Increasing Your Chances to Access Infrastructure Funding through Effective Utility Management

February 3, 2022
Thank you to our funder!
Acknowledgement

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The contents of this document do not necessarily reflect the views and policies of the Environmental Protection Agency, nor does the EPA endorse trade names or recommend the use of commercial products mentioned in this document.
Our Panel

Coye Gerald  
Moderator

Glenn Barnes  
Presenter

Mark Johnson  
Presenter
Agenda

Funding program update

Overview of Effective Utility Management

Success story from the field

Resources
New Infrastructure Funding

Money! Money! Money! Money!
WASHINGTON (AP) — President Joe Biden signed his hard-fought $1 trillion infrastructure deal into law Monday before a bipartisan, celebratory crowd on the White House lawn, declaring that the new infusion of cash for roads, bridges, ports and more is going to make life “change for the better” for the American people.

But prospects are tougher for further bipartisanship ahead of the 2022 midterm elections as Biden pivots back to more difficult negotiations over his broader $1.85 trillion social spending package.

The president hopes to use the infrastructure law to build back his popularity, which has taken a hit amid rising inflation and the inability to fully shake the public health and economic risks from COVID-19.

“My message to the American people is this: America is moving again and your life is going to change for the better,” he said.

With the bipartisan deal, the president had to choose between his promise of fostering national unity and a commitment to transformative change. The final measure whirled down much of his initial vision for infrastructure. Yet the administration hopes to sell the new law as a success that bridged partisan divides and will elevate the country with clean drinking water, high-speed internet and a shift away from fossil fuels.

“Folks, too often in Washington, the reason we didn’t get things done is because we insisted on getting everything we want. Everything,” Biden said. “With this law, we focused on getting things
$3.5 Billion for Tribal Water & Wastewater Infrastructure
$11.7 Billion for Drinking Water SRF
plus $5 Billion for lead service lines
plus $4 Billion for PFAS
This is an unprecedented amount of funding...

...with lots going out as grants...

...and technical assistance will be available...

...and EPA is stressing serving small and disadvantaged communities through the Justice 40 initiative...

...You should expect funding to be competitive!
Economy

‘The mother lode’: Cities and counties across America clamor for slice of new infrastructure funds

Municipalities are hiring lobbyists to secure funding even as the Biden administration tries to make the money more accessible
What You Should Do *Right Now*

- Use asset management to identify worthy infrastructure projects within your utility
- Start thinking about lead service lines if you have not done so already
- Make your utility as attractive to the funding programs as possible
Effective Utility Management (EUM)
• There are many different types of activities that make up a successful water utility

• We tend to look at them individually instead of focusing on how they are interconnected
Effective Utility Management Initiative

• 360-degree look at your utility

• Allows you to set individualized priorities for your community

• Moves you from reacting only to the hot priorities of the day to proactively planning for the future

• Helps you engage your staff in the process of assessing and charting your own course for the future
Ten Attributes of Effectively Managed Water Sector Utilities

The Ten Attributes of Effectively Managed Water Sector Utilities describe desired outcomes that are applicable to all water and wastewater utilities. The Attributes provide indication of where effectively-managed utilities focus and what they strive to achieve.

- Product Quality
- Customer Satisfaction
- Employee and Leadership Development
- Operational Optimization
- Financial Viability
- Infrastructure Stability
- Operational Resiliency
- Community Sustainability
- Water Resource Adequacy
- Stakeholder Understanding and Support
Adapted for Small Systems

