

**Capacity Assessment Form**  
**Small System Technical Assistant Contract**  
**Financial and Managerial Capacity**  
(Revised 4/00)

**Water System Information**

Name of Water System \_\_\_\_\_

PWS ID# \_\_\_\_\_

Contact Name \_\_\_\_\_

Contact Title \_\_\_\_\_

Contact Phone \_\_\_\_\_

1. How long has the water system been in existence? \_\_\_\_\_

2. How long has it been under the current ownership? \_\_\_\_\_

3. How was the water system started? \_\_\_\_\_

4. What is the oldest component of the water system? \_\_\_\_\_  
How old is it? \_\_\_\_\_

5. Please list all critical facilities in the water system that, if they fail, would create an immediate public health risk, and the estimated cost of repair or replacement.

\_\_\_\_\_

Arkansas Department of Health

\_\_\_\_\_

6. Are the well sites, plant sites, reservoirs, etc., owned by the water system with conveyable title? \_\_\_\_\_ Yes \_\_\_\_\_ No If no, state the nature of the lease or other arrangement for use. \_\_\_\_\_

7. Does the water system have and record all easements? \_\_\_\_\_ Yes \_\_\_\_\_ No

**Staffing and Organization**

8. Number of full-time employees: \_\_\_\_\_

9. Number of Part-time employees: \_\_\_\_\_ Total hours per week \_\_\_\_\_



17. Who is responsible for policy decisions (*name and title*)?

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18. Please list the type of written policies your water system has that governs its operations:

*Examples: Policies that define the conditions for obtaining new service, the water system's responsibility to the customer, customer responsibilities, etc.*

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19. Who is responsible for ensuring compliance with state regulatory requirements (*name and title*)?

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20. Who is responsible for day-to-day operation of the water system (*name and title*)?

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21. What is the process for obtaining or repairing equipment? \_\_\_\_\_

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22. Who is responsible for hiring and firing staff? \_\_\_\_\_

23. Does the individual in charge of system operation have other responsibilities unrelated to the water system?         Yes     No

If yes to 23, please describe (or attach) these responsibilities and indicate how much time in an average week is dedicated to the operation on the water system:

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24. Type of governing board: \_\_\_\_\_  
 Number of members on governing board: \_\_\_\_\_  
 Does the governing board meet on a regular basis? \_\_\_\_\_ Yes \_\_\_\_\_ No  
 If yes, how often? \_\_\_\_\_

25. What are the qualifications for being eligible to be a member of the governing board?

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26. Are elections held for positions on the governing board? \_\_\_\_\_ Yes \_\_\_\_\_ No  
 If yes, how often? \_\_\_\_\_

27. When was the last time that an election was contested? \_\_\_\_\_

28. Name the members of the governing board, occupation and years of service:

<u>Name</u>	<u>Occupation</u>	<u>Years Served</u>

29. What type of compensation/reimbursements do the directors receive?

Y/ N	In By-Laws?	Y/ N
_____	Travel Reimbursement	_____
_____	Per diem	_____
_____	Salary	_____
_____	Other _____	_____

30. How are minutes taken at the Board Meeting?

- Tape Recording
- Notes by Secretary
- Notes by Other \_\_\_\_\_
- No minutes taken
- Other method \_\_\_\_\_

31. Who sets the agenda for the meeting? \_\_\_\_\_

32. Does the operator/superintendent provide a monthly report to the board summarizing aspects of system operation, major problems, results of monitoring/testing, etc.?

- Yes     No

33. Does the system bookkeeper provide a monthly financial report to the board?

- Yes     No

34. Estimated percentage of meetings that have attendees from the general public or customers \_\_\_\_\_%.

35. Are the meetings held in a location that is normally open to the public (not a private office or home)?     Yes     No    \_\_\_\_\_% of the time

36. Are the meetings held in a location that is within the water system's service area?

- Yes     No

37. Are the meetings held at a time that is generally acceptable to board members and customers?     Yes     No

38. How are By-Laws changed? \_\_\_\_\_

39. Are there any others that participate in the governing or administration of the water system?     Yes     No    If yes, please list and describe what role the person(s) has in governing or administering. \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**Ownership**

40. Please describe the ownership characteristics of your system (e.g., sole proprietorship, partnership, corporation, mutual, governmental agency) and the name of the owner(s).

