FY2024 PPL as another source of grant dollars as illustrated on Attachment 1.

MICHIGAN'S DWSRF PROGRAM

Multi Step Application Process

The purpose of the multiple step application process is to first determine if the borrower qualifies to receive funding under the DWSRF program and assess the eligibility of the proposed projects. This process operates to assist applicants through any significant hurdles that may exist in securing permits, environmental clearances, and understanding DWSRF laws and policies. The first step in the process is to submit to EGLE an electronic Intent to Apply (ITA) form found on Michigan.gov/DWSRF. This ITA process allows for better tracking of applicant needs and better processing and outreach by staff. Additionally, it allows for earlier coordination with the Michigan Finance Authority (MFA) which operates as EGLE's DWSRF partner in managing fund dollars. The MFA requires a municipal obligation (bond note or evidence of debt issued) under the Shared Credit Rating Act for an amount up to the loan amount, including all principal forgiveness amounts. Awarded grant dollars operate entirely through EGLE and do not need to be included in the MFA's required bond. The MFA purchases the applicant's local bond to effectuate the DWSRF loan.

Priority Ranking System

New state DWSRF legislation was enacted and FY2024 projects are now utilizing the new scoring criteria as described on EGLE's [SRF Overburdened Community Definition and Scoring Criteria website](#). Projects are scored and thereby prioritized by EGLE's Drinking Water and Environmental Health Division. Individual project scores can be found and reviewed on the [DWSRF](#) home page

The PPL will be updated as changes occur such as projects dropping or shifting funding years. Applicants should not expect to increase their loan amounts or grant/forgiveness amounts if actual project costs come in higher than estimated. EGLE understands the tough economic variables occurring and will make every attempt possible to finance projects allowing flexibility in timing and cost overruns. There may be instances where loan dollars can exceed the PPL estimates however, EGLE reserves the right to lock loan, grant, and forgiveness amounts into what is illustrated on the Final PPL due to limited resources.

Project inclusion on the PPL indicates an applicant has submitted a final project plan with an estimated dollar amount that was scored and ranked by EGLE. There is no actual or implied guarantee that being listed on the PPL will constitute a commitment of financial assistance from the DWSRF or ARP. All program requirements must be satisfied, and applicable permits issued before a binding commitment can be offered and a loan or grant issued.

For inclusion on the FY2024 PPL, ITA forms were due to EGLE by November 1, 2022, with final planning documents submitted by June 1, 2023. The ITA form includes project information such as overview of project type, estimated costs, and estimated date of construction.

Engineering Review

Projects that are considered for funding undergo programmatic and technical review of planning and design documents such as engineering reports and plans and specifications to ensure they follow state and federal regulations. Project alternatives are reviewed including the cost and effectiveness of feasible options including operation and maintenance costs.

Environmental Review

An Environmental review is required for all DWSRF projects. EGLE WIFFS staff review every project for impacts to various water, land, and flora/fauna species. A Finding of No Significant Impact should be determined on all DWSRF projects prior to any construction activities taking place. Should a FNSI not be able to be issued, the Department may undertake further review through issuance of an Environmental Impact Statement. If project work is added or changed during the project due to unforeseen conditions and was not included as part of the original project scope additional environmental reviews may be required and/or funding may be delayed.

Loan Issuance

An approvable loan application must include:

- Complete DWSRF application including Parts I-III.
- Detailed project description, cost breakdown, and schedule.
- Financial documentation demonstrating ability to repay the loan.
- Any necessary executed intermunicipal service agreements.
- An approved planning document.
- Set of approved plans and specifications including construction permit(s) if required.
- Resolution from the applicant designating a project representative and approving the project scope after a local public hearing/meeting.

A project notice to proceed must be issued within 60 days of loan closing unless an extension request has been approved by WIFFS. Project construction activities should be complete within three years of loan award with project initiation occurring unless otherwise approved by WIFFS.

Construction Monitoring

Projects are required to be built according to the approved plans and specifications and that they adhere to any covenants in their loan agreement including American Iron and Steel (AIS), Davis Bacon, and Build America, Buy America (BABA) compliance where applicable.

Any changes from the original design need to be reviewed via Change Order or Amendment. Once approved, the project budget is revised to reflect the change when applicable.

PROGRAM MARKETING AND OUTREACH

WIFFS has subject matter experts housed in nearly all EGLE's district/field offices as illustrated on Attachment 2. WIFFS presents at virtual and in person events in collaboration with Michigan chapters and regional water organizations. Social media, website development, and email blasts also serve to market the DWSRF program. In addition, EGLE meets with the regional Environmental Finance Center, US Department of Agriculture – Rural Development, Rural Community Assistance Program, American Council of Engineering Companies, and numerous other local stakeholder Non-Governmental Organizations to collaborate funding sources and message program updates.

LONG-TERM PROGRAM GOALS

The DWSRF program operates as a public health protection program and in such maintains long-term goals to ensure the State is meeting the Safe Drinking Water Act and EGLE's mission to protect and maintain safe drinking water. DWSRF long-term goals include:

- Maintain the fiscal integrity of the fund to ensure it remains viable and self-perpetuating including harmonizing additional subsidization funds and revolving loan funds to safeguard the DWSRF fund. When additional subsidization and/or set-aside dollars increase, dollars revolving back into the fund are reduced thereby limiting fund growth.
- Maintain and refine procedures to prevent fraud and ensure a system of checks and balances.
- Target outreach to communities that have never utilized the DWSRF and increase geographic diversity in the use of the DWSRF funds.
- Maintain and develop relationships with long-term borrowers and other funding and financing agencies and organizations to ensure resources are distributed in a holistic and efficient manner.
- Continue to work collaboratively with our Drinking Water and Environmental Health Division partners to identify drinking water infrastructure priorities across the state.

SHORT-TERM PROGRAM GOALS

The DWSRF upholds short-term goals to continually improve and evolve the program to better meet water quality needs around the state. DWSRF short-term goals include:

- Procure and maintain a new data system for tracking DWSRF projects and related state grant programs.
- Assist applicants listed on the annual PPL in meeting DWSRF requirements to successfully close on a loan.
- Hire and train new DWSRF program staff.

- Apply for all DWSRF federal grants and ensure requirements of the grant terms and conditions are met including Michigan's ARP funds.
- Assist municipalities in successfully applying to DWSRF thru the use of state grant programs or BIL set-asides for LSLR projects to fully capture and allocate all BIL LSLR dollars.
- Assist disadvantaged applicants in upgrading or improving their drinking water infrastructure to maintain compliance with the SDWA.

PROGRAMMATIC REQUIREMENTS

Disadvantaged Community

The EPA defines a disadvantaged community in DWSRF as the entire service area of a public water system that meets affordability criteria established by the State. Disadvantaged communities may be afforded additional subsidization or extended loan terms.