• USDA and EPA partnered to adapt this framework for small systems
<table>
<thead>
<tr>
<th>Key Management Area</th>
<th>Management Area Description</th>
<th>Step 1: Rate Achievement (Low – High)</th>
<th>Step 2: Rank Priority (Low – High)</th>
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</table>
| 1. Water Resource Adequacy (e.g., water quantity) | - My system is able to meet the water or sanitation needs of its customers now and for the reasonable future.  
- My utility or community has performed a long-term water supply and demand analysis. (Applies to drinking water systems only)  
- My system understands its relationship to local water availability. (Drinking water utilities should focus on utilization rates relative to any local water stress conditions, wastewater utilities should focus on return flows) | Low                                   | High                              |
| 2. Product Quality (e.g., clean & safe water) | - My system is in compliance with permit requirements and other regulatory or reliability requirements.  
- My utility meets local community expectations for the potable water and/or treated effluent and process residual that it produces. | Medium                               | High                              |
| 3. Customer Satisfaction             | - Customers are satisfied with the services my system provides.  
- My system has procedures in place to receive and respond to customer feedback in a timely fashion. | High                                  | Medium                            |

### Rating (Achievement)

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<tr>
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<th>High</th>
<th>Medium</th>
<th>Low</th>
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### Ranking (Priority)

- Low
- Medium
- High
An Example From the Field
Village of Barnet, VT Fire District #2

205 served / 61 connections
Privately owned until 2014
Boil water 2002-2017
3-member volunteer board

Photo credit: Carol M. Highsmith
Timeline

- 2002: Boil Water Notice in effect
- 2013: Private owner requests 520% rate increase
- 2014: System was purchased
- 2016: Preliminary Engineering Report
- 2017: Source water improvements completed; boil water notice lifted
- 2018: Action plan to address distribution system failures
Action Plan

- Infrastructure Stability
- Financial Viability
- Stakeholder Understanding and Support
Infrastructure Stability

✓ Hire an engineer
✓ Complete AM plan
✓ Prioritize pipe replacement
Infrastructure Stability

✓ Hire an engineer
✓ Complete AM plan
✓ Prioritize pipe replacement
Financial Viability

✓ Multi-year budget
✓ Rate adjustment
✓ Plan for more sustainable practices, stop the bleeding, and get a handle on debt!
✓ Work with local contractor on repayment plan
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✓ Plan for more sustainable practices, stop the bleeding, and get a handle on debt!

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Stakeholder Understanding and Support

✓ Increase attendance at public meetings
✓ Build support for bond vote to authorize borrowing
✓ Communicate effectively with customers
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Timeline (continued)

- 2019: New rates enacted (January)
- 2019: Asset management loan (forgivable) awarded
- 2019: Vermont passes Act 72 establishing *Hardship Municipalities*
- 2020: Completion of asset management plan
Timeline (continued)

- 2020: PER for river crossing (emergency SRF application)
- 2020: Successful bond vote to consider additional borrowing
- 2021: Construction begins on distribution system upgrades
- 2022: Project should be completed in the spring
A Common Theme

Self-Assessment
- Understand your utility's shortcomings and strengths

Strategic Business Planning
- Develop an action plan and document conditions

Application Process
- Use documented priorities and strategies

Funding
- Navigate the funding process

Construction
- Start construction, manage expectations

Stakeholder Understanding and Support
57% Reduction in Water Usage from 2019 to 2021

Able to secure over 75% forgiveness on SRF loan
Having a plan for our system, and ultimately an asset management plan, really opened the doors to state and federal funding. We knew the funding programs existed but having a list of projects and priorities helped us to jump through their hoops and get the money.
We were able to tackle a complex and daunting set of tasks by breaking it into manageable pieces. That approach has helped us to develop a sense of ownership and empowerment.
RCAP Managerial & Financial Hub

In order to protect public health and provide safe drinking water to communities, it is vital that water systems have strong managerial and financial capacity along with strong technical capacity. RCAP’s Managerial and Financial Hub is a one-stop shop for small water systems. The hub contains information about RCAP’s upcoming finance and management trainings. In addition, there are links to
Effective Water Utility Management Practices

Effective utility management practices are the foundation for building and sustaining the technical, managerial, and financial capacity of the drinking water, wastewater, and stormwater systems that make up the water sector. Management practices must address all aspects of a system’s operations and maintenance.

