



# Water System Sustainability Grant Program Application Guidance Document

Drinking Water and Groundwater Bureau  
August 2024

The New Hampshire Department of Environmental Services Drinking Water and Groundwater Bureau (DWGB) is currently offering two grants through the Water System Sustainability Grant Program. This program is intended to assist community water systems (CWS) in developing programs that will ensure sustainable operations and identify possible improvements in technical, managerial and/or financial operations, also known as capacity development. These programs include the development and implementation of an asset management (AM) program and conducting strategic planning for the water system. For more information on developing an asset management program, please refer to NHDES' [Asset Management Handbook and Toolkit](#).

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## Available Water System Sustainability Grants

### Asset Management Grant

Available Funding	Maximum Award	Match Required
New Asset Management Programs	\$30,000	50% match* of the awarded grant amount
Asset Management Program Improvements	\$20,000	50% match* of the awarded grant amount

### Strategic Planning Grant

Available Funding	Maximum Award	Match Required
Strategic Planning Grant	\$30,000	50% match* of the awarded grant amount

\* In-kind services or funds from the grantee are permitted for the match. Other NHDES grants may not be used to meet the match requirement. If in-kind services are used for the match, proper documentation of staff time will be required.

### Application

Applications are accepted through the online application form, linked below. The 2024 application will be available beginning in September 2024 with a **deadline of November 15, 2024**.

**Application link:** [Water System Sustainability Grant Application](#)

### Criteria

- **Eligible Applicants:** Community water systems serving a population of 150 or greater are eligible to apply (this does not include privately owned redistribution systems (PORS)).
  - Owners of multiple community water systems who want to wholistically address asset management for all owned water systems are eligible to apply for an Asset Management Grant, if the total population served across all systems included in the proposed project totals 150 or greater. In this instance, the owner would submit a single grant application for the project.
  - Past grantees may reapply if they have been awarded funding in the past. Reapplying for an Asset Management Grant will affect the amount of funding the system is eligible to apply for. Any water system that has previously been awarded an Asset Management Grant must complete any grant-funded projects currently in process before getting approval to move forward with a new Asset Management Grant.
  - Only one application for each available grant can be submitted during this round.
- **Solicitation of Outside Services:** Funds for the Water System Sustainability Grant program have been allocated only to projects that use outside services. Consultants should be selected based on their knowledge and experience developing plans similar to the proposed project for water utilities. In-house staff time is not eligible for reimbursement through these grants but can be used to fulfill the required match.
- **Match:** In-kind services or funds from the grantee are permitted for the match. Other NHDES grants may not be used to meet the match requirement. If in-kind services are used for the

match, proper documentation of staff time will be required.

- **Grant Expiration:** Projects should be completed within 1-2 years and by the date listed in the grant agreement.
- **NHDES will not reimburse work completed prior to the grant approval by Governor and Council.**

## Eligible Projects

### Asset Management Grant

The goal of the Drinking Water Asset Management Program is to shift the management of water system assets from reactive to proactive management to improve operational efficiency and technical, managerial and financial capacity. Asset management provides a data-driven, defensible way to budget and prioritize projects and resources, aids in setting rates that reflect the true cost of service and can aid transitions in staff and leadership. This grant is intended for community water systems to implement the elements of asset management within their organization, which are described below.

**An essential element of a successful asset management program is a “champion,”** someone who will be the driving force behind the project and carry the asset management program forward after the grant is completed. Please identify this individual(s) in your application.

#### Requirements Specific to New Asset Management Programs

This grant is intended for community water systems that have **not yet implemented asset management** within their organization. Applicants are encouraged to include all the tasks in the “Core Elements for an Asset Management Program” list (in the section below) but are not required to do so. When ranking applications, points will be awarded for each element included in the project scope detailed in your project description and narrative.

If a water system has already completed one or more task(s) from the core elements list and plans to complete all other core elements through the grant, the system may propose an additional task(s) from the “Additional Tasks Eligible for Funding” list.

