

# **MASSACHUSETTS CLEAN WATER TRUST**

## **ASSET MANAGEMENT PLAN GRANT PROGRAM**

**2019**

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## **Introduction:**

USEPA defines **Asset Management (AMP)** as “a process water and wastewater utilities can use to make sure that planned maintenance can be conducted and capital assets (pumps, motors, pipes, etc.) can be repaired, replaced, or upgraded on time and that there is enough money to pay for it.” Utilities that use AMP as a tool to help them in the economical delivery of services, find them beneficial in terms of maximizing the value of assets. If one never changes the oil in a car, one will see a reduced useful life of that engine, and will quickly face a large cost to repeal the motor or the car. If however one maintains the engine with filter replacement, oil changes and tune-ups, that engine will provide years of reliable service, and its owner will receive full value from the asset.

MassDEP and its SRF partner the Massachusetts Clean Water Trust (the Trust), recognize the value of AMP to the long-term demand for infrastructure financing. Well-maintained systems receive extended service and full value from their systems, while less well maintained infrastructure is prone to early and unpredictable failure. Therefore, DEP and the Trust are promoting AMP by offering subsidized SRF financing for communities interested in developing AMP for their drinking water, stormwater and wastewater systems.

The Trust will provide grant funds to eligible and qualifying applicants (Eligible Entities) for the preparation of Asset Management Plans (AMPs) for existing water infrastructure that includes either one, two or all three of the following: drinking water, wastewater and stormwater systems. The Trust will provide a maximum award of \$150,000 or 60%, whichever is less, with the community providing the remaining amount with both In-Kind Services (IKS) and a capital contribution. The number of projects will be subject to the \$2 million appropriated by the board for this purpose.

Eligible entities are those defined as Eligible Borrowers in MGL Chapter 29C, and includes: any city, town, special district, or other existing municipal governmental sub-unit which owns and controls a drinking water, wastewater, stormwater or water re-use treatment or conveyance system.

To assist in the preparation of AMPs, the Trust has prequalified engineering consultants that have demonstrated experience in developing these plans. The list of firms to select from is detailed in Appendix B. The applicant must choose one of the prequalified firms to assist them throughout the process, from helping prepare the application and agreeing to projects costs, to submitting a final and approved AMP.

The completed AMP will consist of the following inventories; providing methodologies for determining replacement of existing equipment prior to failure; provide staff with the necessary tools by acquiring equipment for recording and transfer to new or existing software systems; outline predetermined schedules for equipment replacement prior to failure; identify annual

budget line item costs and the effects on the existing rate charge systems for implementation of the AMP; and provide adequate software and tablets.

Grant applicants are encouraged to evaluate the ability to integrate all three components of an eligible entity's existing software systems to a singular system capable of performing water infrastructure asset management. This requirement does not preclude the completion of an asset management plan for individual water resource infrastructure systems.

**Schedule:** (all dates are subject to change)

Solicitation of Applications	July 2018
Applications Due	August 2018
Grant Award Announcement	January 2019
Grant Agreements Executed	January - February 2019
Final AMP submitted for Approval	July 2019-November 2019

**Purpose and Goals:**

The purpose of this program is to assist eligible entities with completing or updating asset management plans for wastewater, drinking water and stormwater utilities.

Goals for this program include:

- Improve upon existing maintenance practices to ensure the regular replacement of mechanical systems prior to failure.
- Develop and identify equipment replacement costs for Commissioners or overseers to establish and evaluate annual budget line items.
- Outline the annual cost effects on a rate charge system and line item in annual budgets when an asset management plan is established.
- Provide the eligible entity with an opportunity to prepare a Storm Water Utility Plan that will outline costs and methods for implementing regular maintenance to the storm water system.
- Establish an inventory of existing equipment that will allow a replacement program to be developed.
- Provide an AMP that will ensure that the operational continuity of the water resource infrastructure systems is in place to protect public health.

- Assist with acquiring computer software and hardware for data collection, to track and organize asset management priorities more efficiently.

## Grant Funding:

The Trust Board of Trustees has allocated up to **\$2 million** in grant funding to this program. The maximum total award provided by the Trust will be \$150,000, or 60% of total eligible cost, whichever is less. Projects may use Clean Water or Drinking Water SRF loans to finance cash contributions.<sup>1</sup> Eligible entities will be required to provide a matching contribution that can be made up of no more than 50% In-kind Services (IKS). Small systems will be allowed to increase the IKS contribution up to 70% of their total match. An example breakdown can be found below.

