



Capacity Development Strategies

Incorporating Asset Management



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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

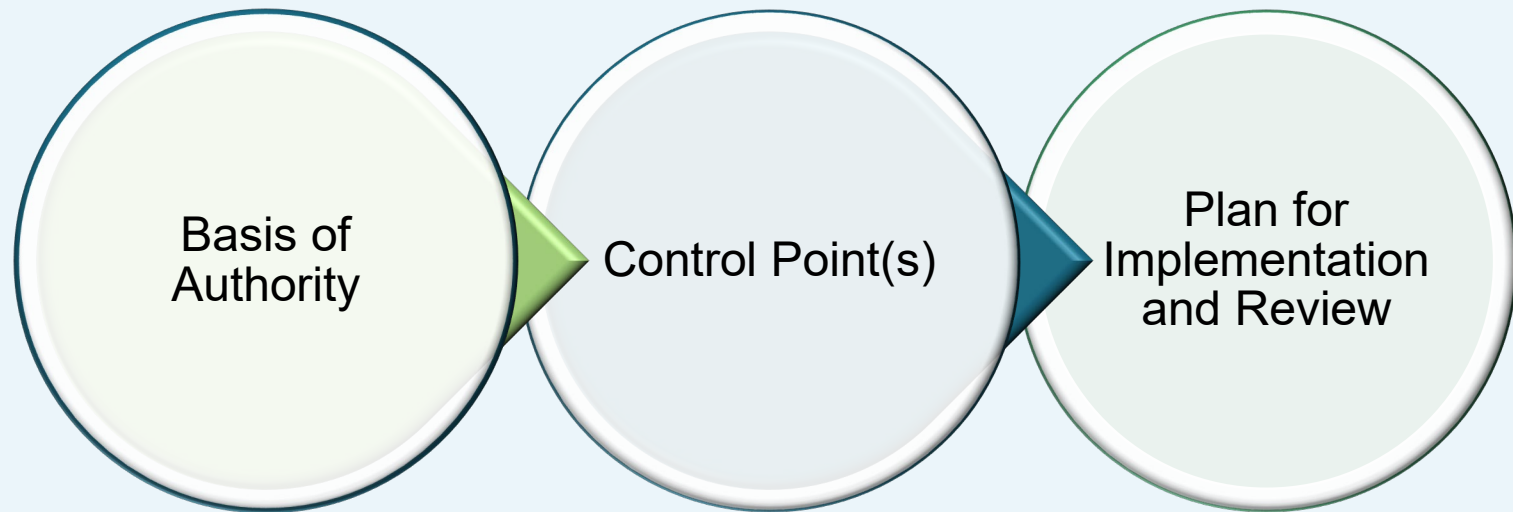
- CWSs and NTNCWSs
- Must demonstrate TMF capacity before providing water to public

Existing Systems

- All PWSs
- Must have a Capacity Development strategy to provide safe, reliable water and be eligible for DWSRF



SDWA §1420(a): New Systems Program



When a state considers capacity development, these three key components of state documentation must be kept in mind.



