



GRETCHEN WHITMER  
GOVERNOR

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



LIESL EICHLER CLARK  
DIRECTOR

May 20, 2022

TO: All Interested Citizens, Organizations, and Government Agencies

SUBJECT: **DRINKING WATER STATE REVOLVING FUND (DWSRF)  
CATEGORICAL EXCLUSION  
Village of Elberta , Benzie County  
DWSRF Project Numbers: 7581-01 & 7635-01**

The purpose of this notice is to advise interested parties of a proposed decision by the Michigan Department of Environment, Great Lakes, and Energy (EGLE) that the criteria for qualifying for a Categorical Exclusion are met and this project will not have a significant adverse impact on the environment or public health, and thus, qualifies for a Categorical Exclusion under Section 5408 of 1994 PA 451. Consequently, an Environmental Assessment or an Environmental Impact Statement is not required to implement the water supply project discussed in the attached document.

#### **CRITERIA USED IN MAKING THE DETERMINATION**

Part 54 of the Safe Drinking Water Assistance Act specifies six exclusionary criteria that must be met before EGLE can conclude that a proposed project qualifies for a Categorical Exclusion. The criteria are as follows:

- (1) The project must not result in an increase in residuals and sludge generated by drinking water processes which would negatively impact the performance of the waterworks system or the disposal methods or would threaten an aquifer recharge zone.*
- (2) The proposed facilities must not be designed to provide service to a population greater than 30 percent of the existing population, unless population projections required in section 5405(3)(e) support projected needs.*
- (3) The proposed public water supply project must not be expected, to directly or indirectly affect cultural areas, fauna or flora habitats, endangered or threatened species, or environmentally important natural resource areas.*
- (4) The proposed public water supply project must not directly or indirectly involve the extension of transmission systems to new service areas.*
- (5) The proposed public water supply project has been shown to be the cost-effective alternative.*
- (6) The proposed public water supply project will not cause significant public controversy.*

#### **PROJECT DETAIL**

An attachment describing the proposed project is provided. This information is also available on our website at [Michigan.gov/DWSRF](https://www.michigan.gov/DWSRF) under "Related Links." It presents information related to the proposed project, including the alternative selected, rationale for our decision to grant a Categorical Exclusion, and other pertinent information. Map(s) showing the location of the proposed project are also included.

The attachment provides information and allows appropriate federal cross-cutter agencies and state agencies an opportunity to submit information that may impact EGLE's decision prior to its effective date. Significant issues raised by these agencies could result in EGLE staff preparing a full Environmental Assessment.

#### **WHERE DO I SUBMIT COMMENTS?**

Any comments regarding this decision should be submitted to:

Ms. Leni Steiner-Zehender, Project Manager  
Water Infrastructure Financing Section  
Finance Division  
Michigan Department of Environment, Great Lakes, and Energy  
P.O. Box 30457  
Lansing, Michigan 48909-7957

#### **EFFECTIVE DATE OF THE EGLE DECISION ON THE CATEGORICAL EXCLUSION**

Absent comments that introduce significant information contrary to EGLE's final determination, the Categorical Exclusion will become effective upon conclusion of the 30-day comment period.

Questions regarding this project can be directed to Ms. Leni Steiner-Zehender, project manager, Water Infrastructure Financing Section, Finance Division, by phone at 517-231-9913, by email at [Steinerl@michigan.gov](mailto:Steinerl@michigan.gov), or by mail at EGLE, P.O. Box 30457, Lansing, Michigan, 48909-7957; or you may contact me. Your interest in this process is greatly appreciated.

Sincerely,

*Eric Pocan*

Eric Pocan, Unit Supervisor  
Water Infrastructure Financing Section  
Financing Division  
517-284-5433

Attachment

**DEPARTMENT OF ENVIRONMENT, GREAT LAKES, AND ENERGY**  
**Drinking Water State Revolving Fund (DWSRF)**  
**Village of Elberta, Benzie County**  
**Categorical Exclusion**  
**May 2022**

**PROJECT IDENTIFICATION**

**Applicant:** Village of Elberta

**Authorized Representative:** Jennifer Wilkins, Village President

**Address:** 151 Pearson Street  
Elberta, Michigan 49628

**Project Numbers:** 7581-01 and 7635-01

**PROJECT OVERVIEW**

The village of Elberta (Elberta) is located in Benzie County and has a land area of approximately 0.74 square miles. Elberta has a residential population of 372 according to the United States Census Bureau. The service population is expected to increase slightly to 598 by 2041 and thus drinking water demand is not anticipated to change significantly in the next 40 years.

