



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 Marcellus, Cass County DWSRF  
Project Numbers: 7525-01 and 7562-01**

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://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:

Mr. Clarence Jones, 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 Mr. Clarence Jones, project manager, Water Infrastructure Financing Section, Finance Division, by phone at 517-599-4553 by email at [Jonesc13@michigan.gov](mailto:Jonesc13@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 Marcellus, Cass County**  
**Categorical Exclusion**  
**May 2022**

**PROJECT IDENTIFICATION**

**Applicant:** Village of Marcellus

**Address:** 177 East Main Street  
Marcellus Michigan 49067

**Authorized Representative:** Ms. Jacqueline Terrill, Village Clerk

**Project Numbers:** 7525-01 & 7562-01

**PROJECT BACKGROUND**

The village of Marcellus (Marcellus) is located in eastern Cass County on M-216 west of US-131 in southwest Michigan (see Figure 1). Marcellus has a residential population of 1,297 according to United States Census data. The service area only expects a modest increase by 2040 and thus drinking water demand is not anticipated to change significantly in the next 20 years.

Marcellus is seeking two low-interest DWSRF loans administered by the Michigan Department of Environment, Great Lakes, and Energy (EGLE) for its lead service line replacement (LSLR), water main (WM) replacement, and Water Treatment Plant (WTP) upgrade projects. Marcellus will also replace sections of defective sanitary sewer which will not be included in the DWSRF loan. As a result, that portion of the project will not be discussed further. The estimated cost of the DWSRF financed projects is \$6,830,000 which will not result in a residential water rate increase. In addition, Marcellus is anticipated to receive \$4,470,000 in grants and principal forgiveness to pay for these projects.

**EXISTING SYSTEM**

Marcellus owns and operates a WTP and distribution system which consists of two supply wells, a 250,000-gallon elevated water storage tank; an iron filtration system with two high capacity service pumps; a water distribution system consisting of approximately 7.65 miles of 4-inch, 6-inch, 8-inch, 10-inch, and 12-inch diameter cast iron, ductile iron and polyvinyl chloride (PVC) water mains; and over 484 water service lines. There are no violations or enforcement actions against the water supply, treatment, storage, or distribution systems.

**NEED FOR PROPOSED PROJECT**

In 2018 Marcellus completed a Water Asset Management Plan (WAMP) study of the village water supply, treatment, distribution, and storage systems (see Figure 2). The study confirmed the need for LSLR, replacement of aging cast iron WM, and upgrades to the WTP. Marcellus must comply with the Michigan Lead and Copper Rule (LCR) which requires water suppliers to replace all lead water service lines and galvanized steel water service lines that are or previously were connected to a lead pipe. LSLR will improve water quality by eliminating the risk of lead leaching into drinking water. Lead in drinking water could impose a serious negative health impact on residents. 54 percent of the Marcellus distribution system pipes are made of cast iron that is approximately 90 years old and is at or near the end of their useful life. Without replacement, cast iron WM breaks are expected to continue and increase over the next few

years. After over 60 years of operation, the WTP filters, pumps, iron filtration units, controls, pumps, and chemical feed system are nearing the end of their useful life and need to be replaced.

**PROPOSED PROJECT**

Marcellus will replace 467 lead service water lines and will make all associated water restoration improvements. Approximately 21,600 linear feet of 6-inch, 8-inch, and 12-inch diameter PVC and ductile WM will be installed to replace aging cast iron WM. The WTP will receive a 466 square foot addition, a new chemical feed system, three new water filters, three 250 gallons per minute high-pressure pumps, a chlorine treatment room, and a small raw water testing area with sink. The expanded filter building exterior will receive a fresh coat of paint, and a barbed wire security fence. The 390 foot long 8-inch diameter deteriorated clay backwash feed pipe will be replaced with a new 12-inch diameter pipe.

**Project Cost and Implementation**

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 cost associated with LSLR totaling \$455,000. Marcellus is expected to receive \$2,795,000 in Water Infrastructure Fund Transfer Act (WIFTA) principal loan forgiveness as the DWSRF is offering loan forgiveness to disadvantaged applicants’ construction portion of the LSLR project. The second DWSRF loan for WM replacement and WTP upgrades is expected to be for \$2,506,000. This project has also qualified for a Drinking Water Infrastructure (DWI) Grant not to exceed \$1,074,000, as well as up to \$640,000 in principal loan forgiveness for being designated as a disadvantage community. The DWI grant, WIFTA funds and disadvantaged community principal forgiveness will lower the project repayment cost associated with the projects to Marcellus, and residential water rates will not increase as a result of these projects. Project construct is expected to begin in September 2022 and be completed by October 2023.

