

# Texas Water Development Board

## Financial, Managerial and Technical Self-Assessment Questionnaire

As a part of your funding application through the Economically Distressed Areas Program your entity must complete this self-assessment. By authority of the 77<sup>th</sup> Texas Legislature, the Texas Water Development Board (TWDB) has the ability to require applicants of the Economically Distressed Areas Program (EDAP) to undergo a Financial, Managerial and Technical Capacity Assessment (FMT). The following self-assessment will help the TWDB to determine if the applicant possesses the FMT capabilities that are necessary to ensure a project will meet program requirements and the entity will be able to maintain financial viability. Upon completion of the assessment, the TWDB will determine if additional capabilities will be required prior to continuing with the project through the TWDB.

Entity Name:

Date:

Prepared by: \_\_\_\_\_ Title: \_\_\_\_\_

### *Financial Assessment*

1. Does the system operate under an annual budget approved by the governing body?  
 Yes  
 No

Please explain how estimated expenses are calculated for budgeting purposes.

What sources of revenue are considered for budgeting purposes?

2. How often are accounts reconciled?  
 Monthly  
 Bi-Monthly  
 Semi-Annually  
 Annually

3. How often is budget compared to actual figures?
- Monthly
  - Semi-Annually
  - Annually
  - Never

4. Utilizing the last four budget cycles, how often did the entity exceed the budget?

5. How are figures adjusted when actuals exceed the budgeted amounts?

What other funding sources are utilized?

What approvals are necessary if funds must be reallocated for budgeting purposes?

6. Does the entity have a positive net assets balance?

- Yes
- No

7. What is current debt to assets ratio? Total debt/Total Assets

8. Does the entity have a policy for the use of surplus funds?

- Yes, if yes please explain or attach the policy.
- No

9. Does the entity charge water and sewer impact fees?

- Yes, if yes, please provide fees breakdown.
- No

10. Have water and sewer utility revenues covered each utility's annual expenses for the past five years?

- Yes
- No, if no, please explain

11. What is the entity's water and sewer collection rate?

- Greater than 95%
- Less than 95%

12. Does the entity have written procedures for the handling of delinquent accounts?

Yes, if yes, please attach.

No

13. Provide the growth rate for water and sewer system revenues for each of the past 5 years? \_\_\_\_\_

14. Does the entity have an established policy for reviewing rates?

Yes, if yes, please explain or attach the policy.

No

15. When was the last rate increase adopted? \_\_\_\_\_

Date implemented \_\_\_\_\_ How much was the rate increase? \_\_\_\_\_

16. Does the entity have a recently completed rate study?

Yes Date Completed: \_\_\_\_\_ Please attach.

No

17. Does the entity have audited financial statements for the most recent completed fiscal year?

Yes

No

18. Does the entity have audited financial statements for the last 5 years?

Yes

No

19. Are audits reviewed and approved by the entity?

Yes

No

20. Do the audits for the last 5 years present fairly in accordance with accounting standards?

Yes

No

21. Do the audits for the last 5 years identify any material/significant weaknesses?

Yes If so, have the weaknesses been addressed by the entity? \_\_\_\_\_

No

22. Please provide copy of the most recent audit.

23. Does the entity have an established investment policy?

- Yes  
 No

24. Do the policies conform to the Public Funds Investment Act?

- Yes  
 No

25. Does the entity have any authorized but unissued debt?

- Yes If so, how much? \_\_\_\_\_  
 No

26. Has the entity defaulted on debt?

- Yes, if yes, explain  
 No

27. Does the entity carry insurance (liability, property, worker's comp., bond insurance)?

- Yes  
 No

*Please complete the Financial Projection Worksheet Attached*

## *Managerial Assessment*

28. Are Council members, Commissioner's, or Board Members elected or appointed?

29. If elected, how often are elections held?

What are the term limits?

30. If appointed, by whom and for what terms?

31. Does the entity post notice of meetings according to the Open Meetings Act?

Yes

No

32. Is management staff required to attend training for their position?

How often does management staff attend training?

Is other staff required to attend relevant training for their job position?

33. Do you have written information about staffing needs (including job descriptions, qualifications for each position, organization charts)? How often is this information revised?

34. How are staff positions filled?

35. Does the entity have written personnel policies and procedures covering all positions?

Yes If so, how often are they updated?

No

36. Does the entity have established procedures for what authority has been delegated to staff and what requires Board/Council approval?

