

## AGENDA ITEM MEMO

**BOARD MEETING DATE:** October 5, 2022

**TO:** Board Members

**THROUGH:** Jeff Walker, Executive Administrator  
Ashley Harden, General Counsel  
Jessica Pena, Deputy Executive Administrator

**FROM:** Patrick Kading, AMPSS Coordinator, Program Administration

**SUBJECT:** Asset Management Program for Small Systems (AMPSS)

### ACTION REQUESTED

Consider authorizing the Executive Administrator (EA) to:

- 1) Select contractors that may be used to complete Asset Management Program for Small Systems (AMPSS) contract deliverables on behalf of participant systems
- 2) Select 20 systems to participate in this round of AMPSS
- 3) Initiate and enter into contracts in a total amount not to exceed \$2,000,000 to implement AMPSS.

### BACKGROUND

AMPSS is being implemented to assist small water and wastewater systems by providing funding to create a comprehensive plan for managing their system in a financially and technically sustainable manner. The entities chosen to participate in AMPSS will work with pre-qualified contractors with expertise in utility management, engineering, and consulting to create an asset management plan, an operations and maintenance manual, and other tools to assist the entity plan for the maintenance and eventual replacement of assets critical to successful operation of their systems.

AMPSS began as a pilot initiative with three water and three wastewater systems, spread geographically throughout the state. This will be the first official round of AMPSS projects. The program will be funded from origination fees from the Clean Water State Revolving Fund (CWSRF) and the Drinking Water State Revolving Fund (DWSRF).

#### Our Mission

Leading the state's efforts in  
ensuring a secure water future  
for Texas and its citizens

#### Board Members

Brooke T. Paup, Chairwoman | George B. Peyton V, Board Member  
Jeff Walker, Executive Administrator

Participant systems will be given the opportunity to choose a contractor to work with from a pre-approved list of qualified contractors. There is no financial match requirement for the systems, but they will be required to contribute at least 80 hours of their staff time to the project. The contractors selected to perform work on the project will be required to complete deliverables that are stated in the Scope of Work from the Request for Qualifications (RFQ). The contractors will have one year to complete the main deliverables of the project and will also be required to conduct a follow-up assessment of the implementation of the management tools 12 months after completion.

Upon completion of these projects, the participant systems will have in their possession, management tools to facilitate short-, medium- and long-term planning, efficient operations and maintenance of infrastructure, training and on-boarding of new staff, and identification of funding opportunities.

### **PRE-QUALIFIED CONTRACTORS**

An RFQ was posted for solicitation on May 31, 2022 and responses were accepted through June 30, 2022. Twenty-four vendors submitted Statements of Qualifications by the deadline, and six submittals were determined to be administratively incomplete. Fifteen of the remaining submittals were determined to meet qualification requirements and were scored and ranked. See Attachment 1.

### **PARTICIPANT SYSTEMS**

This round of AMPSS has the capacity to fund a total of 20 projects, at an amount of up to \$100,000 per project, for a total amount not to exceed \$2,000,000. Ten of the projects will evaluate drinking water systems and ten will evaluate wastewater systems.

Eligible systems include drinking water and wastewater systems that serve less than 5,000 service connections or less than 10,000 people and are eligible for funding through either the CWSRF or DWSRF programs.

### **Application Process**

An application period for potential participant systems was open from June 6, 2022 to July 21, 2022. A total of 178 eligible applications were received, of which 118 were for drinking water systems and the remaining 60 were wastewater systems. A further summary of the applications received is provided in Attachment 2.

### **Prioritization and Selection**

The applications were scored and ranked for prioritization. See Attachment 3. The scoring criteria categories focus on the system's size, rural classification, annual household income, operations (recent violation history) and recent growth in number of people and connections served. A total of 22 points were possible. In the event of a tie, the smallest system (serving the fewest number of connections) won the tiebreaker.

The highest scoring system, regardless of system type, from each of the Texas Water Development Board (TWDB) Regional Water Project Development Team (RWPD) areas were selected first. The remaining spots were filled with the highest scoring applicants, ensuring ten drinking water and ten wastewater systems were selected. Alternates were identified for both system types in the event that a selected system withdraws their intent to participate. Note: An additional alternate was identified for RWPD Team Three, since there is only one system from that region on the participant system list.

For reference, see Attachment 4 for the proposed list of participant systems. Items to note about the proposed list of participant systems:

- One entity's water and wastewater systems ranked high enough to be selected for both categories, so there is a total of 20 projects serving 19 entities
- 18 are systems considered rural according to the US Census Bureau
- 18 have annual median household income (AMHI) values below the state average
- 14 showed growth in population and connections served over the past three years
- All serve less than 1,000 connections

A full list of applications received can be found in Attachment 5.

