



STATE OF MICHIGAN
OFFICE OF THE GOVERNOR

JENNIFER M. GRANHOLM
~~JOHN ENOKER~~
GOVERNOR

March 21, 2003

Michigan State Senate
State Capitol
Lansing, Michigan 48909-7536

Ladies and Gentlemen:

Today I am vetoing Enrolled Senate Bill 195. From a legal perspective, the bill is incurable—and from a policy perspective, the larger problem is insolvable—without regional cooperation.

First, the bill contains a multitude of legal deficiencies, some of which are constitutionally fatal. For example, it contravenes Article VII, Section 24 of the Michigan Constitution by abrogating the ability of cities and villages to acquire, own, and operate water supply and sewerage systems. Further, Senate Bill 195 could expose the state to liability by impairing the contracts and threatening the commitments to bondholders of local governments operating a water or sewerage system in violation of Article I, Section 10. The bill also requires governmental entities to engage in new activities or increased levels of service without funding as required by the Headlee Amendment. And, because certain provisions of Senate Bill 195 are inapplicable to all water and sewerage systems potentially subject to the bill's requirements in the future, the bill is a local or special act, but did not receive the two-thirds majority vote of the Legislature required by Article IV, Section 29.

Second, and perhaps more importantly, the bill fails to solve this regional problem. Instead, the legislation pits city against suburb and continues a tired battle that serves neither the residents of Detroit nor those who live in its suburbs. It leaves us divided at a time when our need for unity has never been greater.

Fortunately, a mechanism has been established to address the problems that have been identified with the water system. The system is now under a federal court consent decree. The United States District Court for the Eastern District of Michigan has issued orders giving specific direction regarding management of the Detroit Water and Sewerage Department and guidelines for the review of many of

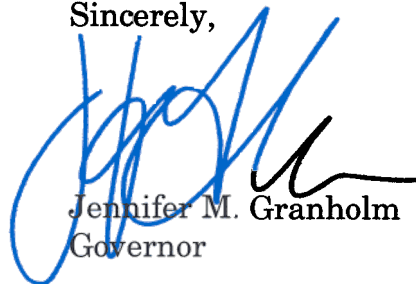
its contracting arrangements. The court has also recently formed a consortium of 40 city and suburban leaders to build regional consensus on efficient operation and management of the system, future improvements, policies to guide infrastructure needs, and rates needed to ensure adequate and equitable funding. Problems with the system should be addressed through this court mechanism. If the problems remain, the court will order a resolution.

Because the people of Michigan expect us to work as partners in crafting laws that benefit our state, I look forward to signing, with pride, bills born out of cooperation and bipartisanship that ultimately uplift, rather than divide, our citizens.

Though I have every confidence this Legislature intends to work in that same fashion, this bill fails to meet those standards.

I therefore return it to you without my signature.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Jennifer M. Granholm', is written over the printed name and title. The signature is stylized and cursive.

Jennifer M. Granholm
Governor