

**SUBSTITUTE FOR
HOUSE BILL NO. 6577**

A bill to amend 1976 PA 399, entitled
"Safe drinking water act,"
by amending sections 4 and 21 (MCL 325.1004 and 325.1021), section
4 as amended by 2006 PA 37, and by adding section 4a.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 4. (1) A supplier of water shall file with the department
2 the plans and specifications of the entire waterworks system owned
3 or operated by the supplier, unless the department determines that
4 its existing records are adequate. A general plan of the waterworks
5 system for each public water supply shall be provided to the
6 department by a supplier of water and shall be updated as
7 determined necessary by the department.

8 (2) Upon receipt of the plans and specifications for a
9 proposed waterworks system, the department shall evaluate the
10 adequacy of the proposed system to protect the public health by

1 supplying water meeting the state drinking water standards and, if
2 applicable, shall evaluate the impact of the proposed system as
3 provided in subsections (3) and (4). The department shall also
4 conduct a capacity assessment for a proposed community supply or
5 nontransient noncommunity water supply and determine if the system
6 has the technical, financial, and managerial capacity to meet all
7 requirements of this act and the rules promulgated under this act,
8 on the date of commencement of operations. If upon evaluation the
9 department determines the plans and specifications to be inadequate
10 or the capacity assessment shows the system to be inadequate, the
11 department may return the plans and specifications to the applicant
12 and require additions or modifications as may be appropriate. The
13 department may reject plans and specifications for a waterworks
14 system that will not satisfactorily provide for the protection of
15 the public health or, if applicable, will not meet the standards
16 provided in subsections (3) and (4). The department may deny a
17 permit for construction of a proposed community supply or a
18 nontransient noncommunity water supply if the capacity assessment
19 shows that the proposed system does not have adequate technical,
20 financial, or managerial capacity to meet the requirements of this
21 act and the rules promulgated under this act.

22 (3) The department may evaluate the impact of a proposed
23 waterworks system for a community supply owned by a political
24 subdivision that will do any of the following:

25 (a) Provide new total designed withdrawal capacity of more
26 than 2,000,000 gallons of water per day from a source of water
27 other than the Great Lakes and their connecting waterways.

1 (b) Provide an increased total designed withdrawal capacity of
2 more than 2,000,000 gallons of water per day from a source of water
3 other than the Great Lakes and their connecting waterways beyond
4 the system's total designed withdrawal capacity.

5 (c) Provide new total designed withdrawal capacity of more
6 than 5,000,000 gallons of water per day from the Great Lakes and
7 their connecting waterways.

8 (d) Provide an increased total designed withdrawal capacity of
9 more than 5,000,000 gallons of water per day from the Great Lakes
10 and their connecting waterways beyond the system's total designed
11 withdrawal capacity.

12 (4) The department shall reject the plans and specifications
13 for a proposed waterworks system evaluated under subsection (3) if
14 it determines that the proposed system will not meet the applicable
15 standard provided in section 32723(5) or (6) of the natural
16 resources and environmental protection act, 1994 PA 451, MCL
17 324.32723, unless both of the following conditions are met:

18 (a) The department determines that there is no feasible and
19 prudent alternative location for the withdrawal.

20 (b) The department includes in the approval conditions related
21 to depth, pumping capacity, rate of flow, and ultimate use that
22 ensure that the environmental impact of the withdrawal is balanced
23 by the public benefit of the withdrawal related to public health,
24 safety, and welfare.

25 (5) Before commencing the construction of a waterworks system
26 or an alteration, addition, or improvement to a system, a supplier
27 of water shall submit the plans and specifications for the