#### **NEXT STEPS**

Notification will be sent directly to the selected systems and contractors, along with an announcement on the TWDB website, including the list of participant systems and qualified contractors. A virtual meeting with representatives from the participant systems and contractors will be conducted to discuss next steps and answer any questions.

Participant systems will be sent the list of qualified contractors, with instructions to select their top three choices of contractors. Priority of choice will be given to systems on a first-come, first-served basis, in the order in which they return their top three choices to the AMPSS coordinator via email. Systems will be given a deadline of 30 days to return their choices to the AMPSS coordinator. Contractors will be limited to a maximum of five projects during this round of AMPSS.

Once the contractor choices have been received and system/contractor pairings have been assigned, the systems and contractors will be sent notification and asked to confirm the pairings. The AMPSS coordinator will then work with Procurement and Contract Services (PCS) staff to initiate and execute contracts and memorandums of agreement.

Upon execution of the contracts and memorandums of agreement, the contractors and systems can begin work on the project. Below is a general timeline of milestones for the project. Dates are based on the date of execution for each contract.

**Table 1 AMPSS contract milestones**

<b><u>Milestones</u></b>	<b><u>Due Date</u></b>
Conduct contract kickoff meeting	Within 1 month
Submit documentation of software selection	Within 3 months
Draft asset management plan to TWDB	Within 9 months
Final asset management plan to TWDB	Within 12 months
Presentation to System governing body	Within 13 months
All-hands training for System staff	Within 14 months
Implementation report and presentation	Between 23 and 25 months

**RECOMMENDATION**

Authorize the EA to:

- 1) Select contractors that may be used to complete AMPSS contract deliverables on behalf of participant systems
- 2) Select 20 systems to participate in this round of AMPSS
- 3) Initiate and enter into contracts in a total amount not to exceed \$2,000,000 to implement AMPSS.

Attachments:

1. Qualified Contractor List
2. Applications Received Summary
3. Participant System Scoring Criteria
4. Participant System List
5. Participant System Applications Received List
6. Applicant and Participant Map

**Asset Management Program for Small Systems  
Qualified Contractors**

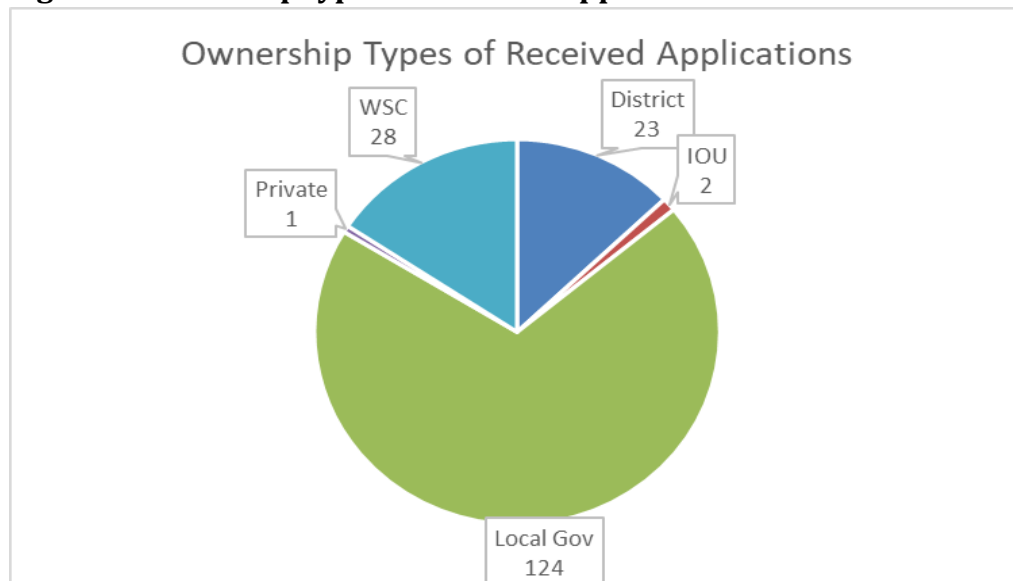
- Ardurra Group, Inc.
- Burgess & Niple, Inc.
- Daniel B. Stephens & Associates, Inc.
- Enprotec / Hibbs & Todd, Inc.
- Freese and Nichols, Inc.
- Garver, LLC
- GHD Inc.
- Hanson Professional Services Inc.
- HR Green, Inc.
- KSA Engineers, Inc.
- LSPS Solutions, LLC
- RJN Group, Inc.
- S&B Infrastructure, Ltd.
- Texas Rural Water Association
- Utility Engineering Group, PLLC

