



CAPITAL IMPROVEMENT

FYI-PUBLIC HEARING NOTICE

AND DRAFT PROJECT PLAN

March 7, 2018

DETROIT WATER AND SEWERAGE DEPARTMENT

NOTICE

PUBLIC HEARING FOR WATER MAIN REPLACEMENT FY19 DRINKING WATER REVOLVING FUND (DWRF) PROJECT

The Detroit Water and Sewerage Department (DWSD) announces a Public Hearing regarding its Project Plan for the proposed Water Main Replacement in the City of Detroit. DWSD will be seeking low interest Drinking Water Revolving Fund (DWRF) loan assistance for FY19. The project is comprised of replacing aging water mains in three areas located in the northend, east, and west sides of the city of Detroit. Construction will include excavation of the existing water mains, installation of new pipes, replacement of lead service lines between the water main and the water meter, pressure testing, backfill and road restoration. Any disturbed areas adjacent to the pipes will be restored to pre-project conditions. The impact of the project will be improved customer satisfaction and safe, reliable service delivery of potable water to customers. The temporary impact of construction activities will be minimized through mitigation measures specified in the contract documents. Adverse impacts on historical, archeological, geographic or cultural areas are not expected. This project is necessary to ensure that DWSD will consistently and reliably provide high quality potable water to the residents. The total cost of this project is currently estimated at \$15,982,000; which is being sought through the DWRF program. The Water Main Replacement project is eligible for participation under the State of Michigan low interest DWRF loan program.

The Public Hearing will present a description of the recommended project, estimated costs, as well as the cost per household impact for customers. The typical residential customer bill in the City of Detroit is expected to increase by approximately \$2.13 per year (0.80% annual increase) assuming that low interest loans can be obtained through the DWRF loan program. The purpose of the hearing is not only to inform, but to seek and gather input from people that will be affected. Comments and viewpoints from the public are encouraged.

THE MEETING WILL BE HELD ON:

DATE: Wednesday, April 4, 2018

**PLACE: Detroit Water and Sewerage Department
Water Board Building
735 Randolph, 5th Floor, Board Room
Detroit, Michigan 48226**

TIME: 1:00 p.m.

Information on the Project Plan will be available for review after March 7, 2018 at the following locations:

City website: detroitmi.gov/dwsd

OR

**Detroit Water and Sewerage Department
Water Board Building
735 Randolph, 5th Floor
Detroit, Michigan 48226**

If you have questions or want to submit written statements for the Public Hearing Record, call or write:

**(313) 964-9269
Monica Daniels
Detroit Water and Sewerage Department
735 Randolph, 7th Floor
Detroit, Michigan 48226**

Written comments will be accepted at the above address if received prior to 1:00 p.m. EST, Wednesday, April 4, 2018.

City of Detroit, Water and Sewerage Department
Gary Brown, Director



Water Main Replacement

**Project Plan
February 2018**

**Mike Duggan
Mayor**

**Gary Brown
Director**

**Michael Einheuser
Chairperson
Board of Water Commissioners**



City of Detroit
Mike Duggan, Mayor

Detroit City Council

Brenda Jones, President
Mary Sheffield, President Pro Tem
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Table of Contents

1.	EXECUTIVE SUMMARY	1
2.	INTRODUCTION AND PURPOSE	2
3.	PROJECT BACKGROUND.....	3
3.1.	SUMMARY OF PROJECT NEED	3
3.2.	STUDY AREA CHARACTERISTICS	7
3.2.1.	DELINEATION OF STUDY AREA	7
3.2.2.	LAND USE IN STUDY AREA	7
3.2.3.	ECONOMIC CHARACTERISTICS.....	7
3.3.	POPULATION DATA	8
3.4.	EXISTING FACILITIES.....	11
4.	ANALYSIS OF ALTERNATIVES	13
4.1.	IDENTIFICATION OF POTENTIAL ALTERNATIVES.....	13
4.1.1.	NO ACTION	13
4.1.2.	OPTIMUM PERFORMANCE OF EXISTING FACILITIES.....	13
4.1.3.	REGIONAL ALTERNATIVE	14
4.2.	ANALYSIS OF PRINCIPAL ALTERNATIVES	15
4.2.1.	DESCRIPTION OF PRINCIPAL ALTERNATIVES	15
4.2.2.	COST EFFECTIVENESS ANALYSIS.....	15
4.2.3.	ENVIRONMENTAL EVALUATION	19
4.2.4.	IMPLEMENTABILITY AND PUBLIC PARTICIPATION	19
4.2.5.	TECHNICAL AND OTHER CONSIDERATIONS	19
5.	SELECTED ALTERNATIVE.....	21
5.1.	DESCRIPTION	21
5.1.1.	COSTS.....	21
5.1.2.	IMPLEMENTATION SCHEDULE.....	22
5.1.3.	USER COST	23
5.1.4.	ABILITY TO IMPLEMENT THE SELECTED ALTERNATIVE.....	24
5.1.5.	GREEN PROJECT RESERVE FUNDING.....	24
5.1.6.	DISADVANTAGED COMMUNITY STATUS	26
5.1.7.	SURFACE WATER INTAKE PROTECTION PROGRAM	27
6.	EVALUATION OF ENVIRONMENTAL IMPACTS	28
6.1.	GENERAL.....	28
6.1.1.	BENEFICIAL AND ADVERSE.....	28
6.1.2.	SHORT AND LONG-TERM	28
6.1.3.	IRREVERSIBLE OR IRRETRIEVABLE.....	29
6.2.	ANALYSIS OF IMPACTS	29
6.2.1.	DIRECT IMPACTS.....	29
6.2.2.	INDIRECT IMPACTS	29
6.2.3.	CUMULATIVE IMPACTS.....	29
7.	MITIGATION.....	30

7.1.	GENERAL.....	30
7.2.	MITIGATION OF SHORT-TERM IMPACTS.....	30
7.3.	MITIGATION OF LONG-TERM IMPACTS.....	30
7.4.	MITIGATION OF INDIRECT IMPACTS	30
8.	PUBLIC PARTICIPATION	31
8.1.	PUBLIC HEARING	31
8.1.1.	PUBLIC HEARING ADVERTISEMENT AND NOTICE.....	31
8.1.2.	PUBLIC HEARING TRANSCRIPT	31
8.1.3.	PUBLIC HEARING COMMENTS RECEIVED AND ANSWERED	31
8.1.4.	ADOPTION OF THE PROJECT PLAN	31

TABLES

Table 3-1	DETAILED LIST OF PROJECT WATER MAIN REPLACEMENT	6
Table 3-2	LAND USE IN DETROIT	7
Table 3-3	REGIONAL POPULATION PROJECTIONS SHOWING DWSD AND GLWA WATER CUSTOMERS BASED ON THE 2015 WATER MASTER PLAN Update	9
Table 3-4	CITY-WIDE DISTRIBUTION SYSTEM PIPING SUMMARY	11
Table 3-5	SUMMARY OF DETROIT WATER MAIN DISTRIBUTION PIPES.....	12
Table 4-1	COST COMPARISON OF WATER MAIN REPLACEMENT - PROJECT 1	18
Table 5-1	OVERALL WATER MAIN REPLACEMENT COST ESTIMATE	21
Table 5-2	PROJECT MILESTONE SCHEDULES	22
Table 5-3	USER COST IMPACT FOR THE DWRF WATER MAIN REPLACEMENT PROJECT	23

FIGURES

Figure 3-1	OVERVIEW MAP - WATER MAIN REPLACEMENT PROJECT	5
Figure 3-2	OVERALL DWSD AND GLWA SERVICE AREAS BASED ON THE 2015 WATER MASTER PLAN UPDATE.....	10

APPENDICES

- A MAPS FOR STREET LOCATIONS OF WATER MAIN REPLACEMENT AREAS
- B ESTIMATED CONSTRUCTION COSTS
- C GREEN PROJECT RESERVE QUALIFICATION FORM & SUPPORTING CALCULATIONS
- D DISADVANTAGED COMMUNITY STATUS DETERMINATION WORKSHEET
- E PUBLIC HEARING NOTICE
- F MAILING LIST FOR PUBLIC HEARING
- G PUBLIC HEARING TRANSCRIPT, VISUAL AIDS AND ATTENDANCE LIST
- H PROJECT PLAN CORRESPONDENCE

1. EXECUTIVE SUMMARY

The City of Detroit is a retail customer of the Great Lakes Water Authority (GLWA), for which GLWA provides potable water to the City of Detroit and neighboring southeastern Michigan communities throughout Wayne, Oakland, Macomb, St. Clair, Lapeer, Genesee, Washtenaw and Monroe Counties. The 1,079 square mile water service area, which includes Detroit and 127 suburban communities, makes up approximately 40% of the state's population.

The water distribution system servicing the City of Detroit is comprised of approximately 2,700 miles of various size pipes ranging mainly from 6 to 16 inches. Most of these pipes were installed in the late 19th century and first half of the 20th century. Due to the age of these pipes, water main breaks are a constant occurrence and they constitute a drain on the DWSD resources necessary to address these breaks, often times during inclement weather conditions. Water main breaks can also increase the potential public health risk from cross-connection contamination (bacteriological and/or chemical) resulting from reduced pressure or depressurized water mains during the repair.

DWSD has identified one (1) project that is in critical need of addressing the repeated water main breaks and for which DWSD can be prepared to begin construction during the period of this DWRP Project Plan. There are fourteen (14) street locations that are experiencing excessive breaks: 1 street in the north part, 11 streets in the west part, and 2 streets in the east part of the City. The total length of pipe to be addressed by this water main replacement project is 42,030 feet (approximately 8.0 miles). Lead service line replacements are included in the water main replacement project. It is a benefit to the public health and safety to replace the lead service lines. It is the expressed expectation of the State to replace these lines at the time of water main replacement or sooner because of the synergies that exist between the tasks.

This Project Plan identifies the current condition of the existing pipes and presents alternatives for addressing the deteriorated conditions of these pipes. Evaluation of these alternatives was performed based on the Michigan Department of Environmental Quality (MDEQ) guidelines for preparing a Drinking Water Revolving Fund (DWRP) Project Plan. The recommendation presented in this Project Plan consists of replacing the aged water mains with new ones through the project as follows:

- Project 1: Replacing 42,000 feet of pipes (size 8, 12 and 16 inches) for an estimated total project cost of \$16.0 M.

The impact of financing the water main replacement through the DWRP loan program is expected to be in the order of a 0.80% increase in the cost of water to a typical City of Detroit customer due to the impact of construction cost. However, the actual rate determination will be based on factors that encompass the delivery of comprehensive services by DWSD to its customers. The increase is based on repayment of the DWRP loan over a 20-year period.