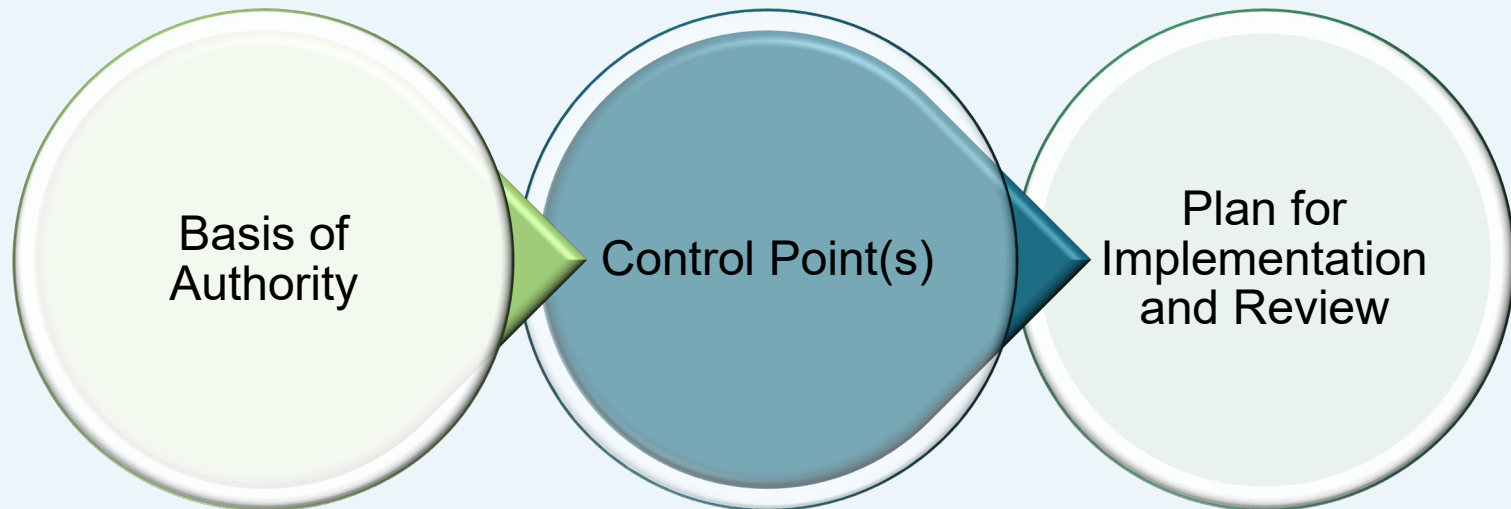
SDWA §1420(a): New Systems Program



Legislative language that ensures a new system has sufficient TMF capacity to legally provide their water to the public.



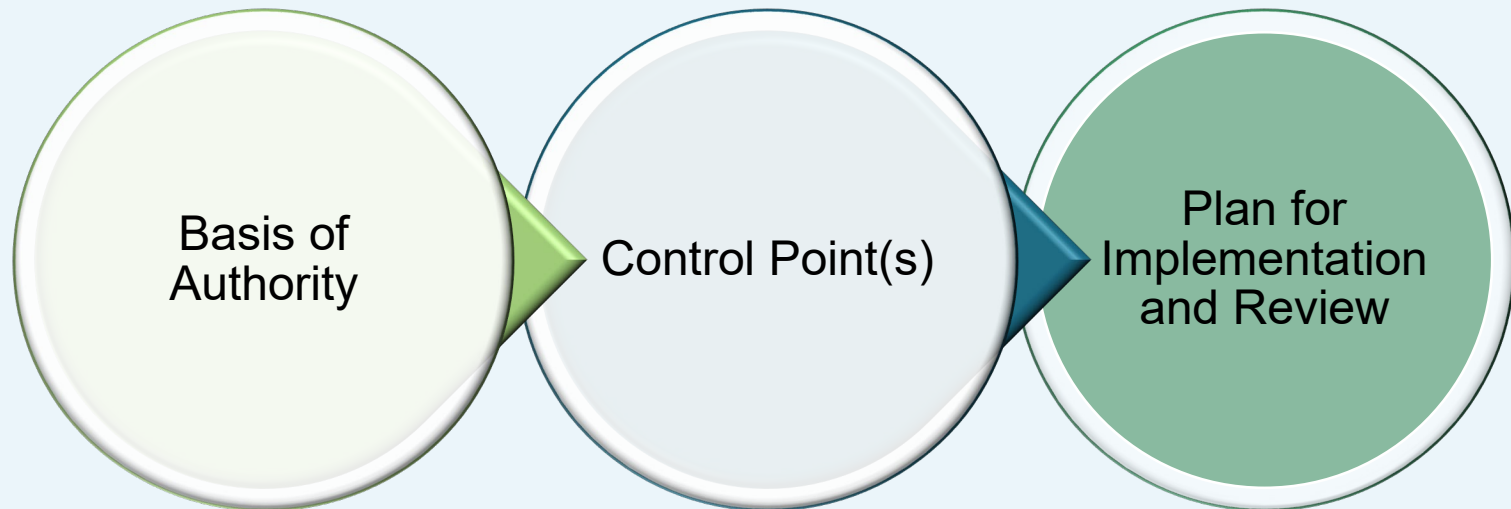
SDWA §1420(a): New Systems Program



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



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)*



Section 1452 DWSRF

- 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



AWIA Section 2012

Requires states to consider and include as appropriate **asset management** into their state Capacity Development strategies.