1 improvements to the department and secure from the department a
2 permit for construction as provided by rule. Plans and
3 specifications submitted to the department shall be prepared by a
4 professional engineer licensed under article 20 of the occupational
5 code, 1980 PA 299, MCL 339.2001 to 339.2014. A contractor, builder,
6 or supplier of water shall not engage in or begin the construction
7 of a waterworks system or an alteration, addition, or improvement
8 to a waterworks system until a valid permit for the construction
9 has been secured from the department. A contractor, builder, or
10 supplier of water who permits or allows construction to proceed
11 without a valid permit, or in a manner not in accordance with the
12 plans and specifications approved by the department, violates this
13 act. A supplier of water shall not issue a voucher or check or in
14 any other way expend money or provide consideration for
15 construction of a waterworks system unless a valid permit issued by
16 the department is in effect. **A SUPPLIER MAY REQUEST AN EXPEDITED
17 PERMIT APPLICATION REVIEW AS PROVIDED IN SECTION 4A.**

18 (6) The department may deny a permit for construction of a
19 waterworks system or an alteration, addition, or improvement to a
20 waterworks system if the most recent capacity assessment shows that
21 the waterworks system does not have adequate technical, financial,
22 or managerial capacity to meet the requirements of this act and the
23 rules promulgated under this act, and the deficiencies identified
24 in that capacity assessment remain uncorrected, unless the proposed
25 construction will remedy the deficiencies.

26 (7) **A SUPPLIER SHALL OBTAIN WRITTEN APPROVAL FROM THE
27 DEPARTMENT FOR ALL MODIFICATIONS TO A WATERWORKS SYSTEM EXCEPT FOR**

1 A MINOR MODIFICATION. THE DEPARTMENT MAY VERBALLY APPROVE MINOR
2 MODIFICATIONS OF A CONSTRUCTION PERMIT ISSUED BY THE DEPARTMENT
3 BECAUSE OF UNFORESEEN SITE CONDITIONS THAT BECOME APPARENT DURING
4 CONSTRUCTION. MINOR MODIFICATIONS INCLUDE, BUT ARE NOT LIMITED TO,
5 EXTENDING A HYDRANT LEAD OR ROUTING A WATER MAIN AROUND A MANHOLE.
6 A SUPPLIER MAKING A REQUEST FOR A MODIFICATION SHALL PROVIDE TO THE
7 DEPARTMENT ALL RELEVANT INFORMATION REQUIRED UNDER THIS SECTION AND
8 THE APPLICATION FORM PROVIDED BY THE DEPARTMENT RELATED TO THE
9 MODIFICATION. A SUPPLIER RECEIVING A WRITTEN OR VERBAL APPROVAL
10 FROM THE DEPARTMENT SHALL SUBMIT REVISED PLANS AND SPECIFICATIONS
11 TO THE DEPARTMENT WITHIN 10 DAYS FROM THE DATE OF APPROVAL.

12 (8) IF A SUPPLIER SEEKS CONFIRMATION OF THE DEPARTMENT'S
13 VERBAL APPROVAL OF A MINOR MODIFICATION UNDER SUBSECTION (7), THE
14 SUPPLIER SHALL NOTIFY THE DEPARTMENT ELECTRONICALLY, AT AN ADDRESS
15 SPECIFIED BY THE DEPARTMENT, WITH A DETAILED DESCRIPTION OF THE
16 REQUEST FOR THE MODIFICATION. THE DEPARTMENT SHALL MAKE REASONABLE
17 EFFORTS TO RESPOND WITHIN 2 BUSINESS DAYS, CONFIRMING WHETHER THE
18 REQUEST HAS BEEN APPROVED OR NOT APPROVED. IF THE DEPARTMENT HAS
19 NOT RESPONDED WITHIN 2 BUSINESS DAYS AFTER THE DEPARTMENT RECEIVES
20 THE DETAILED DESCRIPTION, THE VERBAL APPROVAL SHALL BE CONSIDERED
21 CONFIRMED.

