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# TAKE ACTION

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Improve Equity in the  
Michigan Drinking Water  
State Revolving Fund

2025



# Agenda

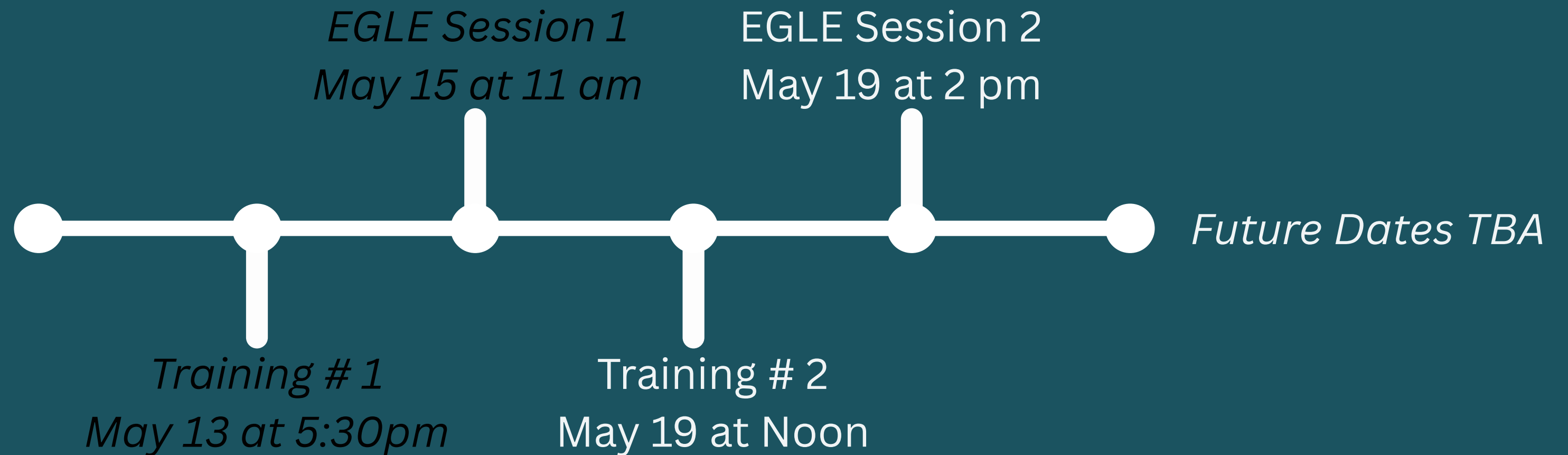
1. Background
2. Prepare comments
3. Next Steps