AWIA Section 2012

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

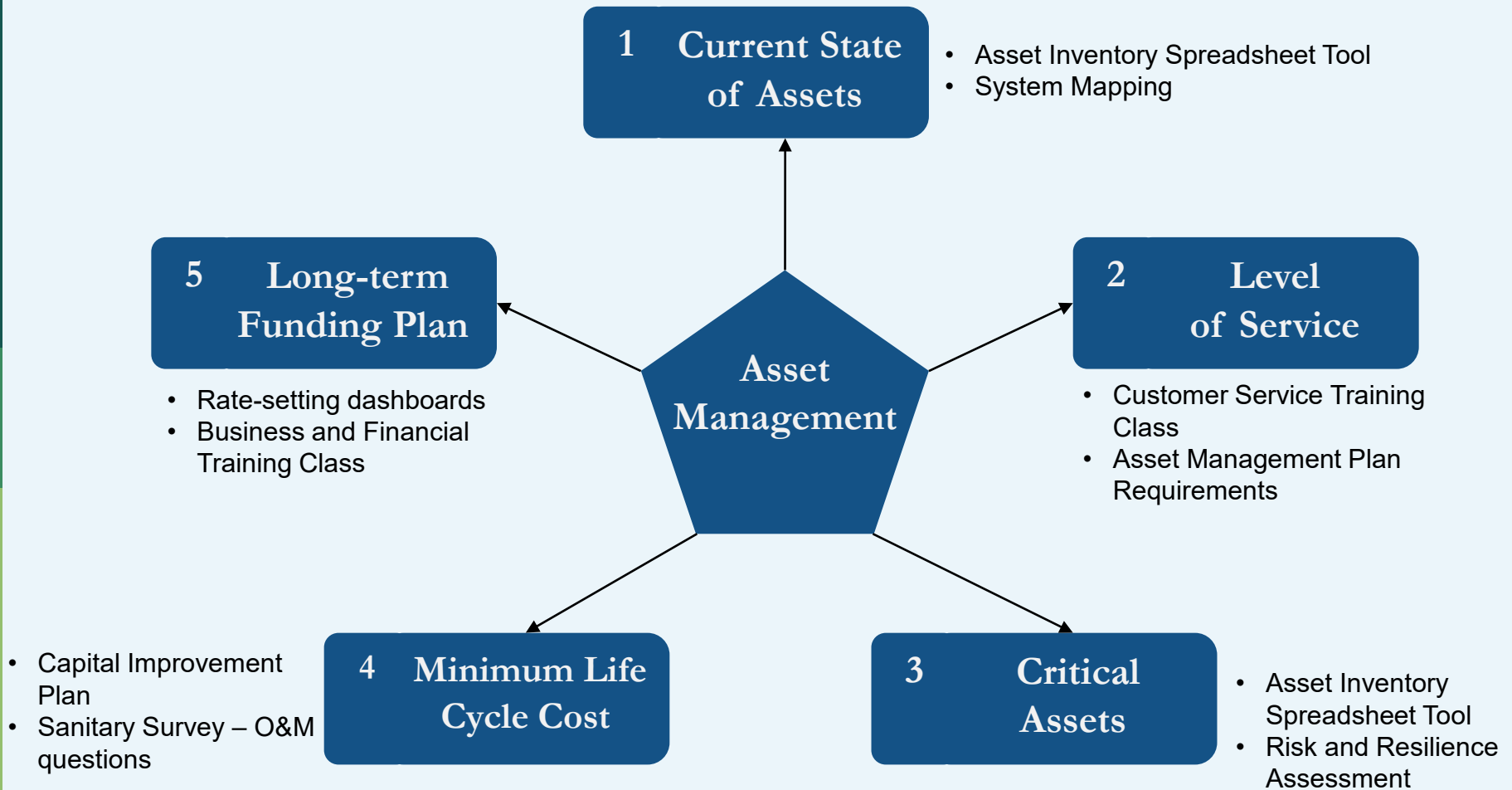
AWIA Section 2012

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





Existing State Statues & Regulations

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).

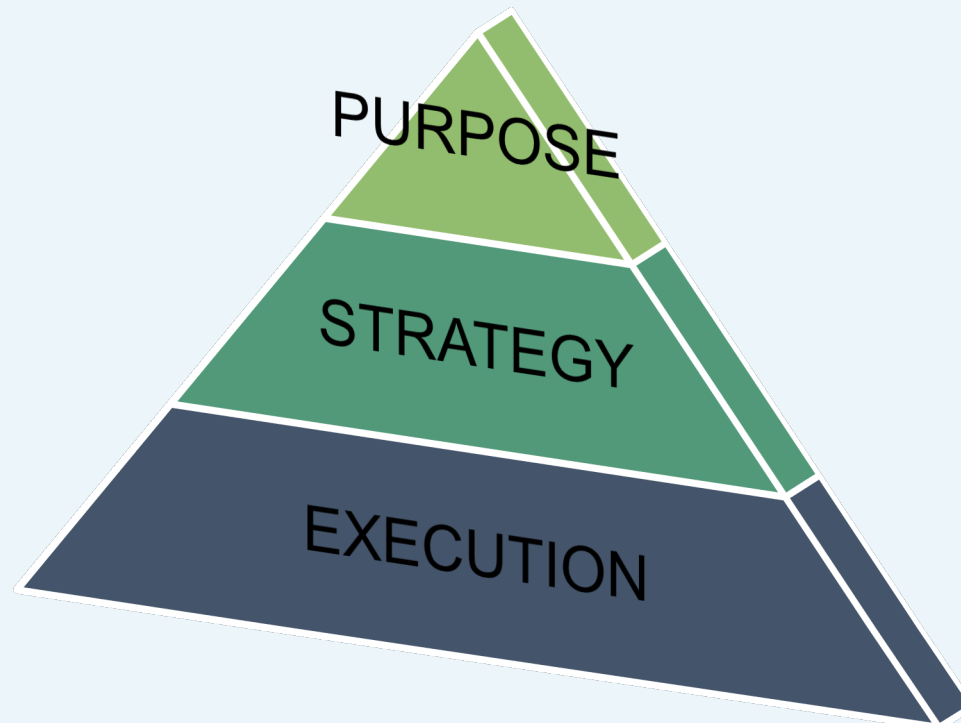
*DWSRF set-aside funding could be used for asset management promotion if included in the state capacity development strategy.