Elberta is seeking two low-interest DWSRF loans for its lead service line replacement (LSLR), watermain replacement (WMR), and supervisory control and data acquisition (SCADA) system integration at new well house projects. Other portions of this project, financed with a United States Department of Agriculture Rural Development (USDA-RD) loan include WMR, construction of a new well house, replacement of a well, and upgrades to another well will be covered in an assessment published by USDA-RD. The estimated cost of the project financed by the DWSRF is \$2,000,000 which would result in an increase of approximately \$1.06 per month to the average residential user. Elberta is anticipated to receive \$1,673,400 in grants and principal loan forgiveness which would significantly reduce the monthly rate increase related to the proposed projects.

**EXISTING SYSTEM**

Elberta's water supply and distribution system consists of three wells designated as Well No. 1, Well No. 2, and Well No. 3; a 150,000-gallon water storage tank, approximately 15,000 linear feet (lft) of 6-inch and smaller diameter watermain, hydrants, valves, water services; and appurtenances. The water system serves 237 residential and commercial customers.

**NEED FOR PROJECT**

The need for the project was identified through Elberta's recent water reliability study that identified major needs for distribution system and water supply improvements. Elberta is planning to install an additional new well on the site of existing Well No. 3 and abandon Well No. 2. The new well house will need to be integrated to the system with a SCADA system upgrade. Elberta's distribution system contains approximately 15,000 lft of aged watermain that was constructed prior to 1957, with the oldest watermains dating back to 1935. The aged watermain comprises approximately 68 percent of the distribution system and is prone to leakage and is undersized (see Figure 1). Elberta recently completed their preliminary water service material inventory, and it

was determined that approximately 79 percent of Elberta's water services were connected to a lead component or are unknown but likely connected to lead components.

**PROPOSED PROJECT**

The portion of the project financed by the DWSRF includes LSLR including connection of the new water service to existing watermain and structure piping 18-inches within the house or structure, approximately 530 lft of WMR on Lincoln Avenue, and SCADA improvements to the water supply system. The LSLR are located on numerous streets throughout Elberta.

The proposed project is expected to start construction in November of 2022 with a completion date of November of 2023.

**TABLE 1 – Project Cost**

<b>Component</b>	<b>Cost</b>
LSLR	\$1,651,100
WMR	\$44,000
Well house & SCADA integration	\$6,000
<b>Total Project Construction Costs</b>	<b>\$1,701,100</b>
Engineering, legal, financial, and administrative fees	\$298,900
<b>Total Project Cost</b>	<b>\$2,000,000</b>

The proposed project is expected to be financed with two 40-year loans at 1.875 percent interest from the DWSRF. The first loan will cover the costs associated with LSLR totaling \$1,950,000. Elberta is expected to receive \$1,650,000 in Water Infrastructure Fund Transfer Act principal loan forgiveness as the DWSRF is offering loan forgiveness to disadvantaged applicants' construction portion of the LSLR project. The second DWSRF loan is expected to be for \$35,000. This project has also qualified for a Drinking Water Infrastructure Grant not to exceed \$15,000 as well as up to \$8,400 in principal loan forgiveness for being designated as a disadvantaged community. Based on the total project cost the average residential user could expect a monthly rate increase of \$1.06. However, the grant and principal forgiveness would significantly reduce the monthly rate increase associated with the proposed project.

