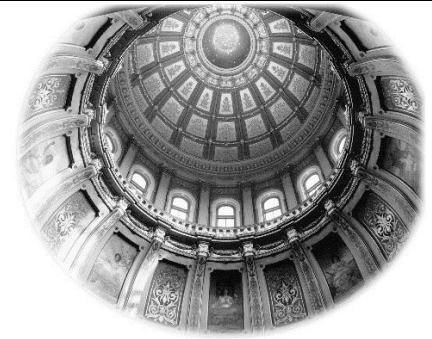


CAPITOL NEWS UPDATE

WEEK OF April 18, 2016

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AG: “CHARGES ONLY THE BEGINNING...MORE TO COME”

Attorney General Bill Schuette has announced that a combined thirteen felony and five misdemeanor charges have been brought against two Michigan Department of Environmental Quality (DEQ) employees and one Flint official in connection with the Flint water crisis.

Charges were filed against Mike Glasgow, the city’s laboratory and water quality supervisor; Mike Prysby, a DEQ official; and Stephen Busch, the Lansing District coordinator for the DEQ’s Office of Drinking Water and Municipal Assistance.

Prysby is facing six charges: two for misconduct in office, two for tampering with evidence, and two for treatment and monitoring violations under the Michigan Safe Drinking Water Act.

Busch faces six charges including two for misconduct in office, two for tampering with evidence and one for monitoring violations under the Michigan Safe Drinking Water Act.

Glasgow is facing two charges: one for tampering with evidence and one for willful neglect of duty.

“These charges are only the beginning and there will be more to come,” Schuette said, adding, “That I can guarantee you.”

Chief Investigator Andy Arena described the Flint water investigation as the “biggest case in the history of Michigan.”

SNYDER PROPOSES WATER RULE CHANGES STRONGER THAN THE FEDS

Under changes proposed by Gov. Rick Snyder, Michigan’s would have water regulations dealing with lead stronger than those of the federal government.

The proposals put forth last week contain recommendations from a subcommittee of the Flint Water Interagency Coordinating Committee.

They include lowering the lead action level to 10 parts-per-billion (ppb) from the current federal standard of 15 ppb by 2020, requiring annual lead and copper testing for all schools as well as other facilities, requiring “comprehensive lead and copper analysis” before any significant change in water source or treatment of a public water system, as well as mandating that water systems be required to follow defined corrosion control treatment standards.

The timeline for implementing the proposed changes are undetermined. However, the changes could come via legislation, the state’s rule promulgation process, and more, according to Snyder spokesman Ari Adler.

Meanwhile, members of the Flint water crisis task force appointed by Snyder told lawmakers their findings showed flaws in the state water office's culture and the emergency manager law, and said that moving forward, the state needs to address the culture that allowed the Flint water crisis to happen from the top down. The task force also recommended considerable changes in the emergency manager policy.

DEMS CALL FOR RESTORING CITIZEN OVERSIGHT COMMISSIONS

Some Democrats in the House and Senate have introduced legislation (HBs 5404 thru 5406 and SBs 0829 thru 0831) that would restore citizen oversight commissions for both air pollution and water quality.

The commissions would take complaints, have the ability to commence enforcement actions, and oversee permitting and departmental policies and rules.

Former Gov. John Engler abolished the commissions by executive order. The House voted to reject the order but the Senate never took action so the order stood.

NEW BILL WOULD STEP UP PUBLIC NOTICE FOR CONTAMINATED WATER

If legislation (HB 5120) introduced by Rep Sheldon Neeley (D-Flint) becomes law, state regulators would have two business days, rather than the current 30 days, to notify residents of water contaminants such as arsenic or lead.

The measure, taken up by the House Government Operations Committee, shortens the window in which the Department of Environmental Quality (DEQ) is required to warn a community of health risks associated with prolonged exposure to contaminants in their drinking water.

REPUBLICANS: ELIMINATE THE MICHIGAN BOARD OF EDUCATION

Thirty-one Republican members in the House of Representatives have signed on to a resolution to amend the state constitution to eliminate the Michigan Board of Education and the state superintendent who is appointed by the board.

The kerfuffle is over the board's proposed policy that provides voluntary guidance to schools on how to address the needs of LGBTQ students.

Rep. Tim Kelly (R-Saginaw), the lead sponsor, said he doesn't expect the resolution to go anywhere because it takes a two-thirds support in the House. His aim is to send a message to the board members.

Kelly called the board "a relic of the past" that isn't needed anymore.

HOUSE PASSES PARTIAL DOMESTIC VIOLENCE PACKAGE

Four out of seven bills aimed to address issues contained in the state's assault and violence laws have cleared the House and have headed to the Governor's desk for signature.

