

Michigan Department of Environmental Quality
Water Division

**ANNUAL REPORT TO
EPA ON CAPACITY
DEVELOPMENT
PROGRAM — FY 2002**

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List of Acronyms

Act 399	Safe Drinking Water Act, 1976 PA 399, as amended
AWWA	American Water Works Association
CCR	Consumer Confidence Report
CWS	Community water system
DWRF	Drinking Water Revolving Fund
FY	Fiscal Year
LHD	Local Health Department
MDEQ	Michigan Department of Environmental Quality
MHC	Manufactured Housing Community
MMBA	Michigan Municipal Bond Authority
NCWS	Noncommunity water system
NOV	Notice of Violation
NTNCWS	Nontransient Noncommunity Water System
OTU	Operator Training Unit
SDWA	Federal Safe Drinking Water Act
SNCs	Significant noncompliers
Strategy	Capacity Development Strategy for Existing Public Water System
UPEA	U.P. Engineers & Architects, Inc.
USEPA	U.S. Environmental Protection Agency
WD	Water Division

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1. Current Strategy and Plans for the Future

Michigan's capacity development program has been implemented by the Water Division (WD) through amendments to the Safe Drinking Water Act, 1976 PA 399, as amended (Act 399), and by application of capacity development polices and guidance documents. These authorities have been blended into our long-standing program of technical assistance. The following two documents that have been submitted to the U.S. Environmental Protection Agency (USEPA) describe our capacity development program:

- *New Community Water System Capacity Guideline Document*, dated May 1, 2000
- *Capacity Development Strategy for Existing Public Water Systems*, dated August 1, 2000 (Strategy)

The new systems program relies on two control points: construction permits and final inspection. New systems also include those that do not meet the definition of a community water system (CWS) at start-up but are designed to one day meet the definition, and those systems that are not currently a CWS that propose to extend the water system, thereby growing to become a CWS. One exception is a system that simply increases the number of users without altering or constructing water system infrastructure.

The following table outlines the status of the new CWSs and nontransient noncommunity water systems (NTNCWSs) during the first three fiscal year's (FYs) of the capacity development program.

Table of New Systems	Type System	FY 2000	FY 2001	FY 2002
Total Number of New Systems • Proposed • Approved, or • Commenced Operation	CWS	52	23	16
	NTNCWS	10	26	35
Number of Proposed Systems • Not Yet Approved, and • Not Yet Commenced Operation	CWS	45	19	7
	NTNCWS	*		
Approved But Not Yet Commenced Operation	CWS	All approved systems have commenced operation. For manufactured housing communities (MHCs), the WD tracks when they are APPROVED to commence operation. MHCs may have other licensing criteria to meet with another state agency.		
	NTNCWS			
Commenced Operation During the FY	CWS	7	6	9
	NTNCWS	10	26	35
Not in Compliance and Reason for Noncompliance	CWS	Currently all comply	Currently all comply	See note on next page
	NTNCWS			Currently all comply

* The WD has delegated the authority to local health departments (LHDs) to review, approve, and issue construction permits. LHDs do not track the number of applications for permits.

Note: New NTNCWSs are all in compliance with the rules. None of the new CWSs have exceeded a drinking water standard, though a couple have received monitoring and reporting violations:

- Royal View failed to collect samples for the first six-month lead and copper monitoring by June 2002. The system sampled in September and is in compliance.
- Indian Lake Woods collected quarterly samples late for volatile organic contaminants. The system sampled in the following quarter, issued public notification as required, and is in compliance.

CWS

Generally, a construction permit is issued based on the technical capacity of the proposed system. However, the financial and managerial capacity requirements may still be pending while the system is under construction. Only after a final inspection and when the system has demonstrated capacity in all three areas is approval granted to commence operation. A New System Tracking database tracks the progress of potential systems through the process.

