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.

   __________________________________________________________

   __________________________________________________________

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 ________
10. Does the water system operate and maintain ALL aspects of the system on its own?
   _______Yes _______No

11. If no, does the water system contract out all or part of the operation and management of the system?
   _______Part _______All

12. What specific items are contracted out?

13. If no to 10, does the water system have a valid (written and signed) contract that summarizes the duties and responsibilities of the contractor as described in Question 12 above?
   _______Yes _______No _______Not Applicable

14. List the names, titles/positions, and years of experience for each person on the water system staff, and any water operator's license they may have by type and grade.

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
<th>Grade and Type of License</th>
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   Arkansas Department of Health

15. Does the staff also operate the wastewater system and/or any other utilities or services?
   _______Yes _______No If yes, what?

16. Does the system have written job descriptions for each position?
   _______Yes _______No
17. Who is responsible for policy decisions (*name and title*)?

__________________________________________________________________________

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.

__________________________________________________________________________

__________________________________________________________________________

__________________________________________________________________________

__________________________________________________________________________

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

__________________________________________________________________________

__________________________________________________________________________

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

__________________________________________________________________________

__________________________________________________________________________

__________________________________________________________________________

Arkansas Department of Health

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

__________________________________________________________________________

__________________________________________________________________________

__________________________________________________________________________

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:
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?

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:

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<tr>
<th>Name</th>
<th>Occupation</th>
<th>Years Served</th>
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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: _________________________________

______________________________________________

Arkansas Department of Health
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. 

__________________________________________________________________________ 

__________________________________________________________________________ 

__________________________________________________________________________ 

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

__________________________________________________________________________ 

__________________________________________________________________________ 

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.

__________________________________________________________________________________

__________________________________________________________________________________

__________________________________________________________________________________

__________________________________________________________________________________

__________________________________________________________________________________

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.

__________________________________________________________________________________

__________________________________________________________________________________

__________________________________________________________________________________

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?
      ______ Yes    ______ No    ______ Not Applicable
   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
   - Don't Know

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?

<table>
<thead>
<tr>
<th>Residential (5/8&quot;)</th>
<th>Commercial (&gt;=1&quot;)</th>
<th>Industrial (&gt;2&quot;)</th>
<th>a. Base cost (Minimum Charge)</th>
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<td>b1. Price per thousand gallons (level one)</td>
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<td>b2. Price per thousand gallons (level two)</td>
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<td>b3. Price per thousand gallons (level three)</td>
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<td>c. Cost for 5,000 gallons</td>
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<td>d. Flat Fee</td>
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</tbody>
</table>

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) ____________________________

<table>
<thead>
<tr>
<th>Type of Debt</th>
<th>Creditors</th>
<th>Avg. Int. Rate</th>
<th>Term</th>
<th>Remaining Principal Due</th>
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124. Have you defaulted in any debt repayments in the last 5 years?
   (If yes, state circumstances and current status.)
   _____ Yes    _____ No

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

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<th>Grant Received</th>
<th>Purpose</th>
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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.  

______________________________________________________________  

______________________________________________________________  

______________________________________________________________  

______________________________________________________________  

______________________________________________________________