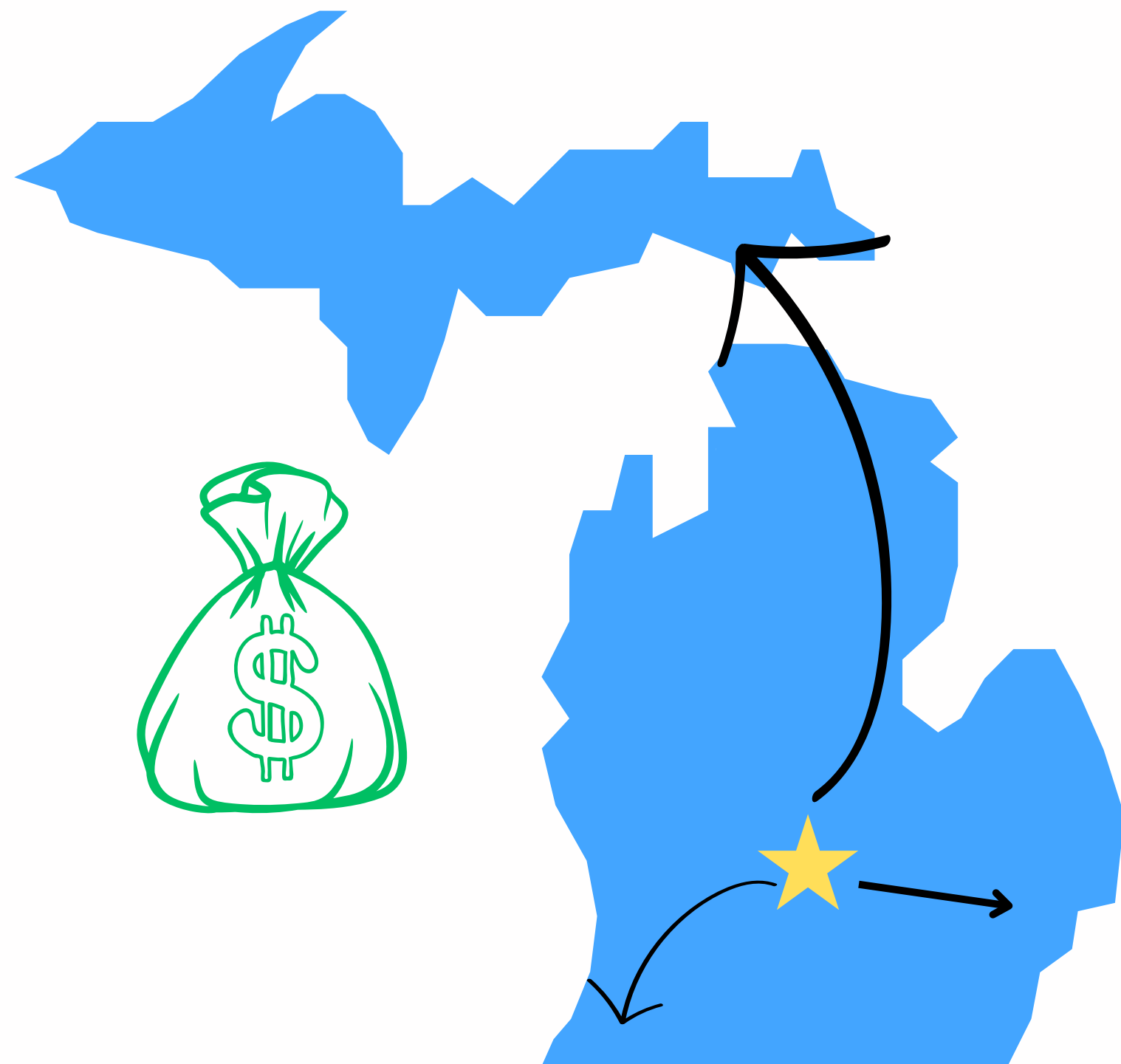
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## Process Timeline



# TODAY!



Many water utilities  
apply to the State  
Revolving Fund for  
projects that keep  
drinking water safe  
and affordable

