

# Office of Sustainable Water Solutions

## Newsletter

October 2016  
Issue 10

### Drinking Water State Revolving Fund (DWSRF)

<http://www.waterboards.ca.gov/dwsrf>



STATE WATER RESOURCES CONTROL BOARD  
REGIONAL WATER QUALITY CONTROL BOARDS

### Clean Water State Revolving Fund (CWSRF)

<http://www.waterboards.ca.gov/cwsrf>



## CONTRACTS FOR PROFESSIONAL ENGINEERING SERVICES

**Contracts for Professional Engineering Services and the Drinking Water State Revolving Fund (DWSRF)/Prop. 1** Applicants for funding are now required to submit a contract for professional engineering services between the funding recipient and its engineering consultant(s) unless waived for good cause by the Deputy Director of the Division of Financial Assistance (DFA). Applicants will generally be required to submit their contract(s) for professional engineering services **before** costs associated with such contracts are reimbursed by the State. The engineering contract(s) shall include the scope of work, cost, and deliverable due dates in addition to the information required by law.



*DFA will review the budgets in the engineering contract(s) and identify costs that are ineligible or that raise questions related to waste, fraud, or abuse. DFA will also review the engineering contract(s) for compliance with applicable DWSRF federal and State requirements.*

**California Law** requires among other things, that a Professional Engineer utilize a written contract when providing professional engineering services. The contract is to be executed by the Profession Engineer and the client or his/her representative, **prior to commencing work**. California law requires that the written contract for engineering services must include, but not be limited to, all of the following:

- ⇒ Description of the services to be provided by the professional engineer
- ⇒ Description of any basis of compensation applicable to the contract, and the method of payment agreed upon by the parties
- ⇒ Name, address, and license or certificate number of the professional engineer and the name and address of the client
- ⇒ Description of the procedure that the professional engineer and the client will use to accommodate additional services
- ⇒ Description of the procedure to be used by any party to terminate the contract

Information about procuring engineering services can be found at: [http://www.waterboards.ca.gov/drinking\\_water/services/funding/documents/srf/dwsrf\\_policy/appendix\\_k.pdf](http://www.waterboards.ca.gov/drinking_water/services/funding/documents/srf/dwsrf_policy/appendix_k.pdf)

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**Applications are continuously being accepted online for wastewater and drinking water projects. Apply online at:**

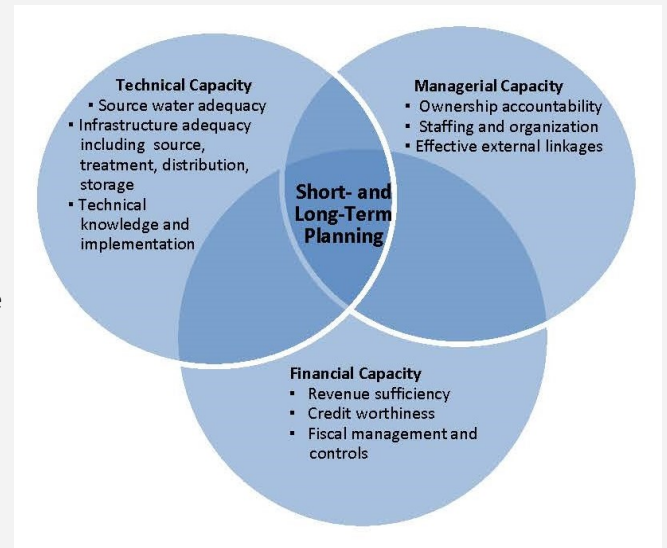
<https://faast.waterboards.ca.gov>



## Managerial Capacity, the “M” in TMF Capacity

The 1996 federal Safe Drinking Water Act (SDWA) required states to incorporate technical, managerial, and financial capacity (TMF) into public water system operations. This requirement helps ensure that public water systems have long term sustainability and are able to maintain compliance with all applicable drinking water laws and regulations.

Applicants for Drinking Water State Revolving Fund and Proposition 1 drinking water funding must demonstrate that both Mandatory and Necessary TMF elements have been addressed prior to completion of a construction project. For small systems, meeting the requirements can be challenging. For this issue of the newsletter, we will focus on the managerial elements of TMF, the “M” in TMF capacity.



Managerial TMF Element	SWRCB Financing (DWSRF/Prop. 1)	New Water System	Change of Ownership
Ownership	Mandatory	Mandatory	Mandatory
Water Rights	Mandatory	Mandatory	Mandatory
Organization	Necessary	Mandatory	Mandatory
Emergency Response Plan	Necessary	Mandatory	Mandatory
Policies	Necessary	Necessary	Necessary

**Mandatory Managerial Elements of TMF Capacity— (Mandatory means compliance with the element must be completed prior to the issuance of financing [DWSRF or Prop. 1] or issuance of a water supply permit for a new system or a change of ownership.)**

- ⇒ **Ownership** - Ownership of a water system and all its’ components must be clearly identified and documented along with identifying the type of ownership. Examples of types of water systems ownership are special districts, corporations, mutual water companies, city, county , etc. Documentation of ownership may include copies of the entity formation documents, articles of incorporation and by-laws, partnerships agreements, governing ordinances, etc. Documentation for components of a water system could include lease agreements, deeds and other documentation for system owned property including land, buildings, wells, storage tanks, treatment facilities, and other components needed for the operation of the system.
- ⇒ **Water Rights** - A water system must have a legal right to the quantity of water necessary to assure an adequate and reliable drinking water supply. A water system must have documentation of their water rights. Such documentation may include permits, licenses, letters of authority, or other agreements.

