

SENATE BILL No. 1192

December 14, 2016, Introduced by Senator ANANICH and referred to the Committee on Government Operations.

A bill to amend 1976 PA 399, entitled "Safe drinking water act," by amending section 2 (MCL 325.1002), as amended by 1998 PA 56, and by adding section 25.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 2. As used in this act:

2 **(A) "ASSET MANAGEMENT" MEANS MAINTAINING, UPGRADING, AND**
3 **OPERATING PHYSICAL ASSETS COST-EFFECTIVELY AND ON AN ONGOING BASIS,**
4 **BASED ON A CONTINUOUS PHYSICAL INVENTORY AND CONDITION ASSESSMENT.**

5 **(B) ~~(a)~~** "Bottled drinking water" means water that is
6 ultimately sold, provided, or offered for human consumption in a
7 closed container.

8 **(C) ~~(b)~~** "Capacity assessment" means an evaluation of the
9 technical, financial, and managerial capability of a community
10 supply or nontransient noncommunity water supply to comply and

1 maintain compliance with all requirements of this act and the rules
2 promulgated under this act.

3 (D) "CENTRAL DATA STORAGE AGENCY" MEANS THAT AGENCY OR OFFICE
4 CHOSEN BY THE DEPARTMENT WHERE THE ASSET MANAGER DATA COLLECTED ARE
5 STORED AND MAINTAINED.

6 (E) ~~(e)~~"Community supply" means ~~a~~¹ OF THE FOLLOWING AS
7 IMPLIED BY THE CONTEXT:

8 (i) A public water supply that provides year-round service to
9 not fewer than 15 living units or ~~which~~^{THAT} regularly provides
10 year-round service to not fewer than 25 residents.

11 (ii) THE OWNER OR OPERATOR OF A PUBLIC WATER SUPPLY DESCRIBED
12 IN SUBPARAGRAPH (i) .

13 (F) ~~(d)~~"Contaminant" means a physical, chemical, biological,
14 or radiological substance or matter in water.

15 (G) "COUNCIL" MEANS THE WATER SUPPLY ASSET MANAGEMENT COUNCIL
16 CREATED BY SECTION 25.

17 (H) ~~(e)~~"Customer service connection" means the pipe between a
18 water main and customer site piping or A building plumbing system.

19 (I) ~~(f)~~"Customer site piping" means an underground piping
20 system owned or controlled by the customer that conveys water from
21 the customer service connection to building plumbing systems and
22 other points of use on lands owned or controlled by the customer.
23 Customer site piping does not include any system that incorporates
24 treatment to protect public health.

25 (J) ~~(g)~~"Department" means the department of environmental
26 quality or its authorized agent or representative.

27 (K) ~~(h)~~"Director" means the director of the department of

1 environmental quality or his or her authorized agent or
2 representative.

3 (I) ~~(i)~~—"Imminent hazard" means that in the judgment of the
4 director there is a violation, or a condition that may cause a
5 violation, of the state drinking water standards at a public water
6 supply requiring immediate action to prevent endangering the health
7 of people.

8 (M) ~~(j)~~—"Living unit" means a house, apartment, or other
9 domicile occupied or intended to be occupied on a ~~day-to-day~~ **DAY-**
10 **TO-DAY** basis by an individual, family group, or equivalent.

11 (N) **"MULTIYEAR PROGRAM" MEANS A COMPILATION OF COMMUNITY**
12 **SUPPLY PROJECTS ANTICIPATED TO BE CONTRACTED FOR BY THE COMMUNITY**
13 **SUPPLY DURING A 3-YEAR PERIOD. THE MULTIYEAR PROGRAM SHALL INCLUDE**
14 **A LISTING OF EACH PROJECT TO BE FUNDED IN WHOLE OR IN PART WITH**
15 **STATE OR FEDERAL FUNDS.**

16 (O) ~~(k)~~—"Noncommunity supply" means a public water supply that
17 is not a community supply, but that has not less than 15 service
18 connections or that serves not fewer than 25 individuals on an
19 average daily basis for not less than 60 days per year.

20 (P) ~~(l)~~—"Nontransient noncommunity water supply" means a
21 noncommunity public water supply that serves not fewer than 25 of
22 the same individuals on an average daily basis over 6 months per
23 year. This definition includes water supplies in places of
24 employment, schools, and day-care centers.

25 (Q) ~~(m)~~—"Person" means an individual, partnership,
26 ~~co-partnership,~~ cooperative, firm, company, public or private
27 association or corporation, political subdivision, agency of ~~the~~

1 **THIS** state, agency of the federal government, trust, estate, joint
2 structure company, or any other legal entity, or ~~their~~**ITS** legal
3 representative, agent, or assigns.

