



Smart Management for
Small Water Systems

Financial Management for Small Water Systems: How to Plan for the Next Five Years and Secure Funding

June 5, 2018 | Baton Rouge, Louisiana

www.efcnetwork.org



This program is made possible under a cooperative agreement with the U.S. EPA.



CEU Certificates

If you need a CEU certificate, you will need to confirm the following on the roster today before you leave:

- Is your name spelled correctly?
- Did you provide an email address UNIQUE TO YOU? A unique email address is required to receive your certificate.
- Did you mark the checkbox that you need a certificate?

Within 30 days of the training, you will receive an email with instructions to print your certificate. Emails from EFCN may be blocked or go to your Junk mail. To avoid this issue, add wwwhipps@syr.edu to your email Contacts or check your Junk mail frequently.

EFCN will apply to the water operator state licensing agency for CEU preapproval when applicable. You may be awarded CEUs by your agency. It is your responsibility to confirm with the agency that training meets relevancy criteria established for your license type as some agencies may not apply CEUs to your license if the training topic is not relevant to your position.

EFCN follows the IACET Standard of CEU calculation.

0.1 CEU = 1 Contact Hour or 1 Professional Development Hour

Questions? Please contact wwwhipps@syr.edu



About the Environmental Finance Center Network (EFCN)

The Environmental Finance Center Network (EFCN) is a university-based organization creating innovative solutions to the difficult how-to-pay issues of environmental protection and improvement. The EFCN works with the public and private sectors to promote sustainable environmental solutions while bolstering efforts to manage costs.

The Smart Management for Small Water Systems Program

This program is offered free of charge to all who are interested. The Program Team will conduct activities in every state, territory, and the Navajo Nation. All small drinking water systems are eligible to receive free training and technical assistance.

What We Offer

Individualized technical assistance, workshops, small group support, webinars, eLearning, online tools & resources, blogs



The Small Systems Program Team

- Environmental Finance Center at The University of North Carolina at Chapel Hill
- Southwest Environmental Finance Center at the University of New Mexico
- Syracuse University Environmental Finance Center
- Environmental Finance Center at Wichita State University
- EFC West
- Environmental Finance Center at the University of Maryland
- New England Environmental Finance Center at the University of Southern Maine
- Great Lakes Environmental Infrastructure Center
- Government Finance Officers Association (GFOA)
- National Association of Development Organizations (NADO)





SCHOOL OF GOVERNMENT

Environmental Finance Center



Dedicated to enhancing the ability of governments and other organizations to provide environmental programs and services in fair, effective, and financially sustainable ways through:

- *applied research*
- *teaching and outreach*
- *program design and evaluation*

How you pay for it matters.

Areas of Expertise



Asset Management



Rate Setting and Fiscal Planning



Communication and Decision-Making Strategies



Water Loss Control



Controlling Energy Costs



Accessing Infrastructure Financing Programs



Workforce Development



Water Conservation Finance and Management



Collaborating with Other Water Systems



Resiliency Planning



Managing Drought

Small Systems Blog

Learn more about water finance and management through our Small Systems Blog! Blog posts feature lessons learned from our training and technical assistance, descriptions of available tools, and small systems “success stories.”

efcnetwork.org/small_systems_blog/



Blog



Magdalena, New Mexico: A Success Story from the Smart Management for Small Water Systems Project

Written by: Allison Perch Allison Perch is a Program Coordinator with the Environmental Finance Center at the University of North Carolina. What can a small town do when the financial health of its water system is at risk? This is the question that Stephanie Finch, the town clerk and treasurer for the ...



The Virtuous Cycle: Internal Energy Revolving Funds for Small Water Systems

Written by: David Tucker David Tucker is a Project Director with the Environmental Finance Center at the University of North Carolina. How can small (and large) water systems pay for energy efficiency and renewable energy, helping cut utility costs? As energy is often the largest variable expense in a water system's operating ...



Smart Management for Small Water Systems Program Newsletter | Fall 2015

View Full Issue The Environmental Finance Center Network has published the third issue in a series of quarterly newsletters. The Fall 2015 Program Newsletter announces



Visit the EFCN Website – www.efcnetwork.org

for more information on upcoming events, funding, and resources.

