



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF
ENVIRONMENT, GREAT LAKES, AND ENERGY
FINANCE DIVISION



PHILLIP D. ROOS
DIRECTOR

April 21, 2026

TO: All Interested Citizens, Organizations, and Government Agencies

SUBJECT: FINDING OF NO SIGNIFICANT IMPACT
Village of Pellston, Emmet County
Pellston Municipal Water System
Drinking Water State Revolving Fund Project Number 7931-01

The purpose of this notice is to seek public input and comment on a preliminary decision by the Michigan Department of Environment, Great Lakes, and Energy (EGLE) that an Environmental Impact Statement (EIS) is not required to implement recommendations discussed in the attached Environmental Assessment of a water supply project planning document submitted by the applicant mentioned above.

HOW WERE ENVIRONMENTAL ISSUES CONSIDERED?

Part 54, Safe Drinking Water Assistance, of the Natural Resources and Environmental Protection Act, 1994 PA 451, as amended, being Sections 324.5401 to 324.5418 of the Michigan Compiled Laws Annotated, requires EGLE to evaluate all environmental implications of a proposed water supply project. EGLE has done this by incorporating a detailed analysis of the environmental impact of the proposed alternatives in its review and approval process. A project planning document was prepared by the applicant and reviewed by the State. EGLE has prepared the attached Environmental Assessment and found that the proposed project does not require the preparation of an EIS.

WHY IS AN EIS NOT REQUIRED?

Our environmental review concluded that no significant environmental impacts would result from the proposed action. Any adverse impacts have either been eliminated by changes in the project planning document or will be reduced by the implementation of the mitigative measures discussed in the attached Environmental Assessment.

HOW DO I GET MORE INFORMATION?

A map depicting the location of the proposed project is attached. This information is also available on our website at Michigan.gov/SRF under "Environmental Project Reviews." The Environmental Assessment presents additional information on the project, alternatives that were considered, impacts of the proposed action, and the basis for our decision. Further information can be obtained by calling or writing one of the contact people listed below.

HOW DO I SUBMIT COMMENTS?

Any comments supporting or disagreeing with this preliminary decision should be submitted to EGLE-WIFFS@Michigan.gov or to me at EGLE, Finance Division, Stabenow Building, P.O. Box 30457, Lansing, Michigan 48909-7957. We will not take any action on

this project planning document for 30 calendar days from the date of this notice in order to receive and consider all comments.

WHAT HAPPENS NEXT?

In the absence of substantive comments during this period, our preliminary decision will become final. The applicant will then be eligible to receive loan assistance from this Agency to construct the proposed project.

Any information you feel should be considered by EGLE should be brought to our attention. If you have any questions, please contact Joel Felsk, the project manager, at 517-599-3016; FelskJ2@Michigan.gov; or you may contact me. Your interest in this process and the environment is appreciated.

Sincerely,

Dan Beauchamp

Dan Beauchamp, Section Manager
Water Infrastructure Funding and Financing Section
Finance Division
517-388-3380

Attachment

DEPARTMENT OF ENVIRONMENT, GREAT LAKES, AND ENERGY
Drinking Water State Revolving Fund (DWSRF)
Village of Pellston, Emmet County
Environmental Assessment
April 2026

PROJECT IDENTIFICATION

Applicant: Village of Pellston

Address: 125 N. Milton St., P.O. Box 468
Pellston, MI 49769

Authorized Representative: Jim Gillett, Village President

Project No. 7931-01

PROJECT SUMMARY

The Village of Pellston (Pellston) is located within Emmett County in northern Michigan. Pellston is located within two townships, McKinley Township to the north and Maple River Township to the south. The main corridor in Pellston is located on US 31, which passes through the center of the village (See Figure 1). According to 2020 United States Census data 858 people occupied 361 housing units. It is estimated the population of Pellston will increase to 927 by 2045. Pellston is seeking funding from the DWSRF loan program administered by the Department of Environment, Great Lakes, and Energy (EGLE) to finance a \$44,000,000 municipal water system which would include a new municipal well, water treatment plant (WTP), water storage, distribution system, water service lines, meters, and abandonment of private drinking water wells contaminated with per- and polyfluoroalkyl substances (PFAS).