4 (R) ~~(n)~~—"Plans and specifications" means drawings, data, and a
5 true description or representation of an entire waterworks system
6 or parts of the system as it exists or is to be constructed, and a
7 statement on how a waterworks system is to be operated.

8 (S) ~~(e)~~—"Political subdivision" means a city, village,
9 township, charter township, county, district, **OR** authority or **A**
10 portion or combination ~~thereof~~**OF ANY OF THESE**.

11 (T) ~~(p)~~—"Public water supply" means a waterworks system that
12 provides water for drinking or household purposes to persons other
13 than the supplier of the water, and does not include either of the
14 following:

15 (i) A waterworks system that supplies water to only 1 living
16 unit.

17 (ii) A waterworks system that consists solely of customer site
18 piping.

19 (U) ~~(q)~~—"State drinking water standards" means quality
20 standards setting limits for contaminant levels or establishing
21 treatment techniques to meet standards necessary to protect the
22 public health.

23 (V) ~~(r)~~—"Service connection" means a direct connection from a
24 distribution water main to a living unit or other site to provide
25 water for drinking or household purposes.

26 (W) ~~(s)~~—"Source water assessment" means a state program to
27 delineate the boundaries of areas in the state from which 1 or more

1 public water supplies receive supplies of drinking water, to
2 identify contaminants regulated under this act for which monitoring
3 is required because ~~the~~**THIS** state has determined they may present
4 a threat to public health, and, to the extent practical, to
5 determine the susceptibility of the public water supply in the
6 delineated area to these contaminants.

7 **(X)** ~~(t)~~ "Supplier of water" or "supplier" means a person ~~who~~
8 **THAT** owns or operates a public water supply, and includes a water
9 hauler.

10 **(Y)** ~~(u)~~ "Transient noncommunity water supply" means a
11 noncommunity supply that does not meet the definition of
12 nontransient noncommunity water supply.

13 **(Z)** ~~(v)~~ "Water hauler" means a person engaged in bulk
14 vehicular transportation, ~~of water~~ to other than the water hauler's
15 own household, ~~which~~**OF WATER THAT** is intended for use or used for
16 drinking or household purposes. ~~Excluded from this definition are~~
17 ~~these persons~~**WATER HAULER DOES NOT INCLUDE A PERSON** providing
18 water solely for employee use.

19 **(AA)** ~~(w)~~ "Water main" means a pipe owned or controlled by a
20 supplier that ~~may convey~~**CONVEYS** water to a customer service
21 connection or to a fire hydrant.

22 **(BB)** ~~(x)~~ "Waterworks system" or "system" means a system of
23 pipes and structures through which water is obtained and
24 distributed, including, but not limited to, wells and well
25 structures, intakes and cribs, pumping stations, treatment plants,
26 storage tanks, pipelines and appurtenances, or a combination
27 ~~thereof,~~**OF ANY OF THESE**, actually used or intended for use for the

1 purpose of furnishing water for drinking or household purposes.

2 (CC) ~~(y)~~ "Year-round service" means the ability of a supplier
3 of water to provide drinking water on a continuous basis to a
4 living unit or facility.

5 SEC. 25. (1) THE WATER SUPPLY ASSET MANAGEMENT COUNCIL IS
6 CREATED WITHIN THE DEPARTMENT.

7 (2) THE COUNCIL SHALL CONSIST ALL OF THE FOLLOWING MEMBERS,
8 WHO SHALL BE APPOINTED BY THE DIRECTOR AND ARE VOTING MEMBERS
9 UNLESS OTHERWISE INDICATED:

10 (A) TWO MEMBERS REPRESENTING THE DEPARTMENT.

11 (B) TWO MEMBERS REPRESENTING CITIES.

12 (C) TWO MEMBERS REPRESENTING COMMUNITY PLANNERS.

13 (D) ONE MEMBER REPRESENTING COMMUNITY SUPPLIES.

14 (E) ONE MEMBER FROM ACADEMIA WHO HAS KNOWLEDGE OF AND
15 EXPERIENCE WITH PUBLIC WATER SUPPLIES.

16 (F) ONE MEMBER REPRESENTING THE PUBLIC HEALTH SECTOR.

17 (G) ONE MEMBER REPRESENTING COUNTIES.

18 (H) ONE MEMBER REPRESENTING TOWNSHIPS.

19 (I) ONE NONVOTING MEMBER REPRESENTING THE CENTRAL DATA STORAGE
20 AGENCY.

