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PRIORITY LIST CRITERIA FOR SEWAGE TREATMENT PROJECTS

House Bill 5893 (Substitute H-5) Sponsor: Rep. David Mead Committee: Commerce

Complete to 4-24-02

A SUMMARY OF HOUSE BILL 5893 (SUBSTITUTE H-5) AS REPORTED FROM THE HOUSE COMMITTEE ON COMMERCE 4-24-02

Under Part 52 of the Natural Resources and Environmental Protection Act, the Department of Environmental Protection is required to annually develop priority lists for use in providing financial assistance to municipalities through the state water pollution control revolving fund, commonly called the state revolving fund (or SRF). One priority list is for sewage treatment works projects and stormwater treatment projects and a separate priority list is for nonpoint source projects. The priority lists are based on project plans submitted by local units of government and on criteria for evaluating projects that are specified in NREPA. House Bill 5893 would add criteria to the current list as described below.

The bill is tie-barred to <u>House Bill 4625</u> and <u>House Bill 5892</u>, which propose the issuance of up to \$1 billion in bonds to be used to finance water pollution control projects. The proposal would have to be approved by voters at the November 2002 general election. To the extent the bonds proceeds are to flow through the SRF, House Bill 5893 would have an effect on which projects receive funding. (See the House Legislative Analysis of those bills dated 4-23-02 for a discussion of this proposal.)

House Bill 5893 would specify the following.

- For sewage treatment projects and stormwater treatment projects, up to 100 priority points would be added based on the extent to which the project planning process considered the natural resource impacts of the project and attempted to reduce the overall scope of the project through volume reduction practices.
- For sewage treatment works projects, 100 priority points would be awarded if the project addressed on-site septic systems that were adversely affecting the water quality of a water body and if soil and hydrologic conditions were not suitable for the replacement of those septic systems.

The current list of criteria for sewage treatment works projects and stormwater treatment projects would remain unchanged. The two new criteria listed above would simply be added. The current criteria include:

• The severity of the water pollution problem to be addressed, maximizing progress towards restoring beneficial uses and meeting water quality standards;

- A determination of whether a project is or was necessary to comply with an order, permit, or other document with an enforceable schedule for addressing a municipality's sewage-related water pollution problems issued by the DEQ or entered as part of an action brought by the state against the municipality, or any component of the municipality. A municipality may voluntarily agree to an order, permit, or other document with an enforceable schedule;
 - The population to be served; and
 - The dilution ratio existing between the discharge volume and the receiving stream.

MCL 324.5303

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This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.