

Resolution 2024-06

Approving The Michigan Infrastructure Council Legislative Report for Fiscal Year 2024

WHEREAS, the Michigan Infrastructure Council (MIC) was established by Public Act 323 of 2018 to foster a culture of asset management across the state, promoting coordination and integration among various asset classes and regions; and

WHEREAS, Public Act 323 mandates that the MIC submit a comprehensive annual report to the governor and legislature, outlining its multiyear program, work plan, budget, and funding recommendations; and

WHEREAS, the attached 2024 Michigan Infrastructure Council Legislative Report provides a detailed overview of the Council's ongoing and planned initiatives to advance asset management in Michigan. These initiatives encompass a wide range of activities, including:

- The AM Champions Program, which empowers local officials to implement effective asset management strategies.
- The MIC Project Portal, a centralized platform for sharing information and resources related to infrastructure projects.
- The development of asset management training courses for elected officials and staff, enhancing their understanding of asset management principles and practices.
- The creation of regional infrastructure coordination hubs to facilitate collaboration and knowledge sharing among stakeholders.

NOW, THEREFORE, BE IT RESOLVED that the Michigan Infrastructure Council hereby approves the attached 2024 Legislative Report for submission to the Governor and Legislature by September 30, 2024.

Adopted this 5th day of September, 2024.

2024 Michigan Infrastructure Council Legislative Report

Required by Public Act 323 of 2018 Section 4(1)(a)

Prepared for
Governor Gretchen Whitmer and the Michigan
Legislature

Department of Treasury

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Overview

Public Act 323 of 2018 (Michigan Infrastructure Council Act) requires that the Michigan Infrastructure Council (MIC) develop a multiyear program, work plan, and funding recommendation for asset management annually and provide this information to the governor and legislature by September 30 every year.

This report highlights the Michigan Infrastructure Council's (MIC) proactive role in fostering a statewide asset management culture. By strengthening public-private partnerships and aligning asset-specific objectives within a broader strategic framework, the MIC is accelerating the achievement of Michigan's infrastructure goals. This approach prioritizes cost-efficiency, sustainability, and minimal societal and environmental impact.

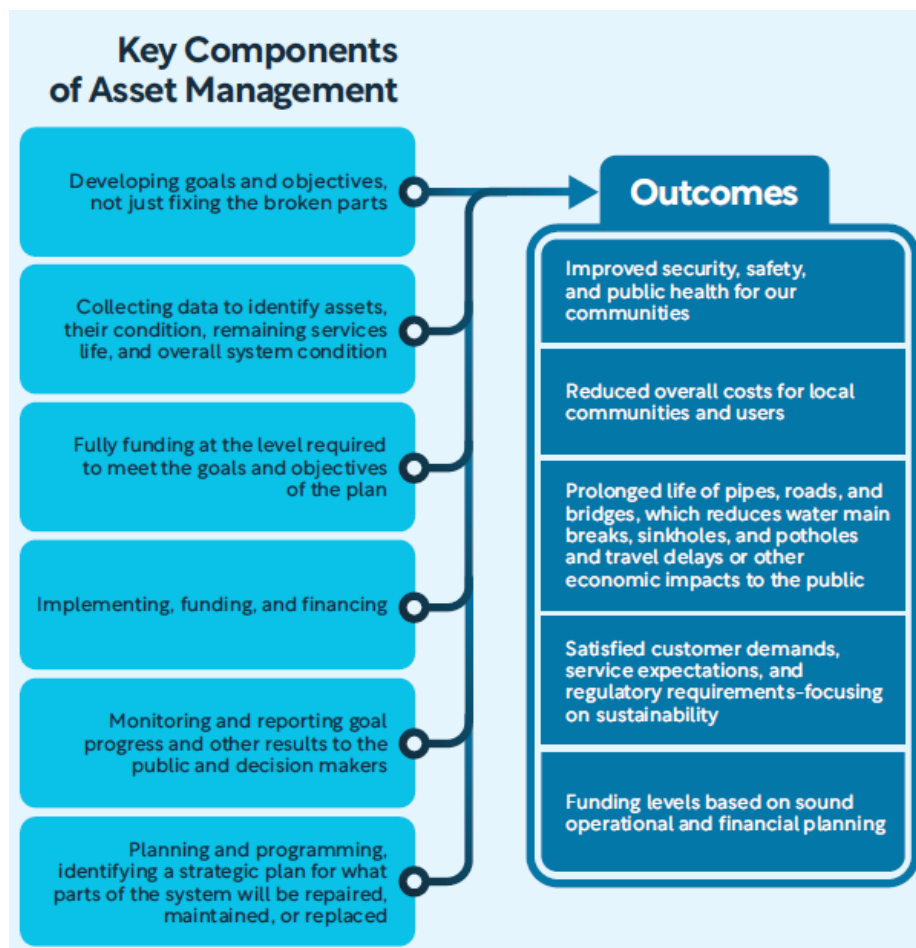
The MIC believes a culture of asset management is essential to addressing Michigan's current infrastructure deficit and preventing its recurrence.