21 (3) THE MEMBERS FIRST APPOINTED TO THE COUNCIL SHALL BE
22 APPOINTED WITHIN 60 DAYS AFTER THE EFFECTIVE DATE OF THE AMENDATORY
23 ACT THAT ADDED THIS SECTION. MEMBERS OF THE COUNCIL SHALL SERVE FOR
24 TERMS OF 3 YEARS OR UNTIL A SUCCESSOR IS APPOINTED, WHICHEVER IS
25 LATER, EXCEPT THAT OF THE MEMBERS FIRST APPOINTED 3 SHALL SERVE FOR
26 1 YEAR AND 3 SHALL SERVE FOR 2 YEARS. AN INDIVIDUAL MAY BE
27 APPOINTED FOR SUCCESSIVE TERMS.

1 (4) IF A VACANCY OCCURS ON THE COUNCIL, THE DIRECTOR SHALL
2 MAKE AN APPOINTMENT FOR THE UNEXPIRED TERM IN THE SAME MANNER AS
3 THE ORIGINAL APPOINTMENT. THE DIRECTOR MAY REMOVE A MEMBER OF THE
4 COUNCIL FOR INCOMPETENCE, DERELICTION OF DUTY, MALFEASANCE,
5 MISFEASANCE, OR NONFEASANCE IN OFFICE, OR ANY OTHER GOOD CAUSE.

6 (5) THE FIRST MEETING OF THE COUNCIL SHALL BE CALLED BY THE
7 DIRECTOR. AT THE FIRST MEETING, THE COUNCIL SHALL ELECT FROM AMONG
8 ITS MEMBERS A CHAIRPERSON AND OTHER OFFICERS AS IT CONSIDERS
9 APPROPRIATE. AFTER THE FIRST MEETING, THE COUNCIL SHALL MEET AT
10 LEAST QUARTERLY, OR MORE FREQUENTLY AT THE CALL OF THE CHAIRPERSON
11 OR IF REQUESTED BY 4 OR MORE MEMBERS. A MAJORITY OF THE MEMBERS OF
12 THE COUNCIL CONSTITUTE A QUORUM FOR THE TRANSACTION OF BUSINESS AT
13 A MEETING OF THE COUNCIL. A MAJORITY OF THE MEMBERS PRESENT AND
14 SERVING ARE REQUIRED FOR OFFICIAL ACTION OF THE COUNCIL. THE
15 BUSINESS THAT THE COUNCIL MAY PERFORM SHALL BE CONDUCTED AT A
16 PUBLIC MEETING OF THE COUNCIL HELD IN COMPLIANCE WITH THE OPEN
17 MEETINGS ACT, 1976 PA 267, MCL 15.261 TO 15.275.

18 (6) A WRITING PREPARED, OWNED, USED, IN THE POSSESSION OF, OR
19 RETAINED BY THE COUNCIL IN THE PERFORMANCE OF AN OFFICIAL FUNCTION
20 IS SUBJECT TO THE FREEDOM OF INFORMATION ACT, 1976 PA 442, MCL
21 15.231 TO 15.246.

22 (7) MEMBERS OF THE COUNCIL SHALL SERVE WITHOUT COMPENSATION,
23 EXCEPT THAT A MEMBER OF THE COUNCIL REPRESENTING THE DEPARTMENT OR
24 THE CENTRAL DATA STORAGE AGENCY SHALL SERVE WITHOUT ADDITIONAL
25 COMPENSATION. MEMBERS OF THE COUNCIL MAY BE REIMBURSED FOR THEIR
26 ACTUAL AND NECESSARY EXPENSES INCURRED IN THE PERFORMANCE OF THEIR
27 OFFICIAL DUTIES AS MEMBERS OF THE COUNCIL.

1 (8) THE COUNCIL SHALL ADVISE THE DEPARTMENT AND COMMUNITY
2 SUPPLIES ON A STATEWIDE ASSET MANAGEMENT STRATEGY FOR COMMUNITY
3 SUPPLIES AND THE PROCESSES AND TOOLS NECESSARY TO IMPLEMENT THE
4 STRATEGY.

5 (9) WITHIN 90 DAYS AFTER THE DATE OF ITS FIRST MEETING, THE
6 COUNCIL SHALL DEVELOP AND PRESENT TO THE DIRECTOR FOR APPROVAL
7 PROCEDURES AND REQUIREMENTS THAT ARE NECESSARY FOR THE
8 ADMINISTRATION OF THE ASSET MANAGEMENT PROCESS. THE PROCEDURES AND
9 REQUIREMENTS SHALL, AT A MINIMUM, INCLUDE THE AREAS OF TRAINING,
10 DATA STORAGE AND COLLECTION, REPORTING, DEVELOPMENT OF A MULTIYEAR
11 PROGRAM, BUDGETING AND FUNDING, AND OTHER ISSUES RELATED TO ASSET
12 MANAGEMENT. ALL QUALITY CONTROL STANDARDS AND PROTOCOLS SHALL, AT A
13 MINIMUM, BE CONSISTENT WITH ANY EXISTING FEDERAL REQUIREMENTS AND
14 REGULATIONS AND EXISTING GOVERNMENT ACCOUNTING STANDARDS.

