

# Memorandum



Date: April 22, 2026  
To: Buchanan City Commission  
From: Tony McGhee  
**Subject: State of Michigan Drinking Water State Revolving**

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Staff is requesting Commission approval to submit a Drinking Water State Revolving Fund application to the State of Michigan for funding assistance for lead service line replacements within the City's water system. Based on the project planning presentation, the City is looking at a Fiscal Year 2027 project with an estimated cost of approximately \$2.3 million to replace roughly 200 lead service lines. The intent of this submittal is to position the City to secure low interest financing to continue addressing one of the most significant infrastructure obligations facing water systems across the state.

The Drinking Water State Revolving Fund, commonly referred to as the DWSRF, is a low interest loan program administered through the State of Michigan to help public water suppliers fund needed drinking water infrastructure improvements. EGLE describes the program as a financing tool to help water suppliers meet Safe Drinking Water Act requirements and address environmental and public health concerns. In practice, communities submit a Project Planning Document, hold a properly noticed public meeting, address public comments, and compete for placement on the state's annual funding list. The program is competitive because demand for funding exceeds the dollars available each year. For Buchanan, this program is an important opportunity because it provides access to capital at terms that are generally more favorable than conventional borrowing.

Michigan's lead service line requirements are among the more aggressive in the country and were adopted in response to the significant public health risks associated with lead in drinking water. The rule is built around the principle that public water systems must not only monitor for lead and copper, but also take affirmative steps to identify, inventory, and remove lead service lines over time. Even where a lead action level exceedance has not occurred, the obligation to move toward replacement still exists for systems with known lead or GPCL lines. The overall goal is long term protection of public health by removing lead bearing infrastructure from the drinking water system entirely.

The effect for communities like Buchanan is that lead service line replacement has become a long-term infrastructure compliance issue that carries both operational and financial consequences. These replacements are costly, disruptive, and difficult to complete solely with local resources. That is why participation in the DWSRF process is so important. It gives the City a realistic financing path to continue making progress on compliance while managing the cost over time in a more responsible way.

Approval of this resolution does not obligate the City to proceed with construction immediately, but it is a necessary step to keep the City eligible for this funding opportunity and to continue moving forward with compliance planning for lead service line replacement.

### **Staff Recommendation**

Staff recommends that the Buchanan City Commission approve the resolution authorizing submittal of the City's Drinking Water State Revolving Fund application and Project Planning Document to the State of Michigan for lead service line replacement funding.

