



MICHIGAN DEPARTMENT OF ENVIRONMENTAL QUALITY
OFFICE OF DRINKING WATER AND MUNICIPAL ASSISTANCE

**STIPULATION TO CONDITIONS
REQUIRED FOR APPROVAL OF A
PRIVATELY OWNED TYPE I PUBLIC WATER SUPPLY**

Issued under authority of 1976 PA 399 and Administrative Rules, as amended, MCL 325.1001 *et seq.*
Failure to submit this information is a violation of the Act and may subject the public water supply to enforcement penalties.

PURPOSE OF THIS STIPULATION

Administrative Rule R 325.11703 states in part that in order to receive from the department a permit to construct a type I public water supply (PWS), the owner of the proposed type I PWS shall stipulate to conditions required by the department to ensure the PWS will meet the requirements of the act and rules promulgated thereunder. R 325.11703 states this stipulation is also required from a new owner of a privately owned type I PWS and from a privately owned PWS whose classification is changed to type I. This stipulation is only one of many requirements on privately owned type I PWS. Contact the appropriate Department of Environmental Quality (DEQ) district office to discuss requirements. Submit the completed form to the appropriate DEQ district office at www.michigan.gov/deq, click on Locations.

SIGNATURE REQUIREMENTS

This form must contain an original signature of the PWS owner or legally authorized agent of the PWS owner as follows:

1. For a corporation, the form must be signed by a principal executive officer of at least the level of Vice-President, or his/her designated representative, if the representative is responsible for the overall operation of the PWS (appropriate documentation must be provided to demonstrate the position and responsibility of the designated representative).
2. For a partnership, the form must be signed by a general partner.
3. For a sole proprietorship, the form must be signed by the proprietor.

PUBLIC WATER SUPPLY OWNER OR LEGAL ENTITY

NAME		
ADDRESS		
CITY	STATE	ZIP
CONTACT NAME/TITLE	PHONE # () -	

PUBLIC WATER SUPPLY

PUBLIC WATER SUPPLY NAME	WATER SUPPLY SERIAL NUMBER (WSSN)	
ADDRESS		
CITY	STATE	ZIP
CONTACT NAME	PHONE # () -	

Form continues on next page.

STIPULATE TO CONDITIONS

The undersigned must stipulate to all conditions, except facilities that are required to be licensed by the state, such as manufactured housing communities and health care facilities, are not required to stipulate to item 6.

The undersigned hereby stipulates to the following conditions as required under R 325.11703(2)(c), (3), and (4):

(Initial each item below)

- 1. _____ Supply water to the public according to the act and the rules in such a manner as to assure all users of a sufficient quantity of water under adequate pressure and a quality of water meeting the state drinking water standards, and transfer the ownership and operation of the entire PWS to a governing body by an acceptable agreement between the parties as required under R 325.11706.
- 2. _____ Provide or obtain easements, or isolation areas, or both, and abandon wells as required under R 325.11709.
- 3. _____ Provide service connections to not more than the number provided for in the permit to construct as required under R 325.11710.
- 4. _____ Receive department approval before transferring ownership of the supply as required under R 325.11711.
- 5. _____ Provide contact information of system operation personnel as required under R 325.11712.

The following item does not apply to facilities that are required to be licensed by the state, such as manufactured housing communities and health care facilities. All other PWS must stipulate to the following condition:

- 6. _____ Establish and maintain an escrow fund under R 325.11707 to R 325.11708 in the amount of \$_____.

PUBLIC WATER SUPPLY OWNER OR LEGALLY AUTHORIZED AGENT

PRINT NAME: _____

SIGNATURE: _____

TITLE: _____

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(**NOTARY PUBLIC:** _____

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(SIGNATURE: _____

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(DATE: _____

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(COUNTY: _____

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(COMMISSION EXPIRES: _____

**Attachment To Stipulation
Rules Applicable to Privately Owned Type I Public Water Supplies**

PART 17. OWNERSHIP OF PUBLIC WATER SUPPLIES

R 325.11701 Purpose.

Rule 1701. The purpose of this part is to prescribe certain requirements and procedures in accordance with section 10 of the act for private ownership of certain type I public water supplies when public ownership cannot be achieved.

History: 1954 ACS 94, Eff. Jan. 12, 1978; 1979 AC.

R 325.11702 Intent.

