Capacity Development Strategies

Incorporating Asset Management
Welcome!

All attendees are in listen-only mode.

Please ask questions throughout the presentation using the Q&A feature to be answered at the end of the webinar.

A copy of the slides has been emailed to all registered attendees.

Check out [https://www.epa.gov/dwreginfo/drinking-water-training](https://www.epa.gov/dwreginfo/drinking-water-training) for more drinking water webinars and trainings.
Live Events Controls

- **Webinar Slides**: Sends you directly to the real time event.
- **Volume Control**: Indicates that you are watching the event in real time when RED.
- **Pause**: At any time during the event you can pause it.
- **Skip to live broadcast**: Indicates you are watching the event in past time.
- **Live Captioning**: Turns Live Captions on and off.
- **Show/hide Q&A**: Settings – brings up the event settings menu.
- **Full Screen**: If you have to leave click here to leave the event. You can come back and watch it later as well.
- **Need Help**: Click the “Need Help” link to access a MS site that provides assistance in use of the Live Events features.
Attendees can submit Questions and Comments through the Q&A. Questions will be asked and answered at the end of the webinar.

- Click to submit a Question or Comment
- Show/hide Q&A
- Type your question
- Click to submit your Question
- All published questions show up in Featured
- All of your questions and comments show up in My questions
This webinar will cover the following topics:

1. SDWA History and Requirements
2. Capacity Development Strategies
3. EPA Worksheets
4. Questions
SDWA History and Requirements
SDWA §1420

• States must establish programs to assist in developing TMF capacity of PWSs

• PWSs are categorized into “new” and “existing”
New vs. Existing

New Systems

- CWSs and NTNCWSs
- Must demonstrate TMF capacity before providing water to public

Existing Systems

- All PWSs
- Must have a Capacity Development strategy to provide safe, reliable water and be eligible for DWSRF
When a state considers capacity development, these three key components of state documentation must be kept in mind.
Legislative language that ensures a new system has sufficient TMF capacity to legally provide their water to the public.
Points during the new system’s development when a state may ensure the system has sufficient TMF capacity, and thus can provide safe drinking water.
SDWA §1420(a): New Systems Program

- **Basis of Authority**
- **Control Point(s)**
- **Plan for Implementation and Review**

Shows a state has mechanisms in place to review and ensure their PWSs have TMF capacity.
SDWA §1420(c)(2): Existing System Strategy

A. Methods or criteria used to prioritize systems

B. Factors at the federal, state, and local levels that encourage or impair capacity development

C. How the state will use authorities and resources of SDWA

D. How the state has identified baseline indicators and measures improvements

E. Procedures used to identify “key stakeholders”

F. *Encourage and assist with asset management plans (NEW)*
• EPA will determine whether a state has met requirements and therefore can receive full DWSRF allotments

• States must also assess TMF capacity for PWSs applying for DWSRF loans
Requires states to consider and include as appropriate asset management into their state Capacity Development strategies.
Include how the state will:

- **Encourage** PWSs to develop asset management plans
- **Assist** PWSs in training operators or other relevant and appropriate persons in implementing asset management plans
Five Core Question Framework

1) What is the current state of the utility’s assets?

2) What is the utility’s required “sustainable” level-of-service?

3) Which assets are critical to sustained performance?

4) What are the utility’s best “minimum life-cycle cost” capital improvement plan and operations and maintenance strategies?

5) What is the utility’s best long-term financing strategy?
The 5 Core Questions: An Asset Management Framework

1. Current State of Assets
   - Asset Inventory Spreadsheet Tool
   - System Mapping

2. Level of Service
   - Customer Service Training Class
   - Asset Management Plan Requirements

3. Critical Assets
   - Asset Inventory Spreadsheet Tool
   - Risk and Resilience Assessment

4. Minimum Life Cycle Cost
   - Rate-setting dashboards
   - Business and Financial Training Class

5. Long-term Funding Plan
   - Capital Improvement Plan
   - Sanitary Survey – O&M questions
There may be some limited situations that do not require strategy revisions:

- Existing state strategy includes an appropriate description
- State has an existing statutory requirement or regulation requiring asset management

Action: Submit a memo to the Region verifying the strategy meets all SDWA 1420 (c)(2)(F).