2. INTRODUCTION AND PURPOSE

This document has been prepared in accordance with the planning guidelines adopted by the Michigan Department of Environmental Quality (MDEQ) for the Drinking Water Revolving Fund (DWRf) low interest loan program. It is the intent of the Detroit Water and Sewerage Department (DWSD) to seek low interest loan assistance under the DWRf program for the recommended work.

The purpose of this document is to describe the capital improvement project for water main replacement, which DWSD is proposing to undertake with DWRf assistance to provide reliable water supply to its customers. This Project Plan provides information on the status of the current water main system, a description of why the project is needed, an evaluation of alternatives, a description of the recommended alternative and an assessment of environmental impacts. The Project Plan also serves as the basis for public review and comment on the proposed work in accordance with the public participation requirements of the DWRf program.

3. PROJECT BACKGROUND

3.1. SUMMARY OF PROJECT NEED

Most of the water distribution system serving the City of Detroit was installed in the later 19th century or early 20th century. These water mains are unlined pit cast iron or spun cast iron pipe and have outlived their useful life of 50 years based on field experience with the system. As the pipes start to exceed this life expectancy, problems arise such as: frequent breakage; exfiltration of treated water through leaks; cracks and corroded joints; hydraulic obstructions due to tuberculation on the interior pipe surfaces; increased pumping costs due to reduced hydraulic capacity; and in severe leaking cases, flooding problems.

Reduced or complete loss of pressure during these main breaks and subsequent repair can pose an increased risk to public health from potential chemical or bacteriological contamination by cross-connection. Loss of pressure in a public water supply is to be avoided whenever possible and maintaining minimum system pressure is imposed upon public water systems through the requirements of the Michigan Safe Drinking Water Act (PA 399, as amended)

Lead service lines are a public health threat. The replacement of the lead service lines on private and public property are DWRF eligible. The project will replace lead service lines of two inches in diameter and smaller from the public water main to the meter. Service lines that are larger than two inches in diameter are often iron rigid pipe. These service lines are not eligible for DWRF resources and shall be replaced to the stop box.

DWSD has established an asset management program with a goal to replace their aged water distribution system, which is approximately 2,700 miles of water main of various sizes (6"-16"), over a 70 year period that started more than 10 years ago. This goal would enable the distribution system to be replaced on a cycle consistent with the life expectancy of the pipe. Currently, DWSD prioritizes its water main replacement program based on a consideration of the following factors:

1. Frequency of breaks/leaks in the system.
2. Occupancy of the area under consideration with a dense resident occupancy considered as a high priority.
3. Reduced hydraulic capacity due to low coefficients of friction (C factors) as a result of tuberculation on the interior pipe surface.
4. Inadequate fire protection availability due to reduced hydraulic capacity.
5. Increased pumping cost as a result of frictional increases.
6. Age and structural condition of the water main.

Water maintenance activity is carefully logged to track the frequency of breakage in various sectors of the system. Breakage/leaks of 5 or more per 1,000 feet of water main are considered to be threshold for evaluating possible pipe replacement, in conjunction with the above criteria.

The project has target areas in the west, east and north sides of the City, which have been recently identified as areas in critical need. The water mains identified for replacement as part of this Project Plan had, on average, nearly nine (9) breaks per 1,000 linear feet of main over the mains' lifetime.

An overview map showing the water main locations referred to as Project 1 is depicted in **Figure 3-1**. A detailed street listing is provided in **Table 3-1** indicating the fourteen (14) streets where the aged pipes are located. The DWSD assigned a contract/project number for the project, which is also listed for reference. Section maps showing individual street locations for the water main replacement areas are included in **Appendix A**.

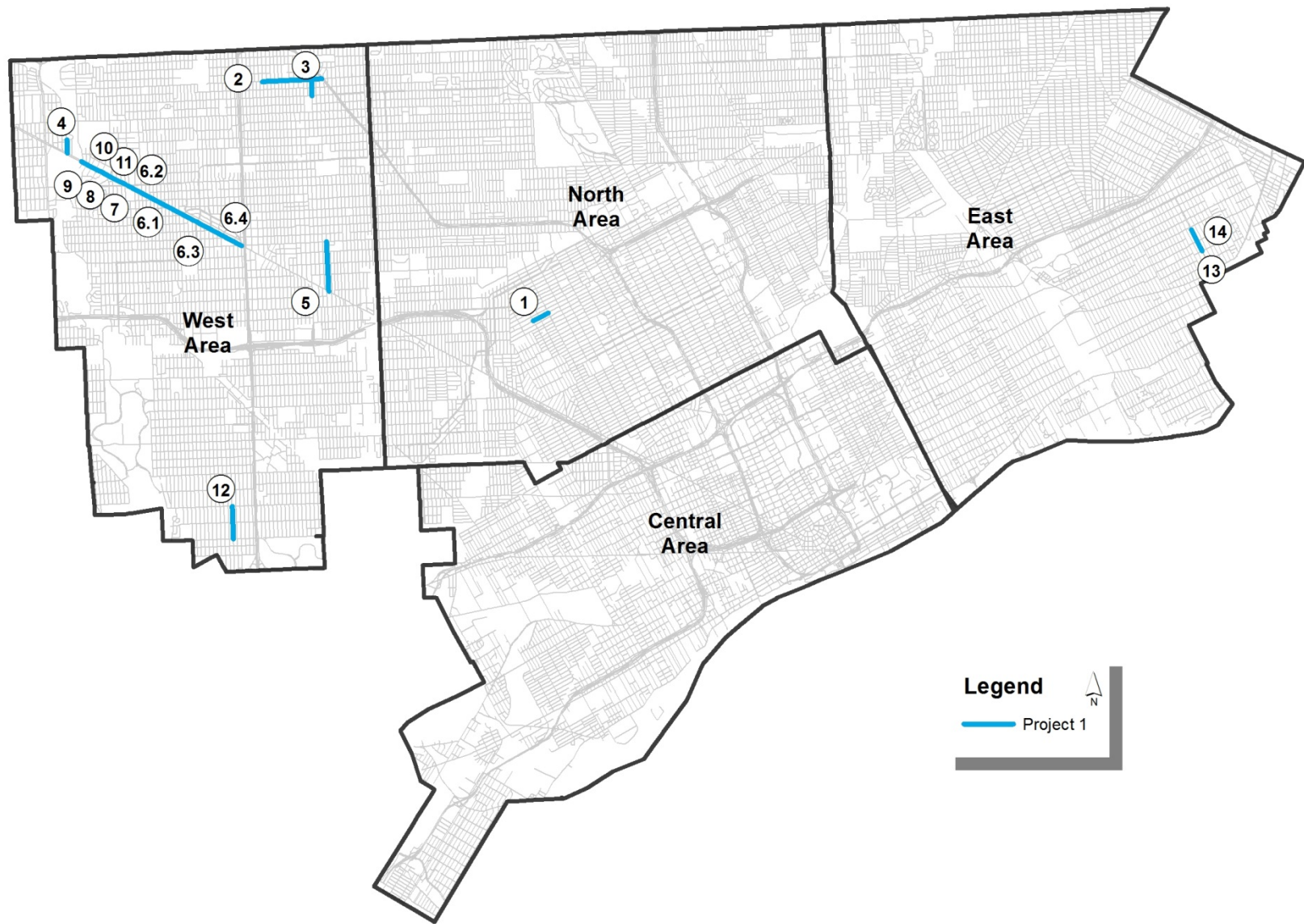


Figure 3-1 OVERVIEW MAP - WATER MAIN REPLACEMENT PROJECT

Table 3-1 DETAILED LIST OF PROJECT WATER MAIN REPLACEMENT

Project and DWSD Contract Numbers	Street Name and Number ¹	Limits	Age (years)	Pipe Material	Approximate Pipe Length (feet)		
					8"	12"	16"
Project 1 (WS-707)	Fullerton Ave. (1)	Petosky Ave. to Dexter Ave.	92	Cast Iron	1,300	0	0
	Pembroke Ave (2)	James Couzens Fwy. To Biltmore St.	91, 89, 88, & 67	Cast Iron	5,000	0	0
	Whitcomb Ave. (3) (West side)	Pembroke Ave. to Vassar Dr.	76	Cast Iron	1,250	0	0
	Codding St. (4)	Margareta St. to Grand River Ave.	80	Cast Iron	1,550	0	0
	Coyle St. (Asp) (5)	Fenkell Ave. to Grand River Ave.	95 & 94	Cast Iron	4,070	0	0
	Grand River Ave. (6.1) (South side)	Evergreen Rd. to W. McNichols Rd.	79-98 ²	Cast Iron	0	4,850	0
	Grand River Ave. (6.2) (North side)	Stout St. to W. McNichols Rd.	79-98 ²	Cast Iron	3,350	0	0
	Grand River Ave. (6.3) (South side)	Evergreen Rd. to Glastonbury Ave.	79-98 ²	Cast Iron	3,870	0	0
	Grand River Ave. (6.4) (North side)	Evergreen Rd. to Fenkell Ave.	79-98 ²	Cast Iron	0	5,850	0
	Grand River Ave. (7)	Chapel St. to Greydale Ave.	79-98 ²	Cast Iron	850	0	0
	Grand River Ave. (8)	Greydale Ave. to Northrup St.	79-98 ²	Cast Iron	600	0	1,270
	Grand River Ave. (9)	MacIntyre St. to Marene St.	79-98 ²	Cast Iron	860	0	0
	Grand River Ave. (10)	MacIntyre St. to Cooley St.	79-98 ²	Cast Iron	950	0	0
	Grand River Ave. (11)	Cooley St. to Lahser Rd.	79-98 ²	Cast Iron	1,040	0	0
	Brace St. (12)	Paul Ave. to W. Warren Ave.	91	Cast Iron	2,600	0	0
	E. Outer Drive (13) (West side)	Waveney St. to Wallingford St.	79-98 ²	Cast Iron	0	950	0
	E. Outer Drive (14) (East side)	Wallingford St. to 250 ft. south of Cornwall St.	79-98 ²	Cast Iron	1,820	0	0
	Total (per size):				29,110	11,650	1,270
	GRAND TOTAL:				42,030		

¹ Note: Street Numbers 1 – 14 assigned for identification on the overview and section maps

² Age assumed based on surrounding mains

3.2. STUDY AREA CHARACTERISTICS

3.2.1. DELINEATION OF STUDY AREA

The general study area for this Project Plan is the portion of DWSD's service area within the corporate limits of the City of Detroit. This general area also includes the City of Highland Park and the City of Hamtramck, which are separate communities located completely within the City's corporate boundary. The study area encompasses approximately 88,876 acres with a population of approximately 713,777 people according to the 2010 Census, plus considerable commercial and industrial activity.

3.2.2. LAND USE IN STUDY AREA

As shown in **Table 3-2**, the existing land use within the City of Detroit is comprised predominantly of residential, commercial and industrial uses. Most of the land in the area is developed already and there is, therefore, little opportunity for land use changes to occur except through redevelopment.