House Bills 4476, 4478, 4480 and 4481 passed the chamber with bipartisan support. The full seven-bill package cleared the Senate last week.

The legislation prevents courts from considering – in custody cases - actions taken by one parent to protect a child from an abusive parent.

The other three bills address issues with a court's referral of a case to mediation without a hearing in cases of abuse and neglect and would bar the custody right of the biological parent of a child conceived by sexual assault if that parent is the convicted assailant.

MPSC OKs CONSUMERS NATURAL GAS RATE HIKE, BUT CUSTOMER BILLS WILL DECREASE

A \$40 million natural gas rate hike for Consumers Energy natural gas customers was given the approval of the Michigan Public Service Commission (MPSC) but the good news is that people are going to see a decrease on their bills.

The reason is that the utility company self-implemented \$60 million worth of rates in January and the MPSC's final action this week pulls that back to \$40 million.

The end result is that customers using 100 ccf of natural gas a month will see a \$1.69 decrease on their monthly bills beginning in May.

Either way, the approved rate is 53 percent below what Consumers wanted, according to the MPSC.

M M & A BRIEFS

Senate will return to energy debate next week. The Senate Energy Policy Committee will resume hearings next week on the long-debated energy reform legislation (SBs 0437 and 0438). Committee Chair Mike Nofs (R-Battle Creek) said he is projecting two to three weeks of hearings before moving substitutes to the floor sometime next month.

DEQ has a change of heart on toxic list. Citing public concerns, the Department of Environmental Quality (DEQ) has reversed itself and decided not to limit its list of air toxics to review in permit applications, in a set of pending rule changes. The DEQ had proposed criteria for defining toxic air contaminants, which would have resulted in a list of roughly 600 chemicals to review during the air permit application process. The current rules have the state examining all the chemicals proposed in an application, except those on an exemption list.

Beer and wine license modifications signed into law. Legislation (HB 4895), now PA 84 of 2026, that would allow grocery stores with onsite gas stations to sell beer and wine at both locations has been signed into law by Gov. Rick Snyder. The measure creates a secondary location permit so the retailers can sell beer and wine under an extension of their primary license. The bill also designated merchants to reduce the minimum distance between a fuel pump and point of sale of alcohol from 50 feet to five feet. The license-holder must also keep an inventory of at least \$250,000 or operate from a location not less than 50,000 square feet.

Dates are set to fill ex-Sen. Virgil Smith's seat. A special election has been set to replace former Sen. Virgil Smith (D-Detroit) who resigned from his Senate seat following a jail sentence for crimes committed last May. The primary election for Smith's seat is scheduled for Aug. 2, with the general election taking place on Nov. 8, 2016...the dates falling in line with state's regularly scheduled primary and presidential elections. Interested candidates must file for the seat by 4 p.m. Tuesday, May 10.

New prevailing wage ballot committee is formed. A group, its organizers yet unknown, has filed to place a new prevailing wage issue on the ballot but it is not known whether the committee, calling itself Citizens for a Safe and Secure Michigan, is opposed to the prevailing wage law, or opposed to current efforts to repeal the prevailing wage law.

Ruff returns. Craig Ruff is returning to the executive staff of Gov. Rick Snyder on an interim basis as a special advisor on education, working on such issues as the 21st Century Education Commission, Detroit Public Schools restructuring, and talent development. Ruff retired from the Executive Office at the end of 2014. He was replaced by Karen McPhee who resigned earlier this month.

CALENDAR OF IMPORTANT EVENTS

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| April 27 | Sen. Tonya Schuitmaker (R-Lawton) Breakfast Reception
Location: 7:30 a.m., Glazed and Confused, Lansing |
| April 27 | Sen. Marty Knollenberg (R-Troy) Breakfast F'Raiser
Location: 7:30 a.m., Governors Room, Lansing |
| April 28 | Rep. Leslie Love (D-Detroit) Brunch Reception
Location: 10:30 a.m., Governors Room, Lansing |
| May 2 | Rep. Henry Yanez (D-Sterling Heights) Fiesta De Mayo Reception
Location: 5:30 p.m., Warren FOP Hall, Warren |

- May 3 Rep. Brian Banks (D-Grosse Pointe) Brunch Reception
Location: 10 a.m., Michigan Health and Hospital Assn., Lansing
- May 4 Senate Republican Celebration
Location: 6 p.m., University Club, Lansing
- May 5 Rep. Vanessa Guerra (D-Bridgeport) Breakfast Reception
Location: 9 a.m., Governors Room, Lansing