**TABLE 1 – Project Cost**

<b>Component</b>	<b>Cost</b>
Lead Service Line Replacement	\$3,250,000
Water Main Replacement	\$3,337,128
Water Treatment Plant Upgrades	\$242,872
<b>Total Project Cost</b>	<b>\$6,830,000</b>

**ENVIRONMENTAL IMPACTS**

Beneficial impacts resulting from the project include removing lead water services from the village drinking water system, increasing the distribution systems efficiency with new water mains, and upgrading the WTP to enhance the Marcellus drinking water treatment system.

Construction impacts associated with the project are expected to be short term and limited to the construction areas. There will be short duration water shut offs and requests to enter residences for LSLR will be sent to residents before construction begins. There will be construction related, noise, dust emissions, traffic impedance, heavy construction vehicles, construction materials staging, and machinery in residential areas of the village. All roads, curbs, driveways, and lawns affected by the LSLR and WMR will be restored to their condition prior to construction.

Several railroad crossings will have WM replacement installed by bore and jack construction and Marcellus will receive permits from Constantine Nation Railroad. A section of the WM

replacement construction area has been identified by EGLE Remediation and Redevelopment Division as a Part 201 and Part 213 site which may be associated with contamination present in the vicinity of the proposed project area. If any contaminated soil is found during construction, soil samples will be collected and tested for the presence of contaminants. Contractors will be instructed to take necessary precautions while work is being conducted as applicable including wearing appropriate protective clothing if contamination is found. Any contaminated soil and ground water generated during the project will be managed and disposed of in accordance with all applicable federal, state, and local regulations and chemical resistant WM will be used as necessary in these areas.

The United States Fish and Wildlife Service (USFWS) identified potential habitat for the following six federally threatened or endangered species near the project area. The Copperbelly water snake, Eastern massasauga rattlesnake, Eastern prairie fringed orchid, Indiana bat, Mitchells satyr butterfly, and the Northern long-eared bat. A determination was made after a USFWS review that the project will have no effect on any of the six species. Any removal, cutting or trimming trees will be done outside of the roosting season (October 1 through March 31) to avoid potential impacts to the Indiana bat and the Northern long-eared bat.

There are no State Historic properties that would be affected by the proposed project. The Tribal Historic Preservation Officers (THPO) will be notified of this project.

## **PUBLIC PARTICIPATION**

A public hearing on the proposed project was advertised in the *Marcellus News* on April 29, 2021, and on the village website. The public hearing was held June 8, 2021, and included a presentation that described the project alternatives, impacts, construction, financing, and estimated costs. All questions concerning the project were answered and at the June 22, 2021, village council meeting, Marcellus passed a motion to adopt the project plan and seek DWSRF funding to implement the selected alternative.