**EXISTING ENVIRONMENT AND POTENTIAL IMPACTS**

**Construction Impacts**

The proposed projects will have a temporary effect on local traffic due to construction in the road right-of-way. If street closures or detours are necessary, they will be coordinated with the Michigan Department of Transportation or the Benzie County Road Commission and will be highly publicized and well-marked. Prior to the start of construction Elberta will contact property owners scheduled for LSLR and explain that they are replacing the water service at no cost to the property owners, including a summary of the construction process and estimated disturbance area. Elberta will ask the property owner to sign an authorization to permit them to perform the LSLR work on their property. During construction, the Contractor will be required to coordinate water service work with property owners. This coordination will include another discussion on what to expect during construction. Elberta will require that access to properties adjacent to construction be maintained and any closure will be coordinated prior to construction and the closure shall be limited to a 12-hour time limit. During construction, noise levels will increase, and the use of best management practices will limit the noise from construction,

including construction being limited to normal daylight hours. Construction crews will be responsible for daily cleanup of debris.

### **Water Quality Impacts**

Surface waters in the area include the Betsie River, Betsie Lake, and Lake Michigan. No surface water impacts are anticipated from construction of the proposed projects, as they are not adjacent to any surface waters and appropriate soil erosion and sedimentation control measures will be used to ensure runoff from the construction area does not impact surface waters.

The proposed projects are not within a known 100-year flood plain or wetland. Wetlands are known to exist adjacent to the project area and proper soil erosion and sedimentation controls will be used to ensure wetlands adjacent to the project area are not impacted.

### **Endangered Species**

Species of note found within Benzie County include: the Northern long-eared bat, Indiana bat, Piping plover, Rufa red knot, Eastern Massasauga rattlesnake, and Pitcher's thistle. The project area has been reviewed for typical habitat for the species listed above, and no critical habitat is present. To ensure these species won't be impacted, tree removal will be minimized, and completed outside of the roosting season for bats.

### **Historical Preservation**

The national register of historic places was reviewed and there are no properties listed in Elberta, however, there are likely properties adjacent to the proposed project areas that are 50-years-old, or older. There are no known tribally or archeologically significant sites within the proposed project areas. The contractor will be informed that they must stop work and notify Elberta if any tribally significant or archeological artifacts are found during excavation. It is anticipated that there will be no direct or indirect impacts on archeologically or tribally significant areas.

### **PUBLIC PARTICIPATION**

A public hearing to discuss the proposed project was held at 7 pm on June 17, 2021, at the Village of Elberta Community Building and on Zoom. The hearing was advertised on May 12, 2021, in *The Benzie County Record Patriot*, and the project plan was available for viewing at the Elberta Village Office. There were no public comments or questions. A resolution adopting the project plan and implementation of the selected alternative was unanimously approved by the Elberta Village Council on June 17, 2021.

### **RATIONALE FOR CATEGORICAL EXCLUSION**

In accordance with Part 54, Safe Drinking Water Assistance, of Natural Resources and Environmental Protection Act, 1994 PA 451, as amended, Section 5408(5) specifies criteria that must be met to grant a Categorical Exclusion from further environmental review activity to a proposed DWSRF assisted project. The Department of Environment, Great Lakes, and Energy staff has carefully reviewed the Elberta well, well house, LSLR, and WMR projects and related documents and has determined that no significant adverse impacts are anticipated by implementation.

