



GRETCHEN WHITMER
GOVERNOR

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



DAN EICHINGER
DIRECTOR

April 3, 2023

TO: All Interested Citizens, Organizations, and Government Agencies

SUBJECT: FINDING OF NO SIGNIFICANT IMPACT
City of Muskegon, Muskegon County
Water Main and Lead Service Line Replacements
Drinking Water State Revolving Fund (DWSRF) Project No. 7467-01

The purpose of this notice is to seek public input and comment on a preliminary decision by the Michigan Department of Environment, Great Lakes, and Energy (EGLE) that an Environmental Impact Statement (EIS) is not required to implement recommendations discussed in the attached Environmental Assessment of a water supply project plan submitted by the applicant mentioned above.

HOW WERE ENVIRONMENTAL ISSUES CONSIDERED?

Part 54, Safe Drinking Water Assistance, of the Natural Resources and Environmental Protection Act, 1994 PA 451, as amended, being Sections 324.5401 to 324.5418 of the Michigan Compiled Laws Annotated, requires EGLE to evaluate all environmental implications of a proposed water supply project. EGLE has done this by incorporating a detailed analysis of the environmental impact of the proposed alternatives in its review and approval process. A project plan was prepared by the applicant and reviewed by the State. EGLE has prepared the attached Environmental Assessment and found that the proposed project does not require the preparation of an EIS.

WHY IS AN EIS NOT REQUIRED?

Our environmental review concluded that no significant environmental impacts would result from the proposed action. Any adverse impacts have either been eliminated by changes in the project plan or will be reduced by the implementation of the mitigative measures discussed in the attached Environmental Assessment.

HOW DO I GET MORE INFORMATION?

A map depicting the location of the proposed project is attached. This information is also available on our website at Michigan.gov/DWSRF under "Related Links." The Environmental Assessment presents additional information on the project, alternatives that were considered, impacts of the proposed action, and the basis for our decision. Further information can be obtained by calling or writing one of the contact people listed below.

HOW DO I SUBMIT COMMENTS?

Any comments supporting or disagreeing with this preliminary decision should be submitted to me at EGLE, Constitution Hall, P.O. Box 30457, Lansing, Michigan 48909-7957. We will not take any action on this project plan for 30 calendar days from the date of this notice in order to receive and consider any comments.

WHAT HAPPENS NEXT?

In the absence of substantive comments during this period, our preliminary decision will become final. The applicant will then be eligible to receive loan assistance from this Agency to construct the proposed project.

Any information you feel should be considered by EGLE should be brought to our attention. If you have any questions, please contact Mr. David J. Worthington, the senior project manager, at 517-554-1835, by email at Worthingtond@michigan.gov, or you may contact me. Your interest in this process and the environment is appreciated.

Sincerely,

Dan Beauchamp

Dan Beauchamp, Section Manager
Water Infrastructure Funding and Financing Section
Finance Division
517-388-3380

Attachment

**DEPARTMENT OF ENVIRONMENT, GREAT LAKES, AND ENERGY
DRINKING WATER STATE REVOLVING FUND (DWSRF)
CITY OF MUSKEGON, MUSKEGON COUNTY
WATER MAIN AND LEAD WATER SERVICE REPLACEMENT
ENVIRONMENTAL ASSESSMENT
April 2023**

I. PROJECT IDENTIFICATION

Applicant: City of Muskegon

Address: 1350 East Keating
Muskegon, Michigan 49442

Authorized Representative: Mr. Dan VanderHeide, Director of Public Works

DWSRF Project Number: 7467-01

The city of Muskegon (Muskegon) is the largest city in Muskegon County, which is located on Lake Michigan to the west, with Muskegon Lake and the Muskegon River forming its northern boundary. Muskegon is applying for a low interest DWSRF loan administered by the Michigan Department of Environment, Great Lakes, and Energy (EGLE) to finance the construction of water main (WM) upgrades and lead service line replacement (LSLR) in various districts throughout Muskegon. Muskegon will also be applying for a Clean Water State Revolving Fund (CWSRF) loan to replace sanitary sewers on the same streets that WM replacements will occur. In addition, the CWSRF project will also include upgrades to pumps, process piping and valves at the Harbor Towne and Edgewater Lift Stations. The details and cost estimates related to that portion of the project will be presented in a separate Environmental Assessment associated with loan number 5790-01.

