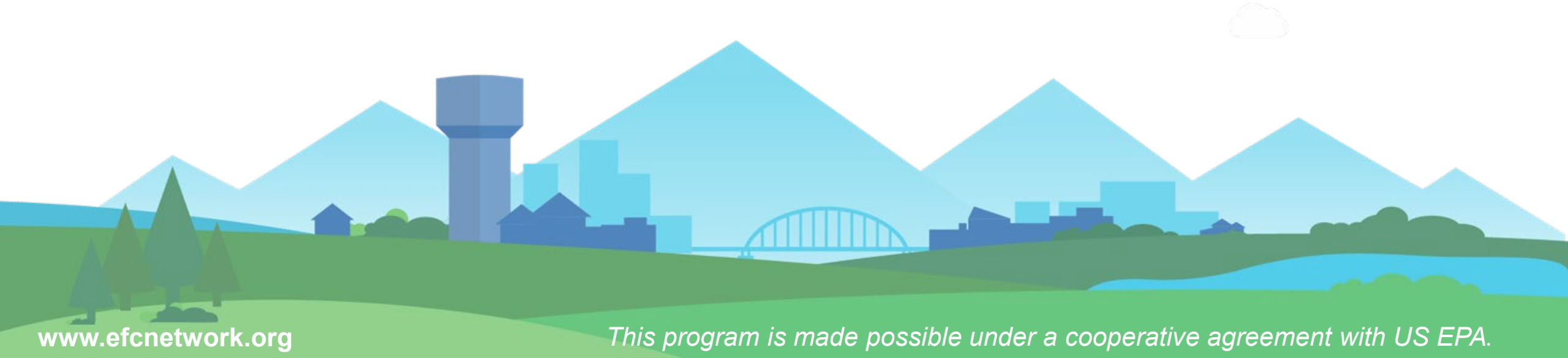
Ask Me Anything: AMPs and CIPs

July 21, 2025



This program is made possible under a cooperative agreement with US EPA.