Michigan's affordability criteria, referred to as a disadvantaged community determination, was updated for FY2024 projects and is described on EGLE's [SRF Overburdened Community Definition and Scoring Criteria website](#). The disadvantaged criteria includes two tiers, overburdened communities and significantly overburdened communities. An applicant is required to have a disadvantaged calculation completed every fiscal year if seeking qualification under this program.

Attachment 1 illustrates applicants that have qualified as either overburdened or significantly overburdened. Additional priority points of 20 for overburdened or 25 for significantly overburdened (out of 100 total) are awarded based on this status.

The DWSRF PPL allocates financing and funding to 64 projects, of which 62 are disadvantaged, or 97 percent.

Additional Subsidization

Two distinct and additive subsidy authorities are included in the traditional capitalization grant for Michigan's FY2024 projects. Under the congressional additional subsidy authority, states must provide 14 percent (\$1,577,380) of their annual capitalization grant from the EPA as additional subsidization to eligible recipients. Secondly, under the Safe Drinking Water Act (SDWA) Disadvantaged Community Additional Subsidy Authority, states must use at least 12 percent (\$1,352,240), but not more than 35 percent (\$3,943,450) of the capitalization grant as additional subsidization to state-defined disadvantaged communities. Michigan is planning to award all additional subsidization as principal forgiveness to disadvantaged communities in FY2024. Principal forgiveness allows applicants to forgo loan repayment for the portion of their loan that is forgiven, thereby operating like a grant.

The table below illustrates the traditional DWSRF capitalization grant and associated additional subsidy amounts for FY2024 projects.

Table 2 Additional Subsidy Allocation

Capitalization Grant	Required 14% Congressional Subsidy	SDWA Subsidy	Total Traditional Subsidy in 2024
\$11,267,000	\$1,577,380	\$1,991,659	\$3,569,039

BIL Additional Subsidy

As mandated under the BIL, 49 percent of funds from the DWSRF Supplemental grant, 100 percent of funds under the EC grant, and 49 percent of funds under the LSLR grant must be awarded as additional subsidy. These BIL subsidies will also be awarded to applicants in the form of loan principal forgiveness. [Table 1](#) illustrates the total subsidy being awarded under BIL. In some instances, there is not enough traditional loan or BIL supplemental loan dollars to award to projects to fund/finance 100% of project costs. In these occurrences, only grant or forgiveness dollars have been allocated to a project requiring an applicant to fund the remaining project costs from sources outside of DWSRF. Attachment 1 illustrates the total dollars that are estimated to be awarded in FY2024. Dollars carried over from FY2023 will be spent prior to FY2024 awards. Remaining FY2024 BIL dollars will be allocated to projects in FY2025.

Project Priority List

Using a combination of principal forgiveness, ARP dollars, DWSRF BIL, traditional loan dollars and other state grant money, WIFFS is planning to award \$760,714,011 to projects on the FY2024 PPL. The methodology listed below was used to allocate the fundable ranges for FY2024. Funds were allocated in priority order (with the exception of EC projects previously discussed) until exhausted.

- Significantly Overburdened applicants are awarded a 100% ARP grant or principal forgiveness combination up to a maximum of \$20,000,000. Loan dollars are awarded to cover project costs greater than \$20,000,000 where applicable.
- Overburdened applicants are awarded 50% ARP grant or principal forgiveness combination up to a maximum of \$20,000,000. Loan dollars are awarded to cover the remaining 50% of projects costs or those costs greater than \$20,000,000 where applicable.
- All other non-disadvantaged applicants within the fundable range will receive 10% ARP grant or principal forgiveness up to a maximum of \$20,000,000.

DWSRF - Intended Use Plan Fiscal Year 2024

EGLE reserves the right to limit grant, principal forgiveness, and loan dollars to the amounts identified on the Final PPL. All activities greater than \$50,000 require an executed contract solicited using competitive bidding unless otherwise approved by EGLE.

WIFFS will focus limited staff resources on awarded projects identified on the PPL. **Applicants are expected to execute a milestone schedule with their WIFFS project manager no later than December 22, 2023. Failure to do so may result in the applicant's project being bypassed and associated funds awarded to the next available project, in priority order.**

In summary, EGLE plans to award the following in FY2024:

Table 3 Proposed Total Funds in FY2024

Allocation	Amount
ARP SRF Grant	\$376,141,738
DWSRF Loan	\$116,430,961
DWSRF Loan Forgiveness	\$3,569,039
BIL Supplemental Loan	\$ 19,001,420
BIL Supplemental Loan Forgiveness	\$23,540,580
BIL Emerging Contaminants Loan Forgiveness	\$26,224,000
BIL LSLR Loan	\$55,742,258*
BIL LSLR Loan Forgiveness	\$53,556,287*
Drinking Water Infrastructure Grant	\$7,707,728
ARP LSLR/Watermain Grant	\$78,800,000
Total	\$760,714,011

*BIL DWSRF LSLR loan and PF categories have been overcommitted by \$7,354 and \$7,065 respectively. EGLE anticipates projects will drop/decline LSLR dollars. To spend 100% of BIL available dollars in FY24, these two buckets have been overcommitted on the PPL.

Davis Bacon Act

Under regulations in 29 CFR 5.5, EPA must ensure that fund recipients are subject to the Davis Bacon provisions. Additionally, compliance with the Davis Bacon Act is required for all ARP funded projects. Therefore, all projects on the DWSRF list, regardless of funding source, are required to comply with the Davis Bacon Act. Applicants are required to submit a certification of compliance with each disbursement request.

American Iron and Steel

All projects receiving DWSRF base and BIL dollars are required to comply with the American Iron and Steel provision unless a waiver from EPA has been granted.

Equivalency Projects

Equivalency projects are defined within the SRF programs as a select group of loans whose sum is equal to the amount of the capitalization grant which are required to meet certain federal requirements. They must meet the federal crosscutter, single audit, Disadvantaged Business Enterprise, Signage, and FFATA reporting requirements. The addition of Build America, Buy America (BABA) has also been added this year. States are required to meet equivalency projects under both the base DWSRF and the BIL. Signage requirements will be met via [EGLE's Water Infrastructure Financing Dashboard](#) displayed on the DWSRF public website. Given multiple funding sources, all projects receiving DWSRF base and BIL dollars will be considered equivalent projects in FY2024. The final list of entities that comply with these requirements will be included in the FFATA Reporting and the FY2024 Annual Report.

EPA Data System

WIFFS agrees to enter data into the EPA's data system on a minimum quarterly basis as loans are issued.

FUND FINANCIAL MANAGEMENT

Source and Allocation

Due to an increase in program demand, in FY2020 EGLE began operating the DWSRF as a leveraged program. The state will sell revenue bonds that are secured by federal and state assets. Bond issuance costs are covered by the bonds sold and thus are not identified as direct administrative expenses of the DWSRF. Project costs of the local units of government are reimbursed from the bond issues. For borrowers who are non-municipal entities, limitation on private activity from tax-exempt issues require EGLE and MFA to fund private water suppliers from funds other than tax-exempt revenue bonds. There are no private, non-municipal water suppliers on the FY2023 PPL.