## **REASONS FOR CONCLUDING NO SIGNIFICANT IMPACTS**

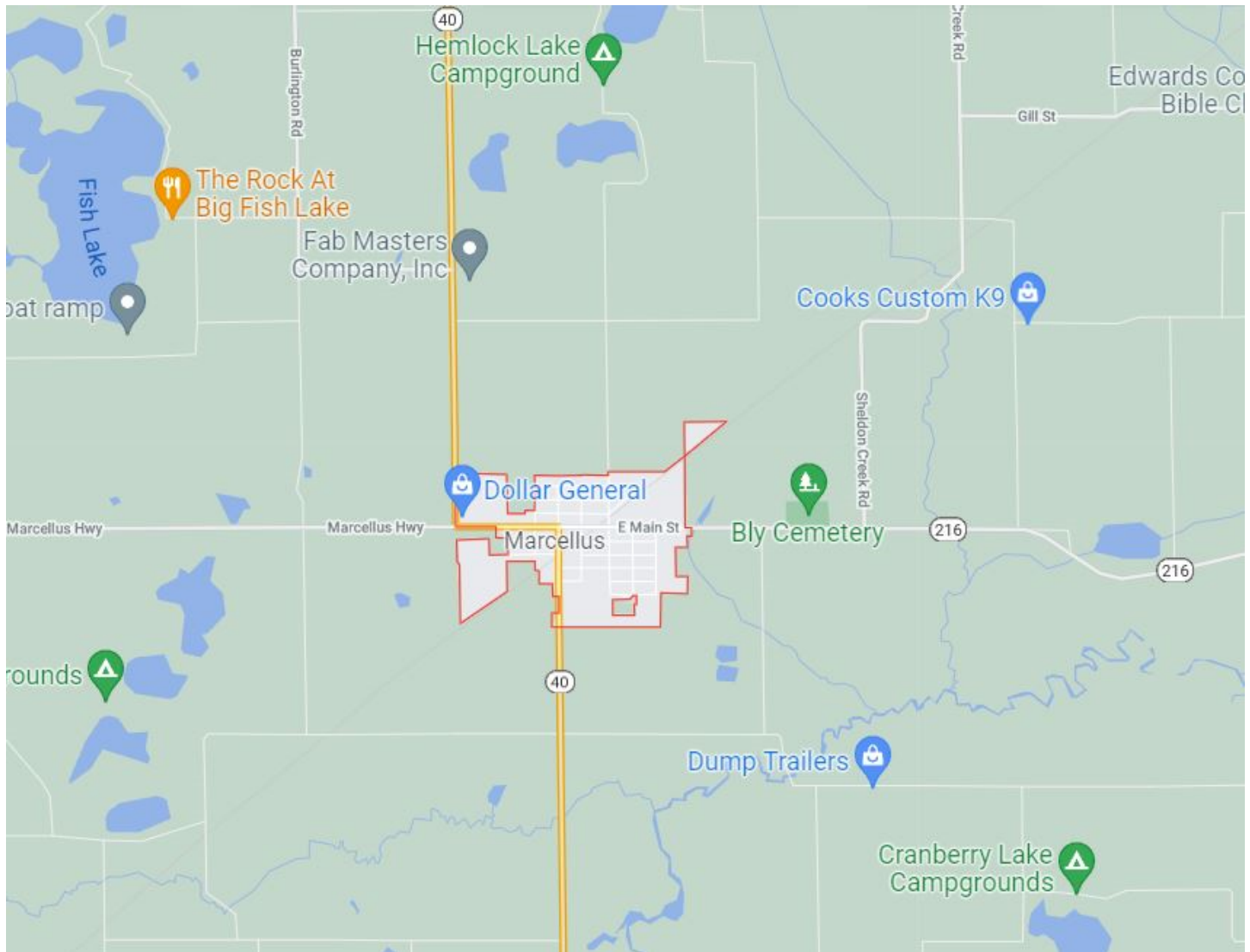
The project will present no long-term significant impacts associated with its construction or operation. Interruptions to residential water services will be limited to the time to replace LSLs. Long term positive impacts include minimizing or eliminating the lead hazard from the village water system, new WM to help eliminate frequent breaks, and the updated WTP systems and controls will enhance the water treatment system reliability and efficiency.

Questions regarding this Environmental Assessment should be directed to:

Mr. Clarence Jones, Project Manager  
Water Infrastructure Financing Section  
Finance Division  
Michigan Department of Environment, Great Lakes, and Energy  
P.O. Box 30457  
Lansing, Michigan 48909-4957  
Telephone: 517-599-4553  
E-Mail: [Jonesc13@michigan.gov](mailto:Jonesc13@michigan.gov)

## VILLAGE LOCATION MAP

The Village of Marcellus is in eastern Cass County on M-216 west of US-131 in Southwest Michigan. Cass County is surrounded by Berrien County to the west, Van Buren County to the north, St Joseph County to the east, and the Indiana Border to the south.