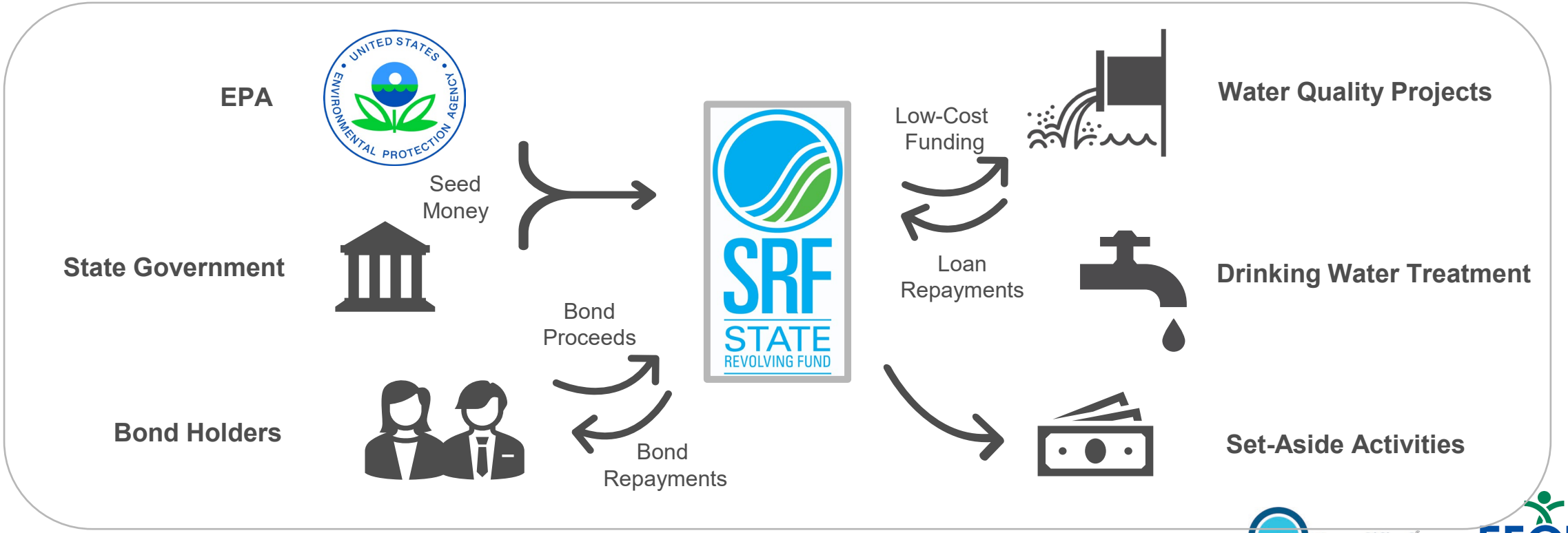
About Us

The **Environmental Finance Center Network (EFCN)** is a university- and non-profit-based organization creating innovative solutions to the difficult how-to-pay issues of environmental protection and water infrastructure.

The EFCN works collectively and as individual centers to address these issues across the entire U.S, including the 5 territories and the Navajo Nation. The EFCN aims to assist public and private sectors through training, direct professional assistance, production of durable resources, and innovative policy ideas.

What are the SRFs?

- Low interest revolving loan program with subsidies for targeted projects and communities
- Money comes from EPA/Federal Government, state match, loan repayments, interest, bond proceeds

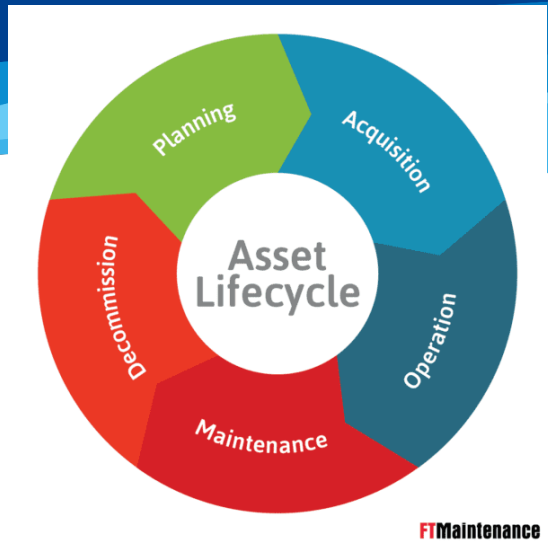


SRF State Logo source: Iowa's State Revolving Fund

Asset Management

Asset Management

- Inventory, including condition assessment
- Level of Service goals
- Criticality assessment
  - Probability of failure
  - Consequence of failure
- Prioritization
- Funding strategy



- An AMP typically includes:
  - Inventory and analysis of critical assets
  - Evaluation of asset maintenance costs
  - Long-term funding strategies

