

Instructions for Completing for DHEC 0574 Utility Sustainability Assessment (UtSA)

Purpose:

This form collects basic information on drinking water or wastewater system operation for DHEC staff to use in the evaluation of the financial, technical and managerial capacity of systems interested in, or scheduled to enter into, a State Revolving Fund (SRF) loan. The UtSA must be submitted prior to a permit being issued by DHEC's SRF Section for one or more prospective SRF-funded projects.

Evaluation/Scoring:

An SRF staff member reviews/evaluates the assessment and assigns points according to an established scoring guide. The maximum number of points available is 100, with a score of at least 80, and affirmative answers to 4 key questions required for a determination of *Sustainable*. A system that cannot meet the above criteria is declared *Not Sustainable* and may not proceed to closing an SRF loan unless 1) the system chooses to improve its score by making improvements and submitting a revised assessment or 2) the proposed SRF project will make the system sustainable.

General Instructions:

- Answer questions based on operation of the utility at present. Where the assessment fails to capture the complete picture, additional comments or explanations to individual questions are encouraged and should be submitted as attachments.
- Return the UtSA to DHEC's SRF Section along with copies of 1) the utility's organization chart, 2) rate schedule, and 3) most recent comprehensive annual financial report.

Instructions and clarifications for answering individual questions:

Utility Name and Contact information

System Name. Self-explanatory

Combined Utility. Regardless of whether the utility is asking for only drinking water or only wastewater assistance, if the utility operates both drinking water and wastewater systems under one utility, please indicate "Y" (yes) for combined utility and fill out the survey to reflect the combined "operation".

Drinking Water System #. The drinking water system operating permit number(s)

Wastewater System #. National Pollutant Discharge Elimination System (NPDES) permit number(s) - to include No Discharge (ND) numbers, or Sanitary Sewer System (SSS) number.

Contact information. Someone who can answer questions about the information contained in the assessment.

Questions

Please note: "Don't know" is a possible answer for many questions, however an answer of "Don't know" will be considered equivalent to "No" and is strongly discouraged.

1. The term “facility” as used here includes wastewater treatment facility, surface water treatment facility, ground water extraction facility (with or without accompanying treatment), and drinking water distribution system. Wastewater collection systems, only, can indicate “NA”.

Wastewater treatment facilities will have an Environmental Classification (either Group I-IV Phys/Chem or Group I-IV Biological), which shall be reported where indicated. Similarly, drinking water facilities will have a classification (Group I-VI treatment facilities, Group I-V distribution facilities) that should also be reported where indicated.

Required operator grade(s) shall be reported for wastewater treatment facilities, water treatment plants, and drinking water distribution systems. Attach additional information as needed.

List all operators employed by the utility, either full time, part-time or on contract and their operator grades. Attach a complete list if more than 3 operators are employed.

2. Answer “Yes” if Operations and Maintenance manuals exist for all facilities and/or major processes involved in wastewater and drinking water treatment and drinking water distribution (e.g. booster pump stations). Answer “No” if there is one or more major process without an O&M manual.
3. *System income* includes recurring revenue from operations (payment for services, fees, penalties, etc.), but does not include one-time transfers from other funds or capital contributions. *Operating expenses* include actual costs incurred (salaries, maintenance, electricity, debt service, insurance, etc.). Depreciation is not included in this definition of “expenses,” but if operating income exceeds expenses even after including depreciation, then please state so.
4. Self-explanatory. If there are more than three creditors, please attach a complete list in the same format as on the form.
5. This question refers to key operating employees, such as operators, supervisors, mechanics, field personnel, etc. Administrative and other non-technical, non-essential employees (e.g. janitors, secretaries) are not to be included in answering.
6. Self-explanatory. Contact the SRF Section if clarification is required.
7. This question refers to the organization as a whole. Standard Operating Procedures (SOPs) are different from Operation and Maintenance manuals in this question. By SOP’s, the Department is asking if the organization has procedures in place for all staff to read and follow in performing routing duties and for events such as: fire, process interruption, loss of power, equipment failure, main break, etc.
8. The term “asset management plan” in this question means a listing or database of all utility assets with some or all of the following information: description, rating/specifications, purchase date, installation date, retirement date (or anticipated useful life), current condition, probability of failure, consequence of failure, backup or redundancy status/availability, maintenance schedule, depreciation schedule, salvage value, replacement/renewal strategy, etc.

