

# PROJECT PLAN FACT SHEET

## PUBLIC MEETING TO DISCUSS THE PROPOSED ALTERNATIVE OF THE DWSRF PROJECT PLAN CITY OF HARRISON LEAD SERVICE LINE REPLACEMENTS

### Why are we here?

The City of Harrison submitted an intent to apply to the State of Michigan’s Department of Environment, Great Lakes, and Energy’s (EGLE) Drinking Water State Revolving Fund (DWSRF) FY27 funding program. The next step is completing a project plan that provides a more in-depth outline of a project to improve the performance and operation of the water distribution system. The City Council will receive and address public comments, if necessary, and determine if the Council will adopt a resolution that approves the project plan. Once submitted, EGLE will score the project against all applicants and propose financial terms for an agreement, if within the fundable range.

### What issues are the City looking to address?

- Replacement of water services to comply with EGLE Lead and Copper Rule.

### What alternatives were considered?

- **Alternative 1: Regionalization** – this alternative would only address a water supply need, which the City does not have. This alternative does not address the needs outline in the project plan and is not a feasible alternative. It will not be evaluated further as a principal alternative.
- **Alternative 2: Replacement of Non-Compliant Water Service Lines** – Make improvements to the existing system to improve safety and reliability, and make the necessary upgrades to the service lines. Alternative 2 is the only alternative that met the project objectives. This alternative was reviewed further for effectiveness, reliability, constructability, environmental impacts, and cost effectiveness. More details will be discussed below.

### What is the scope of the recommended project?

The water distribution system improvements consist of replacement of approximately 230 water services.

### How much would this cost?

- Total Estimated Project Cost: \$2,494,000.
  - Includes: design, construction, administrative and legal fees, contingencies, etc.
- User costs will be based on financing determined by EGLE later in the project planning stages.
- Harrison is anticipated to be classified as a “Significantly Overburdened” community.
  - Qualifies for up to a 40-year term at a 1.00% interest rate.
- Principal forgiveness varies from 0-50% (typically), but is unknown at this time for FY27.
- The proposed method of funding is a Revenue Bond.

Item No.	Alternative #2 Cost Breakdown: Item Description	Estimated Total
1	Lead Service Line Replacements (230 location)	\$1,886,000
	<b>Construction Subtotal (Inc. 10% Contingency)</b>	<b>\$2,080,000</b>
	Application, Equivalency, Survey, Design, Engineering, Legal, Bonding, Admin, Etc.	\$414,000
	<b>Total Estimated Project Cost</b>	<b>\$2,494,000</b>



Principal Forgiveness	Amount Financed	Annual Payment	Cost/REU/Month
0%	\$2,494,000	\$91,170	\$3.48
25%	\$1,870,500	\$68,378	\$2.61
50%	\$1,247,000	\$45,585	\$1.74
75%	\$623,500	\$22,793	\$0.87

Assumptions: \$2.49M project; 40-year loan; 1.00% interest rate; 2,184 REUs

### When would this project happen?

- Project plans for the DWSRF program are due to EGLE by June 1<sup>st</sup>, 2026.
- It is anticipated that final financial terms will be offered in the Fall of 2026.
- If the City chooses to move forward, project will begin in the Fall of 2026.
- Construction contracts would be awarded and may commence in summer of 2027.

### How would this impact residents?

Minimal impact to residents is anticipated as water services will be maintained, and construction work will still allow for traffic flow. No significant environmental impacts are anticipated from this project. Typical construction related impacts of noise, dust, and traffic detours may be experienced during the construction period. The cost of the project is reimbursed through the life of the debt through customers' water billings.

### What are the next steps?

Adoption of the resolution to approve the project plan and submittal of the project plan to EGLE do not obligate the City to implement the project listed above. The City may choose to implement the project once financing terms have been offered by EGLE in the Fall of 2026.