The existing system strategy relies primarily on the capacity assistance component of the state's drinking water program, which the WD has traditionally referred to as technical assistance. Through routine system evaluations or capacity assessments, the WD staff determine which systems need capacity assistance. Based on the wishes of our stakeholders, the WD will not request a capacity assessment of an existing water system unless violations, deficiencies, or other factors indicate the system lacks technical or managerial capacity. Capacity assistance is provided through the WD staff or through other technical assistance providers to help communities build technical, managerial, or financial (TMF) capacity. If capacity assistance is not requested or ineffective, Michigan practices a program of escalated enforcement.

Plans for the future include continuing the strong tradition of technical assistance provided by the WD staff during visits, evaluations, meetings, and training. Due to MDEQ restructuring, the drinking water program is merging with another program with an established and experienced enforcement unit that will further streamline and speed escalated enforcement on water systems. Additionally, a strong emphasis by the WD staff is continuing to encourage communities to use the services of other technical assistance providers, many times at no cost to the systems.

Additionally, to help existing CWSs improve financial capacity, a pilot project has been initiated to recommend procedures, identify potential obstacles, and suggest strategies for the possible implementation of a program to assist water systems with financial concerns and problems.

NTNCWS

The WD has delegated the authority to LHDs to review, approve, and issue construction permits. When water systems begin the permit application process, the LHD helps them outline their financial and managerial capacity. Prior to receiving approval to commence operation, NTNCWS must submit a financial plan and a managerial plan that includes a contingency plan and designation of a certified operator, etc. The WD routinely measures the compliance status of noncommunity water systems (NCWSs), including NTNCWSs. This information is used to

prioritize technical assistance as well as educational and enforcement efforts as described in the next section.

2. Methods or Criteria Used to Prioritize Systems and to Measure Improvements

The WD established methods and criteria to identify and prioritize existing systems for capacity assistance in the Strategy cited above. These methods and criteria are still in place and are also used to measure improvements in capacity, though some mechanisms have been refined and updated.

Compliance Information

Compliance data will be one baseline for measuring progress in the capacity development program. However, comparing compliance data from one year to the next becomes more difficult because of the rapidly increasing numbers of new rules and requirements each year.

With the onslaught of many new regulations that are likely to have a disproportionate impact on small systems, the number of systems in compliance may not tell the true story of improved capacity. Small systems make up the majority of systems in the state, and they make up the majority of systems in noncompliance. However, the majority of the population served by CWSs is supplied by large systems that generally comply with requirements. To put compliance data into perspective, it may be useful to compare the percent of population served by CWSs that are in compliance with health-based standards and monitoring and reporting requirements. During the four quarters of FY 2002, the percent of the population served by CWSs meeting all health-based drinking water standards ranged from a low of 98.4 percent to a high of 99.8 percent. During the second quarter, the city of Ann Arbor exceeded the turbidity standard for a short time. The remaining quarters were 99.3 percent or higher.

To show the trend toward compliance, the following table shows data from Michigan's Annual Compliance Reports of calendar years 2000 and 2001 submitted to the USEPA each July.

Compliance Information												
Calendar Year	2000						2001					
Category of System	CWS		NCWS		Combined		CWS		NCWS		Combined	
Total # of Systems	1,490		10,878		12,368		1,423		10,821		12,294	
#/% of Systems	#	%	#	%	#	%	#	%	#	%	#	%
Chemicals MCL	2	0	6	0	8	0	1	0	10		11	0
Chemicals M/R	24	2	699	6	723	6	8	1	570		578	5
Total Coliform MCL	85	5	386	4	471	4	75	5	346	3	421	3
Total Coliform M/R	96	6	1,480	14	1,576	13	65	4	1,135	10	1,200	10
SWTR TT	0	0	0	0	0	0	0	0	0		0	0
SWTR M/R	0	0	0	0	0	0	1	0	0		1	0
Lead/Copper TT	3	0	0	0	3	0	2	0	0		2	0
Lead/Copper M/R	50	3	213	2	263	2	11	1	83	1	94	1
CCR	76	5	N/A		See CWS		231	16	N/A		See CWS	

Key to this table is on the next page.

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Key to Table:

CCR: Consumer Confidence Report

CWS: Community water system

MCL: Maximum contaminant level—This is a health-based drinking water standard.

