

Harrietta Hills Grayling Trout Farm

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The Grayling Fish Hatchery facility has been operating at some level since 1914. It was managed as a trout production facility by the Michigan Department of Natural Resources until 1970, transferred to Crawford County in 1983, and operated seasonally as a tourist attraction until 2011. At that time, Crawford County determined that they could no longer run the facility at a financial loss. In order to maintain the seasonal tourist attraction, the Crawford County Board of Commissioners agreed to lease the facility to an operator with the understanding that the facility would need to increase production to be a financially viable operation. Since this increase in production would exceed the level that required authorization under a National Pollutant Discharge Elimination System (NPDES) permit, the operator submitted an application to the Michigan Department of Environmental Quality (MDEQ) for a permit in October 2013 with the goal to gradually increase production from approximately 20,000 pounds per year up to 300,000 pounds per year.

The MDEQ evaluated the application for the proposed expansion of operations at the Grayling Fish Hatchery and developed an NPDES permit with requirements designed to be protective of water quality standards in the Au Sable River. The public was provided an opportunity to comment on the draft permit during the period of April 3, 2014 through May 12, 2014, with a combined public meeting and hearing held on May 6, 2014, in Grayling, Michigan. Based upon the comments that were received, the MDEQ made a number of significant changes to the permit prior to issuance.

A new use NPDES permit was issued to Harrietta Hills Trout Farm, LLC for the Grayling Fish Hatchery on July 1, 2014. The permit authorizes 8.64 million gallons per day of fish rearing water to be diverted from the Au Sable River through a series of flow-through raceways in the facility before flowing back into the Au Sable River. The MDEQ believes that the terms and conditions specified in the permit, along with the additional regulations for aquaculture facilities managed by the Michigan Department of Natural Resources and the Michigan Department of Agriculture and Rural Development, will be protective of the Au Sable River. The permit included special conditions that allow the MDEQ to take whatever actions are necessary if the permittee does not remain in compliance with the permit or if there are significant adverse impacts on the river.

After permit issuance, two parties, Sierra Club and Anglers of the Au Sable, filed petitions for a contested case hearing with the Michigan Administrative Hearing System. Following attempts to negotiate resolutions to the petitioners' claims, in June 2015, the parties agreed to proceed toward a hearing. The contested case hearing was held over the course of 18 days from February through April 2016. On February 1, 2017, the administrative law judge (ALJ) issued a proposal for decision (PFD) supporting the permit issuance with the stipulation to modify the permit to include some additional monitoring and to specify the permittee install quiescent zones to promote the settling of solids within six months of permit modification.

After careful deliberation of the PFD and the exceptions to the PFD, on June 27, 2017, the MDEQ director entered an order remanding some limited issues back to the ALJ for reconsideration. After reconsideration of the remanded issues, on September 19, 2017, the ALJ issued a PFD on remand from the director that set forth a recommendation to include additional conditions in the permit specific to whirling disease. The director evaluated both PFDs and issued a final determination and order upholding the previous ruling by the ALJ, and including additional environmental protections for the Au Sable River, to allow Harrietta Hills Grayling Trout Farm to expand its hatchery. The parties have the opportunity to file a claim of appeal from this decision to the Circuit Court.