



STATE OF MICHIGAN
OFFICE OF THE GREAT LAKES
LANSING

JENNIFER M. GRANHOLM
GOVERNOR

KEN DEBEAUSSAERT
DIRECTOR

December 7, 2009

Mr. David Naftzger
Executive Director, Great Lakes-St. Lawrence River Basin Water Resources Council
Secretary, Great Lakes-St. Lawrence River Water Resources Regional Body
c/o Council of Great Lakes Governors
35 East Wacker Drive, Suite 1850
Chicago, Illinois 60601

Subject: Water Management Program Report and Water Conservation and Efficiency
Program Report Submitted on behalf of Michigan

Dear Mr. Naftzger:

On behalf of the State of Michigan, please find enclosed a Water Management Program Report; and, a Water Conservation and Efficiency Program Report being sent pursuant to and in satisfaction of the obligations included in Section 3.4 of the Great Lakes-St. Lawrence River Basin Water Resources Compact.

If you have any questions, please do not hesitate to contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "Ken DeBeaussiaert", written over a horizontal line.

Ken DeBeaussiaert
Director
517-335-4056

Enclosure

cc: Peter Johnson, Program Director, Council of Great Lakes Governors

Michigan Water Conservation and Efficiency Program Review

Pursuant to the requirements of the Great Lakes – St. Lawrence River Basin Water Resources Compact, this water conservation and efficiency program report fulfills Section 3.4.1.

I. Lead agency/agencies and contact person(s).

The Department of Environmental Quality (DEQ) is currently the lead agency responsible for Michigan's water conservation and efficiency program. A pending executive order is slated to abolish the DEQ and the Department of Natural Resources, and form a single Department of Natural Resources and Environment who would then become the lead agency. Ken DeBeaussaert, Director of the Office of the Great Lakes, acts as the lead contact. Michigan's water conservation and efficiency program functionally operates under the mantle of the Water Use Program (<http://www.michigan.gov/deqwateruse>). The Water Resources Conservation Advisory Council (<http://www.michigan.gov/wrcac>), consisting of a 21-member stakeholder group of executive and legislative appointees, is a collaborative forum for study and evaluation for the purpose of providing advisement on Michigan's water conservation and efficiency programs.

II. Status of the State or Province's Water conservation and efficiency goals and objectives consistent with the Basin-wide goals and objectives. If developed, include State or Provincial goals and objectives or link to electronic version.

Michigan is developing water conservation and efficiency goals and objectives consistent with the Basin-wide goals and objectives as adopted by the Great Lakes – St. Lawrence River Basin Water Resources Council. Contained in the Michigan Water Use Conservation and Efficiency Initiative draft document, the goals and objectives are ready for public notice and comment and are recommended to subsequently be adopted. The document can be found in Attachment B of the Findings and Recommendations report at the following website:

http://www.michigan.gov/documents/dnr/WRCAC_November_2009_report_301194_7.pdf

III. Water Conservation and Efficiency Program Overview.

Michigan's water conservation and efficiency program is based in law in Part 327, Great Lakes Preservation, of the Natural Resources and Environmental Protection Act, 1994 PA 451, as amended (<http://legislature.mi.gov/doc.aspx?mcl-324-32708a>). Further conservation and efficiency program implementation measures are made in reference to the registration of withdrawals in watersheds that are approaching adverse impact thresholds (<http://legislature.mi.gov/doc.aspx?mcl-324-32706c>, subsection (4)); in the future requirements of all registered water users (<http://legislature.mi.gov/doc.aspx?mcl-324-32707>, subsection (1) (j)); in the requirements of registered farms (<http://legislature.mi.gov/doc.aspx?mcl-324-32708>, subsection (1)(h)); and in the administration of permit-level withdrawal authorizations (<http://legislature.mi.gov/doc.aspx?mcl-324-32723>, subsection (6)(e)). Michigan has prepared generic water conservation measures applicable to all large quantity water users based on recommendations from representative trade associations, and made them available to the public at http://www.michigan.gov/documents/deq/deq-wb-dwehs-wateruse-genericconsmeas_273138_7.pdf. Water conservation measures for individual sectors have also been accepted and posted online at http://www.michigan.gov/deq/0,1607,7-135-3313_3684_45331-190105--_00.html. Beginning in 2010, all registrants must review applicable water conservation measures, while farms are currently required to report their water conservation practices and an implementation plan for

those practices. In environmentally sensitive areas that are approaching adverse impact thresholds, all registrants utilizing the same water source are required to review and consider implementing applicable water conservation measures. Additionally, an applicant that proposes a withdrawal that will push a watershed near the adverse impact threshold must implement water conservation measures that they consider to be reasonable as a condition of withdrawal approval. For proposed withdrawals requiring a permit application, as a condition of approval applicants are required to certify they are in compliance with applicable water conservation measures developed for their sector or specific withdrawal.