15 (10) THE COUNCIL MAY APPOINT A TECHNICAL ADVISORY PANEL WHOSE
16 MEMBERS ARE REPRESENTATIVES FROM ASSOCIATIONS INVOLVED IN THE
17 CONSTRUCTION OF COMMUNITY SUPPLIES. THE COUNCIL SHALL SELECT
18 MEMBERS TO THE TECHNICAL ADVISORY PANEL FROM NAMES SUBMITTED BY THE
19 ASSOCIATIONS. THE TECHNICAL ADVISORY PANEL MEMBERS SHALL BE
20 APPOINTED FOR TERMS OF 3 YEARS. THE COUNCIL SHALL ASSIGN RESEARCH
21 ISSUES AND PROJECTS TO THE TECHNICAL ADVISORY PANEL TO ASSIST IN
22 THE DEVELOPMENT OF STATEWIDE ASSET MANAGEMENT POLICIES. THE
23 TECHNICAL ADVISORY PANEL'S RECOMMENDATIONS ARE NOT BINDING ON THE
24 COUNCIL.

25 (11) EACH COMMUNITY SUPPLY SHALL ANNUALLY SUBMIT A REPORT TO
26 THE COUNCIL. THE REPORT SHALL INCLUDE A MULTIYEAR PROGRAM DEVELOPED
27 THROUGH THE ASSET MANAGEMENT PROCESS AS DEVELOPED UNDER SUBSECTION

1 (9). PROJECTS CONTAINED IN THE ANNUAL MULTIYEAR PROGRAM SHALL BE
2 CONSISTENT WITH THE ASSET MANAGEMENT PROCESS OF THE COMMUNITY
3 SUPPLY AND SHALL BE REPORTED CONSISTENT WITH CATEGORIES ESTABLISHED
4 BY THE COUNCIL.

5 (12) FUNDING NECESSARY TO SUPPORT THE ACTIVITIES DESCRIBED IN
6 THIS SECTION, INCLUDING FUNDING FOR COSTS INCURRED BY PUBLICLY
7 OWNED COMMUNITY SUPPLIES, SHALL BE PROVIDED BY AN ANNUAL
8 APPROPRIATION IN THE DEPARTMENT'S BUDGET.

9 (13) THE DEPARTMENT AND EACH COMMUNITY SUPPLY SHALL KEEP
10 ACCURATE AND UNIFORM RECORDS ON ALL WORK PERFORMED AND FUNDS
11 EXPENDED FOR THE PURPOSES OF THIS SECTION, PURSUANT TO PROCEDURES
12 DEVELOPED BY THE COUNCIL. EACH COMMUNITY SUPPLY SHALL ANNUALLY
13 REPORT TO THE COUNCIL THE RECEIPTS AND DISBURSEMENTS OF FUNDS FOR
14 THE IMPLEMENTATION OF THIS SECTION AND OF ASSET MANAGEMENT PLANS.
15 THE REPORT SHALL BE MADE IN THE MANNER PRESCRIBED BY THE COUNCIL,
16 WHICH SHALL BE CONSISTENT WITH ACCEPTED ACCOUNTING PROCEDURES. A
17 REPORT UNDER THIS SUBSECTION MAY BE COMBINED WITH A REPORT UNDER
18 SUBSECTION (11).

19 (14) BY FEBRUARY 1 OF EACH YEAR, THE STAFF ASSIGNED TO THE
20 COUNCIL UNDER SUBSECTION (15) SHALL SUBMIT TO THE DIRECTOR AND THE
21 LEGISLATURE A REPORT REGARDING THE RESULTS OF ACTIVITIES CONDUCTED
22 DURING THE PRECEDING YEAR AND THE EXPENDITURE OF FUNDS RELATED TO
23 THOSE ACTIVITIES. THE REPORT SHALL ALSO INCLUDE AN OVERVIEW OF THE
24 ACTIVITIES IDENTIFIED FOR THE SUCCEEDING YEAR.

25 (15) THE DEPARTMENT SHALL PROVIDE QUALIFIED ADMINISTRATIVE
26 STAFF TO THE COUNCIL.

27 (16) THE DEPARTMENT SHALL DESIGNATE A CENTRAL DATA STORAGE

1 AGENCY WITHIN 45 DAYS AFTER THE EFFECTIVE DATE OF THE AMENDATORY
2 ACT THAT ADDED THIS SECTION.

3 Enacting section 1. This amendatory act takes effect 90 days
4 after the date it is enacted into law.