M/R: Significant monitoring and reporting violations—They occur when no samples are taken or no results are reported during a compliance period or when follow-up monitoring was not performed after a positive total coliform sample.

N/A: Not applicable—Michigan requires day care centers and K-12 schools to provide an abridged annual water quality report instead of a CCR, and that compliance data is not included here.

NCWS: Noncommunity water system

SWTR: Surface Water Treatment Rule

TT: Treatment Technique

The above table reflects a decrease in the percent of systems in violation in all categories except compliance with the CCR rule. The CCR rule required all CWSs to deliver an annual water quality report (i.e., CCR) to their consumers. The WD staff provided considerable assistance to systems the first couple of years, and the rate of compliance was very high. Subsequently, however, systems were expected to produce their CCR with less assistance from WD staff. Many small systems failed to produce their CCR, and, hence, compliance rates decreased.

As the capacity development program continues, other baselines will be established as the number of programs available to systems in need of assistance increases. It may also be relevant to track the amount of technical assistance provided by the WD staff and other technical assistance providers, such as the increasing opportunities to earn continuing education credits. We might also look at the percentage of systems with certified operators, and the number of TMF capacity assessments conducted.

Evaluations and Surveillance Visits

Evaluations, visits, and construction permits continue to receive attention in the field offices. The following table shows the number and percentage of these activities in the last two FYs for CWSs:

System Evaluations, Visits, and Construction Permits				
	FY 2001		FY 2002	
Evaluations Conducted	430		485	
	#	%	#	%
Satisfactory	323	75	347	72
Marginal	47	11	53	11
Deficient	27	6	35	7
Not Rated	33	8	49	10
Other			1	0
Visits	1,385		1,302	
Permits (Received/Issued)	1,869 / 1,908		1,706 / 1,799	
Permits Issued Within	#	%	#	%
10 Business Days of Receipt	1,378	72	1,335	74

This data reflects the following:

- A 12.8 percent increase in the number of evaluations of water systems conducted—A major objective on the performance appraisal of the field staff is the percent of evaluations they are expected to conduct. A greater effort is being made to meet those expectations.

- A 3 percent decrease in the percent of evaluations that are satisfactory—A set of criteria for evaluations was developed, and the field staff are more apt to rate a system less than satisfactory based on more consistent criteria. In the past year the Field Operations Section staffing has remained fairly stable with little turnover in many districts. As a result, staff gained the experience and confidence to visit and conduct evaluations at systems with long-standing problems that are more likely to receive a less than satisfactory rating.
- The percent of evaluations that are rated marginal and deficient was nearly the same.
- To date, several evaluations are still pending in FY 2002 and some remain pending from FY 2001—The staff are expected to document evaluations and visits within 30 days. Greater efforts are being made to more accurately track evaluations.
- A 6 percent decrease in the number of on-site visits to meet with operators and local officials, conduct evaluations, or check on progress of projects—A greater effort is being made to more accurately track visits. As mentioned earlier, the Field Operations Section has remained stable but is not fully staffed due to an inability to attract qualified candidates and more recently, to hiring restrictions. For example, during the later half of the year, a key district staff person was assigned technical support duties half-time to cover a staffing void. As a result, the number of on-site visits that staff can conduct are cut dramatically.
- A decrease in the number of construction permits issued and received and a 2 percent increase in the number of permits issued within ten business days of receipt—The decrease may be due to an overall construction slowdown.

Escalated Enforcement

Integrated into staff performance objectives are specific targets to return systems to compliance. Violations are expected to be addressed in a timely manner and fines issued for those systems failing to conduct monitoring or meet standards.

A review of the violations reflects that 70 of the approximately 1,475 CWS have not returned to compliance from a violation. Of those systems, only 16 systems have health based violations. There are 32 systems that still have not delivered a CCR in 2002. Finally, 29 systems have monitoring violations that have not been reconciled. Many of these 70 systems have remedied the situation, and a greater effort is being made to more accurately track the return to compliance process.

