

Capacity Development – More Than Viability Under a New Name

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Capacity Development vs. Viability

- ◆ Viability is an *answer*
- ◆ Capacity development is a *process*

States will need to ...

- ◆ Describe the *institutional, regulatory, financial, tax, or legal* factors that encourage or impair capacity development
- ◆ Help public water systems comply with regulations
- ◆ Encourage partnerships
- ◆ Help train and certify operators
- ◆ Measure progress
- ◆ Identify interested stakeholders

The Capacity Development Process

- ◆ A Policy Process
- ◆ An Informative Process
- ◆ An Oversight Process
- ◆ An Ongoing Process

A Policy Process

- ◆ Identify stakeholders
- ◆ Bring them together
- ◆ Identify barriers
- ◆ Identify resources
- ◆ Develop policies
- ◆ Develop strategies to ...
 - Educate
 - Regulate
 - Legislate

Possible Stakeholders

Government

Local
PUC/PSC
Primacy agency
Legislators
Funding agencies

Consumers

LWV
Public Advocate
Env'l groups

Utilities

Large
Small
Public
Private

Private Business

Builders
Private Lenders
Manuf. Housing
Engineering cos.

An Informative Process

- ◆ Collect and analyze data
- ◆ Develop benchmarks
- ◆ Develop indicators
- ◆ Highlight warning signs

Data Sources

Primacy Agency

System Characteristics

MCL violations

M&R violations

Technical problems

PUC/PSC

Financial information

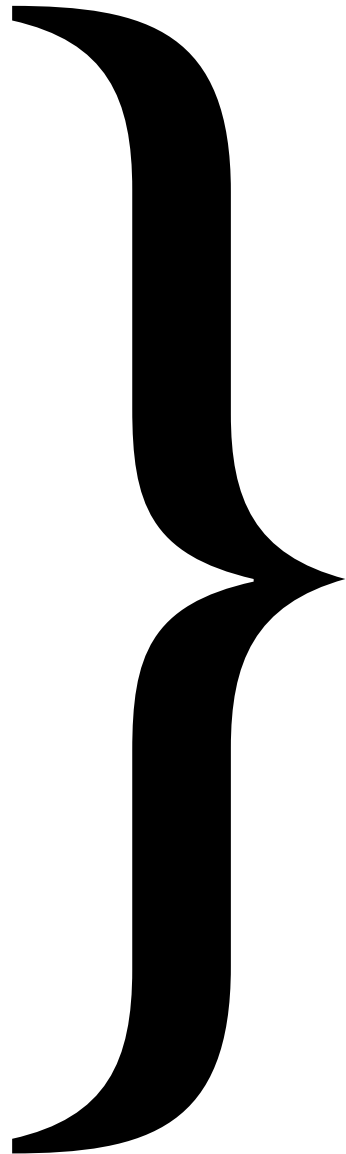
Rates information

Service problems

Others

Financial information

Census data



Benchmarks for PUC-Regulated Systems

Indicator	Warning Sign
Families in poverty	> 8.0%
Increase in Population (1980-1990)	< 1.0%
Households with elderly head of household	> 27.0%
O&M expense per 1000 gallons	> \$1.75
Operating ratio (revenues ÷ expenses)	< 1.10
Monitoring & reporting violations in 3 years	1 or more

An Oversight Process

- The Business Plan
 - New system permitting
 - Existing system surveillance

Business Plans for Small Water Systems

“Every water utility should create a comprehensive plan that specifies how the utility will affordably meet present and future demands while complying with SDWA and other regulations. ... The plan should include information on future trends in the service area, population and growth, land use policies, water demands, and other factors on both a short-term and long-term basis spanning 5 to 20 years. In addition, like any good business, water systems should make customer satisfaction a priority in the planning process and should involve customers in developing their plans.”

– *Safe Water from Every Tap* (National Research Council 1997), pp. 161-62.

An Ongoing Process

- ◆ Monitoring and Updating
- ◆ Expanded Sanitary Surveys
- ◆ Benchmark Assessments
- ◆ Training and Technical Assistance
- ◆ Funding
- ◆ Rate Case Reviews