Note: Circle TMF diagram above is from the USEPA <https://www.epa.gov/dwcapacity/learn-about-small-drinking-water-systems>

## Managerial Capacity, the “M” in TMF Capacity (cont.)

**Necessary Managerial Elements of TMF Capacity** — (Necessary means compliance with the element must be addressed satisfactorily within a timeframe determined by the regulatory agency and/or financing agency . The timeframe is typically not later than six months after financing project completion or permit issuance.)



**ORGANIZATION** - Establishment of the lines of authority and communication between employees and management including the governing board, managers, certified operators, and clerical staff is necessary. There should be a structural organizational chart for positions associated with the water system. There should also be an org chart that lists the names and phone numbers of the specific people who fill the positions, and any contract certified operators the system may utilize.



**EMERGENCY RESPONSE PLAN** - In order to provide reliable water service and minimize public health risks from unsafe drinking water during emergencies, public water systems need to have an emergency response plan with clearly defined response procedures. A sample emergency response plan template can be found at: [http://www.waterboards.ca.gov/drinking\\_water/certlic/drinkingwater/Documents/TMFCapacityDevelopment/EmergencyResponsePlan\\_revised-SWS.doc](http://www.waterboards.ca.gov/drinking_water/certlic/drinkingwater/Documents/TMFCapacityDevelopment/EmergencyResponsePlan_revised-SWS.doc)

**“By failing to prepare, you are preparing to fail.” — Benjamin Franklin —**



**POLICIES** - Water systems need to have written policies that describe procedures to be followed for given circumstances. Written policies can describe a broad spectrum of topics, at a minimum an adopted policy manual should include prescribed procedures for:

- Nonpayment of water charges
- Unauthorized use of water
- Hours worked and overtime
- Complaint responses
- Contract operators, if applicable
- Governing board activities such a regulatory responsibilities, expenditure allowances, meeting notifications, resolution adoptions, and other issues as applicable
- Documentation of water systems maintenance, repairs, new construction

**Assistance with Capacity Development and TMF**— It is important to the long-term sustainability and viability of a water system to build their TMF capacity. Small systems in particular have difficulty building and sustaining TMF capacity. The Division of Financial Assistance under it’s funding programs, has **free** technical assistance available to small public water systems to help build and maintain TMF capacity. Technical Assistance is also available for wastewater systems.

More information can be found at: [http://www.waterboards.ca.gov/water\\_issues/programs/grants\\_loans/proposition1/docs/prop1\\_ta\\_fact\\_sheet.pdf](http://www.waterboards.ca.gov/water_issues/programs/grants_loans/proposition1/docs/prop1_ta_fact_sheet.pdf)

### **Amp it Up! Do you have an Asset Management Plan (AMP)?**

Asset management is a process water and wastewater utilities can use to make sure that planned maintenance can be conducted and capital assets (pumps, motors, pipes, etc.) can be repaired, replaced, or upgraded on time and that there is enough money to pay for it. An **AMP** is part of all components of TMF. You don’t have to do it all at once but it is necessary for the long-term sustainability of a utility. Information and guidance is available at: <https://www.epa.gov/sustainable-water-infrastructure/asset-management>

## Ways to Save on Managerial Costs

- Shared services - partner with nearby water and/or wastewater utilities to share personnel such as water or wastewater operators, technicians, or share a general manager
- Bulk purchasing— establish a purchasing cooperative or agreements with other utilities to purchase supplies in bulk
- Reduce insurance costs by pooling together with other utilities
- Take advantage of available free training through the State’s third party providers, particularly for required staff and board trainings
- Where possible, identify opportunities for standardizing equipment to that used by other utilities to maximize opportunities for cost sharing. For example, purchase the same type of water meter used by a neighboring utility to enable sharing the cost of the software necessary to read the meters.

## Public Participation in Meetings of Local Government Bodies

The Ralph M. Brown Act “the Brown Act”, governs open meetings for local government bodies. Under the **Brown Act (Govt. code Sections 54950-54960.5)** meetings of public bodies must be “open and Public,” actions may not be secret, and action taken in violation of open meetings laws may be voided.

A “meeting” is any gathering of a quorum of a covered body to hear, discuss, or transact business under the body’s jurisdiction.

