

State Water Infrastructure Authority
Meeting Date: April 8, 2020
Agenda Item G – Asset Inventory and Assessment (AIA) Program Modifications

Division of Water Infrastructure Staff Report

Overview

At the February 12th Authority meeting, Dr. Pelissier asked for information about AIA applicants that have applied or been funded in the past to help sort through the many utilities requesting AIA funding. In response, the Division has compiled application and funding information from the five rounds of Asset Inventory and Assessment (AIA) grant application cycles, and offers some observations. (The raw data is also provided for your information.)

In addition, the Division is proposing some changes to the program. Two of the eight narrative questions have proposed revisions. Also, changes to the priority rating system are proposed to allow scores of 0,1,2,3,4,5,6,7 or 8 for Line Item 1 and 0,1,2,3 or 4 for Line Items 2.A and 2.C. to provide more granularity in the overall scores.

AIA Application Observations

- 259 different systems have applied for 421 different AIA projects (water and/or sewer applications)
- 50% (211 applications) of the 421 applications have been funded and 54% (139 systems) of the 259 systems have been funded
- 30% of the 139 funded systems have received funding for sewer projects only
- 22% of the 139 funded systems have received funding for water projects only
- 43% of the 139 funded systems have received funding for both water and sewer projects
- 5% of the 139 funded systems have received funding for multiple water and/or sewer projects
- 43% of the 421 applications were only submitted once, and 23% of these 181 applications were never funded
- 31% of the 421 applications were submitted twice, and 74% of these 131 applications were never funded
- 13% of the 421 applications were submitted three times, and 52% of these 54 applications were never funded
- 8% of the 421 applications were submitted four times, and 81% of these 32 applications were never funded
- 5% of the 421 applications were submitted five times, and 78% of these 23 applications were never funded

Program Changes

Many applicants lose potential points in their answers to the questions about previous asset management work and previous asset management experience. The proposed revisions are an effort to improve these responses and do not significantly change the questions.

In the Narrative Section of Categories 1 & 2 - Project Benefits and System Management:

Current Question No. 2:

Has the utility received grant funding in the past for a capital improvement plan (CIP) or asset inventory/assessment? How has the utility used the information obtained during that work? Provide a copy (hard copy or CD) of any existing asset inventory, map, condition assessment report, or asset management plan. Provide information on the prior grant funding including when funded, by whom, how much, scope, etc.

Revised Question No. 2:

Has the utility done any asset management or capital planning work previously? Give specific examples (i.e., immediate operational changes or longer term changes in business practices) of how the system has benefited by having this information. Provide a copy (hard copy or CD) of any existing asset inventory map, smoke testing results or other condition assessment report, flow monitoring results, asset management plan or capital improvement plan.

Current Question No. 3:

Identify (by title or employee job description) the utility's internal asset management team that will be assembled to develop the asset inventory and assessment project. Describe the experience or training each team member has related to utility management – such as rate setting, CIP development, asset management, etc. In addition, describe how this team will continue to inventory, assess, prioritize, and plan for water infrastructure assets after completion of the project.

Revised Question No. 3:

Identify (by title) the utility's asset management team that will be assembled to develop the asset inventory and assessment project. Describe any asset management and/or capital planning experience or training each team member has had. Include any external partners (consultants, county, COG, or nonprofit staff, etc.) that will participate on the team and describe the role of each member during this project. Differentiate between external members that are temporary (e.g., surveying companies) and those that will be continuously assisting in asset management planning (e.g., company providing long-term data management). In addition, describe the role of each team member in the future to continue to inventory, assess, prioritize, and plan for water infrastructure assets after completion of the project.

In addition, the following changes to the priority rating system are proposed to allow more granularity in the scoring of the applications:

Asset Inventory and Assessment Priority Rating System			
Line Item #	Category	Current Points	Proposed Points
1.	Project Benefits	0, 2, 4, 6, or 8	0 - 8
2.	System Management		
2.A	Knowledge base of utility's internal asset management team	0, 2, or 4	0 - 4
2.B	Current and past rate setting practices, CIPs, etc.	0, 1, or 2	no change
2.C	Management of asset inventory data	0, 2, or 4	0 - 4
2.D	Operating Ratio (OR) is greater than or equal to 1.00 based on a current audit, or is less than 1.00 and water/sewer bill is greater than \$47/month for 5000 gallons	0, 1, or 2	no change
3.	Affordability		
3.A	Current Monthly Utility Bill for 5,000 gallons usage	0, 1, or 2	no change
3.B	Local Government Unit (LGU) Indicators		
3.B.1	3 out of 5 LGU indicators are worse than the state benchmark OR	0	no change
3.B.2	4 out of 5 LGU indicators are worse that the state benchmark OR	1	no change
3.B.3	5 out of 5 LGU indicators are worse that the state benchmark	2	no change
Total Points		24 Max	24 Max

Staff Recommendation

Staff recommends that the Authority approve for public review the proposed revisions to Questions 2 and 3 and the proposed changes in points to Line Items 1, 2.A and 2.C. in the Asset Inventory and Assessment Priority Rating System.