Yes

No

37. Does the entity have a written policy for handling complaints, both from internal and external customers?

38. Is a record of complaints maintained?

- Yes  
 No

39. How are all entity records maintained? For what time period are they maintained?

40. Does the entity have a capital improvement plan?

- No  
 Yes    If so, when was it last updated? \_\_\_\_\_  
How far in the future does the plan forecast? \_\_\_\_\_  
How often is it updated? \_\_\_\_\_

41. Does the capital improvement plan include any estimated rate increases?

- Yes  
 No

42. What measures trigger the evaluation of system needs?

43. Does the entity have written procedures for the handling of unexpected repairs/expenses?

- Yes  
 No

44. How was the most recent improvement or major repair financed?

- Cash on hand  
 Bond/Loan  
 Grant  
 Other

45. Does the entity have written plans for disaster/catastrophic events?

- Yes  
 No

46. Does the entity participate in the regional planning process?

- Yes  
 No

47. Does the entity participate in the regional water planning group?

- Yes  
 No

## *Technical Assessment*

48. Does the entity have the required permits to operate their utility systems?

Yes

No

49. What forms of notification are utilized when utility services are interrupted?

\_\_\_\_\_

Who is responsible for issuing public service or emergency notifications?

Name: \_\_\_\_\_ Title: \_\_\_\_\_

2<sup>nd</sup> responsible person: \_\_\_\_\_ Title: \_\_\_\_\_

3<sup>rd</sup> responsible person: \_\_\_\_\_ Title: \_\_\_\_\_

50. Has the entity adopted plumbing ordinance, regulations or service agreements? \_\_\_\_\_

51. Does the entity have an asset management plan? What systems does it cover?

\_\_\_\_\_

52. How often is the asset management plan reviewed and updated? \_\_\_\_\_

### **Water Systems:**

53. Water System Information:

a. Water CCN No.: \_\_\_\_\_

b. PWS ID No.(s): \_\_\_\_\_

c. Type of Water Supply (e.g. – purchase treated water, groundwater, surface water, other) \_\_\_\_\_

d. If entity purchases water, is the contracted supply sufficient to meet the entities needs for the next 5 years? \_\_\_\_\_

e. Is the purchased water contract limited in term or renewable? \_\_\_\_\_

f. Type of water treatment? \_\_\_\_\_

g. No. of water connections: \_\_\_\_\_

54. What type of operator's license(s) are required? \_\_\_\_\_

55. What is the operator's training schedule and what type of training is provided? \_\_\_\_\_

56. What license do the current operators have? \_\_\_\_\_. Please list all water operators, license level, license number, and expiration date below.

57. Is the entity currently being assessed fines for violations?

- Yes    Date of Notice of Violation: \_\_\_\_\_  
 No

58. Does the entity have a current water conservation plan in effect?

- Yes  
 No

59. When was the most current water loss audit conducted? \_\_\_\_\_

What is the current system-wide estimated water loss? \_\_\_\_\_

What steps are being taken to address water loss? \_\_\_\_\_

### **Wastewater Systems**

60. Wastewater System Information:

- a. Sewer CCN No.: \_\_\_\_\_
- b. Discharge Permit No.: \_\_\_\_\_
- c. No. of Sewer Connections: \_\_\_\_\_
- d. Is the entity a designated management agency or authorized agent? \_\_\_\_\_

61. What type of operator's license(s) are required?

\_\_\_\_\_

62. What is the operator's training schedule and what type of training is provided?

\_\_\_\_\_

63. What licenses do the current operators have? Please list all wastewater operators, license level, license number, and expiration date below. \_\_\_\_\_

64. What is the current average daily flow to the WWTP compared to permitted capacity?

\_\_\_\_\_

65. Does the entity have any known or suspected Inflow/Infiltration (I/I) issues?

- Yes    What steps have been taken to address I/I issues, if any? \_\_\_\_\_  
 No

**Operations**

66. Do you have an Operation and Maintenance (O&M) Program?

- Yes    Who ensures compliance with the O&M program? \_\_\_\_\_  
 No

67. Is there an O&M Manual for each component of your system? (i.e., each treatment plant, pump stations, storage, collection lines and distribution system)

- Yes  
 No

68. How often is the O&M Manual revised? \_\_\_\_\_

69. Does the entity have maintenance and repair supplies and equipment on-hand or readily available? \_\_\_\_\_

70. What is the source of back-up power supply for the treatment plant(s)? \_\_\_\_\_

71. Are there written safety procedures and who enforces them? \_\_\_\_\_

72. Are there written emergency management plans for each utility? \_\_\_\_\_

73. Are there any security procedures in place and who reviews and enforces them? (such as access to treatment plants, water sources, power supply, etc.)

