

Department of Health & Human Services

DHHS

N E B R A S K A

*Capacity Development Program
Strategy*

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Capacity Development Strategy for Existing Public Water Systems

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History

The Safe Drinking Water Act (SDWA) amendments of 1996 authorized a Drinking Water State Revolving Fund (DWSRF) loan program to help public water systems (PWSs) finance the infrastructure needed to achieve or maintain compliance with the SDWA requirements and to achieve the public health objectives of the Act. Section 1420(c) of the SDWA directed the Administrator of the United States Environmental Protection Agency (EPA) to withhold a 10% portion of a state's 2001 DWSRF, 15% in federal fiscal year 2002, and 20% in each fiscal year thereafter, if the state did not develop, implement and continue a capacity development program to assist existing PWSs in acquiring and maintaining technical, managerial and financial (TMF) capacity.

- **Technical Capacity** refers to a water system's ability to operate and maintain its infrastructure.
- **Managerial Capacity** refers to the expertise of the water system's personnel to administer the system's overall operations.
- **Financial Capacity** refers to the financial resources and fiscal management that support the cost of operating the water system.

The Department of Health & Human Services Division of Public Health (Department) solicited extensive public involvement in the development of this strategy. The primary purpose of this public involvement was to bring together individuals and organizations to form a stakeholder group that would represent the broadest possible spectrum of interested parties while at the same time respecting the need to keep the committee small enough to function efficiently. Based on the findings of the stakeholders and from information gathered at public meetings, the outline for the strategy was developed.

Overview

On July 25, 2014, the Department conducted its annual Capacity Development Strategy meeting for existing community and non-transient non-community Public Water Systems. The purpose of the strategy is to assist public water systems with a population of 10,000 or less, in acquiring and maintaining technical, managerial, and financial (TMF) capacity. The ultimate goal of the strategy is for Nebraska's public water supply systems to become self-sufficient and to achieve long-term TMF capacity.

The strategy was adopted and implemented in August 2000, and revised over the years since. The members of the 2% Team are: Nebraska Rural Water Association (NeRWA), Midwest Assistance Program (MAP), Nebraska Central Community College (CCC), League of Nebraska Municipalities (LoNM), the Nebraska Section of the American Water Works Association (NSAWWA). In an effort to continuously improve and refine the strategy, the 2% Team meets annually, along with other stakeholders, to review progress and develop new implementation strategies.

Strategy for the Department

The DHHS strategy was developed based on input from the capacity development strategy stakeholders and public input that was solicited via a series of three public meetings held throughout the state. It involves six broad strategy areas designed to be program or philosophical changes which further enhance the TMF capacity of Nebraska's public water systems. The six strategy areas are listed below.

1. Information Collection
2. Intergovernmental and Regulatory Functions
 - a. 2% Team Technical Partnership
 - b. State Public Programs
3. Local Land Use Planning
4. Training and Technical Assistance
 - a. Financial Management Training
 - b. Technical Training
 - c. Managerial Training
5. Security

1. Information Collection

The Department routinely collects information through sanitary surveys of public water systems. Surveys are conducted every three years for all community and non-transient-non-community systems and every five years for transient non-community systems. The survey collects the technical, and to some extent, the financial, and managerial capacity of each system. To enhance the collection of information additional questions on managerial and financial have been added to the sanitary surveys to allow better evaluation of the TMF of the systems. The additional information will be used to help determine the sustainability of the systems.

Inspections must be conducted by Department staff. The results of the survey are reported back to the governing body of the public water system, which may request that a Department inspector attend a meeting and present the results of the survey. Because it evaluates the current TMF capacity of the system and demonstrates areas for improvement, the survey is the cornerstone of the capacity development strategy.

Information is routinely collected relative to the technical capabilities of a PWS through the performance of sanitary surveys. The Department developed a financial and managerial capacity assessment tool that is used to assess communities that apply for funding from the DWSRF. The community's project is assessed initially and then again two to three years after completion to determine the impact of the improvements. A system can request the tool be used to assess their organization, even if they are not applying for a DWSRF loan.

2. Intergovernmental and Regulatory Functions

A. 2% Partnership (elaborate on 2% team members)

The 2% partnership program is funded by the DWSRF. A 2% set-aside fund is designated to financially assist in giving the state the option of providing capacity development services. The 2% team meets every other month with the Department to review the water systems needing assistance and to review the status of current projects. The “Technical Assistance Priority Ranking List”, known as the “2% List” is the vehicle used to identify PWSs in need of assistance. The 2% List is revised on a weekly basis and disseminated to the 2%TA team members via e-mail so that all the team members have an up to date list to work with.

The Midwest Assistance Program (MAP) is currently the only partner under contract. Through this two part contract, MAP first provides - technical, managerial, and financial assistance to PWS. Secondly, they are to provide at least one board/council training session in each of the eight field areas. The current contract is in force for two years, until June 30, 2015, with the option to extend the contract for two additional years, one year at a time.

B. State Public Programs- Education:

The stakeholders recognize there is a need for continued public education regarding the importance of water and infrastructure in the state. Elements that have been developed to improve public education include the following:

1. The development and implementation of programs for public schools related to Drinking Water Week.
2. The education of boards on the importance of appropriate water rates and the need for infrastructure as an economic development tool and quality of life issue.
3. The continued and enhanced displays shown at Husker Harvest Days regarding the Department’s activities, and during cooperative information programs such as the Children’s Ground Water Festival and “World O! Water”.
4. The development and/or procurement of brochures, bill-stuffers, and mailers/hand-outs pertaining to current water topics, for small and medium size systems that may lack the financial means to do so on their own.

