SC DEPARTMENT *of* ENVIRONMENTAL SERVICES

# Utility Sustainability Assessment

SOUTH CAROLINA SRF STATE REVOLVING FUND

Please return a completed assessment along with 1) a copy of the utility's organizational chart, 2) rate schedule(s), and 3) the most recent comprehensive annual financial report (CAFR) or a currently active link to your most recent CAFR.

*If the system operates as a combined utility but the drinking water and wastewater programs function separately, fill out an assessment for the program that corresponds to the SRF project for which you are seeking funding.)*

System Name: _____

Combined Utility? ☐ No ☐ Yes - programs combined ☐ Yes - programs separate

Unique Entity Identifier (UEI): _____

Drinking Water System #: _____

Wastewater System #: _____

Contact Name and Title: _____

Phone: _____ Email: _____

In addition to this assessment, utilities are encouraged to complete the "SC Utility Viability Tool", which can be found at ria.sc.gov/utility-viability/viability-toolkit/self-assessment.

1. Facility and operator information. (*Please attach additional information as needed.*)

| Facility Name | Treatment/Distribution or Environmental Classification | Certification Required |
|---|---|---|
| | | |
| | | |

| Operator Name | Operator Grade | | | PT/FT/ Contract | Years Employed |
|---|---|---|---|---|---|
| | Water Treatment | Water Distribution | Biological | | |
| | | | | | |
| | | | | | |
| | | | | | |

2. Is there an Operations and Maintenance manual(s) for the system?
☐ Yes ☐ No ☐ Don't know

3. Does the system's income exceed operating expenses?
☐ Yes ☐ No ☐ Don't know

4. Does the system produce enough revenue to cover debt service?
☐ Yes ☐ No ☐ Don't know

Please fill out the following table of the system's outstanding debt:
*(Attach additional information if necessary.)*

| Outstanding Debt | Owed To | Term Remaining |
|---|---|---|
| $ | | |
| $ | | |
| $ | | |

5. Are there written job descriptions/duties for each employee?
☐ Yes ☐ No ☐ Don't know

6. If "yes" for #5, are these signed by the employee?
☐ Yes ☐ No ☐ Don't know

7. Are there written Standard Operating Procedures?
☐ Yes ☐ No ☐ Don't know

8. Does the system have an asset management plan?
☐ Yes ☐ No ☐ Don't know

9. Is there a written list of all system assets?
☐ Yes ☐ No ☐ Don't know

10. Is there a written depreciation schedule for system assets?
☐ Yes ☐ No ☐ Don't know

11. Is there a written plan for repair and replacement of assets?
☐ Yes ☐ No ☐ Don't know

12. Summarize the most recent compliance inspection and/or sanitary survey and regulatory compliance monitoring results and enforcement orders below. *(Please attach additional information if necessary.)*

**Drinking Water:**

| Sanitary Survey | | | | |
|---|---|---|---|---|
| Date | Rating | # Items Unsatisfactory & Needs Improvement | # Significant Deficiencies | # Open Enforcement Orders |
| | | | | |

| Regulatory Compliance Monitoring | | | |
|---|---|---|---|
| | Date of most recent monitoring | # Violations of MCL | # Enforcement Orders |
| BacT | | | |
| Chemical | | | |
| Radiological | | | |
| Other | | | |

**Wastewater:**

| Most Recent Compliance Inspection | | |
|---|---|---|
| Date | Rating | # Violations |
| | | |

| # Open Enforcement Orders Resulting From | |
|---|---|
| Compliance Inspections | Self-reporting |
| | |

13. Have all deficiencies from the previous inspection/survey been corrected?
☐ Yes ☐ No (Explain below) ☐ Don't know

14. Is there a current map of your system, including source, storage, lines (distribution/collection/interceptors), valves, hydrants, and pump stations?
☐ Yes ☐ No ☐ Don't know

15. Does the drinking water system have a Source Water Protection Plan?
☐ Yes ☐ No ☐ Don't know ☐ NA

16. Does the drinking water system have non-revenue water of
☐ Less than 10% ☐ Greater than 10% ☐ Don't Know ☐ NA

How often is water loss calculated?
☐ Monthly ☐ Quarterly ☐ Semi-annually ☐ Annually ☐ Don't know

17. Has the wastewater system had an infiltration/inflow analysis performed within the last 5 years?
☐ Yes ☐ No ☐ Don't know