**Attachment A: DWSRF Presentation**

**Attachment B: Resolution to Apply for DWSRF Funding**

# Attachment A





# Drinking Water State Revolving Fund Project Planning Document – Fiscal Year 2027

City of Buchanan Council Meeting  
April 27, 2026



Prein&Newhof

# Introduction

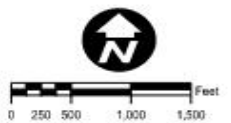
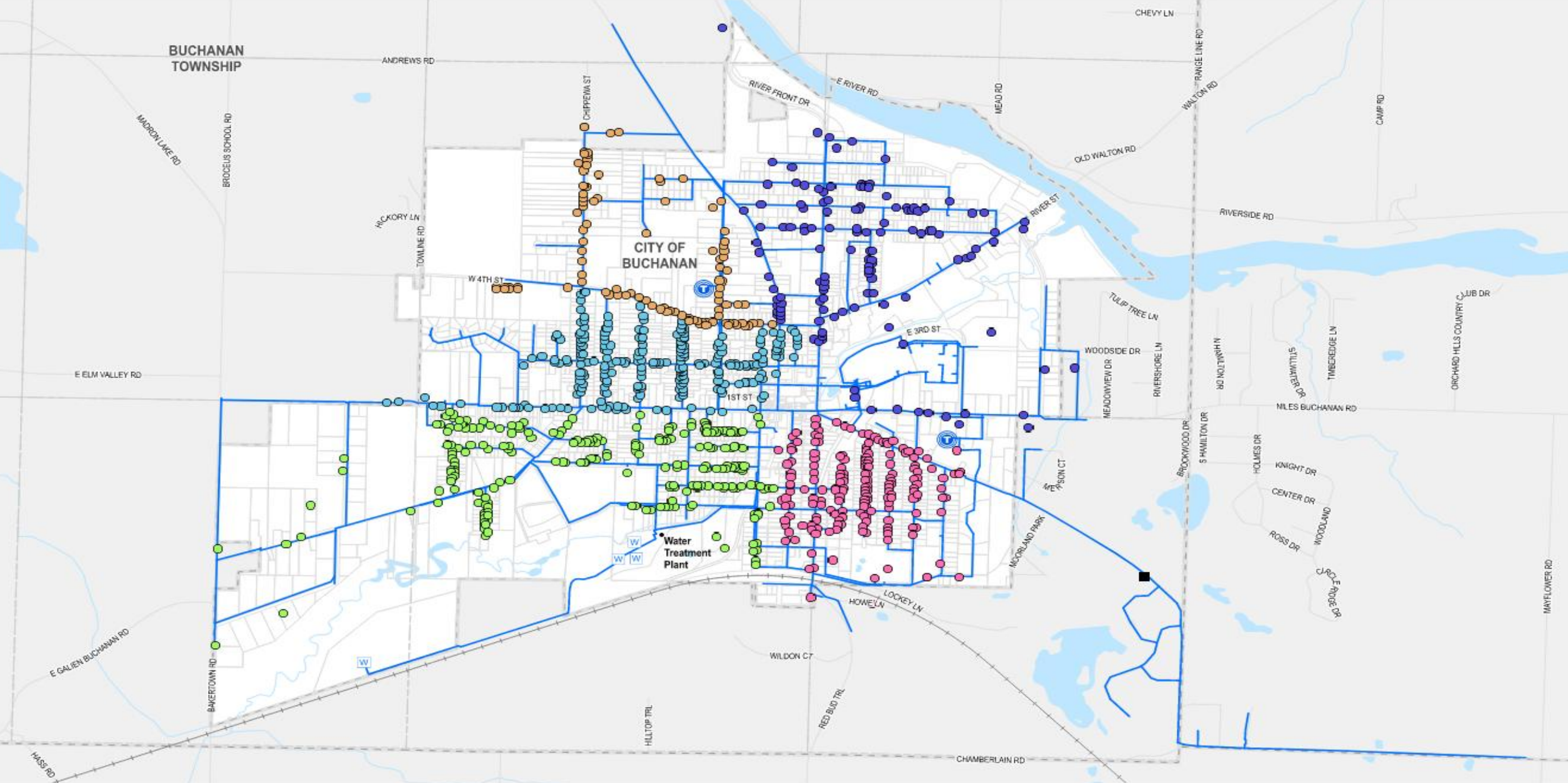
1. Sign In Sheet
2. Existing System Needs
3. DWSRF Program Overview
4. Overburdened Communities
5. FY 2027 Recommended Projects
6. Cost Estimates
7. Project Financing, Cost to Users
8. Anticipated Social/Environmental Impacts and Mitigation
9. Next Steps



