

MISSOURI DEPARTMENT OF NATURAL RESOURCES
 WATER PROTECTION PROGRAM - PUBLIC DRINKING WATER BRANCH
**COMMUNITY TECHNICAL, MANAGERIAL AND FINANCIAL CHECKLIST
 FOR EXISTING WATER SYSTEMS**

SYSTEM NAME:	PWS ID# MO:
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<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:50%; text-align: center;">Provided √</td> <td style="width:50%; text-align: center;">NA √</td> </tr> </table>	Provided √	NA √	TECHNICAL CAPACITY DEMONSTRATION
Provided √	NA √		

1			Confirm that properly certified operator(s) have been hired; indicate required classification of the water production system and the classification of the water distribution system.
2			Confirm that the system has an updated distribution map.
3			Provide a copy of the existing equipment's anticipated repair and replacement schedule.

MANAGERIAL CAPACITY DEMONSTRATION

4			Confirm that a permanent organization exists as the continuing operating authority for the management, operation, maintenance, replacement, and modernization of the facility. Designation of the continuing operating authority is required.
5			Acknowledge that the written rate structure and service fees are publicly displayed.
6			Provide evidence that public meetings are held for changes in rate structure or service fees with advanced notice to customers.
7			Provide an organizational chart with the name, position, business address and phone number of all positions that provide drinking water functions, including elected officials.
8			Provide the name and contact information of the designated customer complaint person, and acknowledge that the name, title, business address, business telephone number, and office hours are publicly displayed.
9			Provide a copy of the customer complaint procedures for receiving, investigating, resolving, and recording customer complaints and acknowledge that the procedure is publicly displayed.
10			Provide a copy of the operational management plan.
11			Provide a copy of the emergency operation plan completed in accordance with 10 CSR 60-12.010.
12			Provide an inventory of major assets including wells, intakes, storage tanks, pumps and treatment facilities.

FINANCIAL CAPACITY DEMONSTRATION

13			Confirm that Standard Accounting Principles and Practices are used in accordance with either the Generally Accepted Accounting Principles and Practices or the NARUC Uniform Systems of Accounts.
14			Provide a list of all water related service fees and fees for collection, including measures to obtain payment for nonpayment such as disconnection fees and late payment fees.
15			Provide a copy of the annual budget of revenues and expenditures with a comparison of planned budget to actual budget for the water system.
16			Did the annual operating revenues for the last fiscal year cover the operating costs for that year? If not, have measures been proposed to correct the budget for the next fiscal year?
17			Provide a five-year budget and capital improvement plan to be updated annually, including at a minimum, annual revenue income, annual estimated cost of operation including salary of operator, operating reserve, emergency equipment replacement reserve, debt service reserve, and proposed methods to finance both capital charges and operating expenses.
18			Discuss the presence or establishment of an operating reserve equal to or greater than 1/10 of annual operations and maintenance expenses spread out in equal payments over a 10-year period.
19			Acknowledge that the establishment of an emergency equipment replacement reserve equal to or greater than the most expensive mechanical equipment item and established in minimum equal annual payments over 10 years with inflation considered.
20			Specify and acknowledge that the debt service reserve will equal or exceed the amount required in the bonding agreement.
21			Has the overall financial condition of the water system and the system's user charge rates been analyzed within the past three years or since the last significant change in costs or revenues?

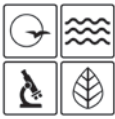
I certify that the checklist and all supporting documentation provided is accurate and complete to the best of my knowledge.

SIGNATURE OF OWNER OR OFFICIAL CUSTODIAN	DATE
PRINT NAME OF OWNER OR OFFICIAL CUSTODIAN	TITLE
	TELEPHONE NUMBER WITH AREA CODE

780-2688 (02-17)

Please sign and return this form and all supporting documentation to:

The Missouri Department of Natural Resources
 Public Drinking Water Branch
 Infrastructure, Permits and Engineering Section
 P.O. Box 176
 Jefferson City, MO 65102-0176



**COMMUNITY TECHNICAL, MANAGERIAL AND FINANCIAL CHECKLIST FOR EXISTING
WATER SYSTEMS, FORM 780-2688 INSTRUCTIONS**

TECHNICAL CAPACITY DEMONSTRATION

1. You must have an adequate number of properly certified operators to run your systems when the chief operator is away, such as on vacation or sick leave. The Missouri Department of Natural Resources recommends that all employees obtain their operator certificates and obtain certificates equal to the level of the water system. Contact the department's operator certification unit at 573-751-1600 or your local Department of Natural Resources' [regional office](#) for assistance. Certified operators must obtain department-approved continuing education courses every three years to maintain their certificates. The required number of hours will vary with the level of certification.
2. System distribution maps are necessary for your staff, and are required to be available during routine inspections by department staff. Systems that were built without construction authorization must submit two copies of the updated distribution map. Distribution system maps should show at a minimum the size and location of all waterlines, valves, hydrants, storage facilities, and water sources.
3. Provide a copy of the existing equipment's repair or replacement schedule. This should include scheduled maintenance for pumps, storage tanks, chemical feed equipment and miscellaneous treatment equipment, such as filters, softening equipment, etc.

