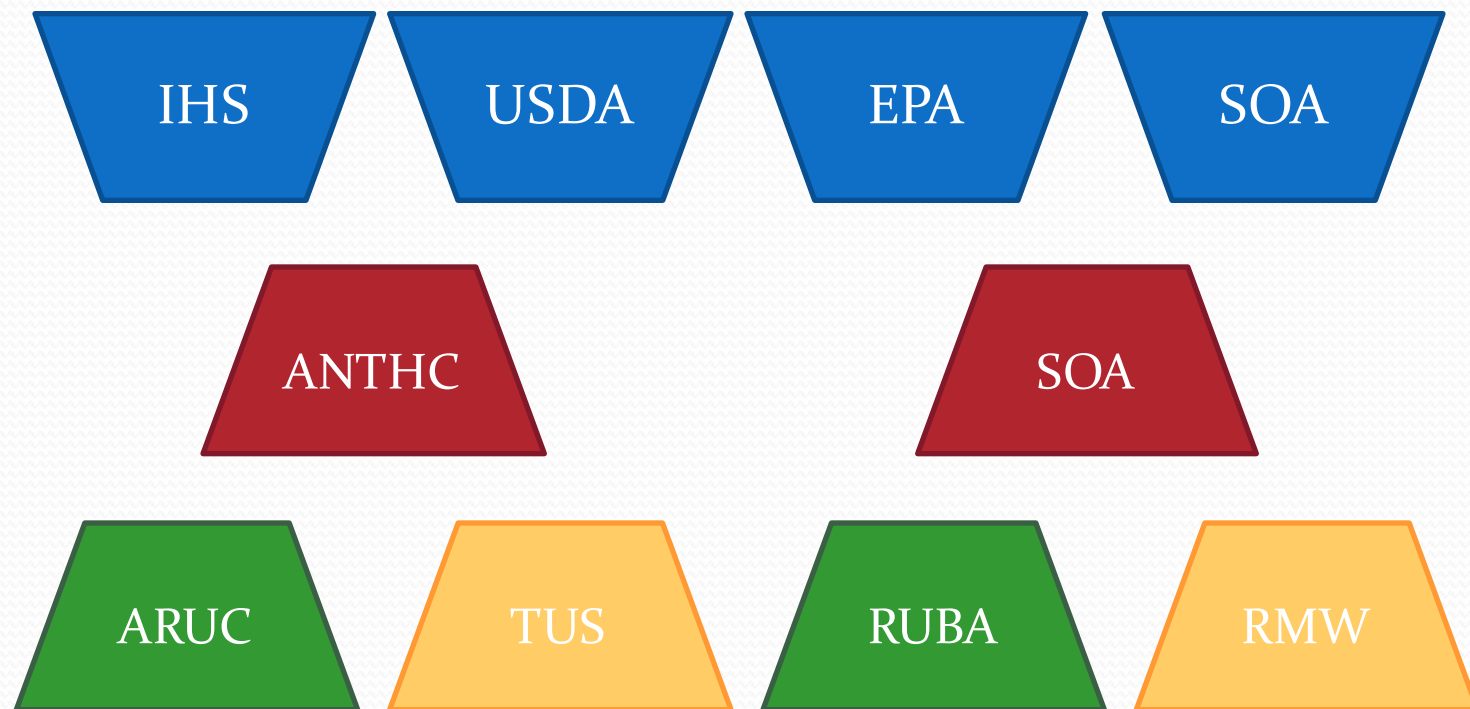


# Utility Operations & Maintenance Best Practices:

What you can do to maximize your funding opportunities

Carrie Bohan, DEC

# Shared Resources



Shared goals of protecting public health and infrastructure investments by building technical and managerial capacity.

IHS – Indian Health Service; USDA – US Department of Agriculture;  
EPA – Environmental Protection Agency; SOA – State of Alaska; ANTHC – Alaska Native Tribal Health Consortium  
ARUC - Alaska Rural Utility Collaborative; TUS - Tribal Utility Support  
RUBA - Rural Utility Business Advisor; RMW - Remote Maintenance Worker

# Primary Funding Opportunities

- Sanitation Deficiency System (SDS)
  - IHS and EPA funds
  - Annual March deadline
- Capital Improvement Project (CIP), Village Safe Water Program
  - State funding system
  - Funding sources are SOA, EPA and USDA



# Historic Project Scoring

- Drawbacks to old scoring criteria
  - Most categories were either yes or no; points or no points
  - O&M is the one category where effort by the community can impact the score
    - *BUT*, communities have to know the criteria and be proactive
    - All of the old criteria could be determined without community involvement



# New O&M Scoring Goals

- Develop a tool that can be used for evaluating communities' technical, financial and managerial capacity to own and operate a utility
- Create one set of criteria that could be use for project funding scores and replace the RUBA Assessment
- Establish criteria that reflects “Best Practices” for operating and maintaining a successful utility
- Encourage community involvement
- Offer multiple tiers of points to encourage ongoing, incremental improvements



# New O&M Scoring Criteria

- “Best Practices”
  - Three major categories
    - Technical
    - Managerial
    - Financial
  - More categories to reflect the most important aspects of a successful utility
  - Each criteria has multiple tiers, so a little improvement results in a higher score
  - All scores are 100% within the control of the community