Table 3-2 LAND USE IN DETROIT

Land Use	Acreage	Percentage (%)
Residential	54,392	61%
Commercial	13,492	15%
Industrial	7,020	8%
Recreation/Open	9,497	11%
Other	4,475	5%

3.2.3. ECONOMIC CHARACTERISTICS

Detroit has had an unemployment rate considerably above regional and national averages. High unemployment rates have been a chronic problem in a ring surrounding the central business district. Compared to regional averages, the City has a relatively low percentage of its population employed in professional occupations and has a higher than average incidence of unskilled workers. Prime employment categories include civil service, banking, real estate and insurance. The median household income was listed as \$26,249 on the U.S. Census website along with an estimated persons in poverty at 39.4%³. Income levels in Detroit tend to be significantly below those levels reported in neighboring areas in Wayne, Oakland and Macomb counties.

³ <https://www.census.gov/quickfacts/fact/table/detroitcitymichigan/IPE120216#viewtop>

3.3. POPULATION DATA

The population projections presented in the 2015 Water Master Plan Update report prepared by CDM/Smith for DWSD indicate a forecasted decline in population for the City of Detroit. The City of Detroit population is expected to decrease from 713,777 (2010 Census) to 613,709 by the year 2035. The report also indicates a forecasted decline in the overall population in the DWSD service area in the suburban communities. **Table 3-3** (Regional Population Projections) and **Figure 3-2** (Overall DWSD Service Area) referenced from the 2015 Water Master Plan Update report are presented in this Project Plan for reference.

Table 3-3 REGIONAL POPULATION PROJECTIONS SHOWING DWSD AND GLWA WATER CUSTOMERS BASED ON THE 2015 WATER MASTER PLAN UPDATE

County	2010	2015	2020	2025	2030	2035
Genesee Co. Total ⁴	425,100	421,531	421,711	422,231	422,645	422,895
Genesee Co. Non-customers	113,100	211,531	421,711	422,231	422,645	422,895
Genesee Co. DWSD Customers	312,000	210,000	0	0	0	0
Lapeer Co. Total	88,189	91,275	95,474	99,784	104,107	108,423
Lapeer Co. Non-customers	67,189	69,575	72,774	75,984	79,307	82,623
Lapeer Co. DWSD Customers ⁵	21,000	21,700	22,700	23,800	24,800	25,800
Macomb Co. Total	840,978	855,378	863,380	872,733	884,846	896,401
Macomb Co. Non-customers	51,333	52,218	52,835	52,819	52,675	52,661
Macomb Co. DWSD Customers	789,645	803,160	810,545	819,914	832,171	843,740
Monroe Co. Total	152,021	155,696	156,602	158,347	160,865	163,246
Monroe Co. Non-customers	135,357	138,218	138,602	139,830	141,971	144,175
Monroe Co. DWSD Customers	16,664	17,478	18,000	18,517	18,894	19,071
Oakland Co. Total	1,202,362	1,215,322	1,218,432	1,221,240	1,230,734	1,232,649
Oakland Co. Non-customers	311,271	319,325	319,031	319,111	321,989	320,377
Oakland Co. DWSD Customers	891,091	895,997	899,401	902,229	908,745	912,272
St. Clair Co. Total	162,040	161,667	161,497	162,541	164,643	166,652
St. Clair Co. Non-customers	157,494	156,001	155,829	156,543	158,537	160,427
St. Clair Co. DWSD Customers	5,546	5,666	5,668	5,998	6,106	6,225
Washtenaw Co. Total	344,791	350,784	354,116	360,366	368,297	377,220
Washtenaw Co. Non-customers	208,858	213,237	213,772	217,751	221,219	225,103
Washtenaw Co. DWSD Customers	135,933	137,547	140,344	142,615	147,078	152,117
Wayne Co. Total	1,106,807	1,093,946	1,076,145	1,063,050	1,054,944	1,047,933
Wayne Co. Non-customers	52,559	49,622	48,183	47,072	46,394	45,966
Wayne Co. DWSD Customers	1,054,248	1,044,324	1,027,962	1,015,978	1,008,550	1,001,967
City of Detroit	713,777	648,350	624,705	612,442	609,745	613,709
Regional Total	5,037,065	4,993,949	4,972,062	4,972,834	5,000,826	5,029,128
Regional Non-customers	1,097,161	1,209,727	1,422,737	1,431,341	1,444,737	1,454,227
Regional DWSD Customers	3,939,904	3,784,222	3,549,325	3,541,493	3,556,089	3,574,901
Regional DWSD Customers excluding Genesee County	3,627,904	3,574,222	3,549,325	3,541,493	3,556,089	3,574,901

⁴ Includes the population of Flint per the thirty-year water services contract

⁵ 2Lapeer Co. DWSD Customer population estimated based on 2010 Census data (locations with >1 person/acre) and Woods & Poole County-wide population projection trends

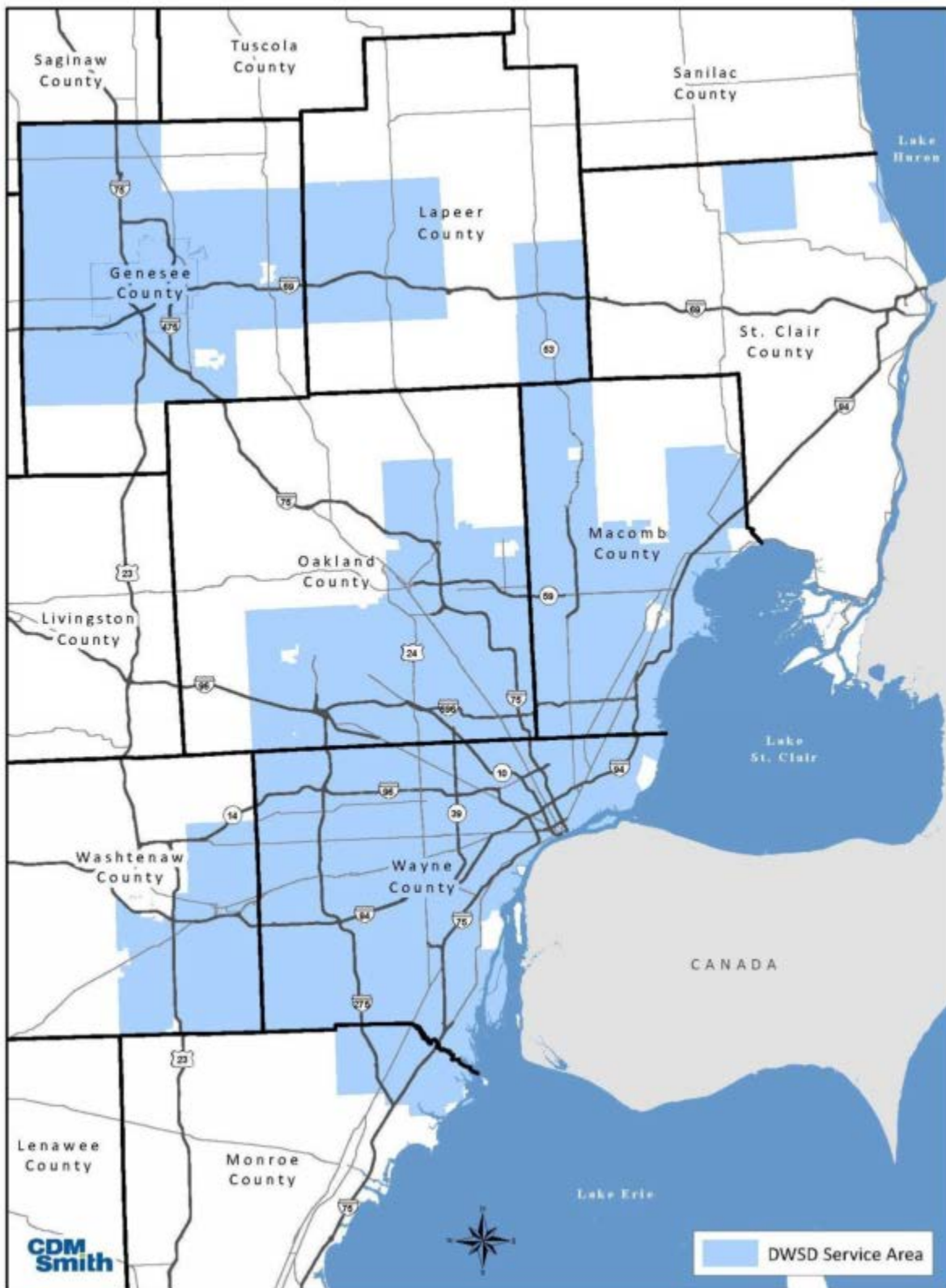


Figure 3-2 OVERALL DWSD AND GLWA SERVICE AREAS BASED ON THE 2015 WATER MASTER PLAN UPDATE

3.4. EXISTING FACILITIES

The Detroit Water Distribution System consists mostly of pipes that are 16 inches and smaller in diameter. Most of the system is quite old. Many pipes are over 100 years old, and the average age of pipes in the entire city is approximately 85 years.

Most of the pipe in the city's water distribution system is comprised of older unlined pit cast and centrifugally spun cast iron pipe. Newer ductile iron pipe has been installed in the city ever since it became commonly available (generally after 1970), but ductile iron piping represents a very small percentage of the total length of pipe in the system. There is also steel transmission and distribution piping in the system in sizes 12 inches and larger, installed starting approximately in the 1920s when the city recognized that it was experiencing failures of the older cast iron pipes. Some of the older transmission mains in the system are of steel construction, whereas newer large diameter transmission mains are pre-stressed concrete cylinder pipes. Additionally, there is some asbestos cement pipe in the system. DWSD's use of asbestos cement pipe ended in the mid-1980s.

Table 3-4 summarizes the distribution of various pipe sizes in the system. It is noted that much of the 6 inch and 8 inch pipes have low coefficients of friction (C factors) citywide, thereby increasing the energy required to maintain adequate pressure and transport capacity.

Table 3-4 CITY-WIDE DISTRIBUTION SYSTEM PIPING SUMMARY

Pipe Diameter	Lineal Footage	% of System
6"	5,481,018	39%
8"	6,047,000	42%
10"	257,222	2%
12"	1,665,873	12%
16"	748,742	5%
20" and 24"	9,117	<1%

Table 3-5 shows the existing water main data by type and installation year, and shows the distribution of various pipe types within the system.

