



STATE OF MICHIGAN
DEPARTMENT OF ENVIRONMENTAL QUALITY
LANSING



JENNIFER M. GRANHOLM
GOVERNOR

STEVEN E. CHESTER
DIRECTOR

TO: Senate Appropriations Committee Members
Senate Appropriations Subcommittee on Environmental Quality Members
Senate Natural Resources and Environmental Affairs Committee Members
House Appropriations Committee Members
House Appropriations Subcommittee on Environmental Quality Members
House Great Lakes and Environment Committee Members
House Tourism, Outdoor Recreation and Natural Resources Committee Members
Gary S. Olson, Director, Senate Fiscal Agency
Mitchell E. Bean, Director, House Fiscal Agency

FROM: Steven E. Chester, Director

DATE: January 22, 2008

SUBJECT: Report on the Use of the National Pollutant Discharge Elimination System Fund

In accordance with Section 901 of Public Act 121 of 2007, attached is the Department of Environmental Quality's (DEQ) report on the use of the National Pollutant Discharge Elimination System fund created in MCL 324.3121 for Fiscal Year 2006.

If you should need further information, please contact Richard A. Powers, Chief, Water Bureau, at 517-335-4176, or you may contact me.

Attachment

cc/att: Governor Jennifer M. Granholm
Nathaniel Lake, Governor's Office
Lisa Webb Sharpe, Director, Department of Management and Budget
Bob Emerson, Director, Office of the State Budget
Jim Sygo, Deputy Director, DEQ
JoAnn Merrick, Chief of Staff, DEQ
Carol Linteau, Legislative Liaison, DEQ
James Kasprzak, DEQ
Richard A. Powers, DEQ
Frank J. Baldwin, DEQ
Karen Duling, DEQ
Peter Ostlund, DEQ

Michigan Department of Environmental Quality
Water Bureau

Section 901 of Public Act 121 of 2007
Report to the Michigan Legislature
National Pollutant Discharge Elimination System Non-Storm Water Program
Fiscal Year 2007

Section 901

(a) The number of compliance and complaint inspections completed, by category, the number of on-site compliance inspections conducted, and the number of compliance inspections that were not announced in advance to the permittee or licensee.

(b) The number and percent of permit and license inspections that were found to be in significant noncompliance, by category.

Items (a) and (b) are summarized in the attached table. We offer the following clarifications to the data:

All inspections are compliance inspections.

A portion of compliance inspections are in response to complaints received by the Department of Environmental Quality (DEQ).

All inspections have an on-site component. We do not track review of compliance data that is done in the office setting as inspections.

The term "significant noncompliance" (SNC) is defined for the purpose of our report as meaning an issue of noncompliance was discovered during the inspection that warrants response by means of an enforcement action (such as issuance of a notice letter or notice of noncompliance). SNC as used in the National Pollutant Discharge Elimination System (NPDES) Program is a specific term that has no meaning in this context.

(c) The number of administrative enforcement actions taken for permit or license violations and the results of the enforcement actions, including the amount of fines and penalties collected.

Fourteen cases were resolved with Administrative Consent Orders or Settlement Agreements containing compliance programs with a total of \$1,297,667 assessed in fines and penalties, and an additional \$79,364 assessed in costs of enforcement.

Pepsi Bottling Group Michigan, LLC: \$650,000 fines and \$3,179 costs

Indiana Michigan Power Company: \$10,000 fines

United States Steel Corporation: \$300,000 fines and \$50,000 costs

Laracha Farms: \$11,217 fines and \$8,783 costs

Wayne County North Huron Valley/Rouge Valley System: \$8,000 fines and \$2,500 costs

Van Vliet Dairy: \$10,000 fines and \$2,000 costs

New Era Canning Company: \$30,000 fines and \$6,723 costs

Spring Vale Academy: \$7,000 fines and \$3,000 costs

City of Howell: \$210,000 fines and \$3,179 costs

L.W. Coan Well Drilling: \$3,500 fines

Saginaw Bay Farms: \$10,000 fines

Manistique Papers, Inc.: \$22,950 fines

Sunoco - River Rouge: \$25,000 fines

Vreba-Hoff Dairy, LLC (supplemental to judicial action listed below)

Six cases were resolved via Certificates of Entry under the DEQ, Water Bureau's General Administrative Consent Order with a total of \$1,800 assessed in civil fines.

Seven cases were initiated and are pending resolution. These include Muskegon County Board of Public Works, Westland Auto Lube, Iseler Dairy, Nick Ostrander Dairy, City of Grand Ledge, City of Pontiac, and Milelloon Dairy.

(d) The number of judicial enforcement actions taken for permit or license violations and the results of the enforcement actions, including the amount of fines and penalties collected.

One case, Vreba-Hoff Dairy, LLC, was resolved with judicial action with an assessment of \$180,000 in fines plus up to \$150,000 in additional penalties dependent on future additions to its dairy herd.

One case, Buena Vista Township, was initiated during Fiscal Year 2007 and is pending resolution. This case involves violations of a previously entered judicial settlement.

(e) A listing of the supplemental environmental projects agreed to as a result of a consent agreement including all of the following: the case name, the monetary value of the supplemental environmental project, and a description of the project.

No settlements included a Supplemental Environmental Project during Fiscal Year 2007.

Attachment

NPDES Permit Fee Category (see Section 324.3120)	Total Number of Compliance Inspections	Number of Compliance Inspections Conducted Following Up On Complaints	Number of Compliance Inspections That Were Not Announced	Number of Inspections That Found Facilities In Significant Noncompliance (defined by follow-up enforcement action)	Percent of Inspections That Found Facilities In Significant Noncompliance (defined by follow-up enforcement action)
Industrial-Commercial Major	94	1	77	1	1.1%
Industrial-Commercial Minor, low-flow (COC)	142	1	105	5	3.5%
Industrial-Commercial Minor, high-flow (COC)	27	1	24	2	7.4%
Industrial-Commercial Minor, low-flow (IP)	83	4	58	6	7.2%
Industrial-Commercial Minor, high-flow (IP)	48	0	40	1	2.1%
Municipal Major, 500 MGD or greater (IP)	3	0	1	1	33.3%
Municipal Major, 50 MGD to less than 500 MGD (IP)	8	0	5	0	0.0%
Municipal Major, 10 MGD to less than 50 MGD (IP)	39	0	29	3	7.7%
Municipal Major, less than 10 MGD (IP)	115	2	85	9	7.8%
Municipal Minor, 10 MGD or more (IP)*					
Municipal Minor, 1 MGD to less than 10 MGD (IP)	34	0	28	0	0.0%
Municipal Minor, less than 1 MGD (IP)	81	0	68	4	4.9%
Municipal Minor, high-flow (COC)	0	0	0	0	0.0%
Municipal Minor, low-flow (COC)	153	0	116	8	5.2%
Municipal Minor Combined Sewer Overflow (IP)	13	1	13	1	7.7%
Minor Wastewater Stabilization Lagoon (IP)	51	0	46	2	3.9%
Agricultural Purpose Permit (IP or COC)	23	1	13	1	4.3%
Agricultural Purpose Permit Minor, low-flow	44	8	26	4	9.1%
Farmers Cooperative Corporation	5	0	5	0	0.0%
Discharge only to a Municipal System	2	0	1	0	0.0%
Totals	965	19	740	48	5.0%

COC = Certificate of Coverage

IP = Industrial Pretreatment

MGD = million gallons per day

* There are no facilities in the category "Municipal Minor, 10 MGD or more (IP)".