Rule 1702. Regulatory jurisdiction over public water supplies in this state is for the declared purpose of protecting the public health and to assure that public water supplies and waterworks systems are properly planned, constructed, maintained, and operated. It is a well established principle in this state that type I public water supplies be operated and maintained in an effective manner at all times and that adequate provision be made for a continuing administrative authority to accomplish this objective. Department procedures that have been in effect have strongly encouraged public ownership of all type I public water supplies. Accordingly, it is the department's belief that all avenues must be thoroughly explored with local governmental units to achieve public ownership of those public water supplies. If it is determined by the department that a local unit of government will not accept responsibility for ownership and operation of a type I public water supply, specific procedures must be established prior to issuance of a permit for construction of waterworks systems associated therewith.

History: 1954 ACS 94, Eff. Jan. 12, 1978; 1979 AC.

R 325.11703 Applicability and general requirements.

Rule 1703. (1) Except as noted in this part, this part applies to both of the following:

- (a) A private owner that proposes to construct a privately owned type I public water supply.
- (b) A privately owned type I public water supply.

(2) The department shall approve a new privately owned public water supply only by issuance of a permit. To receive from the department a permit to construct a type I public water supply, the owner of the proposed type I public water supply shall perform all of the following:

- (a) Submit to the department the information required under part 13 of these rules.
- (b) Submit to the department proof of refusal to accept ownership or operational responsibility of that public water supply from the governing entity under whose jurisdiction the public water supply is included, as required under R 325.11705.
- (c) On a form provided by the department, stipulate to conditions required by the department to ensure the public water supply will meet the requirements of the act and these rules. At a minimum, the conditions shall include all of the following:
 - (i) Supply water to the public according to the act and these rules and transfer the supply to the governmental entity by an acceptable agreement between the parties as required under R 325.11706.
 - (ii) Establish and maintain an escrow fund under R 325.11707 to R 325.11708. This paragraph does not apply to facilities that are required to be licensed by the state, such as manufactured housing communities and health care facilities.
 - (iii) Provide or obtain easements, or isolation areas, or both, and abandon wells as required under R 325.11709.
 - (iv) Provide service connections to not more than the number provided for in the permit to construct as required under R 325.11710.
 - (v) Receive department approval before transferring ownership of the supply as required under R 325.11711.
 - (vi) Provide contact information of system operation personnel as required under R 325.11712.

(3) A privately owned public water supply whose classification under part 5 of these rules changes to type I shall comply with subrule (2)(b) and (c) of this rule.

(4) A new owner of a privately owned type I public water supply shall comply with subrule (2)(b) and (c) of this rule as required under R 325.11711.

History: 1979 AC; 2009 MR 23, Eff. Dec. 4, 2009.

R 325.11704 Delegation of acceptance of ownership and operational responsibility of water supply by city, village, or township.

Rule 1704. A city, village, or township may delegate to a county, authority, district, or other public entity the acceptance of ownership and operational responsibility of any water supply within its jurisdiction. This delegation may be considered by the department to be adequate public ownership to meet the requirements of the act and these rules.

History: 1954 ACS 94, Eff. Jan. 12, 1978; 1979 AC.

R 325.11705 Private ownership of type I public water supply permitted; proof of refusal to accept ownership or operational responsibility by governmental entity.

Rule 1705. (1) If the division determines that ownership and operation of a type I public water supply by a local governmental agency is not practical for a particular public water supply, private ownership shall be allowed with adequate provisions to assure a continuous operation of the public water supply which meets the requirements of the act and these rules.

(2) The department shall not accept plans and specifications from, nor shall a permit be issued to, an owner of a proposed type I public water supply which is to be privately owned unless proof of refusal to accept ownership or operational responsibility of that public water supply is submitted in a formal resolution of the governing body of a city, county, village, township, or other governmental entity under whose jurisdiction the public water supply is included, or where proof of refusal is established to the satisfaction of the department.

History: 1954 ACS 94, Eff. Jan. 12, 1978; 1979 AC.

R 325.11706 Stipulations by owner of privately owned type I public water supply.

Rule 1706. (1) At the time an owner of a type I public water supply which is, or is proposed to be, privately owned submits plans and specifications to the department, the owner shall stipulate that the public water supply shall be operated in such a manner as to assure the customers or users thereof a sufficient quantity of water under adequate pressure and a quality of water meeting the state drinking water standards.