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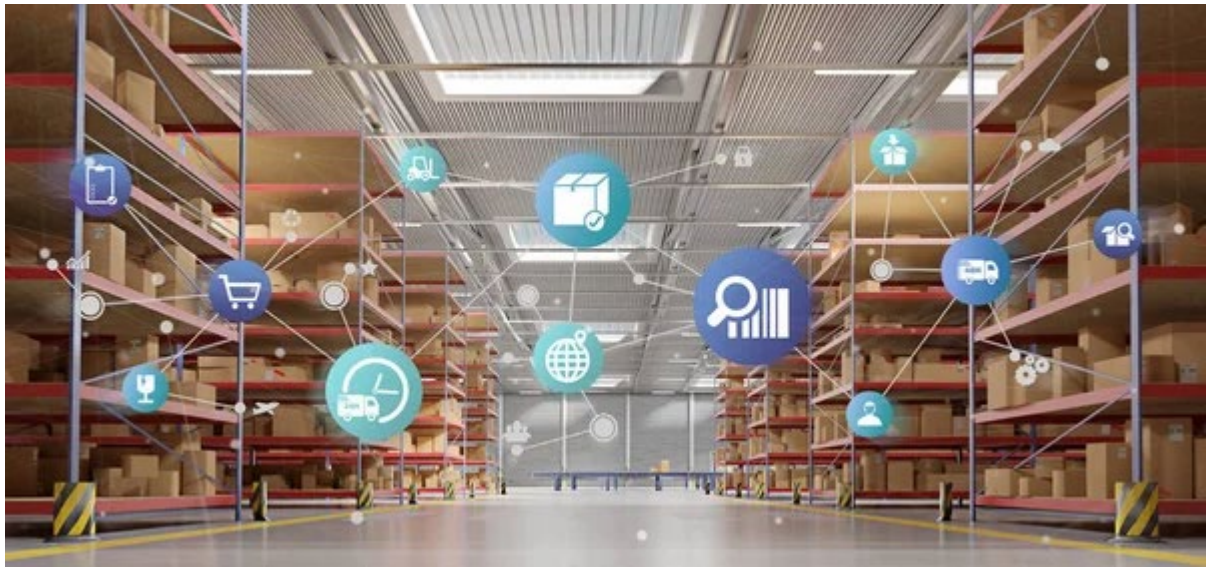
AMP- Inventory

- Where to start?!
- Organize based on:
  - Life expectancy
  - Cost to replace
  - Type
  - Location in system



AMP- Level of Service

- SMART
  - **S**pecific, **M**easurable, **A**ttainable, **R**ealistic and **T**ime based
- Examples:
  - System will meet all state and federal regulatory standards
  - Water losses will be maintained below 12%
  - Under normal conditions, pressure will be maintained between 30 and 70 psi
  - No adverse event, save for extreme weather, will cause customer to be without water for more than 8 hours
  - All customer complaints will be investigated within 2 business days

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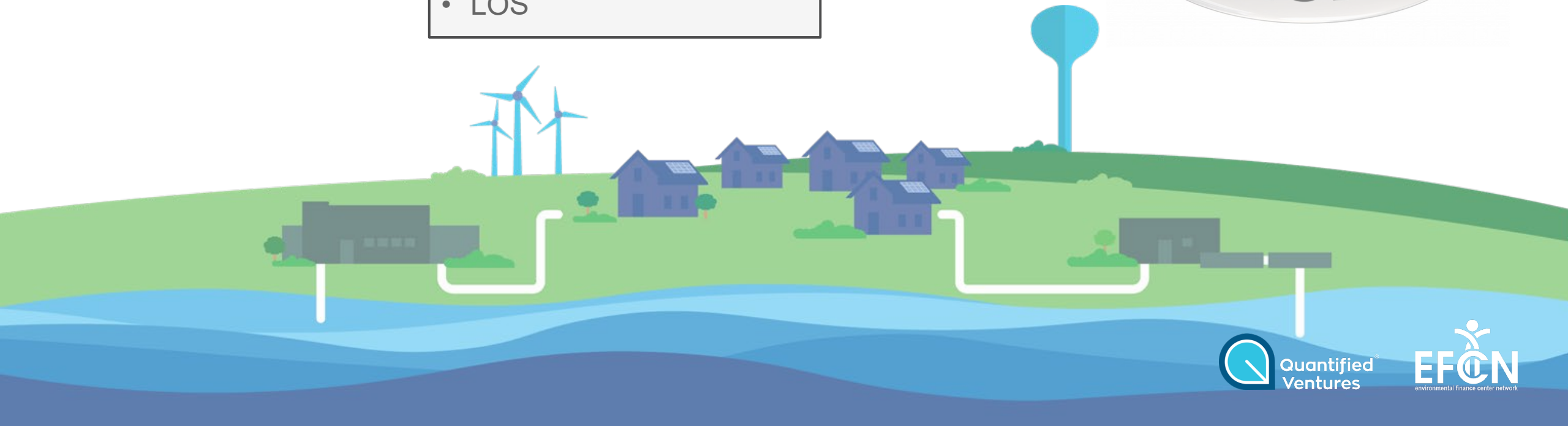
AMP- Criticality