The current public education campaign consists of television advertisements sponsored by the Natural Resource Districts on the protection of ground water along with brochures and Public Service Announcements developed by the Nebraska Section of the American Water Works Association.

3. Local Land Use Planning

Throughout the state, lack of planning and zoning in rural areas adversely affects the economics of producing safe drinking water. Typically this is associated with the failure of the local and/or county governments to incorporate drinking water issues into land use planning. This is especially relevant in developments in unincorporated areas adjacent to existing community and non-community public water supplies. The Department encourages consolidation of existing systems in some circumstances and requires new community and non-transient non-community public water systems to demonstrate TMF capacity prior to issuing operating permits.

The process of regionalizing water systems may play a large role in the future of Nebraska's public water system. Future regulations will require greater effort on the part of DHHS to act as a technical resource, helping local governments understand drinking water capacity issues and how to incorporate these ideas into future planning efforts.

4. Training and Technical Assistance

Small systems continue to face the on-going challenge of obtaining capital resources for improving or replacing system infrastructure. Fiscal responsibilities are essential components in achieving financial capacity. It is essential that small systems in Nebraska routinely review and adjust water service charges to keep pace with the full costs of operating and maintaining their water systems.

The stakeholders believe a significant gap exists in training around the need to improve operators' and managers' knowledge of drinking water regulations. The Department believes that meeting the training needs of both system management personnel and operators is a necessary element for a system to achieve and maintain TMF capacity. Rules and regulations are often written in complicated legal terms that are difficult for small system operators and managers to understand. In turn this can lead to confusion for systems with limited managerial capabilities and/or that have difficulty in tracking regulatory changes from proposed to final status. To assist in comprehension, the Department will continue to implement the following strategies:

- 1) Continued emphasis will be placed on the importance of board and council training. This training will include asset management, long-term planning, capital improvements planning, financial management, full-cost financing and regulatory environmental and financial controls. The annual League of Nebraska Municipalities (LoNM) conference in February and the LoNM City Clerks School would be an ideal place to host training for elected officials.
- 2) Encourage partnerships between agencies and systems. This will be accomplished mainly through training sessions and networking opportunities for operators and boards. Topics addressed will include consolidation (regionalization), mutual aid agreements, and shared equipment and/or operators.

5. SECURITY

One of the goals of the state's capacity development program is to encourage water systems to improve technical capacity through new security infrastructure, and enhanced emergency response capability. To this end, in 2005 the Department started funding water system security projects, providing direct assistance grants through the 15% set-aside, to help PWSs identify their vulnerability to security threats and vandalism and take steps to ensure the protection of public health. PWS security improvements and upgrades which require engineering plan review and approval are not fundable through the DHHS 15% Set-aside Security Grant program.

Assessment Procedure For Systems Most in Need of Assistance

The Department uses the following five variables to evaluate and prioritize systems most in need of TMF assistance weekly.

1. An administrative order was issued.
2. System has an ETT score of 11 or more.
3. System issued an acute violation.
4. System has had multiple violations in 12 months.
5. Length of time on the 2% List.
6. Score from the system's TMF survey.

When deficiencies are identified during the sanitary survey process, they are identified as follows:

1. **Significant category** - this level indicates obvious TMF deficiencies that have an immediate or direct threat to public health.
2. **Minor category** - This classification is intended for those deficiencies that can be indicative of potential TMF deficiencies.

Systems with deficiencies that fall in the minor category and systems that correct deficiencies as directed will not be offered direct assistance by the 2% Team, but are welcome to call and request assistance on an as-needed basis. Under the 2% contracts, all systems with a population of 10,000 or less have the option of requesting assistance for the purpose of setting up and implementing an asset management plan. This program will be reviewed annually and refined and changed as necessary.

Measurement Tools for Implementation of the Strategy

In order to measure the success of the Department's TMF strategy, the following measurements and actions will be utilized:

Measurements:

1. Number of sanitary surveys performed on an annual basis.
2. Number of site visits by the 2% Team members.
3. Number of instances and types of assistance rendered to systems.
4. Number of PWS that were removed from the Priority Assistance List as a result of a visit by a 2% Team member.
5. Percentage of CWS that have been determined to have adequate capacity, evaluated on a yearly basis.

Subsequent steps to be taken following assistance by the 2% Team:

1. Send a follow up survey to the system to solicit feedback for 100% of the systems.
2. Evaluate the effectiveness of the corrective action recommended by the contractor.
3. Track future compliance and compare to compliance prior to being listed on TMF priority list.

The final goal of this strategy is to not only lower the number of PWS violations as the strategy progresses through time, but also to provide the information necessary for Nebraska's PWSs to become self-sufficient and to achieve long-term TMF capacity. Only by developing adequate capacity, will Nebraska's public water systems be able to achieve, on a continuous basis, compliance with EPA's existing and future regulations. If all the water systems in Nebraska can meet compliance standards, then the strategy has met its purpose and that is the ultimate measurement of success.