



GRETCHEN WHITMER
GOVERNOR

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



PHILLIP D. ROOS
DIRECTOR

VIA EMAIL

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

FROM: Phillip D. Roos, Director 

DATE: June 14, 2024

SUBJECT: Water Asset Management Council 2023 Annual Report

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, attached is the Water Asset Management Council 2023 Annual Report that the Department of Environment, Great Lakes, and Energy (EGLE) is submitting on behalf of the Water Asset Management Council.

If you need further information, please contact Mark Conradi, Financial Specialist, Finance Division, at 517-881-2899 or ConradiM@Michigan.gov; or you may contact me at 517-614-6873.

Attachment

cc/att: Kathryn Summers, Director, Senate Fiscal Agency
Mary Ann Cleary, Director, House Fiscal Agency
Jennifer Flood, Director, State Budget Office
Patti Tremblay, Director of Legislative Affairs, Governor's Office
Marc Rehmann, Policy Director, Governor's Office
Jonah Houtz, Senate Fiscal Agency
Austin Scott, House Fiscal Agency
Jacques McNeely, State Budget Office
Zach Hendrix, State Budget Office
Water Asset Management Council Members
Ryan Laruwe, Department of Treasury
Nathan Hamilton, Department of Treasury
Aaron B. Keatley, Chief Deputy Director, EGLE
Travis Boeskool, Deputy Director, EGLE
Sydney Hart, Legislative Liaison, EGLE
Paul McDonald, EGLE
Dale Shaw, EGLE
Mark Conradi, EGLE

SUBJECT: Water Asset Management Council 2023 Annual Report

Page 2

June 14, 2024

If you need this information in an alternate format, contact EGLE-Accessibility@Michigan.gov or call 800-662-9278.

EGLE does not discriminate on the basis of race, sex, religion, age, national origin, color, marital status, disability, political beliefs, height, weight, genetic information, or sexual orientation in the administration of any of its programs or activities, and prohibits intimidation and retaliation, as required by applicable laws and regulations.

This document and its contents are subject to the Freedom of Information Act and may be released to the public.



Michigan Water Asset Management Council

2023 Annual Report

Summary

The Water Asset Management Council (WAMC) was created to assist communities and the State in the creation of asset management plans for public water infrastructure. However, it has become clear that the current approach as directed by the WAMC's enabling legislation will not accomplish this goal.

In light of this, the WAMC has focused on opportunities to meet the legislative intent in a way that is meaningful and useful for local utilities, the State of Michigan, and its residents. The conclusions reached in these discussions include:

- A need to develop a streamlined data collection method for utilities that helps them also meet compliance with the Department of Environment, Great Lakes, and Energy's (EGLE) data reporting requirements.
- A need to focus on the key performance indicators (KPI) that will provide the best measure of outcomes leading to proper infrastructure maintenance.
- A need to coordinate long-term strategy and efforts across infrastructure types, including transportation and energy under the leadership of the Michigan Infrastructure Council (MIC).
- A need to revise the legislative mandate for the WAMC to better reflect efforts that will lead to positive outcomes for water utilities and the residents of Michigan.

2023 Activities

In 2023, the WAMC continued with year three of a three-year cycle of data collection from local water utilities. However, with limited resources to contact data providers and no mandate for utilities to comply, the response rate was once again extremely low.

The WAMC also continued discussions on how to improve the effort over the voluntary survey approach that is currently in place. The focus of these discussions has been on developing KPIs that best measure asset management. The WAMC is working closely with EGLE staff to ensure that any data collection effort is useful without being redundant with current EGLE requirements or an additional burden for the utility.

The WAMC also has worked closely with the MIC and their staff on developing a 30-year strategy for integrated asset management that encompasses multiple asset classes beyond water utilities. This effort is ongoing, with a developed strategy expected in the next year.

In addition to this annual report, the WAMC also provides an annual report to the MIC that details activities from the prior year. The WAMC 2022 Annual Report is attached to this report

to provide additional detail on specific activities and data findings that were compiled through the WAMC's second survey of water utilities.

Planned Future Activities

In 2024, the WAMC will continue with a new round of data collection from water asset owners, as required by statute. However, a more significant effort will be placed on developing a successor data collection process. To accomplish this, the WAMC will work with EGLE on developing the KPIs that best measure proper asset management. The intent is to simplify data reporting for utilities as well as reduce redundancy.

The WAMC will also continue to work with the MIC and the Transportation Asset Management Council (TAMC) to complete the 30-year strategy for infrastructure improvements throughout the state. This effort is intended to be comprehensive for all types of public infrastructure with an eye toward cost efficiencies through coordinated infrastructure maintenance and replacement.

