



THE CRISIS BENEATH US

EXECUTIVE SUMMARY

The Urgent Need to Invest in Michigan's Water
Infrastructure



GLWA
Great Lakes Water Authority

WWW.GLWATER.ORG

SEPTEMBER 2026



EXECUTIVE SUMMARY

Access to safe, reliable water is foundational to daily life for Michigan's 10 million residents, its visitors, and its businesses of every size. The infrastructure that delivers it—tens of thousands of miles of pipe, pumps, and treatment plants—sits buried out of sight and largely out of mind. Much of it was built in the first half of the 20th century and is now reaching or exceeding the end of its useful life. Independent estimates put Michigan's 20-year water and wastewater investment need as high as \$85 billion, a figure that has continued to grow even after accounting for recent federal support and one-time state of Michigan budget investments.

Understanding the urgent need to rebuild and modernize Michigan's infrastructure, in January 2026 the Great Lakes Water Authority convened the Water Funding Task Force. Comprised of experts in water infrastructure funding and construction, the task force interviewed dozens of water utilities leaders in Michigan and across the nation and reviewed hundreds of reports to understand the extent of challenges facing utilities, the scope of the funding need, and how other states are approaching solving this critical issue. This report, *The Crisis Beneath Us*, summarizes that research, demonstrating that the impact of the lack of investment is no longer a hypothetical outcome.

**\$85
BILLION**

20-YEAR WATER INFRASTRUCTURE
INVESTMENT NEED



MICHIGAN'S WATER INFRASTRUCTURE IS AGING FASTER THAN CURRENT FUNDING CAN ADDRESS

Much of Michigan's water and sewer system was built during two periods of rapid growth, the 1920s and the years following World War II, with an expected service life of 75 to 100 years. Most of it has already reached, or passed, that mark. Yet less than one percent of the state's water mains are being replaced each year. And because water systems operate underground, decline can go unnoticed for decades until it surfaces as a health, safety, or environmental emergency.

Further, deferred maintenance costs do not stay flat. A planned replacement postponed today becomes an emergency repair tomorrow, at a steeper cost and impacting much more than just the water utility. Research cited in this report finds that only about a third of the total cost of a water main break falls on the utility that

owns and operates the pipe. The remaining two-thirds lands on the surrounding community, its businesses, schools, health care facilities, and residents, in the form of closed businesses, displaced residents, and emergency home repairs.

These are not hypothetical risks. In Oakland County, a failed transmission main interrupted water services to roughly 200,000 residents across five communities in May 2026 and prompted a state of emergency. In Akron, in Michigan's Thumb region, an estimated 98 percent of the water system dates to its 1950s construction. With only two of their five municipal drinking water wells currently usable, a single structure fire can draw enough water from the system to trigger a boil water advisory.

84%

OF MICHIGANDERS SUPPORTED
INCREASED STATE INVESTMENT IN
WATER INFRASTRUCTURE



THE FUNDING GAP IS A STATEWIDE PROBLEM THAT REQUIRES A STATEWIDE SOLUTION

Even with increased temporary investment in water infrastructure through the federal Infrastructure Investment and Jobs Act and Governor Gretchen Whitmer's MI Clean Water Plan, the Michigan Section of the American Society of Civil Engineers' most recent infrastructure report card reflects the result of aging infrastructure and deferred investments, giving Michigan's drinking water systems a D+ and its wastewater systems a C, grades that have remained largely unchanged in two decades.

Unlike road funding, which draws on dedicated taxes and sustained public attention, water infrastructure funding has been left largely out of the public discourse.

Michigan's 2027 fiscal year budget dedicates just one half of one percent of state resources to water infrastructure, compared with 11 percent for roads.

The pressure placed on utilities' rates to fill the gap without state or federal resources is repeated across Michigan's more than 1,400 community water systems. Decades of underfunding from the state and federal government are compounded with unfunded mandates and uncoordinated asset management planning. The result is deferred capital investment that has turned into

emergency repair, now driving the majority of many communities' infrastructure spending.

Michigan's largest water utilities and municipalities together spend close to \$1.4 billion annually on water infrastructure, revenue drawn almost entirely from local rates and charges. Task Force interviews conducted over six months found the same story in every region of the state, and research indicates that rural communities require more than double the per capita investment of Michigan's cities. Nationally, combined water and sewer rates have already risen 24 percent in five years, and yet, the funding gap continues to widen.

Given the impact and importance of reliable water service, it is no surprise there is significant public support for increased state investment in water infrastructure. Polling shows that 84 percent of Michiganders favor increased state investment to protect natural resources, and ensure clean, safe water.

WITH OVER \$85 BILLION IN INVESTMENT NEEDED OVER THE NEXT TWO DECADES, RATES ALONE CANNOT SUPPLY THE NECESSARY REVENUE TO FILL THE GAP.



A SUSTAINED INVESTMENT IN MICHIGAN'S FUTURE

A reactive water and sewer infrastructure investment that responds to failures instead of preventing them, only drives up the cost and further delays communities' ability to make the necessary proactive investment in replacing their aging infrastructure and narrowing the needs. Closing the gap requires a coordinated statewide investment that provides sustainable, predictable funding, ensuring a state literally defined by water can supply safe, reliable water service to the residents, businesses, and visitors who depend on it.

This report provides policymakers with funding and policy solutions that will secure Michigan's water infrastructure for the next generation. The recommendations are centered around the creation of a sustainable, long-term revenue source that can provide Michigan water utilities with the state resources necessary to address this crisis. Coupled with policy changes to create accountability and flexibility, Michigan's economic, health, and environment can be protected into the future.



You can read the full report at

WWW.GLWATER.ORG

This report was researched and written by
Public Sector Consultants