## **Asset Management Program for Small Systems** **Applications Received Summary - 2022**

The response to the first official round of the AMPSS program from water and wastewater systems was very strong. Below is a summary of the applications received:

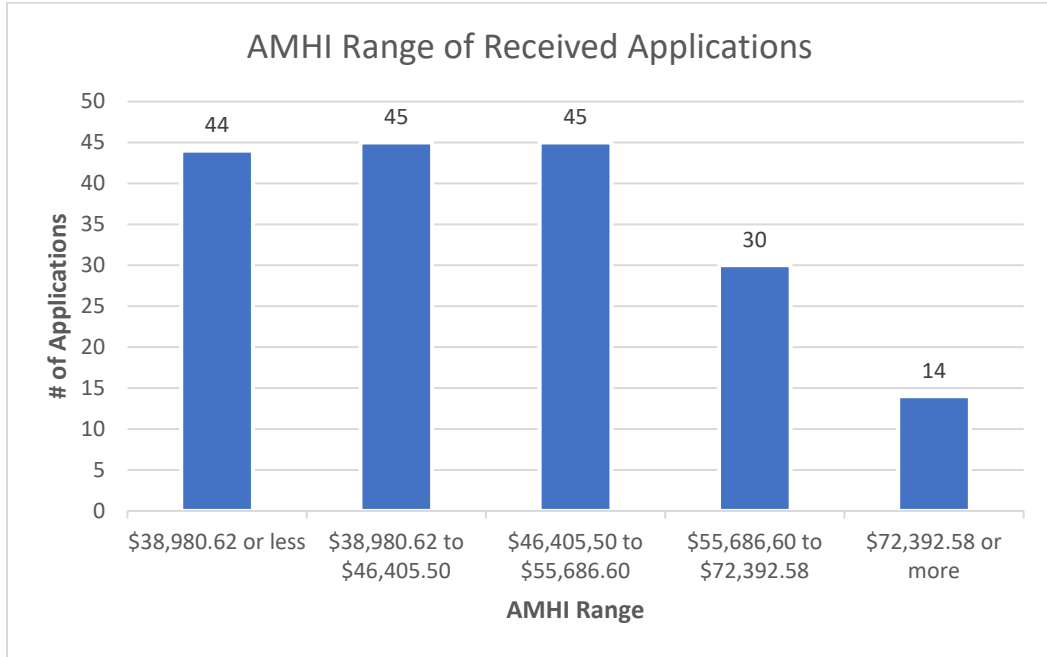
- 178 eligible applications:
  - 118 were for drinking water systems and 60 for wastewater systems
  - 90 serve only rural areas according to the US Census Bureau determination of rural
  - Applications were received from systems with five different types of ownership, with a majority coming from “Local Gov” which includes cities and towns. See Figure 1 below.

**Figure 1 Ownership types of received applications**



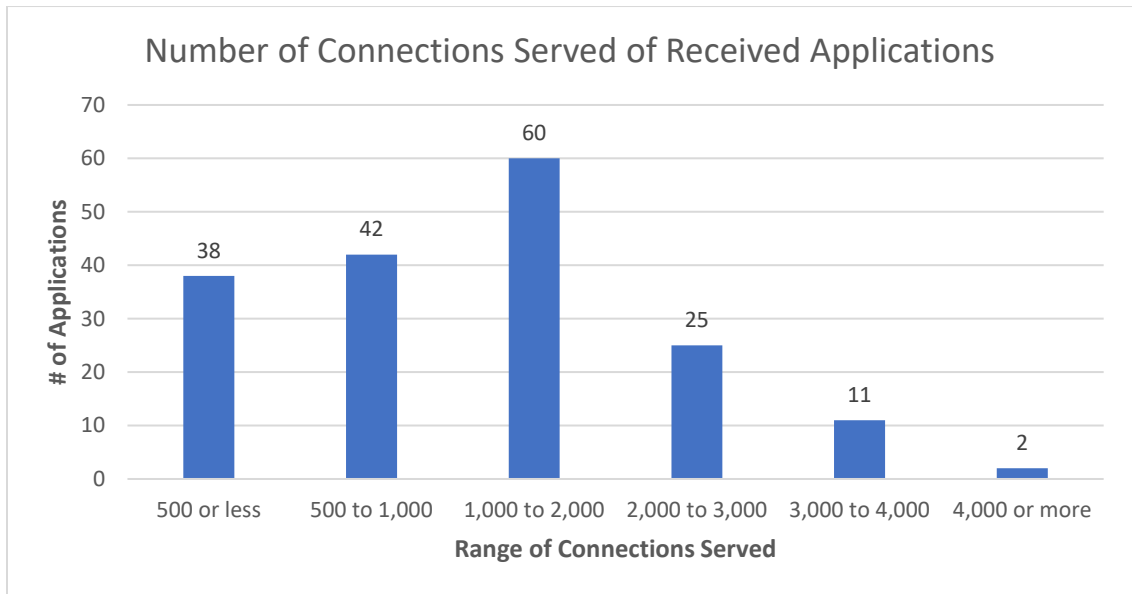
- Only 28 applicant systems reported an Annual Median Household Income (AMHI) greater than the state average of \$61,874. See Figure 2 below for a summary of the AMHI range for applications.