22 SEC. 4A. (1) NO LATER THAN OCTOBER 1, 2007, THE DEPARTMENT
23 SHALL MAKE AN EXPEDITED PERMIT APPLICATION REVIEW PROCESS AVAILABLE
24 FOR PROJECTS DESCRIBED IN SUBSECTION (6). THE EXPEDITED APPLICATION
25 REVIEW PROCESS SHALL BE AVAILABLE THROUGH SEPTEMBER 30, 2010. A
26 SUPPLIER PLANNING TO REQUEST AN EXPEDITED PERMIT APPLICATION REVIEW
27 SHALL NOTIFY THE DEPARTMENT ELECTRONICALLY, IN ACCORDANCE WITH THE

1 INSTRUCTIONS PROVIDED ON THE DEPARTMENT'S WEBSITE, AT LEAST 2 WEEKS
2 PRIOR TO SUBMITTING A REQUEST FOR AN EXPEDITED PERMIT APPLICATION
3 REVIEW. THE SUPPLIER SHALL SUBMIT THE REQUEST FOR AN EXPEDITED
4 PERMIT APPLICATION REVIEW ELECTRONICALLY AND SHALL INCLUDE THE
5 APPROPRIATE FEE AS PROVIDED IN SUBSECTION (2). CREDIT CARD PAYMENT
6 OF THE APPROPRIATE FEE IS REQUIRED WITH THE ELECTRONIC FILING OF
7 THE APPLICATION. THE SUPPLIER SHALL SUBMIT A WRITTEN COPY OF THE
8 CONSTRUCTION PLANS AND SPECIFICATIONS FOR THE PROJECT TO THE
9 DEPARTMENT POSTMARKED NO LATER THAN THE DATE THAT THE APPLICATION
10 WAS SUBMITTED ELECTRONICALLY.

11 (2) THE EXPEDITED PERMIT APPLICATION REVIEW FEE SHALL BE AS
12 FOLLOWS:

13 (A) WATER MAIN PROJECTS WITH TOTAL LENGTHS LESS THAN 1,000
14 FEET, \$1,000.00.

15 (B) WATER MAIN PROJECTS WITH TOTAL LENGTHS GREATER THAN OR
16 EQUAL TO 1,000 FEET AND LESS THAN 3,000 FEET, \$1,500.00.

17 (C) WATER MAIN PROJECTS OF TOTAL LENGTH GREATER THAN 3,000
18 FEET AND LESS THAN OR EQUAL TO 10,000 FEET, \$2,000.00.

19 (3) EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (5), IF AN
20 APPLICANT DOES NOT SUBMIT A COMPLETE APPLICATION AND THE
21 APPROPRIATE FEE UNDER SUBSECTION (2), OR IF THE NOTIFICATION
22 REQUIRED IN SUBSECTION (1) IS NOT MADE, THE DEPARTMENT SHALL NOT
23 CONDUCT AN EXPEDITED REVIEW AND THE FEE SHALL NOT BE REFUNDED.
24 WITHIN 10 BUSINESS DAYS OF RECEIPT OF THE APPLICATION, THE
25 DEPARTMENT SHALL NOTIFY THE SUPPLIER OF THE REASONS WHY THE
26 APPLICATION WILL NOT BE EXPEDITED. THE SUPPLIER MAY CORRECT THE
27 DEFICIENCIES AND SUBMIT A NEW REQUEST FOR AN EXPEDITED PERMIT

1 APPLICATION REVIEW WITH THE APPROPRIATE FEE IN ACCORDANCE WITH THIS
2 SECTION. THE DEPARTMENT SHALL NOT REJECT A RESUBMITTED APPLICATION
3 SOLELY BECAUSE THE DEPARTMENT FAILED TO IDENTIFY THE DEFICIENCIES
4 IN THE ORIGINAL APPLICATION.

5 (4) FOR A SECOND SUBMISSION OF AN APPLICATION THAT ORIGINALLY
6 FAILED TO MEET THE REQUIREMENTS SPECIFIED IN SUBSECTION (3), THE
7 APPLICANT SHALL INCLUDE A FEE EQUAL TO 10% OF THE FEE SPECIFIED IN
8 SUBSECTION (2). HOWEVER, IF THE DEFICIENCY INCLUDED FAILURE TO PAY
9 THE APPROPRIATE FEE, THE SECOND SUBMISSION SHALL INCLUDE THE
10 BALANCE OF THE APPROPRIATE FEE PLUS 10% OF THE APPROPRIATE FEE. IF
11 THE APPLICANT MAKES ADDITIONAL CHANGES OTHER THAN THOSE ITEMS
12 IDENTIFIED BY THE DEPARTMENT AS BEING DEFICIENT, THE APPLICANT
13 SHALL INCLUDE THE FEE SPECIFIED IN SUBSECTION (2). FOR EACH
14 SUBSEQUENT SUBMITTAL OF AN APPLICATION THAT FAILS TO MEET THE
15 REQUIREMENTS SPECIFIED IN SUBSECTION (3), THE APPLICANT SHALL
16 INCLUDE THE FEE SPECIFIED IN SUBSECTION (2).

