	OFFICE OF DRINKING WATER AND MUNICIPAL ASSISTANCE POLICY AND PROCEDURE		DEPARTMENT OF ENVIRONMENTAL QUALITY
Original Effective Date: April 1, 1994	Subject: Release From Escrow Requirement for Privately Owned Community Water Supply		Category: <input type="checkbox"/> Internal/Administrative
Revised Date:	Division/Office and Program Names: ODWMA-Public Water System Supervision Program		<input type="checkbox"/> External/Noninterpretive
Reformatted Date: January 11, 2013	Number: ODWMA-399-942	Page: 1 of 2	<input checked="" type="checkbox"/> External/Interpretive

A Department of Environmental Quality (DEQ) Policy and Procedure cannot establish regulatory requirements for parties outside of the DEQ. This document provides direction to DEQ staff regarding the implementation of rules and laws administered by the DEQ. It is merely explanatory; does not affect the rights of, or procedures and practices available to, the public; and does not have the force and effect of law.

ISSUE:

The September 16, 1993, amendments to the Safe Drinking Water Act, 1976 PA 399, as amended (Act 399), added Subsection (3) to Section 10 (MCL 325.1010), which states, "The department may reduce or eliminate any escrow account established under this section after 5 years of operation and maintenance considered satisfactory by the department." This policy was developed to ensure that a consistent set of criteria is applied when determining whether a privately owned community water supply (CWS) is eligible for the release or reduction of its escrow account. This policy supersedes Division of Water Supply (Bureau of Environmental and Occupational Health, Department of Public Health) Policy/Procedure 1994-2.

AUTHORITY:

Act 399, Section 10, MCL 325.1010, Approval of privately owned public water supply; escrow account to correct deficiencies in public water supply; compliance with subsections (1) and (2) by private purchaser.

POLICY:

1. Criteria

For an escrow account or portion of an escrow account to be returned to the owner of a CWS, the supply must meet the following criteria:

- a. The supply must have been in operation under the same owner for a minimum of 5 years.
- b. A sanitary survey has been completed within the past 12 months, which indicates that both water supply facilities and operation are satisfactory.
- c. The supply has complied with compliance monitoring requirements.
- d. The supply has no more than one failure to monitor for total coliform within the past 12 months.
- e. Where applicable, the supply has satisfactorily submitted operation reports.
- f. The supply is not delinquent for DEQ laboratory analysis fees.
- g. The supply is not delinquent in payment of its annual water supply fee.
- h. The escrow fund has not been used for emergency repairs during the past 5 years.

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2. Ineligible

When a supply is deemed to be ineligible for release of its escrow account based on these criteria, the Office of Drinking Water and Municipal Assistance will provide upon request a list of items that must be corrected or complied with in order for the supply to become eligible for release of its escrow account.

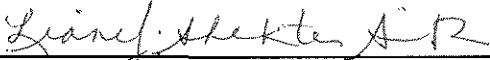
PROCEDURE:

Who	Does What
District staff	If requested, or at own initiative, review whether a CWS is eligible to be released from the escrow fund requirement. If eligible, retrieve original escrow documentation from files (currently filed in Lansing) and return to the financial institution holding the escrow fund and copy the CWS owner.

REFERENCES:

See Authority section of this policy.

OFFICE CHIEF APPROVAL:



Liane J. Shekter Smith, P.E., Chief
Office of Drinking Water and Municipal Assistance

1/10/13

Date

DEPUTY DIRECTOR APPROVAL:



Jim Sygo, Deputy Director

1/18/2013

Date