Executive Summary

The Michigan Infrastructure Council (MIC) is leading a groundbreaking initiative to cultivate a statewide asset management culture among infrastructure owners. This report outlines the MIC's strategic framework for optimizing Michigan's infrastructure investments through cross-sector partnerships, data harmonization, knowledge exchange, and the adoption of global asset management benchmarks by our public and private infrastructure stakeholders. Our emphasis on long-term strategies ensures that Michigan's infrastructure remains resilient and sustainable for generations to come.

By fostering a unified framework for asset management across all asset classes, state agencies, and planning regions, the MIC is positioning Michigan as a global leader in long-term infrastructure stewardship. The MIC developed and published the 30-Year Integrated Infrastructure Strategy, the first holistic infrastructure plan for the State of Michigan. It is one of a kind in the United States. The MIC's comprehensive approach will enhance the efficiency and effectiveness of infrastructure investments, improve asset performance, and ensure the long-term sustainability of Michigan's critical infrastructure. The report provides a detailed roadmap for achieving these objectives and maximizing the return on investment in Michigan's infrastructure.



Asset Management Champions Training Program

The MIC's Asset Management Champions training program is a cornerstone of the organization's multi-year asset management initiative. This comprehensive course is designed for professionals involved in infrastructure planning, design, construction, and maintenance, and it equips participants with essential asset management principles, processes, and standards.

Launched in 2019 after extensive stakeholder consultation, the program aims to:

- **Foster a collaborative community:** Encourage knowledge sharing and problem-solving among asset management professionals.
- **Establish a common language:** Create a unified understanding of asset management concepts to facilitate better integration and collaboration.
- **Build awareness:** Enhance understanding of the diverse roles and responsibilities involved in effective infrastructure management.

By aligning objectives across organizations, the AM Champions program helps improve workforce efficiency, reduce costs, and enhance the overall reliability and performance of Michigan's infrastructure.

In response to growing demand, the MIC has expanded the AM Champions program to include two cohorts per year starting from fiscal year 2023. This expansion will ensure that professionals statewide have timely access to this crucial training. So far, the program has graduated over 500 participants statewide, with Asset Management Champions located in over 70 counties in Michigan.



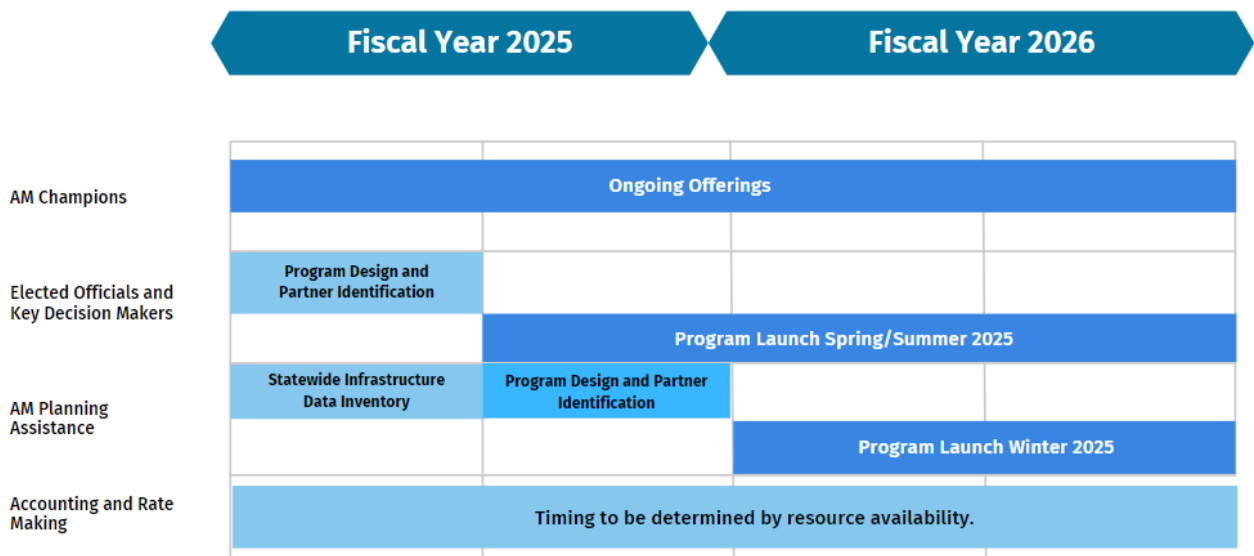
Figure 1: AM Champions: Curriculum Focus Areas

