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**BILL ANALYSIS**

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Senate Bill 858 (Substitute S-2 as reported)

Sponsor: Senator Gerald Van Woerkom

Committee: Natural Resources and Environmental Affairs

CONTENT

The bill would amend the Safe Drinking Water Act to revise provisions requiring the Department of Environmental Quality (DEQ) to evaluate the impact of a proposed waterworks system for a community supply.

Under the Act, upon receiving the plans and specifications for a proposed waterworks system, the DEQ must evaluate its adequacy to protect the public health by supplying water meeting State drinking water standards. The Act permits the Department to evaluate the impact of a proposed system that will do any of the following:

- Provide new total designed withdrawal capacity of more than 2.0 million gallons of water per day from a source other than the Great Lakes and their connecting waterways.
- Provide an increased total designed withdrawal capacity of more than 2.0 million gallons of water per day from a source other than the Great Lakes and their connecting waterways beyond the system's total designed withdrawal capacity.
- Provide new total designed withdrawal capacity of more than 5.0 million gallons per day from the Great Lakes and their connecting waterways.
- Provide an increased total designed withdrawal capacity of more than 5.0 million gallons per day from the Great Lakes and their connecting waterways beyond the system's total designed withdrawal capacity.

The bill, instead, would require the DEQ to evaluate the impact of a proposed system that would do any of the following:

- Provide new total designed withdrawal capacity of more than 2.0 million gallons of water per day from the waters of the State.
- Provide an increased total designed withdrawal capacity of more than 2.0 million gallons per day from the waters of the State beyond the system's total designed withdrawal capacity.
- Provide new total designed withdrawal capacity or an increased total designed withdrawal capacity that would result in an intrabasin transfer of more than 100,000 gallons per day average over any 90-day period.

Under the Act, the DEQ must reject the plans and specifications if it determines that the system will not meet a prescribed standard unless certain conditions are met. The bill would require the DEQ to reject the plans and specifications if the system would not meet the applicable standard. The DEQ could, however, approve those plans and specifications if they did not result in an intrabasin transfer of more than 100,000 gallons per day average over any 90-day period. The DEQ's approval of a proposed system would be considered to satisfy certain requirements of the Great Lakes-St. Lawrence River Basin Water Resources Compact (which Senate Bill 212 (S-6) would implement).

The bill is tie-barred to Senate Bills 212, 859, and 860. Senate Bill 212 (S-6) would amend Parts 327 (Great Lakes Preservation) and 328 (Aquifer Protection) of the Natural Resources and Environmental Protection Act (NREPA) to do the following:

- Provide for the implementation of the Great Lakes-St. Lawrence River Basin Water Resources Compact.
- Revise the prohibition against diverting water from the Great Lakes Basin, and define "diversion".
- Revise a requirement that certain large-quantity water users obtain a water withdrawal permit from the DEQ, and revise the definition of "withdrawal".
- Beginning January 1, 2009, require a water withdrawal permit applicant to certify that he or she was in compliance with generally accepted water management practices or environmentally sound and economically feasible water conservation measures.
- Revise the duties of the Groundwater Conservation Advisory Council, and change its name to the "Water Resources Conservation Advisory Council".

Additionally, the bill would add Part 342 (Great Lakes-St. Lawrence River Basin Water Resources Compact) to NREPA.

Senate Bill 859 would amend Part 327 of NREPA to revise the civil penalties for a violation of Part 327.

Senate Bill 860 would amend Part 327 to do the following:

- Revise requirements for a property owner to register with the DEQ before making a large-quantity withdrawal.
- Require the DEQ to develop and implement an internet-based water withdrawal assessment tool that could be used to determine if a proposed withdrawal was likely to cause an adverse resource impact.
- Require a property owner to submit to the DEQ a request for a site-specific review if the assessment tool indicated that the proposed withdrawal would fall into a particular category or could cause an adverse resource impact.
- Allow the DEQ to determine that a proposed withdrawal was not likely to cause an adverse resource impact if restorative measures were implemented.

MCL 325.1004

Legislative Analyst: Julie Cassidy

FISCAL IMPACT

The bills would cost the State an indeterminate amount for information technology and staff expenses. In FY 2006-07, \$738,000 was appropriated for administrative costs of the water withdrawal program. In FY 2005-06, \$500,000 was appropriated for initial development of a water withdrawal assessment tool. An unknown amount of additional funding would be necessary for the increased responsibilities of the Department of Environmental Quality under these bills. The bills do not identify a source of funding for the additional cost.

An indeterminate amount of additional revenue from the increased civil penalties for violations of Part 327 would be received depending on the number of violations. Revenue from civil penalties is deposited into the General Fund.

Date Completed: 12-7-07

Fiscal Analyst: Jessica Runnels

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.