EFCN Innovative Finance Solutions for Environmental Services

HOME ABOUT WORKSHOPS & WEBINARS ASSISTANCE RESOURCES BLOG ARCHIVES Q

Get Free Help Now!

Small water systems can request free technical assistance from our experts on finance and management challenges.

"The thing about working with the EFCN is availability; I can call anytime with a quick question or to get outside advice."



Upcoming Events Calendar

Select “Upcoming Events” under the Workshops & Webinars Tab.



Upcoming Events





= In Person Event



= Webinar

Type	Date/Time	Event
	03/09/2017 2:00 pm - 3:00 pm	WEBINAR Preparing Winning Financing Applications for Water Infrastructure Projects
	03/22/2017 2:00 pm - 3:00 pm	WEBINAR Water Audits and Water Loss Control: Entering Your Data into the Spreadsheet
	03/30/2017 9:00 am - 4:30 pm	Maryland Rates and Finance Workshop for Small Water Systems <i>Easton Utilities, Easton MD</i>
	04/04/2017 1:00 pm - 2:00 pm	WEBINAR: Workforce Development: An Overview of Key Components
	05/11/2017 9:00 am - 4:30 pm	Virginia Rates and Finance Workshop for Small Systems <i>The Institute for Advanced Learning and Research, Danville Virginia</i>
	05/25/2017 9:00 am - 4:30 pm	Arkansas Rates and Finance Workshop for Small Water Systems <i>Beaver Water District, Lowell AR</i>
	09/13/2017 9:00 am - 4:30 pm	Pennsylvania Rates and Finance Workshop for Small Water Systems <i>Pennsylvania American Water Co, New Castle PA</i>



Funding Tables By State

Select “Funding Sources by State” under the Resources Tab.

The screenshot shows the EFCN website header with the logo and tagline "Innovative Finance Solutions for Environmental Services". The navigation menu includes "HOME", "ABOUT", "WORKSHOPS & WEBINARS", "ASSISTANCE", "RESOURCES", "BLOG", and "ARCHIVES". The "RESOURCES" dropdown menu is open, showing options: "Resource Library", "E-Learning Modules", "Funding Sources by State" (highlighted with a yellow box), and "Map of Water and Wastewater Rates Dashboards". Below the navigation is a large blue banner with the text "Get Free Help Now!" and "Small water systems can request free technical assistance from our experts on finance and management challenges." followed by a testimonial quote.



Request Technical Assistance

Select “Request Assistance” under the Assistance Tab off the EFCN homepage to access and submit the TA request form electronically.



REQUEST ASSISTANCE

Technical Assistance Request Form

The EFCN offers free help on financial and managerial topics to systems serving 10,000 or fewer people. Examples of assistance we can provide include:

- Creating an Asset management plan
- Near-term financial planning and rate setting
- Analyzing your revenues and expenses
- Offering ideas on how to effectively budget
- Long-term capital planning
- Assessing options for lowering energy use and/or water loss
- Identifying sources of outside funding
- Collaborating with other water systems
- Resiliency Planning

If you are interested in requesting assistance from our experts, please fill out the form below. You will be asked a few questions to help us understand your water system and what kind of assistance you need.



Rates Dashboards

Select “Map of Water and Wastewater Rates Dashboards” under the Resources Tab, and click on any state in blue to view its dashboard.

EFCN Innovative Finance Solutions for Environmental Services
environmental finance center network