18. Do system operators have the appropriate tools and equipment (or contracts) to operate, maintain, or repair the system?
☐ Yes ☐ No ☐ Don't know

19. Is the board/council informed about results of operations?
☐ Yes ☐ No ☐ Don't know

If yes, how often is the board/council informed of results of operations?
☐ Monthly ☐ Quarterly ☐ Semi-annually ☐ Annually
☐ Other (please specify _____) ☐ Don't know

20. Is there a training plan for staff responsible for various critical operations or processes?
☐ Yes ☐ No ☐ Don't know

21. Does the training plan include making the board/council aware of critical operations and processes?
☐ Yes ☐ No ☐ Don't know

22. Are customer complaints tracked?
☐ Yes ☐ No ☐ Don't know

If yes, how many customer complaints were there in the past year? _____

23. Is the system's annual budget approved by the board/council?
☐ Yes ☐ No ☐ Don't know

24. Have the costs for future capital improvements been projected?
☐ Yes ☐ No ☐ Don't know

25. Does the board/council review monthly summaries of revenue and expenses?
☐ Yes ☐ No ☐ Don't know

26. Is operator input solicited for planning and budgeting?
☐ Yes ☐ No ☐ Don't know

27. Is the system's budget compared to actual operating results?
☐ Yes ☐ No ☐ Don't know

If yes, how often?
☐ Weekly ☐ Monthly ☐ Quarterly ☐ Semi-annually
☐ Annually ☐ Don't compare ☐ Don't know

28. Does the system fund a depreciation/reserve capital improvement account?
☐ Yes ☐ No ☐ Don't know

29. Does the system have financial reserves for emergencies?
☐ Yes ☐ No ☐ Don't know

30. Does the system retain all of its revenues for its own operations?
☐ Yes ☐ No (Explain below) ☐ Don't know

31. Are all funds for operations of the system generated by the system itself?
☐ Yes ☐ No (Explain below) ☐ Don't know

32. Is the system's rate structure regularly evaluated?
☐ Yes ☐ No ☐ Don't know

If yes, how often?
☐ Monthly ☐ Quarterly ☐ Semi-annually ☐ Annually
☐ Other (please specify _____)

When was the rate structure last adjusted? _____

Check all that are covered:
☐ Current expenses ☐ Replacement costs ☐ Reserves
☐ Contractual obligations ☐ No to all ☐ Don't know

33. Are the system's financial statements audited by a public accountant?
☐ Yes ☐ No ☐ Don't know

34. Are all services metered?
☐ Yes ☐ No ☐ Don't know

35. Is there a regular meter calibration/replacement schedule?
☐ Yes ☐ No ☐ Don't know

36. Did the system's board/council provide input on preparing this Utility Sustainability Assessment?
☐ Yes ☐ No ☐ Don't know

37. Are there current discussions with another utility about merging or consolidating?
☐ Yes ☐ No ☐ Don't know

Comments/Additional Information:

Name of Person Completing Survey: _____

Signature: _____

Title: _____ Date: _____

# Instructions for Completing form DES 0574
# Utility Sustainability Assessment (UtSA)

**PURPOSE:** This form collects basic information on drinking water/wastewater system operation for S.C. Department of Environmental Services (SCDES) staff to use in the evaluation of the financial, technical, and managerial capacity of systems interested in, or scheduled to enter into, a State Revolving Fund (SRF) loan. The UtSA must be submitted for all projects, including Study-only and Engineering-Services-Only projects, prior to plans and specifications being approved.

**EVALUATION/SCORING:** An SRF staff member reviews/evaluates the assessment and assigns points according to an established scoring guide. The maximum number of points available is 100, with a score of at least 80, and affirmative answers to 4 key questions required for a determination of *Sustainable*. A system that cannot meet the above criteria is declared *Not Sustainable* and may not proceed to closing an SRF loan unless 1) the system chooses to improve its score by making improvements and submitting a revised assessment or 2) the proposed SRF project will make the system sustainable.

**GENERAL INSTRUCTIONS:**

- Answer questions based on operation of the utility at present. Where the assessment fails to capture the complete picture, additional comments or explanations to individual questions are encouraged and should be submitted as attachments.
- Return the UtSA to SCDES's SRF Division along with copies of 1) the utility's organization chart, 2) rate schedule, and 3) the most recent comprehensive annual financial report.

