



GRETCHEN WHITMER
GOVERNOR


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



LIESL EICHLER CLARK
DIRECTOR

VIA EMAIL

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

FROM: Liesl Eichler Clark, Director 

DATE: June 7, 2022

SUBJECT: Water Asset Management Council 2021 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 Water Asset Management Council 2021 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 you may contact me at 517-512-5992.

Attachment

cc/att: Kathryn Summers, Director, Senate Fiscal Agency
Mary Ann Cleary, Director, House Fiscal Agency
Christopher M. Harkins, Director, State Budget Office
Joe Fedewa, Legislative Affairs, Governor's Office
Marc Rehmann, Policy Director, Governor's Office
Ben Dawson, Senate Fiscal Agency
Austin Scott, House Fiscal Agency
Jacques McNeely, State Budget Office
Zach Hendrix, State Budget Office
Water Asset Management Council Members
Aaron B. Keatley, Chief Deputy Director, EGLE
Travis Boeskool, Legislative Liaison, EGLE
Paul McDonald, EGLE
Kelly Green, EGLE
Dale Shaw, EGLE
Mark Conradi, EGLE



2021 Annual Report

Summary

The Water Asset Management Council (WAMC) received its first round of data collection in 2021, after years of discussion and careful planning as well as delays due to COVID-19. Through voluntary submissions of water asset owners, over 42% of requested utilities (requests went to 1/3 of statewide owners) provided the requested information on asset condition and replacement cost. Much of this success is due to the efforts of utility associations that assisted WAMC in getting the message out to their members.

While the results of this first round are encouraging, the effort has exposed many challenges to collecting meaningful data on the current status and future planning efforts for our drinking water, wastewater, and stormwater utilities across the State of Michigan. This report will outline many of those challenges, along with the findings from the first round of data collection, other activities undertaken in the past year, and planned activities for the next year.

2021 Activities

The 2021 activities for WAMC centered largely on the first round of asset management data collection from water asset owners, as required under the enabling legislation. Since this was the first time the survey has been sent out, a significant effort was put into training and education for asset owners.

With assistance from EGLE, a letter went out in August to all asset owners to explain the intent and purpose of the survey as well as what to expect. In September, WAMC members hosted a training webinar to instruct asset owners on how to properly fill out the survey.

The first round of asset management surveys went out to one third of water asset owners in September and were collected until the end of January 2022. Overall, WAMC received submissions from 42% of the systems that received the request, representing 113 drinking water, wastewater, and stormwater systems. A summary of the results is presented below:

System Type	Data Requests	Submissions	Percent	Miles of Pipe	Asset Replacement Value
Drinking Water	168	76	45%	7,800	\$12.45 Billion
Wastewater	52	23	44%	1,326	\$1.7 Billion
Stormwater	48	14	29%	1,750	\$0.17 Billion

Other activities during 2021 include:

- Collaborated with the Michigan Infrastructure Council (MIC) on a 30-year strategic plan
- Worked with EGLE on methods to efficiently collect and share asset data, working to reduce regulatory burden on asset owners
- Began work on identifying Key Performance Indicators (KPI) for water utilities
- Discussed funding needs to meet the legislative intent of WAMC
- Assisted MIC in training opportunities through the Asset Management Champions program

Planned Future Activities

In 2022, WAMC will proceed to the second round of data collection from water asset owners, as required by statute. This will include approximately 268 drinking water, wastewater, and stormwater utilities across the State of Michigan.

Additionally, WAMC plans to accomplish the following tasks:

- Continue efforts with MIC and EGLE on long-term strategic planning to ensure Michigan's water utilities are managed through proper asset planning and implementation to support public health for decades to come
- Develop a work plan to identify how WAMC will better assess water infrastructure throughout the state
- Continue working with EGLE on streamlined data collection and storage methods to reduce duplicative efforts and costs for asset owners and the State of Michigan
- Continue work with MIC, EGLE, and utility associations to educate asset owners on the need to prepare and submit asset management plans
- Continue to identify, communicate, and secure funding needs for proper and sustainable asset management planning and implementation

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 the course of 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.

The three WAMC members whose terms were expiring in 2021 were reappointed by the MIC to another three-year term, and Tim Zebell joined the Council representing the Michigan Municipal League, filling the remainder of the term previously held by Scott House. 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
Randy Scott	Member with Experience	December 31, 2022
Aaron Keatley	EGLE	December 31, 2022
Jane Fitzpatrick	Representing a Region	December 31, 2022

* 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).