Michigan's water conservation and efficiency program is consistent with the regional objectives adopted under Resolution #6 of the Great Lakes – St. Lawrence River Basin Water Resources Regional Body. Each objective is outlined below:

Guide programs toward long-term sustainable water use.

A concerted effort in Michigan has effected monumental changes in the management of its water resources in the years following the drafting of the Compact, with the express purpose of preserving water resources within acceptable, sustainable levels. Most notably are new environmental impact standards imposed upon all new large quantity withdrawals, with mechanisms put in place for the pre-assessment of proposals, the accountability of each new water use and its cumulative effect with others, and for mitigation of projected adverse impact through conservation and efficiency programs. With input and buy-in from virtually all stakeholder groups, regulation changes have been put in place and have also contributed to an increased awareness and an apparent shift in philosophy regarding resource management and use.

Adopt and implement supply and demand management to promote efficient use and conservation of water resources.

Michigan addresses this issue through market-driven approaches such as rate structuring for public water supply utilities, through Farm Bill conservation programs and extension education for the agricultural community, and cost-benefit analysis as part of best management practices for other sectors. It is hoped that Michigan could do more to provide incentives to encourage efficient water use beyond the recommendations developed and being offered.

Improve monitoring and standardize data reporting among State and Provincial water conservation and efficiency programs.

Through the interaction of the Water Resources Conservation Advisory Council and its represented member associations, discussions are underway concerning the means to improve the measurement and minimization of water loss and inefficiency. The current approach looks at the efficiency of existing systems prior to permitting expansion, with the hope of including conservation and efficiency reviews in the day-to-day operations of large quantity water users. It is recognized that Michigan would benefit from the opportunity to learn from other state's and province's experiences in a conference format, or an otherwise organized forum.

Develop science, technology and research.

As a testament to its leading-edge scientific research and technological advancement, Michigan is a Council of State Governments 2009 Innovations Award winner for its water withdrawal assessment process. At the center of the assessment process is a complex analytical model of the effects of a water withdrawal on nearby surface water resources, but done in real-time and easily run by general members of

the water user community. Michigan is investing significant time and resources to increase understanding of sustainability indicators for other hydrologic features such as lakes and wetlands, and also efforts are ongoing to refine and improve the current system focused on stream flows.

Develop education programs and information sharing for all water users.

Initial efforts have begun in Michigan to develop water conservation and efficiency information and to make available to all water users. Water Resources Assessment and Education Committees are being formed with the assistance of the DEQ, with the goal of providing education materials and gaining better understanding to make recommendations regarding long-term water resources planning by use of conservation measures, drought management activities, and other topics as identified.

IV. Description of how the State or Province promotes Environmentally Sound and Economically Feasible Water Conservation Measures.

Promotion of environmentally sound and economically feasible water conservation measures is done primarily through the regulated community of large quantity water users in Michigan. All registrants of Michigan's water management program will be required to review applicable conservation measures, and consideration of conservation measures will be required of certain new withdrawals and other existing withdrawals in environmentally sensitive areas. In the event that DEQ determines an adverse resource impact is occurring or likely to occur as a result of existing or approved withdrawals, DEQ will notify the water users committee or convene a meeting if there are none formed to attempt to facilitate an agreement on shared voluntary measures that would avert adverse resource impacts.

V. Description of the State or Provincial Water conservation and efficiency program implementation timeline and status.

Michigan water conservation and efficiency program implementation is underway with groundwork laid including the development of generic and sector-specific water conservation measures. Various aspects of the program have come into effect at different times, with the last legislative timeline to come into effect in 2010 when all registered water users will be required to review environmentally sound and economically feasible water conservation measures as part of their operational procedures. Although no timeline is given, adoption of conservation and efficiency goals and objectives consistent with those of the Great Lakes – St. Lawrence River Basin Water Resources Council appears imminent.