The WAMC has been provided funding from the MIC to hire a consultant to help develop a strategic plan. The WAMC will work with this consultant in 2024 to develop a plan that is consistent with the MIC's 30-year strategy and specific to advancing water asset management efforts throughout the state.

Finally, the WAMC will work with partners, including EGLE and the MIC, to continue to promote the need for proper asset management throughout the state. The intent is to build a culture where asset management is accepted and appreciated for its ability to reduce cost and ensure the reliability of public infrastructure for generations to come.

Challenges

The challenges previously identified by the WAMC still remain, with the primary challenge centered on the lack of funding for the survey effort. Without funding, the WAMC has faced significant challenges in meeting its legislative mandate by hindering the WAMC's ability to effectively communicate with asset owners, collect and securely store data, and analyze submitted information.

The WAMC also lacks the ability to effectively incentivize asset owners to comply with submitting asset management plans, as required by statute. WAMC members are confident that a successful approach would include incentives for compliance with plan submittals while simplifying plan submittals requirements particularly for small utility systems.

Additionally, during data collection, the following challenges also became apparent:

- Insufficient contact information – The WAMC relied on EGLE's database for permits to reach out to utility owners to inform them of their obligation to submit information. However, letters frequently were not sent to the individual most appropriate to complete the task.
- WAMC's enabling legislation describes in detail the type of data that is to be collected from water utilities. The WAMC recognizes this represents only a fraction of the critical assets of a water utility and does not present a complete picture of current asset condition or future replacement cost.
- There is a need to standardize and streamline reporting methods. The WAMC intends to work with EGLE in the creation of templates to improve consistent measurement methods and terminology.

- Limitations on meeting the requirements of WAMC’s enabling legislation, particularly in regard to understanding the full extent and condition of water infrastructure in Michigan.

Budget

The WAMC was not allocated any specific funding from the Legislature. The WAMC is thankful to EGLE staff for the support they have been able to provide, even though no funding has been allocated to EGLE for the effort.

Background

Michigan’s WAMC was created in 2018 to lead, guide, and assist communities in the development and/or enhancement of their drinking water, wastewater, and storm water asset management programs. The WAMC is legislatively charged with the development of asset management templates, as well as annual reporting to the MIC on the asset condition and investment of water infrastructure across the state. The WAMC is considered a “sister council” to the TAMC.

Membership

WAMC members are appointed to three-year terms by the MIC. The table below illustrates the appointees, their affiliation, and term expiration. Additionally, the Department of Technology, Management and Budget has appointed one ex officio, nonvoting member.

WAMC Member	Represented Affiliation	Term Ends
Sue McCormick*	Representing an Authority	December 31, 2026
Cameron Van Wyngarden**	Michigan Townships Association	December 31, 2024
Carrie Cox	Water Infrastructure Association	December 31, 2024
Tim Zebell	Michigan Municipal League	December 31, 2026
William Bohlen	Member with Experience	December 31, 2025
Aaron Keatley	EGLE	December 31, 2025
Bernie Barnes	Michigan Association of Drain Commissioners	December 31, 2024
Kelly Karll	Member Representing a Region, SEMCOG	December 31, 2025
Carl Overly	Michigan Association of Counties	December 31, 2026

* Council Chair

** Council Vice Chair

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 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 EGLE.

Attachment



Michigan Water Asset Management Council

2022 Annual Report

Summary

The Water Asset Management Council (WAMC) was created to assist communities and the State in the creation of asset management plans for public water infrastructure. However, it has become clear that the current approach as directed by the WAMC's enabling legislation will not accomplish this goal.

In light of this, the WAMC has focused on opportunities to meet the legislative intent in a way that is meaningful and useful for local utilities, the State of Michigan, and its residents. The conclusions reached in these discussions include:

- A need to develop a streamlined data collection method for utilities that helps them also meet compliance with EGLE data reporting requirements.
- A need to focus on the key performance indicators (KPI) that will provide the best measure of outcomes leading to proper infrastructure maintenance.
- A need to coordinate long-term strategy and efforts across infrastructure types including transportation and energy under the leadership of the Michigan Infrastructure Council
- A need to revise the legislative mandate for the WAMC to better reflect efforts that will lead to positive outcomes for water utilities and the residents of Michigan.

2022 Activities

In 2022, the WAMC continued with year two of a three-year cycle of data collection from local water utilities. However, with limited resources to contact data providers and no mandate for utilities to comply, the response rate was once again extremely low.

The WAMC also continued discussions on how to improve the effort over the current voluntary survey approach that is currently in place. The focus of these discussions has been on developing key performance indicators (KPI) that best measure asset management. The WAMC is working closely with EGLE staff to ensure that any data collection effort is useful without being redundant with current EGLE requirements or an additional burden for the utility.

