

SENATE 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. **THE DEPARTMENT MAY ISSUE A PERMIT WITH**
17 **CONDITIONS TO CORRECT MINOR DESIGN DEFICIENCIES. IF ELIGIBLE, A**
18 **SUPPLIER MAY REQUEST AN EXPEDITED REVIEW OF AN APPLICATION FOR A**
19 **PERMIT UNDER SECTION 4A.**

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

1 (7) THE DEPARTMENT MAY VERBALLY APPROVE MINOR MODIFICATIONS OF
2 A CONSTRUCTION PERMIT ISSUED BY THE DEPARTMENT AS A RESULT OF
3 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 SHALL OBTAIN WRITTEN APPROVAL FROM THE
10 DEPARTMENT FOR ALL MODIFICATIONS TO A WATERWORKS SYSTEM EXCEPT WHEN
11 THE DEPARTMENT PROVIDES VERBAL APPROVAL FOR A MINOR MODIFICATION AS
12 PROVIDED FOR IN THIS SUBSECTION. A SUPPLIER RECEIVING A WRITTEN OR
13 VERBAL APPROVAL FROM THE DEPARTMENT SHALL SUBMIT REVISED PLANS AND
14 SPECIFICATIONS TO THE DEPARTMENT WITHIN 10 DAYS FROM THE DATE OF
15 APPROVAL.

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

26 SEC. 4A. (1) NOT LATER THAN OCTOBER 1, 2007, THE DEPARTMENT
27 SHALL ESTABLISH AN EXPEDITED PERMIT APPLICATION REVIEW PROCESS

1 AVAILABLE FOR PROJECTS DESCRIBED IN SUBSECTION (7). THE EXPEDITED
2 REVIEW PROCESS SHALL BE AVAILABLE THROUGH SEPTEMBER 30, 2010. TO BE
3 ELIGIBLE FOR EXPEDITED REVIEW, AN APPLICANT SHALL SUBMIT ALL OF THE
4 ITEMS UNDER SUBSECTION (2) NOT LATER THAN SEPTEMBER 30, 2010.

5 (2) A SUPPLIER REQUESTING AN EXPEDITED REVIEW SHALL DO ALL OF
6 THE FOLLOWING:

7 (A) AT LEAST 10 BUSINESS DAYS PRIOR TO SUBMITTING AN
8 APPLICATION UNDER SUBDIVISION (B), NOTIFY THE DEPARTMENT
9 ELECTRONICALLY, IN ACCORDANCE WITH THE INSTRUCTIONS PROVIDED ON THE
10 DEPARTMENT'S WEBSITE, OF HIS OR HER INTENT TO REQUEST EXPEDITED
11 REVIEW.

12 (B) SUBMIT ELECTRONICALLY A COMPLETE APPLICATION FOR A PERMIT,
13 INCLUDING A REQUEST FOR EXPEDITED REVIEW AND INCLUDING, VIA CREDIT
14 CARD, THE APPROPRIATE FEE UNDER SUBSECTION (3).

15 (C) PROVIDE A WRITTEN COPY OF THE CONSTRUCTION PLANS AND
16 SPECIFICATIONS FOR THE PROJECT THAT HAS BEEN PREPARED, SIGNED, AND
17 SEALED BY A LICENSED PROFESSIONAL ENGINEER TO THE DEPARTMENT
18 POSTMARKED NOT LATER THAN THE DATE THAT THE APPLICATION IS
19 SUBMITTED ELECTRONICALLY.

20 (3) EXCEPT AS PROVIDED IN SUBSECTION (5), THE FEE FOR AN
21 EXPEDITED REVIEW IS AS FOLLOWS:

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

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

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

1 (4) EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (6), IF AN
2 APPLICANT DOES NOT COMPLY WITH SUBSECTION (3), THE DEPARTMENT SHALL
3 NOT CONDUCT AN EXPEDITED REVIEW AND ANY SUBMITTED FEE SHALL NOT BE
4 REFUNDED. WITHIN 10 BUSINESS DAYS OF RECEIPT OF THE APPLICATION,
5 THE DEPARTMENT SHALL NOTIFY THE SUPPLIER OF THE REASONS WHY THE
6 DEPARTMENT'S REVIEW OF THE APPLICATION WILL NOT BE EXPEDITED. UPON
7 RECEIPT OF THIS NOTIFICATION, THE SUPPLIER MAY CORRECT THE
8 DEFICIENCIES AND RESUBMIT AN APPLICATION AND REQUEST FOR AN
9 EXPEDITED REVIEW WITH THE APPROPRIATE FEE SPECIFIED UNDER
10 SUBSECTION (5). THE DEPARTMENT SHALL NOT REJECT A RESUBMITTED
11 APPLICATION SOLELY BECAUSE OF DEFICIENCIES THAT THE DEPARTMENT
12 FAILED TO IDENTIFY IN THE ORIGINAL APPLICATION.

13 (5) FOR A SECOND SUBMISSION OF AN APPLICATION THAT ORIGINALLY
14 FAILED TO MEET THE REQUIREMENTS SPECIFIED IN SUBSECTION (4), THE
15 APPLICANT SHALL INSTEAD INCLUDE A FEE EQUAL TO 10% OF THE FEE
16 SPECIFIED IN SUBSECTION (3). HOWEVER, IF THE DEFICIENCY INCLUDED
17 FAILURE TO PAY THE APPROPRIATE FEE, THE SECOND SUBMISSION SHALL
18 INCLUDE THE BALANCE OF THE APPROPRIATE FEE PLUS 10% OF THE
19 APPROPRIATE FEE. IF THE APPLICANT MAKES ADDITIONAL CHANGES OTHER
20 THAN THOSE ITEMS IDENTIFIED BY THE DEPARTMENT AS BEING DEFICIENT,
21 THE APPLICANT SHALL INSTEAD INCLUDE AN ADDITIONAL FEE EQUAL TO THE
22 FEE SPECIFIED IN SUBSECTION (3). FOR THE THIRD AND EACH SUBSEQUENT
23 SUBMITTAL OF AN APPLICATION THAT FAILS TO MEET THE REQUIREMENTS
24 SPECIFIED IN SUBSECTION (4), THE APPLICANT SHALL INCLUDE AN
25 ADDITIONAL FEE EQUAL TO THE FEE SPECIFIED IN SUBSECTION (3).