#### Requirements Specific to Asset Management Program Improvements

For community water systems that have **already received an Asset Management Grant or that can demonstrate that an asset management program is in place**, funding is available to improve or grow the existing program. Eligible projects can go further with any of the core elements or can select one or several of the tasks from the “Additional Tasks Eligible for Funding” list.

#### Core Elements for an Asset Management Program

For more information on any of the elements listed below, please refer to NHDES’ [Asset Management Handbook and Toolkit](#).

- **Asset Inventory and Condition Assessment**
  - Develop an inventory of infrastructure assets that includes essential information like age, condition, expected life, replacement costs and mapping of assets.
  - A complete inventory includes horizontal and vertical assets; however, a system may choose to focus on a partial inventory if limited by available funds.
  - The system’s lead service line inventory should be integrated into the asset management program.

- **Level of Service (LOS) Goals Development**
  - Create performance goals that are SMART(ER) – Specific, Measurable, Attainable, Relevant, Timebound (Evaluate and Re-do) – and that reflect the organization’s vision statement. Many communities have found that a balanced scorecard type matrix is helpful in developing and implementing LOS.
  - A workshop should be held to develop the LOS goals and should include input from stakeholders, such as: system operators, management, ratepayers and supporting input from the consultant. A vision statement can also be created through this workshop.
- **Prioritization/Criticality Evaluation of Assets**
  - Prioritize assets for maintenance or replacement by determining criticality. Assets should be evaluated for likelihood of failure and impact of failure to calculate criticality.
- **Financial Review**
  - Identify the current rates and determine if they reflect the true cost of service. The cost of service is the true monetary amount that must be collected for a utility to recover its costs to operate and earn a reasonable return to plan for future investments.
  - Develop a capital improvement plan and/or long-term (10-year) funding strategy using planning level replacement costs for existing assets and a funding strategy for any improvements identified as being needed in the next 10 years.
- **Implementation Plan**
  - Develop and implement a plan to address the use, frequency of review and revision process of the AM program. The implementation plan must be prepared in coordination with the person(s) responsible for maintaining and executing it. The plan can include training, workflows, or documentation of the core AM elements. Upon routine site visits, or at the time of applying for other financial assistance programs, NHDES may request to review the documentation related to the plan to ensure its execution.
- **Communication Plan**
  - Develop and implement an outreach strategy to inform the staff and customers of the asset management program. This may be accomplished in the annual consumer confidence report, bill stuffers, website updates, email, creating a Story Map, or other platforms that will effectively reach all customers.

### **Additional Tasks Eligible for Funding**

The tasks below are eligible for funding if the applicant can show that all of the core elements have already been completed or will be completed as part of this grant.

- Improvements to asset inventory or mapping.
- Mapping of an existing asset inventory.
- Updated level of service workshop and/or goals to reflect current data.
- Criticality/risk analysis.
- Life cycle cost analysis.
- Rate study.
- Long-term funding strategy.
- Hydraulic modeling.
- Improvements to implementation plan or communication plan.
- Equipment purchases necessary for the implementation/continuation of an AM program.
- Software purchases necessary for the implementation/continuation of an AM program.
- Staff training on all aspects of the AM program including equipment and software.
- Incorporating cybersecurity into an AM program.
- Incorporating a completed lead service line inventory into an AM program.

## Tasks Ineligible for Funding through the Asset Management Grant

- Reimbursement for staff time (however, staff time can be used as a match).
- Annual subscriptions for software are ineligible expenses under this grant, however, the first year's costs are eligible.
- Purchase of cybersecurity or other infrastructure equipment.

## Strategic Planning Grant

The goal of the Strategic Planning Grant is to support water systems in **developing preliminary engineering and/or hydrogeological reports** to provide decision-makers with the best available data to implement drinking water infrastructure improvements. Deliverables from Strategic Planning Grants are also intended to support water systems' applications for funding and outreach to voters in order to secure the necessary funding. The following are examples of projects that would be eligible to receive funding. This is not an all-inclusive list and other types of projects promoting planning efforts may be considered and recommended for funding after review:

- Alternative analysis studies.
- Pilot studies.
- Preliminary engineering evaluations.
- Source exploration / hydrogeological investigation reports for locating new water supplies.
- Other professionally prepared documents that can be used to enhance system technical capacity, as determined by DWGB.

