



UTAH DEPARTMENT *of*
ENVIRONMENTAL QUALITY
**DRINKING
WATER**

Asset Management in the State of Utah





Michael J. Grange, P.E.
Infrastructure Funding Section
Utah Division of Drinking Water

CIFA SRF Workshop
Oklahoma City, OK
November 13, 2023

Asset Management and AWIA

- AWIA required states to modify their drinking water program to “include as appropriate asset management into their state capacity development strategies.”
- Revised strategy documents were due to EPA region offices by December 31, 2021
 - Later modified to December 2022



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C. 20460

DEC - 2 2019

OFFICE OF WATER

MEMORANDUM

SUBJECT: Implementation of Capacity Development Program – Related Safe Drinking Water Act Amendments in the America’s Water Infrastructure Act

FROM: Jennifer L. McLain, Director
Office of Ground Water and Drinking Water

A handwritten signature in blue ink, appearing to read 'Jennifer L. McLain'.

TO: Water Division Directors
Regions I-X

The 2018 America’s Water Infrastructure Act (AWIA), Section 2012, requires state drinking water programs to consider and include as appropriate asset management into their state capacity development strategies. Consistent with this statutory change, state drinking water programs are expected to revise their capacity development strategies to include a description of how asset management will be promoted through addressing the five-core-question framework of asset management¹ explained in the attachment. State drinking water programs are expected to submit their revised capacity development strategy to their U.S. Environmental Protection Agency (EPA) regional office for approval by December 31, 2021.

This memorandum assists the EPA and states in implementing the AWIA requirements. The attachment to this memorandum describes the approaches and methods for asset management promotion and training that are consistent with the AWIA requirements. The attachment also presents important considerations that primacy agencies and public water systems should evaluate before pursuing asset management. The EPA Regions should share this information with their primacy agencies. The Office of Ground Water and Drinking Water (OGWDW) conducted outreach with states to learn more about current asset management promotion approaches and possible implementation challenges to revising capacity development strategies, and OGWDW has used the information learned to develop this memo.

Background

Technical, managerial, and financial (TMF) capacity is necessary for a water system to continuously provide safe, reliable drinking water. The Safe Drinking Water Information System (SDWIS) data (reported by the states) show that operational issues account for an increasing number of health-based violations. This is especially true for very small water systems, which can be more challenged to quickly resolve the underlying issues. TMF capacity building includes asset management planning.

¹ The five-core-question framework is a good starting point for any system; the framework walks a system through all the major activities associated with asset management. Visit: <https://nepis.epa.gov/Exe/ZyPdf.cgi?Dockey=P1000LTX.txt>

Asset Management and AWIA

- Utah began updating its Strategy in mid-2021
- Also updating the required rules
 - Drinking Water SRF Rules
 - Federal Program
 - State Program
 - Capacity Development Rule
- State Legislature introducing a bill mandating asset management in its 2022 session

Enrolled Copy

H.B. 269

1 CAPITAL ASSETS RELATED TO WATER
2 2022 GENERAL SESSION
3 STATE OF UTAH
4 Chief Sponsor: Keven J. Stratton
5 Senate Sponsor: Scott D. Sandall

6
7 **LONG TITLE**

8 **General Description:**

9 This bill addresses management of capital assets related to water.

10 **Highlighted Provisions:**

11 This bill:

12 ▶ defines terms;

13 ▶ requires wastewater service providers or water providers to commit to adopt capital
14 asset management plans under certain circumstances;

15 ▶ requires rulemaking related to capital asset management plans;

16 ▶ addresses the scope of certain provisions;

17 ▶ requires participation in surveys or evaluations;

18 ▶ establishes a review and report related to capital asset management; and

19 ▶ makes technical changes.