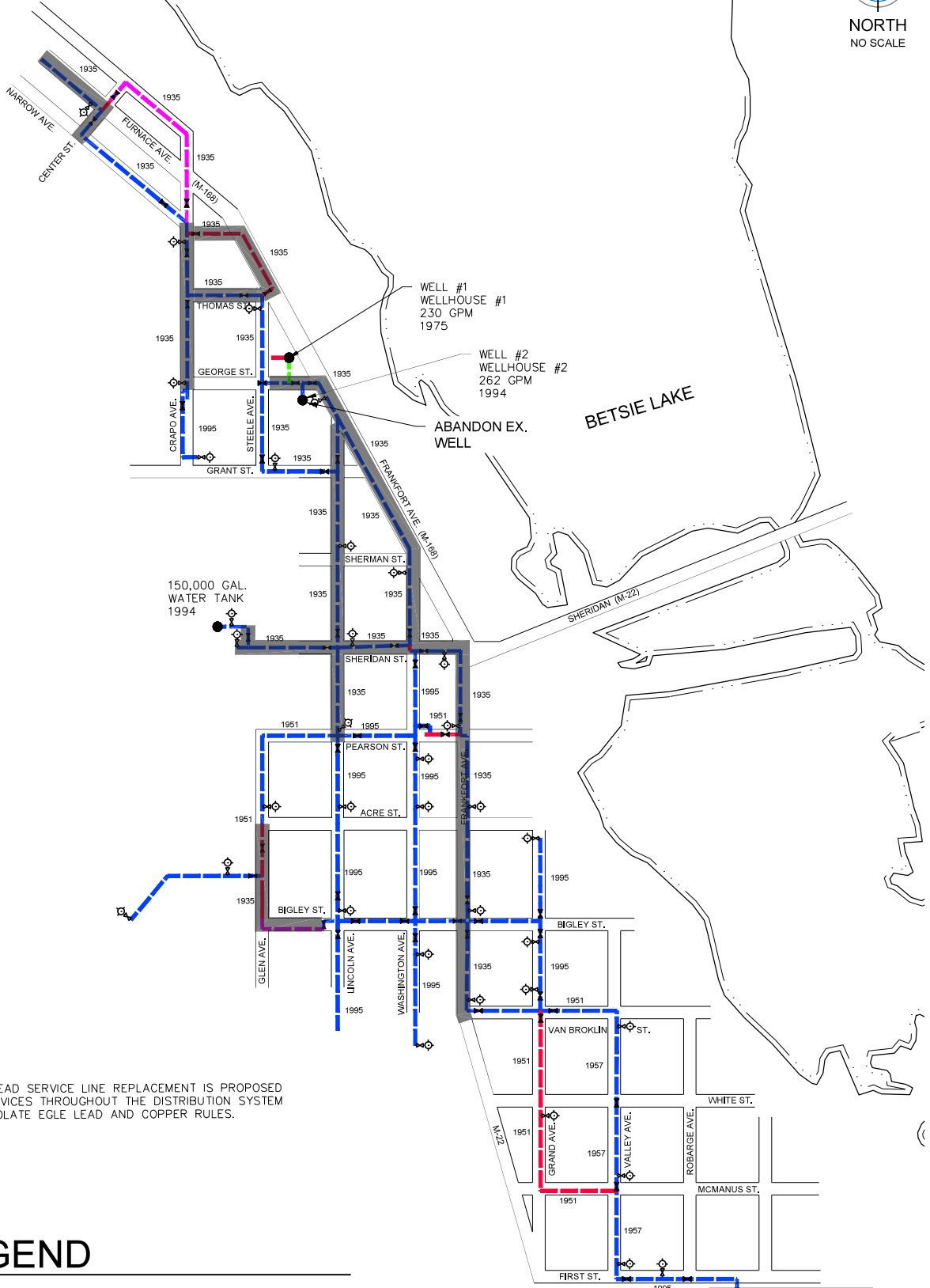
Questions regarding this Environmental Assessment should be directed to:

Ms. Leni Steiner-Zehender  
Water Infrastructure Financing Section  
Finance Division  
Michigan Department of Environment, Great Lakes, and Energy  
P.O. Box 30457  
Lansing, Michigan 48909-4957  
Telephone: 517-231-9913  
E-Mail: [Steinerl@michigan.gov](mailto:Steinerl@michigan.gov)

FIGURE 1










NORTH  
NO SCALE



NOTE: LEAD SERVICE LINE REPLACEMENT IS PROPOSED FOR SERVICES THROUGHOUT THE DISTRIBUTION SYSTEM THAT VIOLATE EGLE LEAD AND COPPER RULES.

### LEGEND

-  PROPOSED WATERMAIN REPLACEMENT
-  2" WATERMAIN
-  4" WATERMAIN
-  6" WATERMAIN
-  8" WATERMAIN
-  FIRE HYDRANT
-  VALVES

PROPOSED WELL LOCATION  
WELL #3  
WELLHOUSE #3  
375 GPM  
1994

VILLAGE OF ELBERTA  
BENZIE COUNTY  
SELECTED ALTERNATIVE

FIGURE A1



mattly\m:\proj\847001-849000\848510 Elberta DWRP PP\_USDA\_PER\Cad\Fig\848510 Ex system map.dwg