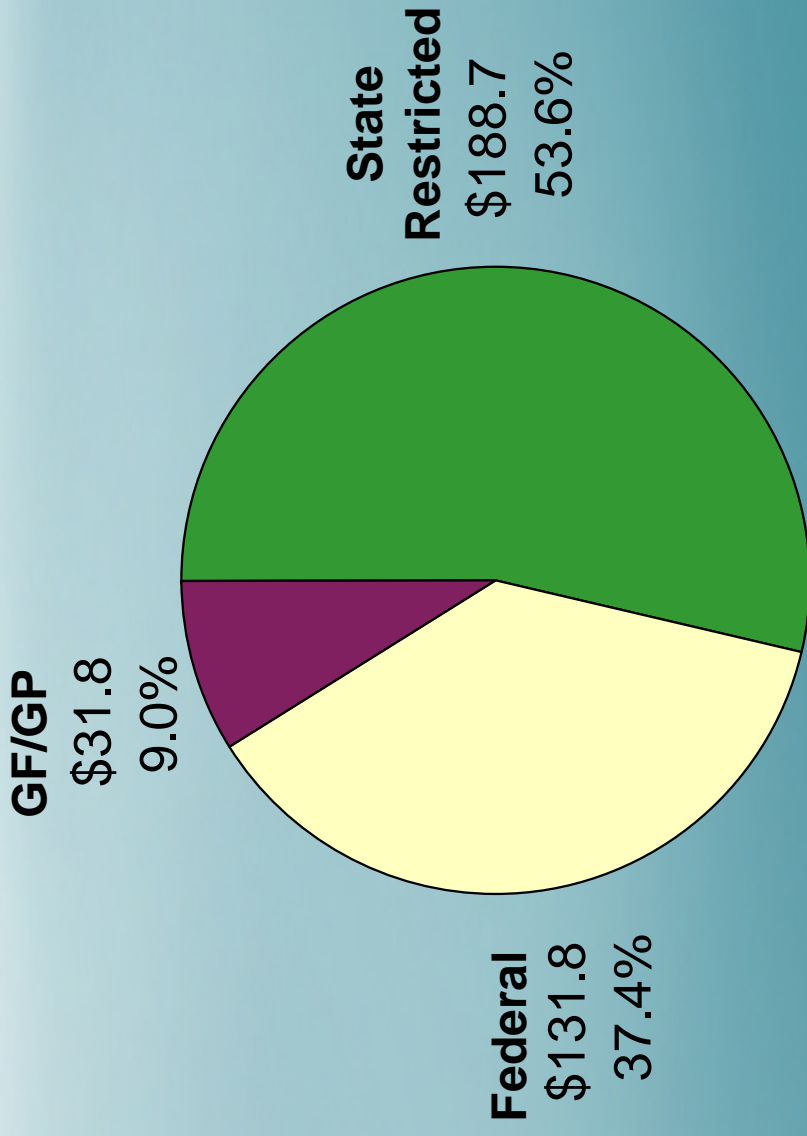




Current DEQ Funding Structure

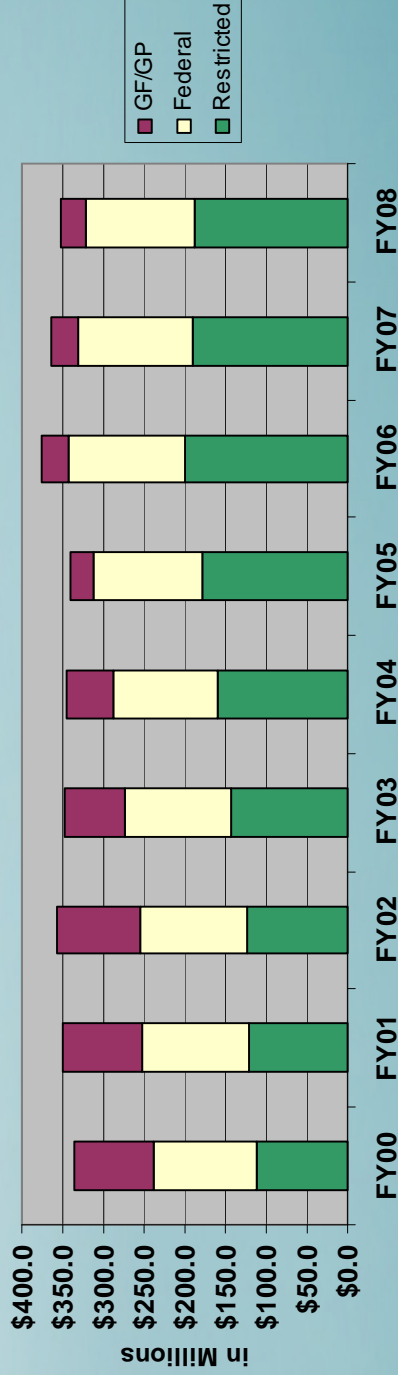


FY08 Appropriations = \$352.3 million



DEQ Funding History FY00 - FY08

Operational Appropriations by Funding Sources



Fund Sources	FY00	FY01	FY02	FY03	FY04	FY05	FY06*	FY07**	FY08
St. Restricted	\$112.3	\$121.5	\$124.1	\$142.9	\$160.0	\$178.1	\$199.3	\$190.3	\$188.7
Federal	\$126.8	\$129.7	\$131.3	\$131.5	\$129.2	\$133.8	\$144.1	\$140.3	\$131.8