20 **Money Appropriated in this Bill:**

21 None

22 **Other Special Clauses:**

23 None

24 **Utah Code Sections Affected:**

25 AMENDS:

26 73-10c-3, as last amended by Laws of Utah 2012, Chapter 212

27 ENACTS:

28 19-5-201, Utah Code Annotated 1953

29 19-5-202, Utah Code Annotated 1953

Asset Management and AWIA

- Final Strategy Document submitted to EPA December 2022

State of Utah

*Capacity Development Strategy
for New and Existing Systems*

Utah Department of Environmental Quality

Division of Drinking Water

Salt Lake City, UT

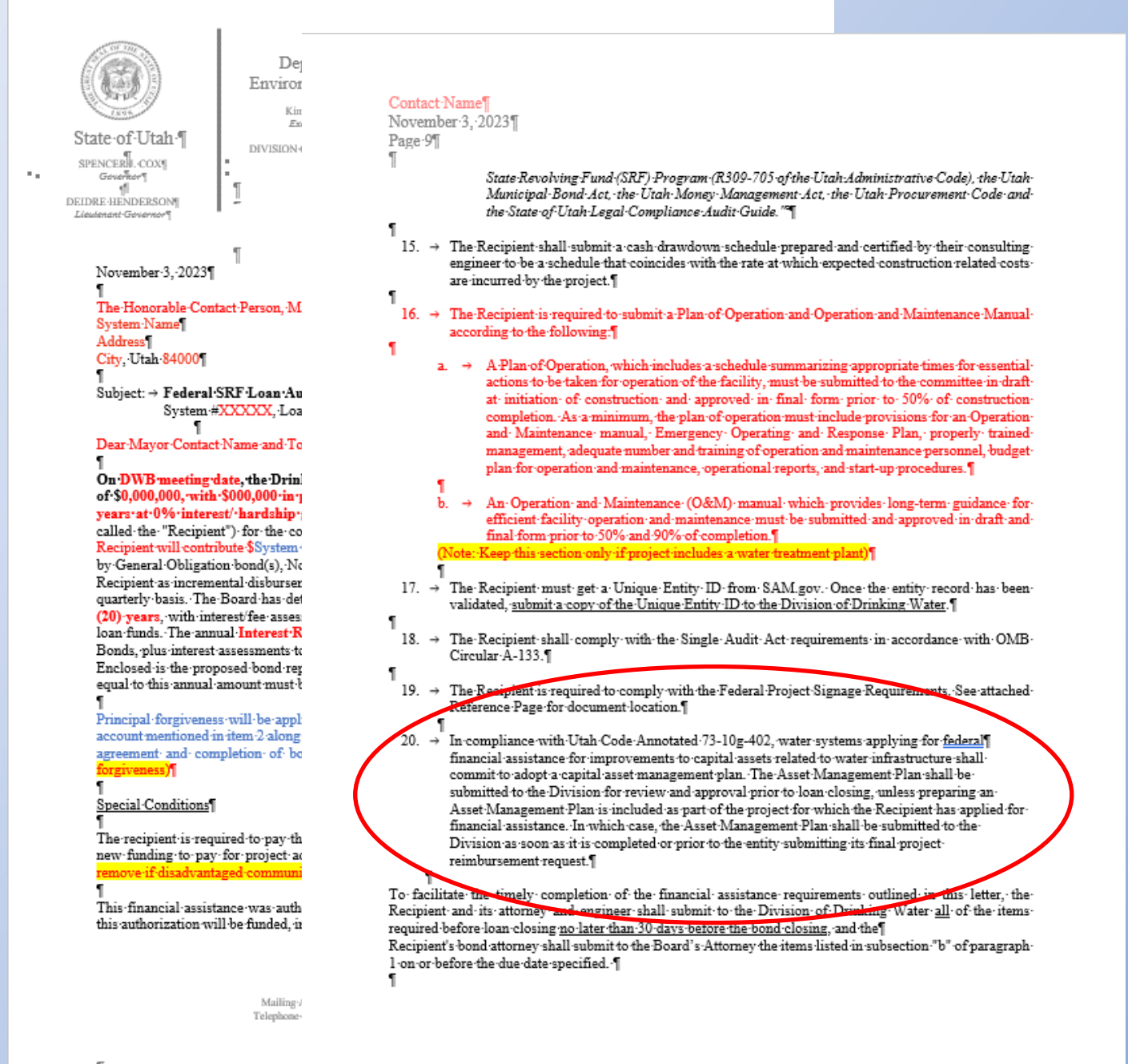
December 2022

..... Section Break (Next Page)



Asset Management and AWIA

- Updated Program Rules became effective May 22, 2023
- Updated program letters, forms, and checklists to implement asset management



Asset Management and AWIA

- Updated program letters, forms, and checklists to implement asset management

Pre-Closing Conference Call Checklist

Bond Counsel	Bill Prater	(801) 566-8882	bill@billprater.com
Borrower Bond Counsel			
DDW Manager	Michael Grange	(801) 674-2563	mgrange@utah.gov
DDW Project Manager			
System Presiding Official			
System Treasurer/Recorder			
Project Engineer			
Environmental Consultant			