- Self-calculation
- Risk Factor = PoF x CoF
- PoF = Probability an asset will fail in a given year
    - Estimated useful life, remaining useful life, condition, redundancy
- CoF = Consequence of an asset failing
    - How bad would be if this asset failed unexpectedly?

AMP- Prioritization

- Criticality
- O&M
- Available funding
- Concurrent projects
- LOS



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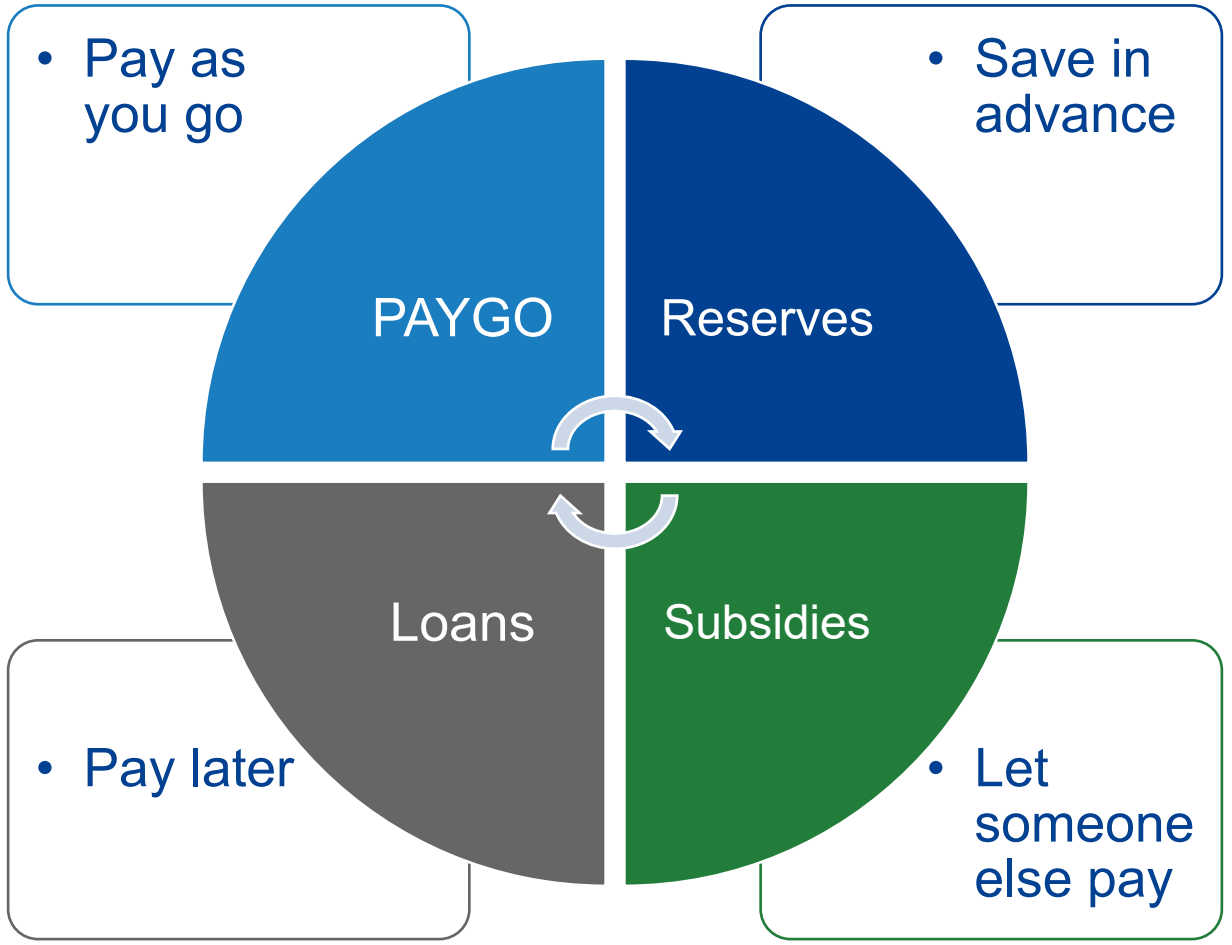
AMP- Funding