GF/GP	\$96.2	\$99.9	\$101.0	\$72.4	\$56.2	\$28.7	\$31.8	\$33.8	\$31.8
Gross Funding	\$335.4	\$351.2	\$356.4	\$346.8	\$345.4	\$340.6	\$375.2	\$364.4	\$352.3

Note: MUSTFA debt service appropriations have been pulled out from 1996-2003 for comparison purposes with 2004 and 2005 (approx \$58mil/yr)

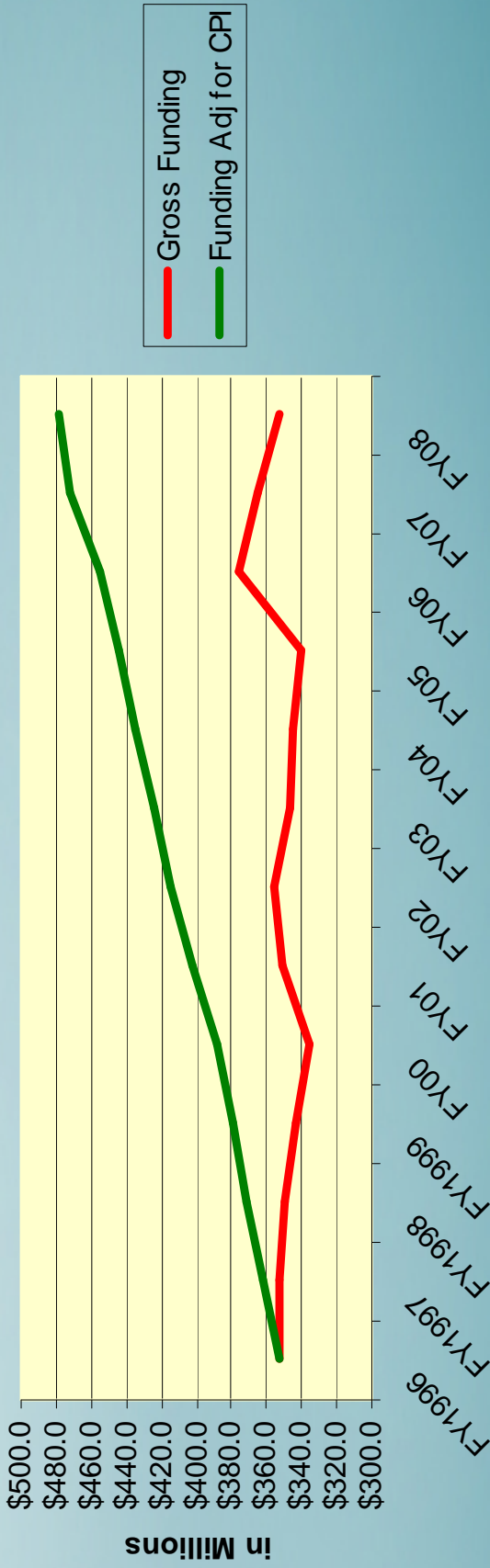
* For a year to year comparison, \$80.0 million in one-time environmental cleanup funding was removed from FY06 data.