Table 3-5 SUMMARY OF DETROIT WATER MAIN DISTRIBUTION PIPES

Type	Installation Period	% of System
Unlined cast iron pipes – Pit cast	Until 1923	40%
Unlined cast iron pipes – Class 150	1923-1940	38%
Unlined cast iron pipes – Class 250	After 1940	10%
Lined ductile iron	After 1970	7%
Asbestos cement	After 1980	5%

According to a 1977 report prepared by DWSD, cast iron pipes purchased and installed prior to 1923 were manufactured by pit-cast process, which gave long trouble-free service. From 1923 to 1940, cast iron pipes (Class 150) made by a centrifugal process (spun cast) were purchased and installed in the Detroit system. The Department experienced serious trouble with spun cast pipes, and a life of 35 to 40 years was suggested to this class of pipes based on the same report. Starting from 1940, DWSD began using Class 250 spun cast pipe for additional wall thickness for combating corrosion. DWSD officially adopted the standard use of Class 250 pipe in 1945. The current DWSD standard calls for the use of Class 56 ductile iron pipe, which has been in use since the 1970s.

4. ANALYSIS OF ALTERNATIVES

In accordance with the MDEQ guidelines for preparing a DWRP Project Plan, the potential alternatives to be analyzed include a No Action alternative, Optimum Performance of Existing Facilities Alternative and a Regional Alternative. Other feasible alternatives referred to as “Principal Alternatives” are also analyzed.

4.1. IDENTIFICATION OF POTENTIAL ALTERNATIVES

4.1.1. NO ACTION

As indicated in Section 3.1, the project is needed due to the aging water mains. The water mains included in this project have exceeded their useful life as evidenced by the frequent breaks that occur leading to disruption of water supply, potential increased risk to public health, and potential flooding issues for the residents, commercial, and industrial customers. A “No Action” alternative would simply worsen the conditions by leading to an increase in water main breaks, more frequent disruption to customer service and potential increased public health risk, and potential for loss of other utilities including sewers, gas, and roads; all the while, putting additional stress on an already resource-challenged DWSD. Furthermore, the “No Action” alternative leaves unaddressed the higher energy loss associated with the pipe roughness. Therefore, a “No Action” alternative is not considered viable and is not pursued further.

4.1.2. OPTIMUM PERFORMANCE OF EXISTING FACILITIES

DWSD is currently operating the water distribution system within the constraints of an aging system. The aging system contains lead service lines. It is a benefit to the public health and safety to remove and replace the lead service lines. Water main breaks are handled through the assigned DWSD staff, supplemented with contracted services as conditions may require. In 2014, DWSD embarked on a 20-Year Infrastructure Plan to address upgrading, maintaining or replacing the water mains depending on the severity of the problem. DWSD’s 20-Year Infrastructure Plan was based in part on the Detroit Future City (DFC) Strategic Framework, which is a highly detailed long-term guide for decision making by all of the stakeholders in the City. The DFC Strategic Framework was released in January 2013. It articulates a vision for Detroit’s future and recommends specific action items for reaching that future by addressing economic growth, land use, City systems (including DWSD’s systems), neighborhoods, land and building assets and civic capacity.

The water main leakage detection program is ongoing. The program used to be outsourced, but currently DWSD is self-performing leak detection efforts. The leak survey completed in 2014 was based on several studies conducted to qualitatively and quantitatively evaluate the water leaks in the water distribution system.

4.1.3. REGIONAL ALTERNATIVE

DWSD and GLWA operate the water treatment plants, pump stations, transmission mains, and distribution mains that provide potable water to the City of Detroit and 127 additional municipal water supplies as regional water system. The service area identified for water main replacement resides entirely within the City of Detroit.

The City of Detroit and all of the surrounding communities, adjacent to the subject area, are serviced by GLWA. Therefore, a Regional Alternative in the context of this Project Plan is not applicable.

4.2. ANALYSIS OF PRINCIPAL ALTERNATIVES

4.2.1. DESCRIPTION OF PRINCIPAL ALTERNATIVES

There are only two options for addressing the problems associated with aged water mains. DWSD can either continue to repair the old pipes (Alternative 1), or replace the old pipes with new ones (Alternative 2).

A. Alternative 1 – Repair of Existing Water Mains

Water main repair is conducted throughout the system, particularly in those areas where problems have not escalated to the point which would warrant replacement as described in Section 3.1. Nevertheless, water main repairs are time consuming, costly, constitute a drain on DWSD resources needed to carry out the repairs, and pose a potential increase in public health risk. In addition, repairs often trigger additional breakage and/or leaks in the vicinity as a result of disturbances to the section of pipe being repaired. Water main repairs require shutting off potable water service to multiple customers while the source of the leak is confirmed, repaired and returned to service. Repair activities cannot be pre-scheduled, and field crews must respond on an “as needed” basis, often during the winter months when cold weather and freeze-thaw conditions trigger pipe breaks.

B. Alternative 2 – Water Main Replacement

Water main replacement of aged water main pipes is based on the replacement criteria discussed in Section 3.1. The replacement pipe is sized to meet the service area needs, which may in some cases result in an increase or decrease of pipe size, depending on the changes in customer base, including commercial, business and residential demographics. Lead service lines will be included in the replacement of aged water main pipes. It is a benefit to the public health and safety to replace the lead service lines. Replacement of aged water mains also provides for the use of ductile iron piping, which is considered superior because it has an expected useful life greater than that of cast iron. The cast iron pipes included in this project has surpassed its anticipated service life.

4.2.2. COST EFFECTIVENESS ANALYSIS

A monetary evaluation of the feasible alternatives was prepared using MDEQ guidelines for DWRF Project Plans, including the present worth formulas and discount interest rate of 0.500%. Under this analysis, the useful life is assumed to be 50 years for pipelines. The salvage value of pipes at the end of the 20-year planning period was computed on the basis of a straight-line depreciation over the useful life of the item. Therefore, the salvage value of the pipes at the end of the 20-year planning period is estimated to be 60% of the initial cost.

The present worth of salvage value was then computed by multiplying the salvage at the end of the 20 years by the conversion factor 0.9051 based on the following formula:

$$PW = F \times 1/(1 + i)^n$$

Where:

PW = Present Worth (Salvage)

F = Future Value (Salvage)

i = Discount Interest Rate (0.500%)

n = Number of Years (20)

$$1/(1 + i)^n = \text{Conversion Factor}$$

Interest during the construction period was computed using the formula:

$$I = i \times 0.5 \times P \times C$$

Where:

I = Interest Value

i = Discount Interest Rate (0.500%)

P = Period of Construction in Years (assumed to be one year)

C = Capital Cost of the Project

The annual Operation and Maintenance (O&M) expenses associated with each alternative were estimated, and then converted into a Present Worth value by multiplying the annual cost by a conversion factor of 18.9874 using the following formula:

$$PW = A \times [((1 + i)^n - 1)/i(1 + i)^n]$$

Where:

PW = Present Worth (O&M)

A = Annual O&M Cost

i = Discount Interest Rate (0.500%)

n = Number of Years (20)

$$[((1 + i)^n - 1)/i(1 + i)^n] = \text{Conversion Factor}$$

For each alternative, the total Present Worth was computed from the estimated cost (including construction, engineering and administrative), salvage value, interest during construction and/or O&M costs. This equates to the amount which would be needed at the start of the project to cover construction costs and operating expenses over the 20-year planning period if interest were to accrue at the discount rate 0.500% annually.

The Present Worth of each alternative was then converted to an Equivalent Annual Cost, which is the amount which would be paid uniformly over a 20-year period based on the Present Worth value. This amount was obtained by the using the following formula and capital recovery factor of 0.0527:

$$A = PW \times [(i(1 + i)^n)/((1 + i)^n - 1)]$$

Where:

A = Equivalent Annual Cost

PW = Present Worth

i = Discount Interest Rate (0.500%)

n = Number of Years (20)

$$[(i(1 + i)^n)/((1 + i)^n - 1)] = \text{Capital Recovery Factor}$$

The cost analysis for Alternatives 1 and 2 for the project is presented in **Table 4-1**. Capital costs are based on a unit cost basis for the purpose of this analysis to show the estimated expenses for a typical 1,000 foot pipe length. The annual O&M cost is based on DWSD historical data in past reports.

Table 4-1 COST COMPARISON OF WATER MAIN REPLACEMENT - PROJECT 1

Cost Effective Analysis and Present Worth Determination

Project: DWSD Project 1 WS-707

System: Water Main Replacement

Planning Period: 2018-203820 Years	Alternative 1	Alternative 2
Construction Duration: 2 Year	NO ACTION	42,000 LINEAR FEET OF
Inflation Rate (CPI): 2.000%		WATER MAIN REPLACEMENT
Discount Rate: 0.500%		
Capital Costs (One Time Expenditures):	Present Worth Factor	Present Worth Factor
50 Yr. Structures0.6000	\$ -	\$ 11,117,682
20 Yr. Process Equipment0.0000	\$ -	\$ -
10 Yr. Process Equipment0.0000	\$ -0.9995	\$ -0.9995
15 Yr. Auxiliary Equipment0.6667	\$ -0.9993	\$ -0.9993
10 Yr. Auxiliary Equipment0.0000	\$ -0.9995	\$ -0.9995
Subtotal	\$ -	\$ 11,117,682
Contingency 15%	\$ -	\$ 1,667,652
Engineering, Legal, Admin., "Green" Provisions 25%	\$ -	\$ 3,196,334
Total	\$ -	\$ 15,981,668
10 Replacement Cost at Yr.1.2190	\$ -	\$ -
15 Replacement Cost at Yr.1.3459	\$ -	\$ -
20 Salvage Value at Yr.	\$ -0.9051	\$ 6,670,6090.9051
OM&R Costs (Recurring Equal Expenditures)	20182038	20182038
Repair & Maintenance	\$ 1,932,000\$ 2,134,658	\$ - \$ -
Total O&M Costs	\$ 1,932,000 \$ 2,134,658	\$ - \$ -
Fixed O&M Costs	\$ 1,932,000 \$ 1,932,000	\$ - \$ -
Total Variable O&M Costs	\$ - \$ 202,658	\$ - \$ -
Yearly Increase	\$ 10,133	\$ -
Present worth (PW) of constant annual O&M cost:	18.9874	18.9874
PW of variable annual O&M cost (annual increase):	177.2322	177.2322
Capital Recovery Factor	0.0527	0.0527
Assumptions	CALCULATIONS - PRESENT WORTH	CALCULATIONS - PRESENT WORTH
1) Based on an average of five breaks per year	1. Initial Cost\$ -	1. Initial Cost\$ 15,981,668
2) Annual O&M cost does not include cost of restoration and cost of contracted services if needed	2a. Constant O&M\$ 36,683,694	2a. Constant O&M\$ -
3) Based on a capital cost of \$9.4M for 23,300 feet (cost breakdown in Table 5-1)	2b. Variable O&M\$ 1,795,879	2b. Variable O&M\$ -
	3. Replacement Cost\$ -	3. Replacement Cost\$ -
	4. Salvage Value (minus)\$ -	4. Salvage Value (minus)\$ 6,037,321
	5. Interest During Construction\$ -	5. Interest During Construction\$ 79,908
	6. Total Present Worth\$ 38,479,572	6. Total Present Worth\$ 10,024,255
EQUIVALENT ANNUAL COST	\$ 2,026,583	\$ 527,942

As shown in **Table 4-1**, the Equivalent Annual Cost of Alternative 2 (Water Main Replacement) is less than the Equivalent Annual Cost of Alternative 1 (Pipe Repairs). Therefore, Alternative 2, Replacement, is more cost effective.