The MHC sector of the CWS program has increased efforts this year to issue Certificates of Noncompliance. These certificates are issued to communities subject to state licensure that do not comply with various public health statutes and rules including drinking water. Certificates were issued to two community water systems in FY 2000, six in FY 2001, and eight in FY 2002 for drinking water deficiencies.

Examples of other measurements we may track in the future are:

- Number of systems returned to compliance prior to issuance of a Notice of Violation (NOV) or escalated enforcement

- Number of deficient systems where an NOV or escalated enforcement is initiated
- Average length of time to return a system to compliance when an NOV or escalated enforcement is initiated

Operation and Maintenance Problems

The WD integrated an "important deadlines" module in our evaluation information tracking system. The WD district staff may use this module to track operation and maintenance milestones established as a result of formal evaluations, visits, or consent or department orders that the WD expects the suppliers to meet to return to compliance. Examples of problems staff may need to track are:

- Hydrant and main flushing
- Valve turning program
- Pump and motor maintenance program
- Main break frequency information
- Wellhead protection program/source water protection plans
- Monthly operation reports
- Recordkeeping
- Clearwell and finished water reservoir maintenance programs

WD District Staff Input

This vital element remains the primary factor to prioritize systems for capacity assistance.

NTNCWS

The WD contracts with LHDs to provide noncommunity program services on a statewide basis. The contracts set standards of performance and hold LHDs accountable for enforcement of Act 399. The rates of compliance with requirements for NCWSs are tracked on a quarterly basis. Tracking is focused on monitoring and reporting, drinking water standards, sanitary survey frequency, and significant noncompliers (SNCs). In addition to the quarterly updates, all LHDs are evaluated annually to determine if they are meeting contract requirements. This includes acceptable rates of compliance for the systems in their jurisdiction, review of LHD records for selected NCWSs, and field verification at selected NCWSs. A LHD with a violation rate that exceeds a target level, can be found to be in noncompliance with contract requirements. Those agencies must submit an acceptable corrective action plan describing steps that will be taken to improve NCWS compliance under their jurisdiction. Repeated failure to improve system compliance can result in termination of the contract and funding.

3. Summary of Activities to Help Existing Systems Improve Their Capacity

Technical Assistance

Technical assistance has been integral to Michigan's drinking water program for decades, although it was not always referred to as such. Assistance or consultation has been the preferred method to prevent systems from falling into noncompliance. At times, however, the district engineers serve as both technical assistance providers as well as regulators.

Michigan Department of Environmental Quality (MDEQ) Capacity Assistance

A primary objective of the WD is to provide excellent customer service. A means by which the WD measures the success of that objective is through technical assistance to CWSs through meetings, by telephone, and during site visits.

After a routine evaluation (sanitary survey), district engineers detail their findings and recommendations in a letter to the supplier within 30 days. Evaluation letters help suppliers understand the severity of the deficiencies and importance of acting on the engineer's recommendations. Examples of deficiencies corrected following a less than satisfactory evaluation are: obtained certified operator within an acceptable time, installed a plant tap sample, initiated work to increase firm pumping capacity and/or projected growth capacity, completed a reliability study, investigated funding for improvements, applied for Drinking Water Revolving Fund (DWRf) funds to correct distribution system concerns, applied for a Community Development Block Grant through the township.

Many times, a one-time capacity assistance meeting is sufficient to keep systems in compliance. In other situations, the district engineers spend more time with the supplier to help solve more complicated concerns. Often, water system operators want to comply but they do not have the financial resources or support from community leaders to make the changes that are necessary. However, when options are particularly expensive, or when acceptable alternatives are not readily available, the WD may be reluctant to begin enforcement. When these difficult cases arise, the WD increases surveillance activities and attempts to address potential enforcement action at the same time.

As a result, district staff may attend municipal board meetings or council meetings to discuss a compliance schedule with specific items and completion dates and discuss the possibility of formalizing the schedule in a compliance schedule that is incorporated into a consent order. Community leaders need to hear the benefits of agreeing to a course of action that allows them time to address their problems without further enforcement or fines. During this time, district staff will be more closely involved as a capacity assistance provider in helping the supplier meet the deadlines of the order.

