



GRETCHEN WHITMER  
GOVERNOR


STATE OF MICHIGAN  
DEPARTMENT OF  
ENVIRONMENT, GREAT LAKES, AND ENERGY  
LANSING



LIESL EICHLER CLARK  
DIRECTOR

VIA E-MAIL

TO: Members of the Michigan Legislature  
Members of the Michigan Infrastructure Council

FROM: Liesl Eichler Clark, Director 

DATE: August 24, 2021

SUBJECT: Water Asset Management Council 2020 Annual Report

In accordance with the reporting obligation under Section 5006(4) of Part 50, Water Asset Management Council, of the Natural Resources and Environmental Protection Act, 1994 PA 451, as amended, attached is the Department of Environment, Great Lakes, and Energy's (EGLE) Water Asset Management Council (WAMC) 2020 Annual Report.

If you need further information, please contact Mark Conradi, Financial Specialist, Finance Division, at 517-881-2899; or you may contact me at 517-512-5992.

Attachment

cc/att: Chris Harkins, Director, Senate Fiscal Agency  
Mary Ann Cleary, Director, House Fiscal Agency  
David Massaron, Director, State Budget Office  
George W. Cook, III, Legislative Affairs Director, Governor's Office  
Ben Dawson, Senate Fiscal Agency  
Austin Scott, House Fiscal Agency  
Jacques McNeely, State Budget Office  
Ryan Doll, State Budget Office  
WAMC Members  
Aaron B. Keatley, Chief Deputy Director, EGLE  
Amy Epkey, Senior Deputy Director, EGLE  
Travis Boeskool, Legislative Liaison, EGLE  
Paul McDonald, EGLE  
Kelly Green EGLE  
Dale Shaw, EGLE  
Mark Conradi, EGLE



**2020 Annual Report**

**Legislative Requirement**

In accordance with Section 5006(4) of Part 50, Water Asset Management Council, of the Natural Resources and Environmental Protection Act, 1994 PA 451, as amended, the Water Asset Management Council (WAMC) is required to report annually on the activities conducted and the expenditure of funds related to the processes and activities identified by the WAMC. The WAMC receives technical and administrative support from the Department of Environment, Great Lakes, and Energy (EGLE).

**Background**

The WAMC legislation was signed by Governor Rick Snyder in July of 2018 (2018 PA 324). The Michigan Infrastructure Council (MIC) held their first meeting on September 6, 2018, at which time the MIC voted to appoint the nine WAMC voting members. WAMC members are appointed to three-year terms, with the initial terms being staggered. The three WAMC members whose terms expired in 2020 were reappointed by the MIC to another two-year term. The table below illustrates the appointees, their affiliation, and term limits. Additionally, the Department of Technology, Management and Budget has appointed one ex officio, nonvoting member:

<b>WAMC Member</b>	<b>Represented Affiliation</b>	<b>Term Ends</b>
Aaron Keatley	EGLE	December 31, 2021
Cameron Van Wyngarden	Michigan Townships Association	December 31, 2021
Carrie Cox	Water Infrastructure Association	December 31, 2021
Randy Scott	Member with Experience	December 31, 2022
Evan Pratt	Michigan Association of Drain Commissioners	December 31, 2021
Jane Fitzpatrick	Representing a Region	December 31, 2022
Scott House**	Michigan Municipal League	December 31, 2023
Scott Noesen	Michigan Association of Counties	December 31, 2023
Sue McCormick*	Representing an Authority	December 31, 2023

\* Council Chair

\* Council Vice Chair

**COVID-19 Pandemic**

The onset of the COVID-19 pandemic significantly disrupted the WAMC’s anticipated goals for 2020.

On March 23, 2020, Governor Gretchen Whitmer signed the “Stay Home, Stay Safe” Executive Order 2020-21, which directed all non-critical businesses to temporarily close. Because of this order, all non-critical state offices were closed to the public and state employees transitioned to work from home status.

The WAMC meeting scheduled for March 26, 2020, was cancelled and due to the uncertainty of the COVID-19 crisis, subsequent meetings through June 25, 2020, were also cancelled. In total, 9 of the 12 WAMC meetings in 2020 were cancelled due to COVID-19.

One of the main WAMC goals for 2020 was the asset management survey initiative. Beginning in May of 2020, the WAMC had planned to send out asset management survey letters to over 850 asset owners. Then, beginning October 1, 2020, the WAMC was to review approximately 280 asset management surveys as part of an ongoing three-year submittal process.

