Table of Contents

Chair Scott Steiner’s Report

Welcome New MELJ Editors

The ABCs of Emerging Contaminants,

   By Charles Denton

What you Might Have Missed: Event Updates

Upcoming Events

Are Mass Water Shut-offs a Strategy to Purge Detroit’s Poor?

   By Mark Fancher

Legislation Watch

Preparing Communities for a Clean Energy Future: Lessons for Local Government,

   By Stanley “Skipp” Pruss

Contribute to MELJ!
Join the Editorial Committee

The MELJ is a publication of the Environmental Law Section of the State Bar of Michigan and exists to provide the Section’s membership a forum for sharing information and discussing environmental topics relevant to the legal community in the State. To that end, the MELJ encourages the open exchange of legal discourse on a variety of environmental topics, but does not endorse particular viewpoints or positions unless otherwise recognized by the Section. Any opinions espoused by the articles contained within are attributable to solely their respective authors and are not representative of the SBM, the Section, or its members generally. Publication is neither an endorsement nor a rejection of a particular position by the Environmental Law Section.
As I write this, it is a brilliant sunny day after a couple of weeks of April snow and ice storms that seemed to never end. It seems appropriate that spring is bursting out from this thaw on Earth Day. It also occurs to me that next year will be the 50th anniversary of the first Earth Day, which was part of the 1970s movement, which led to so much of the environmental regulation we deal with on a daily basis. Following that, the 1980s became somewhat of a “boom period” for environmental lawyers. Some of these lawyers are now enjoying retirement, but many still practice and may or may not be close to retirement. In more recent decades, it seems there have been increasingly fewer lawyers becoming specialized in the environmental area.

As part of our strategic planning for the future of the Section, we are working on finding ways to get young lawyers and law students interested in environmental law with the hope that this will help sustain the Section as more senior members eventually go to a less active status over the next several years. We have a committee led by Chair-Elect Kelly Martorano focused on this effort. If you would like to help, let Kelly know (KMartorano@dickinson-wright.com). Otherwise, if you are a law student or new lawyer or know of someone like this who might be interested, let us know. Also, our summer program is coming up in June and we hope to have a good turn out by both lawyers and law students. This event will include both an educational program and a social event. Look for details to follow on our website or by email via our listserv.

Nick Leonard & Allison Collins Join the Michigan Environmental Law Journal

The MELJ’s Editorial Committee is growing fast. The Committee welcomed four new co-editors this Spring: Nicholas Leonard, Allison Collins, Joni Roach, and Lydia Barbash-Riley.

Nick Leonard is a staff attorney at the Great Lakes Environmental Law Center in Detroit. From 2014 to 2016, Nick worked with the Great Lakes Environmental Law Center as an Equal Justice Works fellow. His fellowship project focused on providing transactional legal services to individuals, nonprofit corporations, and for-profit businesses engaged in urban agriculture in Detroit. After transitioning to his role as staff attorney at the conclusion of his fellowship, Nick has worked on environmental justice issues in Detroit, with a specific focus on Clean Air Act permitting, hazardous and solid waste management, and local environmental policy. Recently, he published an article entitled Unlocking Urban Agriculture’s Potential with Municipal Policy in the ABA Natural Resources & Environment magazine and he was featured in Detroit Legal News.
Nick studied English at Kalamazoo College before obtaining his law degree from the University of Michigan Law School. Nick spends his free time watching Tigers baseball, backpacking in mountains, and cooking.

Allison Collins is a member of the General Litigation Practice Group and Agri-Business Practice Group at Foster Swift Collins & Smith PC’s Lansing office. She has extensive experience in environmental litigation in both state and federal courts at the trial and appellate levels. Her areas of environmental work include water, soil, natural resources permitting, regulatory compliance, contract negotiation, due diligence, investigation and cleanup of contaminated sites, and administrative proceedings. She was named a Michigan Super Lawyer Rising Star in 2017 and 2018.

Allison studied history and criminology at the University of Pennsylvania before obtaining her law degree from Indiana University Maurer School of Law. She attended the University on scholarship and was ultimately awarded dean’s honors. While in law school she contributed greatly to the University’s Student Legal Services. Allison spends her free time traveling, gardening, and hiking.

The ABCs of Emerging Contaminants

by Charles M. Denton
Partner, Barnes & Thornburg LLP

“Emerging Contaminants” like perfluorinated chemicals (PFAS) seem to be everywhere these days—from agencies to backyards to courts. This article builds on the prior Perfluoroalkyl Compounds: An Emerging Contaminant in Michigan in the MELJ Fall 2017 issue. That article described the PFAS group of compounds and their prior industrial, commercial, and household uses over the last many decades (but yet still considered an “emerging” contaminant), as well as their potential toxicity. Since that article, there have been some potentially significant developments in the PFAS landscape across a spectrum of interests.

Environmental and toxic tort lawyers are constantly addressing “emerging” contaminants, and the issues and challenges arising from the current focus on PFAS are just the latest chapter in this constantly evolving environmental compliance and enforcement arena. It can be helpful to think about lessons learned from prior “emerging” contaminants in our environmental regulatory history, such as polychlorinated biphenyls (PCBs), dioxins/furans, tri- (TCE) and tetrachloroethylene (PCE), mercury, 1,4-dioxane, asbestos, and so forth. One of those lessons learned is that sometimes public perceptions, product liability, and even regulation can get ahead of sound science, but it also can be that lawsuits and the media can compel focus by regulators and the regulated community on potential new environmental and public health risks.

PFASs in the Agencies
While U.S. EPA has published a health advisory guideline of 70 parts per trillion (ppt) for combined PFAS, that is not a federally enforceable standard. This is especially so considering recent U.S. Department of Justice (DOJ) confirmation that guidance documents are not enforceable.¹ Therefore, other agencies at the federal, state, and local levels are left to develop and enforce clean-up standards for PFAS, or await the outcome of an uncertain US EPA rule promulgation.