4.2.3. ENVIRONMENTAL EVALUATION

The environmental impact of the pipe repair alternative is more severe when compared to the water main replacement alternative. Under the repair alternative, the environmental impact and disruption of service is experienced multiple times, and will increase over the 20-year analysis period. The environmental impact of the water main replacement is related mostly to the one-time construction phase and is discussed in more detail in Section 6.0. Leakage from aged pipes results in wasted treated water and increased energy use by equipment required to treat the raw water and pump the finished water. Water leaking from aged pipes is referred to as non-revenue water since it is wasted and lost to the environment. The wasted water has an impact on GLWA's cost of treating and pumping potable water. That cost is borne by all of GLWA's customers including DWSD's customers. Leakage (including water lost through leaking joints, as well as breaks and main flushing) based on past DWSD studies has been found to be significant, and above average when compared to other major cities nationwide. This lost water from leaks and broken water mains also has an impact on the regional wastewater treatment facilities because the waste water collection system serving the City of Detroit is a combined sewer. Therefore, additional energy used at interceptor lift stations and the raw sewerage lift pumps at the Water Resource Recovery Facility to pump this additional flow from water main leakage has a negative environmental impact. This leakage would also contribute to combined sewer overflows during severe weather events in the city.

4.2.4. IMPLEMENTABILITY AND PUBLIC PARTICIPATION

Both alternatives described in Section 4.2.1 can be implemented. The pipe repair alternative would be implemented primarily by the DWSD maintenance staff with occasional support from contracted services under emergency conditions when break occurrence is extensive, whereas the pipe replacement alternative would require DWSD to procure a contractor to implement the work through a contract agreement. It is a benefit to the public health and safety to replace the lead service lines. The public participation would be ensured through a public notice to allow local residents ample time to review the Project Plan and become familiar with the proposed project. A public hearing would be held to provide time for the local residents to express their input and concerns regarding the Project Plan and the selected alternative.

4.2.5. TECHNICAL AND OTHER CONSIDERATIONS

Pipe replacement (Alternative 2) is substantially less burdensome from a staffing and resource management perspective, since new pipes constructed of modern materials require minimal maintenance over long periods of time. By contrast, repairing old pipe (Alternative 1) is very

resource intensive and very difficult to plan. Furthermore, the work must be conducted on an emergency basis, often during extremely inclement weather. Pipe breaks adversely impact residents as they experience an interruption in their service, and they are exposed to a potential increase in public health risk. Many breaks occur during winter and result in residential areas encumbered with ice that can be very destructive to roads and vehicles and constitute a safety hazard. In addition, new pipes provide greater fire protection due to improved hydraulic capacity, since the old pipes usually exhibit heavy tuberculation on their interior surfaces.

5. SELECTED ALTERNATIVE

Alternative 2, which consists of installation of new water mains to replace aged pipes subject to excessive breaks, is the alternative recommended for implementation based on both monetary and non-monetary evaluation. The work will include excavation of the existing mains, installation of new pipes, pressure testing, backfill, disinfection and right-of-way restoration. The excavation of the existing mains will include the removal of lead service lines. It is a benefit to the public health and safety to remove the lead service lines. Any disturbed areas adjacent to the pipes will be re-vegetated and restored to pre-project conditions. “Green” infrastructure components such as bio-swales and permeable pavers will be incorporated where feasible. DWSD will coordinate this work with the City’s Department of Public Works. These “Green” infrastructure components are not part of the DWRP Green Project Reserve (GPR) project eligibility determination criteria, which are discussed in Section 5.1.5. The removed cast iron pipe will be collected for recycle into new product uses. This collection will be done through DWSD’s existing recycling program.

5.1. DESCRIPTION

The specific streets where the new water mains will be installed are listed in **Table 3-1**, along with the pipe diameters, lengths and general location within the project shown in **Figure 3-1**.

5.1.1. COSTS

The estimated cost for the proposed water main project consists of: construction costs plus costs to cover engineering (design and construction); administrative tasks; and a provision to add “green” features to the project. The construction cost estimate for the water main replacement project is included in **Appendix B** for reference. The estimated total cost for Project 1 is provided in **Tables 4-1** and summarized in **Table 5-1**.

Table 5-1 OVERALL WATER MAIN REPLACEMENT COST ESTIMATE

Planning Period:	2018-2038	20 Years	
Construction Duration:		2 Year	
Inflation Rate (CPI):		2.000%	
Discount Rate:		0.500%	
Capital Costs (One Time Expenditures):			
50 Yr. Structures			\$ 11,117,682
Contingency	15%		\$ 1,667,652
Engineering, Legal, Admin., "Green" Provisions	25%		\$ 3,196,334
Total			\$ 15,981,668

5.1.2. IMPLEMENTATION SCHEDULE

The recommended Water Main Replacement project is scheduled to be completed in accordance with the following schedule.

Table 5-2 PROJECT MILESTONE SCHEDULES

Project Activity	Date
Advertise for Public Hearing	March 2, 2018
Public Hearing on Draft Project Plan	April 4, 2018
Complete and Submit Final Project Plan	April 10, 2018
Complete Plans and Specifications ⁶	May 23, 2018
Advertise for Bids	June 6, 2018
Receive Bids	July 6, 2018
Award Construction Contract	October 1, 2018
Start of Construction	April 2019
Complete Construction	September 2020

⁶ Plans and Specifications will include requirements for American Iron and Steel and compliance with Davis Bacon Act

5.1.3. USER COST

The water main replacement recommended in this Project Plan is targeted for low interest loan assistance through the DWRF program. The availability of loan funds is dependent on annual appropriations and the placement of the project on the Priority List prepared annually by MDEQ.

Repayment of the DWRF loan through annual debt retirement payments will impact the residential customer rates resulting in increased user costs. This impact to customer rates is generally determined by dividing the additional expenses among the users in the service area as summarized in **Table 5-3**. The annualized cost of the project was calculated using the capital recovery factor 0.0527 and the following formula:

$$A = PW \times [(i(1 + i)^n)/((1 + i)^n - 1)]$$

Where:

A = Equivalent Annual Cost

PW = Present Worth

i = Interest Rate through DWRF Loan (2.0%)

n = Number of Years (20)

$$[(i(1 + i)^n)/((1 + i)^n - 1)] = \text{Capital Recovery Factor}$$

Table 5-3 USER COST IMPACT FOR THE DWRF WATER MAIN REPLACEMENT PROJECT

Item	Water Main Replacement
Total Cost of Project	\$15,982,000
Annualized Cost of Project (assuming DWRF interest rate of 2.0% over 20 years) ⁷	\$527,942
Number of User Accounts (Households) in City of Detroit ⁸	248,199
Average Water Consumption per Household (Industry Average) ⁹	7,333 Gallons/Month (approximately 980 ft ³ /month)
Current DWSD Water Supply Rate per 1,000 ft ³ ¹⁰	\$23.76
Current Monthly DWSD Water Supply Rate per Household	\$23.76 / 1,000 ft ³ * 980 ft ³ = \$23.28
Current Annual DWSD Water Supply Rate per Household	\$23.28 * 12 = \$279.42
Increase in Cost per Household (Year 1)	\$527,942 / 248,199 = \$2.13
Proposed Annual DWSD Water Supply Rate per Household (Year 1)	\$279.42 + \$2.13 = \$269.79
Proposed Percent Increase in Cost per Household per Year	\$2.13 / \$279.42 = 0.76%

⁷ It is recognized that DWSD may qualify for a 30-year loan term under the Disadvantaged Community provisions

⁸ Number of projected user accounts in City of Detroit obtained from the 2015 Master Plan

⁹ WRF Residential Uses of Water, Version 2 (April 2016)

¹⁰ 2015_detroit_water_rates.pdf

The theoretical impact of financing the water main replacement through the DWRF loan program is expected to be in the order of a 0.80% increase in the cost of water to a typical user. This anticipated increase is due to the impact of construction cost. However, the impact would be less since it would be influenced by other factors such the reduction in operating costs (chemicals, energy, etc.), less water loss through breaks and reduced maintenance/repairs. Therefore, the actual rate determination would be based on factors that encompass the delivery of comprehensive services by DWSD to its customers. It should be recognized that the debt for distribution water main replacement work within the City of Detroit will be paid by Detroit customers only, not the entire service area.

If DWRF loans are not available, DWSD will need to finance the cost of the water main replacement as part of its Capital Improvement Program (CIP) through revenue bonds.

5.1.4. ABILITY TO IMPLEMENT THE SELECTED ALTERNATIVE

DWSD is a city-owned utility with broad statutory authority. Prior to GLWA assuming responsibility for operating and maintaining the regional water supply, DWSD had entered into contracts with its suburban customers, which establish the terms and conditions for providing water, and overseeing the operation and maintenance of the regional system. The Department has substantial experience in the financing of capital improvements under a variety of programs. It has a proven track record for using system revenues to retire its debt on new facilities.

The Great Lakes Water Authority (GLWA) will be the loan applicant on behalf of the City of Detroit Water and Sewerage Department (DWSD), the loan recipient.

5.1.5. GREEN PROJECT RESERVE FUNDING

DWSD intends to pursue Green Project Reserve (GPR) Funding for the water main replacement project contained in this Project Plan. A GPR Qualification Form and supporting calculations are included in **Appendix C** for reference. If MDEQ determines that the water main replacement project qualifies under the GPR criteria and if GPR funds are available, the project may be able to receive an additional subsidy (probably in the form of principal forgiveness). The amount of additional subsidy is not yet known and will be determined by MDEQ at a later date. If provided, the additional subsidy will reduce the loan repayment amount and will therefore reduce the cost impact on users.

The distribution system piping in the City of Detroit contains approximately 2,700 miles of water main ranging in diameter from 6 inches to 16 inches. While DWSD has maintained a water main replacement program for many years, a considerable amount of water main still in service is cast iron, was constructed over the time period from the late 1800s to 1940s and experiences a considerable number of water main breaks on an annual basis. Additionally, these older mains exhibit tuberculation on the interior pipe wall, which reduces the carrying capacity of the pipe, along with increasing the energy required to move water through the pipe while maintaining acceptable delivery pressure at the required flow rate. Further, these water mains have remained in service beyond their expected useful life and experience considerable leakage, resulting in lost (non-revenue) water requiring additional energy to treat and transport excess water.