Asset Management Champions Training Program: Phase Two

Phase Two of the AM Champions program will launch in fiscal year 2025, expanding the program to include specialized trainings designed to address the training priorities identified through feedback from our initial 500+ graduates. Recognizing the importance of meeting infrastructure owners where they are, the MIC has actively engaged current program participants to help shape the next phase through exit surveys and individual interviews. These insights have informed the development of the following training modules to be added to the AM Champions curriculum in the coming years:

- **AM for Elected Officials and Key Decision Makers:** A condensed version of the AM Champions program tailored to the crucial role of elected officials in managing infrastructure and effectively communicating local infrastructure priorities and strategies to the public.
- **Technical Assistance: Transportation and Water Asset Management Plans:** Supporting transportation agencies and community water supplies in complying with statewide asset management legislative planning requirements (e.g., Public Act 324 of 2018 and Public Act 325 of 2018).
- **Utility Accounting and Rate Making Principles:** Standardized accounting provides a clear financial picture, enabling utilities to make informed decisions about investments, operational efficiency, risk management, and customer communication.

AM CHAMPIONS ROADMAP FY24-FY25



Coordinated Asset Management (Dig Once)

The Michigan Infrastructure Council Act underscores the critical importance of coordinated asset management across infrastructure sectors at the regional level. Recognizing the interconnected nature of infrastructure assets, such as transportation, water, wastewater, energy, and telecommunications, the Act aims to optimize performance and efficiency by transcending siloed management and planning approaches.

By fostering integrated infrastructure planning, the Act seeks to:

- **Improve decision-making:** By considering the interdependencies of different infrastructure systems, decision-makers can make more informed choices that optimize resource allocation and minimize negative impacts.
- **Enhance efficiency:** Coordinated planning can identify opportunities for shared resources, infrastructure sharing, and collaborative projects, leading to increased efficiency and cost savings.
- **Promote resilience:** Integrated planning can help to identify and address vulnerabilities in the infrastructure system, making it more resilient to natural disasters, climate change, and other challenges.
- **Facilitate sustainable development:** By considering the long-term needs of the region, coordinated planning can support sustainable development and ensure that infrastructure investments meet the needs of future generations.

Through coordinated asset management, the Michigan Infrastructure Council Act aims to create a more resilient, efficient, and sustainable infrastructure system for the state.

MIC Project Portal (MiDIG)

In response to the Michigan Infrastructure Council Act of 2018, the MIC conducted statewide public meetings to assess the status of utility coordination. These discussions revealed a critical need for a standardized approach to sharing capital improvement plans among public and private infrastructure owners.

The lack of existing standards had led to a proliferation of project-specific coordination methods, often hindering collaboration, efficiency, and repeatability. To address this issue, the MIC launched the MIC Project Portal pilot in 2020 to create a statewide standard for infrastructure project sharing and coordination.

This pilot project served as a proof-of-concept for a statewide, secure GIS-based platform designed to streamline infrastructure planning and collaboration. By centralizing capital improvement plans in a secure environment, the portal aims to optimize resource allocation, reduce project costs, and minimize community disruptions through the early identification of potential conflicts and opportunities for shared utility corridors ("dig once" projects).