BUCHANAN  
TOWNSHIP

CITY OF  
BUCHANAN

Water  
Treatment  
Plant



**LSLR Locations by Replacement Year**

- 2027
- 2028
- 2029

**LEGEND**

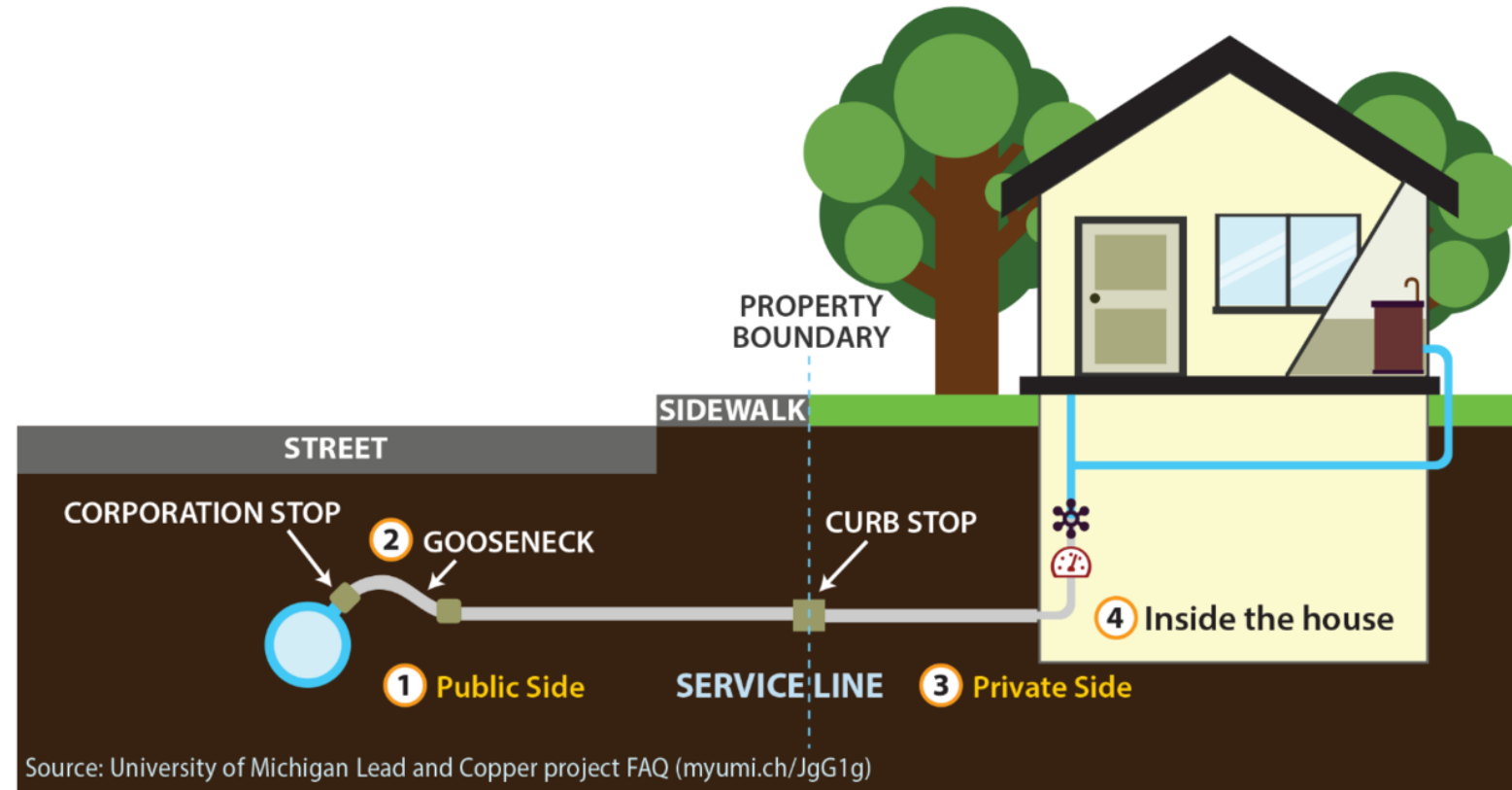
- 2030
- 2031
- Water Main
- W Well
- T Water Tower
- Booster Station

CITY OF BUCHANAN  
 BERRIEN COUNTY, MI  
 DRINKING WATER REVOLVING FUND

**FIGURE 2: LSLR LOCATIONS**

APRIL 2025  
 Prain & Newhof  
 2240740

# Existing System Needs



Lead Service Lines

Source: University of Michigan Lead and Copper project FAQ (myumi.ch/JgG1g)

<https://graham.umich.edu/>

# DWSRF Program Overview

- Drinking Water State Revolving Fund
- Low interest loan program
- FY27: ~3%, 20 years loan
- Project Planning Document (PPD)
- Public Meeting has been noticed for >10 days
- Project Planning Document available for public to review; written comments solicited
- Today's discussion will be summarized, and public comment addressed in final PPD to be submitted by June 1, 2026

The screenshot shows the website for the Michigan Department of Environment, Great Lakes, and Energy. The page title is "Clean Water State Revolving Fund". The navigation menu includes "About Us", "For the Public", "Regulatory Assistance", "Maps and Data", "Newsroom", "Outreach", "FAQs", and "Contact Us". The breadcrumb trail is "Home > Regulatory Assistance > Grants and Financing > Clean Water State Revolving Fund". The main content area contains the following text:

The Clean Water State Revolving Fund (CWSRF) is a low interest loan financing program that assists qualified local municipalities with the construction of needed water pollution control facilities.