The DWSRF was able to offer Pellston a \$32,221,890 loan with 100 percent principal forgiveness. The loan and forgiveness were made available with funds provided by the Bipartisan Infrastructure Law (BIL) for projects addressing emerging contaminants (EC). In addition, EGLEs Remediation and Redevelopment Division (RRD) made a grant of \$11,778,110 available to cover the remaining costs of the project. This project is being considered to provide safe drinking water for the residents of Pellston. As a result of the principal forgiveness which are loan dollars that do not have to be repaid and the grant funds Pellston has been awarded, residents will not have to pay for the construction of the municipal water system. However, the estimated monthly bill for a resident connected to the water system would vary between \$70-\$98 per month depending on how many owners connect to the new municipal system.

EXISTING SYSTEM AND NEED FOR THE PROJECT

Pellston currently does not have a public drinking water supply system or sanitary sewer utilities. Residents and businesses currently utilize groundwater through private drinking water wells as their water supply with point-of-use (POU) filter systems as a result of PFAS contamination and septic fields for sewage disposal. 217 private drinking water wells have been sampled with 124 of them having PFAS detections. The PFAS contamination is believed to have derived from the aqueous film forming foam (AFFF) used at the Pellston Regional Airport (PLN) for training activities which has contaminated the unconfined drinking water aquifer in Pellston. Many wells contain PFAS at concentrations that exceed both EGLE and EPA drinking water standards. Results indicate many wells exceed the EGLE MCL's for PFAS, however, the number of homes with PFAS detections and MCL exceedances will likely continue to fluctuate

due to a potential for plume migration. The current village treatment methods of POU filters have not proven to be a long-term solution.

In September of 2022 Pellston was awarded a Water Infrastructure Improvements for the Nation (WIIN) Act grant by EGLE for \$819,000 to complete a drinking water feasibility study to determine the most viable option for providing safe drinking water to the residents of Pellston. Pellston also received an Affordability and Planning (AP) Grant from EGLE in the spring of 2024 for \$500,000. This grant was awarded to support planning and preliminary design of a municipal water system, perform a regionalization analysis, perform a rate study, and develop a DWSRF Project Planning Document and application. These grants have allowed Pellston to advance further in the feasibility study and design phase for the proposed project.

A land use analysis was performed as part of the feasibility study to aid in existing and future demand estimations. If the population of the village increased the system could meet the needs of the infill development within the village. Neighboring communities may also become interested in connecting to the system in the future, more specifically some portions of Maple River Township. The associated cost for expanding the distribution system to serve outside the village limits were not included in the cost estimates for this proposed project but this action could be considered for a future project.

A. Alternatives Considered

No-Action Alternative

If no additional actions were taken in Pellston, residents would continue to use POU filter systems to treat the water from their private wells. Due to plume migration, the potential for additional wells to become contaminated with PFAS would increase and a greater number of POU filter systems would be required across the village. There are also concerns that residents are disconnecting and not replacing filters according to the Michigan Department of Health and Human Services guidelines. If residents were to use untreated contaminated water and be exposed to PFAS there are many health effects that could result from consuming untreated contaminated water. As mentioned earlier, the village does not have a sewer system and sewage treatment is completed through privately owned septic systems. When PFAS contaminated water is disposed of through septic systems these chemicals can leach into the surrounding soil and eventually make their way into the groundwater. EGLE faces a significant burden in managing this situation as they must oversee all the locations that currently utilize POU filters and continue with filter replacements and groundwater testing. Additionally, EGLE must actively monitor the situation for potential contamination migration or as new residents and businesses request testing, which could increase the burden as more properties require POU filters. Through conversations with EGLE during the feasibility study, it was understood that EGLE does not see POU filters as a long-term solution to the PFAS problem. For these reasons No Action was not chosen as the selected alternative.