Michigan is required to provide a 20 percent state match to the traditional DWSRF capitalization grant as well as a 10 percent match of the BIL general supplemental. No state match is required to receive the BIL Emerging Contaminant or LSLR grants. General fund dollars are available for both match requirements this year. Any excessive match funds available in FY2024 may be carried over for the benefit of the fund and used for match requirements in future years.

DWSRF - Intended Use Plan Fiscal Year 2024

EGLE uses a process to prescribe how available funds will be allocated between eligible recipients as follows:

- Identify borrowers ready to proceed with projects in FY2024.
- Determine amount of financing needed by applicants.
- Identify sources and amount of funds available to provide the requested assistance.
- Allocate dollars in priority order consistent with the terms of applicable funding sources.
- Negotiate a milestone schedule with fundable applicants.
- Determine final loan amounts based on as-bid dollars.
- Redistribute any remaining funds in future years if projects drop or costs come in lower than estimates. Determine if funds are available for any projects that may come in higher than PPL estimates.

DWSRF financial assistance to municipalities during FY 2024 will consist of loans, grants, and principal forgiveness. All projects within the fundable range are anticipated to close loans in FY2024. Final binding commitment dates are subject to change based on the needs of applicants and any unforeseen conditions that may arise and will be established once milestone schedules are negotiated with applicants. WIFFS will offer seven loan closing dates throughout the calendar year. There will be two dates per quarter, except for quarter four, in which there will only be one closing in August.

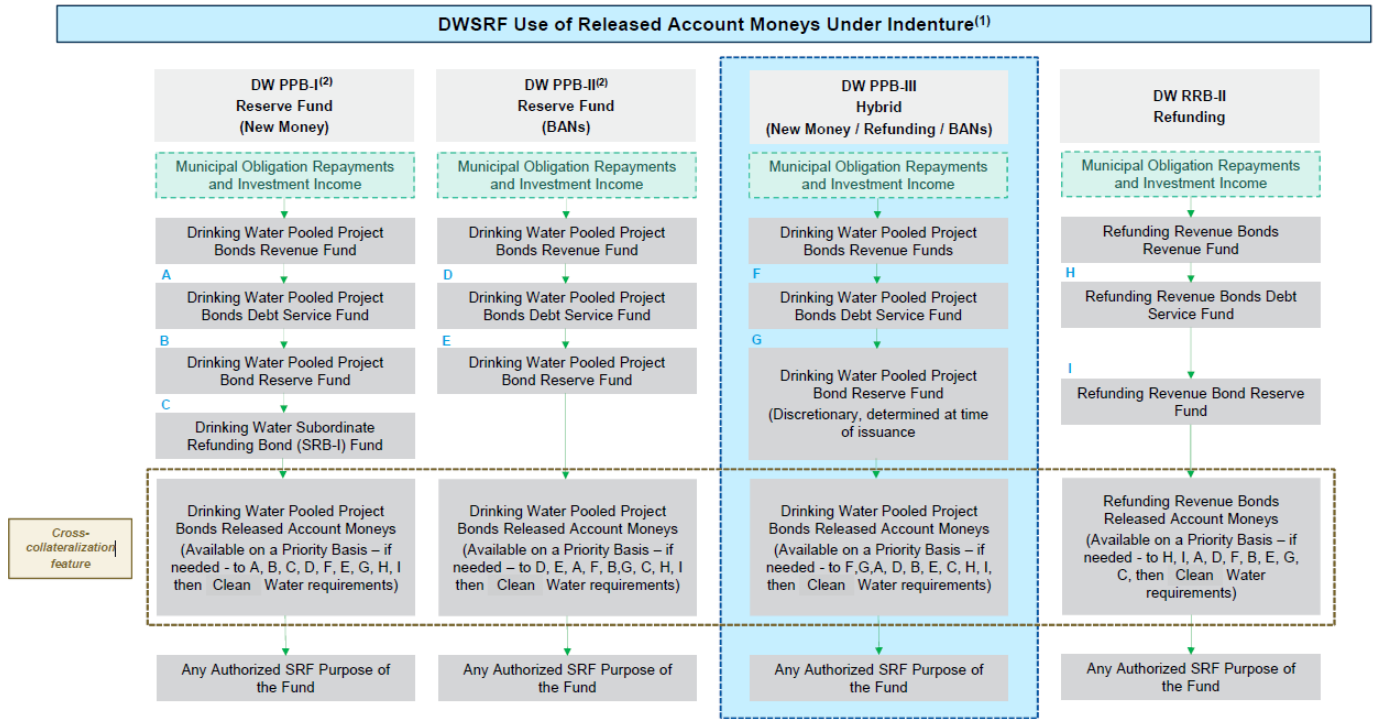
Final loan award amounts will be included in the DWSRF Annual Report.

Cross Collateralization

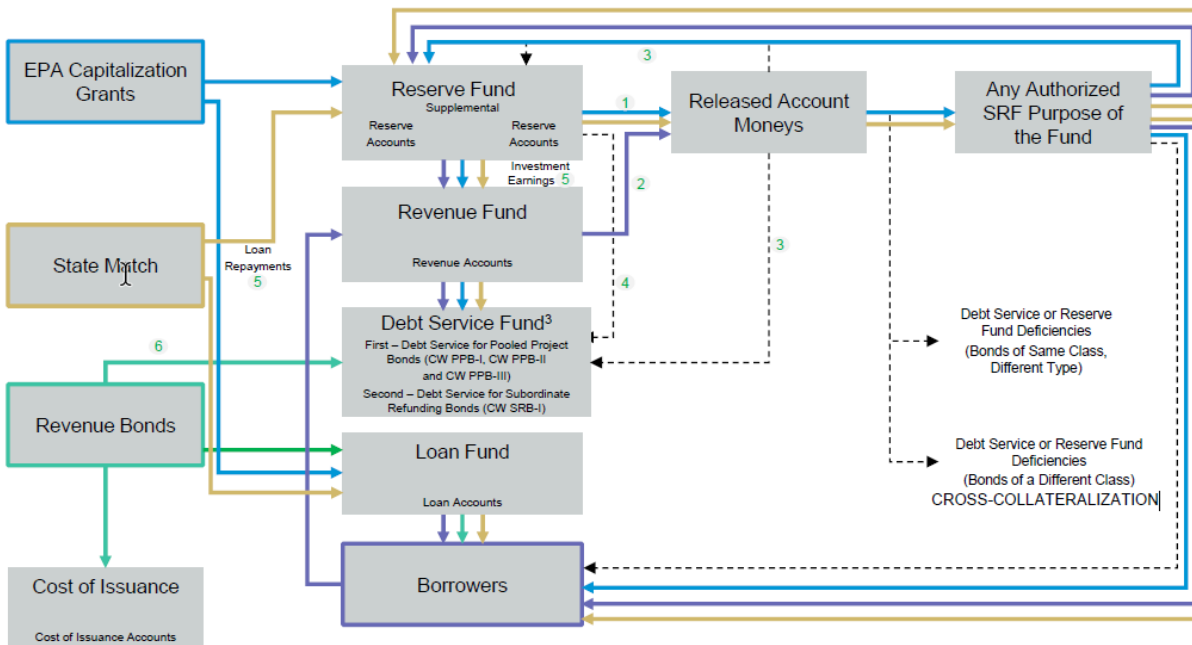
The DWRF and CWSRF are cross-collateralized and have been from the outset. Below are flow charts illustrating the process.