The Committee also has worked closely with The Michigan Infrastructure Council (MIC) and their staff on developing a 30-year strategy for integrated asset management that encompasses multiple asset classes beyond water utilities. This effort is ongoing, with a developed strategy expected in the next year.

In addition to this annual report, the WAMC also provides an annual report to the MIC that details activities from the prior year. The 2021 report has been attached to this legislative report

to provide additional detail on specific activities and data findings that were compiled through the WAMC's first survey of water utilities.

Planned Future Activities

In 2023, the WAMC will continue with the third round of data collection from water asset owners, as required by statute. However, a more significant effort will be placed on developing a successor data collection process for future surveys. To accomplish this, the WAMC will work with EGLE on developing the key performance indicators that best measure proper asset management. The intent is to simplify data reporting for utilities as well as reduce redundancy.

The WAMC will also continue to work with the MIC and the Transportation Asset Management Committee (TAMC) to complete the 30-year strategy for infrastructure improvements throughout the state. This effort is intended to be comprehensive for all types of public infrastructure with an eye toward cost efficiencies through coordinated infrastructure maintenance and replacement.

Finally, the WAMC will work with partners including EGLE and the MIC to continue to promote the need for proper assessment management throughout the state. The intent is to build a culture where asset management is accepted and appreciated for its ability to reduce cost and ensure the reliability of public infrastructure for generations to come.

Challenges

The challenges previously identified by WAMC still remain, with the primary challenge centered on the lack of funding for the survey effort. Without funding, WAMC has faced significant challenges in meeting its legislative mandate by hindering WAMC's ability to effectively communicate with asset owners, collect and securely store data, and analyze submitted information.

WAMC also lacks the ability to effectively incentivize asset owners to comply with submitting asset management plans, as required by statute. WAMC members are confident that a successful approach would include incentives for compliance with plan submittals while simplifying plan submittals requirements particularly for small utility systems.

Additionally, during data collection, the following challenges also became apparent:

- Insufficient contact information – WAMC relied on EGLE's database for permits to reach out to utility owners to inform them of their obligation to submit information. However, letters frequently were not sent to the individual most appropriate to complete the task.
- WAMC's enabling legislation describes in detail the type of data that is to be collected from water utilities. WAMC recognizes this represents only a fraction of the critical assets of a water utility and does not present a complete picture of current asset condition or future replacement cost.
- There is a need to standardize and streamline reporting methods. WAMC intends to work with EGLE in the creation of templates to improve consistent measurement methods and terminology.
- Limitations on meeting the requirements of WAMC's enabling legislation, particularly in regard to understanding the full extent and condition of water infrastructure in Michigan.
- The current influx of federal funding for utilities does not tie to requirements for proper asset management planning. While much of this funding is not reoccurring, the State of

Michigan should take this opportunity to use this and future funding assistance to promote the need for asset management plans.

Budget

WAMC was not allocated any specific funding from the legislature. WAMC is thankful to EGLE staff for the support they have been able to provide, even though no funding has been allocated to EGLE for the effort.

Background

Michigan's Water Asset Management Council (WAMC) was created in 2018 to lead, guide, and assist communities in the development and/or enhancement of their drinking water, wastewater, and storm water asset management programs. The WAMC is legislatively charged with the development of asset management templates, as well as annual reporting to the Michigan Infrastructure Council on the asset condition and investment of water infrastructure across the state. The WAMC is considered a 'sister council' to the Transportation Asset Management Council.

Membership

WAMC members are appointed to three-year terms, with the initial terms staggered. The Michigan Infrastructure Council (MIC) held their first meeting on September 6, 2018, at which time the MIC voted to appoint the initial nine WAMC voting members.

Two of the three WAMC members whose terms were expiring in 2022 were reappointed by the MIC to another three-year term, and William Bohlen joined the Council as a member with experience filling the remainder of the term previously held by Randy Scott. 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.

WAMC Member	Represented Affiliation	Term Ends
Sue McCormick*	Representing an Authority	December 31, 2023
Cameron Van Wyngarden**	Michigan Townships Association	December 31, 2024
Carrie Cox	Water Infrastructure Association	December 31, 2024
Evan Pratt	Michigan Association of Drain Commissioners	December 31, 2024
Tim Zebell	Michigan Municipal League	December 31, 2023
Scott Noesen	Michigan Association of Counties	December 31, 2023
William Bohlen	Member with Experience	December 31, 2025
Aaron Keatley	EGLE	December 31, 2025
Jane Fitzpatrick	Representing a Region	December 31, 2025

* Council Chair

** Council Vice Chair

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).