Regional Alternative

Pellston does not have an existing water system therefore it is not currently feasible to connect to a regional water supply or consolidate a water supply that is not in place. As previously mentioned, a feasibility study was completed for the village and the alternative of connecting to a nearby water system and implementation of a distribution main within the village was explored. A regionalization alternative was evaluated for Pellston purchasing water from a nearby supplier. The analysis ultimately focused on the city of Harbor Springs (Harbor Springs) as a wholesale supplier. Harbor Springs is located approximately 18 miles from Pellston. A high-level

analysis of the Harbor Springs public water system capacity was completed and the cost estimate to construct a water main from Harbor Springs to Pellston along US 131 was completed. The concept cost estimated called for 92,400 linear feet (lft) of standard 24-inch diameter water main at a cost of approximately \$80,000,000 . This cost did not include the construction of the Pellston water distribution system and well abandonment, which is estimated at \$23,700,000. No additional investigations were completed to construct booster stations or other facilities needed as it was deemed unfeasible due to the distance and cost of the transmission main and connections. For these reasons the implementation of a distribution system construction and regionalization connection to Harbor Springs was not considered.

Optimum Performance Alternative

Pellston does not have an existing water system to be optimized. Residents use private wells that either have PFAS contamination or are at risk of contamination due to the characteristics of the aquifer and the plume. Some properties have elected to install POU filters as a temporary solution. Residents could receive more POU filters to have at multiple locations in their home, but it would result in increased filter usage, maintenance, and regulatory costs. The installation of more filters would not protect village residents from the health risks associated with PFAS contamination as the current concerns of improper usage would persist. For these reasons optimum performance of the existing system was not chosen to be the selected alternative.

Single Home Filtration Alternative

Pellston residents have been given POU filters as a temporary solution, however, there are concerns about residents not replacing the filters or disconnecting them due to the low flow rate they provide. As a result, Point-of-Entry (POE) systems were evaluated as a potential alternative. POE systems are a whole home filtration system that treat all the water that enters a residence, with the ability to treat large amounts of water each day. To install POE systems to all residences that have private wells it is estimated the average total cost for each household if a quarterly monitoring approach was used would be \$19,996 in year 1 with an average ongoing yearly cost of \$7,496. If a concentration-based monitoring approach was used the year 1 cost would be \$16,403 with an average ongoing yearly cost of \$3,903. In addition, this alternative would not be eligible for DWSRF financing. As a result, the alternative was not considered.

Public Water System with Well Source Alternative

A public water supply would require less coordination with homeowners in the long-term and pose less risk of PFAS exposure when compared to POU and POE alternatives. Pellston would be classified as a Type I Community Public Water Supply (CPWS) based on the anticipated service area population. A Type I CPWS is defined by EGLE as a system that provides year-round service to not less than 25 residents or not less than 15 living units. The installation of a public water distribution system with a public well source, WTP, and water storage were explored as an alternative in the feasibility study for Pellston. The alternative would give residents reliable drinking water that is regularly monitored for compliance with EGLE standards. This alternative provides a long-term solution to resolve the risk of public exposure to PFAS. The following water supply components are included in this alternative.

Type I Water Well

To explore potential Type I water well locations a preliminary groundwater resource evaluation was performed by William and Works. Wellogic water well records, interviews with local water well drillers, and the reports generated by EGLE and Emmett Coney were used to perform the evaluation, and a highly conservative factor of safety was maintained to avoid creating a new Type I well that eventually becomes contaminated. Three potential well locations were explored for a Type I public water well site. Well Site No.2 was chosen and a transmission main would be constructed approximately 0.5 miles from the well site to the connection point to tie into the distribution system. The topography along the route is relatively flat and the soil consists of sand. This location is owned by the Pellston School District and through negotiations, Pellston would obtain adequate control of the 10-acre parcel via a long-term lease or easement of the property.

WTP

The WTP site is located on the same site as the Type I Water Well. Based on the initial water quality results of the exploratory well investigation the water quality at the potential public well site has high levels of iron and calcium carbonate. Treatment would include iron removal softening and chlorine disinfection treatment would be located at the site of the selected well location. The following processes are expected to be implemented at the treatment site. Additional treatment processes may be recommended during design.