** One-time bond funding for clean-ups and one-time SWQIF grant funding removed from FY07 data.



Funding History Compared with Inflation

(based on adjusting FY1996 appropriations each year by the Detroit CPI)



	FY1996	FY1997	FY1998	FY1999	FY2000	FY2001	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008
Gross Funding	\$352.0	\$352.0	\$335.4	\$388.9	\$351.2	\$401.7	\$356.4	\$423.7	\$444.3	\$340.6	\$375.2	\$364.4	\$352.3
Adj for CPI	\$352.0	\$352.0	\$388.9	\$388.9	\$401.7	\$415.0	\$415.0	\$423.7	\$434.3	\$444.3	\$455.4	\$472.2	\$478.4

Detroit CPI	2.8%		3.3%	3.3%	3.3%	2.1%	2.5%	2.5%	2.3%	2.5%	3.7%	1.3%	2.5%
--------------------	------	--	------	------	------	------	------	------	------	------	------	------	------

Funding Shortfall against Inflation			-\$53.5	-\$50.5	-\$58.6	-\$76.9	-\$88.9	-\$103.7	-\$80.2	-\$107.8	-\$126.1		
--	--	--	---------	---------	---------	---------	---------	----------	---------	----------	-----------------	--	--

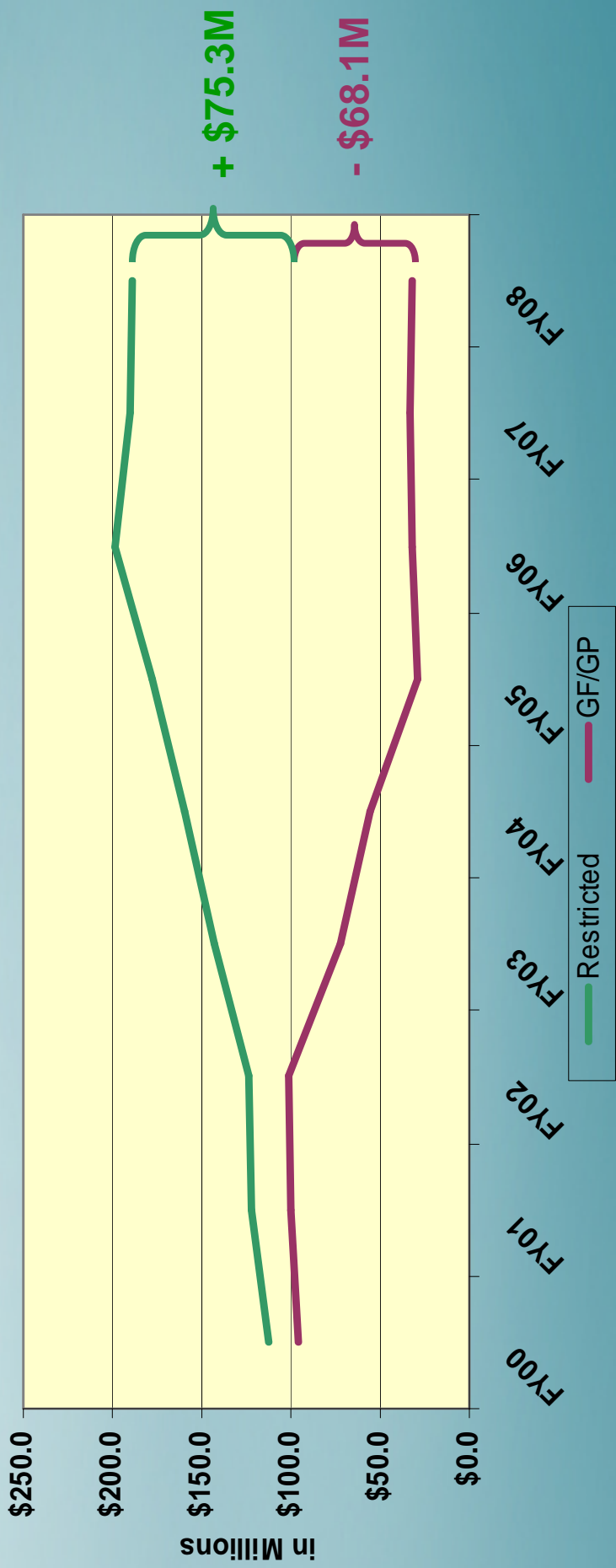
* estimated Detroit CPI for FY2007 & FY2008

** For a year to year comparison, \$80.0 million in one-time environmental cleanup funding was removed from FY06 data. One-time bond funding for clean-ups (\$21.1 million) and one-time SWQIF grant funding (\$40.0 million) removed from FY07 data.