DWSRF - Intended Use Plan Fiscal Year 2024

Drinking Water Use of Released Account Moneys Under Indenture



Clean Water and Drinking Water SRF – Flow of Funds^{1,2}



(1) Reserve Fund moneys in excess of the Reserve Account Requirement are released as principal on Bonds as paid
 (2) Revenue Fund moneys released in order of priority at any time following Sufficiency Calculation
 (3) Released Account moneys available first for any Debt Service Fund Account deficiencies and second for any Reserve Fund Account deficiencies
 (4) Reserve Fund moneys that are not Released Account moneys only applied to fund Related Debt Service account deficiencies after available Related Revenue Account and Released Account Moneys are used
 (5) Interest repayments on Related Loans and Investment earnings on the Loan Account and the Reserve Account first transferred to the Revenue Account for the Related State Match Bonds (none currently issued) and then to the Related Revenue Account
 (6) Principal repayments on Related Loans only transferred to the Related Revenue Account
 (7) Accrued interest and capitalized interest, if any (initially deposited to the Revenue Fund)

Transfer Authority

In accordance with the Safe Drinking Water Act and the SRF funds transfer provisions, Michigan can transfer an amount up to 33 percent of the DWSRF program capitalization grant to the CWSRF program or an equivalent amount from the CWSRF program to the DWSRF program. No funds were transferred from either program during this period.

Interest Rates

Along with the potential for principal forgiveness, low interest rates remain an advantage to municipalities when seeking assistance from the DWSRF. Interest rates are established annually by EGLE’s Director and based on the demand for financing in the coming year, anticipated future demand, consideration of market rates, and evaluation of additional costs to borrowers for program participation. FY2024 interest rates have been established as follows:

Table 4 Interest Rates

Term	Disadvantaged Status	Rate
20 Year	N/A	2.50%
20 Year	Overburdened	2.00%
20 Year	Significantly Overburdened	1.00%
30 Year	N/A	2.75%
30 Year	Overburdened	2.00%
30 Year	Significantly Overburdened	1.00%
40 Year	Overburdened	2.00%
40 Year	Significantly Overburdened	1.00%

Administrative Costs

To administer the program, WIFFS is using the authority granted to utilize the 1/5th of 1% of total net position, or \$1,730,980. Attachment 3 illustrates the Michigan Finance Authority's Schedule of Net Positions for the DWSRF fund.

SET-ASIDES

The projects and expenditures proposed in the set aside work plans are deemed necessary to maintain the current level of effort to implement federal drinking water standards in Michigan, to support source water protection activities, to maintain important groundwater databases, and to support an Information Technology Modernization Project which will benefit public water systems by providing opportunities for improved transparency and communication, streamlining processes, increasing data quality control, and enhancing decision-making capabilities through analytics, trends and insights, automated alerts, and data-driven actions. Set-Aside workplans can be found on the [DWSRF Web site](#) or by contacting Dana DeBruyn at 517-930-6463 or DebruynD@Michigan.gov.

PUBLIC REVIEW

A public hearing on the draft IUP was held in person and virtually on September 19, 2023. A number of comments were received, and scores adjusted for multiple projects. Scoring is completed by the department's Drinking Water and Environmental Health Division. Many public comments were received in support of the City of Ishpeming's drinking water project. Additional comments received related to the scoring process, and disadvantaged determination process. There were also comments addressing public engagement needs at the local municipal level during project planning.

ORIGINATION OF DOCUMENTS

The Finance Division of EGLE is responsible for issuing the DWSRF IUP and its accompanying information.

Questions about the IUP may be directed to:

Kelly Green, Administrator
Water Infrastructure Funding and Financing Section
Finance Division
Michigan Department of Environment, Great Lakes, and Energy
PO Box 30457
Lansing, MI 48909-7957
517-284-5433 | EGLE-WIFFS@Michigan.gov

Questions about Treasury related items may be directed to:

Alyson Hayden, Executive Director
Michigan Finance Authority
Michigan Department of Treasury
PO Box 15128
Lansing, MI 48933
517-241-2432 | TreasMFA@Michigan.gov

Questions about DWSRF set asides may be directed to:

Dana DeBruyn, Manager
Environmental Health Section
Drinking Water and Environmental Health Division
Michigan Department of Environment, Great Lakes, and Energy
PO Box 30817
Lansing, MI 48909-7957
517-930-6463 | DebruynD@Michigan.gov

Questions about project scoring may be directed to:

Brian Thurston, Assistant Director
Drinking Water and Environmental Health Division
Michigan Department of Environment, Great Lakes, and Energy
PO Box 30817
Lansing, MI 48909-7957
231-590-3430 | ThurstonB@Michigan.gov