- Oxidation via sodium hypochlorite prior to iron filtration
- Iron filtration
- Disinfection via Sodium hypochlorite

System Storage

Various standards recommend methods of sizing community storage. These include one average day's volume, desired level of fire protection or supplementing demands greater than the treatment capacity, which is typically sized for maximum day demands. Storage for the village system was designed based on estimated average daily demand as it exceeds the volume needed to supplement peak demands. As a result, a 150,000-gallon tank is recommended for system design. The proposed storage tank includes mixing to benefit water quality. A low water level of approximately 100,000 gallons was estimated, assuming the tank fluctuates 1/3 of its volume daily. The WTP should operate based on tank level to encourage cycling of the water tank. An elevated storage tank is recommended, and Pellston Pioneer Park is the chosen storage tank location for the village.

Distribution Network

The water main layout extends to the developable land within village limits where applicable. The layout extends outside of village limits to the PLN airport for tie into the system. The main water design includes 6-inch, 8-inch, and 12-inch diameter ductile iron water main with valves and hydrants placed in compliance with 10 states standards. The layout includes 8-inch and 12-inch diameter water main for the key corridors throughout the village and 6-inch diameter water main for the remaining areas. The water main will primarily be installed using open cut installation with directional drilling used in areas where water main crosses US 31 and along Lahti Lane. Water service lines and water meters are only included for developed land. The layout does not include service lines for future growth areas including planned residential developments. Costs were estimated and included for budgeting purposes for design, construction engineering, administration, geotechnical services, traffic maintenance and control,

soil erosion and sedimentation control. Several items will have been investigated prior to construction including property acquisition and easements, utility conflicts, wetland delineation, and the existing road surface in areas impacted by water main installation.

B. Selected Alternative

The Public Water Supply with Well Source Alternative is the selected alternative (See Figure 2). This is the most feasible and cost-effective solution for providing long-term, safe, and reliable drinking water to residents in Pellston. It is recommended that Pellston pursue a public water system sourced from a public well near the village limits. The selected material for water main installation is ductile iron. The distribution system layout will include water main, valves, fire hydrants, meters and service lines for developed land. 10 States Standards as well as local ordinances shall be strictly adhered to during design and construction. The water distribution system would also be able to support fire suppression at 1,000 gallons per minute for an hour.

Connection to the public water supply system is voluntary but the DWSRF financing is only available to Pellston if more than 50 percent of property owners connect to the system. Pellston has 355 properties that could potentially connect to the system and currently 224 properties have agreed to connect. Connections to the public water supply system will be completed at no charge to residents as a result of the grant and DWSRF funding awarded. However, if a resident requests to connect to the system after the project is complete that connection cost will be paid by the homeowner. The more residents that connect to the system the lower the monthly cost will be for all customers since the operating costs will be spread out among more customers. In early April of 2026 Pellston sent out a mailer with an agreement for property owners to sign that will allow access to install a water service line and abandon their existing well. Pellston will also be hosting two public meetings in April to go over agreement details with residents.

PROJECT COST AND IMPLEMENTATION

The estimated cost of the project is \$44,000,000. Pellston will finance the project with \$32,221,890 in DWSRF funds being offered in the form of 100 percent principal loan forgiveness with BIL funds made available for projects addressing EC. The remaining \$11,778,110 will be covered by grant funds made available by EGLEs RRD. Construction is expected to begin in October 2026 and be completed in December of 2031. Pellston will have the legal authority, capability, and willingness to plan, finance, build, operate, and maintain the new water system. Pellston will solely own, operate, and finance the facilities to be built as part of the proposed project. The estimated monthly bill for the average residential user is estimated to range between \$98 if 51 percent of property owners connect to as low as \$70 per month if 100 percent of property owners connect, depending on how many owners connect to the new municipal system. Currently 224 property owners or 63 percent of total properties have opted in to the project.

ENVIRONMENTAL IMPACTS

Federal crosscutting agencies reviewed the proposed project for potential impacts to environmental, historical, or cultural resources. All federally listed tribes with a history of land use in the area were contacted to provide comments regarding any potential impacts as a result of the project. None of the Tribal Historic Preservation Officers or Tribal Cultural Representatives contacted have opposed the proposed project.