Project Cost	\$260,000.00		\$150,000.00		\$75,000.00	
System Size	Large   Medium	Small System	Large   Medium	Small System	Large   Medium	Small System
Grant Funds	\$150,000.00	\$150,000.00	\$90,000.00	\$90,000.00	\$45,000.00	\$45,000.00
Cash	\$55,000.00	\$33,000.00	\$30,000.00	\$18,000.00	\$15,000.00	\$9,000.00
IKS	\$55,000.00	\$77,000.00	\$30,000.00	\$42,000.00	\$15,000.00	\$21,000.00

**In-kind Services Match** - is defined as a contribution, other than cash, donated or pledged, that originates from personnel time. Employees of the eligible applicant may have their hourly wage applied for portions of time that they are actively working on the AMP project.

The following are generally accepted as in-kind match/ contributions:

- Personnel time provided to the project
- Person on loan from another organization/corporation

Eligible applicants are required to consistently and accurately track IKS. The documentation must include the following:

1. Employee Name
2. Title
3. Salary (Hourly Rate)
4. Task Description
5. Approximate number of hours worked
6. Total Cost

A model spreadsheet will be provided to track IKS if eligible applicants do not wish to create their own. The Trust will require a signed copy at each payment phase. The Trust reserves the right to review and audit IKS at any time during the grant period. Failure to meet documentation requirements may be grounds for IKS to be disqualified as contributions.

<sup>1</sup> Loans, if only covering the cash portion of a systems match, will be limited to 5 years.

Deficiencies in IKS match can be cured by increasing the cash contribution or by a reduction in grant funds. Any steps to cure a deficiency or reduction of grant award are at the sole discretion of the Trust. The Trust reserves right to recover any funds dispersed to an eligible applicant if a project is not completed based on the terms and conditions agreed to by the grantee and grantor.

## **Process:**

1. Application Process - Eligible Entities will work with a selected prequalified engineering firm or independently to submit the required application materials. Applications are due by the IUP deadline **August 24, 2018**. Included in the application must be a letter of intent between the applicant and the engineering consultant, which outlines the cost of the project.
2. Interested communities and their consultants must complete an application using the DEP on-line application found at: <https://www.mass.gov/lists/state-revolving-fund-applications-forms>. If the total amount of grants requested exceeds the \$2M allocated, MassDEP will evaluate all responses against the evaluation matrix on page 11.
3. Selection Team - MassDEP will rate submitted applications and select eligible entities to receive grant funding based upon the Evaluation Matrix included as Appendix A. The approved applications will be announced with the IUP, traditionally near the beginning of the calendar year.
4. Notification and Approval - Board of Trustees will vote to approve the grants for AMP development. Once approved, the Trust will notify selected eligible entities and provide a grant agreement.
5. Review Process – DEP staff will periodically review draft AMPs for completeness and approve invoices.
6. Disbursement - The Trust will disperse approved funds outlined in the "Grant Disbursement Process" below.
7. Close Out - Once the project is completed, eligible entities will submit documentation ensuring that a public meeting was conducted outlining to rate and/or tax payers of the results and recommendations for the proposed AMP. A decision on adopting the AMP plan by the Commissioners as overseers will be provided. The final AMP will be reviewed and approved by MassDEP prior to acceptance of the plan and prior to the final payment being made. **The AMP is expected to be completed six to ten months from entering into the grant agreement with the Trust.**

## **Payment Process:**

The time frame for the preparation of the AMPs is anticipated to consist of a six to ten (6 to 10) month period. The Trust will provide three (3) payments for the grant as outlined below:

1. Up to fifty percent (50%) of the total grant payment based upon submittal of an accepted fifty percent (50%) draft.
2. An additional thirty percent (30%) payment will be provided upon submittal of an accepted final draft for review and approval.
3. Final payment will be provided upon receipt of a final approved AMP from the eligible entity, and proof that a public meeting was conducted of the completed asset management plan. Approval means that MassDEP and the community have agreed the final AMP meets all the requirements outlined in this application.