• Pay as you go
• Save in advance
PAYGO
Reserves
Loans
Subsidies
• Pay later
• Let someone else pay

Simple AMP Tool

Asset Replacement Table

Yearly Inflation Rate	***0.03***											
Yearly Savings Rate	***0.0001***											
	Est.									Vulnerability		
	Current	Years in	Expected	Remaining		Condition					Overall	Future
Items	Cost	Service	Life	Life		Age	Rehab	Cost	Redundancy	Criticality	Priority	Cost
meter	$5,000	19	20	1	95%	5	1	1	0	1	1.8	$5,15
storage tank	$50,000	25	60	35	42%	3	0	5	0	4	8.0	$140,69
Main St (hydrants, valves, meters, curbstops)	$50,000	25	40	15	63%	3.5	0	2	1	5	8.1	$77,89
hydrant	$0	7	30	23	23%	1	1	4	0	3	4.5	$
valves	$0	5	35	30	14%	0.5	0	5	0	5	6.9	$
curbstop	$0	19	20	1	95%	5	1	2	2	2	5.0	$
TOTAL	$105,000											$223,74

	Age (1-5)	**Refurbishable (0 or 1)**	**Future Cost**	**Redundancy 0-2**	**Criticality**
*assumes materials only	1 = < 20% used	0 = rehab able	1 = <$5,000	0 = no parts	1 = low, ok if it fails
strongly influenced by level-of-service	2 = 20- 40% used	1 = must replace	2 = $5,001-15,000	1 = parts	2 = minor
	3 = 40- 60% used		3 = $15,001-25,000	2 = full replacement on-site	3 = moderate
	4 = 60- 80% used		4 = $25,001-40,000		4 = major
	5 = > 80%		5 = >$40,001		5 = catastrophic if fails

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Fiscal Sustainability Plan (FSP)

FSP Implementation

Self-Certification	FSPs MUST Contain:
• States may allow recipients to self-certify or to complete an FSP • CWSRF program is NOT required to collect or review the FSP • If a community is self-certifying, this is due at loan closing • For systems completing an FSP as part of the loan process, EPA strongly recommends that the CWSRF's require FSPs be completed before final disbursement	• An inventory of critical assets • An evaluation of the condition and performance of those assets • A certification that the assistance recipient has been evaluated and will be implementing water and energy conservation methods as part of the plan • A plan for maintaining, repairing, and replacing the treatment works and financing those activities • "Asset management-light"

Only required for:
Loan Recipients + Treatment Works Projects

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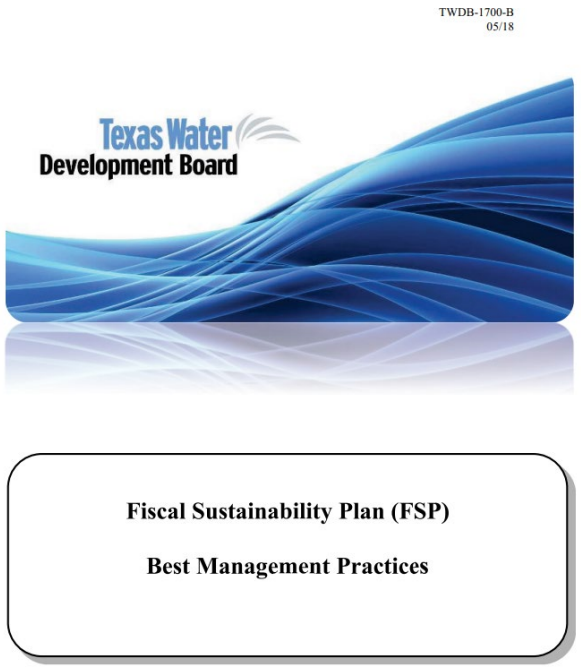
FSP Examples/Resources

