



GRETCHEN WHITMER
GOVERNOR

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



LIESL EICHLER CLARK
DIRECTOR

January 15, 2020

VIA E-MAIL

Mr. Rick Lowe, Chief Internal Auditor
Office of Internal Audit Services
State Budget Office
George W. Romney Building
111 South Capitol, 8th Floor
Lansing, Michigan 48913

Dear Mr. Lowe:

In accordance with the State of Michigan, Financial Management Guide, Part VII, enclosed is a summary identifying our responses and corrective action plans to address recommendations contained within the Office of the Auditor General's Follow-Up Report on Prior Audit Recommendations of the Community and Noncommunity Water Supplies, Drinking Water and Municipal Assistance Division, Michigan Department of Environment, Great Lakes, and Energy (EGLE).

Please contact Ms. Amy Epkey, Senior Deputy Director, at 517-284-5002, with any questions regarding the corrective action plans.

Sincerely,

Signature Redacted

Liesl Eichler Clark
Director
517-284-6700

Enclosure

cc/enc: Senate Appropriations Subcommittee on Natural Resources and Environmental Quality Members
Senate Health Policy and Human Services Committee Members
House Appropriations Subcommittee on Natural Resources and Environmental Quality Members
House Health Policy Committee Members
Mr. Chris Harkins, Director, Senate Fiscal Agency
Ms. Mary Ann Cleary, Director, House Fiscal Agency
Mr. Doug Ringler, Office of the Auditor General
Ms. JoAnne Huls, Governor's Office
Mr. Jay Rising, Governor's Office
Ms. Abbey Frazier, Senate Fiscal Agency
Mr. Austin Scott, House Fiscal Agency
Mr. Aaron B. Keatley, Chief Deputy Director, EGLE
Ms. Amy Epkey, Senior Deputy Director, EGLE
Mr. Eric Oswald, EGLE
Mr. Brad Pagratis, EGLE
Ms. Dana DeBruyn, EGLE
Ms. Kris Philip, EGLE
Ms. Dale Shaw, EGLE

Department of Environment, Great Lakes, and Energy
Agency Response to Recommendations
OAG Follow-Up Report on Prior Audit Recommendations
Community and Noncommunity Water Supplies
Drinking Water and Municipal Assistance Division
January 1, 2016 – July 31, 2018

The Department of Environment, Great Lakes, and Energy (EGLE) partially agrees with the follow-up audit recommendations for the Community and Noncommunity Water Supplies issued January 2019. EGLE intends to comply with the OAG recommendations. The EGLE action plan is detailed below.

Finding #1

EGLE needs to improve its oversight and monitoring of community water supplies that implement a new water source or treatment process.

OAG Follow-Up Conclusion: Complied

OAG Follow-Up Recommendation: Not Applicable

EGLE Response: Not Applicable

Finding #2

The Drinking Water and Municipal Assistance Division [now known as Drinking Water and Environmental Health Division (DWEHD)] 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.

OAG Follow-Up Conclusion: Partially Complied

OAG Follow-Up Recommendation: We recommend that DWEHD continue to implement the revised LCR provisions of State statute to ensure that sample sites selected for lead and copper testing meet LCR tier requirements.

EGLE Response: EGLE partially agrees with the recommendation. To address the original audit recommendation, the newly promulgated Lead and Copper Rule contains a requirement that a distribution system material inventory, including service lines, be submitted to EGLE by January 1, 2020, and a verified inventory be submitted by January 1, 2025. Until a verified inventory has been submitted and approved, EGLE continues to review all submitted monitoring forms and follow up on notable incongruencies in tiering criteria. Reliance on

certification of sampling locations by the water supply is consistent with current practices in other Region 5 state environmental agencies.

Effective March 2019, EGLE created a questionnaire titled “Site Visit Supplemental Documentation – Lead and Copper Sampling Pool” that is to be completed by field inspectors during a surveillance visit at all community water supplies. This form addresses the level of available documentation for lead and copper sample pool tiering. The supplemental form was sent to Drinking Water staff in March 2019.

Finding #3

DWEHD did not always conduct community water supply sanitary surveys or surveillance visits within the time frames required by EGLE policy.

OAG Follow-Up Conclusion: Partially Complied

OAG Follow-Up Recommendation: We again recommend that DWEHD conduct community water supply surveillance visits within the time frames required by EGLE policy.

EGLE Response: EGLE partially agrees with the recommendation. As noted in the follow-up report, after the 2016 audit, available resources were deployed to address a backlog of sanitary surveys and ensure that these statutorily mandated inspections were completed in a timely manner.

In order to ensure that the frequency of surveillance visits is in accordance with policy, an amended version of DWEHD Policy 399-026, Frequency of Surveillance at Community Public Water Systems, has been drafted to state that the frequency of surveillance visits is an important programmatic goal but not a requirement. If surveillance visits cannot be completed on the recommended frequency due to ongoing resource issues, they will be prioritized on the basis of relative public health concern. The revised policy is currently being finalized, with a targeted effective date no later than December 31, 2019.

Finding #4

DWEHD did not ensure that local health departments (LHDs) conducted all sanitary surveys, surveillance visits, and other monitoring within the time frames required by EGLE policy for noncommunity water supplies.

OAG Follow-Up Conclusion: Partially Complied

OAG Follow-Up Recommendation: We again recommend that DWEHD ensure that LHDs conduct surveillance visits and other monitoring within the time frames required by EGLE policy for noncommunity water supplies.

EGLE Response: EGLE partially agrees with the recommendation. As noted in the follow-up report, after the 2016 audit, available LHD resources were deployed to address a backlog of sanitary surveys and ensure that these statutorily mandated inspections were completed in a timely manner.

In order to ensure that the frequency of LHD's surveillance visits is in accordance with policy, the Noncommunity Water Supply Program Staff Reference Manual was amended to, under certain circumstances, allow an LHD to request a reduction to the required surveillance visit frequency to a level that is consistent with the available LHD inspectors. If more resources are provided in the future, EGLE may modify the Manual to remove this option. The updated Manual was sent to LHDs in September 2019. The annual EGLE contracts with LHDs for environmental health program implementation also included this language to request a reduction and these were sent November 2019. Prior to this mailing, a memo to LHDs notifying them of this policy change was sent on March 29, 2019.