The burden to the environment from these deteriorated water mains in the form of carbon loading and fossil fuel depletion can be correlated as follows:

- Increased energy usage from fossil fuel power plants as a result of increased headloss in deteriorated interior pipe walls;
- Increased energy usage from fossil fuel power plants for excess production which is not utilized for the benefit of society and is wasted as non-revenue water;
- Increased energy usage from fossil fuel power plants for additional pumping at waste water lift stations associate with the water main leakage into combined sewers; and,
- Increased fossil fuel usage by the repair vehicles and equipment needed to perform the repairs and maintenance on these deteriorated water mains.

While the replacement of all old, undersized and deteriorated water main in the City would pose an insurmountable task, both physically and financially, a select number of mains have been targeted based on their maintenance history and level of reliability. This Project Plan details the replacement of water mains along fourteen (14) individual locations in the City of Detroit, ranging in diameter from 8 inches to 16 inches and a total length of approximately 42,030 feet (approximately 8.0 miles).

These fourteen (14) segments of water main comprise approximately 0.3% of the total length of water main in the City. These select water mains were constructed during a time period ranging from the 1920s to 1950s. Records of repair activities on these mains document 374 and 119 breaks over their lifetime and last 12 years, respectively. The number of breaks over the lifetime of the water mains and the last 12 years per mile of main to be replaced in this Project Plan is calculated as 47 and 15 breaks per mile, respectively (approximately 9 breaks and 3 breaks per 1,000 linear feet of water main based on lifetime and last 12 years, respectively). The overall water distribution system in the City of Detroit experiences 1,500-1,600 breaks annually.

Observations of the pipe interior (from recent repairs of main breaks) supports the existence of a severe amount of tuberculation on the interior wall, which as stated earlier decreases the pipes

carrying capacity and increases energy usage to deliver service at an acceptable pressure and flow. The distribution system serving the City of Detroit is very large and the size, nature and circumstances causing water main failures can and do vary greatly.

However, based on the 2015 Water Master Plan, it is estimated that the average water main break for the pipe size ranges included in this project plan results in a maximum water loss of 2.6 million gallons of water per break based on an average of three days for repair work per break. Therefore, the total lost water from these fourteen (14) segments of pipe included in this Project Plan based on an annual average of 5 breaks per 1,000 feet of pipe is approximately 544 million gallons annually (based on water loss of 600 gpm per break for a maximum duration of three days). Based on a cost of production of \$176 per million gallons as listed in the 2015 Water Master Plan Update, the estimated annual cost of lost water from these mains is approximately \$96,000. In addition to the cost of lost water, there are also maintenance costs to be considered for the repair of these mains. On average for the size ranges of the pipes included in this Project Plan, the labor, equipment, repair materials, supervision, restoration and administrative cost is estimated to be \$9,200 per break.

In addition to the direct costs associated with the lost water and repair activities, and the increased burden on the environment from additional carbon loading and depletion of fossil fuels for the lost water production, distribution and water main repair activities, there are other non-economic considerations which will benefit by replacement of these mains. A reduction in the frequency of risk for the health and safety of work crews performing the maintenance will be realized, along with a reduction of interruption of service and the risk to the general public through the potential for contamination by cross-connection or bacterial intrusion due to depressurized water mains.

In conclusion, by replacing the water mains identified in this Project Plan, there is a potential for DWSD to conserve up to 544 million gallons of water per year through the elimination of breaks and leaks. The annual savings in cost from reduced water production and maintenance activities is estimated to be \$2.0 M based on 5 breaks per 1,000 feet of pipe. In addition to the reduction in direct costs previously mentioned, the indirect, non-economic benefits to the environment are reduced carbon loading and fossil fuel depletion through a reduction in energy requirements, and a reduction in opportunity for risk to workers and the general public consuming the product.

5.1.6. DISADVANTAGED COMMUNITY STATUS

The DWRP program includes provisions for qualifying the applicant community as a disadvantaged community. The benefits for communities with a population of 10,000 or more that qualify for the disadvantaged community status consist of:

- Award of 30 additional priority points.

- Possible extension of the loan term to 30 years or the useful life of the components funded, whichever is earlier. The estimated useful life of the new water mains is 50 years. DWSD is aware that the DWRP program offers both 20 and 30 year loan terms and will evaluate which term is the most appropriate for DWSD and its customers.

MDEQ requires submittal of a Disadvantaged Community Status Determination Worksheet to determine if the community qualifies for this status. A completed worksheet is included in **Appendix D**.

5.1.7. SURFACE WATER INTAKE PROTECTION PROGRAM

DWSD received three (3) grants to develop plans for a Surface Water Intake Protection program. These grants are for the three DWSD raw water intakes maintained by GLWA. Two intakes are located in the Detroit River at Fighting Island and Belle Isle; the third intake is located in Lake Huron adjacent to Burtchville Township, located north of the City of Port Huron. The plans were prepared as part of the 2015 Water Master Plan Update. The applicable box in the Project Plan Submittal Form included in **Appendix H** was checked for State approval of the Surface Water Intake Protection Program.

6. EVALUATION OF ENVIRONMENTAL IMPACTS

6.1. GENERAL

The anticipated environmental impacts resulting from implementing the recommendations of this Project Plan include beneficial and adverse; short and long-term; and irreversible and irretrievable. The following is a brief discussion of the anticipated environmental impacts of the selected alternative.

6.1.1. BENEFICIAL AND ADVERSE

The proposed project will significantly improve DWSD's capability to provide reliable, high quality potable water (at the required service volume and pressure) to its residents in the City of Detroit. The project will also generate construction-related jobs, and local contractors would have an opportunity to bid the contracts.

Noise and dust will be generated during construction of the proposed project. The contractor will be required to implement efforts to minimize noise, dust and related temporary construction byproducts. Some street congestion and disruption of vehicular movement may occur for short periods of time, and areas targeted for water main replacement will require a short (2-4 hour) service interruption for the switchover from the old pipes to the new ones. Residents will need to flush their lines after the switchover is made. Spoil from open trenches will be subject to erosion; the contractor will thereby be required to implement a Soil Erosion and Sedimentation Control (SESC) Program as described and regulated under Michigan's Part 91, Soil Erosion and Sedimentation Control, of the Natural Resources and Environmental Protection Act (NREPA). Underground utility service may be interrupted occasionally for short periods of time. The aesthetics of the area will be temporarily affected until restoration is complete. Resources will be lost in the production of materials used in construction, and fossil fuels will also be utilized during construction activities. Construction will be in the road right-of-way (ROW). The work will be done in the City of Detroit ROW, and Michigan Department of Transportation (MDOT) ROW. Replacement of service lines will occur on private property as permitted by an agreement.

6.1.2. SHORT AND LONG-TERM

The short-term adverse impacts associated with construction activities will be minimal, and will be mitigated, in comparison to the resulting long-term beneficial impacts. Short-term adverse impacts include traffic disruption, dust, noise, and site aesthetics. No adverse long-term impacts are anticipated.

6.1.3. IRREVERSIBLE OR IRRETRIEVABLE

The impact of the proposed project on irreversible and irretrievable commitment of resources includes materials utilized during construction and fossil fuels utilized to implement project construction.

6.2. ANALYSIS OF IMPACTS

6.2.1. DIRECT IMPACTS

Construction of the proposed project is not expected to have an adverse effect on historical, archaeological, geographic or cultural areas, as the construction activities will occur within extensively urbanized areas which have previously been disturbed by prior development and existing road rights-of-way.

The proposed project will not detrimentally affect the water quality of the area, air quality, wetlands, endangered species, wild and scenic rivers or unique agricultural lands.

6.2.2. INDIRECT IMPACTS

It is not anticipated that DWSD's proposed project will alter the ongoing pattern of growth and development in the study area. Growth patterns in the service area are subject to local use and zoning plans, thus providing further opportunity to minimize indirect impacts.

6.2.3. CUMULATIVE IMPACTS

Improved customer satisfaction and reliable service delivery of potable water to customers are the primary cumulative beneficial impacts anticipated from the construction of the proposed water mains.

7. MITIGATION

7.1. GENERAL

Where adverse impacts cannot be avoided, mitigation methods will be implemented. Mitigating measures for the project such as soil erosion control will be utilized as necessary and in accordance with applicable laws. Details will be further specified in the construction contract documents used for the project.

7.2. MITIGATION OF SHORT-TERM IMPACTS

Short-term impacts due to construction activities such as noise, dust and street congestion cannot be avoided. However, efforts will be made to minimize the adverse impacts by use of thorough design and well planned construction sequencing. To the extent possible, water mains will be located in rights-of-way to minimize adverse impacts on private property and routings will be selected to avoid major street and ornamental vegetation whenever possible. Access to properties will be maintained throughout the construction period for the water main replacement work. Site restoration will minimize the adverse impacts of construction, and adherence to the Soil Erosion and Sedimentation Act will minimize the impacts due to disturbance of the soil structure. Specific techniques will be specified in the construction contract documents.

Open trenches will be protected to minimize the hazards to citizens and construction will not normally take place in residential areas at night or on weekends in order to minimize disruption of normal living patterns.

7.3. MITIGATION OF LONG-TERM IMPACTS

Careful restoration of street pavement, sidewalks and driveways will be required to ensure that they perform satisfactorily in the future. The aesthetic impacts of construction will be mitigated by site restoration.

7.4. MITIGATION OF INDIRECT IMPACTS

In general, it is not anticipated that mitigative measures to address indirect impacts will be necessary for the recommended improvements addressed in this Project Plan. The proposed project is not located in undeveloped areas, nor is it to promote growth in areas not currently served by DWSD. In addition, the local land use plan and zoning ordinance further regulate and control development. For these reasons, indirect impacts are not likely to be a concern for this project.

8. PUBLIC PARTICIPATION

8.1. PUBLIC HEARING

8.1.1. PUBLIC HEARING ADVERTISEMENT AND NOTICE

A Public Notice was published to alert parties interested in this Project Plan and request input prior to its adoption (see **Appendix E**). In addition, a direct mail notification was sent to the potentially interested parties (see **Appendix F**). This direct mail notice included an invitation to comment.

8.1.2. PUBLIC HEARING TRANSCRIPT

A formal public hearing on the draft Project Plan **will be** held before the Board of Water Commissioners at 1:00 p.m. on **April 4, 2018**. The hearing **will include** a presentation on the project, as well as an opportunity for public comment and questions. The hearing transcript and a copy of the handout used during the presentation are included in Appendix G, along with the attendance list. There were no comments from the Board members requiring revisions to the Project Plan.