- Texas Water Development Board
- AWWA's FSP Requirements
- Vermont CWSRF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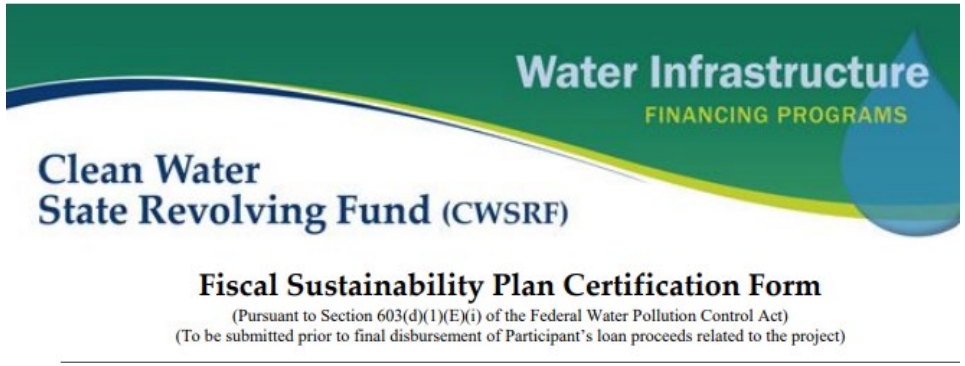
Texas Water Development Board

Fiscal Sustainability Plan (FSP)

Best Management Practices


Water Infrastructure
FINANCING PROGRAMS

Clean Water
State Revolving Fund (CWSRF)

Fiscal Sustainability Plan Certification Form

(Pursuant to Section 603(d)(1)(E)(i) of the Federal Water Pollution Control Act)
(To be submitted prior to final disbursement of Participant's loan proceeds related to the project)


American Water Works Association

CLEAN WATER AND DRINKING WATER
STATE REVOLVING FUND PROGRAMS

SURVEY OF FISCAL SUSTAINABILITY PLAN
AND ASSET MANAGEMENT REQUIREMENTS

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States that require AMPs*

- Connecticut DWSRF
- Delaware DWSRF
- New Hampshire DWSRF- must complete AM on funded project
- Oklahoma CW/DWSRF
- Utah DWSRF
- Virginia DWSRF

*Not a comprehensive list.

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States that provide incentives for AMPs*

Priority Points:

- Colorado DWSRF
- Delaware CWSRF
- Kentucky DWSRF
- Maryland DWSRF
- New Hampshire DWSRF
- New Mexico DWSRF
- North Dakota DWSRF
- Pennsylvania CW/DWSRF
- Vermont CW/DWSRF
- Wisconsin DWSRF

Other incentives:

- Delaware CW/DWSRF - up to $100k in grant each
- Maine CWSRF- up to $50k forgiveness for FSP
- Maine DWSRF- all disadvantaged applicants must do AMP training
- Massachusetts CW/DWSRF- AMP grants
- New Hampshire DWSRF – AMP grants
- Pennsylvania CW/DWSRF – AMP grants
- Vermont CW/DWSRF – additional subsidy for AMP development
- Virginia DWSRF– additional subsidy for AMP development

*Not a comprehensive list.