Project: _____

Funding: _____

Notes: _____

Target Dates: _____

System To-Do

Engineer To-Do

DDW To-Do

	Task Description	Responsible Party	Target Date	Comments
0	Capacity Assessment	DDW		NA for State
1	DWB Authorization Letter	DDW		
2	Discuss conditions on funding and timeframe to resolve	DDW		
3	Submit Engineering Report / Master Plan	Engineer		Must include ownership of
4	Submit Water Conservation Plan	System		
5	Submit Asset Management Plan	System		
6	Submit Emergency Response Plan	System		NA < 3300 population
7	Submit Engineering Contract	Engineer		
Legal				
8	Submit Verification of Water Rights	Engineer		Consulting engineer provide
9	Register for a Unique Entity ID at SAM.gov	System		NA for State, required for
10	Submit copy of Project Notification to users / water bill insert	System		
11	Submit copy of Minutes showing public support of project	System		
12	Submit copy of Minutes from Rate Increase Hearing	System		

Asset Management and AWIA

- Updated program letters, forms, and checklists to implement asset management

DEPARTMENT OF ENVIRONMENTAL QUALITY
 DIVISION OF WATER
 STATE PROJECTS

Project Name

Payment Request No.

Reviewer

Yes/Adequate

1 Are the correct certification forms submitted?

2 Are the certification forms (B1, B2) submitted by an individual?

3 Has the community met all of the requirements of the AWIA?

4 Are all costs identified in the distribution invoices/construction estimates?

5 Are construction estimates of work prepared by a professional engineering firm and the contractor?

6 Have all change orders for which the contractor is responsible been submitted to the Project Cost Tracking Sheet?

7 Do the unit prices on the construction bid proposals and approved change orders match the approved unit prices?

8 Are quantities on pay request equal to quantities on approved change orders? Have they been negotiated?

9 Has the physical existence of materials been verified?

10 Are all the costs identified in the pay request in accordance with the approved change orders?

11 If costs identified in the request are determined to be force account costs, was a force account proposal approved? (Use of water system labor) PM

12 Are the cumulative costs for each contracted service or purchase within the contract ceiling? PM

13 Date of last inspection: By: PM

14 Did the latest inspection determine that construction was proceeding without discrepancies which must be corrected prior to further payment? PM

15 Are there sufficient funds in the project budget to complete the project? (bank/escrow reconciliation worksheet attached) PM

16 Does the request include a cost which was incurred as a direct result of unapproved extended construction periods? If so, should it be paid from liquidated damages? PM

17 If land is being acquired for this project, have the provisions of the Uniform Relocation Assistance and Real Property Acquisition Act (40CFR pt. 4) been adhered to? (must be a willing seller, if eminent domain was used, will not be eligible for SRF funds) PM

18 FOR FINAL PAY REQUESTS VERIFY THE FOLLOWING:

Final Inspection report with all the pending items addressed? PM

Certificate of Completion from the Engineer? PM

Lien releases secured from Contractors, Subcontractors & Suppliers? PM
Private water systems only

Have the appropriate DBE Report(s) been submitted and are they up-to-date? (DBE- N/A FOR STATE PROJECTS) PC

System Asset Management Plan Submitted? PM

I certify to the best of my knowledge and belief, this disbursement request has not been previously requested and should be made in accordance with the loan conditions.

Date Project Engineer

Date Accounting

Print Form

Asset Management and AWIA

- Updated Capacity Assessment Worksheets to implement asset management

Asset Management for your System

Please mark () the appropriate box: Yes, No, or Unknown for each section. Please try to determine the answer to every question. If a section or question does not apply to your system, please write NA for not applicable.

Use additional sheets as required. Section Break (Continuous).....

Asset Management Plan	Yes	No	Unknown
Do you have an Asset Management Plan?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
If Yes, do you know when it was last updated?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Plan Updated: <input style="width: 100px;" type="text"/>			
If Yes, how often do you review your plan?			
Plan Reviewed: <input style="width: 100px;" type="text"/>			
If No or Unknown, when do you expect to have an Asset Management Plan in place?			
Plan in Place: <input style="width: 100px;" type="text"/>			
The Current State of System Assets			
Does your Plan include location, size, type, and age for all water lines in your system?			
Transmission Lines	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Main Distribution Lines	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Service Lines (where applicable)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Does your Plan include location, size, material, and age for all storage tanks in your system?			
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Does your Plan include location, type, and age for all sources in your system?			
Wells	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Springs	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
List Type(s): <input style="width: 100px;" type="text"/>			
Does your system require disinfection?			
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
If yes, does your plan include location, type, and age, for all disinfection facilities in your system?			
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Does your system require treatment?			
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
If yes, does your plan include location, type, and age for all treatment facilities in your system?			
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Does your system include pump stations? (Not associated with wells)			
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
If yes, does your plan include location, type, size, and age for all pump stations in your system?			
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Does your system include pressure-reducing valves, altitude valves, air-release/vacuum-relief valves, isolation valves or other valves?			
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
If yes, does your plan include location, type, size, and age for all valves in your system?			
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Page Break			