MANAGERIAL CAPACITY DEMONSTRATION

4. All systems that qualify as a public water supply system must be permitted through the department under the name of the continuing operating authority (COA). Proof of the COA must be submitted, this includes but not limited to, property deeds for the water system, registration from Secretary of State's office if a corporation owns the system, adopted covenant covering the land of each owner, or the bylaws of the association.
5. You must maintain written rates and fees and these must be publicly displayed. Fees or rates must be sufficient to operate and maintain the water system, and plan for future repairs, maintenance and expansion. A rate setting program is available from the department's regional office. The Check Up Program for Small Systems, or CUPSS, is a free, easy-to-use, asset management tool for small drinking water and wastewater utilities, usually those with fewer than 1,000 connections or 3,300 individuals, although larger utilities new to asset management may also find the software useful. CUPSS provides a simple, comprehensive approach to assist in developing a record of your assets, a schedule of required tasks, an understanding of your financial situation and a tailored asset management plan. For more information and to download the CUPSS software or order a CD, visit the CUPSS website at www.epa.gov/cupss.
6. Public meetings are to be held for changes in rate structure or service fees with advanced notice to all customers. Records of all meeting and notices of these meetings are to be kept by the water system for five years.
7. An organization chart listing the following shall be kept updated, publicly displayed, and submitted to the department: Anyone who provides drinking water functions, including elected officials, shall be included in the organization chart.
 - Name
 - Position
 - Business Address
 - Business Telephone Number
8. A person shall be designated to handle all customer complaints. This person's name, title, business address, business phone number, and the office hours shall be publicly displayed.
9. Customer complaint procedures are to be submitted to the department and publicly displayed. Customer complaint procedures should list in detail, the procedures for receiving, investigating, resolving, and recording all customer complaints. If a form is to be used to document the complaint it should be included with the complaint procedures.
10. An operational management plan consists of detailed instructions on how to run the system and troubleshoot common problems. This plan or plans should include a schedule of maintenance and equipment repair and replacement, as well as how such work shall be performed. The plan should cover staff responsibilities, how and when they are changed and all other issues concerning good management of the system. The plan should also include location, schedules and procedures for collecting samples required for bacteriological testing as well as a line flushing program. Any chemicals to be added to the public water system should have detailed instructions on the amount to be fed into the system and procedures for recording how often the residuals of the chemical are to be sampled and where the results of the sampling are to be recorded.

11. All community water systems are required to have a plan in place to ensure water service during emergency conditions. ([10 CSR 60.12.010](#)) These plans must include as minimum.
- Designation of an emergency coordinator and key personnel to be on call under emergency conditions;
 - Designation of personnel authorized to expend funds under emergency conditions;
 - A list of quarterly-updated home and office telephone numbers of:
 - emergency coordinator;
 - key operational personnel;
 - state assistance sources;
 - and local assistance sources
 - A list of alternative water systems which could be made available if the basic system were incapacitated. Evaluation and assessment of alternate water systems shall take into account:
 - accessibility for tank trucks (to include municipal, private and other sources),
 - capacity of filling facilities
 - and location of alternative facilities;
 - An inventory of all equipment available under emergency conditions; and
 - Written emergency procedures (available from the department or at www.dnr.mo.gov/env/wpp/eop/index.html)

The emergency operations plan should cover all the emergency possibilities you can think of. For example: tornado, ice storm, loss of electricity, flood, accidents resulting in bodily injury, etc. The emergency operating plan module includes checklist forms to record the persons responsible for areas within your water system's management, forms to record your service providers, and listings of a variety of service providers across the state. Time-critical backup equipment, like emergency power generators, should be on-site. You may be able to make arrangements with a vendor or neighboring system or community for less critical equipment. All neighboring systems, communities and other entities should formulate mutual aid agreements. These should cover emergency situations, such as equipment and staff sharing during times of crisis.

