**Self-Assessment for Capacity Development for New Systems**

**Name of System:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

Type of system ownership (municipal, districts, homeowner assoc., co-op, etc)

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Is system for-profit or non-profit? \_\_\_\_\_\_\_ Formed under what statute? \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Name of person in charge (Owner, Manager, President)\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Address\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Phone \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Number of connections \_\_\_\_\_\_\_\_\_\_\_\_ population served \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

1. **Financial**

Are you on target with budgeted income and expenses? Yes No

From last audit are current total assets greater than your liabilities? Yes No

If not, do you have a plan to change the situation? Yes No

Do you have a long-range financial plan? Yes No

Are you following it? Yes No

Do you adequately fund depreciation or have other reserves? Yes No

Do you have a capital improvement plan Yes No

Financial controls (circle all that apply) Yes No

Monthly financial statements Yes No

Monthly review of financial statements by board, council or owner Yes No

Annual audit Yes No

Written financial policies Yes No

Do you review your rate structure annually? Yes No

Does your current rate structure produce income to cover?

Current expenses Yes No

Replacement costs Yes No

Reserves Yes No

Are all contractual obligations being met? Yes No

1. **Management**

Indicate your governance structure (i.e. elected board, council, appointed, sole ownership,etc) \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Are applicable by-laws, resolutions, ordinances or covenants up-to-date? Yes No

Date of last review? \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Does governing body meet on a regular basis? Yes No

Are minutes of meetings available? Yes No

Is an annual budget prepared and reviewed at board or council meetings? Yes No

Do you have a federal ID number from the IRS? Yes No

Do you have written operational policies (i.e. connection, cut-off, payments etc)? Yes No

Are policies up-to-date? Yes No

Is the person in charge clearly defined? Yes No

If applicable, is there a staffing chart organizational chart (if applicable)? Yes No

Are there written personnel policies? Yes No

Are they up-to-date? Yes No

Is system in compliance with all state and federal laws? Yes No

1. **Technical**

What is your water source? Surface Ground Purchased

Are water rights sufficient and secured? (For Western states) Yes No

Do you have a source water protection plan? Yes No

If purchased, does your supplier have a source water protection plan? Yes No

Is the quantity of your water source adequate for the next five years? Yes No

Does your source meet or exceed SDWA standards? Yes No

Does or will it meet standards without extensive treatment? Yes No

If no, are you aware of :

What treatment is or will be required Yes No

Treatment costs? Yes No

Operator skills required? Yes No

Likely contaminants that may affect your system in the future? Yes No

Is your service area clearly defined? Yes No

Does your system have a plan for operations and maintenance?

(Examples: line flushing and storage tank maintenance) Yes No

Have all the certification requirements for operations been met? Yes No

Is your operator certified? Yes No

Is the system aware of the benefits of industry related service organizations such as state rural water associations? Yes No

Does the system calculate and control water loss? Yes No

Does your system have a conservation plan? Yes No

Does your system have accurate maps of distribution system? Yes No

Do your operators have the appropriate level of certification? Yes No

Do your system personnel attend appropriate and current training sessions? Yes No

Is your system required to have an approved emergency plan? Yes No

If so give date of last review:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Does your system have and use facility service manuals? Yes No

Have you corrected any deficiencies noted on your last sanitary survey? Yes No

Has your system had a violation of the SDWA in the last year? Yes No

Does your system periodically review safety programs?

(i.e. OSHA requirements, etc) Yes No

Does your system strive for quality service and to be responsive to customer needs? Yes No

If you had difficulty answering any question or answered "no" to any of these questions, we encourage

you to contact the Montana Department of Environmental Quality or the nearest Montana Rural Water

Systems representative. Your water system should formulate a strategy to resolve all issues that could not

be answered positively

**D. Asset Management**

Do you have an up-to-date asset management plan? Yes No

The five-core-question framework of asset management is an excellent tool to begin or strengthen your asset management program. Please assess the following:

**Asset Inventory:**

* What is the current state of the utility’s assets?
* Does the utility have all asset specification sheets to aid in creation of asset management plan?
* What does the utility own?
* Where is it?
* What condition is it in?
* What is the remaining useful life?
* What is its remaining economic value?
* What is the energy use?

**Level of Service:**

* What is the utility’s required sustained level of service (LOS)?
* What are the utility’s performance goals?
* What are the physical capabilities of the utility’s assets?
* What is the demand by my stakeholders?
* What do regulators require?
* What is my actual performance?
* How will you measure performance?

**Criticality:**

* Which assets are critical to sustained performance?
* How can assets fail?
* How do assets fail?
* What are the likelihoods and consequences of asset failure?
* What does it cost to repair the asset?
* What are other costs that are associated with asset failure?
* What is the overall business risk based on probability and consequence of asset failure?
* Is there redundancy to reduce risk?
* Is the asset failures due to capacity, level of service, mortality or financial efficiency?

**Life Cycle Costing:**

* What are the utility’s best “minimum life-cycle cost” capital improvement plan (CIP) and operation and maintenance (O&M) strategies?
* Is there a strategic plan for operating and maintaining the utility’s assets?
* What alternative management options exist?
* Is a process, based on risk, in place to determine when to repair, rehabilitate or replace assets?
* Are you considering energy efficiency?
* Which are the most feasible for my organization?

**Long-Term Funding:**

* What is the utility’s best long-term funding strategy?
* Do you have funding sources to provide the capital you need for O&M, capital replacement and energy efficiency improvement?
* Last date of rate assessment?
* Is our rate structure sustainable for our system’s long-term needs?

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