HOME ABOUT ▾ WORKSHOPS & WEBINARS ▾ ASSISTANCE ▾ RESOURCES ▾ BLOG ▾ ARCHIVES ▾ Q

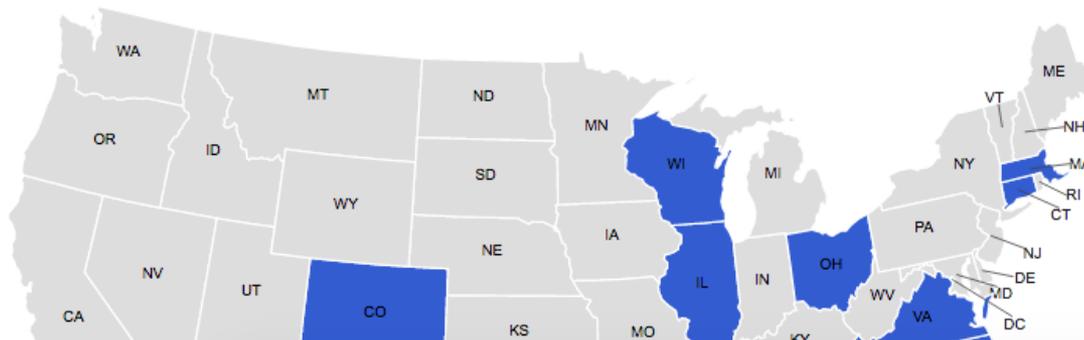
MAP OF WATER AND WASTEWATER RATES DASHBOARDS

- Resource Library
- E-Learning Modules
- Funding Sources by State
- Map of Water and Wastewater Rates Dashboards**

Map of Water and Wastewater

This map shows Water and Wastewater Rates Dashboards created by the EFCN:

Click a state in blue to view its dashboard





E-Learning Modules

Select “E-Learning Modules” under the Resources Tab off the EFCN homepage.

The screenshot shows the EFCN website header with the logo and tagline "Innovative Finance Solutions for Environmental Services". The navigation menu includes: HOME, ABOUT, WORKSHOPS & WEBINARS, ASSISTANCE, RESOURCES, BLOG, ARCHIVES, and a search icon. The 'RESOURCES' dropdown menu is open, showing options: Resource Library, E-Learning Modules (highlighted with a yellow box), Funding Sources by State, and Map of Water and Wastewater Rates Dashboards. Below the navigation, a breadcrumb trail reads: TRAININGS > E-LEARNING MODULES. The main heading "E-Learning Modules" is partially visible.

As part of its continued effort to provide resources and training to small water systems, the Environmental Finance Network is creating E-Learning modules on finance and management topics for system managers.

E-Learning modules provide training through pre-recorded content. You will be able to access the content, watch presentations, complete quizzes and exercises, and access tools and resources at your own pace.

Financial Sustainability for Small Systems

[Click Here to Access the Course on AWWA's website](#)

This eLearning course is made possible through a USEPA grant for small systems training in conjunction with the EFCN's training partner, AWWA.



Resource Library

Select “Resource Library” under the Resources Tab off the EFCN homepage.

The screenshot shows the EFCN website header with the logo and tagline "Innovative Finance Solutions for Environmental Services". The navigation menu includes: HOME, ABOUT, WORKSHOPS & WEBINARS, ASSISTANCE, RESOURCES, BLOG, ARCHIVES, and a search icon. The "RESOURCES" menu is open, and "Resource Library" is highlighted with a yellow box. Other options in the dropdown are "E-Learning Modules", "Funding Sources by State", and "Map of Water and Wastewater Rates Dashboards". Below the navigation, a breadcrumb trail shows "RESOURCE LIBRARY".

Resource Libr

[View All Tools](#) | [View All Publications](#) | [View All Posts](#)

For an overview of some of the tools and resources available in our Resource Library, please view our [Tools and Resources flyer](#).

What does your system need help with?

+ We treat more water than we sell.



Resource Library Continued...

Click on a what your system needs help with to reveal tools and publications related to that topic.

✖ We have insufficient revenue to cover our costs.

Tools

February 16, 2017

[Online Water Rate Checkup Tool](#)

February 17, 2016

[Water Utility Customer Assistance Program Cost Estimation Tool](#)

September 3, 2014

[Water & Wastewater Residential Rates Affordability Assessment Tool](#)

December 16, 2012

[Plan to Pay: Scenarios to Fund your C.I.P.](#)

November 15, 2012

[Dashboard for Using Capital Reserve Fund to Avoid Rate Shock](#)

November 7, 2016

[Modelo de Análisis para las Tarifas de Agua y Aguas Residuale](#)

January 26, 2016

[Financial Health Checkup for Water Utilities](#)

August 15, 2013

[Rates and Financial Benchmarking Dashboards](#)

November 20, 2012

[Water & Wastewater Rates Analysis Model](#)

November 4, 2012

[Loan Analysis Tool](#)

