

Act No. 287  
Public Acts of 1998  
Approved by the Governor  
July 27, 1998  
Filed with the Secretary of State  
July 27, 1998  
EFFECTIVE DATE: December 1, 1998

STATE OF MICHIGAN  
89TH LEGISLATURE  
REGULAR SESSION OF 1998

Introduced by Senators Koivisto, Bennett, Dunaskiss, Gast, North, Gougeon, Stille and McManus

# ENROLLED SENATE BILL No. 902

AN ACT to amend 1994 PA 451, entitled "An act to protect the environment and natural resources of the state; to codify, revise, consolidate, and classify laws relating to the environment and natural resources of the state; to regulate the discharge of certain substances into the environment; to regulate the use of certain lands, waters, and other natural resources of the state; to prescribe the powers and duties of certain state and local agencies and officials; to provide for certain charges, fees, and assessments; to provide certain appropriations; to prescribe penalties and provide remedies; to repeal certain parts of this act on a specific date; and to repeal certain acts and parts of acts," (MCL 324.101 to 324.90106) by adding part 88.

*The People of the State of Michigan enact:*

## PART 88 WATER POLLUTION PREVENTION AND MONITORING

Sec. 8801. As used in this part:

- (a) "Department" means the department of environmental quality.
- (b) "Director" means the director of the department.
- (c) "Fund" means the clean water fund created in section 8807.
- (d) "Grant" means a nonpoint source pollution prevention and control grant or a wellhead protection grant under this part.
- (e) "Local unit of government" means a county, city, village, or township, or an agency of a county, city, village, or township; the office of a county drain commissioner; a soil conservation district established under part 93; a watershed council; a local health department as defined in section 1105 of the public health code, 1978 PA 368, MCL 333.1105; or an authority or any other public body created by or pursuant to state law.
- (f) "Nonpoint source pollution" means water pollution from diffuse sources, including runoff from precipitation or snowmelt contaminated through contact with pollutants in the soil or on other surfaces and either infiltrating into the groundwater or being discharged to surface waters, or runoff or wind causing erosion of soil into surface waters.

Sec. 8802. (1) The department, in consultation with the department of agriculture, shall establish a grants program to provide grants for nonpoint source pollution prevention and control projects and wellhead protection projects. The grants program shall provide grants to local units of government or entities that are exempt from taxation under section 501(c)(3) of the internal revenue code.

(2) The nonpoint source pollution prevention and control grants issued under this part shall be provided for projects that do either or both of the following:

- (a) Implement the physical improvement portion of watershed plans that are approved by the department.
- (b) Reduce specific nonpoint source pollution as identified by the department.

(3) The wellhead protection grants issued under this part shall be provided for projects that are consistent with a wellhead protection plan approved by the department and that do any of the following:

- (a) Plug abandoned wells.
- (b) Provide for the purchase of land or the purchase of rights in land to protect aquifer recharge areas.
- (c) Implement the physical improvement portion of the wellhead protection plan.

(4) For any grant issued under this part, a local unit of government shall contribute at least 25% of the project's total cost from other public or private funding sources. The department may approve in-kind services to meet all or a portion of the match requirement under this subsection. In addition, the department may accept as the match requirement under this subsection a contract between the grant applicant and the department that provides for maintenance of the project or practices that are funded under terms acceptable to the department. The contract shall require maintenance of the project or practices throughout the period of time in which the state is paying off the bonds that were issued pursuant to the clean Michigan initiative act to implement this part.

Sec. 8803. In selecting projects for a grant award, the department shall consider the following as they relate to a project:

- (a) The expectation for long-term water quality improvement.
- (b) The expectation for long-term protection of high quality waters.
- (c) The consistency of the project with remedial action plans and other regional water quality or watershed management plans approved by the department.
- (d) The placement of the watershed on the list of impaired waters pursuant to section 303(d) of title III of the federal water pollution control act, chapter 758, 86 Stat. 846, 33 U.S.C. 1313.
- (e) Commitments for financial and technical assistance from the partners in the project.
- (f) Financial and other resource contributions, including in-kind services, by project participants in excess of that required in section 8802(4).
- (g) The length of time the applicant has committed to maintain the physical improvements.
- (h) The commitment to provide monitoring to document improvement in water quality or the reduction of pollutant loads.
- (i) Whether the project provides benefits to sources of drinking water.
- (j) Other information the department considers relevant.

Sec. 8804. A local unit of government that wishes to apply for a grant shall submit a written grant application to the department in a manner prescribed by the department and containing the information required by the department. The grant application shall also include all of the following:

- (a) A detailed description of the project for which the grant is sought.
- (b) An explanation of how the project is consistent with an approved watershed plan, if applicable.
- (c) A description of the total cost of the project and the source of the local government's contribution to the project.

Sec. 8805. Upon receipt of a grant application pursuant to section 8804, the department shall consider the projects proposed to be funded and the extent that money is available for grants under this part, and shall issue grants for projects that the department determines will assist in the prevention or control of pollution from nonpoint sources or will provide for wellhead protection.

Sec. 8806. Grants made under this part are subject to the applicable requirements of part 196. The department shall administer this part in compliance with the applicable requirements of part 196, including the reporting requirements to the legislature of the grants provided under this part.

Sec. 8807. (1) The clean water fund is created within the state treasury.

(2) The state treasurer may receive money or other assets from any source for deposit into the fund. The state treasurer shall direct the investment of the fund. The state treasurer shall credit to the fund interest and earnings from fund investments.

(3) Money in the fund at the close of the fiscal year shall remain in the fund and shall not lapse to the general fund.

(4) Except as otherwise provided in this section, the department shall expend money in the fund, upon appropriation, for any of the following:

(a) To implement the programs described in the department's document entitled "A strategic environmental quality monitoring program for Michigan's surface waters", dated January 1997. In implementing these programs, the department may contract with any person.

(b) Water pollution control activities.

(c) Wellhead protection activities.

(d) Storm water treatment projects and activities.

(5) Money in the fund shall not be expended for combined sewer overflow corrections.

(6) The first priority for expenditure of money in the fund shall be for the programs described in subsection (4)(a).

(7) Money in the fund shall not be expended until rules are promulgated under section 8808.

Sec. 8808. The department shall promulgate rules to implement this part including rules to establish a grant program or loan program, or both, for expenditure of money in the fund.

Enacting section 1. This amendatory act takes effect December 1, 1998.

Enacting section 2. This amendatory act does not take effect unless the question provided for in the clean Michigan initiative act is approved by a majority of the registered electors voting on the question at the November 1998 general election.

Enacting section 3. This amendatory act does not take effect unless all of the following bills of the 89th Legislature are enacted into law:

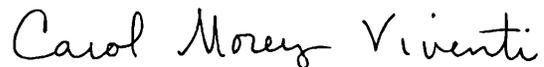
(a) Senate Bill No. 904.

(b) House Bill No. 5620.

(c) House Bill No. 5622.

(d) House Bill No. 5719.

This act is ordered to take immediate effect.



Secretary of the Senate.



Clerk of the House of Representatives.

Approved .....

.....  
Governor.