## **Funding Eligible Asset Management Plan Activities:**

The purpose of this grant program is to provide a full and complete AMP or to supplement existing AMPs that do not cover all aspects of asset management. The activities listed below are eligible for grant funding under this program. Note that consideration will take the full scope of services into account when ranking proposed projects:

1. **Asset Inventory and Condition Assessment: Includes Criticality and Useful Life**
  - a. An inventory of regularly utilized assets for the water infrastructure system(s) being evaluated.
  - b. A table that includes; replacement cost, the useful life period (life cycle), material and integrity (if applicable) and a rated criticality.
2. **Field Assessment: Criticality Analysis and Useful Life**
3. **Priority List of Assets (In 5-year periods)**
  - a. A Priority List of Assets (PLA) that includes: AMP line item costs for each of the five successive annual budget years; the cost effect on the eligible entity user charge system. The PLA will summarize the annual cost to replace prioritized assets for that year, which may include the use of outside labor for use in the Annual Budget of the eligible entity.
  - b. For the PLA line items (Years 1 - 5), costs for an existing user charge system shall be provided for the eligible entity to act upon.
4. **Annual Charge System Cost (In 5-year periods)**
  - a. Clear detail on the effect on water or sewer rates as an annual amount, for eligible entity overseers to determine the needed cost changes to the rate charge system, to implement the asset management plan as a regular line item in the annual budget.
5. **Asset Management Software | Hardware**
  - a. If utilized in the AMP, nonproprietary software for asset management, or adaptation to an eligible entity's existing software system, along with tablets and other devices as necessary to complete data recording and entry.

6. **Training for Software | Hardware**
  - a. Training for use of the computer software, data entry, tablet use and other asset management duties.
7. **Management Plan**
  - a. A written management plan that describes the operation of the proposed AMP to be utilized by the eligible entity's management team and staff.
8. **Stormwater Utility Plan Preparation**

The preparation of a Stormwater Utility Plan (SWUP). SWUPs will outline costs and financing methods for implementing regular maintenance to a stormwater system.

### **Required Deliverables:**

1. Preparation of a written report that describes the completed project along with an Implementation Plan (IP) for the governing authority.
2. Each grant project shall provide notification to the users of completion of the AMP and include a presentation that will be given at a regularly scheduled public meeting conducted by the eligible entity. The presentation shall outline the recommendations included in the AMP for consideration and action.
3. The AMPs should include a public outreach product for implementation by the eligible entity that includes: Notification to rate or tax payers of the effect the AMP will have on user charges and/or the implementation of a SWUP.
4. Information regarding additional financial monies being contributed as an expanded AMP.
5. Information regarding legal orders (ACOs, NONs etc.) or correspondence from federal, state or local regulatory authorities with information regarding the preparation of AMPs.
6. Information from eligible entity overseers regarding a commitment to conducting a public meeting, consideration of the AMP and adoption of a cost plan to the annual budget.

An outline of any proposed Storm Water Utility Plan which will provide the eligible entity with a detailed plan to implement, including annual costs to property taxes, or any other funding mechanism.

## **Application Format:**

Use the following link to access the online PEF: <https://www.mass.gov/lists/state-revolving-fund-applications-forms>. If you need assistance in filling the online PEF, please contact our SRF Data Support Team [srfmadep@gmail.com](mailto:srfmadep@gmail.com).

1. Complete the on-line application
2. Upload the following documents:
  - a. Cover Letter (form provided as part of application) – providing town contact information, requested amount of grant funds, details proposed match, and identification of the prequalified engineering firm. Cover letter will need to be signed by a governing authority with the power to issue appropriate funding.
  - b. Project Team (No more than 2 pages) – identification of each member.
  - c. Proposal (No more than 6 pages) – including the following
    - i. Scope of Services
    - ii. Task and Milestones for the eligible AMP activities
  - d. Cost Proposal (No more than 1 page):
    - i. Overall Cost
    - ii. In Kind Services Cost and details on who and how it will be carried out
    - iii. Cash contribution by community, with authorization to spend grant funds.

## **Priority Considerations:**

DEP will provide priority considerations in the form of added points to a grant score for:

1. Those eligible entities included in the 2016-2019 Intended Use Plan.
2. Those eligible entities who submit an Application that outlines an evaluation of combining the three water information resource systems into a common software and data collection system capable of being utilized singularly by the eligible entity.
3. Those eligible entities that have developed or will be as part of the grant proposal a Storm Water Utility Plan.
4. Those eligible entities who wish to implement or update a Geographic Information System or the EPA's CUPPS.
5. Communities made eligible for principal forgiveness under the Affordability Tiers provided by the Massachusetts Clean Water Trust
6. Those eligible applicants who are considered a small system as defined by the US EPA.<sup>2</sup>

## **Questions Concerning the Grant Application Process:**

Applicants with questions on any aspects on this process should contact Steve McCurdy at [steven.mccurdy@state.ma.us](mailto:steven.mccurdy@state.ma.us).