*DWSRF set-aside funding could be used for asset management promotion if included in the state capacity development strategy.*
Capacity Development Strategies
Capacity Development Strategy

- Assess and enhance existing system capacity
- Regulatory “blueprint” for the future
Capacity Development Strategy

PURPOSE
- WHY
  - Mission and Goals

STRATEGY
- HOW
  - Action Plan, Objectives, Measures, Available Resources and Stakeholders

EXECUTION
- WHAT
  - Activities, Mandates, Incentives
- Observable behaviors and practices
- Level of Customer Service
- Condition and Reliability of Drinking Water

- Capacity Development
- Asset Management
- Operator Certification
- Sanitary Surveys
- Water System Partnerships
- Workforce Development
- DWSRF Set-Asides
- Enforcement
- Source Water Protection
- Water Security
- SDWIS
- Technical Assistance
- And So On…
An effective strategy will:

- Be flexible
- Be proactive
- Be integrated
- Be accountable
- Be collaborative
- Include measures to evaluate progress and success
An effective strategy will **NOT** be:

- X Too specific and tactical
- X Too general and vague
- X A static endpoint
- X Reactive to problems as they arise
## Stakeholder Involvement & Soliciting Public Comment

### Stakeholder Involvement

**“Stakeholder”** – Any organization that provides resources (people, funding, etc.) to help the strategy become successful

**Required**

Occurs during revisions and before soliciting public comment

Purpose in involving stakeholders is to understand what resources are available to the state, as well as reaching to “an agreement” on the purposed strategy and goals

Example: Monthly Conference Calls

### Soliciting Public Comment

**“Public”** – Everyone in the state

Highly encouraged; not required

Occurs prior to final draft

Purpose in soliciting public comment is to have anyone who isn’t a “stakeholder” have a chance to see the strategy and give back comments of suggestions or concerns. Incorporating the public can provide transparency as well.

Example: Virtual Town Hall Meetings
EPA Worksheets
EPA Worksheets

• Based on the original worksheets found in the 1998’s Guidance on Implementing the Capacity Development Provisions of SDWA 1996
  • Worksheet #1 – New Systems (Section 1420(a))
  • Worksheet #2 – State Capacity Development Strategies (Section 1420(c))
• State-EPA workgroup to review and revise the worksheets to include questions related to AWIA
  • Added Worksheet #3
EPA Worksheets

- Not a checklist
- **Guide** the review of strategy/program
- **Identify** strengths and/or weaknesses
- **Ensure** requirements are met

- The form fillable PDF versions include:
  - Space to include plenty of information
  - A date last edited in the top right-hand corner
  - Check boxes to indicate when a question is completed
Worksheet #1

Assessing State Programs for Ensuring Demonstration of New System Capacity

- Basis of Authority
- Control Points
- Plan for Implementation and Periodic Review
- Overall Program Functionality
General Updates

- Updated references
  - DWSRF Withholding
- Removed redundancy of questions
- Added a link to the 1998 Guidance document

Worksheet #1

Assessing State Programs for Ensuring Demonstration of New System Capacity
Worksheet #2

Assessing Proposed State Capacity Development Strategies for Existing PWSs

- Solicitation and Consideration
- Program Elements
- Strategy
- Implementation
- Future Considerations
Worksheet #2

General Updates

- Updated references
  - DWSRF Withholding
  - ETT
  - Requirements for Reports to the Governor
- Included SDWA §1420(c)(2)(A-F)
- Added a link to the 2018 State Asset Management Initiatives document

Assessing Proposed State Capacity Development Strategies for Existing PWSs
Worksheet #3

Reviewing Current State Asset Management Programs within the Capacity Development Strategy for New and Existing System

- Current Asset Management Approach
- Stakeholder Involvement
- Barriers
- Asset Management Strategy
Worksheet Sections

Current Asset Management Approach

• Promotion of asset management development and plans

• How asset management is addressed in the Report to the Governor

• How the current approach does or does not meet AWIA requirements

Stakeholder Involvement

• Process to obtain feedback incorporating asset management

• Timeline to complete process
Worksheet Sections

Barriers

• Existing or anticipated to adopt asset management activities
• How barriers will be addressed

Asset Management Strategy

• How asset management integration will enhance program
• How state will use five-core questions
• How the core components constitute a strategy
• Which of the five-core components are weakest
• Plans for implementation
Helpful Links

- EPA’s Building the Capacity of Drinking Water Systems: https://www.epa.gov/dwcapacity
- EPA’s Worksheets: https://www.epa.gov/sites/production/files/2021-03/documents/final_cap_dev_attachments_1-3_508.pdf
- Capacity Development Resources for States: https://www.epa.gov/dwcapacity/resources-states
- Asset Management Resources for States: https://www.epa.gov/dwcapacity/asset-management-resources-states
Thank You

Alison Flenniken, Flenniken.Alison@epa.gov

For more information on Capacity Development, visit: www.epa.gov/dwcapacity

Questions?