Type of ownership: \_\_\_\_\_

\_\_\_\_\_

Name of owner(s) or controlling agency: \_\_\_\_\_

41. Please list any public water systems that used to be, or currently are, under the same ownership, along with corresponding dates of ownership.

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42. Please list any public water systems that used to be, or currently are, operated by you under contract for another owner.

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43. **Systems under temporary (e.g., developer) ownership:**

a) Has future ownership been determined?  
\_\_\_\_\_ Yes \_\_\_\_\_ No \_\_\_\_\_ Not Applicable

(If no to 43(a), please answer "Not Applicable" to Questions 43(b-c) and continue with Question 44.)

b) Who will the future owner be? \_\_\_\_\_

\_\_\_\_\_ Not Applicable

c) If a future owner has been determined, has the schedule for transfer of ownership from you to the future owner been developed?

\_\_\_\_\_ Yes \_\_\_\_\_ No \_\_\_\_\_ Not Applicable

44. **Systems that use, but do not own, land or facilities that are essential to water system operation:** Do you have a valid long-term contract (i.e., lease) between your water system and the owner of the land or facilities essential to the operation of your system?

\_\_\_\_\_ Yes \_\_\_\_\_ No \_\_\_\_\_ Not Applicable

If Yes, please indicate the number of years remaining on the lease. \_\_\_\_\_

45. **Systems with a single proprietor:** Does your system have a contingency plan for continuing system operation in the event the owner becomes incapable of carrying out his/her responsibilities? \_\_\_\_\_ Yes \_\_\_\_\_ No \_\_\_\_\_ Not Applicable

### **External Linkages**

46. Is your water system or any of the people associated with the water system members of technical or professional societies that are related to water utilities (e.g. American Water Works Association, Arkansas Rural Water Association, Arkansas Municipal League, AWW&WEA, etc.)

\_\_\_\_\_ Yes \_\_\_\_\_ No

47. If yes, please list associations of which the water system or its personnel are members.

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48. Are any staff members active in the society(ies) (i.e. serve as officer or regularly attend meetings)?  Yes  No

49. Does the water system partner, either formally or informally, with another water system(s)?  Yes  No

50. If yes, please list the water system(s) with which partnerships exist and give a brief description of the particular areas of assistance.

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51. In what ways do you interact with the Arkansas Department of Health in the operation of your water system in a routine year? (check all that apply)

Phone calls to specific contacts at the Department of Health

Letters to the Department of Health

Visit to field office or central office of the Department of Health

Meetings with Department of Health staff

Read Department of Health publications

Through the Sanitary Survey process

Through the enforcement process

Other \_\_\_\_\_

No interaction

52. Do you know the names of the personnel at the Department of Health that you deal with most often?  Yes  No

If Yes, who? \_\_\_\_\_

53. Is the water system accessible by phone at all times to all customers?  
 Yes  No What are the customer emergency procedures? \_\_\_\_\_

54. Are there regular business hours?  Yes  No If yes, what are they?  
\_\_\_\_\_

55. Is there an application form or other formal process to apply for service?  
 Yes  No

56. Do you serve all qualified applicants within your boundaries?  Yes  No

57. Do you log complaints?  Yes  No

58. How many taste and odor complaints do you receive monthly? \_\_\_\_\_

59. Do you know the basis for these complaints?  Yes  No  
Is it controllable?  Yes  No

60. Are there other complaints based on the quality of the water?  Yes  No

If yes, please describe. \_\_\_\_\_

61. What are the most frequent water quantity complaints? \_\_\_\_\_

62. How many water quantity complaints does the water system receive monthly? \_\_\_\_\_

63. Do you know the basis for these complaints?  Yes  No  
Is it controllable?  Yes  No

64. What are the most frequent service and billing complaints? \_\_\_\_\_

65. How are customer complaints handled and resolved? \_\_\_\_\_

66. Do you notify customers prior to shutting down the system for repairs?  
 Yes  No  Sometimes  Only if for more than \_\_\_\_\_ hours.