### WHO DOES IT APPLY TO

- **Local Agencies**, including cities, counties, school and special districts
- **Legislative bodies** of each agency, the agency’s governing body, plus any board, commission, committee, task force or other advisory body created by the agency, whether permanent or temporary; other legislative bodies of local government agencies created by state or federal law
- **Any standing committee** of a covered board, regardless of number of members
- **Governing bodies of non-profit corporations formed by a public agency** or which includes a member of a covered board and receives public money from the board.

(State governmental agencies are covered by the Bagley-Keene Open Meeting Act. (Govt. Code Sections 11120-11132.)

**Note: Typically water or wastewater systems owned by a public entity are subject to the Brown Act.**

### Under the Brown Act an agency must among other things:

- **conduct** its meetings within the boundaries of its jurisdiction unless it qualifies for a specific exemption; teleconference **meetings may** be held under specific conditions
- **allow** the public to comment on agenda items before or during consideration by the governing bodies
- **Not require** the public to register or identify themselves or to pay fees in order to attend public meetings
- **post notice and an agenda** for any regular meeting; mail notice at least three days before regular meetings to those who request it;
- **cast votes in public** except for those cast in permissible closed session, **no** secret ballots are permitted
- **Treat materials provided** to a majority of the body as a public record except for those which are exempt from disclosure under the Public Records Act

More detailed information about the Brown Act can be found at:

[http://ag.ca.gov/publications/2003\\_Intro\\_BrownAct.pdf](http://ag.ca.gov/publications/2003_Intro_BrownAct.pdf)



## Resource Corner

- ◆ The State Water Resources Control Board (State Water Board) authorized \$5 million to assist individual households and small water systems to address drought-related drinking water emergencies. Specific information about the funding and eligibility can be found at:  
[http://www.waterboards.ca.gov/water\\_issues/programs/grants\\_loans/caa/dw\\_droughtfund/docs/swsda\\_funding\\_factsheet.pdf](http://www.waterboards.ca.gov/water_issues/programs/grants_loans/caa/dw_droughtfund/docs/swsda_funding_factsheet.pdf)
- ◆ Hazard Mitigation for Natural Disasters: A Starters Guide for Water and Wastewater Utilities - This interactive guide tells utilities how to mitigate natural disasters and their impacts. The guide is provided by the USEPA and can be found at:  
<https://www.epa.gov/waterutilityresponse/hazard-mitigation-natural-disasters>
- ◆ **FREE** - Rural Community Assistance Corporation has free Drinking Water Workshops. The goal of the workshops is to provide information to help small, rural water systems deliver safe, reliable drinking water to their customers and to demonstrate how to properly manage a water system. For information go to:  
[http://www.rcac.org/wp-content/uploads/2016/07/CA-DW-Broch\\_July-Dec\\_2016.pdf](http://www.rcac.org/wp-content/uploads/2016/07/CA-DW-Broch_July-Dec_2016.pdf)
- ◆ **Clean Water State Revolving Fund (CWSRF)** <http://www.waterboards.ca.gov/cwsrf>
- ◆ **Drinking Water State Revolving Fund (DWSRF)** <http://www.waterboards.ca.gov/dwsrf>
- ◆ Sign up at [http://www.waterboards.ca.gov/resources/email\\_subscriptions/swrcb\\_subscribe.shtml](http://www.waterboards.ca.gov/resources/email_subscriptions/swrcb_subscribe.shtml) to receive updates and periodic announcements by email, including this newsletter.
- ◆ The Water Quality, Supply, and Infrastructure Improvement Act of 2014 (**Proposition 1**) requires each state agency that receives an appropriation of funding to report the status of projects and uses of Prop. 1 funding on the state's bond accountability web site. The link to the web site is as follows: <http://bondaccountability.resources.ca.gov/>



### Questions or Comments?

#### Email

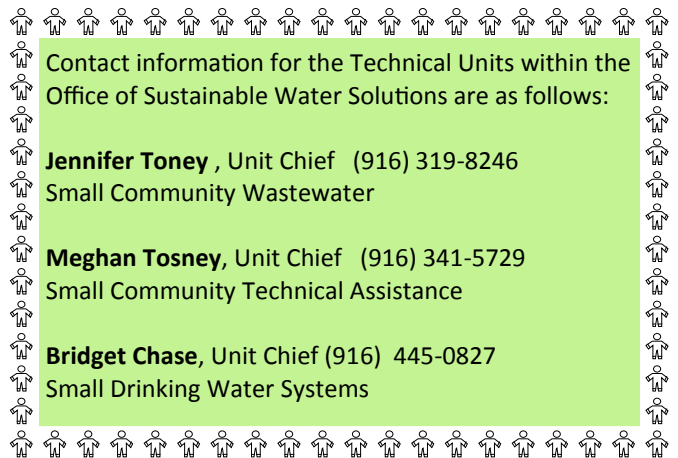
DrinkingWaterSRF@waterboards.ca.gov  
CleanWaterSRF@waterboards.ca.gov

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#### Mailing Address

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Small Community Technical Assistance

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Small Drinking Water Systems

**"Coming together is a beginning; keeping together is progress; working together is success." - Henry Ford -**