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GLWA REPORT: DECADES OF UNDERINVESTMENT PUTS COMMUNITIES AT RISK, MICHIGAN NEEDS AS MUCH AS \$85 BILLION FOR WATER INFRASTRUCTURE OVER THE NEXT 20 YEARS

- GLWA today released *The Crisis Beneath Us: The Urgent Need to Invest in Michigan's Water Infrastructure*, a new independent report documenting a statewide water and wastewater investment need as high as \$85 billion over the next 20 years
- The report is the product of the Water Funding Task Force, a coalition of financial, legal, engineering, and public-policy experts GLWA convened in January 2026 to study infrastructure and identify long-term funding solutions for Michigan
- Michigan's budget includes just over \$200 million in non-federal funding for water infrastructure compared with more than \$5 billion for roads, meaning water receives roughly four cents for every state dollar invested in roads

DETROIT — The Great Lakes Water Authority (GLWA) today released *The Crisis Beneath Us: The Urgent Need to Invest in Michigan's Water Infrastructure*, a report documenting the scale of Michigan's water infrastructure funding crisis and calling on state leaders to establish a sustainable, statewide funding strategy. The report is the culmination of six months of research by the Water Funding Task Force (WTF), a coalition GLWA convened in January 2026 to examine the funding gap and study how other states are addressing similar challenges.

The report concludes that addressing the problem will require a coordinated, long-term state investment strategy paired with better statewide data to direct funding where it is needed most. The report itself notes that Michigan's funding challenge extends well beyond the southeast Michigan region or any single utility.

"Michigan has reached a point where maintaining the water infrastructure millions of people depend on every day cannot be treated as a local problem with a local solution," said GLWA CEO Suzanne R. Coffey, P.E. "We see firsthand what happens when critical infrastructure fails: families can be displaced, businesses can close, communities can lose water service, and costs can escalate overnight. At the same time, simply passing billions of dollars in additional costs on to local ratepayers is neither sustainable nor realistic. This report gives Michigan a clearer picture of the scale of the challenge and, more importantly, a path toward addressing it."

The report documents a statewide challenge, decades in the making: aging pipes and other critical infrastructure are deteriorating as construction and operating costs rise, while responsibility for

funding water systems continues to fall overwhelmingly on local communities and their rate/charge payers.

The WFTF brought together water–industry and finance experts from PFM, PMA Consultants, Dykema, Dickinson Wright, and Siebert Williams Shank, alongside GLWA leadership. Public Sector Consultants staffed the task force and authored the report, with additional research support from the Citizens Research Council of Michigan and staffing support from Bridgeport Consulting LLC. Over six months, the task force met with dozens of water utilities across Michigan and the country, reviewed hundreds of reports and peer studies, and analyzed public opinion research to build a full picture of the state’s water infrastructure needs.

A Funding Gap Keeps Growing

Michigan’s water infrastructure funding gap has persisted despite years of warnings and recent investment. Even with temporary federal funding through the Infrastructure Investment and Jobs Act and Governor Whitmer’s MI Clean Water Plan, the Michigan Section of the American Society of Civil Engineers gives the state’s drinking water systems a D+ and its wastewater systems a C, grades that have remained largely unchanged in two decades.

Estimates of the need have grown with each assessment. The state’s 21st Century Infrastructure Commission estimated a \$16 billion, 20–year gap in 2016. More recent research from the University of Michigan’s Graham Sustainability Institute estimates the gap at \$19.8 billion after accounting for planned spending, while independent analysis places Michigan’s total 20–year water and wastewater investment need as high as \$85 billion.

At the same time, the report finds a significant disparity between state investment in water and other essential infrastructure. Michigan’s FY 2027 budget includes just over \$200 million in non-federal funding for water infrastructure compared with more than \$5 billion in state funding for roads, meaning water receives roughly four cents for every state dollar invested in roads.

The report also cites public opinion research showing 85 percent of Michiganders consider the state’s failure to maintain its water infrastructure a serious concern, while 84 percent support increased state investment in systems that deliver clean water and treat wastewater.

The Cost of Waiting Is Already Visible

GLWA’s system, which provides drinking water to nearly four million residents across eight southeast Michigan counties, includes pipelines more than 100 years old. Its approximately 800 miles of water transmission main have an average age of 72 years. More than 40 percent of those transmission mains require attention, including 86 miles of rapidly aging 1970s–era prestressed concrete cylinder pipe, 168 miles that can be retired, and 70 miles already beyond their useful life.

Recent failures illustrate the human and economic consequences. A February 2025 rupture in southwest Detroit flooded a full square mile, displaced hundreds of residents, and caused more than \$12 million in property damage. In May 2026, a 42–inch transmission main failure in Auburn Hills disrupted water service across five Oakland County communities, affected roughly 200,000 residents and resulted in Governor Gretchen Whitmer declaring a state of emergency.

Similar failures occur elsewhere in Michigan. Kalamazoo experienced more than 70 watermain breaks during the first two months of 2025, while Grand Rapids experienced major breaks on consecutive days in June 2024.

A Statewide Problem Requires a Statewide Strategy

The report concludes that Michigan cannot close a gap of this magnitude through higher local water rates alone. Combined water and sewer rates in Michigan have already increased 24 percent over five years as utilities absorb rising costs for basics including chemicals, energy, labor, materials, and construction.

The Crisis Beneath Us recommends the creation of a sustainable, long-term state revenue source, paired with policy changes that improve accountability and flexibility in how funding reaches the systems that need it most. The report presents a range of potential state-level funding tools for policymakers to consider, including general obligation and revenue bonds, pay-as-you-go appropriations, and new or expanded revenue sources, alongside modernized statewide asset-management data to direct resources where they can have the greatest impact.

"Michigan already has a blueprint for funding our infrastructure. We did it with roads, and now it's time to do it for water. This report lays out the need for a coordinated, state-level investment in water infrastructure, and the cost of continued inaction," said Maggie Pallone, senior vice president at Public Sector Consultants and the reports lead author. "This report should raise alarm bells for policymakers from all parts of the state. Our most critical infrastructure is no longer a buried problem for the next generation to address."

The full report is available at www.glwater.org.

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About the Great Lakes Water Authority (GLWA)

The Great Lakes Water Authority (GLWA) is the provider-of-choice for drinking water services to nearly 40 percent, and efficient and effective wastewater services to nearly 30 percent, of Michigan's population. With the Great Lakes as source water, GLWA is uniquely positioned to provide those it serves with water of unquestionable quality. GLWA also has the capacity to extend its services beyond its 88 member partner communities. As part of its commitment to water affordability, the Authority offers a Water Residential Assistance Program to assist low-income households in participating member communities throughout the system. GLWA's board includes one representative each from Oakland, Macomb, and Wayne counties, two representatives from the city of Detroit, and one appointed by the Michigan governor to represent member partner communities outside of the tri-county area.

About Public Sector Consultants

Public Sector Consultants is a women-owned, nonpartisan public policy research firm with offices in Lansing and Detroit. We help clients understand and solve complex public policy problems through research, data analysis, strategic planning and community engagement — driving evidence-based change that improves the quality of life for the residents of Michigan and beyond.