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Michigan to issue last \$290M in water infrastructure bonds authorized by 2002 ballot initiative

By David Eggert, 4/22/24

Gov. Gretchen Whitmer announced Monday that Michigan will issue \$290 million in bonds to provide low-interest loans to help communities pay for water infrastructure projects.

It will be the final round of \$1 billion in bonding that voters authorized through a 2002 ballot initiative. Proceeds will be split between the state's Clean Water State Revolving Fund and Drinking Water State Revolving Fund.

"These resources will be used to support a wide variety of aspects like repairing wastewater treatment plants, upgrading sewers, removing lead service lines and replacing water mains," Whitmer said after touring the water treatment facility in Delta Township near Lansing. It is undergoing a major construction overhaul, the first phase of which will cost \$83 million. The contractor is Auburn Hills-based Commercial Contracting Corp.

Whitmer's Earth Day event came three days before the 10-year anniversary of the water-supply switch that eventually turned into the Flint water crisis.

"In Michigan or anywhere in America, we know that safe drinking water must be a guarantee. We that acknowledge that too often and yet have fallen short on that promise," she said. "We know that delivering on this promise requires investments in water infrastructure, which is invisible but absolutely invaluable."

Phil Roos, director of the state Department of Environment, Great Lakes and Energy, told reporters it will be able to use the funding in a matter of months.

"We have a backlog of projects here, and it'll allow us to really push the envelope here and get a little bit further in terms of the projects we can take on right now," he said.

Still, Michigan has an annual gap of between \$860 million and \$1.1 billion in water infrastructure needs due to decades of deferred maintenance, according Whitmer's office.

A 2023 report issued by the Citizens Research Council of Michigan and Altarum, which found that the extent and condition of water infrastructure are largely unknown, gave a "rough estimate" of a [\\$1 billion to \\$1.5 billion yearly funding gap](#).

Federal discretionary COVID-19 relief aid that the state [used to provide an influx of water infrastructure](#) funding has dried up.

In the current cycle, the state can handle about \$700 million of \$3.5 billion requested by communities, Roos said.

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Asked if voters could be asked to OK more borrowing in the future, he said: "From here on, we'll look for every kind of federal resource there is, and I think the state will make decisions along the way whether it needs to be supplemented," he said.