The Clean Water State Revolving Fund (CWSRF) program is a federal-state-local partnership that provides communities with below market financing (loans) for a wide range of water quality infrastructure projects. The NHDES CWSRF program is currently offering **loan forgiveness opportunities** on loans made for the development of an asset management (AM) program for wastewater and/or stormwater assets.

STORMWATER- Loan forgiveness for stormwater assets is limited to a **one-time** program development eligibility. **A maximum of $30,000** in loan forgiveness on a loan made for AM program development for stormwater assets.

WASTEWATER- Available loan forgiveness for wastewater assets ranges from **$30,000 up to $150,000** per municipality depending on the size and complexity of their wastewater system, as determined by NHDES staff. For communities eligible for $30,000 loan forgiveness, both vertical assets (pumping stations and wastewater treatment plant, if applicable) and horizontal assets (all piping, manholes, vents, drains, etc.) need to be included in the AM program development loan. Communities eligible for more than $30,000 loan forgiveness can either:

- Combine all vertical and horizontal assets into one AM program development project under one loan, or
- Divide the vertical and horizontal assets into separate AM program development projects under separate loans.

NHDES Review and Approval:

After submitting a pre-application during the annual solicitation for projects, work scopes, schedules for completion of work, and report phase engineering contracts must be pre-approved by NHDES **prior to** submitting the CWSRF loan application **AND prior to** initiating work.

Authority to Borrow:

Potential loan recipients must receive the authority to borrow the full loan amount through town warrant article or city equivalent process.

Eligibility of Costs:

Loan disbursements for work directly related to AM program development, and included in previously-approved work scopes, are eligible for loan forgiveness. Expenses must meet the documentation requirements of the CWSRF program. The budget for software, equipment and contractor services needs to be clearly described in the work scope budget. Typical expenses that may be incurred include but are not limited to:

- Software purchases – must be selected using a qualifications-based selection (QBS) process following current CWSRF procurement requirements;
- Equipment purchases/rentals such as GPS and tablets- must follow current CWSRF procurement requirements; and
- Consulting fees – consultants must be selected using the standard CWSRF QBS process for engineering services.

Deliverables and NHDES Oversight:

To maintain eligibility for CWSRF loan forgiveness, at a minimum, NHDES **must** attend the **kick off meeting**, the **Level of Service (LOS) workshop** and the **wrap up meeting**. The wrap up meeting must include a final presentation of the AM program development to the system and community management at a meeting open to the public. NHDES encourages the system staff responsible for implementing and continuing the AM work to be the presenter or co-presenter with the consultant to demonstrate their understanding and buy-in to the AM program. Co-presenting with the consultant and system staff also helps to confirm that an adequate level of training has been provided by the consultant. Following the wrap up presentation, submit an electronic copy of the presentation to NHDES.

All AM programs, while having the same core elements from one community to the next, are community-specific. NHDES encourages the community to use this funding to:

- focus on developing a **complete community-specific "decision making tool"** that will help the community better manage its valuable water infrastructure assets; and
- improve communication with all stakeholder groups relative to the value of the assets owned and the services provided.

For an AM program development loan to qualify for loan forgiveness, standard operating procedures (SOPs) need to specify staff will continue using the AM program and the key decision points made during the development of the AM program must be documented in a brief summary report that must be submitted to NHDES for review and approval **a minimum of 30 days prior to the wrap up presentation**. The development of the following **core elements** of AM need to be clearly defined in the work scope and clearly described in a final report:

- **VISION STATEMENT and STAKEHOLDER GROUP IDENTIFICATION -** Define a vision that describes what the community wishes to achieve through development of an AM program. The vision statement should identify and define all community stakeholder groups (both internal and external). When properly crafted, this community-specific vision statement will help communicate to stakeholders, the purpose and overarching goals of what AM will do for the community. This should be accomplished as one of the first steps in the process.

- **ASSET INVENTORY -** Create an asset inventory, including a naming convention that makes sense for the specific community. The asset inventory should include each asset name, location and all pertinent information known about each asset.
    - *In the report include, at a minimum:*
        - *a summary of software selection process (what factors where included in the QBS), or a statement to why software was determined to be unnecessary;*
        - *key notes relative to asset inventory, such as summarizing the thought process for determining the naming convention for assets; and*
        - *a list of assets not yet included in the asset inventory, such as manholes that have not yet been located.*

- **LEVEL OF SERVICE (LOS) WORKSHOP -** Using a workshop approach, develop a defined LOS. The workshop should include input from stakeholder groups as identified during the vision statement development process, and supporting input from the consultant (if applicable). Participation in the workshop by outside stakeholders is strongly encouraged. Many communities have found that a balanced scorecard type matrix is helpful in developing and using LOS as well as evaluating progress.