8.1.3. PUBLIC HEARING COMMENTS RECEIVED AND ANSWERED

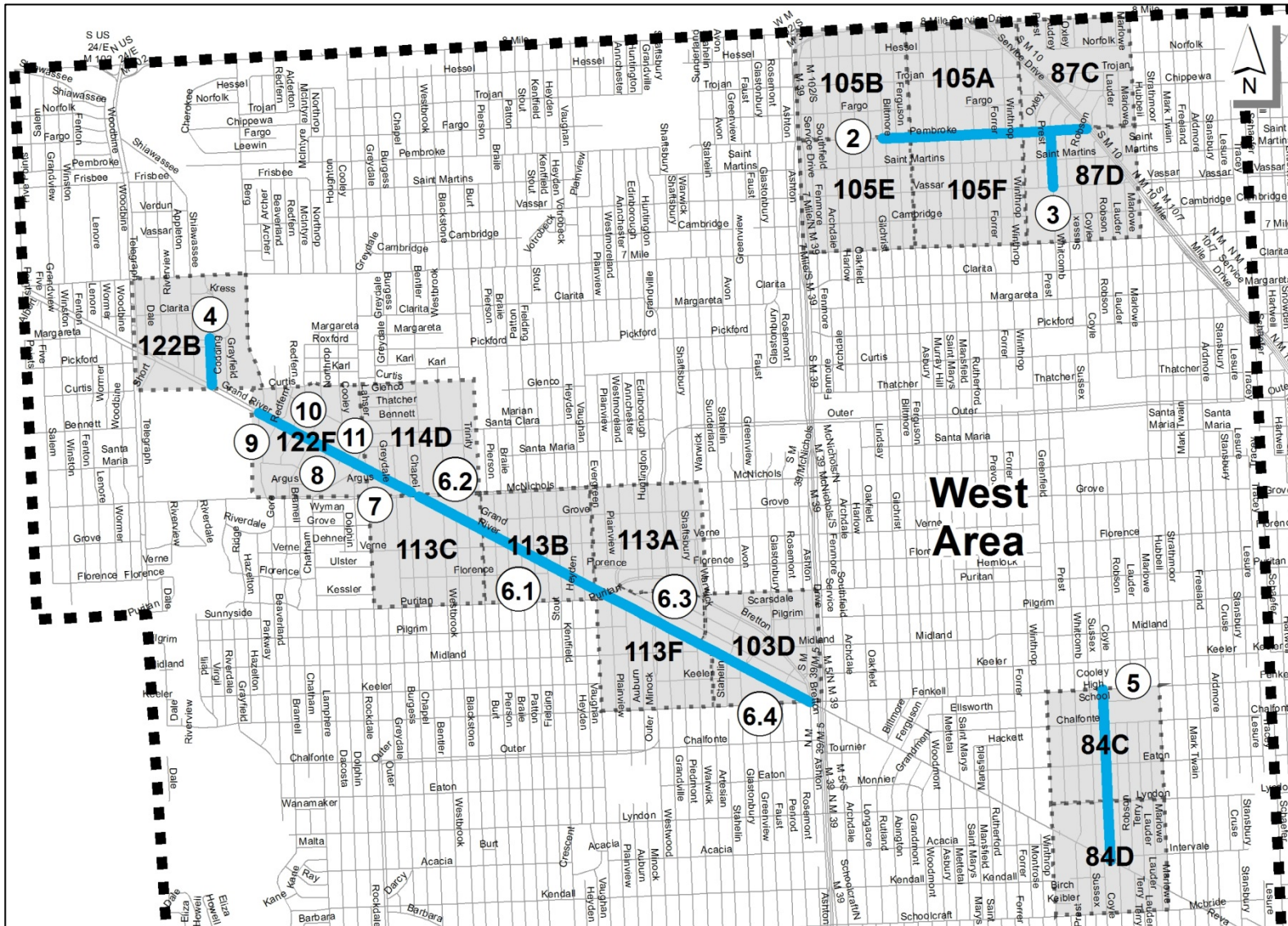
To be determined.

8.1.4. ADOPTION OF THE PROJECT PLAN

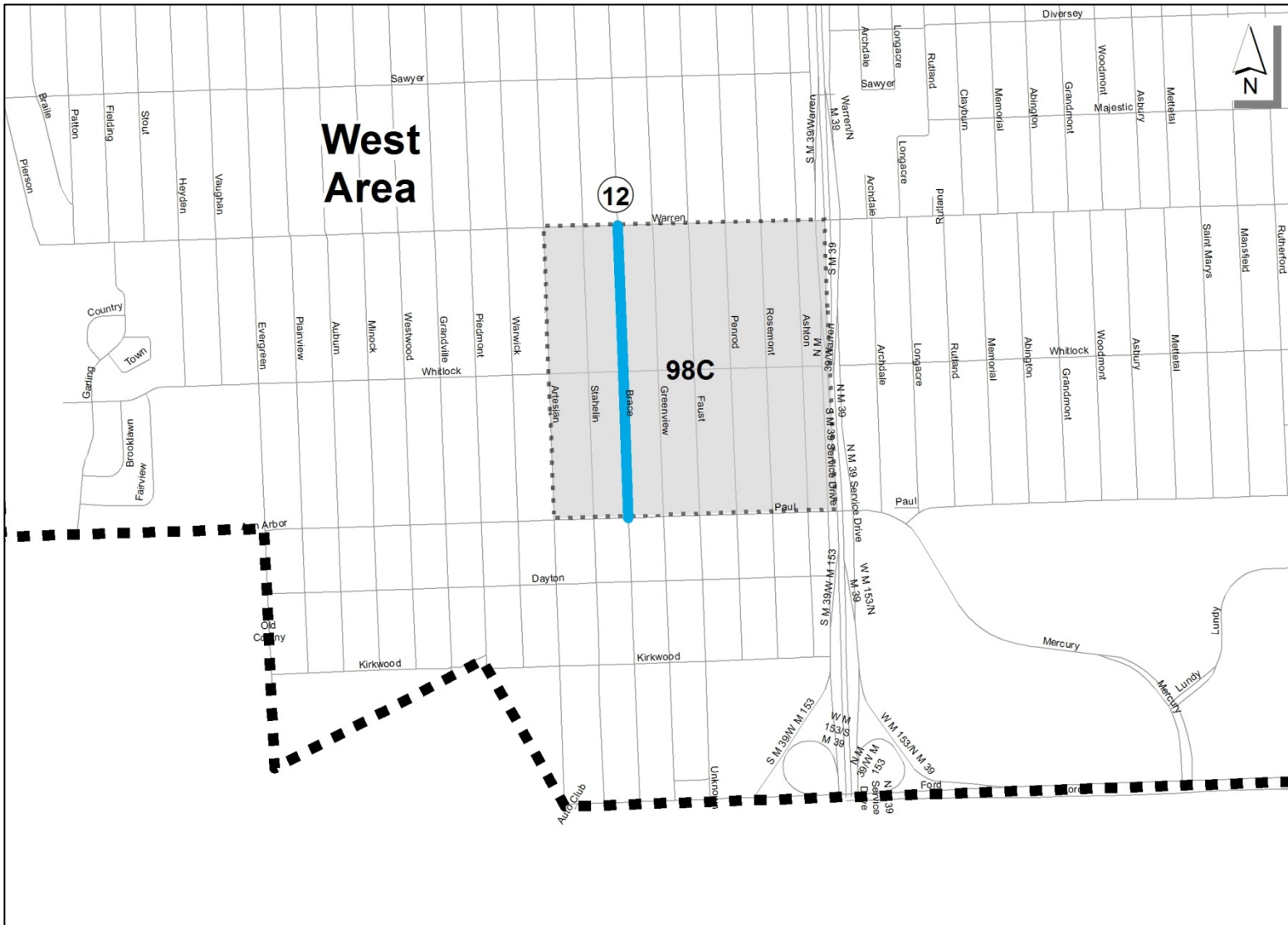
The Project Plan was approved by the Board of Water Commissioners, which adopted a Resolution at its regular monthly meeting on **[DATE TO BE DETERMINED]**, authorizing DWSD to proceed with official filing of the Project Plan for purposes of securing low interest loan assistance under the DWRF Program. GLWA approved the plan on **[DATE TO BE DETERMINED]**. An executed copy of the Board of Water Commissioners' Resolution approval for the Project Plan is included in **Appendix H** of this document. Miscellaneous correspondence applicable to the Project Plan is also included in **Appendix H**.

APPENDIX A

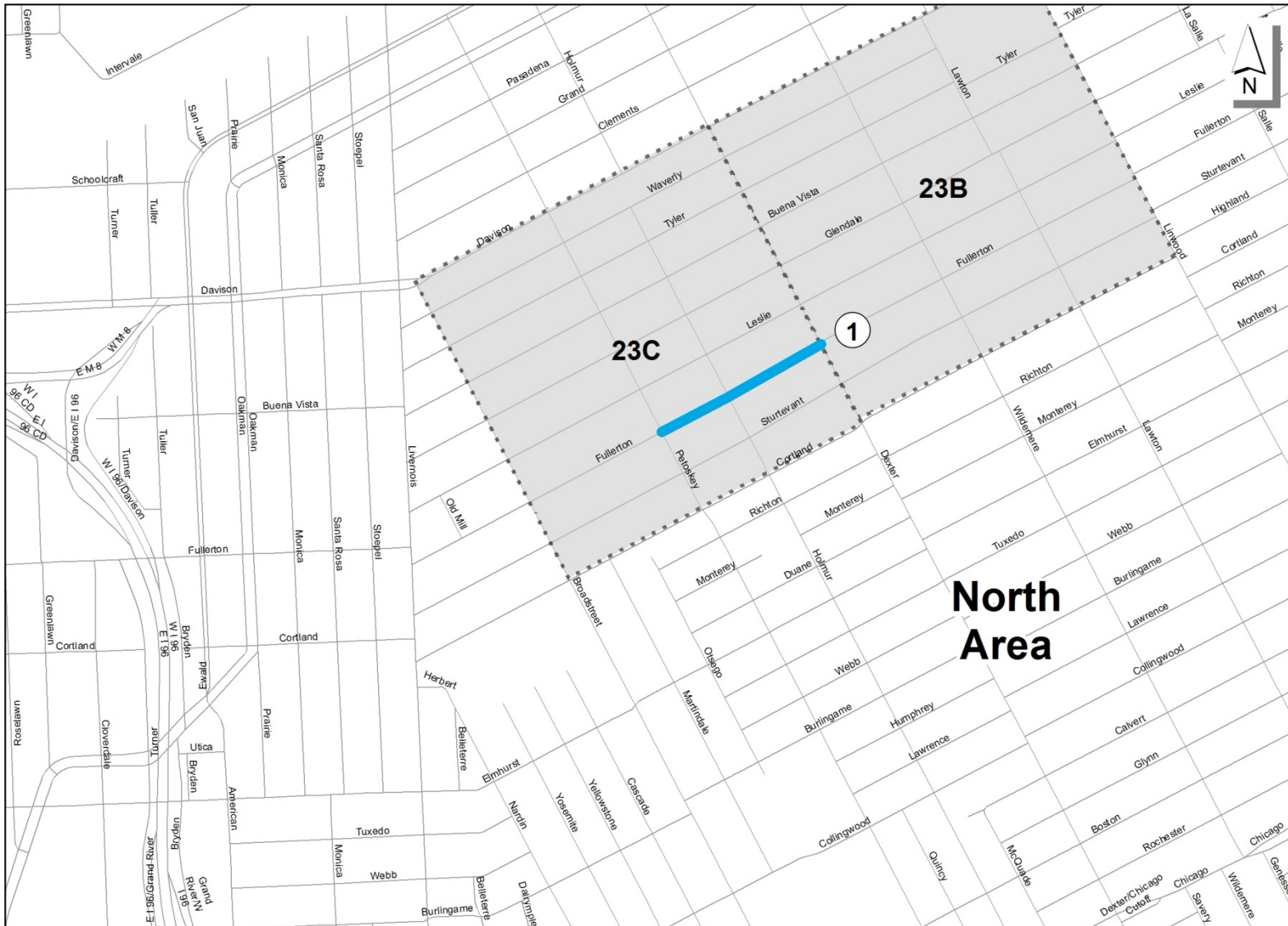
MAPS FOR STREET LOCATIONS OF WATER MAIN REPLACEMENT AREAS