(2) The owner of a type I public water supply, which is proposed to be privately owned, shall stipulate to transfer the ownership and operation of the entire public water supply to a governing body of a city, village, or township, or its designated public entity, by an acceptable agreement between the parties, and with prior approval by the department.

History: 1954 ACS 94, Eff. Jan. 12, 1978; 1979 AC.

R 325.11707 Escrow fund.

Rule 1707. (1) The purpose of a continuing cash escrow fund is to be available to the department for immediate repairs, improvements, operations, or maintenance of the public water supply if the owner fails to meet the responsibilities under the act and these rules.

(2) The amount of the escrow fund required shall be calculated on the basis of \$500.00 per living unit proposed to be served by the public water supply, but in no case shall the escrow fund amount be less than \$10,000.00, or exceed \$50,000.00.

(3) Upon establishment of a written agreement between the privately owned public water supply and the governing body of a city, village, or township which establishes a date certain by which the privately owned public water supply ownership shall be transferred to that governing body, the department may reduce the amount of the required escrow fund.

(4) When the ownership of a privately owned public water supply is transferred, the department shall authorize return of the escrow fund and accrued interest to the owner from which the public water supply was transferred.

(5) When additional living units are added, a type I public water supply with an established escrow fund shall recalculate the escrow amount based on the sum of existing and proposed number of living units and increase its escrow fund accordingly.

History: 1979 AC; 2009 MR 23, Eff. Dec. 4, 2009.

R 325.11708 Removal and replacement of funds from escrow account.

Rule 1708. (1) Upon a determination by the department that removal of funds from an escrow account is required, only the director or his designated agent may remove funds from the escrow account to make the necessary corrections.

(2) The owner of a privately owned type I public water supply shall replace all funds removed from the account by the director or his designated agent as required for needed improvements or corrections to the waterworks system within 90 days after removal of the funds to maintain the account at the original level.

(3) If the financial institution that created the escrow fund sends notice that it intends to terminate the escrow fund, the public water supply shall obtain an alternate escrow fund within 30 days after termination.

History: 1979 AC; 2009 MR 23, Eff. Dec. 4, 2009.

R 325.11709 Privately owned public water supply; easements; isolation area for wells; abandonment of wells.

Rule 1709. (1) The owner of a public water supply which is proposed to be privately owned shall provide or obtain all necessary easements for any portion of the waterworks system which is not located in the public right-of-way.

(2) The isolation area for wells serving a public water supply which is, or is proposed to be, privately owned shall be defined in the plans and specifications submitted to the department pursuant to the act and part 13 of these rules and shall be considered to be a part of the waterworks system.

(3) If the wells associated with a privately owned waterworks system are abandoned, ownership or easements shall be retained as may be necessary for the operation of the remainder of the waterworks system. The procedures for abandonment of wells shall be in accordance with the requirements of the act and part 8 of these rules.

History: 1954 ACS 94, Eff. Jan. 12, 1978; 1979 AC.

R 325.11710 Privately owned waterworks system; additional service connections.

Rule 1710. The owner of a privately owned waterworks system shall not provide additional service connections to other living units or facilities in excess of the total number specified on, and approved by issuance of, a permit by the department. If an owner of a privately owned waterworks system wishes to provide service to additional living units or facilities, a permit shall be obtained from the department.

History: 1954 ACS 94, Eff. Jan. 12, 1978; 1979 AC.

R 325.11711 Transfer of ownership of a privately owned type I public water supply.

Rule 1711. (1) If ownership of a privately owned type I public water supply is transferred to another private owner, the former owner shall notify and receive approval from the department before the change in ownership.

(2) The new owner shall comply with R 325.11703(2)(b) to (c).

History: 1979 AC; 2009 MR 23, Eff. Dec. 4, 2009.

R 325.11712 Filing names of operation personnel.

Rule 1712. The owner of a privately owned waterworks system shall file with the department the name, address, and telephone number of not less than 2 persons having direct responsibility for the daily operation and maintenance of the waterworks system who can be contacted in the event of any emergency or requirement relative to its operation.

History: 1954 ACS 94, Eff. Jan. 12, 1978; 1979 AC.

R 325.11713 Rescinded.

History: 1979 AC; rescinded 2009 MR 23, Eff. Dec. 4, 2009.