LOS goals need to be specific, measurable, achievable, relevant and timely (SMART). These LOS goals should be reviewed on a regular basis and modified accordingly.
- o *In the report include, at a minimum:*
  - *the LOS goals identified by the community;*
  - *identification and description of all stakeholder groups;*
  - *the review frequency for the LOS goal attainment; and*
  - *the process to evaluate attainment with LOS goals and to set new goals.*

- **PRIORITIZATION OF ASSETS -** Prioritize assets based on condition assessment and criticality. Many communities have found that a risk assessment type matrix comparing likelihood of failure vs. consequence of failure is an effective and useful tool for helping to prioritize assets and to visualize the state of the community's assets.
  - o *In the report include:*
    - *prioritization method used;*
    - *the checklists and SOPs to determine and update condition assessments of inventoried assets;*
    - *criteria and SOPs needed for the community to update the prioritization and condition assessments going forward; and*
    - *a graphical representation of the results for staff to use in reporting to management.*

- **LIFE CYCLE COST ANALYSIS (LCCA) -** Analyze life cycle costs of each asset including capital costs, operating costs (including energy costs for all vertical assets), maintenance costs for the life of the assets, and final disposal costs for the assets.
  - o *In the report, include a description of:*
    - *the LCCA completed to date;*
    - *how the LCCA will be updated as additional information becomes available going forward; and*
    - *how the LCCA will be used for cost effective equipment selection in the future.*

- **FUNDING STRATEGY -** Identify a funding strategy for asset maintenance and replacement, showing the need for increased revenue, or justification of adequate revenue, for the long term management of the assets. This funding strategy needs to move the community toward being able to identify the true cost of providing the services of collecting and treating wastewater and/or the cost of properly managing stormwater.
  - o *In the report include a description of:*
    - *the funding strategy;*
    - *the revenue needed for long-term sustainable management and operation of the wastewater and/or stormwater system;*
    - *additional data that is needed to fully understand the cost of providing the wastewater and/or stormwater services; and*
    - *recommendations, including examples, for collecting the additional data needed.*

- **IMPLEMENTATION PLAN -** Develop an implementation plan that explains how the community will continue to maintain and use the AM program. The implementation plan also needs to include a description of how the community will incorporate energy and water conservation into day to day operations. For projects completed by a consultant, this implementation plan must include a detailed description of training conducted by the consultant as part of the AM program development to enable the system operators to successfully continue using the AM program. This implementation plan is critical to the continuation of using and adapting the AM program to meet the stakeholder's needs. As part of the operator training, the project schedule must allow for adequate and reasonable time for the system operators to use the AM tool and return to the consultant with questions, changes or clarification.

- o *In the report include:*
    - *a detailed description of the implementation plan;*
    - *standard operating procedures for reference by staff;*
    - *a description of staff positions and responsibilities relative to implementing and using the AM program on an ongoing basis; and*
    - *a detailed description of the training completed during the AM program development.*

- **COMMUNICATION PLAN-** Prepare a communication plan with a time frame for completion of deliverables to inform stakeholders about the AM program and its capabilities. This communication plan will identify the most effective methods of communicating with each stakeholder group identified during the development of the community's vision statement.
    - o *In the report include:*
        - *a detailed description of the communication plan with timelines for deliverables;*
        - *a description of the recommended communication method for each stakeholder group;*
        - *a proposed frequency for communication with each stakeholder group;*
        - *an example communication format for each stakeholder group.*

Questions/Contact Information
For wastewater projects/questions/approvals, contact:
      Sharon Nall, P.E. at Sharon.L.Nall@des.nh.gov, or
      Daniel Lewis, EIT at Daniel.D.Lewis@des.nh.gov

For stormwater projects/questions/approvals, contact:
      Deb Loiselle at Deborah.S.Loiselle@des.nh.gov, or
      Katie Zink at Katherine.E.Zink@des.nh.gov

For CWSRF Loan Administration questions, contact Kathie Bourret at Kathleen.A.Bourret@des.nh.gov