A review by the United States Fish and Wildlife Service (USFWS) identified the following threatened or endangered species that may occur in the proposed project location consistent

with the Michigan Endangered Species Determination Key: Eastern massasauga rattlesnake, Hungerford's crawling water beetle, Michigan monkey-flower, Monarch butterfly, Northern long-eared bat, Pitchers thistle, and Rufa red knot. It was determined that the project would either have no effect or not likely to have adverse impacts on the listed species.

A rare species review conducted by the Michigan Natural Features Inventory (MNFI) determined that the state threatened Little brown bat and state endangered Hungerford's crawling water beetle have been documented within 1.5 miles of the project locations and the potential for impacts. Additional species of concern were listed but they were historical observations last seen between 46 and 100 years ago. Impacts to the identified threatened and endangered species are not anticipated as the project is not located within the habitats for listed species. This project will not impact adjacent water bodies and best practices for bat habitat will be followed with tree clearing occurring between October 1st and March 31st to avoid the bat roosting season. As a result, no impacts are expected to these species.

The State Historic Preservation Office (SHPO) was contacted to complete a Section 106 review for the proposed project. SHPO has requested a Phase 1 Archeological Survey at the site of the proposed WTP, which will be completed in late April to early May of 2026, with Pellston continuing the clearance process. A determination of no impact will be obtained before the start of any construction activities. SHPO has also requested Pellston develop and follow an Unanticipated Discoveries Plan during the proposed project. Any additional recommendations made by SHPO after reviewing the Archeological Survey will be incorporated into the project plan.

CONSTRUCTION AND OPERATIONAL IMPACTS

Construction activities have the potential to produce noise and dust. Work hours and construction noise will be required to meet local Ordinance requirements. All work will comply with the State's Soil Erosion and Sedimentation Control requirements. Short term service disruptions may occur as service is switched from the individual wells to the new service lines, but they will be properly planned and coordinated with customers to minimize public impact. The installation of water main will have some impact on traffic in the vicinity where construction is occurring. It will be necessary to coordinate with the Pellston road maintenance department to ensure traffic control standards are met.

The project may require lane or road closures along most adjacent segments of road. The construction area will impact many unsignalized intersections as well as driveways. Additionally, there are several businesses with the project area. Coordination with Pellston Middle/High School, Pellston Elementary School, Pellston Fire Department, as well as affected businesses will be necessary. Dewatering may be needed at certain locations while installing the water main. A Part 22 Groundwater Discharge Permit or other applicable discharge permits from EGLEs RRD or Water Resources Division may be needed as ground water may be contaminated with PFAS. Staging coordination will be required to maintain existing private wells in operation until new assets can be brought into service. However, short term disruption may occur when service is switched to the new service line.

DIRECT IMPACTS

Installation of water main may require road or lane closures throughout the village. Traffic disruptions to residents will be minimized through strategic work schedule planning. Once the projects located in the roadway are completed, the pavement that was disturbed will be restored. Receiving a water bill on a recurring basis for usage of the public water supply will have an economic impact on residents. However, residents will no longer have to spend money

maintaining private wells and purchasing electricity required for their operation. The responsibility of residents to maintain their private well and prevent PFAS exposure from their well would be eliminated through the proposed project. The availability of safe and reliable drinking water to residents would protect public health and minimize the risks associated with PFAS concentrations in existing wells. The new system would also provide hydrants and fire suppression, which is currently not available in most areas of the village outside of the airport and school properties.

PUBLIC PARTICIPATION

Pellston published a public notice for a public meeting on the draft project planning document on May 1, 2025, on their website 10 days prior to the meeting date. Copies of the draft project planning document detailing the proposed project were available online and at the Village Hall. A public meeting for the DWSRF project plan was held on May 12th, 2025, at the Village Hall to discuss the need for the project, principal alternatives, environmental impacts, description of the selected alternative and associated cost estimates to users along with a schedule of the proposed project timeline. Any comments from the public received before, or during the public meeting were addressed as a part of the Question-and-Answer portion of the presentation. The official period for receiving comments ended at the close of the formal public meeting. After the close of the public comment period the resolution was adopted. On May 12, 2025, following the conclusion of the public meeting the decision was made to move forward with the final project planning document that was presented to the public.