Category		Best Practice	Points
Technical	Operator Certification	Utility has more than one operator certified to the level of the water system	10
		Primary operator is certified to the level of the water system and the backup operator holds some level of certification in water treatment or distribution	7
		Primary operator is certified to the level of the water system and the backup operator holds no certification or there is no backup operator	5
		Utility has one or more operators certified at some level in water treatment or distribution	3
		Utility has no certified operators	0
	Preventive Maintenance Plan	Utility has a written PM plan; PM is performed on schedule; records of completion are submitted on a quarterly basis and have been verified	25
		Utility has a written PM plan; performance of PM and record keeping are not consistent	15
		Utility has no PM plan or performs no PM	0
	Compliance	Utility had no Monitoring and Reporting violations during the past year	10
		Utility had up to five Monitoring and Reporting violation during the past year	5
		Utility had more than five Monitoring and Reporting violation during the last year	0
Total Technical Points			45
Managerial	Utility Management Training	A person who holds a position of responsibility for management of the utility has completed a DCRA approved Utility Management course or other utility management training course within the last five years	5
	Meetings of the Governing Body	The utility owner's governing body meets routinely consistent with the local ordinance/bylaw requirements and receives a current report from the operator	5
		The utility owner's governing body meets routinely consistent with the local ordinance/bylaw requirements	2
		The utility owner's governing body does not meet	0
Total Managerial Points			10
Financial	Budget	Utility owner and the Utility have each adopted a realistic budget and budget amendments are adopted as needed; Accurate monthly budget reports are prepared and submitted to the governing body	15
		Either the Utility or the Utility owner has adopted and implemented a budget, the other has not	13
		Either the Utility or the Utility owner has adopted a budget, but it is not being implemented	10
		Utility owner and the Utility have not adopted a budget	0
	Revenue	Utility is collecting revenue sufficient to cover the Utility's operating expenses and to contribute to a repair and replacement account	20
		Utility is collecting revenue sufficient to cover expenses	15
		Utility has a fee schedule and a collection policy that is followed	5
		Utility has no fee structure or collection policy	0
	Worker's Compensation Insurance	Utility has had a workers' compensation policy for all employees for the past two years and has a current policy in place	5
		Utility has a current workers' compensation policy in place for all employees	2
		Utility has no workers' compensation policy	0
	Payroll Liability Compliance	Utility has no past due tax liabilities and is current with all tax obligations	5
		Utility owes back taxes, but has a signed payment agreement, is current on that agreement, and is up-to-date with all other tax obligations	2
		Utility is not current with its tax obligations and/or does not have a signed repayment agreement for back taxes owed	0
Total Financial Points			45
Total Points Possible			100

# Best Practices O&M Scoring Criteria

- Technical Capacity Categories

Category		Best Practice	Points	
Technical	Operator Certification	Utility has more than one operator certified to the level of the water system	10	
		Primary operator is certified to the level of the water system and the backup operator holds some level of certification in water treatment or distribution	7	
		Primary operator is certified to the level of the water system and the backup operator holds no certification or there is no backup operator	5	
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	Compliance	Utility had no Monitoring and Reporting violations during the past year	10	
		Utility had up to five Monitoring and Reporting violation during the past year	5	
		Utility had more than five Monitoring and Reporting violation during the last year	0	
	Total Technical Points		45	

# Best Practices O&M Scoring Criteria

- Financial Capacity Categories

Managerial	<i>Utility Management Training</i>	A person who holds a position of responsibility for management of the utility has completed a DCRA approved Utility Management course or other utility management training course within the last five years	5	
	<i>Meetings of the Governing Body</i>	The utility owner's governing body meets routinely consistent with the local ordinance/bylaw requirements and receives a current report from the operator	5	
		The utility owner's governing body meets routinely consistent with the local ordinance/bylaw requirements	2	
		The utility owner's governing body does not meet	0	
	<b>Total Managerial Points</b>		<b>10</b>	



# Best Practices O&M Scoring Criteria

- Managerial Capacity Categories

Financial	<i>Budget</i>	Utility owner and the Utility have each adopted a realistic budget and budget amendments are adopted as needed; Accurate monthly budget reports are prepared and submitted to the governing body	15	
		Either the Utility or the Utility owner has adopted and implemented a budget, the other has not	13	
		Either the Utility or the Utility owner has adopted a budget, but it is not being implemented	10	
		Utility owner and the Utility have not adopted a budget	0	
	<i>Revenue</i>	Utility is collecting revenue sufficient to cover the Utility's operating expenses and to contribute to a repair and replacement account	20	
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	<i>Worker's Compensation Insurance</i>	Utility has had a workers' compensation policy for all employees for the past two years and has a current policy in place	5	
		Utility has a current workers' compensation policy in place for all employees	2	
		Utility has no workers' compensation policy	0	
	<i>Payroll Liability Compliance</i>	Utility has no past due tax liabilities and is current with all tax obligations	5	
		Utility owes back taxes, but has a signed payment agreement, is current on that agreement, and is up-to-date with all other tax obligations	2	
		Utility is not current with its tax obligations and/or does not have a signed repayment agreement for back taxes owed	0	
	<b>Total Financial Points</b>		<b>45</b>	

# Best Practices

- How to maximize funding opportunities
  - Best Practice Scores are updated semi-annually, posted online at:  
<http://dec.alaska.gov/water/OpAssist/BestPractices.html>
  - Work with RUBA staff on the financial and managerial components

RUBA website: <https://www.commerce.alaska.gov/web/dcra/ruralutilitybusinessadvisorprogramruba.aspx>

- Work with RMWs, Operator Certification and Drinking Water Program staff on technical components

RMW website: <http://dec.alaska.gov/water/rmw/index.htm>

OpCert website: <http://dec.alaska.gov/water/opcert/index.htm>

Drinking Water website: <http://dec.alaska.gov/eh/dw/index.htm>



# Best Practices

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