A study area has been delineated that incorporates the entire city limits (See Figure 1).

The following projects are targeted for construction in 2023:

- Wilcox, Thompson, and Morton Avenue WM and LSLR
- Glenside Neighborhood-Phase II (Hadden Street) WM and LSLR
- City-Wide LSLR (approximately 500)

The total project cost associated with the DWSRF portion of the project is estimated to be \$9,205,000. Muskegon will finance \$4,512,255 in eligible LSLR costs with a DWSRF loan made available by the Bipartisan Infrastructure Law (BIL) for LSLR projects. As part of the loan, up to \$2,211,005 is eligible for principal loan forgiveness. In addition, Muskegon is eligible to receive an American Rescue Plan (ARP) grant not to exceed \$4,692,745, to cover eligible DWSRF expenses. The combination of grant and principal forgiveness is 75 percent of the eligible DWSRF project total. As a result of the DWSRF project, average monthly water rates may increase from a current estimated rate of \$14.71 per month to approximately \$15.83 per month. A \$5.00 LSLR service fee is charged to all customers. This is a worst-case scenario. Actual rate changes may be smaller since Muskegon qualifies for principal forgiveness and an ARP grant.

II. PROJECT BACKGROUND

A. Existing Facilities

An intake located in Lake Michigan draws water to the Muskegon Water Filtration Plant. Three elevated tanks provide storage for the city's water. The Muskegon water distribution network consists of 215 miles of WM ranging in size from 2-inches to 48-inches in diameter. Most of the WMs are cast iron or ductile iron material, with a great quantity of pipe dating back to the 1920s or earlier. Of the approximately 12,900 water services in the city, it is estimated that 89 percent may be composed of lead, have a lead gooseneck, or is constructed with galvanized pipe that was once connected to a lead pipe but did not previously get a full-length service line replacement to the residence.

B. Project Need

Michigan's Lead and Copper Rule places a priority on removing lead from the distribution system. To comply, Muskegon has embarked on a campaign of WM upgrades and full-length LSLR to protect public health. This document focuses on work targeted to begin construction in 2023 to coordinate water main work with already planned sewer projects to maximize efficiency.

C. Population Projections

Muskegon's population is approximately 38,500, which is a slight decline from 2000 when it was a little over 40,000. Table I shows the projected population figures provided by the West Michigan Shoreline Regional Development Commission. There is some seasonal summer growth, but not enough to have noticeable impact on water demand.

Year	Population
2000	40,105
2010	38,401
2020	38,529
2030	38,983
2040	39,442

III. PROPOSED ACTION

The following distribution system alternatives were considered:

A. No Action

Under the no action scenario, the distribution system would not be improved, and lead service lines (LSLs) would remain in service. Public health would be at risk and Muskegon would not be compliant with the Lead and Copper Rule. No action is unacceptable.

B. Distribution System Improvements

Muskegon has proposed the following construction for 2023:

1. Morton Avenue and Wilcox/Thompson Avenue WM and Water Services

The WMs in this area are old, undersized, and susceptible to breakage. The Morton project consists of replacing existing 4-inch and 6-inch diameter WM with new 8-inch diameter WM from Lincoln Street to Denmark Street. Replacement will consist of new pipe, new valves, and new hydrants in accordance with industry standards and spacing requirements, connecting to existing mains, and with new services to the customer meters. (See Figures 3 & 4). This work is planned to be combined with the city's sanitary sewer replacement project to be financed by Clean Water State Revolving Fund (CWSRF) project number 5790-01.

The Wilcox project consists of replacing existing 6-inch and 8-inch diameter WM with new 8-inch diameter WM between Plum Avenue and Edgewater Street. Similarly, the Thompson Avenue project consists of replacing existing 6-inch diameter WM between Walnut Street and Cherry Street (Cherry) and replacement of 8-inch diameter WM between Cherry and Edgewater Street. Replacement will consist of new pipe, new valves, and new hydrants in accordance with industry standards and spacing requirements, connecting to existing mains, and with new services to the customer meters. (See Figures 3 and 4). This work is planned to be combined with the city's sanitary sewer replacement project to be financed by CWSRF project number 5790-01.