In Michigan, on January 10, 2018, the Michigan Department of Environmental Quality (MDEQ) established a groundwater clean-up criterion for PFAS of 70 ppt, obviously based on the U.S. EPA guidance.² This groundwater criterion was promulgated by MDEQ even while an ongoing, comprehensive rulemaking package for Michigan’s clean-up criteria pursuant to Part 201 of the Natural Resources and Environmental Protection Act (NREPA) continues through a public comment process. This proposed PFAS criterion had been part of that larger package from last August 2017, but MDEQ was determined to have this criterion be immediately effective. MDEQ may justify this different treatment of PFAS as compared with other hazardous substances because there had previously been no clean-up criteria for PFAS, so it is not a modification of an existing Part 201 standard. It also appears that the inputs for calculating the U.S. EPA health advisory level were different than the standard Safe Drinking Water Act maximum contaminant level calculations, which would result in a higher allowable concentration of PFAS. Interestingly, MDEQ did not promulgate an immediately effective soil criteria for PFAS.

There is also a surface water quality standard for both PFOS and PFOA under Rule 57 of NREPA Part 31, which therefore is the groundwater/surface water interface (GSI) clean-up criteria under Part 201. The Part 201 clean-up GSI criteria for PFOS is 12 ppt for most waters of the State, but if the groundwater discharges into a surface water that is used for drinking water, then the standard is 11 ppt; the GSI criteria for PFOA is 12,000 ppt for most waters of the State, but if discharged into surface water that is used for drinking water, then the standard is 420 ppt.

While there is a legally enforceable PFAS groundwater limit in Michigan, this criterion is clearly interim and is based on the creation of Michigan’s PFAS Action Response Team charged with reviewing public health and environmental science information about PFAS and preparing recommendations within six months for acceptable PFAS levels.

PFASs in Your Backyards

Meanwhile, with the heightened scrutiny on these “emerging” contaminants with extremely low criteria, PFAS are being found across a wide array of properties, ranging from airports to landfills to golf courses. Despite the newly promulgated PFAS groundwater clean-up criteria, there remains substantial uncertainty about what to do with these discoveries, both in terms of remediation and risk management going forward and seeking to impose retroactive responsibility. The former is part of a typical MDEQ Part 201 remediation process, and the latter is being fought out in the courts.

PFASs in the Courts

The same date the new MDEQ clean-up criterion for PFAS became effective, the State sued Wolverine World Wide in Federal Court for declaratory and injunctive relief. The MDEQ complaint alleges, among other things, that Wolverine’s waste disposal has resulted in releases of PFAS in excess of applicable Michigan clean-up criteria, and that these releases present an “imminent and substantial endangerment to human health and the environment.” The causes of action alleged are pursuant to the Federal Resource Conservation and Recovery Act citizens’ suit provision (42 USC 6972(a)(1)(B)); NREPA Part 201 Remediation; and NREPA Part 31 prohibiting the discharge of injurious substances into the “Waters of the State” and which also may constitute a public nuisance.

There are also pending and overtly threatened lawsuits by Wolverine’s neighbors in Rockford numbering perhaps over 100, claiming personal injury (including wrongful death) and property damage (including diminution in property values). There is a putative class action filed in Federal Court against Wolverine, 3M Company, and Waste Management. The plaintiffs in that case allege various common law causes of action, including trespass, nuisance, product liability, fraudulent concealment, and emotional distress. Wolverine’s responses to the various State Court cases filed in Kent County Circuit Court by individual households assert factually that “the plaintiffs in these cases have safe drinking water, and there is no immediacy to the present litigation.” Legally, Wolverine argues that the multitude of state cases should be dismissed on summary disposition in favor of the Federal Court class action, which arguably encompasses all of the same plaintiffs and claims.

The 2010 lawsuit by the state of Minnesota against 3M Company may provide some guidance for how these recently filed Michigan cases might proceed. The Minnesota litigation originally focused on natural resources, such as fish and waterways, but then evolved into public health-based allegations. After eight years of litigation, on the eve of a jury trial, a settlement was

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3 See Tower, DEQ pushes Grand Rapids airport to test for toxic chemical used by firefighters, MLive (March 30, 2018) (accessed April 23, 2018); Ellison, High PFAS levels spark well testing near Montcalm County landfill, MLive (April 24, 2018) (accessed April 24, 2018); Tunison, Battle Creek Air National Guard Base to test for PFAS contamination, MLive (April 11, 2018) (accessed April 23, 2018); Ellison, Michigan is cracking down on PFAS in wastewater plants, MLive (March 21, 2018) (accessed April 23, 2018).


6 Ryfiak et al. v Wolverine, Case No 2018-00386-CZ, Defendant’s Motion and Brief for Summary Disposition, p 2.
announced on February 20, 2018. The settlement provides $850 Million for various water resources projects, and avoided potential punitive damages and any judicial determination as to PFAS health claims.

Conclusion

Environmental lawyers are accustomed to practicing in a world filled with acronyms and an “alphabet soup” of jargon. The latest in a long history of “emerging” contaminants—PFAS—have generated as much local and national (and even international) attention as any environmental, health and safety concerns of the last few decades. As these contaminants continue to “emerge” in the agencies, backyards, and courts, these developments are worthy of monitoring and there will certainly be lessons learned for remediation and litigation practitioners.
Environmental Justice in Practice Conference
Wayne State Law School, Jan. 26, 2018, Detroit

Dr. Agustin V. Arbulu (left), executive director of the Michigan Department of Civil Rights opened the conference with remarks on environmental justice in the current era. The conference included expert panels on Energy and Climate Justice, Water Access and Affordability, and Urban Air Quality. Be sure to read Mark Fancher’s article in this issue of the MELJ regarding the topics he addressed as a member of the Water Access and Affordability panel. In addition to the four panel discussions, there were two keynote addresses—one by Mustafa Santiago Ali of the Hip Hop Caucus and another by Charles Lee, the senior policy advisor of the EPA Office of Environmental Justice. The conference concluded with a discussion of careers in environmental justice.