Many of the district engineers are working more closely with community leaders and encouraging them to attend regional meetings and training sessions for waterworks professionals. Some are reluctant to attend but once they do, they have a greater understanding of the demands of operating a water system. They also see the importance of certified operator continuing education.

Financial Assessments Pilot Project on Existing Systems

To help existing CWSs improve financial capacity, a pilot project has been initiated to recommend procedures, identify potential obstacles, and suggest strategies for the possible implementation of a program to assist water systems with financial concerns and problems.

Each of the eight systems selected for the pilot study serves a population of less than 10,000, received a deficient or marginal rating in a recent evaluation, and is not making satisfactory progress toward correcting the deficiencies due in some part to financial difficulties. Participating systems are those whose next step would otherwise be escalated enforcement.

The on-site portion of the pilot study is complete. The next step is to evaluate this pilot project by tabulating results from a feedback survey provided to each participant and prepare a final report on program objectives, obstacles encountered, level of effort, benefits, drawbacks, and recommendations.

At the strong suggestion of the stakeholders who met to develop the strategy for Michigan's capacity development program, it was decided that financial assessments would be conducted only when a system experienced deficient capacity due in some part to financial difficulties. Depending on the success of the financial capacity pilot project, it is anticipated that a system with a deficient rating that is not making satisfactory progress to correct the deficiency will choose to undergo a financial capacity assessment before escalated enforcement. Additionally, an assessment may be available to systems that request it.

Index of Technical Assistance Providers

An index of technical assistance providers was recently completed as a result of a stakeholders meeting at which many of the listed agencies described the services they provide to the waterworks industry. This index has been submitted for publication in *Michigan Water Works News*, a newsletter of the MDEQ and the Michigan Section, American Water Works Association (AWWA). The index is a "yellow pages" of technical assistance providers for water suppliers, community leaders, and MDEQ district staff. This index is not all inclusive, but we hope it will serve as a starting point and grow as more organizations make themselves available to systems who need assistance in a capacity issue. Groups included in the index are:

- AWWA
- MDEQ - WD
- MDEQ - Environmental Assistance Division (designated Environmental Sciences and Services Division effective September 15, 2002)
- Michigan Rural Water Association
- Rural Community Assistance
- Rural Utilities Service

Services may include hands-on operational training, mentoring, rate studies, loans and grants, cross connection program training and planning, and CCR preparation. Many of these services are available at no cost to the system. District engineers are now able to refer suppliers to many of these providers.

Technical Assistance Provider Contract

Typically, a much greater percentage of systems that struggle with compliance are small systems. As a result, the WD has been using technical assistance set aside to fund a four-year contract with U.P. Engineers & Architects, Inc. (UPEA), to perform on-site visits to 2,000 CWSs serving fewer than 5,000 people such as municipal systems, privately-owned systems, schools, day care centers, and MHCs, and to perform training for operators. To date UPEA has visited nearly 1,300 water systems and has trained over 400 NTNCWS operators of schools and day care centers. The on-site visits to privately-owned CWSs and to schools have been well received and beneficial.

UPEA recently completed a pilot project to determine if source water assessments are feasible under the existing contract with the MDEQ. The pilot project included training UPEA staff and performing assessments at CWSs that are already scheduled to receive an on-site visit under the current contract. As a result of the pilot project, it was determined that the assessments can be completed during the on-site visits. The UPEA has completed the 11 pilot assessments and are continuing to perform assessments at other CWSs where needed throughout the state. The contract has been extended until February 2004 to complete this work.

Funding

Michigan's DWRF is coadministered by the MDEQ and the Michigan Municipal Bond Authority (MMBA). The MDEQ handles all programmatic issues, while the MMBA serves the DWRF Program with its financial expertise.

Prior to the creation of the DWRF, project financing for CWSs was left largely to the local unit of government or to individuals investing in their own systems. The DWRF provides a source of infrastructure financing.