## Evaluation Criteria

Once applications are received, they are reviewed by a team of NHDES staff for eligibility and ranked based on the elements described in this section. It is the applicant's responsibility to ensure that the application includes the information needed for NHDES to properly evaluate the project.

The evaluation criteria are designed to afford significantly more points for projects involving the development of an asset inventory with condition assessments, along with the development of financial plans based on the findings of the asset inventory. They also afford more points for buy-in-commitment from the system's governing body/board members, the overall quality of the application and project management and staff qualifications.

Partial points may be awarded depending on the level of details provided in the project description sheet that is required to be provided along with the application.

### Asset Management Grant – New Programs

- Develops asset inventory and condition assessment\*.
- Buy-in-commitment\*.
- Develops financial plan and/or funding strategy (based on findings of asset inventory)\*.
- Develops communication/public education and awareness plan regarding assets\*.
- Develops GIS / mapping system that incorporates the asset inventory.
- Provides asset management training for the entity's governing body and employees.
- Conducts a cost-of-service study and/or rate analysis\*.
- Conducts management workshop to determine the desired Level of Service\*.
- Reviews/optimize operations and maintenance program and/or incorporates into a CMMS.
- Includes an assessment of the criticality of the assets (risk assessment).

- Prepares budget with prioritization of capital projects based on asset management plan.

#### **Asset Management Grant – Program Improvements**

- Project goes above and beyond updates to existing AM program and integrates new components or initiatives into the program.
- Develops asset inventory and condition assessment\*.
- Buy-in-commitment\*.
- Develops financial plan and/or funding strategy (based on findings of asset inventory)\*.
- Develops communication/public education and awareness plan regarding assets\*.
- Develops GIS / mapping system that incorporates the asset inventory.
- Provides asset management training for the entity’s governing body and employees.
- Conducts a cost of service study and/or rate analysis\*.
- Conducts management workshop to determine the desired Level of Service\*.
- Reviews/optimizes operations and maintenance program and/or incorporates into a CMMS.
- Includes an assessment of the criticality of the assets (risk assessment).
- Prepares budget with prioritization of capital projects based on asset management plan.

\*Applications that include these elements in the project scope or demonstrate that they are in progress or have already been completed will be ranked higher.