Environmental Regulation in the Trump Administration

The Changing Winds: Environmental Regulation in the Trump Administration Conference was hosted by the University of Michigan Law School Journal of Law Reform. It featured panels on Environmental Federalism, Environmental Regulation & Real Business Cycles, and Climate Change in the Trump Age. The keynote lunch address was given by Robert Bilott of Taft Stettinius & Hollister. He discussed his involvement in litigation against DuPont Chemical Company for its alleged liability for environmental contamination in Parkersburg, West Virginia.

Rights of Nature Forum
March 9, 2018, Ann Arbor

The University of Michigan Law School Environmental Law Society hosted an educational forum concerning the actual and theoretical basis for securing legal rights for natural systems. Laura Rubin (far right), executive director of the Huron River Watershed Council, opened the forum with an overview of the history, current status, and challenges facing the Huron River watershed. Current challenges include a migrating pollutant plume that threatens the river. Oday Salim (above), executive director and managing attorney at the Great Lakes Environmental Law Center, followed with a comparative discussion of the legal basis for protective mechanisms. One such mechanism would be to grant personhood rights, including standing to sue, to natural systems. Among the attendees was second-year Michigan law student Olivia Cares who was kind enough
to provide this summary and the accompanying photos to the MELJ. Olivia hopes to practice environmental litigation in Michigan after graduation.

**Council Meeting**
**March 12, 2018, Troy**

The Section Council held an organizational meeting in March to discuss its current activities. Each of the Section’s five subject matter committees provided a status report—Air; Environmental Litigation & Administrative Practice; Hazardous Substances & Brownfields; Natural Resources, Energy, & Sustainability; and Great Lakes & Inland Waters. The next Council meeting will be in June and coincide with the Section’s Summer Program.

**Updated—Lender’s Perspective on Environmental Law Issues**
**March 13, 2018, Statewide**

The Hazardous Substances and Brownfields Committee welcomed back presenter Jeff Furton, LEED AP and vice president & assistant group manager of environmental risk management for Comerica Bank. Furton presented a webinar in 2013 regarding a lender's view on what banks want their environmental lawyers to know and do, and how environmental lawyers can best counsel their clients in dealing with banks. His March presentation covered the same general topics, but reflected the many developments in the industry over the last five years. You can view a video recording of the webinar on the Section’s website.

**Clearing the Air in 2018**
**Air Committee of the Environmental Law Section, April 11, 2018, Lansing**

The Section’s spring conference was hosted by the Michigan Manufacturers Association and featured an overview of federal, regional, and state air quality issues. The agenda included presentations by Mary Ann Dolehanty on her new role as acting director of the Air Quality Division at MDEQ and by Partner Lee Johnson of Honigman on the most influential DOJ and EPA changes to policy and guidance. A regulatory reform panel discussed proposed changes to Michigan’s regulations, including the pending “not stricter than federal” legislation, as well as the proposed senate bills creating new regulatory and permitting review panels.

**Upcoming Events**

**Summer Program**
**June 14, 2018, Lansing**

The Section will be hosting a Summer Program at the Michigan Wildlife Conservancy Bengal Wildlife Center. More details will be announced on the Section’s website.
Joint Environmental Law Conference  
TBA, Lansing

The Joint Environmental Law Conference, cosponsored with the West Michigan and East Michigan Chapters of the Air & Waste Management Association will be held in early November, at the Lansing Community College West Campus.

SBM NEXT Conference  
Sept. 26-28, 2018, Grand Rapids

The fall conference will be held at DeVos Place and will include Judicial Perspectives—educational talks presented by various judges in the state including Michigan Supreme Court Justice Elizabeth Clement. The Section will also host its Annual Meeting during this conference on Sept. 27—details to follow.

Join the Section

If you are not already a member of the Environmental Law Section of the State Bar of Michigan,

Join NOW

Membership dues are only $30 and FREE for law students and new members to the bar.
A few years ago, under the heroic leadership of civil rights attorney Alice Jennings, a small band of lawyers representing a courageous group of low-income customers of the Detroit Water and Sewerage Department (DWSD) filed a lawsuit against the utility. They complained that, among other things, DWSD was terminating the water service of tens of thousands of residential customers whose unpaid water bills were sometimes less than one thousand dollars, while large corporations with unpaid six and seven figure bills had uninterrupted service. They complained as well of the failure of the utility to follow its own rules by failing to provide proper notice of planned shutoffs as well as opportunities to challenge bills that were often unwarranted or incorrect. The net effect of these and other practices was that many thousands of people who were sick, poor, elderly, or who were parents of small children, found themselves without water service in their homes, and too often the predictable consequences of that predicament became tragic reality.

**Legal Issues Regarding Affordable Drinking Water**

The case, *Lyda, et al. v DWSD*, did not receive favorable treatment at any stage of the litigation. District Court rulings were taken to the Sixth Circuit Court of Appeals where, because the City of Detroit was in bankruptcy, the case was disposed of on grounds that it violated Section 904 of the Bankruptcy Code. Section 904 does not allow a court to interfere with a bankrupt city’s “political [and] governmental powers,” its “property [and] revenues,” and its “use [and] enjoyment of . . . income-producing property.” The Sixth Circuit ruled that relief sought by the lawsuit would, if granted, cause the court to run afoul of Section 904.

Nevertheless, the Sixth Circuit did not dismiss the *Lyda* case before it offered observations that, when juxtaposed, are simply breathtaking. The court stated first:

> “[T]he list of fundamental rights is short,” and seldom expanded. Rights derived from state law, as opposed to the constitution, usually do not make the cut. “Most state-created rights that qualify for procedural due process protections do not rise to the level of substantive due process protection . . . .” This is the case for plaintiffs’ alleged property right to continued water service—or continued *affordable* water

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1 In accordance with the *Michigan Environmental Law Journal* mission statement regarding publication of viewpoint articles, the positions advanced within this piece are those of the author and do not purport to represent the Environmental Law Section’s position on any legal issue.