2. Glenside Neighborhood WM and Water Services

This project consists of relocating the existing WM from the alleys to the roadways. A 12-inch diameter WM is proposed on Westwood Street, Randolph Avenue, Hadden Street, Ridge Avenue, and Cumberland Street, to connect with a 48-inch diameter transmission line on Winchester Drive at both ends. All other roads in the neighborhood would have 8-inch diameter WM installed (See Figure 2). This work is planned to be combined with the city's sanitary sewer replacement project to be financed by CWSRF project number 5790-01.

3. Lead Water Service Replacements

Replacement of LSLs throughout the city would consist of tapping the new or existing water main with a new corporation stop and installing a new copper water service pipe up to the property line with a new curb stop valve and box. A new polyethylene or copper service pipe would be installed from the property line into the residences. Open cut, directional drilling, or pipe bursting would be used for construction depending on the site-specific configuration. Any existing lead goosenecks on the mains would be removed from the tap sites. Approximately 500 LSLs would be replaced over a three-year construction period, pending actual costs and project budget constraints.

IV. DESCRIPTION OF PROPOSED PROJECT

Muskegon intends to implement the distribution system improvements for eliminating LSLs and replacing WM as described in the previous section (See Figures 2, 3, and 4 for a map of the projects).

A. Project Cost Breakdown

Table II shows the breakdown of the estimated project cost, which totals \$9,205,000 (DWSRF eligible cost displayed only).

Table II.	
Description	Estimated Cost
Morton Street– WM and LSLR	\$1,384,000
Wilcox and Thompson Avenue WM and LSLR	\$1,118,000
Glenside Neighborhood Phase II – WM and LSLR	\$1,121,000
City-Wide LSLR	\$5,582,000
Total	\$9,205,000

B. Project Schedule and Implementation

The cost of the DWSRF portion of the project is \$9,205,000. Muskegon will finance \$4,512,255 with a 20-year loan at 1.875 percent interest with a DWSRF loan made available by BIL for LSLR projects. As part of the loan, up to \$2,211,005 is eligible for principal loan forgiveness. In addition, Muskegon is eligible to receive an ARP grant not to exceed \$4,692,745 for DWSRF eligible activities. The combination of grant and principal forgiveness is 75 percent of the eligible DWSRF project total.

Typical average rates for a water customer are about \$14.71 per month. A rate increase of approximately \$1.12 a month would be needed to service the DWSRF debt and pay for operation and maintenance, resulting in an average monthly cost of \$15.83 for a typical residential user. However, this is a worst-case scenario that does not account for the grant and loan forgiveness Muskegon is eligible to receive.

Muskegon anticipates starting construction shortly after the DWSRF loan closing on August 28, 2023. WM construction is expected to require one to two years to complete, with improvements operational by late 2024 or early 2025. LSLR city-wide will be spread out over a three-year construction period and may be performed in part by city staff in addition to hired contractors.

V. ENVIRONMENTAL CONSEQUENCES OF PROPOSED ACTION

A. Description of Affected Environment

Cultural Resources

In an earlier phase of the DWSRF project plan, the State Historic Preservation Officer (SHPO) determined that no historic properties would be affected by the proposed projects. Tribal Historic Preservation Officers were likewise notified about the proposed project in an earlier phase, and none expressed any specific concerns. There are no changes to the project scope or area that would suggest these prior conclusions would

no longer be valid. However, a new SHPO application and THPO reviews have been submitted as required by BIL and the results are pending. Muskegon will implement any stipulations set by those reviews.

Wetlands/Floodplains/Surface Waters

All projects are located above the high-water mark. No adverse impacts on wetlands, floodplains or surface waters are anticipated.

Endangered Species

The United States Fish and Wildlife Service and Michigan Natural Features Inventory reviewed the proposed projects and determined that no threatened or endangered species, critical habitat, or special natural features would be adversely affected.

