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Office of the Auditor General

Report Summary

Performance Audit
Community and Noncommunity Water Supplies
Office of Drinking Water and Municipal Assistance (ODWMA)
Department of Environmental Quality (DEQ)

Report Number:
761-0320-15

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ODWMA is responsible for public drinking water and environmental health regulatory programs. There are approximately 11,000 public drinking water supplies in Michigan. Approximately 1,400 are community water supplies and the remaining 9,600 are noncommunity water supplies. Staff in eight district offices and the DEQ central office are responsible for monitoring the activities of the community water supplies. ODWMA contracts with local health departments (LHDs) to monitor the noncommunity water supplies. As of September 2015, ODWMA regulated 1,389 community water supplies and 9,574 noncommunity water supplies to ensure safe drinking water for Michigan residents.

Audit Objective			Conclusion
Objective #1: To assess the sufficiency of ODWMA's oversight of the State's Community Water Supply Program.			Not sufficient
Findings Related to This Audit Objective	Material Condition	Reportable Condition	Agency Preliminary Response
DEQ needs to improve its oversight and monitoring of community water supplies that implement a new water source or treatment process to ensure that DEQ meets its mission of promoting wise management of water resources to support healthy communities. DEQ did not require the City of Flint Water Treatment Plant to implement optimal corrosion control treatment when switching to the Flint River water source. A lack of optimized corrosion control treatment may have contributed to elevated lead levels in the drinking water system (Finding #1).	X		Agrees
ODWMA needs to improve its processes to ensure that sample sites selected for lead and copper testing meet Lead and Copper Rule (LCR) tier requirements and that consistent sources are used to determine populations served. ODWMA cannot ensure that it takes necessary actions to safeguard drinking water if it does not have assurances that samples are from homes with lead pipes and that sample sizes are appropriate and representative of the distribution system (Finding #2).		X	Agrees
ODWMA did not conduct 10% of sampled sanitary surveys (comprehensive reviews to assess compliance with State and federal requirements) and 15% of surveillance visits (more frequent follow-up visits based on the type of system and treatments utilized) within the time frames required by DEQ policy (Finding #3).		X	Agrees

Observations Related to This Audit Objective (Continued)	Material Condition	Reportable Condition	Agency Preliminary Response
Throughout our audit, we became aware of many instances in which sole reliance on the LCR may not serve the best interest of Michigan citizens. Office of the Auditor General staff do not purport to be environmental engineers, medical experts, lawyers, or the myriad of other professions necessary to ensure safe drinking water. However, our review of the Michigan Safe Drinking Water Act and the LCR, which are to be enforced by ODWMA, has identified concerns that should be considered during comprehensive deliberations on the mechanisms to provide safe drinking water to Michigan citizens. This observation is intended to provide some talking points for those discussions (<u>Observation #1</u>).	Not applicable	Not applicable	Not applicable

Audit Objective			Conclusion
Objective #2: To assess the sufficiency of ODWMA's efforts to monitor contracts with LHDs that complete inspections and observe activities related to the Noncommunity Water Supply Program.			Sufficient with exceptions
Findings Related to This Audit Objective	Material Condition	Reportable Condition	Agency Preliminary Response
ODWMA did not ensure that LHDs conducted all sanitary surveys, surveillance visits, and other monitoring within the time frames required by DEQ policy. ODWMA did not ensure that LHDs completed 294 (5%) of 5,744 surveys and 16 (36%) of 45 surveillance visits at 11 of 22 water supplies reviewed (<u>Finding #4</u>).		X	Agrees

Audit Objective			Conclusion
Objective #3: To assess whether annual fees cover the cost of monitoring the State's water supplies.			Costs not covered
Observations Related to This Audit Objective	Material Condition	Reportable Condition	Agency Preliminary Response
Annual fees alone did not sufficiently cover DEQ's cost of monitoring water supplies (<u>Observation #2</u>).	Not applicable	Not applicable	Not applicable

A copy of the full report can be obtained by calling 517.334.8050 or by visiting our Web site at: www.audgen.michigan.gov

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