A right of this nature is not rooted in our nation’s traditions or implicit in the concept of ordered liberty.³

Later in its opinion, the Sixth Circuit went on to comment:

The circumstances plaintiffs allege are truly unfortunate. Living without water, even if only for a few days, poses a substantial risk to health and safety. Beyond that, it is a significant indignity.⁴

For many, it is difficult to reconcile the conclusion that: “[l]iving without water, even if only for a few days, poses a substantial risk to health and safety …” with the conclusion by the same court that “[a right to affordable water service] is not rooted in our nation’s traditions or implicit in the concept of ordered liberty.” Intellectually, emotionally and practically, there is a clear disconnect between theory and reality. That gap in understanding (or a gap caused by indifference) is not limited to the courts. For more than a decade, DWSD has taken the puzzling, stubborn position that a plan that would make water affordable for all Detroit water customers would be illegal. This position is based on a provision of the Michigan constitution.

Art 9, §31 of the Michigan Constitution is commonly referred to as the “Headlee Amendment.” This provision essentially requires voter approval of new taxes. The provision has been a focal point for controversies in cases where local governments have been accused of disguising new taxes as fees of various types and not first seeking voter approval.

In Detroit, requests by community organizations over many years for a water affordability plan with a rate structure that indexes water and sewerage rates to poverty, and that holds poor customers harmless for amounts that exceed 3 percent of their total household income have been met by assertions that such a plan would violate the Headlee Amendment. The Michigan Supreme Court case of Bolt v City of Lansing⁵ has been cited as the basis for this position.

“DWSD has taken the puzzling, stubborn position that a plan that would make water affordable for all Detroit water customers would be illegal.”

At issue in Bolt was the question of whether a storm water service charge imposed by the city of Lansing on all property owners was a fee, or instead a tax that requires voter approval. To resolve this and comparable questions, the court articulated a three-part inquiry: 1) Does the charge serve a regulatory purpose? 2) Is the charge proportionate to the necessary costs of the service? 3) Is payment of the charge voluntary?⁶

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³ Id. at 700 (citations omitted) (bold emphasis added).
⁴ Id. at 703.
⁶ Id. at 161-62.
The court held that if a charge is implemented primarily to generate revenue it does not serve a regulatory purpose. Further, if the charge is designed primarily to benefit the public at large rather than to provide a particular service to an individual, it is unlikely to be a fee. By contrast, the court stated, “Where the charge for either storm or sanitary sewers reflects the actual costs of use, metered with relative precision in accordance with available technology, including some capital investment component, sewerage may properly be viewed as a utility service for which usage-based charges are permissible, and not as a disguised tax.”

In addressing the specific question of Lansing’s storm water sewerage charge, the Michigan Supreme Court took special note of part of the Court of Appeals Bolt dissent:

The extent of any particularized benefit to property owners is considerably outweighed by the general benefit to the citizenry of Lansing as a whole in the form of enhanced environmental quality . . . . When virtually every person in a community is a “user” of a public improvement, a municipal government’s tactic of augmenting its budget by purporting to charge a “fee” for the “service” rendered should be seen for what it is: a subterfuge to evade constitutional limitations on its power to raise taxes.

Finally, the court held the charge was not voluntary because: “The property owner has no choice whether to use the service and is unable to control the extent to which the service is used.”

The Lansing controversy was not the first “fee versus tax” case to be considered by the court. In fact, in the 1876 case of Jones v Board of Water Comm’rs of Detroit, the Michigan Supreme Court held definitively that fees for water service are not a tax. The court explained that a defining characteristic of taxes is that taxes are compelled and user fees are paid voluntarily. “[W]ater rates paid by consumers are in no sense taxes, but are nothing more than the price paid for water as a commodity.” The court noted: “the citizens may take [water] or not as the price does or does not suit them.”

In Ripperger v City of Grand Rapids, the Michigan Supreme Court followed the reasoning of the Jones decision and held that a charge for sewerage services implemented by the city pursuant to a court order was not a tax. Both Jones and Ripperger were considered in Bolt, but in deciding there should be a different outcome the court explained there is no rigid rule that is mechanically applied. Instead, the court considered the referenced three factors as they concerned Lansing’s charges, and the court concluded the charges were a tax rather than a user fee.

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7 Id. at 162.
8 Id. at 164-65.
9 Id. at 166.
10 Id. at 167-68.
11 Jones v Board of Water Comm’rs, 34 Mich 273 (1876).
12 Id. at 275.
13 Id.
Applying Bolt to a Potential Water Affordability Plan

Given the disposition of prior cases, including Bolt, it is apparent that any fee connected with a water affordability plan for the City of Detroit would be a user fee and not a tax. This is demonstrated by the three criteria established by the court.

1) Regulatory Purpose

Money collected as part of an affordability program is used exclusively by the water provider for the purpose of providing affordable water services. The money does not flow into the city’s general fund to be used for services and projects typically financed by taxes. The charges are in every sense a fee for water services and water services only.

Key to appreciating the true nature of charges connected with an affordability plan is the fact that the benefits are not limited to low income water customers. All customers of the utility benefit because the program expands the ranks of paying customers and as a consequence reduces the financial burden currently borne by customers with greater financial resources. Without an affordability plan, paying customers must pick up the slack for water customers who pay nothing. With an affordability plan that allows all water customers to pay what they can afford, higher income customers pay less to sustain the utility, and with the additional fees for services the water department increases its capacity to maintain and improve the services provided to all customers.

2) Proportionality

Of concern to the courts have been those cases where charges significantly exceeded the actual cost of the service provided, and the extra funds collected have been used to pay costs typically covered by taxes or the general fund. For a charge to be regarded as a user fee, it is not necessary for it to be strictly limited to the actual cost of the service. The court in Bolt acknowledged that the actual cost “including some capital investment component” is acceptable. An affordability plan fee is acceptable because it represents an investment in the expansion and financial stability of the customer base, which in turn increases the capacity of the utility to deliver expanded, quality services for all customers. Furthermore, not only are water payments made according to an affordability plan proportionate to the water service provided, they are indexed to actual income making the payments very particular to the water needs of each individual.