**Figure 1**

**ALLEGAN**

▲ 1670 LINCOLN RD. (M-40)  
ALLEGAN, MI 49010

○ 269.673.8465

**BENTON HARBOR**

▲ 2303 PIPESTONE RD.  
BENTON HARBOR, MI 49022

○ 269.927.0100

**KALAMAZOO**

▲ 433 E. RANSOM ST.  
KALAMAZOO, MI 49007

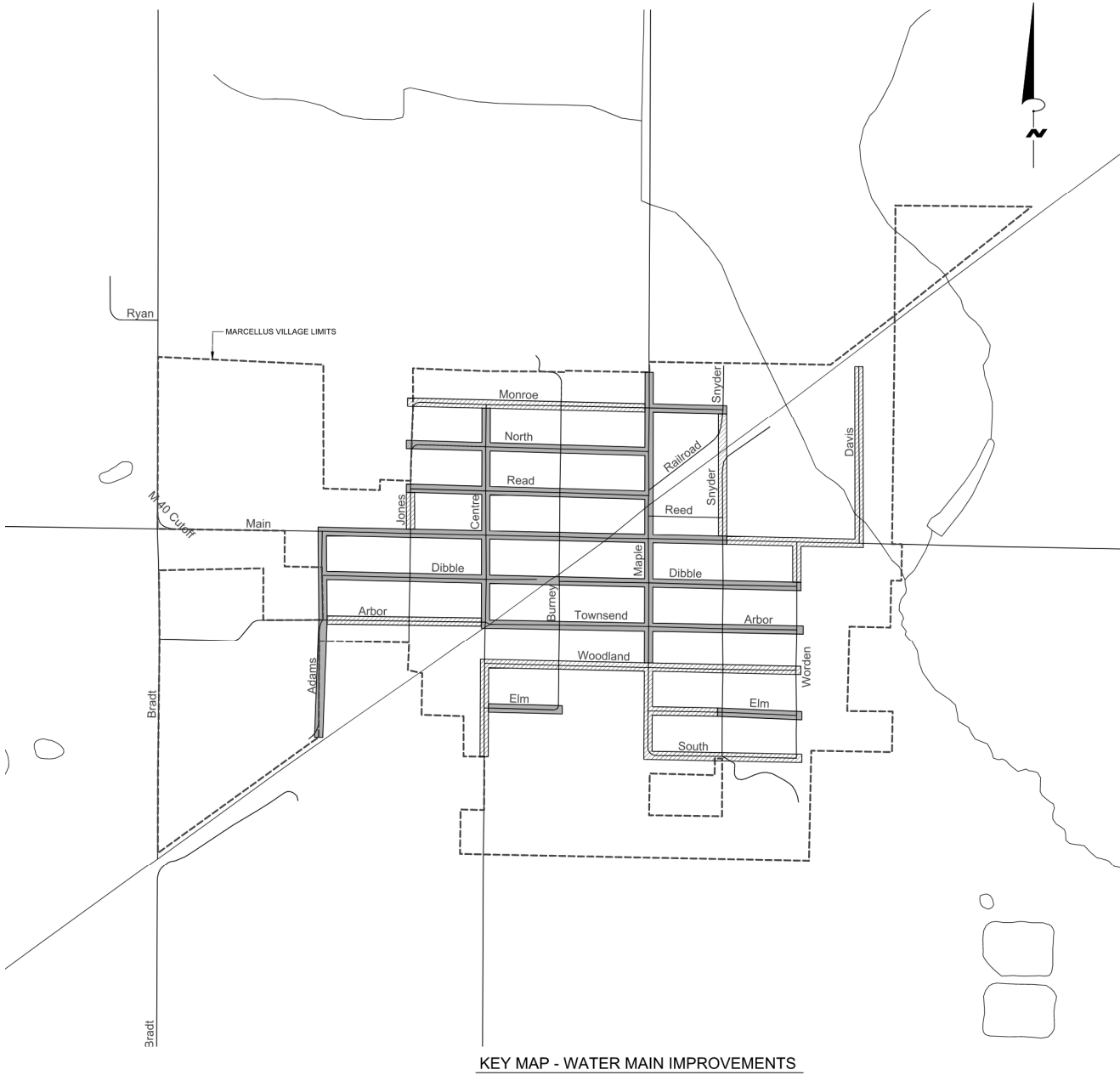
○ 269.327.3532

**ROYAL OAK**

▲ 306 S. WASHINGTON AVE., SUITE 200  
ROYAL OAK, MI 48067

○ 248.791.1371

**PROJECT LOCATION MAP**



Solid hatch indicates water main and service line replacements and crosshatch indicates service line replacements only.

**Figure 2**

**ALLEGAN**

- ▲ 1670 LINCOLN RD. (M-40)  
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