

Asset Management DEQ Updates

Name: Bob Schneider

**Michigan Department of Environmental
Quality**

Revolving Loan Section



SAW Updates

- The third round of SAW grants have been awarded. For fiscal year 2016, \$97 million is available for SAW award. The link includes a list of successful SAW applicants, in funding order, per the lottery process. As additional funding becomes available, projects will be funding in the order as listed.
- Per Section 603 of Public Act 84 of 2015, there is a new grant condition for SAW Asset Management Plan (AMP) recipients. All SAW AMP grant recipients will need to submit a summary of the AMP, which includes identifying major assets of the plan, AND make a copy of the AMP available to the public for at least 15 years.

Asset Management Plan (AMP)

1. Asset Inventory
2. Critical Assets
3. Level of Service
4. O&M Strategies
5. Capital Improvement Planning

Within the first 2 ½ years of grant award submit you rate methodology for gap determination

SAW/NPDES Interface

- Under the SAW grant the asset analysis can involve grouping of asset types, i.e. 50 manholes. Under the NPDES asset management requirements DEQ will require a detailed asset analysis, i.e. manhole 1, manhole 2.... This will have to be done in 1 year for WWTP assets and 3 years for collection system assets.
- For Majors, those with discharges greater than 1 MGD, when the NPDES comes up for renewal the NPDES asset management requirements take effect. NPDES requirements will supersede the SAW asset management requirements. So for example if you get a grant in 2013 and your NPDES permit comes up for renewal in 2015, you can begin with a broad asset analysis in 2014 but in 2015 the NPDES permit requirement for a detailed analysis will come into effect.
- For Minors, it is understood that when their NPDES permit comes up for renewal, asset management will be a part of that permit, however the implementation schedule in the permit will follow that of SAW. If the applicant does not have a detailed asset analysis, the timeframe for completing that requirement will be negotiated with the Permits Section.

Proposed AM Permit Language

- Permit Language Requires an Approvable AM Program to address:
 - Staffing
 - Mapping Collection System
 - Inventory and Assessment of Fixed Assets
 - Budget and Rate Sufficiency
 - Annual Report

Asset Management Plan

A schedule for development and implementation of an AM Program

Asset Management Program

1. Asset Inventory
2. Critical Assets
3. Level of Service
4. O&M Strategies
5. Capital Improvement Planning

Within the first 2 ½ years of grant award submit you rate methodology for gap determination

NPDES AM Provision

- Updated Q&A in the next 3 months will be put online
- DEQ will be “tweaking” language for individual dischargers
- May be putting approved AM plans/programs on website

Water Resources Reform and Development Act (WRRDA)

SRF Projects Only

Fiscal Sustainability Plans

- Applies to all projects that include repair, replacement, or expansion
- Does NOT apply to NPS or construction of new treatment works projects
- SRF projects with project plans submitted after Oct. 1, 2014 must comply
- Applicants must self-certify they are complying or are exempt
- Not required to be a stand-alone document, info can be located in various documents and/or databases.

FSP Minimum Requirements

- Can be project based
- Inventory of critical assets
- Evaluation of the condition and performance of inventoried assets
- Financial plan for maintaining, repairing/replacing assets
- Certification that the recipient has evaluated and will be implementing water and energy conservation efforts as part of the plan

Asset Management

| Community Water Supplies | Publicly Owned CWS | | Privately Owned CWS | |
|-------------------------------------|-----------------------------------|---------|-----------------------------------|---------|
| | >1,000 | <=1,000 | >1,000 | <=1,000 |
| Serving → | >1,000 | <=1,000 | >1,000 | <=1,000 |
| Rule 1606 Capital Improvements Plan | CIP developed by 1/1/2016 | | Propose CIP developed by 1/1/2018 | n/a |
| Rule 1606 Asset Management Program | Propose AMP developed by 1/1/2018 | n/a | Propose AMP developed by 1/1/2018 | n/a |

Asset Management Plan (AMP)

1. Asset Inventory
2. Critical Assets
3. Level of Service
4. O&M Strategies
5. Capital Improvement Planning