Social Impacts

The proposed project will have a small cost impact to residents. Muskegon carefully weighed all alternatives to select the most cost-effective solution for correcting the problems occurring in the areas described. Public health will be protected by eliminating LSLs. The creation of jobs during construction phase would be a short-term benefit.

B. Mitigation Measures

Impacts of construction activities associated with the project are considered short-term disruptions, that for the most part, will not extend beyond the construction period. Structural and non-structural measures that avoid, eliminate, or mitigate adverse impacts to the environment have been identified. Work will be confined to designated work hours, minimized on weekends or holidays, and all equipment will be required to have proper exhaust systems and mufflers to mitigate noise impacts. Mitigation measures to minimize the negative effect of dust from construction will be utilized. A soil erosion and sedimentation control permit from Muskegon County will be required. All areas disturbed by construction will be restored to existing conditions with compacted backfill, sand, gravel, and asphalt or concrete surfacing. Seeding and mulching will be performed promptly following land disturbance. Significant plants, such as trees and shrubs, will be protected from damage or replaced if damage is unavoidable.

VI. PUBLIC PARTICIPATION

A public hearing on the DWSRF project plan was held on June 22, 2021. The hearing was advertised in the *Muskegon Chronicle* and on the city's web site. A copy of the draft plan was made available for a 30-day period at the Muskegon City Hall, 933 Terrace Street, and on the city's web site, prior to the hearing. Due to the COVID-19 pandemic, the hearing was held by virtual Zoom conference. No changes were made to the project because of the hearing. After closing the hearing, the city commission passed a resolution adopting the final project plan and its selected alternatives.

VII. REASONS FOR CONCLUDING NO SIGNIFICANT IMPACTS

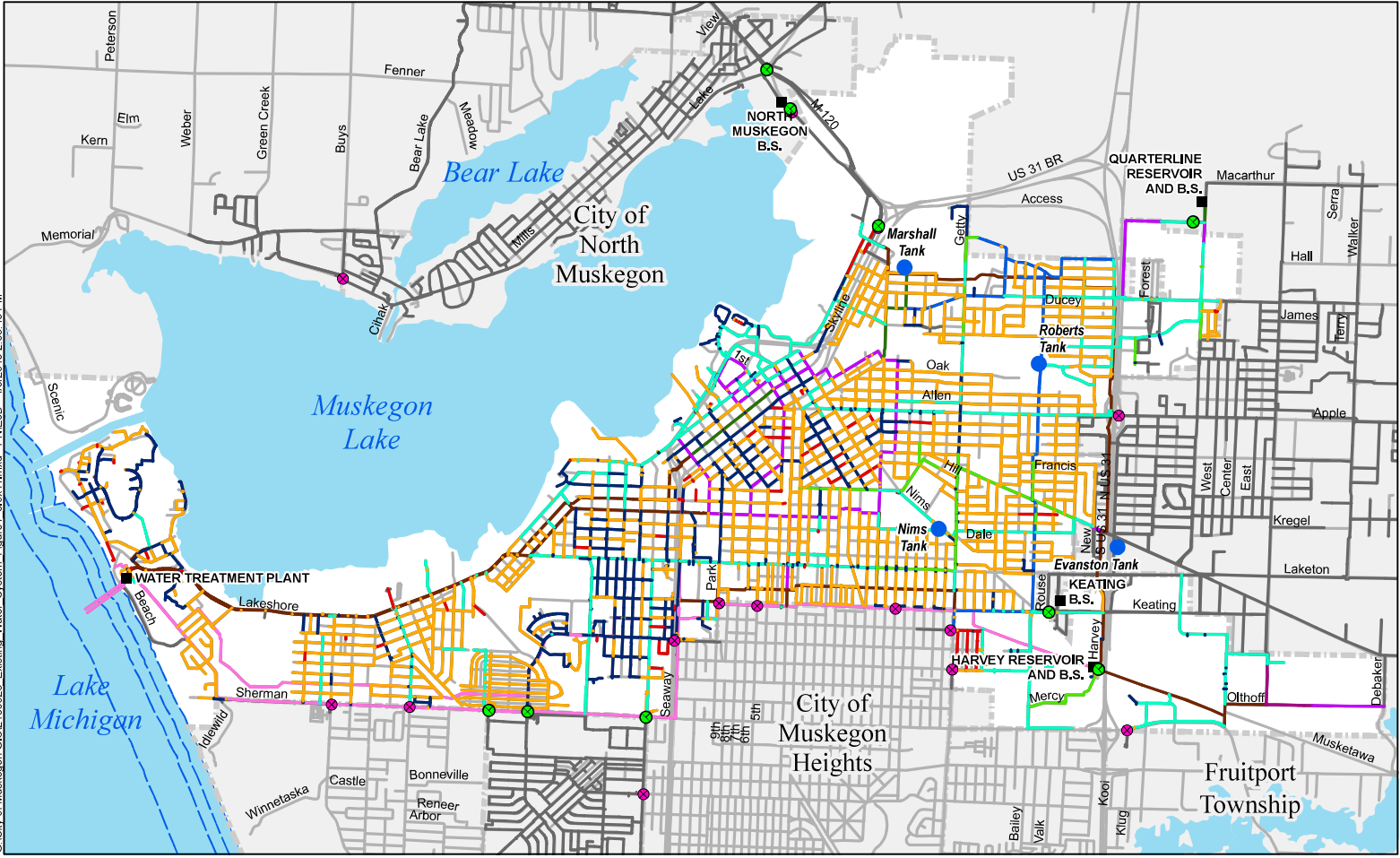
Expected adverse impacts from the proposed project appear to be minor or largely temporary in nature. There is a social cost to paying for the water system upgrade and operating and maintaining the system. However, completing these upgrades results in increased reliability and minimizes risk to public health and the environment from lead