Publications

April 14, 2014

[Rural and Small Systems Guidebook to Sustainable Utility Management](#)

August 29, 2013

[Asset Management: A Handbook for Small Water Systems](#)

August 29, 2013

[Setting Small Drinking Water System Rates for a Sustainable Future](#)

August 27, 2013

[Designing Rate Structures that Support Your Objectives](#)

Housekeeping



Workshop Objectives

- Understand the variety of funding programs available to small systems
- Learn how to access these funding programs
- Learn about tools to impress funders with your application
- Provide forum for sharing finance and management perspectives, ideas, and experiences



Agenda

- 9:00 Introductions
- 9:30 Benchmarking – Impressing the Funder
- 10:30 **Break**
- 10:45 Rate Setting – Repaying Utility Debt
- 12:00 **Lunch**
- 1:00 Presentations from Individual Funding Programs
- 2:30 **Break**
- 2:45 Capital Improvement Planning
- 3:15 Asset Management – Impressing the Funder More
- 4:00 Wrap up



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Quick Introductions

1. Name
2. Organization
3. Responsibility
4. Details on your water system—who you serve, infrastructure, etc.



PRETEST

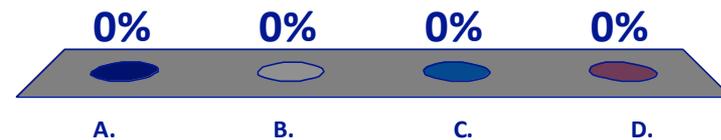


Why would funders require a water system to maintain a debt service coverage ratio greater than one?

1. They are greedy
2. They want to ensure the system can pay penalties if loan payments come in late
3. They want to ensure that the system can pay back the loan in years when revenues are lower than expected
4. They encourage systems to pay more than is required every month

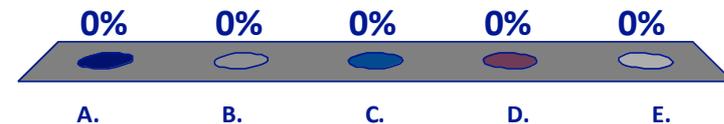
What is the recommended frequency of billing?

- A. Biweekly
- B. Monthly
- C. Quarterly
- D. Annually



Which of the following is an advantage of monthly billing?

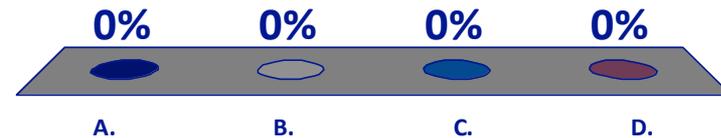
- A. More steady revenue stream for the water system
- B. Leaks on the customer side of the meter can be found more quickly
- C. Customers are better able to pay monthly bills
- D. All of the above





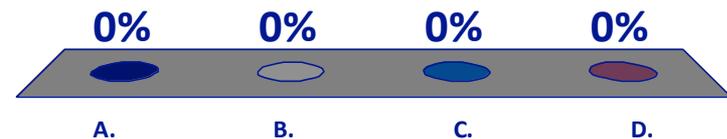
The Operating Ratio is calculated as:

- A. $\frac{\text{Operating Revenues}}{\text{Operating Expenses}}$
- B. Depreciation in a water system
- C. The ratio of operators to managers
- D. I have no idea



Which of the following is NOT an example of a key financial indicator?

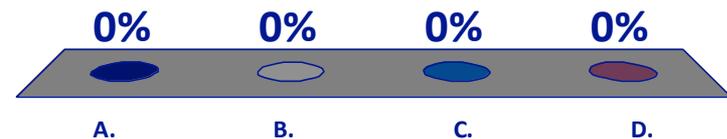
- A. Operating Ratio
- B. Days of Rainy Day Funds
- C. Days of Cash on Hand
- D. Asset Depreciation





What should be the main source of revenue for a water utility?

- A. Transfers from the general fund
- B. Rates revenue
- C. Revenues from tap and impact fees
- D. Grants from nice people



Background

Good News:

There are **several** potential funding sources for water projects

Challenges:

- It can be hard for small systems to navigate these different programs
- Applying for funding for one project from multiple programs can be complicated