

March 3, 2017

**By email to [deq-eh@michigan.gov](mailto:deq-eh@michigan.gov)**

James (Matt) Gamble, Supervisor  
Source Water Unit, Drinking Water and Municipal Assistance Division  
Michigan Department of Environmental Quality  
Constitution Hall  
525 West Allegan Street  
Lansing, MI 48909-7741

***Re: Nestlé Waters North America, White Pine Springs Well, Osceola County***

Dear Mr. Gamble:

The Council of Great Lakes Industries (CGLI) offers these comments regarding the request of Nestle Waters North America (Nwana) for an increased large quantity water withdrawal under Section 17 of Michigan's Safe Drinking Water Act (SDWA), MCL 325.1017. CGLI is a binational non-profit organization representing the common policy interests of Canadian and U.S. industrial organizations that have significant assets in the Great Lakes region. The mission of CGLI is to promote the growth and vitality of the regional economy in harmony with its human and natural resources (sustainable development).

The importance of water to the Michigan economy – now and in the future – cannot be overemphasized. Great Lakes water resources played a critical historical role in the growth of the region's manufacturing base by providing a means to efficiently transport raw materials to factories and move goods to market; generating hydroelectric power; and ensuring abundant fresh water for products and manufacturing processes. Water continues to drive the economy today. In 2014, the Anderson Economic Group estimated that large water users in agriculture, manufacturing, and mining employed 581,000 people in Michigan (about 17% of Michigan's total employment) (based on 2012 employment data). "Innovating for the Blue Economy: Water Research at the URC (Anderson Economic Group, May 29, 2014; available at [http://urcmich.org/wp-content/uploads/2015/03/URC\\_Water-Industry-Sector.pdf](http://urcmich.org/wp-content/uploads/2015/03/URC_Water-Industry-Sector.pdf)). Reliable and sustainable water availability continues to be one of the region's greatest long-term strategic advantages, especially as water scarcity elsewhere in North America and the world increases water risk.

For these reasons, CGLI has worked with the Canadian and U.S. governments and the Great Lakes states and provinces on water resources management issues since our organization was established in the early 1990s. The keystone of our work is the recognition that, while the Great Lakes basin is blessed with abundant quantities of water that can sustain active water resource use, water resources must be properly managed. Supplies are abundant, but they are not infinite; water is not always located and accessible exactly where it is needed.

CGLI has long supported the development and implementation of the Great Lakes-St. Lawrence River Water Resources Compact and Agreement as a regime for managing competing water uses without impairing Great Lakes water resources. We continue to serve on the Advisory Committee to the Great Lakes-St. Lawrence River Water Resources Compact Council and Regional Body. Our core interest is to ensure that the Compact and Agreement are implemented as the states and provinces intended when the regime became effective in 2008.

The driving force behind development of the Compact was the desire to ensure that Great Lakes water resources remain available for a wide variety of responsible uses. Industry applauded the Compact as an effective mechanism for managing water withdrawals and limiting diversions of water outside the Basin, and remains interested in assured access to sustainable water supplies. Industry also requires consistent, timely, transparent and predictable permit processes for operational continuity and to promote sustainable economic activity. We encourage MDEQ to implement Compact requirements through processes that are efficient, not overly-burdensome, and that promote sustainable water use.

We understand that For Love of Water (FLOW) has asserted that NRNA is required to obtain a water withdrawal permit under Section 32723 of the Natural Resources and Environmental Protection Act, MCL 324.32723, in addition to obtaining state approval under Section 17 of the SDWA. (Letter, FLOW to MDEQ, 12/16/16, available at <http://flowforwater.org/flow-final-ltr-to-deq-re-nestle-application-12-16-16-6/>.) We disagree with this assertion.

The Compact was enacted “to facilitate consistent approaches to Water management across the Basin while retaining State management authority over Water management decisions within the Basin.” Compact, §1.3(2)(d). A key provision of the Compact is that it exempts small-quantity bottled water from the restrictions applicable to out-of-basin diversions, while granting states and provinces discretion with respect to the regulation of bottled water within their respective jurisdictions. Compact, §1.2 (definition of “diversion”); §4.12(10).

Michigan effectuated its obligations under the Compact in 2008 amendments to sections 4 and 17 of the SDWA and Parts 327 and 328 of NREPA. MCL 324.32730(c). Section 17 of the SDWA (“Bottled Drinking Water”) provides that persons proposing to produce bottled water from certain types of large quantity withdrawals must apply for a permit under the SDWA. MCL 325.1017(3). Section 17 further provides that the state may approve a bottled water application filed under the SDWA only if it satisfies (among other things) the “applicable standard” in Section 32723 of NREPA. MCL 325.1017(4)(a). Contrary to FLOW’s assertion, the SDWA does not require applicants to apply for a permit and approval under Section 32723 in conjunction with a permit under Section 17. In fact, Section 32723 *specifically provides that persons who obtain water withdrawal approval under Section 17 of SDWA “are not required to obtain a water withdrawal permit under [Section 32723].”* MCL 324.32723(13)(c).

Michigan elected to satisfy its obligations under the Compact by enacting provisions applicable to small-quantity bottled water production in the SDWA, and by enacting provisions applicable to diversions and large intrabasin water transfers in Part 327. Imposing a Part 327 permit requirement on producers of bottled water in small quantity containers as requested by FLOW would contravene the Compact and the program that Michigan enacted to effectuate its intent.

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CGLI offers these comments to support enhanced coordination within the Great Lakes region on water resource management and consistency within the state of Michigan regarding the regulation of water resources used for bottled water production. We appreciate the opportunity to provide comments and invite you to contact us if you have questions or require information not provided here.

Sincerely,

COUNCIL OF GREAT LAKES INDUSTRIES

A handwritten signature in black ink, appearing to read "K. A. Buckner". The signature is written in a cursive style with a large, sweeping initial "K".

Kathryn A. Buckner, President