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Capital Improvement Plan

Capital Improvement Plan

- A CIP covers 5-7 years and typically includes:
  - Estimated costs for each project
  - Estimated timelines for each project
  - Funding sources
  - A financing plan

https://opengov.com/article/capital-improvement-plans-101/

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CIP Example

(IN THOUSANDS OF DOLLARS)

PROJECT CATEGORY	PROJECT NO.	PROJECT NAME	FY 23/24	FY 24/25	FY 25/26	FY 26/27	FY 27/28	FY 28/29
Colonel Ward Treatment and Pumping Plant	1	Filter Plant Clearwell Optimization	500	500	5,000	5,000		
	2	Filter Plant Backwash Pump Station rehab.					300	2,000
	3	Flood Control	3,000					
	4	Filter Plant PAC	300	300	5,000			
	5	Flocculation motors / baffles			500	3,000		
	6	Thickener Rehab including Tube Settlers	300		1,000	1,000		
	7	Sodium Hypochlorite System	9,500					
	8	Filter Plant Miscellaneous Improvements*				500	2,000	2,000
	9	Colonel Ward Valve House Rehabilitation				300	1,000	1,000
	10	Colonel Ward Pumping Improvements					500	5,000
	11	Colonel Ward Complex Building Improvements	500	15,000	3,000	2,000		
	12	Colonel Ward Miscellaneous Improvements*			1,000	1,000	1,000	1,000
System Pumping and Storage	13	Massachusetts Ave. P.S. Power Upgrades	7,700	25,000				
	14	Massachusetts Ave. Tunnel Rehab.				500	2,000	
	15	Massachusetts Ave. P.S. Miscellaneous Improvements*					1,000	500
	16	Manhattan Tank & P.S. Rehabilitation					500	5,000
	17	Manhattan Tank & P.S. Misc. Improvements*				300	300	300
	18	Kensington Tank stabilization	800					
	19	Grover Cleveland Tank & P.S. Rehabilitation / Replacement				500	10,000	
	20	Hancock Tank Replacement			500	10,000		
	21	Ferry Tank Replacement	500	500	10,000			
Transmission & Distribution	22	Annual Watermain / Valve Replacement / Rehabilitation	9,000	25,000	20,000	20,000	20,000	20,000
	23	Service Line Lead Abatement Program		5,000	5,000	5,000	5,000	5,000
Buildings & Other	24	Metering Program	1,000	750	750	750	750	750
	25	System Security			250	250	250	250
	26	Intake Rehabilitation					300	2,000
	27	Additional Building Improvements**				1,000	2,000	2,000
		Estimated Total Annual Capital Project Costs:	**$33,100**	**$72,050**	**$52,000**	**$51,100**	**$46,900**	**$46,800**

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CIP v. AMP

What's the difference between a CIP and an AMP?

- **Scope**: An AMP covers an organization's entire asset infrastructure, while a CIP focuses on capital improvement projects and equipment purchases.
- **Duration**: An AMP is a long-term plan that helps manage assets throughout their lifecycle, while a CIP is a short-range plan that typically covers a period of four to ten years.
- **Purpose**: An AMP helps organizations make cost-effective, proactive decisions about their assets, while a CIP helps organizations coordinate community planning and fiscal management to determine the location, timing, and financing of capital improvements.

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Upcoming Trainings

Why Project Expenses?
August 6, 2025 / 11:00-1:00 pm EST

Creative Uses of SRFs
August 18, 2025 / 2:00-4:00 pm EST

Source Water Protection & the SRFs
September 3, 2025 / 11:00-1:00 pm EST

What are Set-Asides?
September 15, 2025 / 2:00-4:00 pm EST

For more information and to register visit:
https://efcnetwork.org/event/virtual-office-hours-ask-me-anything-srf-technical-assistance-open-discussion/

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Community Finance Team
https://www.quantifiedventures.com/community-finance

Ashley Lucht

- *Community Finance Team*
- Former Director of Capital Planning at the Vermont Municipal Bond Bank
- Former DWSRF Project Manager for the State of Vermont
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