# Disadvantaged / Overburdened Communities

Qualifying applicants can receive favorable financing

Grants

Low-  
Interest  
Loans

Extended  
Repayment  
Period

Loan  
Forgiveness

Technical  
Assistance

State  
Drinking  
Water Fund



Local Water  
Utility



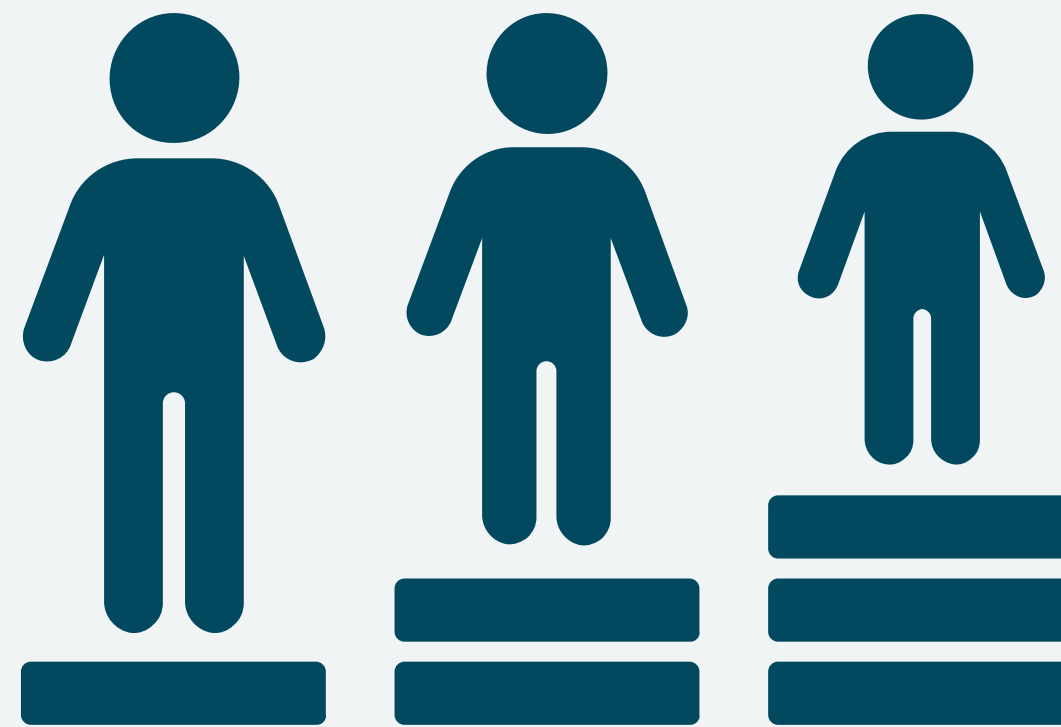
Safe Drinking  
Water

People Pay  
for Safe  
Water



Rate Payers





State of Michigan's requirements to qualify as  
“overburdened” a.k.a. “disadvantaged” community

Split into two groups:  
overburdened and significantly overburdened

# Current Criteria – Overburdened

## Overburdened Communities:

An Overburdened community is a municipality in which all of the following conditions are met:

1. Users within the area served by a proposed drinking water project, sewage treatment works project, or storm water treatment project are directly assessed for the costs of construction.
2. The median household income of the area served by a proposed drinking water, sewage treatment works project or storm water treatment project does not exceed 100% of the statewide median annual household income for this state.
3. The municipality demonstrates at least one of the following:
  - The taxable value per capita of the area served by a project falls into the communities representing the lowest 20% of Michigan's population within that category. **For FY26, the value is \$25,269.**
  - The annual user costs for the corresponding portion of the water system (sewage and storm water treatment or drinking water) exceed 1% of the median annual household income of the area served by the proposed project.

A community which qualifies as a significantly overburdened community would also be considered an overburdened community. However, any potential benefits may only be applied under one designation or the other.