3) Voluntariness

Voluntariness was absent in Bolt because all Lansing residents were required to pay the sewerage fee. Water service fees on the other hand are always optional. A property owner always has the option of not maintaining a residence on his property and therefore having no need for water service. The voluntary choice of obtaining water and paying for it bears no resemblance to the required payment of taxes. Of the three factors, voluntariness may be the one that most clearly

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distinguishes taxes from user fees. As recognized by the Michigan Supreme Court in *Jones*, water service has never been, and likely never will be compulsory.\(^{16}\)

In the absence of an affordability plan, or even the prospect of one in the reasonably foreseeable future, the ACLU of Michigan and its volunteer lawyers provided assistance to select DWSD customers to learn more about access to water service. It was concluded that the utility’s staff can at least limit harm by adopting empathetic approaches. For example:

- In one case, flexibility was all that was needed to make a significant difference. ACLU volunteer lawyers advised customer service representatives that DWSD failed to clear the amount due at the time a customer moved into her residence. The customer also pointed out there were problems with the meter for some time after she moved in, and eventually DWSD had to install a new meter. Consequently, any bills estimated during the period when the meter was not functioning were not reliable. At the time of the new meter installation, the record showed a $950 balance. Although DWSD rules limit the time to dispute a balance to 42 days, customer service staff agreed to deduct the $950 from the total arrearage. Although the customer had missed payments on a previous payment plan and the rules required a 50 percent down-payment on the arrearage, an affordable 30 percent down-payment was negotiated. The DWSD staff’s flexibility and consideration of the customer’s circumstances made it possible not only for water service to be restored, but also for DWSD to receive payments from this customer.

- In another case, it was access to information that made the difference. The customer had been without water for months. All the while she was unaware that two facts made her eligible for restoration of her water service. First, a family member’s medical condition qualified the household for restoration of water service for a 21-day period because of a health emergency. Second, the water could remain on after that period because she was on the waiting list for the Water Residential Assistance Program (WRAP). She learned these things only after working with her legal counsel and DWSD customer service.

- Finally, rules that are rigidly applied without consideration of the human factor can be destructive. A customer had been without water for more than a year through no fault of his own. He rented a house from a landlord who had apparently failed to pay water bills. Consequently, water service was terminated soon after the customer moved in. The landlord then passed away. The customer had no information about the disposition of the landlord’s estate. His only interest was in establishing a tenant’s account so that he could pay water bills directly. Unfortunately, at several levels, DWSD staff seemed at a loss as to how to establish an account for the customer—largely because of DWSD rules that were apparently designed to prevent squatters from receiving water service. A tenant’s account was established only after the customer and his counsel attended a Board of Water Commissioners meeting to request waiver of any rules preventing restoration of water services. Certain board members expressed

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\(^{16}\) *Jones v Board of Water Comm’rs*, 34 Mich 273 (1876).
concern and asked a customer service manager to intervene. Within the next hour a tenant’s account had been established for the customer.

Steps to Address the Water Affordability Crisis

There are lessons to be learned from these experiences, as well as concrete steps that can be taken to address a city-wide crisis. These measures might include:

1) Ongoing, persistent outreach to customers who have lost their water service.

Budget and personnel limitations should not prevent more aggressive efforts to re-connect water service for eligible customers. When personal visits to homes are not feasible, such things as newsletters that discuss the various options (e.g., health emergency reconnections; payment plans; WRAP, etc.) should be routinely and repeatedly mailed to homes that are no longer receiving water service. This type of outreach is not just a service. It is an investment that can bolster the roster of paying DWSD customers.

2) Greater license and encouragement to DWSD staff to seek and obtain authorization to implement policies in ways that provide greater and not less access to water services.

The lack of water for any household is an emergency that warrants an extraordinary response. DWSD staff culture should make it unacceptable for a customer who has financial means or who is otherwise eligible for water to be denied reconnection of their water service because of policies or rules. There should be a commitment to restoring water service even to the point of requesting (and receiving) waivers and exceptions to rules as often as needed unless doing so poses a health or safety risk, or will result in violation of the law.

3) Implement an effective water affordability plan.

The benefits of such a plan are undeniable and a refusal to pursue one is, under the circumstances facing Detroit’s residents, unconscionable.

Is the “New Detroit” for Everyone?

There seems to be a willful, stubborn resistance to an affordability plan, or anything else that can reasonably be regarded as measures that signal a sincere commitment to ensuring access to water for all Detroit residents. Observers cannot be faulted for concluding that this indifference—maybe even hostility to the poor—is driven by a cynical strategy to purge the city of those who do not fit the profile of the returning gentry. The loss of water service has caused the exodus of many families who have lived in Detroit for generations. The emergence of the so-called “new Detroit” means abandoned residential properties will find their way into the hands of developers hungry for opportunities to establish upscale housing. How DWSD chooses to handle its customers can have profound implications for Detroit’s future demographics. A decision to terminate a family’s water service long term is essentially a decision to drive the family from their home, and possibly from the City of Detroit. Over time, the fact that Detroit becomes richer and whiter will not mean that it has become better. The long-term Detroit families have made the City what it is, and if the City
is to retain its unique character and culture, these families must be given every opportunity to remain.
Legislation Watch

The status and details of the bills described below can be found on the Michigan Legislature’s website.

**Senate Bill 652**

SB 652 proposes to establish an Environmental Rules Review Committee.

Passed the Senate; recommended by the House Committee on Natural Resources, and presently in the House Committee on Michigan Competitiveness.

**Senate Bill 653**

SB 653 proposes to establish an Appeals Board comprised of engineers, geologists, hydrologists, and hydrogeologists to review MDEQ permit decisions. The Appeal Board’s decision would become part of the final decision of the MDEQ.