Building on the success of the pilot program, the MIC voted to expand the MIC Project Portal to a statewide system in 2023. To support this growth, the MIC partnered with ATOM-AI, a national leader in cloud-based infrastructure coordination software. Together, we have developed a scalable platform capable of serving the state's 3,500+ infrastructure owners. ATOM-AI's Coordinate software has a proven track record, delivering substantial cost savings to major cities like Chicago, Seattle, and San Diego by streamlining construction processes and eliminating redundancies.

The MIC Project Portal 2.0 (MiDIG) was launched in June 2024 and access can be requested by infrastructure owners on the MIC website.

Regional Infrastructure Coordination Hubs (RICH) Pilot

To maximize the impact and utility of the newly developed MIC Project Portal, the MIC is establishing regional coordination hubs within regional planning agencies. These hubs will serve as central points for integrated infrastructure planning, building upon successful cross-jurisdictional transportation planning efforts. They will provide essential support to local entities seeking to leverage the MiDIG system for project coordination and the early identification of "dig once" opportunities.

By creating these localized centers of coordination expertise, the MIC aims to foster collaboration, knowledge sharing, and resource optimization among regional stakeholders. Additionally, these hubs will play a critical role in facilitating discussions on the governance and implementation of "dig once" projects, ensuring a smooth and equitable process for all involved parties.

Asset Management Budget - FY25-FY26

The Michigan Infrastructure Council (MIC) is funded through an annual appropriation from the Michigan Legislature to the Department of Treasury. Since 2021, the MIC has received \$3.849 million annually to fulfill its legislative mandate under the Michigan Infrastructure Council Act. Over the past three years, the MIC has primarily focused on developing a long-term strategic plan to guide its work and priorities for the next five years. As this strategic planning phase concludes in 2024, the MIC is poised for significant program expansion in Fiscal Year 2025. This growth will require a substantial increase in both funding and staffing to ensure its success. Based on initial market research, resource evaluations, and projected costs for the expanded programs, the MIC anticipates a significant increase in our asset management program expenditures in the coming years as outlined in our multi-year budget.

Budget Items	FY24 (Projected)	FY25	FY26	Total 3-Year
Administration	\$800,000	\$800,000	\$1,000,000	\$2,600,00
MIO Technical Assistance	\$200,000	\$575,000	TBD	\$775,000
30-Year Strategy	\$50,000	\$25,000	0	\$75,000
	Asset Management Program			
AM Champions Program	400,000	400,000	400,000	\$1,200,000
AM for Elected Officials	0	\$150,000	\$75,000	\$225,000
AM Plans	\$375,000	\$375,000	\$375,000	\$1,125,000
Rate Training	0	\$100,000	\$100,000	\$200,000
Project Portal	\$375,000	\$375,000	\$150,000	\$900,000
RICH Hubs	\$250,000	\$800,000	\$800,000	\$1,850,000
Total	\$2,450,000	\$3,600,000	\$2,900,000	\$8,950,000

Asset Management Funding Recommendations

While the MIC's current appropriation is expected to support our programming through 2026, a significant funding gap persists at the local level for collecting, organizing, and sharing asset data, particularly within the water asset class. While many localities receive support from the Transportation Asset Management Council (TAMC) to collect and maintain road data, no current funding is available to water system owners for similar work.

This lack of funding has resulted in a significant data gap on the water side, hindering the state's ability to comprehensively address water issues through data-driven decision-making. The MIC believes that by establishing a permanent funding structure to support the collection of water asset data and oversight of these activities by the Water Asset Management Council (WAMC), the state could substantially improve our understanding of the long-term investment needs for these systems.

Conclusion

The MIC is pleased to report substantial progress in fulfilling the legislative intent of the Michigan Infrastructure Council Act. Our comprehensive asset management program has laid a solid foundation for coordinated, data-driven infrastructure planning and management statewide. By fostering collaboration, promoting knowledge sharing, and providing essential tools and resources, we have empowered infrastructure owners and their staff to make informed decisions that optimize their investments and the value they deliver to their communities.

As we move forward, the MIC remains dedicated to expanding our reach and serving as a statewide resource for infrastructure improvement efforts. We are confident that our continued work will contribute to a more resilient, efficient, and sustainable future for Michigan's infrastructure.

Appendix 1: AM Champions Participants Statewide

ASSET MANAGEMENT CHAMPIONS

