

HOUSE BILL No. 5335

December 7, 2017, Introduced by Rep. VerHeulen and referred to the Committee on Transportation and Infrastructure.

A bill to create the Michigan infrastructure council; and to prescribe the powers and duties of certain state and local agencies and officials.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1. This act shall be known and may be cited as the
2 "Michigan infrastructure council act".

3 Sec. 2. As used in this act:

4 (a) "Asset" means infrastructure related to water,
5 transportation, energy, or communications, including, but not
6 limited to, water supply systems, sewer systems, drains and
7 stormwater systems, roads, bridges, broadband and communication
8 systems, and electricity and natural gas networks.

9 (b) "Asset class" means a single type of asset including its
10 network and all associated appurtenances critical to its

1 performance.

2 (c) "Asset management" means an ongoing process of
3 maintaining, preserving, upgrading, and operating physical assets
4 cost-effectively, based on a continuous physical inventory and
5 condition assessment and investment to achieve performance goals.

6 (d) "Asset management plan" means a set of procedures to
7 manage assets through their life cycles, based on principles of
8 life cycle costing. An asset management plan may be used as a tool
9 to help an asset owner implement its asset management program.

10 (e) "Asset owner" means a person that owns or operates an
11 asset.

12 (f) "Council" means the Michigan infrastructure council
13 created in section 3.

14 (g) "Department" means the department of treasury.

15 (h) "Performance goals" means standards of system performance
16 that reflect asset management principles for asset preservation and
17 sustainability, operations, capacity consistent with local needs,
18 and identified levels of service.

19 (i) "Person" means an individual, partnership, corporation,
20 association, governmental entity, or other legal entity.

21 (j) "Region" means the geographic jurisdiction of any of the
22 following:

23 (i) A regional planning commission created pursuant to 1945 PA
24 281, MCL 125.11 to 125.25.

25 (ii) A regional economic development commission created
26 pursuant to 1966 PA 46, MCL 125.1231 to 125.1237.

27 (iii) A metropolitan area council formed pursuant to the

1 metropolitan councils act, 1989 PA 292, MCL 124.651 to 124.729.

2 (iv) A metropolitan planning organization established pursuant
3 to federal law.

4 (v) An agency directed and funded by section 822f of article
5 VIII of 2016 PA 268, to engage in joint decision-making practices
6 related, but not limited to, community development, economic
7 development, talent, and infrastructure opportunities.

8 (k) "Transportation asset management council" means the
9 transportation asset management council created in section 9a of
10 1951 PA 51, MCL 247.659a.

11 (l) "Water asset management council" means the water asset
12 management council created in section 5002 of the natural resources
13 and environmental protection act, 1994 PA 451, MCL 324.5002.

14 Sec. 3. (1) The Michigan infrastructure council is created
15 within the department.

16 (2) The council consists of the following:

17 (a) Nine voting members appointed pursuant to subsection (3)
18 who are representative of 1 or more of the following:

19 (i) Asset management experts from the public and private
20 sectors with knowledge of and expertise in the areas of planning,
21 design, construction, management, operations and maintenance for
22 transportation, water, energy, and communications.

23 (ii) Financial and procurement experts from the public or
24 private sector.

25 (iii) Experts in regional asset management planning across
26 jurisdictions and infrastructure sectors.

27 (b) The following nonvoting members:

1 (i) The chairperson of the water asset management council or
2 his or her designee.

3 (ii) The chairperson of the transportation asset management
4 council or his or her designee.

5 (iii) The director of the department of technology,
6 management, and budget or his or her designee.

7 (iv) The director of the state transportation department or
8 his or her designee.

9 (v) The director of the department of environmental quality or
10 his or her designee.

11 (vi) The director of the department of natural resources or
12 his or her designee.

13 (vii) The state treasurer or his or her designee.

14 (viii) The chairperson of the Michigan public service
15 commission or his or her designee.

16 (3) Voting members of the council under subsection (2)(a)
17 shall be appointed as follows:

18 (a) Five by the governor.