Decrease of General Fund Support

Restricted Funds vs. General Funds

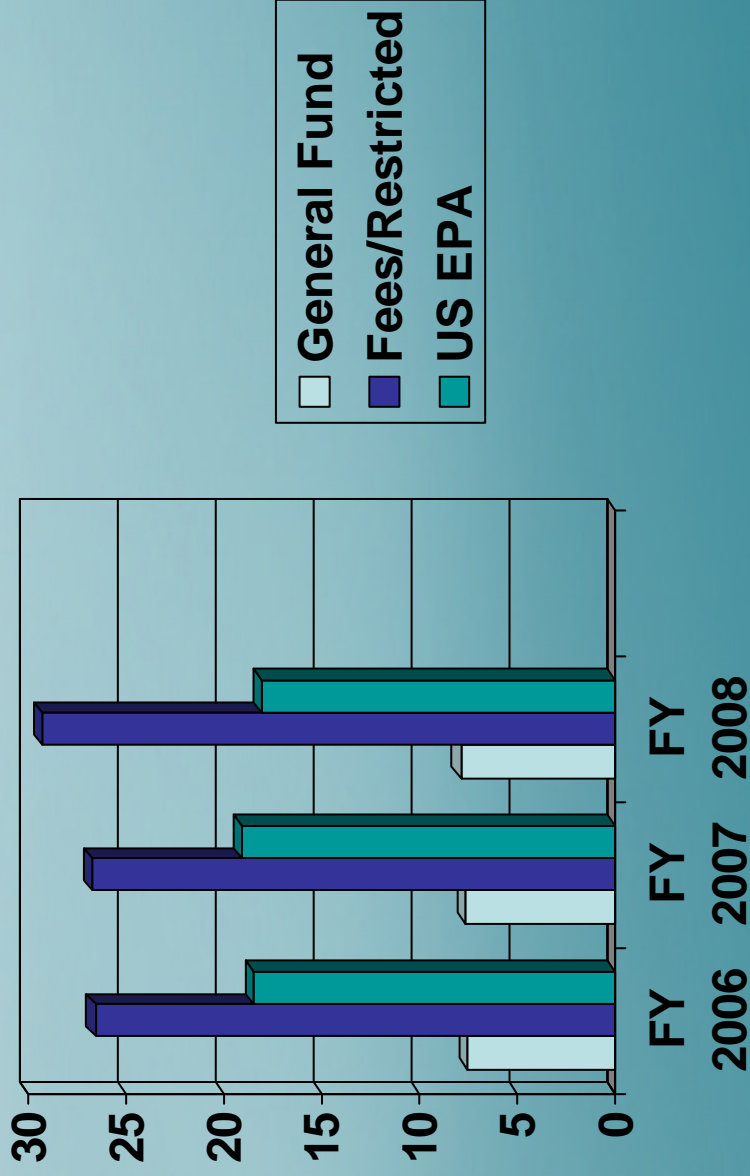


Historical General Fund Reductions						
	FY04	FY05	FY06	FY07	FY08	Cumulative
	(16.2)	(27.5)	3.1	2.0	(2.0)	(\$68.1)