In response to the unprecedented demands placed on asset owners throughout the state, the WAMC determined at the July 23, 2020, meeting that in the best interest of all asset owners throughout the state, it would be prudent to delay the roll out of the asset management survey effort, scheduled for October 1, 2020, and defer all survey activities to 2021, which is allowable under WAMC legislation.

At the October 22, 2020, meeting, the final meeting of the year, the WAMC reviewed all survey documents to ensure a smooth roll out for the survey initiative in 2021.

### **Challenges**

The WAMC has identified challenges in meeting the statutory requirements of the council. The statute that established the WAMC requires the council to gather and report on asset condition and investment that includes a summary analysis of the asset management plans received from drinking water, wastewater, and storm water entities throughout the state of Michigan. However, no funding has been allocated to date to accomplish this effort. Additionally, while the statute requires EGLE to provide staff support to the WAMC, no additional funding has been provided to EGLE for this task.

The language of 2018 PA 324 states the role of the WAMC is to provide a strategic picture and targeted areas of improvement for one of the largest areas of the public trust – water infrastructure that affects people every day and sees major avoidable disasters annually in different parts of the state. The WAMC recommends that modest funding (American Rescue Plan funds or other) is needed to better protect the public trust through providing the summary and analysis required by the statute. The WAMC will work with EGLE and/or other appropriate departments to begin identifying resource needs by August 2021.

In addition to resource challenges related to implementing the referenced statute, the WAMC has identified a need to evaluate the alignment of the statutory mission with what has been learned through ongoing efforts and coordination of EGLE, the WAMC, and the MIC in various areas of asset management. Therefore, the WAMC will engage in strategic planning during 2021 to first determine the best pathway to achieving the intent of the statute, then identify any recommendations to best align implementation efforts, and will recommend changes to the statute, as needed, to achieve the strategic ends.

Finally, the WAMC has identified a need for greater education among asset owners, government leaders, and the general public on the value of asset management. Critical water infrastructure failures are obvious when they occur, but the invisible failure is the lack of proper asset management prior to the catastrophic event that likely would have prevented it from happening. Better education is needed throughout our state on the value and criticality of proper maintenance of our water infrastructure. As indicated above, the WAMC will work with the MIC, EGLE, and/or other departments to begin identifying educational resource needs by August 2021.

### **Activities**

- Due to the COVID-19 pandemic, WAMC's meeting schedule was reduced from 12 meetings in 2019 to 5 meetings in 2020.
- Three WAMC members were reappointed by the MIC. The reappointments will maintain consistency on the WAMC and be critical in guiding current projects through to their finish in 2021. The MIC reappointed Sue McCormick, Scott House, and Scott Noesen to the WAMC.
- The WAMC established a new survey time schedule for the asset management survey initiative. It was determined that submission for the first round of asset management surveys would begin on October 1, 2021 and continue through January 31, 2022.

### **Budget**

Currently, the WAMC does not have a line item in EGLE's budget. Staff assistance is funded from existing EGLE budget categories. Budgetary needs will be evaluated moving forward.

### **Future Activities**

- The WAMC will continue its work toward identifying training needs of local asset owners to develop proficiency in using a multi-asset management system and statewide asset system conditions and measures.
- The WAMC will continue to coordinate with the MIC on the MIC's establishment of asset management categories and processes to be measured and reported.

- The WAMC will begin in September of 2021 to send out asset management survey letters to over 840 asset owners.
- The WAMC will host a webinar training on the asset management survey in September 2021.
- The WAMC will begin on October 1, 2021, collecting asset management surveys to review the submitted asset management surveys and determine if the surveys follow the standards established by the WAMC.
- The WAMC will develop and provide guidance to asset owners on completing the asset management surveys.
- The WAMC will review its bylaws and address any necessary changes.
- The WAMC will continue to work with EGLE to address funding needs and the necessary steps to ensure the WAMC mission is carried out.
- The WAMC will continue to work with EGLE in the analysis of asset management programs (AMP) that have been submitted to the department. This analysis would include the five components currently required by the department, the current state of the assets, the required sustainable level of service, the assets critical to sustained performance, the minimum life-cycle costs, and the best long-term funding strategy to be included in an asset management program. Currently there are over 840 AMPs (storm water 173 AMPs, wastewater 145 AMPs, and drinking water 528 AMPs) under review by the department.
- The WAMC will review and analyze the submitted surveys from drinking water, wastewater, and storm water asset owners. With this information, the WAMC will be able to provide the MIC with a report on asset condition and investment and how the asset owners are meeting those goals.