17 (5) IF AN APPLICANT FAILS TO PROVIDE A COMPLETE APPLICATION OR
18 THE APPROPRIATE FEE REQUIRED UNDER THIS SECTION, THE DEPARTMENT
19 SHALL NOTIFY THE APPLICANT WITHIN 5 BUSINESS DAYS. THE APPLICATION
20 SHALL NOT BE PROCESSED UNTIL THE DEFICIENT ITEMS ARE ADDRESSED. IF
21 THE APPLICANT DOES NOT PROVIDE THE DEFICIENT ITEMS WITHIN 5
22 BUSINESS DAYS AFTER NOTIFICATION BY THE DEPARTMENT, THE APPLICATION
23 SHALL BE HANDLED AS PROVIDED IN SUBSECTION (3). THE FEE FOR AN
24 EXPEDITED REVIEW REQUIRED UNDER THIS SECTION SHALL BE REFUNDED IF
25 THE DEPARTMENT FAILS TO MEET THE DEADLINES ESTABLISHED IN
26 SUBSECTION (7).

27 (6) A REQUEST FOR AN EXPEDITED PERMIT APPLICATION REVIEW IS

1 LIMITED TO PROJECTS WHICH CONSIST SOLELY OF INSTALLATION OF NEW
2 WATER MAINS OF LESS THAN OR EQUAL TO 10,000 FEET LOCATED IN A
3 COUNTY WITH A POPULATION OF BETWEEN 750,000 AND 1,000,000 AND ANY
4 CONTIGUOUS COUNTY WITH A POPULATION OF GREATER THAN 160,000.
5 EXPEDITED PERMIT APPLICATION REVIEWS ARE NOT ALLOWED FOR OTHER
6 PROJECTS REQUIRING A PERMIT UNDER THIS ACT INCLUDING, BUT NOT
7 LIMITED TO, PROJECTS INVOLVING WATER TREATMENT PROCESSES, GROUND OR
8 ELEVATED STORAGE TANKS, CHEMICAL FEED SYSTEMS, WELLS, BOOSTER
9 STATIONS, PUMPS, NEW PROPOSED WATERWORKS SYSTEMS SUBJECT TO A
10 CAPACITY ASSESSMENT, OR PROJECTS FUNDED UNDER THE STATE DRINKING
11 WATER REVOLVING FUND ESTABLISHED UNDER SECTION 16B OF THE SHARED
12 CREDIT RATING ACT, 1985 PA 227, MCL 141.1066B.

13 (7) THE DEPARTMENT SHALL REVIEW AND MAKE A DECISION ON A
14 COMPLETE APPLICATION SUBMITTED IN ACCORDANCE WITH A REQUEST FOR
15 EXPEDITED PERMIT APPLICATION REVIEW PURSUANT TO THE FOLLOWING
16 SCHEDULE:

17 (A) UNTIL SEPTEMBER 30, 2008, THE DEPARTMENT SHALL MAKE A
18 PERMIT DECISION WITHIN 20 BUSINESS DAYS OF RECEIPT BY THE
19 DEPARTMENT OF THE COMPLETE APPLICATION, INCLUDING PLANS AND
20 SPECIFICATIONS.

21 (B) FROM OCTOBER 1, 2008 THROUGH SEPTEMBER 30, 2009, THE
22 DEPARTMENT SHALL MAKE A PERMIT DECISION WITHIN 15 BUSINESS DAYS OF
23 RECEIPT BY THE DEPARTMENT OF THE COMPLETE APPLICATION, INCLUDING
24 PLANS AND SPECIFICATIONS.