26 (6) IF THE APPLICANT FAILS TO SIGN THE APPLICATION, SUBMITS
27 CONSTRUCTION PLANS AND SPECIFICATIONS THAT HAVE NOT BEEN PREPARED,

1 SIGNED, AND SEALED BY A LICENSED PROFESSIONAL ENGINEER, OR SUBMITS
2 AN INSUFFICIENT FEE, THE DEPARTMENT SHALL NOTIFY THE APPLICANT
3 WITHIN 5 BUSINESS DAYS OF THE DEFICIENCY. THE APPLICATION SHALL NOT
4 BE PROCESSED UNTIL THE DEFICIENT ITEMS ARE ADDRESSED. IF THE
5 APPLICANT DOES NOT PROVIDE THE DEFICIENT ITEMS WITHIN 5 BUSINESS
6 DAYS AFTER NOTIFICATION BY THE DEPARTMENT, THE APPLICATION SHALL BE
7 HANDLED AS PROVIDED IN SUBSECTION (4).

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

21 (8) THE DEPARTMENT SHALL REVIEW AND MAKE A DECISION ON A
22 COMPLETE APPLICATION SUBMITTED WITH A REQUEST FOR EXPEDITED REVIEW
23 PURSUANT TO THE FOLLOWING SCHEDULE:

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

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

5 (C) FROM OCTOBER 1, 2009 THROUGH SEPTEMBER 30, 2010, THE
6 DEPARTMENT SHALL MAKE A PERMIT DECISION WITHIN 10 BUSINESS DAYS OF
7 RECEIPT BY THE DEPARTMENT OF THE COMPLETE APPLICATION, INCLUDING
8 PLANS AND SPECIFICATIONS.

9 (9) IF THE DEPARTMENT FAILS TO MEET THE DEADLINES SPECIFIED IN
10 SUBSECTION (8), THE DEPARTMENT SHALL CONTINUE TO EXPEDITE THE
11 APPLICATION REVIEW PROCESS FOR AN APPLICATION SUBMITTED UNDER THIS
12 SECTION. HOWEVER, THE FEE FOR AN EXPEDITED REVIEW REQUIRED UNDER
13 THIS SECTION SHALL BE REFUNDED IF THE DEPARTMENT FAILS TO MEET THE
14 DEADLINES ESTABLISHED IN SUBSECTION (8).

15 (10) THE DEPARTMENT SHALL TRANSMIT FEES COLLECTED UNDER THIS
16 SECTION TO THE STATE TREASURER FOR DEPOSIT INTO THE INFRASTRUCTURE
17 CONSTRUCTION FUND CREATED IN SECTION 4113 OF THE NATURAL RESOURCES
18 AND ENVIRONMENTAL PROTECTION ACT, 1994 PA 451, MCL 324.4113.

19 (11) AS USED IN THIS SECTION:

20 (A) "COMPLETE APPLICATION" MEANS THAT THE APPLICATION FORM
21 PROVIDED BY THE DEPARTMENT IS COMPLETED, ALL REQUESTED INFORMATION
22 IS PROVIDED, AND THE APPLICATION CAN BE PROCESSED WITHOUT
23 ADDITIONAL INFORMATION.

24 (B) "EXPEDITED REVIEW" MEANS AN EXPEDITED REVIEW OF A PERMIT
25 APPLICATION UNDER THIS SECTION.

26 (C) "LICENSED PROFESSIONAL ENGINEER" MEANS A PROFESSIONAL
27 ENGINEER LICENSED UNDER ARTICLE 20 OF THE OCCUPATIONAL CODE, 1980

1 PA 299, MCL 339.2001 TO 339.2014.

2 (D) "PROJECT" MEANS A PLAN OR PROPOSAL TO INSTALL NEW WATER
3 MAINS WITHIN A WATERWORKS SYSTEM LOCATED IN 1 GENERAL AREA WHERE
4 ALL THE COMPONENTS ARE INTERCONNECTED BUT DOES NOT INCLUDE A
5 WATERWORKS SYSTEM PROPOSED FOR CONSTRUCTION IN SEPARATE PARCELS OF
6 LAND OR DEVELOPMENT AREAS.

7 Sec. 21. (1) A person who violates this act or the rules
8 promulgated ~~hereunder~~ **UNDER THIS ACT** or an order issued pursuant
9 to this act is guilty of a misdemeanor ~~and shall be punished~~
10 **PUNISHABLE** by a fine of not more than \$5,000.00 for each day of
11 violation, or by imprisonment for not more than 1 year, or both.

12 (2) A LAW ENFORCEMENT OFFICER MAY ISSUE AND SERVE AN
13 APPEARANCE TICKET UPON A PERSON FOR A MINOR OFFENSE PURSUANT TO
14 SECTIONS 9C TO 9G OF CHAPTER IV OF THE CODE OF CRIMINAL PROCEDURE,
15 1927 PA 175, MCL 764.9C TO 764.9G.

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

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