

Continuing Authority Options

Technical, Managerial and Financial Capacity

6.010 (2)(B) Technical, Managerial and Financial Capacity Requirements of Continuing Authorities. (Present (B) becomes (C), etc.)

1. Minimum Technical Capacity Requirements.

A. All wastewater collection and treatment systems must conform to the department's design requirements, 10 CSR 20-8.

B. All continuing authorities shall have a sufficient number of operators certified as required in 10 CSR 20-9 to provide proper operation and maintenance of all collection and treatment facilities so that the system meets all requirements of permits and regulations. These operators shall be properly trained and be provided all equipment needed, including safety equipment, to perform all tasks in their job duties.

C. All continuing authorities with collection systems shall have and maintain an updated system map showing, at a minimum, the size, type, age and location of all sewer lines, storage facilities, pumping facilities, treatment facilities, and outfalls, and shall make the map available to the department on request.

2. Minimum Managerial Capacity Requirements.

A. Continuing authorities shall have an organization chart that shows every position providing business functions with the position title, name, business address, and telephone number of the person filling that position. This chart shall show clear lines of authority and supervision. Elected officials and managers that have overall jurisdiction shall also be shown on this chart. The chart shall state the name(s) of the persons or legal entity who owns the system along with the business address and telephone number of the owner(s). This chart shall be publicly displayed and shall be updated within thirty calendar days of any changes. An updated copy of the organization chart shall be made available to the department.

B. Continuing authorities shall designate a person or persons who will receive complaints and shall have a written procedure for receiving, investigating, resolving, and recording complaints. The name, title, business address, business telephone number and office hours of the person(s) designated to receive complaints shall be publicly displayed, along with the written complaint procedure. Complaint records shall be kept for a minimum of five years and shall be made available to the department upon request. Results of investigations shall be used as part of the planning process for future improvements.

C. Continuing authorities collecting fees shall have a written rate structure and service fees, and the rate structure and service fees shall be publicly displayed and shall be made available to the department upon request.

D. Continuing authorities collecting fees shall hold at least one public meeting prior to changing the rate structure or service fees and shall notify the customers in advance of the public meeting by posting notice in the principal business office and providing notice in the area served, unless the rate increase procedure is regulated by state regulations. Records of customers' notice and summary of the public meeting shall be kept for a minimum of five years and shall be made available to the department upon request.

E. Continuing authorities shall designate a person to deal with compliance-related issues in accordance with the regulations, including reporting, operation and maintenance, and modernization. This person shall be trained in regulation requirements and shall act as liaison with the department on collection and treatment issues. The department will refer compliance actions to this person. The name, position title, business address, business telephone number, and office hours for this person shall be made available to the department and the department shall be notified within thirty (30) calendar days of any change.

3. Minimum Financial Capacity Requirements.

A. Continuing authorities shall adhere to standard accounting practices in accordance with the Generally Accepted Accounting Principles and Practices, or the National Association of Regulated Utility Companies Uniform System of Accounts, as appropriate.

B. Continuing authorities that collect fees shall develop and implement policies or standard practices to collect fees including disconnection of service for nonpayment or other measures for obtaining payment. The total of uncollected fees and the percentage of uncollected fees compared to sum of collected and uncollected fees shall be recorded monthly. These records shall be made available to the department upon request.

C. Continuing authorities collecting fees shall develop an annual budget showing system revenues and expenditures, shall prepare a report at the end of each fiscal year showing system revenues and expenditures for that year and a comparison with the annual budget prepared for that year, and shall prepare a five-year capital improvement budget and capital improvement plan that will be updated annually. The capital improvement plan shall include the potential financial impacts of future regulations. These records shall be kept for a minimum of ten years and shall be made available to the department upon request.

D. Annual revenues shall cover all system costs including operating costs, maintenance costs, debt service costs, operating reserves, debt service reserves, emergency equipment replacement reserves, and revenue collection costs.

E. Continuing authorities collecting fees and not subject to state regulation of rates for water service, in addition to all other financial capacity requirements, shall have and maintain—

(i) An operating reserve equal to or greater than one-tenth of the annual operations and maintenance budget. The system must establish this reserve in at least annual payments not to exceed ten years. Funds from the operating reserve shall be used for operating and maintenance

expenses only and shall be replaced within ten years from the date of use. This reserve shall be invested in an account with ready access to the funds. Records of this reserve shall be made available to the department upon request. Other private, state, or federal reserves may be applied to meet this requirement;

(ii) An emergency equipment replacement reserve equal to or greater than the replacement cost of the most expensive mechanical equipment item needed for operation. The system must establish this reserve in at least annual payments over a minimum of ten years. Funds from the reserve shall be used for emergency equipment replacement expenses only and any funds so used shall be replaced within ten years from the date of use. This reserve shall be invested in an account with ready access to the funds. Records of this reserve shall be made available to the department upon request. Other private, state, or federal reserves may be applied to meet this requirement; and

(iii) If there is debt on the system facilities, a debt service reserve no less than ten percent (10%) of the principle and interest or the amount required in the bonding agreement. Funds from the debt service reserve shall be used only for debt service expenses and for purposes agreed to in the bonding agreement and shall be replaced no less than as required in the bonding agreement. Records of this reserve shall be made available to the department upon request.

Assets Management Program

6.010 (2)(B) Assets Management Program of Continuing Authorities. (Present (B) becomes (C), etc.)

B. Assets Management Program. This is a proactive management of assets through the development of long term funding strategies for sustainable Performance. It includes an asset inventory, required level of service, critical assets, life cycle costing, and long-term funding. It is continually updated based on new information, new technology and greater clarification.

Certified Operator Requirement

Continuous wastewater collection and treatment systems could be required to maintain a certified operator. This could vary based on the newness of the system, the type of system, the performance of the system or other factors, and may be changed based on these factors over time. Some systems may already be required to have certified operators.