REASONS FOR CONCLUDING NO SIGNIFICANT IMPACTS

Negative construction impacts are short term and will be outweighed by the public health benefits of providing safe water to residents and businesses experiencing, or under threat of, elevated PFAS contamination in their private wells.

Questions regarding this Environmental Assessment should be directed to:

Mr. Joel Felsk, Project Manager
Water Infrastructure Funding and Financing Section
Finance Division
Michigan Department of Environment, Great Lakes, and Energy
Cadillac District Office
102 W. Chapin St.
Cadillac MI 49601
E-Mail: FelskJ2@Michigan.gov

Figure 1: Pellston Location

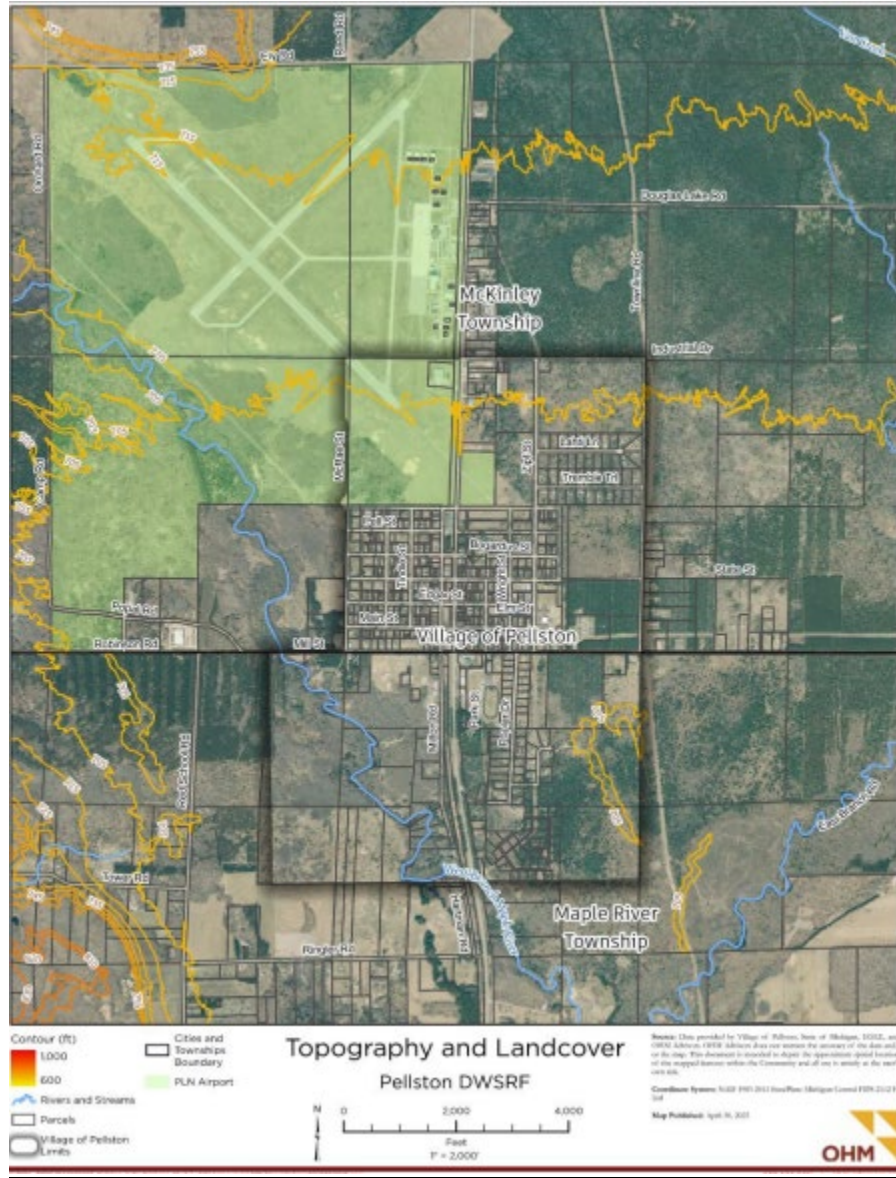


Figure 2: Municipal Water System Layout