Attachment #1 - Fiscal Year 2024 DWSRF Project Priority List - Final

Project Number	Applicant	County	Project Components	Disadvantaged Status	Population	Total Priority Points	Cost per Population Served	Total Project Costs	Lead Service Line Costs	EC Related Costs	DWSRF Traditional Loan	DWSRF Traditional PF	BIL DWSRF Supplemental Loan	BIL DWSRF Supplemental PF	BIL DWSRF Emerging Contaminants PF	ARPA Grant	DWI Grant	BIL DWSRF LSLR Loan	BIL DWSRF LSLR PF	LSLR + WM ARPA (new)	
7710-01	Battle Creek	Calhoun	WTP, LSLR, well	Overburdened	52,000	95	\$ 473	\$ 24,575,000	\$ 2,600,000				\$ 10,961,500	\$ 11,013,500				\$ 1,326,000	\$ 1,274,000		
7756-01	City of Ironwood	Gogebic	Watermain, LSLR	Significantly Overburdened	5,045	95	\$ 2,185	\$ 11,021,000	\$ 2,044,266							\$ 7,123,734	\$ 1,853,000			\$ 2,044,266	
7741-01	City of Highland Park	Wayne	Watermain, LSLR	Significantly Overburdened	8,977	95	\$ 2,117	\$ 19,000,000	\$ 1,900,000							\$ 17,100,000				\$ 1,900,000	
7846-01	City of Mt. Clemens	Macomb	GLWA Connection, LSLR	Overburdened	17,580	95	\$ 2,392	\$ 42,050,000	\$ 660,000		\$ 21,713,400			\$ 12,527,080		\$ 7,149,520		\$ 336,600	\$ 323,400		
7686-01	Muskegon Heights	Muskegon	WTP, watermain, LSLR, looping	Significantly Overburdened	9,917	95	\$ 2,160	\$ 21,420,000	\$ 6,360,000		\$ 1,420,000					\$ 13,640,000				\$ 6,360,000	
7842-01	City of West Branch	Ogemaw	Watermain, LSLR, looping, tower, new connection, well	Significantly Overburdened	2,139	95	\$ 8,415	\$ 18,000,000	\$ 500,000							\$ 17,500,000				\$ 500,000	
7549-01	City of St. Louis	Gratiot	Watermain, LSLR, valves	Significantly Overburdened	1,956	95	\$ 12,014	\$ 23,500,000	\$ 120,000		\$ 3,500,000					\$ 20,000,000					
7838-01	Whittemore	Iosco	WTP, wells, tower, watermain	Significantly Overburdened	416	95	\$ 29,639	\$ 12,330,000								\$ 12,330,000					
7784-01	Grand Rapids (City)	Kent	Watermain, LSLR, looping	Overburdened	202,100	90	\$ 73	\$ 14,775,000	\$ 8,000,000		\$ 3,307,500	\$ 3,467,500						\$ 4,080,000	\$ 3,920,000		
7497-01	Owosso	Shiawassee	Watermain, LSLR, WTP	Overburdened	27,890	90	\$ 125	\$ 3,490,000	\$ 250,000		\$ 1,617,500					\$ 1,622,500		\$ 127,500	\$ 122,500		
7501-01	City of Wakefield	Gogebic	LSLR	Overburdened	1,850	90	\$ 189	\$ 350,000	\$ 350,000							\$ 4,000		\$ 176,460	\$ 169,540		
7774-01	Oakland County (Pontiac)	Oakland	Watermain, LSLR	Significantly Overburdened	63,398	90	\$ 400	\$ 25,365,000	\$ 2,644,040		\$ 4,016,540							\$ 1,348,460	\$ 1,295,580	\$ 18,704,420	
7639-01	Inkster	Wayne	Watermain, LSLR	Significantly Overburdened	25,369	90	\$ 430	\$ 10,905,000	\$ 1,600,000												\$ 10,905,000
7629-01	Lincoln Park	Wayne	Watermain, LSLR	Significantly Overburdened	38,144	90	\$ 498	\$ 18,985,000	\$ 6,940,980												\$ 18,985,000
7743-01	City of Hamtramck	Wayne	Watermain, LSLR	Significantly Overburdened	28,190	90	\$ 533	\$ 15,035,000	\$ 5,505,300												\$ 15,035,000
7736-01	Jackson	Jackson	WTP, watermain	Overburdened	31,309	90	\$ 558	\$ 17,460,000			\$ 8,730,000					\$ 8,730,000					
7832-01	City of Muskegon	Muskegon	WTP, watermain, LSLR, looping	Overburdened	38,300	90	\$ 681	\$ 26,085,000	\$ 10,000,000		\$ 7,942,500					\$ 8,142,500		\$ 5,100,000	\$ 4,900,000		
7750-01	City of Melvindale	Wayne	Watermain, LSLR	Significantly Overburdened	12,739	90	\$ 724	\$ 9,225,000	\$ 3,000,000							\$ 7,929,420				\$ 1,295,580	
7738-01	City of Ecorse	Wayne	Watermain, LSLR	Significantly Overburdened	9,512	90	\$ 796	\$ 7,575,000	\$ 278,640							\$ 7,575,000					
7841-01	City of Ithaca	Gratiot	Watermain, LSLR	Overburdened	3,098	90	\$ 836	\$ 2,590,000	\$ 135,800		\$ 1,225,742					\$ 1,228,458		\$ 69,258	\$ 66,542		
7705-01	Charter Twp. of Union	Isabella	Watermain, LSLR, new source, WTP	Significantly Overburdened	11,699	90	\$ 939	\$ 10,985,000	\$ 1,466,000							\$ 10,514,266				\$ 470,734	
7671-01	Springfield	Calhoun	Watermain, LSLR	Overburdened	5,292	90	\$ 1,349	\$ 7,140,000	\$ 75,000		\$ 3,531,750					\$ 3,533,250		\$ 38,250	\$ 36,750		
7744-01	City of Escanaba	Delta	Watermain, LSLR, tank	Significantly Overburdened	13,659	90	\$ 1,464	\$ 20,000,000	\$ 10,509,200							\$ 20,000,000					
7588-01	Croswell	Sanilac	Watermain, LSLR	Overburdened	2,422	90	\$ 3,055	\$ 7,400,000	\$ 840,000		\$ 3,271,600					\$ 3,288,400		\$ 428,400	\$ 411,600		
7708-01	City of Ishpeming	Marquette	Watermain, LSLR, looping, tank	Overburdened	6,470	90	\$ 3,085	\$ 19,960,200	\$ 170,000		\$ 9,893,400					\$ 9,896,800		\$ 86,700	\$ 83,300		
7664-01	Reed City	Osceola	Watermain, LSLR, well, tank, meters	Overburdened	2,490	90	\$ 3,996	\$ 9,950,000	\$ 2,142,000		\$ 3,882,580					\$ 3,925,420		\$ 1,092,420	\$ 1,049,580		
7600-01	City of Corunna	Shiawassee	Water system, LSLR	Overburdened	3,046	90	\$ 4,859	\$ 14,800,000	\$ 720,500		\$ 7,032,545					\$ 7,046,955		\$ 367,455	\$ 353,045		
7852-01	City of Marine City	St. Clair	Watermain, LSLR, WTP, storage, intake	Overburdened	4,652	90	\$ 5,589	\$ 26,000,000	\$ 3,276,000		\$ 11,329,240					\$ 11,394,760		\$ 1,670,760	\$ 1,605,240		
7745-01	City of Bessemer	Gogebic	Watermain, LSLR, tank	Overburdened	1,900	90	\$ 5,992	\$ 11,385,000	\$ 350,000		\$ 5,514,000					\$ 5,521,000		\$ 178,500	\$ 171,500		
7856-01	Village of Capac	St. Clair	Watermain, LSLR, wells, tank, WTP, meters	Overburdened	1,983	90	\$ 6,107	\$ 12,110,000	\$ 150,000		\$ 5,978,500					\$ 5,981,500		\$ 76,500	\$ 73,500		
7806-01	City of Scottville	Mason	Watermain, LSLR, tank	Significantly Overburdened	1,356	90	\$ 6,413	\$ 8,696,400	\$ 375,000							\$ 8,696,400					
7616-01	Bessemer Township	Gogebic	Watermain, looping, LSLR	Overburdened	1,176	90	\$ 6,892	\$ 8,105,000	\$ 1,742,500		\$ 3,163,825					\$ 3,198,675		\$ 888,675	\$ 853,825		
7837-01	Standish Township*	Arenac	Watermain extension	Overburdened	600	90	\$ 10,055	\$ 6,033,058					\$ 3,016,529		\$ 3,016,529						
7703-01	City of Alma	Gratiot	Watermain, LSLR, meters, tank	Overburdened	1,233	90	\$ 15,783	\$ 19,460,000	\$ 1,040,000		\$ 1,097,639		\$ 779,291		\$ 9,220,400		\$ 530,400	\$ 509,600			
7830-01	Hesperia	Newaygo	Watermain, LSLR looping, meters, tank, well address PFOA	Significantly Overburdened	1,024	90	\$ 23,145	\$ 23,700,000	\$ 4,845,000	\$ 945,000					\$ 945,000	\$ 14,680,950	\$ 2,000,000	\$ 2,470,950	\$ 2,374,050		
7676-01	Pentwater	Oceana	New well, tank, watermain, LSLR	Overburdened	891	88	\$ 5,039	\$ 4,490,000	\$ 800,000							\$ 1,853,000		\$ 408,000	\$ 392,000		
7855-01	DWSD/GLWA	Wayne	Watermain, LSLR	Significantly Overburdened	21,188	85	\$ 781	\$ 16,550,000	\$ 2,382,164							\$ 13,950,000				\$ 2,600,000	
7820-01	Garden City	Wayne	Watermain, looping, LSLR	Overburdened	9,221	85	\$ 877	\$ 8,085,000	\$ 1,187,772							\$ 1,460,492	\$ 2,000,000	\$ 605,764	\$ 582,008		
7859-01	City of Vassar	Tuscola	Watermain, looping, new well	Overburdened	2,727	85	\$ 1,412	\$ 3,850,000	\$ 10,000							\$ 1,925,000					
7864-01	DWSD/GLWA	Wayne	Watermain, LSLR	Significantly Overburdened	10,891	85	\$ 1,608	\$ 17,510,000	\$ 2,467,668							\$ 17,510,000					
7740-01	City of River Rouge	Wayne	Watermain, LSLR, valves	Significantly Overburdened	7,224	85	\$ 1,800	\$ 13,000,000	\$ 7,316,670							\$ 13,000,000					
7776-01	Albion	Calhoun	Watermain, LSLR, tank, WTP	Overburdened	8,380	85	\$ 2,291	\$ 19,200,000	\$ 1,045,350			\$ 101,539				\$ 7,131,512	\$ 1,854,728	\$ 533,129	\$ 512,222		