**INSTRUCTIONS AND CLARIFICATIONS FOR ANSWERING INDIVIDUAL QUESTIONS:**

Utility Name and Contact information:

**System Name:** Self-explanatory

**Combined Utility:** Regardless of whether the utility is asking for only drinking water or only wastewater assistance, if the utility operates both drinking water and wastewater systems under one utility, please indicate "Yes" for combined utility and fill out the survey to reflect the combined "operation."

**Drinking Water System #:** The drinking water system operating permit number(s)

**Wastewater System #:** National Pollutant Discharge Elimination System (NPDES) permit number(s) - to include No Discharge (ND) numbers, or Sanitary Sewer System (SSS) number

**Unique Entity Identifier (UEI):** Enter the organization's UEI.

*Note: A Unique Entity Identifier (UEI) is a number that identifies your entity registration in SAM.gov. This identifier is assigned by SAM.gov and used in federal award systems. The Office of Management and Budget (OMB) requires the Unique Entity ID to be used across federal systems, governmentwide, for federal award purposes. Instructions for viewing the UEI can be found at:*
*https://www.fsd.gov/gsafsd_sp?id=kb_article_view&sysparm_article=KB0041254.*

**Contact information:** Someone who can answer questions about the information contained in the assessment

Questions:

Please note: "Don't know" is a possible answer for many questions, however an answer of "Don't know" will be considered equivalent to "No" and is strongly discouraged.

1. The term "facility" as used here includes wastewater treatment facilities, surface water treatment facilities, groundwater extraction facilities (with or without accompanying treatment), and drinking water distribution systems. Only wastewater collection systems can indicate "NA."

   Wastewater treatment facilities will have an Environmental Classification (either Group I-IV Phys/Chem or Group I-IV Biological), which shall be reported where indicated. Similarly, drinking water facilities will have a classification (Group I-VI treatment facilities, Group I-V distribution facilities) that should also be reported where indicated.

   Required operator grade(s) shall be reported for wastewater treatment facilities, water treatment plants, and drinking water distribution systems. Attach additional information as needed.

List all operators employed by the utility, either full-time, part-time or on contract and their operator grades. Attach a complete list if more than 3 operators are employed.

2. Answer “Yes” if Operations and Maintenance manuals exist for all facilities and/or major processes involved in wastewater and drinking water treatment and drinking water distribution (e.g., booster pump stations). Answer “No” if there is one or more major process without an O&M manual.

3. *System income* includes recurring revenue from operations (payment for services, fees, penalties, etc.), but does not include one-time transfers from other funds or capital contributions. *Operating expenses* include actual costs incurred (salaries, maintenance, electricity, debt service, insurance, etc.). Depreciation is not included in this definition of “expenses,” but if operating income exceeds expenses even after including depreciation, then please state so.

4. Self-explanatory. If there are more than three creditors, please attach a complete list in the same format as on this form.

5. This question refers to key operating employees, such as operators, supervisors, mechanics, field personnel, etc. Administrative and other non-technical, non-essential employees (e.g. janitors, secretaries) are not to be included in the answer.

6. Self-explanatory. Contact the SRF Division if clarification is required.

7. This question refers to the organization as a whole. Standard Operating Procedures (SOPs) are different than Operation and Maintenance manuals in this question. By SOPs, the Department is asking if the organization has procedures in place for all staff to read and follow in performing routine duties and for events such as: fires, process interruption, loss of power, equipment failures, main breaks, etc.

8. The term “asset management plan” in this question means a listing or database of all utility assets with some or all of the following information: description, rating/specifications, purchase date, installation date, retirement date (or anticipated useful life), current condition, probability of failure, consequence of failure, backup or redundancy status/availability, maintenance schedule, depreciation schedule, salvage value, replacement/renewal strategy, etc.

9. Answer “Yes” if the system has, as part of or in the absence of a full asset management plan as described in #8 above, a list of all equipment (brand, model, type, capacity, purchase date, installation date) considered to be assets.

10. Answer “Yes” if the system has, as part of or in the absence of a full asset management plan as described in #8 above, a depreciation schedule for each asset that assigns a value and an estimate of (or method for estimating) annual depreciation.

11. Answer “Yes” if the system has, as part of or in the absence of a full asset management plan as described in #8 above, a written plan that takes into account the age, condition, and remaining useful life of each piece of equipment and provides a pre-determined replacement or renewal date, so that unexpected, catastrophic equipment failure can be avoided.