Passed the Senate; recommended by the House Committee on Natural Resources, and presently in the House Committee on Michigan Competitiveness.

**Senate Bill 654**

SB 654 proposes to establish an Environmental Science Advisory Board.

Passed the Senate; recommended by the House Committee on Natural Resources, and presently in the House Committee on Michigan Competitiveness.

**Senate Bill 129, now Public Act 40 ’17, codified at MCL 324.63415**

SB 129 added Part 634 to the Natural Resources and Environmental Protection Act (NREPA) to establish a separate regulatory program for small native (in its elemental form) copper mining operations because these operations do not attract large mining operations or implicate the same environmental concerns as nonferrous metallic minerals.

**Senate Bill 402, now Public Act 147 ’17, codified at MCL 324.5204e**

SB 402 amended Part 52 of the NREPA to increase the financial cap on a grant program used to fund municipal nonpoint source pollution control measures. Case reference: Department of Environmental Quality v Township of Worth, 491 Mich 227 (2012).

**Senate Bill 409, now Public Act 18 ’17, codified at MCL 324.32505, 324.32511**

SB 409 amended Part 325 of the NREPA to allow MDEQ, after finding that the public trust in the waters of the Great Lakes will not be impaired or substantially affected, to enter into agreements to lease (or deed unpatented) Great Lakes bottomlands belonging to or held in trust by the State for use by the owners of waterfront property, occupied for single-family residential purposes. The MDEQ has discretion to determine the appropriate leasing fee, which is credited to the Land and Water Management Permit Fee Fund.
House Bill 4123

HB 4123 modifies the NREPA to require that remedial actions meet the cleanup criteria for unrestricted residential use and the state drinking water standard as contained in the Safe Drinking Water Act MCL 325.1002, unless technically infeasible.

Referred to the Committee on Natural Resources in January 2017.

House Bill 4175

HB 4175 proposes to establish a Drinking Water Emergency Loan Fund which would allow for the owner or operator of a public water supply to apply for an emergency loan for the remediation of contaminated drinking water or to alleviate a threat of contamination. “Threat of contamination” means a condition that prevents a public water supply from supplying adequate quantities of potable water that is in compliance with state drinking water standards to its water users. The loan may not exceed $25,000 and must be repaid within 12 months.

Referred to the Committee on Natural Resources in February 2017.

House Bill 4977

HB 4977 proposes to require school board officials to conduct an environmental assessment to identify and eliminate environmental hazards before building a school or acquiring a site for a school.

Referred to the Committee on Education Reform in September 2017.

House Bill 5116

HB 5116 proposes to require companies who have violated the Clean Air Act to pay into a fund in order to finance air quality improvement projects in the communities impacted by their violations.

Referred to the Committee on Natural Resources in October 2017.

House Bill 5406

HB 5406 proposes to establish the Water Asset Management Council to review annual reports from each drinking water, wastewater, and storm water agency and asset owner regarding how its capital improvement plans are meeting its investment goals.

Recommended by Committee on Transportation and Infrastructure; passed by House, presently in the Senate Committee on Transportation

House Bills 5607-08, 5594-97 “The Asbestos Bills”

This package of House bills implements various measures to improve oversight of asbestos remediation.

Referred to the Committee on Natural Resources in February 2018.
House Bill 5657

HB 5657 proposes to add Part 4 to the NREPA. Part 4 would establish that the natural resources of Michigan, including groundwater, are held in the public trust by the State. Part 4 would also require the MDEQ to manage the waters to ensure the protection of the public trust interest in the waters of the State and provide the attorney general with the authority to maintain an action to remedy injury to the public trust interest in the quality or quantity of the waters of the State.

Referred to the Committee on Natural Resources in February 2018.

House Bill 5861-64 “The Energy Freedom Bills”

This package of House bills proposes to restore fair-value pricing for renewable energy sold back to utility companies. For more on this group of bills, see recent press release.

Referred to the Committee on Energy Policy in April 2018.

Have thoughts on any of the above pieces of legislation?

Share them in a viewpoint article in the next issue of MELJ by submitting a draft to ajurban@umich.edu.
Preparing Communities for a Clean Energy Future: Lessons for Local Government

by Stanley “Skip” Pruss
Former Director of the Michigan Department of Energy, Labor, and Economic Growth and Michigan’s Chief Energy Officer

Wind and solar energy projects are proliferating across rural landscapes in Michigan. The enactment of the Clean, Renewable, and Efficient Energy Act in 2008, requiring Michigan electric providers to derive 10 percent of retail supply from renewable energy sources, resulted in the development of wind energy projects concentrated in areas of comparatively strong wind resources—primarily in Michigan’s “Thumb” and in Gratiot County. The 2016 Clean and Renewable Energy and Energy Waste Reduction Act increased the renewable energy standard, requiring Michigan electric providers to achieve a retail supply portfolio with 15 percent renewable energy in 2021.

The expansion of wind energy projects has brought both benefits and challenges to rural communities and local governance. Township and county officials responsible for planning and land use decisions find themselves confronted with competing local interests: Landowners and businesses welcome utilities and wind energy developers investing large amounts of capital with the attendant local economic benefits; while other constituents regard wind energy projects as altering landscapes, diminishing aesthetic values and changing their accustomed “sense of place.” Navigating these disparate interests can be challenging for local leaders and elected officials who find themselves in the middle of disputes dividing friends and neighbors.

The Wind Energy Stakeholders Committee

With these dynamics as a backdrop, the Mott Foundation funded a year-long effort to better understand the areas of conflict within communities, the challenges confronting local community leaders, the perspectives of utilities and wind energy project developers, and areas of common agreement among all stakeholders. To this end, the Wind Energy Stakeholders Committee (WESC) was impaneled with the objectives of learning from the experiences of the local actors in communities that host wind farms, mitigating conflict, better equipping local officials to anticipate and mediate disparate community interests, and improving community engagement efforts by utilities and developers.