### **Staff Training**

67. Are there enough properly licensed operators, as outlined in Arkansas' *Rules and Regulations Pertaining to Water Operator Licensing*, for the operation of your system?  
 Yes  No



68. What is your plan to acquire the services of enough properly licensed operators to satisfy the Health Departments requirements? \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

69. Does your system have a continuing education plan for:

System manager(s)?	_____ Yes	_____ No	_____ Not Applicable
System operator(s)?	_____ Yes	_____ No	_____ Not Applicable
Other system employees?	_____ Yes	_____ No	_____ Not Applicable
Governing board members?	_____ Yes	_____ No	_____ Not Applicable

70. Does the manager of your water system have experience with or training in:

Utility management?	_____ Yes	_____ No	_____ Not Applicable
Drinking water regulations?	_____ Yes	_____ No	_____ Not Applicable
Resource management (i.e., personnel, budget, facilities)?	_____ Yes	_____ No	_____ Not Applicable

71. Please attach documentation for training and continuing education for all system personnel.

**Record Keeping**

72. Are water utility records kept? \_\_\_\_\_ Yes \_\_\_\_\_ No

73. Are water utility records kept segregated from all other businesses or accounts?  
 \_\_\_\_\_ Yes \_\_\_\_\_ No

74. What is the primary record keeping method?  
 \_\_\_\_\_ computer \_\_\_\_\_ manual \_\_\_\_\_ combination

75. Are the records accessible to the public during normal business hours?  
 \_\_\_\_\_ Yes \_\_\_\_\_ No

76. Are the records easily accessible to personnel (i.e., in a computer database or organized file cabinet)? \_\_\_\_\_ Yes \_\_\_\_\_ No

**Planning**

77. Do you have a **written** Long-Range Plan as required in the *Arkansas Rules and Regulations Pertaining to Public Water Systems*? \_\_\_\_\_ Yes \_\_\_\_\_ No

78. Is the Long-Range Plan used in the calculation of rates? \_\_\_\_\_ Yes \_\_\_\_\_ No  
 In the calculation of reserve account? \_\_\_\_\_ Yes \_\_\_\_\_ No

79. Is the Long-Range Plan consistent with:

a) Local land use plans developed by the county in which your system is located?  
 \_\_\_\_\_ Yes \_\_\_\_\_ No \_\_\_\_\_ Not Applicable

b) Local water use plans developed by the county in which your system is located?  
 \_\_\_\_\_ Yes \_\_\_\_\_ No \_\_\_\_\_ Not Applicable

80. If the system's average day demand exceeds 80 percent of rated capacity, do you have a schedule of capital improvements (including costs and time frames) to address the needed additional capacity?

Yes  No  Don't know if exceeds  Not Applicable

81. Do you have a **written** Emergency Plan as required in the *Arkansas Rules and Regulations Pertaining to Public Water Systems*?  Yes  No

82. Does your Emergency Response Plan:

a) Address all of the emergencies that have historically occurred in your service area?

b) Designate responsible personnel in the event of an emergency?  
 Yes  No  Not Applicable

c) Contain a clear chain of command, a detailed communication network, and a description of employee responsibilities in the event of an emergency?  
 Yes  No  Not Applicable

d) Include an inventory of system resources that are available for use during emergencies?  
 Yes  No  Not Applicable

e) Include a description (location, schematic diagrams, and supplier) of system resources that are available for use during emergencies?  
 Yes  No  Not Applicable

f) Provide for emergency phone and radio capabilities?  
 Yes  No  Not Applicable

g) Designate the location of an emergency operations center?  
 Yes  No  Not Applicable

h) Detail coordination procedures with governmental agencies for health and safety protection and technical, legal, and financial assistance?  
 Yes  No  Not Applicable

i) Describe public notification procedures?  
 Yes  No  Not Applicable

j) Detail damage assessment procedures for your facilities?  
 Yes  No  Not Applicable

k) Detail the procedures used to monitor the progress of repair and restoration efforts?  
 Yes  No  Not Applicable

l) Describe the manner in which documentation of damage and repairs must be completed?  Yes  No  Not Applicable

m) Provide for follow-up (i.e., resumption of normal service, submission of appropriate reports, etc.) after the emergency has ended?  
 Yes  No  Not Applicable

n) **Non-community water systems**: Provide for the cessation of service until the water system is restored in the event of an emergency?  
 Yes  No  Not Applicable

83. Do you have any emergency contract agreements under which your system operates (e.g., emergency water interconnections and alternative sources)?  
 Yes  No  Not Applicable

84. Does your system belong to any emergency mutual aid organizations?  
 Yes  No  Not Applicable

85. Does the water system have a prioritized Capital Improvement and Equipment Replacement Plan?  Yes  No  
If yes, what time period does it cover? \_\_\_\_\_ year(s)