12. Self-explanatory. Contact the SRF Division if clarification is required.

13. If deficiencies/violations are indicated in #12, explain in the comment section whether one of the following applies to deficiencies (or violations): 1) deficiencies have been corrected, 2) deficiencies have not been corrected but are being addressed, 3) deficiencies are not being addressed but a plan has been developed, or 4) deficiencies exist and are not being addressed and no plan exists for addressing.

14. Self-explanatory. Contact the SRF Division if clarification is required.

15. Only wastewater systems can indicate “NA.”

16. The term “non-revenue water” means any loss of drinking water from the plant or distribution system that does not generate revenue for the system. Examples of non-revenue water include: filter backwashing, line flushing, unmetered destinations, leaks in distribution system, fire flow, etc. Only wastewater systems can indicate “NA.”

17. The term “infiltration/inflow analysis” means a detailed investigation of the amount of water that infiltrates the sanitary sewer system from sources that are unknown or unaccounted for (e.g., groundwater infiltration, storm water runoff, illegal dumping into manholes, etc.). The analysis should cover the entire sewer collection system. Water systems or wastewater treatment without collection systems can indicate “NA.”

18. Self-explanatory. Contact the SRF Division if clarification is required.

19. Self-explanatory. Contact the SRF Division if clarification is required.
20. “Staff” means all technical, managerial, and financial staff that are responsible for various critical operations or processes in the fulfillment of the utility’s mission. This term does not include administrative, janitorial, customer service, and other non-critical personnel.
21. Self-explanatory. Contact the SRF Division if clarification is required.
22. Answer “Yes” if the utility has a formal system for collecting, inventorying, addressing, and resolving customer complaints.
23. Self-explanatory. Contact the SRF Division if clarification is required.
24. Answer “Yes” if the utility has a capital improvement plan that forecasts when capital projects (new or expanded treatment plants, new or expanded collection/distribution systems, rehabilitation of existing infrastructure, etc.) will be required. Such a plan should incorporate cost estimates, timelines for implementation, any foreseeable logistical or organizational issues that will have to be addressed, and corresponding financial planning that forecasts things such as revenues, expenses, total assets, rate increases, debt burden, repayment schedules, etc., so that the utility can be prepared both financially and with respect to operations when the time comes to undertake a capital project.
25. Self-explanatory. Contact the SRF Division if clarification is required.
26. Self-explanatory. Contact the SRF Division if clarification is required.
27. Self-explanatory. Contact the SRF Division if clarification is required.
28. Answer “Yes” if the utility has the ability and foresight to set aside funds to pay for replacement of equipment or capital improvements in accordance with timelines established in either an asset management plan or a capital improvement plan.
29. Self-explanatory. Contact the SRF Division if clarification is required.
30. Answer “Yes” if the utility is structured in such a way that it retains its assets in a separate fund or funds from the funds of other government departments (or a general fund), and that assets (cash, facilities, equipment, etc.) are prohibited from being transferred to other funds or departments or used or spent by the utility for activities unrelated to utility operations. If this is not the case and assets are or have been transferred away from the utility to other departments (i.e., a “No” answer), then an explanation is requested.
31. Answer “Yes” if the utility generates sufficient revenue (charges for services, fees, etc.) to cover its expenses, or if transfers of assets from other funds or departments to the utility have been necessary to support continued operations. If transfers from other funds are or have been necessary (i.e., a “No” answer), then an explanation is requested.
32. Self-explanatory for most utilities. However, if a wastewater utility doesn’t determine its own rates, or bases its rates on a drinking water rate structure, please respond to this question as the authority responsible for evaluating and setting rates would respond.
33. Self-explanatory. Contact the SRF Division if clarification is required.
34. Self-explanatory for most utilities. However, where a wastewater utility serves customers that are on wells or for some other reason do not have water meters, please provide an explanation of how sewer charges are determined for these customers.
35. Self-explanatory. Contact the SRF Division if clarification is required.
36. Self-explanatory. Contact the SRF Division if clarification is required.
37. Self-explanatory. Contact the SRF Division if clarification is required.

Comments and Signature: Self-explanatory.

**OFFICE MECHANICS AND FILING:** A fillable PDF file is available via RIMS. A link to the form is posted on the SCDES website.

The form, supporting documents and the resulting score sheet will be retained per SCDES Retention Schedule 08283.