19 (b) One by the senate majority leader.

20 (c) One by the speaker of the house of representatives.

21 (d) One by the senate minority leader.

22 (e) One by the house minority leader.

23 (4) The voting members first appointed to the council must be
24 appointed within 60 days after the effective date of this act.

25 (5) The voting members of the council serve for terms of 3
26 years or until a successor is appointed, whichever is later, except
27 as follows:

1 (a) Of the members first appointed under subsection (3)(a), 1
2 shall serve for 2 years, 1 shall serve for 1 year, and 3 shall
3 serve for 3 years.

4 (b) Of the members first appointed under subsection (3)(b),
5 (c), (d), and (e), 2 shall serve for 2 years and 2 shall serve for
6 1 year.

7 (6) A vacancy on the council shall be filled for the unexpired
8 term in the same manner as the original appointment.

9 (7) A member of the council may be recommended for removal for
10 incompetence, dereliction of duty, malfeasance during his or her
11 tenure in office, or any other cause considered appropriate by the
12 chairperson of the council.

13 (8) The governor shall call the first meeting of the council
14 within 90 days after the effective date of this act. At the first
15 meeting, the council shall elect from among its members a
16 chairperson and other officers as it considers appropriate. After
17 the first meeting, the council shall meet at least quarterly, or
18 more frequently at the call of the chairperson or if requested by 3
19 or more members.

20 (9) A majority of the voting members of the council and a
21 majority of the nonvoting members of the council constitute a
22 quorum for the transaction of business at a meeting of the council.
23 An affirmative vote of a majority of the voting members of the
24 council is required for official action of the council.

25 (10) The council shall perform its business at a public
26 meeting of the council held in compliance with the open meetings
27 act, 1976 PA 267, MCL 15.261 to 15.275.

1 (11) A writing prepared, owned, used, in the possession of, or
2 retained by the council in the performance of an official function
3 is subject to the freedom of information act, 1976 PA 442, MCL
4 15.231 to 15.246.

5 (12) Members of the council serve without compensation.
6 However, members of the council may be reimbursed for their actual
7 and necessary expenses incurred in the performance of their
8 official duties as members of the council.

9 (13) The departments of technology, management, and budget;
10 transportation; environmental quality; natural resources; and
11 treasury shall provide qualified administrative and technical staff
12 to the council.

13 (14) The department of technology, management, and budget
14 shall serve as the central data storage agency for the statewide
15 database provided for in this act.

16 Sec. 4. The council shall do all of the following:

17 (a) Develop a multiyear program, work plan, budget, and
18 funding recommendation for asset management; update these every
19 year; and provide these to the governor and the legislature by
20 September 30 every year.

21 (b) Ensure that the work plan in subdivision (a) includes an
22 emphasis on coordination and integration across asset classes and
23 regions.

24 (c) Prepare an annual report on the current statewide asset
25 management assessment that tracks progress on established
26 performance goals.

27 (d) Undertake research and advise on matters relating to asset

1 management, including all of the following:

2 (i) Funding and financing models.

3 (ii) Best practices.

4 (iii) Information technology advancements.

5 (iv) Emerging technology to advance smart systems.

6 (v) Right sizing and cost-efficiencies.

7 (vi) Impediments to delivery.

8 (vii) Opportunities for greater coordination and collaboration
9 across asset classes and asset owners.

10 (viii) Align and link state incentives to asset performance
11 improvement goals, including cost control, asset management,
12 operational efficiency, and cost-effective regional solutions.

13 (e) Within 180 days after its first meeting, evaluate the
14 regional infrastructure asset management pilot program created
15 under Executive Directive 2017-1, and the findings of the 21st
16 Century Infrastructure Commission created in Executive Order No.
17 2016-5, and develop and publish a 3-year strategy for establishing
18 a statewide integrated asset management system. The initial
19 multiyear program, work plan, budget, and funding recommendation
20 under subdivision (a) must include development of the strategy for
21 establishing a statewide integrated asset management system. The
22 strategy must also include, at a minimum, all of the following:

23 (i) A determination of appropriate assets within the asset
24 classes.