86. Have you identified all system components and facilities that will require construction within the coming five years including the following:  
 New Capital Facilities?  
 Renewal and Replacement Facilities?  
 Safe Drinking Water Act Facilities?  
 Non-Facility Costs?  
 Other(Specify) \_\_\_\_\_

87. Have funding sources been identified for all identified system components checked in question 86?  Yes  No

88. How did your water system finance its last major repair or improvement?  
 Commercial bank loan  
 Bonded Debt  
 USDA RD Grant/Loan  
 Other state or federal loan/grant programs (specify) \_\_\_\_\_  
 Bonds  
 Reserve Account  
 Surcharge  
 Personal Capital  
 Revenue from other activities (specify) \_\_\_\_\_  
 Other (Please Specify) \_\_\_\_\_

89. Please list the names of the public water systems you have identified in the proximity of your water system.  
\_\_\_\_\_  
\_\_\_\_\_

90. Have you examined the feasibility of:

a) Incorporating your water system with one of these existing water systems?  
 Yes  No

b) Selling ownership of your system to an existing water system?  
 Yes  No

c) Contracting for the management or operation of your system with an existing system or satellite management/operations agency?  
 Yes  No

**Budgeting and Revenues**

91. Do you have an operating budget?  
 Yes (Check all that apply)  No  
 Annual  
 Quarterly  
 Monthly  
 As Needed for Financing or other purposes

92. Does your system have a 5-year budget projection?  
 Yes  No

93. Are revenues that are contingent upon a vote of system users excluded from the budget projection?  Yes  No

94. Are projected revenues consistent with the 10-year growth projection for your system?  
 Yes  No

95. Are projected capital expenses consistent with your system's Capital Improvement and Equipment Replacement Plan?  Yes  No

96. Is your budget used in the calculation of rates?  Yes  No

97. Do your rates fully cover the cost of service?  
 Yes  No  Don't Know

98. If revenues exceed expenses, what happens to the surplus?  
 Used for system repairs and replacements  
 Placed in Fund Balance for contingencies  
 Rates lowered  
 Other (Specify) \_\_\_\_\_

99. If no to 97, what other sources of funding do you use? (Check all that apply)  
 taxes  
 fees  
 funds from other business  
 personal funds  
 other (please specify) \_\_\_\_\_

100. Within the past year did you spend more than budgeted?  Yes  No

If yes, why and by how much? \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

101. If no to 97 or yes to 100, how did you cover the shortfall?  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

102. What type of special fees does your water system have? How much are they?

Connection Fees \$ \_\_\_\_\_  
 Impact Fees \$ \_\_\_\_\_  
 Stand-by Fees \$ \_\_\_\_\_  
 Other (Specify) \_\_\_\_\_ \$ \_\_\_\_\_

103. Are revenues being transferred to the General Fund or used for purposes other than the water system?  Yes  No

104. Does your system retain budget information for at least two years?

Yes  No  Not Applicable

105. Do you prepare an annual consolidated financial statement for your system?

Yes  No

**Rates**

106. What type of rate do you have?

Fixed Rate  
 Variable Rate  
 Declining Block Rate  
 Increasing Block Rate  
 Other (Please Specify \_\_\_\_\_)

107. What are your average rates for residential, commercial, and industrial on a monthly basis?

Residential (5/8")	Commercial (>=1")	Industrial (>2")	
			a. Base cost (Minimum Charge)
			b1. Price per thousand gallons (level one)
			b2. Price per thousand gallons (level two)
			b3. Price per thousand gallons (level three)
			c. Cost for 5,000 gallons
			d. Flat Fee

108. What is the number of gallons pumped per month? \_\_\_\_\_

109. What is the number of gallons sold per month? \_\_\_\_\_

110. What is the total number of connections?

Residential  Commercial  Industrial

111. What are rates based on?

- Capital Improvement Plan and Annual Budget
- Annual Budget Only
- Anticipated Needs Next Year
- Last Year's Expenses
- Cash on Hand
- Not Sure
- Other (Please Specify \_\_\_\_\_)

112. What are the dates of the last rate increases?

\_\_\_\_ / \_\_\_\_ / \_\_\_\_ Rate Increase

\_\_\_\_ / \_\_\_\_ / \_\_\_\_ Rate Increase

113. How often are the rates reviewed?

- Annually or more frequently
- Every 2 years
- When cash is low
- When major improvements are needed
- Other(Please Specify \_\_\_\_\_)