25 (C) FROM OCTOBER 1, 2009 THROUGH SEPTEMBER 30, 2010, THE
26 DEPARTMENT SHALL MAKE A PERMIT DECISION WITHIN 10 BUSINESS DAYS OF
27 RECEIPT BY THE DEPARTMENT OF THE COMPLETE APPLICATION, INCLUDING

1 PLANS AND SPECIFICATIONS.

2 (8) IF THE DEPARTMENT FAILS TO MEET THE DEADLINES SPECIFIED IN
3 SUBSECTION (7), THE DEPARTMENT SHALL CONTINUE TO EXPEDITE THE
4 APPLICATION REVIEW PROCESS FOR AN APPLICATION SUBMITTED UNDER THIS
5 SECTION.

6 (9) EXPEDITED PERMIT APPLICATION REVIEW FEES SHALL BE
7 DEPOSITED INTO THE INFRASTRUCTURE CONSTRUCTION FUND CREATED IN
8 SECTION 4113 OF THE NATURAL RESOURCES AND ENVIRONMENTAL PROTECTION
9 ACT, 1994 PA 451, MCL 324.4113.

10 (10) AS USED IN THIS SECTION:

11 (A) "COMPLETE APPLICATION" MEANS THE APPLICATION FORM PROVIDED
12 BY THE DEPARTMENT IS COMPLETED, ALL REQUESTED INFORMATION IS
13 PROVIDED, THE SUBMITTED CONSTRUCTION PLANS AND SPECIFICATIONS ARE
14 PREPARED, SIGNED, AND SEALED BY A PROFESSIONAL ENGINEER LICENSED
15 UNDER ARTICLE 20 OF THE OCCUPATIONAL CODE, 1980 PA 299, MCL
16 339.2001 TO 339.2014, AND THE APPLICATION AND CONSTRUCTION PLANS
17 AND SPECIFICATIONS CAN BE PROCESSED FOR ISSUANCE OF THE PERMIT
18 WITHOUT ADDITIONAL INFORMATION. THE DEPARTMENT MAY ISSUE A PERMIT
19 WITH CONDITIONS TO CORRECT MINOR DESIGN DEFICIENCIES.

20 (B) "PROJECT" MEANS A PLAN OR PROPOSAL TO INSTALL NEW WATER
21 MAINS WITHIN A WATERWORKS SYSTEM LOCATED IN 1 GENERAL AREA WHERE
22 ALL THE COMPONENTS ARE INTERCONNECTED BUT DOES NOT INCLUDE A
23 WATERWORKS SYSTEM PROPOSED FOR CONSTRUCTION IN SEPARATE PARCELS OF
24 LAND OR DEVELOPMENT AREAS.

25 Sec. 21. (1) A person who violates this act or the rules
26 promulgated ~~hereunder~~ UNDER THIS ACT or an order issued pursuant
27 to this act is guilty of a misdemeanor ~~and shall be punished~~

1 PUNISHABLE by a fine of not more than \$5,000.00 for each day of
2 violation, or by imprisonment for not more than 1 year, or both.

3 (2) A LAW ENFORCEMENT OFFICER MAY ISSUE AND SERVE AN
4 APPEARANCE TICKET UPON A PERSON FOR A MINOR OFFENSE PURSUANT TO
5 SECTIONS 9C TO 9G OF CHAPTER IV OF THE CODE OF CRIMINAL PROCEDURE,
6 1927 PA 175, MCL 764.9C TO 764.9G.

7 (3) AS USED IN THIS SECTION, "MINOR OFFENSE" MEANS A VIOLATION
8 OF A PERMIT ISSUED UNDER THIS ACT THAT DOES NOT FUNCTIONALLY IMPAIR
9 THE OPERATION OR CAPACITY OF A WATERWORKS SYSTEM OR THE LEVEL OF
10 PUBLIC HEALTH PROTECTION IT PROVIDES.

11 Enacting section 1. This amendatory act does not take effect
12 unless House Bill No. 6668 of the 93rd Legislature is enacted into
13 law.