The WESC was comprised of stakeholders familiar with challenges facing wind development in Michigan and included representation from the Michigan Township Association, Michigan Association of Counties, Michigan Farm Bureau, University of Michigan’s Ford Policy School, the Michigan Department of Agriculture and Rural Development, Gratiot-Isabella Regional Education Service District, Michigan utilities, wind developers, local officials, political leaders, agricultural interests, the faith community, and legal representatives.

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1 2008 PA 295.
2 2016 PA 342.
The shared, collective experience of WESC members and research and survey information regarding community attitudes and concerns provided the insights and guidance that served as the basis for *Lessons Learned: Community Engagement for Wind Energy Development in Michigan*, a report that was the major deliverable of the WESC.

**Mediating Local Conflict—Local Officials in the Crosshairs**

When wind energy projects are proposed in a township or county, local officials may find themselves unprepared and in need of guidance and assistance. Local officials may be unaware of project plans and land leasing activities as project developers may not have publicly announced their intentions for competitive reasons. Local elected officials involved in Michigan’s early wind developments, often had inadequate expertise and capacity to fully evaluate a project or its impact. Despite these limitations, local officials had to act on behalf of their constituents in navigating many difficult issues regarding the benefits and burdens wind energy projects brought to their communities.

A wind development project is a complex, multi-stage enterprise affecting the local landscape, community character, and citizen expectations. Community members will have differing reactions and sensitivities to the presence of wind turbines. It is important to recognize that the concerns of community members are real and shape attitudes and levels of community acceptance. And although wind developers are working to minimize aspects of wind energy like noise and night lighting through good siting practices and improved technologies, the tradeoffs communities face must be acknowledged and understood. As constituents become aware of wind energy projects, they will have questions concerning visual impairments, noise, setbacks, property values, and changes to character of the community. They will expect that their local leaders will be responsive and have answers.

Siting new wind farms is often contentious, and the importance of community engagement cannot be overstated. Both local officials and wind developers benefit greatly from communicating with constituents early and often. Providing accurate information that anticipates and addresses community issues and concerns is imperative. Surveys conducted by the University of Michigan Ford School’s Center for Local, State, and Urban Policy show a strong correlation between the level of community acceptance of wind farms and citizen’s perception of transparency and inclusion in the development process. Constituents who perceive that local officials are acting in their best interest show considerably more support for wind turbines in their communities.

“Constituents who perceive that local officials are acting in their best interest show considerably more support for wind turbines in their communities.”

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Learning from the experiences of communities where wind farms are already established can be very helpful. Counties in Michigan’s “Thumb”—Huron, Sanilac, and Tuscola—have high wind turbine densities, as does Gratiot County in Central Michigan. While many counties and townships in the Thumb have recently enacted moratoria to stop or slow the pace of new wind energy projects, community acceptance of wind energy in Gratiot County remains high. The difference in community attitudes may be attributable, in part, to proactive, frequent community engagement. “When wind developers engage the community and work together with community members and leaders, wind power can bring many economic opportunities and much-needed revenue to our communities. That’s what happened in my community in Gratiot County,” explained Don Schurr, the recently retired former president of Greater Gratiot Economic Development.

Benefits to Local Communities

Wind energy projects bring substantial financial benefits to local economies. Wind turbines are taxed as industrial personal property and electric transmission and distribution systems and substations are taxed as utility personal property. In Michigan, capital investment in wind farm infrastructure has exceeded $3 billion since 2010. The large influx of capital has raised the total taxable value of property in rural agricultural counties. Data from the Michigan Department of Treasury shows that the average increase in taxable value for Michigan’s 83 counties for the years 2011 through 2015 was 1.28 percent with 21 counties showing a reduction in taxable values. However, for the counties hosting the largest number of wind turbines—Huron and Gratiot—the increase in total taxable value of property for years 2011 through 2015 was 34 and 38 percent, respectively.

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11 Michigan Department of Treasury *Database* (accessed April 24, 2018) (Calculations derived from comparing annual reports of total taxable value of property).
Tax revenue from wind energy projects supplements county and township budgets, supporting school districts\textsuperscript{12} and an array of community services including fire, police and emergency services, senior programs, parks and recreation, and road and bridge maintenance. Additional tax revenue flowing to county local governments from wind projects in Huron and Gratiot in 2014–2015 totaled $45,761,000. Tax liability is, however, based upon the true cash value of the wind turbine components and land improvements (except buildings) that depreciate incrementally by 70 percent over 10 years.\textsuperscript{13} Therefore, absent new wind energy projects being commissioned or old projects being repowered with updated technologies, local tax revenue will diminish over time, potentially resulting in fiscal stress to local programs and schools that benefitted from higher tax revenues.

In addition to community-wide tax benefits, annual lease payments to landowners range from $5,000–$10,000 per turbine. With 1,032 wind turbines operating in Michigan,\textsuperscript{14} payments to landowners hosting wind turbines range from $5–10 million annually. These payments provide steady, reliable income streams. In addition, most wind developers offer compensation to property owners without turbines on their land who live within the project’s geographic footprint. Though the aggregate amount of annual payments to all property owners is unknown, the payments to property owners provide a boost to local economies. Survey research indicates that landowners who receive compensation are significantly more supportive of wind projects in their communities.\textsuperscript{15} The research also indicates that farmers having wind turbines on their property bought more farmland and invested twice as much money in home improvements, outbuildings, farm equipment, and drainage and irrigation systems than their neighbors and landowners in townships without windfarms. These farmers are also more likely to have a succession plan for their farms, which may help preserve agricultural land.\textsuperscript{16}

\textbf{Energy Markets in Transition}

Future trends suggest that more local governments will need to prepare for the prospect of renewable energy projects coming to their communities. Renewable energy resources are steadily displacing coal fired electric generation plants as costs continue to decline. Michigan’s primary electric service providers, DTE Energy and Consumers Energy, have announced plans for 80 percent reductions in carbon emissions by phasing out all coal power units, to be replaced, in significant part, with utility-scale wind and solar energy projects.\textsuperscript{17} DTE Energy’s announced

\begin{quote}
"With 1,032 wind turbines operating in Michigan, payments to landowners . . . range from $5–10 million annually."
\end{quote}