9. Answer "Yes" if the system has, as part of or in the absence of a full asset management plan as described in #8 above, a list of all equipment (brand, model, type, capacity, purchase date, install date) considered to be assets.
10. Answer "Yes" if the system has, as part of or in the absence of a full asset management plan as described in #8 above, a depreciation schedule for each asset that assigns a value and an estimate of (or method for estimating) annual depreciation.
11. Answer "Yes" if the system has, as part of or in the absence of a full asset management plan as described in #8 above, a written plan that takes into account the age, condition, and remaining useful life of each piece of equipment and provides a pre-determined replacement or renewal date, so that unexpected, catastrophic equipment failure can be avoided.
12. Self-explanatory. Contact the SRF Section if clarification is required.
13. If deficiencies/violations are indicated in #12, explain in the comment section whether one of the following applies to deficiencies (or violations): 1) deficiencies have been corrected, 2) deficiencies have not been corrected but are being addressed, 3) deficiencies are not being addressed but a plan has been developed, or 4) deficiencies exist and are not being addressed and no plan exists for addressing.
14. Self-explanatory. Contact the SRF Section if clarification is required.
15. Self-explanatory. Contact the SRF Section if clarification is required.
16. The term "non-revenue water" means any loss of drinking water from the plant or distribution system that does not generate revenue for the system. Examples of non-revenue water include: filter backwashing, line flushing, unmetered destinations, leaks in distribution system, fire flow, etc. Wastewater systems, only, can indicate "NA".
17. The term "infiltration/inflow analysis" means a detailed investigation of the amount of water that infiltrates the sanitary sewer system from sources that are unknown or unaccounted for (e.g., groundwater infiltration, storm water runoff, illegal dumping into manholes, etc.). The analysis should cover the entire sewer collection system. Water systems or Wastewater treatment without collection systems can indicate "NA".
18. Self-explanatory. Contact the SRF Section if clarification is required.
19. Self-explanatory. Contact the SRF Section if clarification is required.
20. "All levels of staff," means all technical, managerial and financial staff that are responsible for various critical operations or processes in the fulfillment of the utility's mission. This term does not include administrative, janitorial, customer service, and other non-critical personnel.
21. Self-explanatory. Contact the SRF Section if clarification is required.
22. Answer "Yes" if the utility has a formal system for collecting, inventorying, addressing, and resolving customer complaints.
23. Self-explanatory. Contact the SRF Section if clarification is required.

24. Answer "Yes" if the utility has a capital improvement plan that forecasts when capital projects (e.g. new or expanded treatment plants, new or expanded collection/distribution systems, rehabilitation of existing infrastructure, etc.) will be required. Such a plan should incorporate cost estimates, timelines for implementation, any foreseeable logistical or organizational issues that will have to be addressed, and corresponding financial planning that forecasts things such as revenues, expenses, total assets, rate increases, debt burden and repayment schedules, etc., so that the utility can be prepared both financially and with respect to operations when the time comes to undertake a capital project.
 25. Self-explanatory. Contact the SRF Section if clarification is required.
 26. Self-explanatory. Contact the SRF Section if clarification is required.
 27. Self-explanatory. Contact the SRF Section if clarification is required.
 28. Answer "Yes" if the utility has the ability and foresight to set aside funds to pay for replacement of equipment or capital improvements in accordance with timelines established in either an asset management plan or a capital improvement plan.
 29. Self-explanatory. Contact the SRF Section if clarification is required.
 30. Answer "Yes" if the utility is structured in such a way that it retains its assets in a separate fund or funds from the funds of other government departments (or a general fund), and that assets (cash, facilities, equipment, etc.) are prohibited from being transferred to other funds or departments or used or spent by the utility for activities unrelated to utility operations. If this is not the case, and assets are or have been transferred away from the utility to other departments (i.e., a "No" answer), then an explanation is requested.
 31. Answer "Yes" if the utility generates sufficient revenue (charges for services, fees, etc.) to cover its expenses, or if transfers of assets from other funds or departments to the utility have been necessary to support continued operations. If transfers from other funds are or have been necessary (i.e., a "No" answer), then an explanation is requested.
 32. Self-explanatory for most utilities. However, if a wastewater utility doesn't determine its own rates, or bases its rates on a drinking water rate structure, please respond to this question as the authority responsible for evaluating and setting rates would respond.
 33. Self-explanatory. Contact the SRF Section if clarification is required.
 34. Self-explanatory for most utilities. However, where a wastewater utility serves customers that are on wells or for some other reason do not have water meters, please provide an explanation of how sewer charges are determined for these customers.
 35. Self-explanatory. Contact the SRF Section if clarification is required.
 36. Self-explanatory. Contact the SRF Section if clarification is required.
- Comments and Signature. Self-explanatory.

Office Mechanics and Filing:

A fillable PDF file is available via RIMS. A link to the form is posted on the DHEC website.

The form will be scored and filed in the Loan File for any active SRF project(s) of the submitting utility. As part of the Project Management Record this form will be retained for 3 years following the final disbursement to the project from the SC Budget and Control Board (under retention schedule 08283).