For questions on the program, contact the Water Infrastructure Funding and Financing Section.

EGLLE received over 250 Intent to Apply (ITA) forms totaling over \$2.2 billion from applicants

**Contact**  
Water Infrastructure Financing Section  
[EGLLE-WIFFFS@michigan.gov](mailto:EGLLE-WIFFFS@michigan.gov)  
517-284-5433  
[SRF Project Managers Contact Information](#)

- **COMPETITIVE:**  
**Demand far exceeds available funding**

# Overburdened Communities

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- New Definitions - no longer “disadvantaged”
- The City of Buchanan is not expected to qualify as overburdened
- Increased chance of funding and principal forgiveness

# Project Financing, Cost to Users

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- Estimated FY 2027 Project Cost: \$2,300,000 (200 services)
- DWSRF loan assumed at 3% for 20 years
- City of Buchanan system has 2,091 REUs
- Cost per REU FY 2027: about \$6.16 per month before principal forgiveness
- No additional fees

# Anticipated Social/Environmental Impacts and Mitigation

## Beneficial Impacts:

- Job creation, open market competitive bid process
- Compliance with EGLE Lead and Copper Rule
- Better protection of water quality

## Temporary Adverse Impacts:

- Construction noise
- Traffic Disruption
- Water Service Disruption

## Overall Impacts:

- No effect on air quality, wild or scenic rivers, wetlands, or floodplains
- Coordination with local agencies to minimize any historical, archaeological, cultural, or recreational area disturbances that will occur

## Mitigation:

- Construction Contract will require: maintenance of local traffic, limited work hours, all necessary construction permitting

# Next Steps

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- Remember to fill out Sign In Sheet
- Public Comment Period/Q&A (ends tonight)
- We will document and address specific concerns from today and include them in PPD
- We will address written comments received during public notice period
- After closing the public comment period, the City of Buchanan will pass a resolution to formally adopt the project planning document and the selected alternative
- P&N make final edits to PPD; submit DWSRF PPD to EGLE by June 1, 2026



# Questions?

Mike Schwartz, P.E.

[mschwartz@preinnewhof.com](mailto:mschwartz@preinnewhof.com)

# Attachment B





**CITY OF BUCHANAN, COUNTY OF BERRIEN  
RESOLUTION 2026.04/06**

**A RESOLUTION ADOPTING A FINAL PROJECT PLANNING DOCUMENT FOR WATER SYSTEM  
IMPROVEMENTS AND DESIGNATING AN AUTHORIZED PROJECT REPRESENTATIVE**

WHEREAS, the CITY OF BUCHANAN recognizes the need to make improvements to its existing water treatment and distribution system; and

WHEREAS, the CITY OF BUCHANAN authorized PREIN&NEWHOF to prepare a Project Planning Document, which recommends the construction of IMPROVEMENTS TO THE WATER SYSTEM FOR REPLACING LEAD SERVICE LINES; and

WHEREAS, said Project Planning Document was presented at a Public Hearing held on APRIL 27, 2026, at 7:00 p.m. and all public comments have been considered and addressed;

NOW THEREFORE BE IT RESOLVED, that the CITY OF BUCHANAN formally adopts said Project Planning Document and agrees to implement the selected alternative TO CONSTRUCT REFERENCED IMPROVEMENTS TO THE WATER SYSTEM.

BE IT FURTHER RESOLVED, that the CITY MANAGER OF THE CITY OF BUCHANAN, a position currently held by Anthony C. McGhee, is designated as the authorized representative for all activities associated with the project referenced above, including the submittal of said Project Planning Document as the first step in applying to the State of Michigan for a Drinking Water State Revolving Fund Loan to assist in the implementation of the selected alternative.

Yeas (names of Members voting Yes):

Nays (names of Members voting No)

I certify that the above Resolution was adopted by CITY OF BUCHANAN on APRIL 27, 2026.

BY: Kalla Langston-Weiss, City Clerk

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Signature