contamination, and protects drinking water quality. It is believed that these beneficial impacts significantly outweigh the minor temporary negative impacts.

Questions regarding this Environmental Assessment should be directed to:

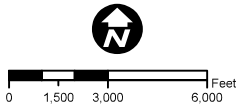
Mr. David J. Worthington, Senior Project Manager
Water Infrastructure Funding and Financing Section
Finance Division
Michigan Department of Environment, Great Lakes, and Energy
P.O. Box 30457
Lansing, Michigan 48909-7957
Telephone: 517-554-1835
E-Mail: Worthingtond@michigan.gov

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LEGEND

- | | | |
|--------------------------------|------------------|-------------------|
| Municipal Boundaries | 4 INCH and BELOW | 16 INCH |
| Master Meters | 6 INCH | 18 INCH |
| Water Storage Tank | 8 INCH | 20 INCH |
| Pump Stations | 10 INCH | 24 INCH |
| Interconnections | 12 INCH | 30 INCH and ABOVE |
| Water Main Outside of the City | 14 INCH | |



CITY OF MUSKEGON
 MUSKEGON COUNTY, MI
 DRINKING WATER REVOLVING FUND (DWRFF)
 PROJECT PLAN
EXISTING WATER SYSTEM MAP
FIGURE 1
 Prein & Newhof
 2180628