25 (ii) Consistent data standards and definitions for each asset
26 class.

27 (iii) Identify and designate a process to plan, analyze, and

1 coordinate asset management across assets and asset owners at the
2 regional level. This process may be implemented through regional
3 planning agencies, the regional prosperity initiative regions, or
4 another approach, which may vary among regions, that ensures all
5 areas of the state are included and efforts are consistent with
6 state and federal requirements. Regions shall be responsible for
7 maintaining and managing the statewide database at a regional
8 level.

9 (iv) Procedures for data storage, collecting, updating, and
10 reporting.

11 (v) Recommendations related to the appropriate level of
12 financial support for local asset data collection, local
13 development of asset management plans, regional review and
14 collaboration, and participation in an integrated statewide asset
15 management system.

16 (vi) A process to coordinate the planning efforts of the
17 transportation asset management council, the water asset management
18 council, the Michigan public service commission, and the Michigan
19 economic development corporation, with other state-required asset
20 management planning requirements.

21 (vii) Coordination with the transportation asset management
22 council and the water asset management council to ensure that
23 training and education programs that address all of the following
24 are coordinated across assets:

25 (A) Asset management principles and plan development.

26 (B) The use of the statewide database.

27 (C) Ongoing user support.

1 (D) State department asset management requirements.

2 (viii) Develop statewide performance goals for appropriate
3 assets within each asset class and identify regional and statewide
4 progress toward meeting performance goals.

5 (ix) Protocols that ensure data security and accuracy at the
6 local, regional, and state levels.

7 (x) Development of consistent and coordinated state
8 department, transportation asset management council, and water
9 asset management council asset management plan components and
10 requirements including, but not limited to:

11 (A) Asset inventory, condition assessment, and uniform data.

12 (B) Performance goals.

13 (C) Revenue structure, investment strategy, and capital
14 improvement plan.

15 (D) Asset criticality and risk analysis.

16 (E) Public engagement and transparency.

17 (F) Self-assessment of asset management maturity.

18 (G) Reports at an asset owner, regional, and statewide level.
19 Reporting levels should take into account the size and complexity
20 of the network or system. Priority should be placed on the largest
21 systems.

22 (H) A resolution by the appropriate governing body approving
23 the plan.

24 (I) Certification that asset management is being coordinated
25 to the asset owners' best ability across asset classes and
26 regionally.

27 (f) Beginning 3 years after the effective date of this act,

1 start the second phase of the statewide system for asset management
2 implementation and include, at a minimum, all of the following:

3 (i) Predictive analytics to forecast asset condition.

4 (ii) A public dashboard of state, regional, and local system
5 performance across asset classes, including the appropriate and
6 secure level of geospatial data and aggregated reporting.

7 (iii) Develop and publish a 30-year integrated infrastructure
8 strategy that is updated every 5 years and includes all of the
9 following:

10 (A) Current statewide condition assessment and infrastructure
11 priorities across asset classes, tracked progress on established
12 performance goals, and net changes in asset value.

13 (B) Investment needs to reach targeted overall system ratings
14 and performance goals, with a goal of leveling annual investments
15 to long-term predictable amounts.

16 (C) Network intelligence in asset management planning and
17 monitoring. Retrofit technologies should be considered, pursued,
18 and incorporated as they become available for upgrades and
19 maintenance activities to existing and future assets.

20 Sec. 6. Funding necessary to support the activities described
21 in this act shall be provided through funds as provided by law.

22 Enacting section 1. This act does not take effect unless all
23 of the following bills of the 99th Legislature are enacted into
24 law:

25 (a) Senate Bill No. _____ or House Bill No. _____ (request no.
26 04407'17).

27 (b) Senate Bill No. _____ or House Bill No. _____ (request no.

1 04468'17).