Attachment #1 - Fiscal Year 2024 DWSRF Project Priority List - Final

Project Number	Applicant	County	Project Components	Disadvantaged Status	Population	Total Priority Points	Cost per Population Served	Total Project Costs	Lead Service Line Costs	EC Related Costs	DWSRF Traditional Loan	DWSRF Traditional PF	BIL DWSRF Supplemental Loan	BIL DWSRF Supplemental PF	BIL DWSRF Emerging Contaminants PF	ARPA Grant	DWI Grant	BIL DWSRF LSLR Loan	BIL DWSRF LSLR PF	LSLR + WM ARPA (new)	
7660-01	White Lake	Oakland	Watermain, wellhouse, emergency connection		5,799	50	\$ 1,696	\$ 9,835,000													
7716-01	YCUA-Township	Washtenaw	Pumpstation, meters, generator		128,175	45	\$ 129	\$ 16,520,000													
7626-01	Harbor Beach	Huron	WTP, transmission main		5,209	45	\$ 158	\$ 825,000													
7500-01	Charter Twp. of Bloomfield	Oakland	Watermain		41,192	45	\$ 207	\$ 8,520,000													
7615-01	Sumpter Twp.	Wayne	Watermain		8,672	45	\$ 286	\$ 2,480,000													
7707-01	Wyoming	Kent	New transmission main, surge tank		246,848	45	\$ 340	\$ 83,900,000													
7709-01	City of Rochester	Oakland	Watermain, looping booster station		13,035	45	\$ 508	\$ 6,625,000													
7688-01	Gibraltar	Wayne	Watermains		4,997	45	\$ 580	\$ 2,900,000													
7862-01	Garfield Twp	Grand Traverse	Looping, storage, SCADA		19,499	45	\$ 989	\$ 19,275,000													
7809-01	Westphalia	Clinton	Watermain, looping		1,000	45	\$ 2,120	\$ 2,120,000													
7847-01	Charter Twp. of Oakland	Oakland	Storage tank, booster station		4,888	45	\$ 2,516	\$ 12,300,000													
7571-01	Pewamo	Ionia	Watermain		469	45	\$ 7,356	\$ 3,450,000													
7539-01	Ann Arbor Twp	Jackson	Looping, tank, booster station		1,338	45	\$ 9,656	\$ 12,920,000													
7638-01	Bangor Twp.	Bay	Watermain, LSLR		11,938	40	\$ 394	\$ 4,705,000	\$ 400,000												
7631-01	Harbor Beach	Huron	Transmission main		5,209	40	\$ 534	\$ 2,780,000													
7700-01	City of Grand Blanc	Genesee	Watermain, looping, well		8,091	40	\$ 618	\$ 5,000,000													
7766-01	Clay Township	St Clair County	Watermain, looping, new transmission main		8,446	40	\$ 1,045	\$ 8,825,000													
7663-01	Zox Cass Lakeside	Oakland	Watermain		700	40	\$ 7,286	\$ 5,100,000													
7753-01	Charter Twp. Filer	Manistee	Watermain, well		681	35	\$ 8,078	\$ 5,501,000													
Totals											\$ 116,430,961	\$ 3,569,039	\$ 19,001,420	\$ 23,540,580	\$ 26,224,000	\$ 376,141,738	\$ 7,707,728	\$ 55,749,612	\$ 53,563,352	\$ 78,800,000	

* Project cost reduced due to pending Small/Underserved Disadvantaged Community Grant

