

EXECUTIVE DIGEST

PUBLIC DRINKING WATER SUPPLY PROGRAM

INTRODUCTION

This report, issued in June 2001, contains the results of our performance audit* of the Public Drinking Water Supply* Program, Department of Environmental Quality (DEQ).

AUDIT PURPOSE

This performance audit was conducted as part of the constitutional responsibility of the Office of the Auditor General. Performance audits are conducted on a priority basis related to the potential for improving effectiveness* and efficiency*.

BACKGROUND

The Public Drinking Water Supply Program, operated by the DEQ Drinking Water and Radiological Protection Division (DWRPD) includes oversight of community drinking water supply systems* and non-community drinking water supply systems*, certification of drinking water testing laboratories, and training and certification of persons who operate drinking water supply systems in the State. A primary objective of the Public Drinking Water Supply Program is to help ensure that public drinking water supply systems produce and distribute water in accordance with federal and State drinking water laws, rules, policies, and procedures.

DWRPD is also responsible for oversight of various environmental health issues relating to radiological protection; registration of medical waste producers and haulers, public swimming pool operators, and dry cleaners; and oversight of campgrounds, on-site sewage systems, subdivisions, and condominium developments. These environmental health programs will be considered for inclusion in a separate performance audit.

The United States Environmental Protection Agency (EPA) has granted Michigan primary enforcement responsibility (primacy*) to regulate public drinking water supply systems. For primacy, the State must adopt drinking water regulations that are at least as stringent as the federal regulations and must demonstrate that it can enforce the program requirements.

DWRPD's Field Operations Section oversees approximately 1,450 community drinking water supply systems. The Section is responsible for ensuring that these community water suppliers provide drinking water that meets or exceeds minimum requirements of the federal and State Safe Drinking Water Acts, rules, policies, and procedures.

DWRPD's Ground Water Supply Section contracts with 43 local health departments (LHDs) that oversee approximately 10,800 transient* and non-transient* non-community drinking water supply systems and investigate private well contamination complaints.

DWRPD's Laboratory Services Section operates an EPA-certified drinking water laboratory and inspects and certifies laboratories that analyze drinking water samples for compliance with provisions of the federal and State

Safe Drinking Water Acts for water suppliers that operate in the State.

The Environmental Assistance Division trains and certifies operators of public drinking water supply systems in accordance with federal and State laws, rules, policies, and procedures.

DWRPD expended approximately \$8.25 million to operate the Public Drinking Water Supply Program in fiscal year 1998-99, including direct payments to 43 LHDs of approximately \$1.45 million for the non-community drinking water program. In addition, DWRPD expended approximately \$2.5 million on staff, contracts, and grants funded by Drinking Water Revolving Loan Fund set-asides*, which are audited separately. DWRPD had 74 filled positions assigned to implement the Public Drinking Water Supply Program on May 31, 2000.

AUDIT OBJECTIVE,
CONCLUSION, AND
NOTEWORTHY
ACCOMPLISHMENTS

Audit Objective: To assess the Public Drinking Water Supply Program's effectiveness in ensuring the safety of the State's public drinking water supply.

Conclusion: We concluded that the public drinking water supply program was generally effective in ensuring the safety of the State's drinking water supply. However, our assessment disclosed three material conditions* related to the non-community drinking water program:

- DWRPD should ensure that LHDs take timely action to address the issue of non-community drinking water suppliers who repeatedly fail to monitor or fail to comply with significant program requirements (Finding 2).

- DWRPD should increase its oversight of LHDs to help ensure that they complete sanitary surveys* in a timely manner and follow up on serious deficiencies, should monitor LHDs to help ensure that follow-up of serious sanitary survey deficiencies is a top priority, and should require LHDs to identify which sanitary survey deficiencies are considered serious (Finding 3).
- DWRPD had not developed an effective oversight system to ensure that LHDs were posting all monitoring violations and maximum contaminant level* violations on the federal reporting system (Finding 4).

Our assessment also disclosed reportable conditions* related to the monitoring of community drinking water system activities and results, the evaluation and monitoring of LHDs, the non-community water data management and reporting system, comprehensive written policies and procedures, a continuous quality improvement process, and the recovery of costs relating to American Water Works Association operator training classes (Findings 1 and 5 through 9).

Noteworthy Accomplishments: DWRPD is in the process of implementing three programs that have had a significant impact on protecting drinking water supply sources: the Source Water Assessment Program, which will assess the quality of every source of drinking water used by the approximately 12,000 community and non-community public water suppliers; Wellogic, a computer-based program that maintains historical records on every drinking water well drilled in the State and makes this well information available for hydrogeological research and

other purposes; and the voluntary Wellhead Protection Program, which provides grants to community drinking water supply systems to protect wellheads from possible sources of contamination.

In addition, DWRPD's drinking water laboratory achieved continuing certification as an EPA-certified drinking water laboratory. The certification indicates that the drinking water laboratory is being operated under high standards and maintains an effective quality control system.

AUDIT SCOPE AND
METHODOLOGY

Our audit scope was to examine the program and other records of the Drinking Water and Radiological Protection Division and the Environmental Assistance Division. Our audit was conducted in accordance with *Government Auditing Standards* issued by the Comptroller General of the United States and, accordingly, included such tests of the records and such other auditing procedures as we considered necessary in the circumstances.

Our audit procedures included review of laws, rules, policies, and procedures and assessment of DWRPD's implementation of continuous quality improvement initiatives. We interviewed program staff. We examined Public Drinking Water Supply Program records and activities for the period October 1, 1997 through May 31, 2000.

We discussed the Public Drinking Water Supply Program with EPA staff who are responsible for oversight of this federally mandated program.

We analyzed program reports, examined data systems, and reviewed other records relating to DWRPD's planning process, operating procedures, and administration of the Public Drinking Water Supply Program.

We reviewed DWRPD's process for certifying drinking water laboratories and examined records relating to the examination and training process implemented by the Environmental Assistance Division for the certification of drinking water plant operators. We also reviewed fees charged to the community and non-community drinking water supply systems.

We surveyed LHDs to evaluate satisfaction with DWRPD's implementation of the non-community drinking water program (see Exhibit A, presented as supplemental information).

We also conducted a telephone survey of environmental and governmental groups and other parties to determine satisfaction with DWRPD's implementation of the Public Drinking Water Supply Program (see Exhibit B, presented as supplemental information).

**AGENCY RESPONSES
AND PRIOR AUDIT
FOLLOW-UP**

Our audit report includes 9 findings and 11 corresponding recommendations. DEQ's preliminary response indicated that it agrees with 6 recommendations, partially agrees with 4 recommendations, and disagrees with 1 recommendation.

DWRPD complied with both recommendations from our prior audit of the Public Drinking Water Supply Program.