Figure 1

CITY OF MUSKEGON
 MUSKEGON COUNTY, MICHIGAN
CONCEPTUAL DESIGN
GLENSIDE NEIGHBORHOOD
FIGURE 2

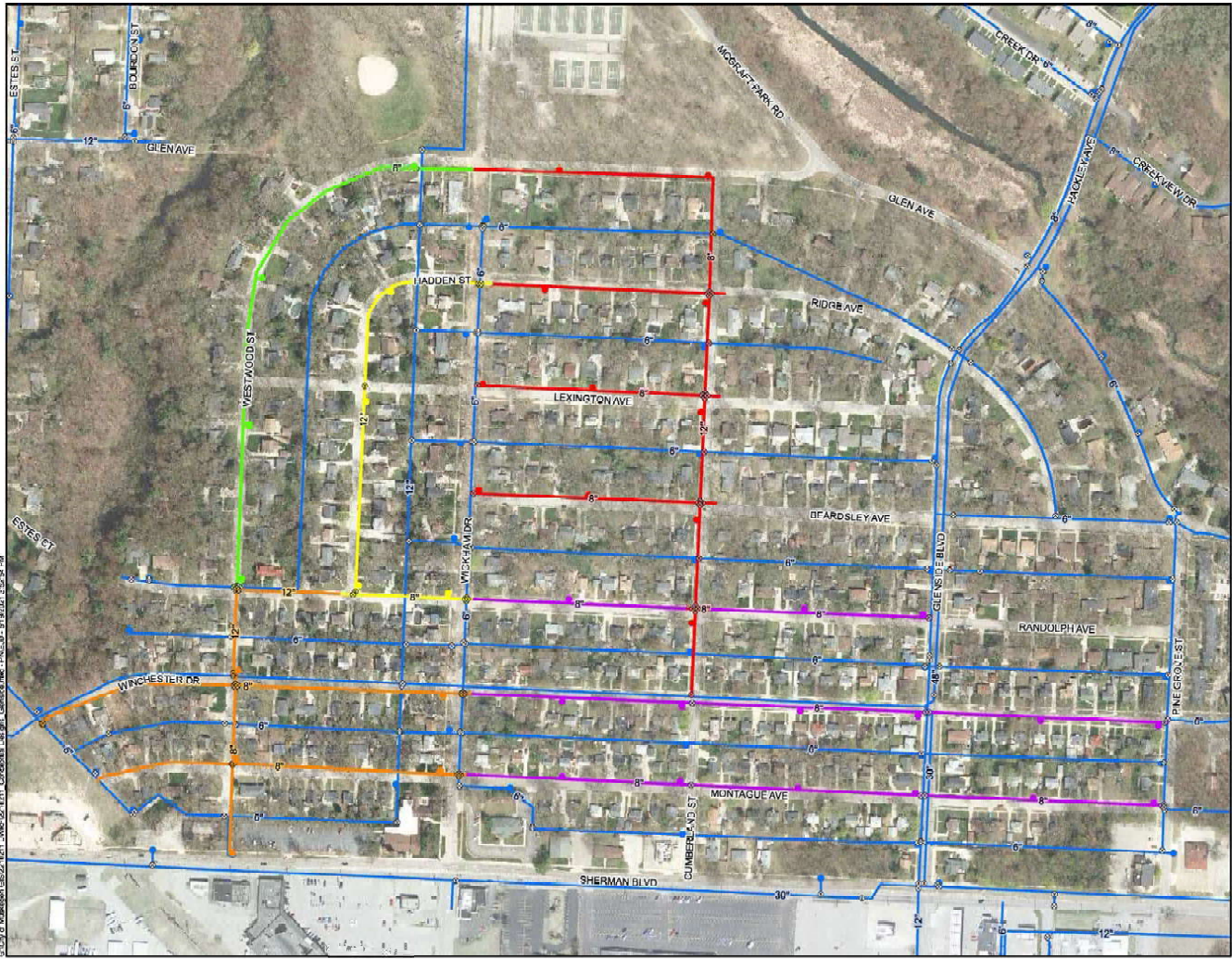
Prein&Newhof
 2/10/21

LEGEND

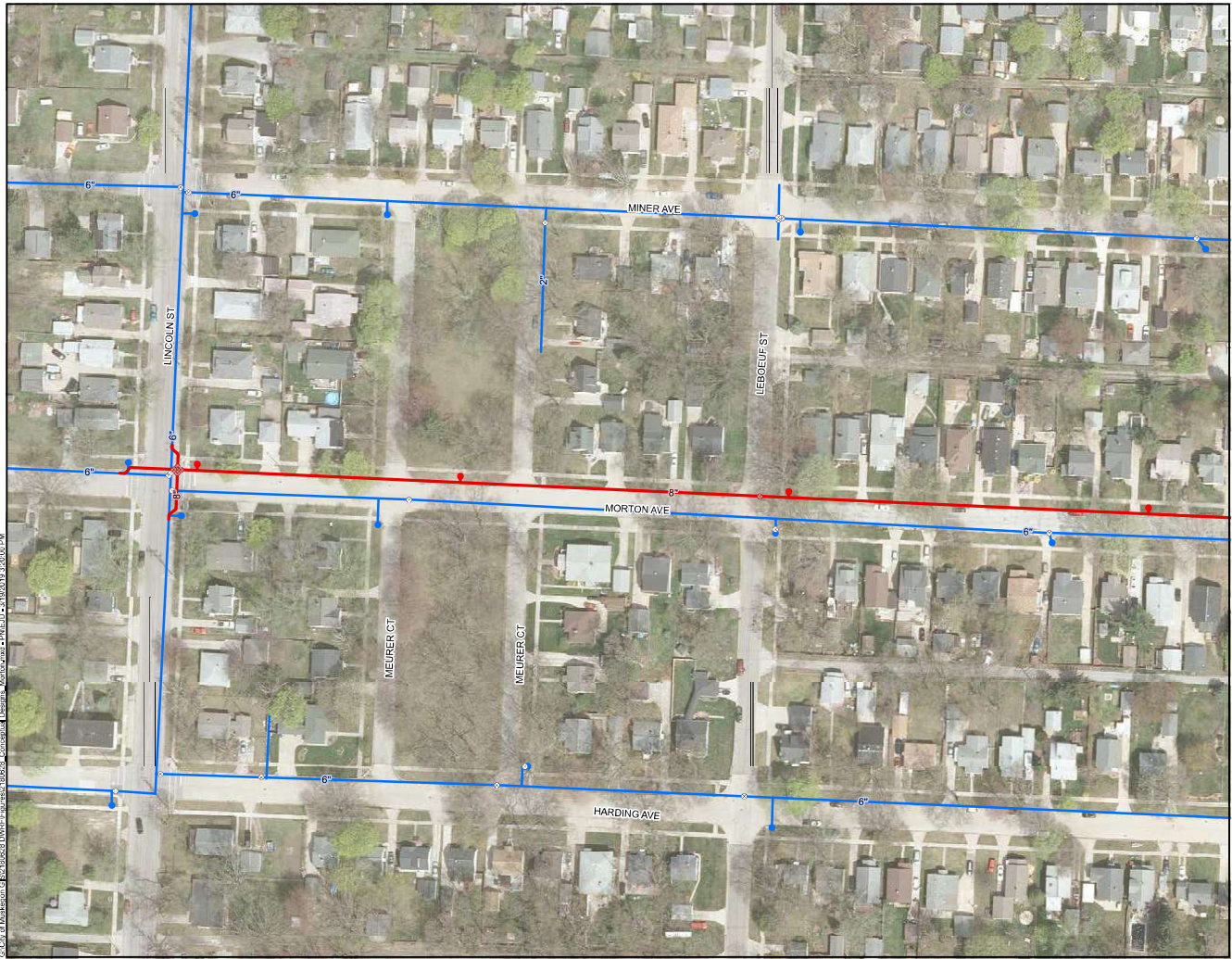
- Proposed Hydrant - Phasing**
- Glenside Ph 1 (Constructed 2020)
 - Glenside Ph 2
 - Glenside Ph 3
 - Glenside Ph 4
 - Glenside Ph 5
- Proposed Main Valve - Phasing**
- ⊗ Glenside Ph 1 (Constructed 2020)
 - ⊗ Glenside Ph 2
 - ⊗ Glenside Ph 3
 - ⊗ Glenside Ph 4
 - ⊗ Glenside Ph 5
- Proposed Water Main - Phasing**
- Glenside Ph 1 (Constructed 2020)
 - Glenside Ph 2
 - Glenside Ph 3
 - Glenside Ph 4
 - Glenside Ph 5
 - ⊗ Existing Valve
 - Existing Hydrant
 - Existing Water Main



SCALE: 1" = 250'



City of Muskegon 25257121 - 2/10/21 11:11 - Conceptual Design - Glenside.nwg - PWS-13 - 2/10/21 11:11 2/10/21 11:11