114. What resources are used in reviewing and setting rates?

- Rate Study prepared by consultant
- Rate Study prepared in-house
- In-house accounting staff prepares review and proposal
- PWS operator or manager prepares review and proposal
- Engineer prepares review and proposal
- Technical Assistance Provider prepares review and proposal
- Other \_\_\_\_\_

115. Is the total customers you serve this year (compared to last year):

- increasing?
- decreasing?
- staying the same?
- don't know

116. What is the collection rate? \_\_\_\_\_ % \_\_\_\_\_ Don't Know

117. Does your system have a **written** policy for notice and termination for non-payment?

\_\_\_\_\_ Yes \_\_\_\_\_ No

118. How many disconnects do you average per month? (estimate) \_\_\_\_\_

119. Is every connection metered?

\_\_\_\_\_ Yes \_\_\_\_\_ No If no, how many are non-metered? \_\_\_\_\_

120. Do you have a process to check for non-metered connections?

\_\_\_\_\_ Yes \_\_\_\_\_ No \_\_\_\_\_ Not Applicable

**General Financial Condition**

121. What were your annual revenues in the last fiscal year? \_\_\_\_\_

122. What were your annual expenses in the last fiscal year? \_\_\_\_\_

123. What is the amount of debt outstanding as of (DATE) \_\_\_\_\_

<u>Type of Debt</u>	<u>Creditors</u>	<u>Avg. Int. Rate</u>	<u>Term</u>	<u>Remaining Principal Due</u>
_____	_____	_____ %	_____	_____
_____	_____	_____ %	_____	_____
_____	_____	_____ %	_____	_____
_____	_____	_____ %	_____	_____

124. Have you defaulted in any debt repayments in the last 5 years?  
 Yes     No (If yes, state circumstances and current status.)

\_\_\_\_\_

\_\_\_\_\_

125. What grants have you received or applied for in the last year? For what purpose?

<u>Grant Received</u>	<u>Purpose</u>
_____	_____
_____	_____
_____	_____



**Reserve Accounts**

126. Do you have a reserve account?     Yes     No

127. If yes, How do you determine the amount to put into the account?  
 Fixed Amount  
 Percentage of Revenues  
 Percentage of Expenses  
 Other (Please Specify) \_\_\_\_\_

128. If yes to 126 what type(s) of reserve account(s) do you have?  
 Operation and Maintenance  
 Capital Projects  
 Debt Service  
 Other (Please Specify) \_\_\_\_\_

129. What are the current account balances for any reserve accounts that you have (equipment replacement, debt service reserve, capital reserve, etc.)? \_\_\_\_\_  
\_\_\_\_\_

130. Does the water system have cash on hand or ready access to cash in the case of an emergency? \_\_\_\_\_ Yes \_\_\_\_\_ No

If yes, how much? \$ \_\_\_\_\_

131. Is emergency reserve funding consistent with your system's Emergency Plan? \_\_\_\_\_ Yes \_\_\_\_\_ No \_\_\_\_\_ Not Applicable

**Audits and Other Budget Controls**

132. Does the system have a certified audit for a fiscal year end (FYE) within the past 12 months? \_\_\_\_\_ Yes \_\_\_\_\_ No \_\_\_\_\_ In Process \_\_\_\_\_ Last FYE

133. Does the governing board review and approve the audit? \_\_\_\_\_ Yes \_\_\_\_\_ No

134. If annual audits are not prepared, does the system prepare any of the following annual financial statements:

- \_\_\_\_\_ Balance Sheet
- \_\_\_\_\_ Revenue and Expense (Expenditures)
- \_\_\_\_\_ Cash Flow
- \_\_\_\_\_ Comparison of Actual to Budget
- \_\_\_\_\_ Other (Specify) \_\_\_\_\_

135. Does your water system have any other budget controls? If yes, describe.

\_\_\_\_\_ Yes (Describe) \_\_\_\_\_  
\_\_\_\_\_ No

136. If yes to 135, are written reports required as part of budget control efforts? \_\_\_\_\_ Yes \_\_\_\_\_ No

137. Does your water system have a means to prevent commingling of revenue sources? \_\_\_\_\_ Yes \_\_\_\_\_ No

**Summary**

Please provide any other relevant comments. \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
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\_\_\_\_\_