DWI - Drinking Water Infrastructure

LSLR - lead service line replacement

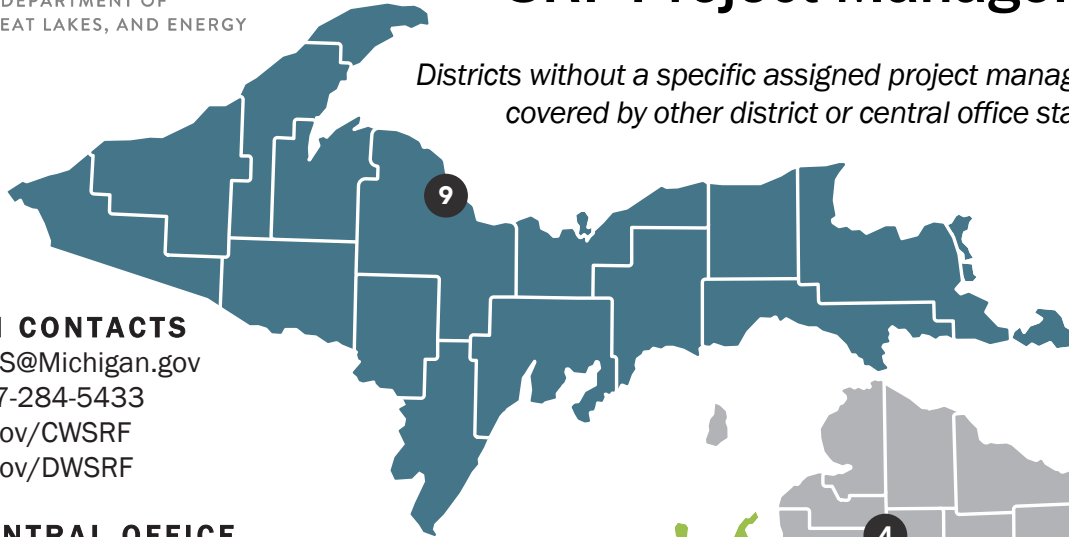
SCADA - supervisory control data acquisition

WTP - water treatment plant

Salmon highlight indicates end of loan dollars

Light blue highlight indicates end of ARPA dollars

SRF Project Managers



SECTION CONTACTS

EGLE-WIFFS@Michigan.gov
 Phone: 517-284-5433
 Michigan.gov/CWSRF
 Michigan.gov/DWSRF

★ **EGLE CENTRAL OFFICE**

Jonathan Berman
 Phone: 517-897-3634 | BermanJ@Michigan.gov

Jessica Ferris
 Phone: 517-331-3744 | FerrisJ6@Michigan.gov

Valorie White
 Phone: 517-599-5879 | WhiteV1@Michigan.gov

David Worthington
 Phone: 517-554-1835 | WorthingtonD@Michigan.gov

Jenna Beverly
 Phone: 517-331-0463 | BeverlyJ3@Michigan.gov

1 BAY CITY DISTRICT OFFICE

Matt Werle
 Phone: 517-599-1644 | WerleM@Michigan.gov

2 CADILLAC DISTRICT OFFICE

Joel Felsk
 Phone: 517-599-3016 | FelskJ2@Michigan.gov

5 GRAND RAPIDS DISTRICT OFFICE

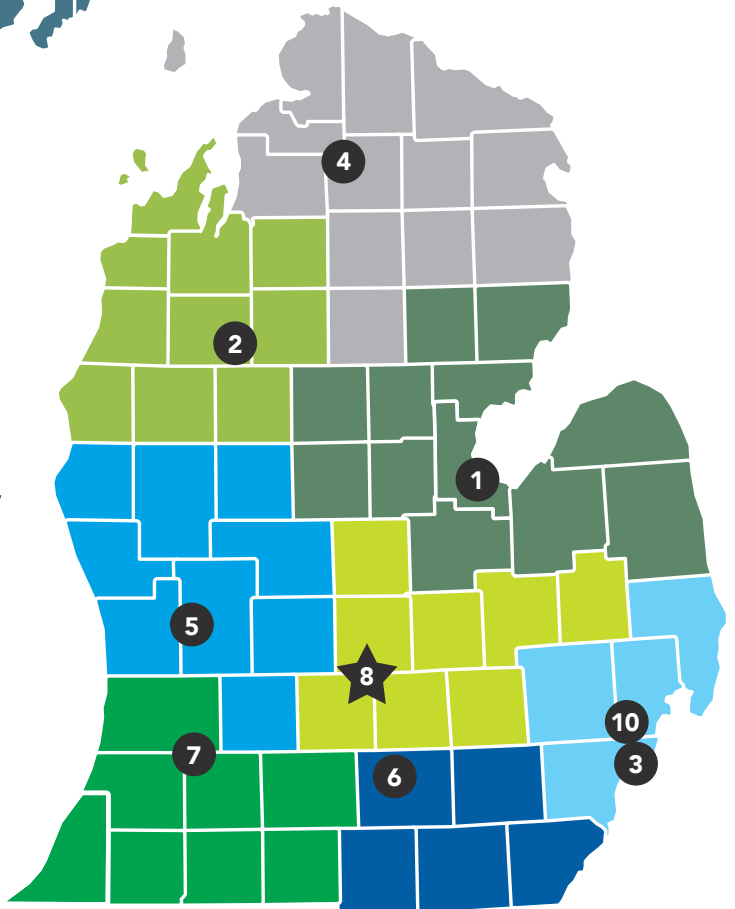
Sara Brown
 Phone: 517-231-8916 | BrownS93@Michigan.gov

7 KALAMAZOO DISTRICT OFFICE

Lance Wood
 Phone: 517-388-5780 | WoodL8@Michigan.gov

8 LANSING DISTRICT OFFICE

Andrew Gelderloos
 Phone: 517-599-8229 | GelderloosA@Michigan.gov



9 MARQUETTE DISTRICT OFFICE

Angela Yu
 Phone: 517-599-5487 | YuA@Michigan.gov

10 WARREN DISTRICT OFFICE

Sarah Peterson
 Phone: 517-438-3774 | PetersonS12@Michigan.gov

Chelsea Walsh
 Phone: 517-599-7218 | WalshC3@Michigan.gov

Michigan.gov/EGLE | 800-662-9278

The Michigan Department of Environment, Great Lakes, and Energy does not discriminate on the basis of race, sex, religion, age, national origin, color, marital status, disability, political beliefs, height, weight, genetic information, or sexual orientation in the administration of any of its programs or activities, and prohibits intimidation and retaliation, as required by applicable laws and regulations.