Median Household Income  
– at or below \$71,149

AND

Total Value of Taxable Property per Person  
– at or below \$25,269

OR

Annual user cost > 1% of community's MHI



# Current Criteria – Significantly Overburdened

## Significantly Overburdened Communities:

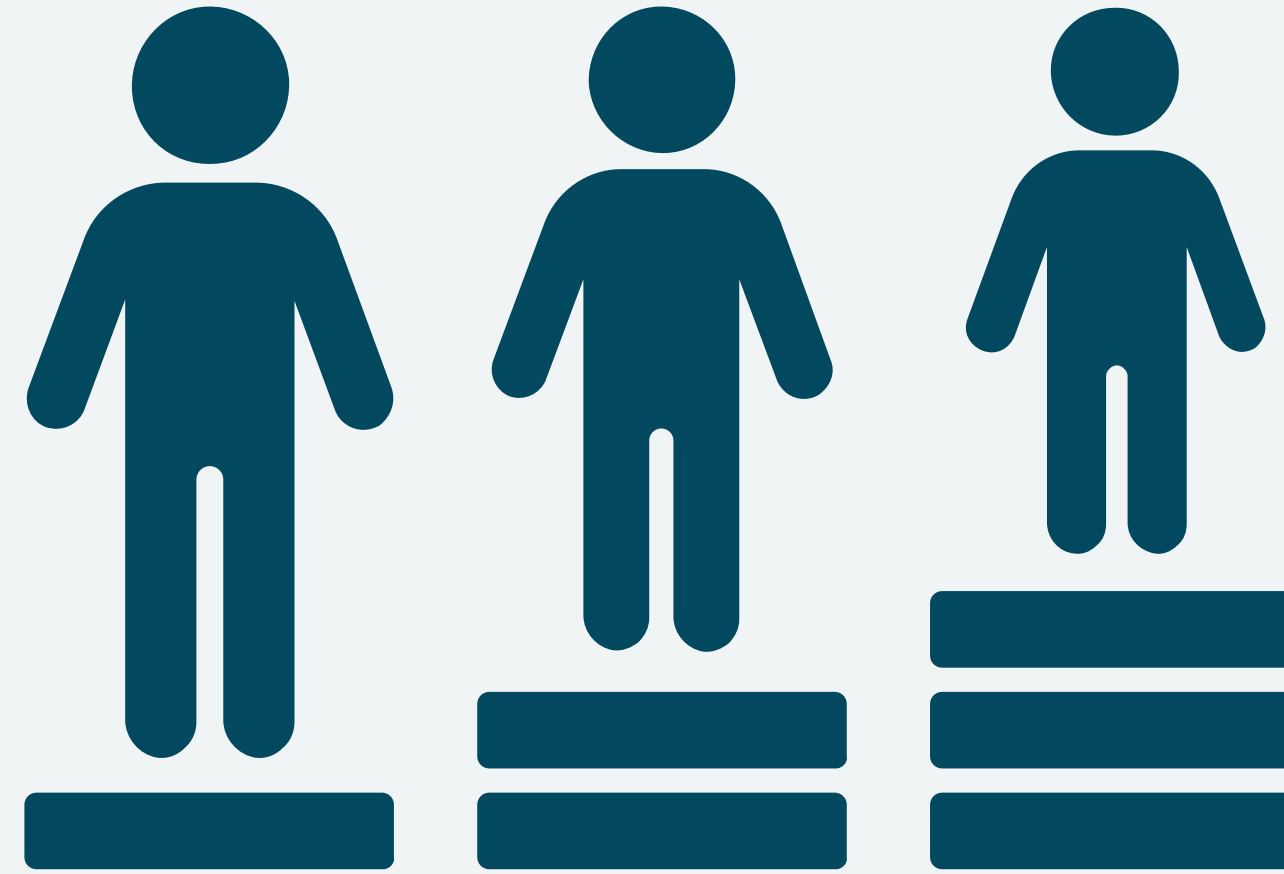
A Significantly overburdened community is a municipality in which all of the following conditions are met:

1. Users within the area served by a proposed drinking water project, sewage treatment works project, or storm water treatment project are directly assessed for the costs of construction.
2. The municipality demonstrates at least one of the following:
  - The median annual household income of the area served by a proposed project is less than 125% of the federal poverty guidelines for a family of four in the 48 contiguous United States. In determining the median annual household income of the area served by the proposed sewage treatment works project or storm water treatment project under this sub-paragraph, the municipality shall utilize the most recently published statistics from the United States Census Bureau, updated to reflect current dollars, for the community that most closely approximates the area being served by the project. As used in this sub-paragraph, "federal poverty guidelines" means the poverty guidelines published annually in the Federal Register by the United States Department of Health and Human Services under its authority to revise the poverty line under 42 U.S.C. 9902. **For FY26, the 125% level would be an annual household income of less than \$40,188.**
  - The taxable value per capita of the area served by a project falls into the communities representing the lowest 10% of Michigan's population within that category. **For FY26, that value is \$17,806.**

Total Value of Taxable Property per Person – at or below \$17,806

OR

MHI of Community is < 125% of Federal Poverty Level for family of 4: Less than \$40,188



How do you think an “overburdened” a.k.a. “disadvantaged” community should be defined?

## Instead of:

Median Household  
Income (MHI)

MHI is influenced by  
wealthier residents &  
hides true amount of  
poverty

## Suggest:

Use Federal Poverty  
Level for both  
Overburdened and  
Sig. Overburdened  
definitions

Instead of:

Taxable Value per  
Capita (TVPC)

*(Average property  
value per person)*

*Unique to Michigan*

Suggest:

Get rid of this!

TVPC is influenced  
by wealthier  
property values &  
hides true amount  
of poverty

## Instead of:

Ignoring state law that requires consideration of existing public health and environmental impacts

## Suggest:

Update and use the Michigan Environmental Justice Screening Tool that includes environmental, health, and socioeconomic data

# TAKE ACTION

- **Register** for an EGLE listening session – ~~May 15 at 11 am~~ or May 19 at 2 pm. Include a question on the form!
- **Attend** session and make **comment** or question
- Looking Ahead:
  - **This week:** Related Actions on Public Participation
  - Freshwater Future will notify you when they start to accept written comments