Capacity Development Strategies



Capacity Development Strategy

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





Capacity Development Strategy



An iceberg floating in the ocean. The tip of the iceberg is above the water surface, and the much larger, jagged base is submerged below. The sky is blue with some clouds, and the water is a deep blue.

RESULTS

- Observable behaviors and practices
- Level of Customer Service
- Condition and Reliability of Drinking Water

STRATEGY

- 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...

Capacity Development Strategy

An effective strategy will:

- ✓ Be flexible
- ✓ Be proactive
- ✓ Be integrated
- ✓ Be accountable
- ✓ Be collaborative
- ✓ Include measures to evaluate progress and success

Capacity Development Strategy

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.

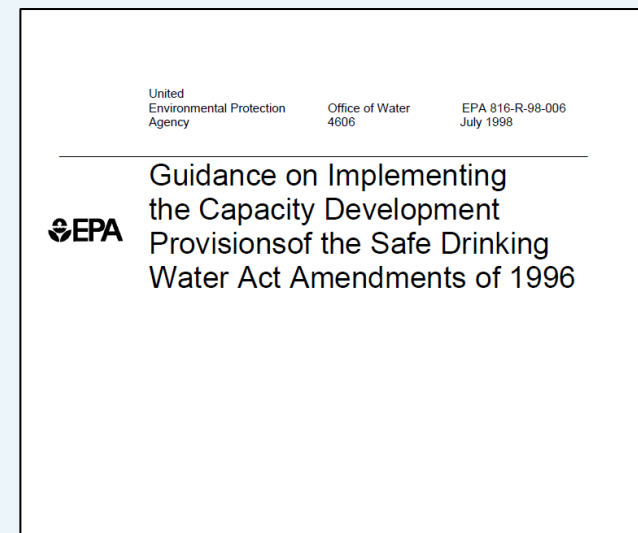
Example: Virtual Town Hall Meetings

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

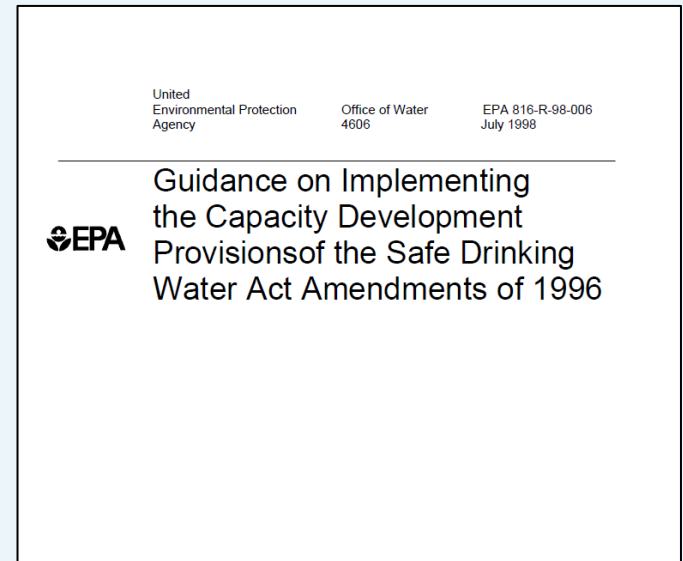
Overall Program Functionality

Worksheet #1

Assessing State
Programs for Ensuring
Demonstration of New
System Capacity

General Updates

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





Worksheet #2

Assessing Proposed State Capacity Development Strategies for Existing PWSs

Solicitation and Consideration

Program Elements

Strategy

Implementation

Future Considerations

Worksheet #2

Assessing Proposed
State Capacity
Development Strategies
for Existing PWSs

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





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 #3

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

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 #3

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

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>
- EPA Regional Capacity Development Coordinator Handbook:
<https://www.epa.gov/dwcapacity/regional-capacity-development-coordinator-handbook>

Thank You

Alison Flenniken, Flenniken.Alison@epa.gov

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

Questions?