\textsuperscript{12} Wind turbines classified as industrial personal property are not assessed the 6-mill state education tax or the 18-mill school operating tax; utility personal property is assessed the 24 mills tax. \textit{See MCL 211.9k.}


\textsuperscript{15} Mills, Center for Local, State, and Urban Policy, \textit{Views of Wind Development from Michigan’s Windfarm Communities} (accessed April 24, 2018).


plans would sextuple the amount of renewable energy resources it has deployed, from approximately 1,000–6,000 MW.\textsuperscript{18} Wolverine Power, provider of electricity to five electric cooperatives serving customers in over 40 northern Michigan counties,\textsuperscript{19} already derives 56 percent of its electricity supply from zero-carbon energy sources.\textsuperscript{20}

Wind energy is becoming the least expensive, new generation resource available to electric service providers.\textsuperscript{21} Global leaders like Google, Apple, Facebook, Amazon, Microsoft, Intel, eBay, and many other companies have 100 percent zero-carbon energy goals, are purchasing electricity from wind and solar energy projects, and are making investment decisions based, in part, on the availability of clean energy. General Motors’ announced goal is to operate all of its 350 facilities in 59 countries with 100 percent renewable energy.\textsuperscript{22} Dow Chemical Company is one of the largest industrial purchasers of wind energy in the United States\textsuperscript{23} and Michigan-based Steelcase\textsuperscript{24} and Herman Miller\textsuperscript{25} already acquire sufficient renewable energy to power all of their operations. Recently, the data server company, Switch, made one of the largest capital investments in Michigan history contingent on Consumers Energy delivering 100 percent of its electricity needs from wind energy.\textsuperscript{26}

Surveys indicate strong public support for clean energy technologies. Recent polling indicates that 72 percent of Michigan residents and 81 percent of adults nationwide age 19–81 support a goal of attaining 100 percent of electricity from clean energy sources.\textsuperscript{27} The July 2017 National Surveys on Energy and Environment conducted by the University of Michigan and Muhlenberg College found that 89 percent of Americans support increasing the use of solar energy and 83 percent support the greater use of wind energy.\textsuperscript{28} The confluence of improving clean energy technologies, dramatic costs reductions, and business and consumer preferences for clean energy will likely accelerate efforts to site clean energy projects for years to come.

\textsuperscript{19} Wolverine Power Cooperative (accessed March 14, 2018).
\textsuperscript{22} General Motors, \textit{GM Commits to 100% Renewable Energy by 2050} (September 14, 2016) (accessed March 23, 2018).
\textsuperscript{23} Dow, \textit{Dow Increases Clean Energy Targets Aligned to 2025 Sustainability Goals} (May 27, 2016) (accessed March 23, 2018).
\textsuperscript{27} Greenberg, Quinlan, Rosner Research, \textit{Michigan Voters Support Moving to 100% Clean Energy} (March 19, 2018) (accessed April 24, 2018).
\textsuperscript{28} Mills et al., \textit{Strong Public Support for State-level Policies to Address Climate Change}, Center for Local, State, and Urban Policy, University of Michigan (June 2017) (accessed April 24, 2018).
Lessons for Local Elected Officials

Early wind energy development projects were learning experiences for both wind developers and local communities. The experiences drawn from the siting of these operating projects provide valuable insights to inform future projects.

Building and sustaining community support for clean energy projects requires continuous outreach to stakeholders to develop relationships, credibility and trust. It entails efforts at mutual education through listening, effective communication, and sensitivity to community concerns. And it requires convening community participants representing both citizens and key community actors in well-organized and structured forums with shared goals and objectives.

All effective locally focused collaborations share a common characteristic—they foster and galvanize community stakeholders to common vision and purpose, creating sustained relationships that aggregate and leverage private, governmental, and community assets. The WESC found that collaborative efforts must be continuous from the time the project is first proposed, through construction, during its operational lifetime, and through decommissioning. Wind developers and utilities should maintain a continuous community presence with a staffed office within the community so that issues and concerns can be addressed as they arise.

Survey research conducted in Michigan indicates that when community members feel that they are participating in project planning in a transparent process, support for wind projects increases considerably. The research also clearly indicates that when property owners who are within or near the project area (in addition to those having turbines on their property) receive compensation, community support for projects increases substantially.

The challenges facing local officials and wind developers in transitioning to market-driven clean energy resources are considerable. Learning from past experiences and anticipating future concerns offers a workable pathway forward.

Contribute to the MELJ

The next issue is Fall 2018. Write on a difficulty you have encountered in your practice to help fellow practitioners OR write about a topical environmental event or issue that interests you.

Email submissions or inquiries to Amanda Urban at ajurban@umich.edu. 2-10 pages, 12pt Times New Roman, Michigan Appellate Manual footnotes.

Let us Know What you Want to See in the MELJ

The MELJ is a publication intended to serve the members of the Environmental Law Section of the State Bar of Michigan. Do you have an event upcoming in the fall? Please let us know the details and we will be happy to feature it.
The MELJ Committee

The MELJ Editorial Committee
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The MELJ is a team effort and would not be possible without the hard work of its contributing and associate editors, as well as the State Bar administrative staff. Consider joining the MELJ Editorial Committee. Contact Amanda Urban if interested.

Host a Law Student Intern

Could your environment, energy, or natural resources practice use an extra hand? Law students from Michigan State, Wayne State, Detroit Mercy, Michigan, and Cooley are looking to learn more about environmental law in Michigan. Think back to your early days diving into environmental law and how you could have benefited from a summer of practical experience.

Even if you are unsure, but you might be interested in accepting student resumes for possible internship positions, fill out this Contact Form.

ELS plans to create a directory of possible internship opportunities that will be passed along to the student environmental groups at each of the Michigan law schools. Help us provide opportunities for Michigan students to learn the law here in Michigan.