SUPPLEMENTAL FINANCIAL SCHEDULES

Michigan Finance Authority

MUNICIPAL BOND FUND

COMBINING SUPPLEMENTAL SCHEDULE OF NET POSITION

September 30, 2022

	Local Municipalities Subfund	State Revolving Subfund	
		Clean Water Program	Drinking Water Program
ASSETS			
Current assets:			
Cash and cash equivalents	\$	\$ 1,325	\$ 68,542
Receivable from federal government		132,399	194,525
Interest receivable	50,102,613	4,359,181	1,678,583
Investments	104,456,790	1,366,466,779	616,606,480
Notes receivable	152,906,502		
Loans receivable, net	1,735,000	169,648,200	38,346,875
Bonds receivable	267,360,000		
Total current assets	\$ 576,560,905	\$ 1,540,607,884	\$ 656,895,005
Noncurrent assets:			
Receivable from State of Michigan	\$	\$	\$
Investments		86,932,509	19,798,703
Loans receivable, net	5,163,988	1,446,745,154	432,182,426
Bonds receivable	3,358,313,451		
Total noncurrent assets	\$ 3,363,477,439	\$ 1,533,677,663	\$ 451,981,129
Total assets	\$ 3,940,038,344	\$ 3,074,285,547	\$ 1,108,876,134
DEFERRED OUTFLOWS OF RESOURCES			
Deferred loss on refunding	\$ 108,941	\$ 15,893,173	\$ 173,580
LIABILITIES			
Current liabilities:			
Accounts payable and other liabilities	\$ 84,048,445	\$ 101,391	\$ 62,143
Bonds and notes payable, net	434,270,258	103,370,000	14,185,000
Interest payable	58,146,104	14,542,128	3,450,648
Unearned revenue			5,000,000
Total current liabilities	\$ 576,464,807	\$ 118,013,519	\$ 22,697,791
Noncurrent liabilities:			
Bonds and notes payable, net	\$ 3,385,844,798	\$ 749,336,482	\$ 220,862,128
Total noncurrent liabilities	\$ 3,385,844,798	\$ 749,336,482	\$ 220,862,128
Total liabilities	\$ 3,962,309,605	\$ 867,350,001	\$ 243,559,919
DEFERRED INFLOWS OF RESOURCES			
Deferred gain on refunding	\$ 1,471,062	\$ 442,710	\$
NET POSITION			
Restricted for:			
State Revolving Subfund	\$	\$ 2,222,386,009	\$ 865,489,795
Strategic Water Quality Initiatives Subfund			
School Loan Revolving Subfund			
Unrestricted	(23,633,382)		
Total net position	\$ (23,633,382)	\$ 2,222,386,009	\$ 865,489,795

Michigan Finance Authority

Strategic Water Quality Initiatives Subfund	School Loan Revolving Subfund	Totals
\$	\$ 1,385,871,069	\$ 1,385,940,936
		326,924
26,514		56,166,891
11,660,465	92,869,949	2,192,060,463
		152,906,502
1,865,000		211,595,075
		267,360,000
<u>\$ 13,551,979</u>	<u>\$ 1,478,741,018</u>	<u>\$ 4,266,356,791</u>
\$	\$ 766,999,607	\$ 766,999,607
		106,731,212
21,763,026		1,905,854,594
		3,358,313,451
<u>\$ 21,763,026</u>	<u>\$ 766,999,607</u>	<u>\$ 6,137,898,864</u>
<u>\$ 35,315,005</u>	<u>\$ 2,245,740,625</u>	<u>\$ 10,404,255,655</u>
<u>\$ 0</u>	<u>\$ 1,418,221</u>	<u>\$ 17,593,915</u>
\$ 19,589	\$ 1,687,060	\$ 85,918,628
	122,390,000	674,215,258
		76,138,880
		5,000,000
<u>\$ 19,589</u>	<u>\$ 124,077,060</u>	<u>\$ 841,272,766</u>
<u>\$</u>	<u>\$ 772,390,000</u>	<u>\$ 5,128,433,408</u>
<u>\$ 0</u>	<u>\$ 772,390,000</u>	<u>\$ 5,128,433,408</u>
<u>\$ 19,589</u>	<u>\$ 896,467,060</u>	<u>\$ 5,969,706,174</u>
<u>\$</u>	<u>\$</u>	<u>\$ 1,913,772</u>
\$ 35,295,416	\$	\$ 3,087,875,804
		35,295,416
	1,350,691,786	1,350,691,786
		(23,633,382)
<u>\$ 35,295,416</u>	<u>\$ 1,350,691,786</u>	<u>\$ 4,450,229,624</u>

Michigan Finance Authority

MUNICIPAL BOND FUND

COMBINING SUPPLEMENTAL SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

For the Fiscal Year Ended September 30, 2022

	Local Municipalities	State Revolving Subfund	
	Subfund	Clean Water Program	Drinking Water Program
OPERATING REVENUES			
Federal revenue	\$	\$ 319,369	\$ 281,699
Interest revenue	154,214,757	37,667,307	10,125,164
Investment income	104,686	11,116,552	4,517,509
Miscellaneous	50,637		20,278
Total operating revenues	<u>\$ 154,370,080</u>	<u>\$ 49,103,228</u>	<u>\$ 14,944,650</u>
OPERATING EXPENSES			
Interest expense	\$ 149,073,891	\$ 24,362,588	\$ 5,101,907
Debt issuance costs	1,132,486		1,105,423
Other administrative expense	59,107	1,006,957	353,285
Total operating expenses	<u>\$ 150,265,484</u>	<u>\$ 25,369,545</u>	<u>\$ 6,560,615</u>
Operating income	<u>\$ 4,104,596</u>	<u>\$ 23,733,683</u>	<u>\$ 8,384,035</u>
NONOPERATING REVENUES (EXPENSES)			
Operating subsidies	\$	\$ 96,397,224	\$ 34,555,772
Program principal forgiveness, net		(17,915,786)	(21,562,202)
Grant expense			
Total nonoperating revenues	<u>\$ 0</u>	<u>\$ 78,481,438</u>	<u>\$ 12,993,570</u>
Income before transfers	<u>\$ 4,104,596</u>	<u>\$ 102,215,121</u>	<u>\$ 21,377,605</u>
TRANSFERS			
Transfers to other funds	\$ (42,958)	\$	\$
Total transfers	<u>\$ (42,958)</u>	<u>\$ 0</u>	<u>\$ 0</u>
Change in net position	\$ 4,061,638	\$ 102,215,121	\$ 21,377,605
Net position - Beginning of fiscal year	<u>(27,695,020)</u>	<u>2,120,170,888</u>	<u>844,112,190</u>
Net position - End of fiscal year	<u>\$ (23,633,382)</u>	<u>\$ 2,222,386,009</u>	<u>\$ 865,489,795</u>

Michigan Finance Authority

Strategic Water Quality Initiatives Subfund	School Loan Revolving Subfund	Totals
\$	\$	\$
608,235	9,723,365	212,338,828
73,376	12,485,748	28,297,871
		70,915
<u>\$ 681,611</u>	<u>\$ 22,209,113</u>	<u>\$ 241,308,682</u>
\$	\$	\$
	25,049,941	203,588,327
		2,237,909
23,029	1,784,622	3,227,000
<u>\$ 23,029</u>	<u>\$ 26,834,563</u>	<u>\$ 209,053,236</u>
\$	\$	\$
658,582	(4,625,450)	32,255,446
\$	\$	\$
2,300,000		133,252,996
		(39,477,988)
(1,852,728)		(1,852,728)
<u>\$ 447,272</u>	<u>\$ 0</u>	<u>\$ 91,922,280</u>
\$	\$	\$
1,105,854	(4,625,450)	124,177,726
\$	\$	\$
		(42,958)
<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (42,958)</u>
\$	\$	\$
1,105,854	(4,625,450)	124,134,768
<u>34,189,562</u>	<u>1,355,317,236</u>	<u>4,326,094,856</u>
<u>\$ 35,295,416</u>	<u>\$ 1,350,691,786</u>	<u>\$ 4,450,229,624</u>