**Regulatory Compliance:**

74. Who is responsible for the maintenance of records such as: maintenance/repair records, TCEQ permits and lab tests results, etc.? \_\_\_\_\_

75. What kind of federal and/or state reports are you required to submit on a regular basis?

76. Who is in charge of preparing federal and/or state reports? \_\_\_\_\_

77. Who is responsible for review of self-reporting records? \_\_\_\_\_

78. Does the entity have any current TCEQ violations or enforcement actions?

- No  
 Yes    Date of Notice of Violation:  
Reason for Violation:

79. Is the entity currently being assessed fines for violations?

No

Yes    Date of Notice of Violation: \_\_\_\_\_  
Reason for Violation: \_\_\_\_\_

80. What steps have been taken to address TCEQ violations, if any? \_\_\_\_\_

81. Who manages preparation and distribution of public notices, such as boil water notices?  
(see question 49) \_\_\_\_\_

## Financial Projections

Applicant:

Date:

	Last Completed FY Actual	Budget (Year 1)	Year 2	Year 3
Year:				
<b>1. Beginning Cash on Hand</b>				
<b>2. Cash Receipts:</b>				
a. Unmetered Water Revenue				
b. Metered Water Revenue				
c. Other Water Revenue				
d. Sewer Revenue				
<b>e. Total Water/Sewer Revenue (2a thru 2d)</b>	\$ -	\$ -	\$ -	\$ -
f. Connection Fees				
g. Interest and Dividend Income				
h. Other Income				
<b>i. Total Cash Revenues (2f thru 2h)</b>	\$ -	\$ -	\$ -	\$ -
j. Transfers In/Additional Revenue Needed				
k. Loans, Grants, or other Cash (please specify)				
<b>3. Total Cash Receipts (2i thru 2k)</b>	\$ -	\$ -	\$ -	\$ -
<b>4. Total Cash Available (1+3)</b>	\$ -	\$ -	\$ -	\$ -
<b>5. Operating Expenses</b>				
a. Salaries and Wages				
b. Employee Pensions and Benefits				
c. Purchased Water				
d. Purchased Power				
e. Fuel for Power Production				
f. Chemicals				
g. Materials and Supplies				
h. Contractual Services -Engineering				
i. Contractual Services - Other				
j. Rental of Equipment/Real Property				
k. Transportation Expenses				
l. Laboratory				
m. Insurance				
n. TCEQ Fees				
o. Advertising				
p. Miscellaneous				
q. Sewer Maintenance				
<b>r. Total Cash O&amp;M Expenses (5a thru 5q)</b>	\$ -	\$ -	\$ -	\$ -
s. Replacement Expenses				
<b>t. Total OM&amp;R Expenses (5r + 5s)</b>	\$ -	\$ -	\$ -	\$ -
u. Loan Principal/Capital Lease Payments				
v. Loan Interest Payments				
w. Transfers Out				
x. Capital Purchases (specify)				
y. Other				
<b>6. Total Cash Paid Out (5t thru 5y)</b>	\$ -	\$ -	\$ -	\$ -
<b>7. Ending Cash Position (4-6)</b>	\$ -	\$ -	\$ -	\$ -
<b>8. Number of Customer Accounts</b>				
<b>9. Average Annual Bill per Connection (2e/8)</b>	\$ -	\$ -	\$ -	\$ -
<b>10. Debt Coverage Ratio (2i-5t)/(5u+v)</b>	-	-	-	-
<b>11. Operating Ratio (2e/5t)</b>	\$ -	\$ -	\$ -	\$ -
<b>12. End of Year Operating Cash (7-13)</b>	\$ -	\$ -	\$ -	\$ -
<b>13. End of Year Reserves:</b>				
a. Debt Service Reserve				
b. Bond Retirement Fund				
c. Capital Improvement Fund				
d. Repair and Replacement Fund				
e. Other				
<b>Total Reserves (13a thru 13e)</b>	\$ -	\$ -	\$ -	\$ -