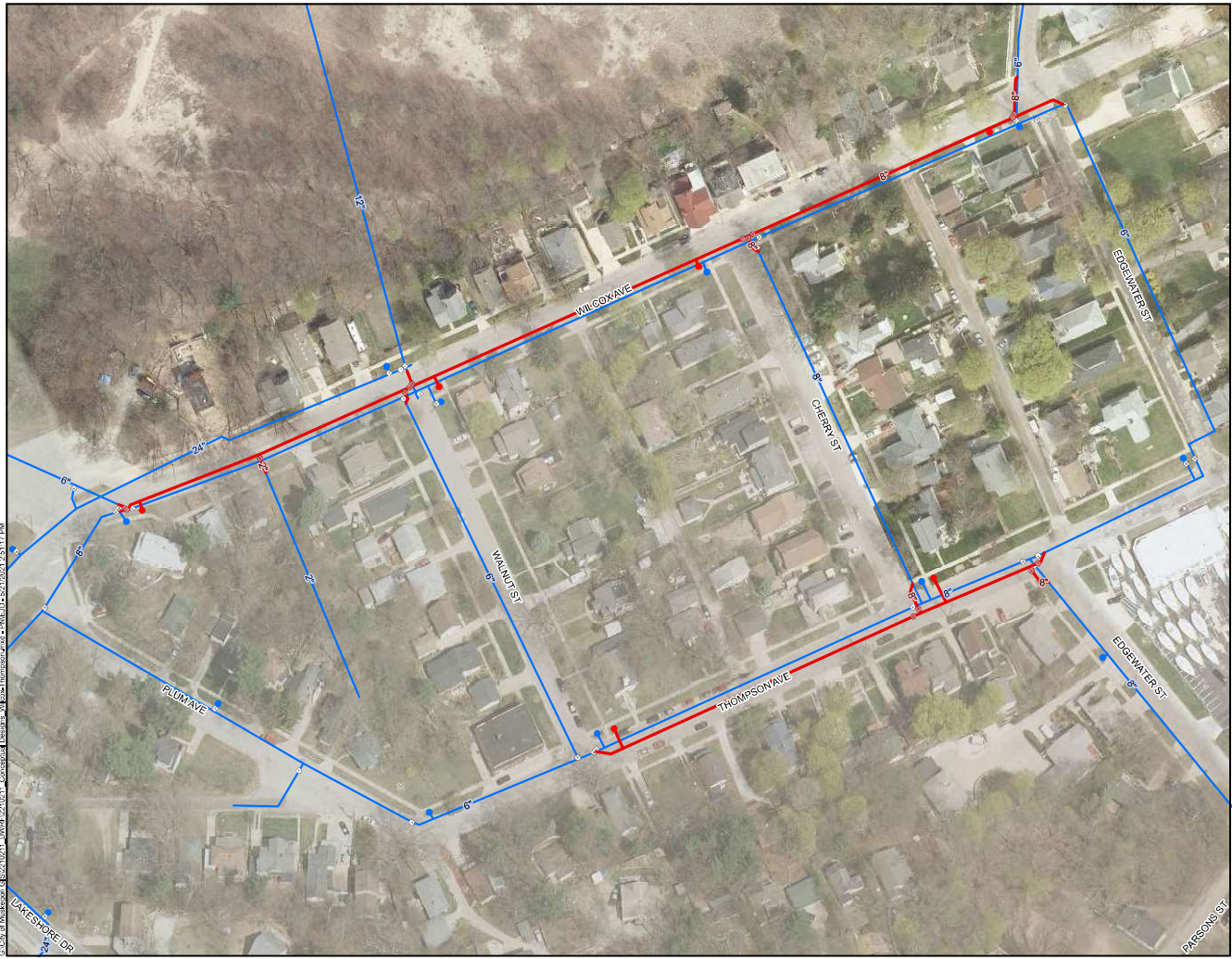


- LEGEND**
- Proposed Hydrant
 - Proposed Main Valve
 - Proposed Water Main
 - Existing Valve
 - Existing Hydrant
 - Existing Water Main



Figure 3

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- LEGEND**
- Proposed Hydrant
 - ◉ Proposed Main Valve
 - Proposed Water Main
 - ◉ Existing Valve
 - Existing Hydrant
 - Existing Water Main


 SCALE: 1" = 100'

Figure 4