PROJECT 1 (WEST AREA – SEGMENT 1)



PROJECT 1 (WEST AREA – SEGMENT 2)



PROJECT 1 (NORTH AREA – SEGMENT 3)



PROJECT 1 (EAST AREA – SEGMENT 4)

APPENDIX B

ESTIMATED CONSTRUCTION COSTS

WS-707 Cost Estimate					
Item	Description	Quantity	Unit	Unit Rate	Bid Price
1	Furnish and Install DI Watermain	42030	LFT	\$237	\$9,950,284
2	Lead Service Line Replacements	261	EA	\$4,500	\$1,174,500
	Total				\$11,124,784

Assumptions:

\$1.25 Million per mile to furnish and install water main based on historical averages

\$4,500 per lead service line replacement based on recent cost estimates

APPENDIX C

*GREEN PROJECT RESERVE QUALIFICATION FORM & SUPPORTING
CALCULATIONS*

**Drinking Water Revolving Fund
Green Project Reserve Qualification Template**

Applicant: Detroit Water and Sewerage Department (DWSD) Project No: WS-707
Project Name: Water Main Replacement

Identify by page number from the project plan, or attach excerpts, where water efficiency or energy efficiency improvement justification is provided or discussed to support the need for the recommended green project reserve component: Section 5.1.5.

Please ensure all requested information is provided to enable an assessment by the Michigan Department of Environmental Quality (DEQ) of whether the project or project component can qualify for funding from the green project reserve.

Water Main Replacement

1. Over the last **twelve** years, 119 water main breaks have occurred on the water mains that are proposed for replacement, an average of 1 to 2 breaks/mile/year.
2. Identify the length, diameter, age and type of pipe to be replaced: Refer to Table 3-1 and Section 3.4 in the Project Plan.
3. Each break is estimated to result in the average loss of 2.6 M gallons of water, calculated to total 26 M gallons/year of water lost for those water mains.
4. Present the data indicating how this is a significant source of water loss in the system and how the pipes proposed for replacement are likely to generate the greatest return in leak reduction. Refer to water loss calculations in the Project Plan (Appendix C). Refer to the cost effectiveness analysis in the Project Plan (Section 4.2.2) for monetary evaluation.
5. The energy savings from pumping/delivering water through the new water mains versus the old ones is estimated at Kwh/year.
The energy associated with producing and pumping water that is lost through breaks is estimated at 1,034 Kwh/year.
6. Describe the condition of the replaced mains with respect to friction/head loss etc. from tuberculation or other deterioration issues. As appropriate, identify if the soils are corrosive and contributing to the deterioration/breaks or leaks in the mains, and how the replacement mains are designed to address future corrosion: The water mains date back from the 1930s-1950s and repair work has identified these mains as being in a significant deteriorated condition. This is mainly due to the age of the pipes and the original material of construction (cast iron). New water mains will be of the more resistant ductile iron and they will be wrapped with a protective layer of Polywrap.
7. Total project costs for the water main replacement component of the project is approximately \$15,982,000.
8. Identify the source of data used for these calculations: 2015 Water Master Plan Update.

Submitted by:

Name

Date

Title

Template Line No.	DWRF Project Plan for Water Main Replacement Water Loss Calculations to Support the Green Project Reserve (GPR) Application		
	Information received from DWSD Central Services. Based on the 2015 Water Master Plan:		
		Value	Unit
	Total number of breaks	374	breaks
	1 Total number of breaks in the last 12 years	119	breaks last 12 years
	Average number of breaks per year	10	breaks per year
	Approximate Project Plan Footage (amount of pipe evaluated as part of the project plan)	42,000	linear feet
	Total number of breaks per 1,000 lft	8.90	breaks per 1,000 lft
	Miles of proposed replacement	8.0	miles
1	Average breaks per mile	1.25	breaks per mile
	Average duration of a main break until it is fixed	3	days
	Minimum average flow rate of a break	500	gpm
	Maximum average flow rate of a break	600	gpm
	Maximum average flow rate of a break	864,000	gallons per day
3	Max water loss per break	2,592,000	gallons/break
		2.6	MG/Break
3	Estimated Water Loss	26	MG / Year
	Cost of water production	\$ 176.00	\$/MG
	Maximum cost per break	\$ 458	\$/break
	DWSD threshold for replacing a pipe (Deterioration is expected if the pipe is not replaced with a reasonable assumption based on the DWSD threshold)	5	breaks/1000 ft/year
	Gallons Lost Annually	544,320,000	gallons/year
	(assuming 5 breaks/1000 ft/year & 600 gpm/break & 3 days to repair)	544.32	MG/year
		13	MG/1000 ft/year
	The Water Production Cost due to breaks in the pipe evaluated as part of the project plan	\$ 2,288	\$/1000 ft/year
	Approximate Water Production Cost due to breaks in the Project Plan Footage of pipe evaluated	\$ 96,096	\$ for the Project Plan Footage per year
	Cost of energy per MG	\$ 87	\$/MG
	Cost of energy per Kwh	\$ 0.08411	\$/Kwh
	Energy per MG	1,034	Kwh/MG
5	Energy per year associated with lost water	26,669	Kwh/year
	Cost of energy per year associated with breaks	\$ 47,355.84	\$ per year
	Annual O&M cost per 1000 feet	\$ 46,000	\$
	Annual O&M cost per break	\$ 9,200	\$/break
	Estimated annual maintenance savings	\$ 1,932,000	\$
	Estimated Total Annual Savings (including both water production savings and maintenance savings)	\$ 2,028,096	\$

APPENDIX D

DISADVANTAGED COMMUNITY STATUS DETERMINATION WORKSHEET

Disadvantaged Community Status Determination Worksheet

The following data is required from each municipality in order to assess the disadvantaged community status. Please provide the necessary information and return to:

Robert Schneider
Revolving Loan Section
Office of Drinking Water and Municipal Assistance
P.O. Box 30241
Lansing, MI 48909-7741
Schneiderr@michigan.gov

If you have any questions please contact Robert Schneider at 517-388-6466

Please check the box this determination is for:

☒ DWRF ☐ SRF

Under Criterion 1, Detroit qualifies for Disadvantaged Community Status based on approximately 39.4% of families in Detroit below the poverty level.¹¹

1. Total amount of anticipated debt for the proposed project, if applicable.

2. Annual payments on the existing debt for the system.

3. Total operation, maintenance and replacement expenses for the system on an annual basis.

_____.

4. Number of "residential equivalent users" in the system.

For determinations made using anticipated debt, a final determination will be made based upon the awarded loan amount.

(EQP 3530 REV 01/2015)

¹¹ <https://www.census.gov/quickfacts/fact/table/detroitcitymichigan/IPE120216#viewtop>

APPENDIX E

PUBLIC HEARING NOTICE

INSERT UPDATD PUBLIC HEARING NOTICE HERE

ADD IMAGE OF RECEIPT FOR DETROIT LEGAL NEWS

ADD IMAGE OF PUBLIC HEARING NOTICE HERE

ADD IMAGE OF MICHIGAN CHRONICAL RECEIPT HERE

ADD NOTORIZED STATEMENT FROM MICHIGAN CHRONICAL STATEMENT THAT THE PUBLIC
HEARING NOTICE WAS PBUBLISHED.

ADD IMAGE OF PUBLICATION

APPENDIX F

MAILING LIST FOR PUBLIC HEARING

MAILING LIST FOR PUBLIC HEARING

Wayne County Executive Office
The Guardian Bldg.
500 Griswold, Ste. 1050
Detroit, MI 48226

Department of Homeland Security–
Detroit 211 W. Fort St.
Detroit, MI 48226

Mayor's Office – City of Detroit CAYMC
2 Woodward Ave., Ste. 1126
Detroit, MI 48226

U.S. Army Corps of Engineers
Detroit Office
477 Michigan Ave., Ste. 600
Detroit, MI 48226

Wayne County Department of Public Services
400 Monroe, Ste. 300
Detroit, MI 48226

SEMCOG
1001 Woodard Ave., Ste. 1400
Detroit, MI 48226

Wayne County Department of Health
1600 W. Lafayette Blvd., Ste. 200
Detroit, MI 48216

U.S. Coast Guard –
Detroit 110 Mt. Elliott Ave.
Detroit, MI 48207

APPENDIX G

PUBLIC HEARING TRANSCRIPT, VISUAL AIDS AND ATTENDANCE LIST

IN PUBLIC HEARING TRANSCRIPT, VISUAL AIDS AND ATTENDANCE LIST HERE

APPENDIX H

PROJECT PLAN CORRESPONDENCE

INSERT PROJECT PLAN CORRESPONDENCE HERE

Next Steps

- **March 2, 2018** Publish Public Notice
- **April 4, 2018** Public Hearing (ends 30 public review)
- **April 10, 2018** Incorporate Public Hearing materials then submit final to GLWA
- **April 11, 2018**-GLWA present to their Board
- **April 18-20, 2018** – Obtain GLWA CEO Signature
- **April 23, 2018** – Submit to MDEQ (via overnight mail)
- **May 1, 2018** –Deadline to submit to MDEQ

Thank You



facebook.com/DWSDDetroit



[@DetroitWaterDep](https://twitter.com/DetroitWaterDep)



[@detroitwatersewerage](https://instagram.com/detroitwatersewerage)