#### **Strategic Planning**

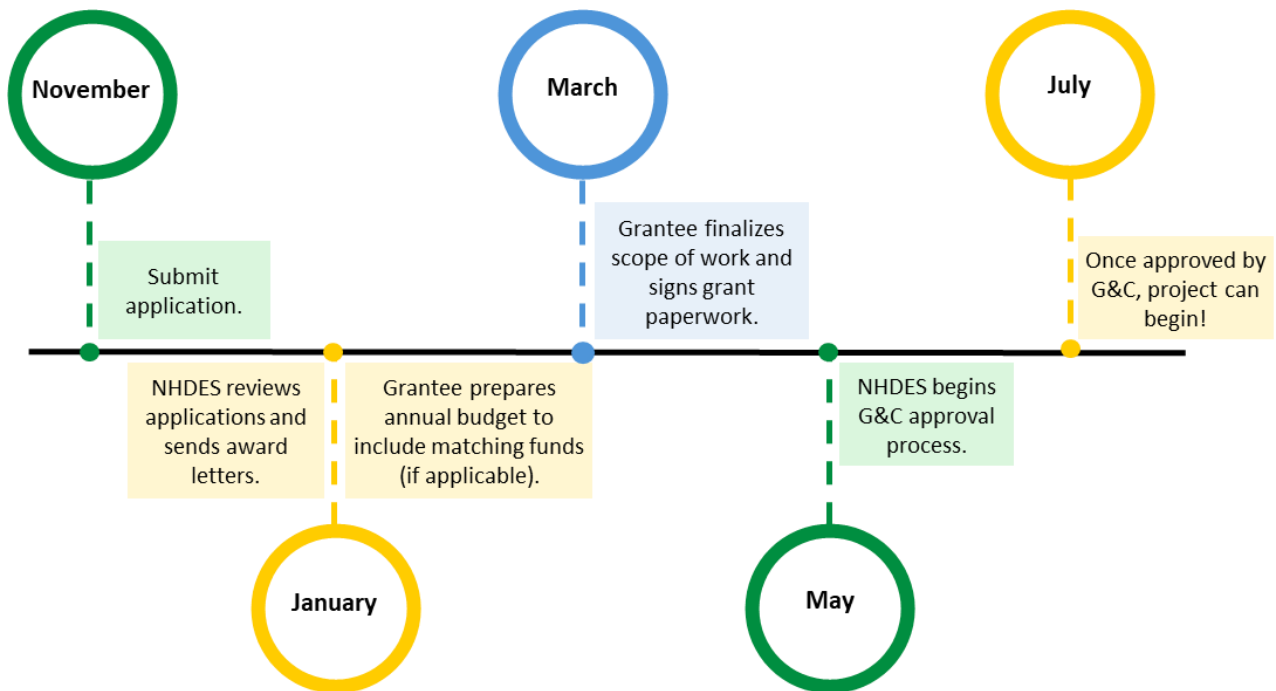
- Project helps achieve compliance for current issue.
- Project furthers public health protection.
- Project improves system sustainability and technical, managerial and/or financial (TMF) capacity.
- Application demonstrates plan for implementation of project results including securing construction funding.
- Project puts applicant in position to seek construction funding for eligible project.
- Applicant indicates funding for construction is readily available.
- Community has not previously received drinking water infrastructure construction funding through NHDES.

## **Expectations if Awarded Funding**

This section is intended to provide an overview of the grant approval process and NHDES’ expectations during the grant period.

### **Application and Approval Timeline**

The timeline below provides an estimated schedule for the grant approval process.



## Basic Grant Requirements

Grantees will be required to adhere to the following requirements throughout the grant. Grantees will be made aware of any additional requirements through the grant agreement.

- **Kick-off meeting:** A kick-off meeting shall be held with the consultant, grantee and NHDES in attendance. It is recommended that stakeholders, including operators and leadership, attend the kick-off meeting.
- **Wrap-up meeting:** A wrap-up meeting shall be held with the consultant, grantee and NHDES in attendance. It is recommended that stakeholders, including operators and leadership, attend the wrap-up meeting. Draft deliverables must be made available to NHDES at least 30 days prior to the scheduled wrap-up meeting.
- **NHDES Involvement:** NHDES must be notified in advance of any meetings and trainings related to the project and may attend as time allows. The following meetings require NHDES attendance:
  - Kick-off meeting.
  - Level of Service workshop (for asset management projects).
  - A minimum of one training session (for asset management projects).
  - Wrap-up meeting.
- **Status Updates:** The grantee will be required to send in periodic status updates throughout the grant period. NHDES will provide a form and further instruction upon grant approval. In addition, NHDES may schedule periodic virtual check in meetings with the grantee and/or consultant.
- **Deliverables:** Draft deliverables must be made available to NHDES at least **30 days prior to the scheduled wrap-up meeting.**
- **Disbursements:** Invoices shall be submitted to NHDES with the Sustainability Grant Reimbursement Form no more frequently than monthly throughout the grant period. Payments

shall be made upon receipt and approval of deliverables and receipt of associated invoices, per the requirements below:

- Up to 75% can be disbursed before NHDES will require the submission of draft deliverables to both the community and NHDES to review.
- The remaining 25% will be disbursed upon completion of all final deliverables.

## Contact Information

### **Asset Management**

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### **Strategic Planning**

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