To date, the DWRF has committed funds to provide for low interest loans for 77 projects totaling over \$197 million. Of those, funds for 15 projects totaling \$26.71 million were committed in FY 2002. The following table summarizes the loans since FY 1998:

DWRF Projects	FY 1998	FY 1999	FY 2000	FY 2001	FY 2002
Number of Projects Funded	24	21	7	10	15
Commitments of Funds (\$M)	\$53.24	\$51.38	\$27.64	\$26.71	\$38.15

All 17 of the systems that received DWRF money during FY 2000 and FY 2001 have complied with the drinking water standards, including the village of Blissfield where the village built a water treatment plant to improve turbidity and installed equipment to remove nitrate to avoid noncompliance with the standard. The city of Adrian expects to receive funds in FY 2002 to upgrade the water treatment plant to alleviate turbidity violations. The village of North Branch expects to receive funds soon to install a new well and replace water mains. They received extra points on their DWRF scoring because the system they were building was designed to reduce arsenic below the new MCL. The city of Eaton Rapids was in compliance with the

nitrate MCL, but they received funds in FY 2000 to extend water to homes whose private wells had high nitrate levels. Next year we will examine the progress toward compliance in systems that receive funds during FY 2002.

Training and Information

Operator Certification Continuing Education

Due to amendments to Act 399, a certified operator must be available at all CWSs, all NTNCWSs, and transient NCWS that use certain types of treatment. As a result, more opportunities are being made available to train operators:

- Michigan's Operator Training Unit (OTU) is in another division in the MDEQ and provides nearly 30 training courses each year attracting over 3,400 attendees. In FY 2002 over 1,500 people applied to take an examination for certification, about 1,200 met the education and experience requirements and were allowed to take the exam, and 639 passed and were certified.
- For the systems with limited distribution systems and no treatment, we created a new level of classification. To certify operators for the new Level 5 classification, an examination had to be developed. As a result, the WD worked closely with the OTU to build a database of questions for exams using criteria established by the Association of Boards of Certification. The examinations are anticipated to be offered twice a year.
- A restricted certification option is available for existing operators of certain small systems to continue to operate at their current location if they receive additional training. The required training for operators is being conducted by 20 of Michigan's 43 LHDs and through the contract with UPEA. About 173 CWSs are eligible to use an operator with "restricted" status and about 90 individuals have attended restricted operator training. Of the 1,752 NTNCWSs, 1,393 have met the certified operator requirements. Of those, most will use an operator with an unrestricted certification, while about 650 systems sent individuals to restricted certification training. It is anticipated that the majority of the remaining CWSs and NTNCWS will satisfy the certified operator requirements by the December 8, 2002 deadline.
- For the last five years the staff of the WD section responsible for oversight of the public water systems serving MHCs has provided training targeted for operators of these systems, many of which are applying for restricted licenses. The audience is not only operators, but managers and owners of these CWSs. Many of these operators work at more than one small CWS and for NTNCWS as well, so the training is improving the operation and maintenance of many more systems than the number of operators present. The training is slightly different each year to keep the operators interested and engaged. Topics of training include:

- New operator certification requirements
- Rules review
- Procedural updates
- Standby power
- Operation and Maintenance Manual

Act 399

Act 399 gives us the authority to inspect and order a supplier to make changes to a system, to limit the expansion of a system, or to limit the water use. The enforcement tools available range from fines applied by policies through MDEQ orders to referring the case to the Michigan Department of Attorney General. As previously mentioned, we practice a program of escalated enforcement. The resource analysts in the community water supply program track violations and initiate the administrative fines. The creation of the resource analyst position discussed earlier has allowed the WD to give greater emphasis to administrative fines, which is one step in the progressive enforcement and return to compliance process.

The WD has been discussing some rule changes to strengthen the capacity development program such as incorporating the requirement for a final inspection before commencing operation which is now only required by policy and requiring general plans (water system maps) for all community systems regardless of size. Some of our own rules limit our ability to ensure adequate capacity in all systems. The rules requiring systems to prepare contingency plans and to provide standby power both exempt small systems serving fewer than 200 people or fewer than 50 service connections. However, because of our capacity development requirements, new systems, most of which are small, are not granted approval to commence operation without a contingency plan. Other requirements for new systems are a sampling site plan and an operations plan. As a result, only two community water systems that began operating after October 1999 have had a monitoring and reporting or an MCL violation. More systems might have avoided violations if our rules did not exempt small systems from these public health measures.