Water Utilities as Anchor Institutions - Water utilities can root themselves as anchor institutions within their communities. Learn more and view a webinar.
Tools for Effective Water and Wastewater Utility Management

Effectively managing all aspects of operations is critical for all utilities, regardless of size or location, to ensure their long-term sustainability and to keep the communities they serve strong, safe, and sustainable.

EPA works with six national organizations that support drinking water and wastewater utilities to promote effective utility management (EUM) based on a series of attributes of effectively managed water sector utilities.

- Attributes of Effectively Managed Water Sector Utilities - Targets medium and larger utilities that have seen significant benefits from using EUM to improve their operations.

Additional information about this initiative is at Water Effective Utility Management.
STATE REVOLVING FUND SWITCHBOARD

The Southwest Environmental Finance Center has partnered with Spring Point Partners to create a repository of documentation and tools related to State Revolving Funds.

(Click on a state to navigate to its resources)

https://swefcsrfswitchboard.unm.edu/srf/
## Vermont State Revolving Fund Resources

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Water Loss Webinars
from the Environmental Finance Centers

Sign up at: https://efcnetwork.org/upcoming-events/

2022 Water Loss Webinar Series for Small Water Systems
Presented by The Environmental Finance Center Network

Join experts from the Southwest Environmental Finance Center for a no-cost webinar series on Water Loss. This series of six webinars will show small water systems why and how to complete a water audit, and will provide guidance on using the audit results to further water loss control within their utilities. Those interested must register for each session individually and are welcome to attend any number of the sessions.

Session 1: Importance of Water Auditing | January 27, 2022, 1:00 – 1:30 PM ET
Session 1 will explain the big picture of water loss control for small water utilities. A water loss audit is only a part of water loss control, and alone does not reduce water loss. Therefore, systems should understand what a water loss control program includes, its benefits, and the role a water audit plays in such programs. Register Here

Session 2: Developing a Results Oriented Water Loss Control Program | February 17, 2022, 1:00 – 2:00 PM ET
Session 2 will define the elements of a water loss control program; discuss how to establish a utility water loss control team, who to include, and how the utility can develop goals for the water loss control program. Register Here

Session 3: Water Loss Control and the Water Audit, Including new Version 6 | March 10, 2022, 1:00 – 2:00 PM ET
Session 3 will explain what the water audit is, what it reveals about utility, what data is needed to complete the audit, where the data is entered into the audit and other types of analysis that can be completed to move beyond the audit. This session will also introduce AWWA’s Free Water Audit Software Version 6. Register Here

Session 4: Taking Action to Address Apparent Losses | March 31, 2022, 1:00 – 2:00 PM ET
Session 4 will focus on taking action to address apparent water loss identified in the audit. In this session, we will discuss the resources and tools available for small systems to reduce apparent losses. Register Here

Session 5: Taking Action to Address Real Losses | April 14, 2022, 1:00 – 2:00 PM ET
Session 5 will focus on taking action to address real water loss identified in the audit. In this session, we will discuss the resources and tools available for small systems to reduce real losses. Register Here

Session 6: Mapping - the Water Loss Control and Asset Management Nexus | April 28, 2022, 1:00 – 2:00 PM ET
Water Loss Control and Asset Management go hand-in-hand; data is the common element. This session will cover how basic asset and event data collection and map visualization techniques can support your water loss control efforts, build a better picture of your infrastructure condition, and provide actionable information to guide maintenance efforts and future capital improvement projects. Register Here

Who Should Attend:
- Managers, owners, and operators of small water systems serving less than 10,000 people.
- Decision-makers for water utilities, including utility managers, finance officers and municipal staff.
- Consultants and technical assistance providers serving water systems.

Learn more at efncnetwork.org/upcoming-events/
Working Effectively with Your Board or Council

Next RCAP Finance & Management Webinar

Tuesday, March 15
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