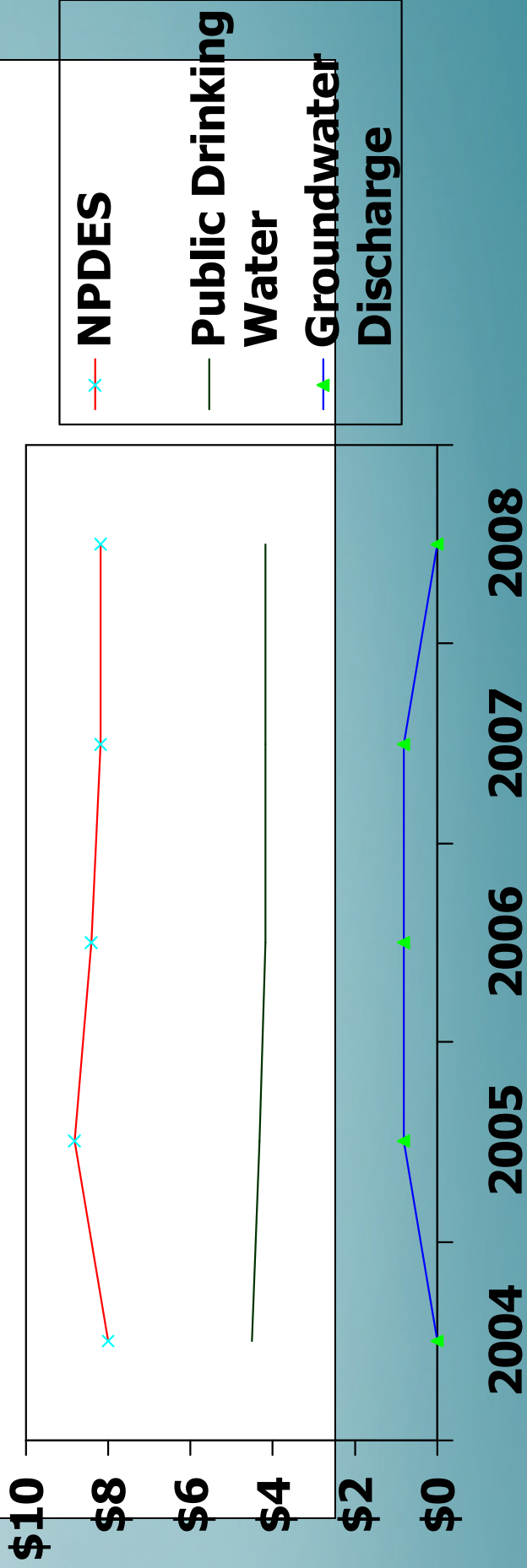
DEQ Water Bureau Appropriations

Shown in Millions



Federal Funds

(U.S. EPA dollars shown in Millions)





WATER BUREAU FEES

	Fee Amount	Fee Payers	Revenue	Sunset?	Indexed for Inflation?
Water Use	Annual Reporting Fee- \$200	1141	\$228,200	No	No
Well Driller License	Annual Registration Fee- varies from \$25-\$40, plus \$10 per drilling rig	1014	\$45,000	No	No
Public Water - Community	Annual Fee from \$328-\$110,000 based on population; fee adjusted based on fund balance	1399	\$2,177,950	No	Yes
Public Water - Noncommunity	Annual Fee divided into two categories: transient- \$111.46 and nontransient- \$472.06. Fee adjusted based on fund balance	10182	\$1,668,460	No	Yes
Campground	New Construction Fee- \$600; Annual license fee-\$75-\$500 depending on size	1200	\$244,000	No	Yes
Septage Waste	One time \$500 fee for new land disposal site. \$200 annual fee for septage license. \$350 annual fee for each septage vehicle-\$480 if vehicle used to land apply septage	450	\$500,000	No	No
Biosolids	\$400 Administration Fee; fee per dry ton recalculated annually, currently \$7.44	185	\$724,090	No	Yes
Aquatic Nuisance	Application Fee of \$75, \$200, \$400, \$800 or \$1,500 based on area of treatment	1800	\$605,000	Yes	No
Public Swimming Pool	Variable Permit Application Fee and Construction Permit Fee; annual renewal-\$55	5200	\$575,000	No	Yes



WATER BUREAU FEES

	Fee Amount	Fee Payers	Revenue	Sunset?	Indexed for Inflation?
NPDES (Non-Storm Water) Permit	Annual Permit Fee ranges from \$100 to \$213,000 depending on permit type and EPA facility classification (major or minor)	1475	\$2,808,800	Yes	No
NPDES (Non-Storm Water) Application	Application Fee of \$75 for an EPA minor facility general permit, \$750 for EPA major; \$400 for EPA minor facility indiv., CSO permit or wastewater stabilization lagoon indiv. permit	140	\$75,000	Yes	No
Storm Water- Permit	Annual Fee for Municipal separate storm Sewer system- \$500-\$7,000 based on population; Industrial storm water -\$260	3750	\$1,700,000	Yes	No
Storm Water - Construction	\$400 per application	500	\$200,000	Yes	No
Groundwater Discharge Permit	Annual Fee of \$200, \$1,500 or \$3,650 based on permit classification	928	\$1,339,050	Yes	No
Soil Erosion and Sedimentation Control Training	Training Course Fee- \$175 classroom, \$50 self-study	650	\$100,000	No	No, but fee can be set by DEQ to cover costs
On-Site Wastewater Management	Proposed fee to replace lost General Fund; combination of fees for subdivisions/site condominiums and fee assessed at the time of permit issuance by local health departments	27000	\$598,000	No	Yes
TOTAL			\$13,588,550		