12. Provide an inventory of major assets including wells, intakes, storage tanks, pumps and treatment facilities.

FINANCIAL CAPACITY DEMONSTRATION

13. Confirm that Standard Accounting Principles and Practices were used in accordance with either the Generally Accepted Accounting Principles and Practices or the NARUC Uniform Systems of Accounts when the financial plan of the system was formed.
14. Provide a system for water fee collection including written rate structures and service fees. The system for water fee collection should include measures to obtain payments for nonpayment. The water fees at a minimum should include the following:
- Meter installation fees
 - Charges for water usage
 - Disconnection fees
 - Late payment fees, etc.
15. Provide an annual budget illustrating that planned revenue will cover estimated cost of operation. The budget should include at a minimum the salary of the operator, operating reserve, emergency equipment reserve, debt service reserve, cost of connecting and disconnecting customers and proposed methods to finance both capital charges and operating expenses. The annual budget should be compared to the actual budget to demonstrate that the budget covers the cost of operating the system.
16. Compare the annual budget to the actual budget. Did the annual operating revenues for the last fiscal year cover the operating costs for that year? If not, have measures been proposed to correct the budget for the next fiscal year? If so, provide the proposed measures to correct the budget.
17. Provide a five year planned budget, estimating service revenues, operating costs, reserve expenses, and debt obligation expenses. Each year the planned budget should be compared to actual revenues and expenses encountered by the public water system. The planned budget should be updated and adjusted accordingly to ensure that the revenues being generated will adequately cover the public water systems expenses.

If there is no revenue being generated by the public water system, an acknowledgement that a budget illustrating the appropriate amount of money for equipment replacement, improvements to the facility, emergency repairs, operation and maintenance shall be provided.

The department's Public Drinking Water Branch has a financial assessment tool which may be utilized upon request to analyze system financial needs based on a five year budget and capital plan. It is optional and may be used simply as a tool for information in preparing a budget and capital improvement plan. To obtain a copy of this tool, contact Public Drinking Water Branch's Permits and Engineering Section at 573-751-5331.

Water systems must maintain written rates and fees. Fees or rates must be sufficient to operate and maintain the water system, and plan for future repairs, maintenance and expansion. A rate setting program is available from the regional office. The Check Up Program for Small Systems, CUPSS, is a free, easy-to-use, asset management tool for small drinking water and wastewater utilities, usually those with fewer than 1,000 connections or 3,300 individuals, although larger utilities new to asset management may also find the software useful. CUPSS provides a simple, comprehensive approach to assist in developing a record of your assets, a schedule of required tasks, an understanding of your financial situation and a tailored asset management plan. For more information and to download the CUPSS software or order a CD, visit the CUPSS website at www.epa.gov/cupss.

The following is a list of typical revenues and expenses for possible consideration in the budget and capital improvement plan:

- Revenues: water rates; fees and service charges; hookup charges; other revenues as drinking water revenues; etc.,
- Other Funds and Resources Available: depreciation reserves; capital contribution from owner or stockholder (own source); contribution or advance from customer or others; grants; Drinking Water State Revolving Fund Loan; business loans; withdrawal from capital or other reserves
- Operating and Maintenance Expenses includes Operating Expenses and General and Administrative Expenses:
 - Operating Expenses: salaries and benefits; power and other utility; chemicals and treatment; monitoring; materials, supplies, and parts; transportation; etc.
 - General and Administrative Expenses: salaries and benefits; office supplies and postage; insurance-vehicles, liability, workers compensation; legal and accounting; contractor and professional services; fees; other deductions, income taxes, other taxes, etc.,
- Reserve Expenses: operating reserve; emergency equipment replacement reserve; and debt service reserve,
- Capital Improvement Plan Expenses: new capital facilities; renewal and replacement facilities; Safe Drinking Water Act facilities; nonfacility costs; other use of funds; etc.,
- Debt Obligation Expenses [principal and interest expenses]: repayment to customers or others; repayment of business loans; repayment of State Revolving fund loan; other use of funds; etc., and
- Funded depreciation expenses in excess of all other principal and interest payments;

18. An operating reserve at least equal to 1/10 of the total amount of the annual operating costs should be established in at least equal payments over a 10-year period.
19. Emergency equipment replacement reserves at least equal to 1/10 of the total amount of the most expensive mechanical equipment item should be established in at least equal payments over a 10-year period.
20. If applicable, specify and acknowledge the debt service reserve is either 10 percent of the principal and interest or the amount required in the bonding agreement.
21. The overall financial condition of the water system and the system's user charge rates should be analyzed periodically to ensure user rates reflect current costs of operating the water system.

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Public Drinking Water Branch
Infrastructure, Permits and Engineering Section
P.O. Box 176
Jefferson City, MO 65102-0176