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<sup>2</sup> A system serving a population of 3300 individuals or less.

## Appendix A: Evaluation Matrix

Section	Area of Consideration	Points	Range
<b>Application</b>	Narrative		Pass/Fail
	Scope of Services		Pass/Fail
	ID Project Team (Town and Consultant)		Pass/Fail
	Task and Milestones		Pass/Fail
	AMP Table of Contents		Pass/Fail
	Initial Evaluation Response		Pass/Fail
	Vendor Contract (Letter of Intent)		Pass/Fail
<b>AMP Elements</b>	Proposal inventories the system (DW; WW; SW)*	<b>15</b>	0-15
	Plan Evaluates and Prioritizes Assets*	<b>15</b>	0-15
	Plan outlines Useful Life and Criticality Value of Assets*	<b>15</b>	0-15
	Plan provides replacement cost for each Asset	<b>10</b>	0-10
	Plan provides a Priority List of Assets for each 5-year period	<b>7</b>	0-7
	Plan Prepares Annual Charge System Cost for each 5-year period	<b>5</b>	0-5
	Consultant provides Asset Management Software   Hardware**	<b>5</b>	0-5
	Consultant provides Software   hardware training	<b>5</b>	0-5
	Field Assessments for Useful Life/Criticality for Assets	<b>5</b>	0-5
	Detail of AMP assures utilization by eligible entity	<b>5</b>	0-5
<b>Total Value</b>		<b>87</b>	
<b>Added Value</b>	Consultant provides Stormwater Utility Plan***	<b>2</b>	2
	Small System (As defined by US EPA) <sup>3</sup>	<b>2</b>	2
	IUP 2016-2019	<b>2</b>	2
	GIS Implementation (New Implementation) - 1/2 (update)	<b>2</b>	1-2
	CUPPS Implementation (New Implementation) - 1/2 (update)	<b>2</b>	1-2
	Affordability Tier – Depends on Assigned Tier	<b>3</b>	1-3
		<b>13</b>	

\* Each system is worth 5 Points

\*\* If town already has updated software, then data implementation or updates can be scored under this section.

<sup>3</sup> Small Systems serve a population less than 3,300 people

## Appendix B: List of Prequalified Consulting Engineering Firms:

<b>Engineering Firm</b>	<b>Manager</b>	<b>Phone</b>	<b>Email</b>
CDM Smith	Michael J. Walsh	617-452-6000	<a href="mailto:Walshmh@cdmsmith.com">Walshmh@cdmsmith.com</a>
Comprehensive Environmental Inc.	Michael Ohl	508-281-5177	<a href="mailto:Mohl@ceiengineers.com">Mohl@ceiengineers.com</a>
GHD Inc	Marc Drainville	774-470-1630	<a href="mailto:Marc.drainville@ghd.com">Marc.drainville@ghd.com</a>
Kleinfelder, Inc	Kirsten Ryan	617-498-4778	<a href="mailto:KRyan@Kleinfelder.com">KRyan@Kleinfelder.com</a>
Stantec	Erica Lotz	781-221-1163	<a href="mailto:Erica.lotz@stantec.com">Erica.lotz@stantec.com</a>
Tata & Howard	Karen Gracey	508-219-4021	<a href="mailto:Kgracey@tataandhoward.com">Kgracey@tataandhoward.com</a>
Tighe & Bond	Daniel Roop	781-708-9827	<a href="mailto:DORoop@tigheBond.com">DORoop@tigheBond.com</a>
Weston & Sampson	Margaret McCarthy	978-532-1900 x2359	<a href="mailto:Stantonl@wseinc.com">Stantonl@wseinc.com</a>
Woodard & Curran, Inc.	Jessica Richard	978-478-7874	<a href="mailto:Jrichard@woodardcurran.com">Jrichard@woodardcurran.com</a>
Wright & Pierce	Kevin Olson	978-416-8900	<a href="mailto:kevin.olson@wright-pierce.com">kevin.olson@wright-pierce.com</a>