Compliance and Enforcement

Evaluations and compliance information becomes the basis for enforcement. As mentioned earlier, district staff have been very diligent in performing evaluations this year. As a result, the staff in one of the districts rated several systems deficient for the first time. This district historically has had a high turnover of district engineers but has remained stable during the last year. As their highest priority, staff of that district have escalated enforcement action against a system that has not replaced lead service lines, as required.

Michigan's administrative fines policy was updated in 2001 to include timely submittals of monthly operation reports and CCRs. The increase from 59 fines initiated in FY 2001 to 65 in FY 2002 was due primarily to fines for failure to submit a monthly operating report.

When fines prove ineffective or continued violations represent a serious public health threat, our staff uses other enforcement tools, such as NOVs and orders. If it is determined that a system has not made satisfactory progress in resolving serious deficiencies since the last evaluation, escalated enforcement is warranted. These enforcement actions are usually initiated by NOVs, but in the most serious cases, could begin with an order. These actions have caused suppliers to improve their operations, obtain certified operators, change their treatment, or upgrade their source or equipment.

To help district engineers conduct escalated enforcement, the WD streamlined the various compliance and enforcement tools. Reminder letters for compliance activities are regularly sent to supplies. The WD staff have created templates for some of these tools and made them available to the district staff. Electronic templates are available to staff for consent agreements, orders, NOVs, other violations, public notices, and boil water notices.

The restructuring of the MDEQ that merges the drinking water program with another program with an established enforcement unit is anticipated to further streamline the escalated enforcement process.

NTNCWS

The majority of the activities of the noncommunity program staff are to assist LHDs and NCWSs maintain compliance with the Federal Safe Drinking Water Act (SDWA). These activities include:

- Written annual evaluation of LHD noncommunity program
- Quarterly compliance summary data to LHDs
- Individual technical assistance
- Group training and assistance with implementation including:
 - Source Water Assessment
 - Operator Certification
 - Lead/Copper Minor Revisions
 - Capacity Development
 - Consumer Confidence Reporting
- Support of a data system distributed to LHDs for reporting
- Support of a Website for LHD noncommunity program coordinators
- Development of a Noncommunity Program Manual
- Routine policy updates or clarification memos to LHDs

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- Support of a website for NCWS owners
- Enforcement assistance via letters, phone calls, site visits, hearings
- Collection of civil fines issued by LHDs to NCWS for monitoring or MCL violations
- Technical Assistance Contract to help schools and child care facilities comply with the SDWA
- Providing brochures, fact sheets, and other informational material

Using available resources and approaches, the following was accomplished statewide for all NCWSs based on data from one year ago:

- Monitoring and reporting violations decreased 3 percent.
- MCL violations decreased 0.1 percent.
- The sanitary survey backlog increased 4 percent.
- Unaddressed SNCs decreased by 3 percent.
- The issuance of civil fines by LHDs for monitoring and reporting violations increased 10 percent over last year.

Michigan will continue to use the tools described above to assist LHDs and NCWSs attain acceptable compliance levels. However, it is anticipated available resources will not keep pace with increasing regulation of NCWSs including; Operator Certification, Lead/Copper Minor Revisions, Capacity Development, Ground Water Rule, and Arsenic. New regulations not only present new opportunities for violations, they can also erode compliance with existing rules by diverting resources.

4. Summary

Michigan expects to see more systems with increased capacity in FY 2003, with continued increased emphasis put on:

- Surveillance visits and routine evaluations
- Use of technical assistance providers
- More efficient use of enforcement tools

Capacity assistance provided by the district engineers will continue to be the primary component of Michigan's capacity development program, with a greater emphasis placed on referring deficient and marginally rated systems to other technical assistance providers as well.