**Figure 2 AMHI range of received applications**



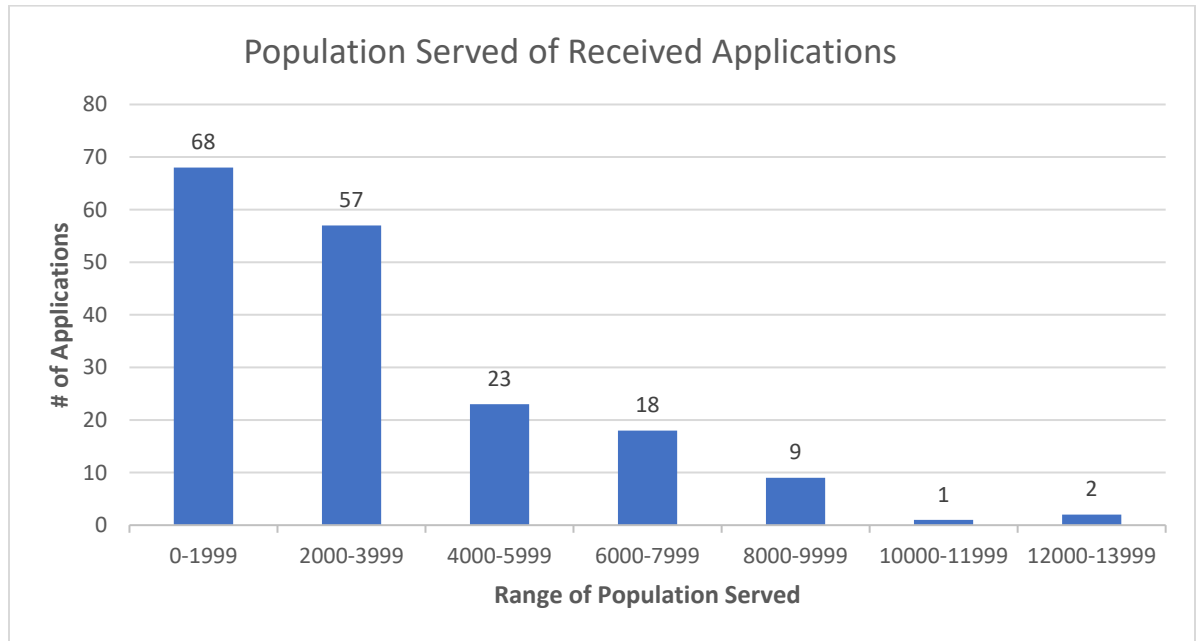
- A majority of the applications received came from systems that serve fewer than 2,000 service connections. See Figure 3 below

**Figure 3 Number of connections served of received applications**



- Similar to the data on the previous bullet, the majority of applications came from systems serving populations of less than 4,000 people. See Figure 4 below.

**Figure 4 Population served of received applications**





## **Asset Management Program for Small Systems**

### **Prioritization Criteria for Selection of Systems to Receive Assistance**

TWDB will use the following prioritization criteria to establish the score.

<b>Size</b> - Number of Service Connections for System	<b>Points</b>
Number of Service Connections less than or equal to 500	<b>5</b>
Number of Service Connections is greater than 500 but not more than 1,000	<b>4</b>
Number of Service Connections is greater than 1,000 but not more than 2,000	<b>3</b>
Number of Service Connections is greater than 2,000 but not more than 3,000	<b>2</b>
Number of Service Connections is greater than 3,000 but not more than 4,000	<b>1</b>
Number of Service Connections is greater than 4,000	<b>0</b>
<b>Rural area</b> - provides service only to rural areas	<b>Points</b>
The system serves only rural areas.	<b>4</b>
The system serves areas some areas that are not rural.	<b>0</b>
(TWDB will use the U.S. Census definition of an urban area to establish rural areas. All areas not in an urban area, whether urbanized areas or urban clusters, will be considered rural.)	
<b>Income</b> - Annual Median Household Income (AMHI) of the service area compared to the State of Texas AMHI	<b>Points</b>
Service Area AMHI is less than or equal to 63% of State AMHI	<b>4</b>
Service Area AMHI is greater than 63% but not more than 75% of State AMHI	<b>3</b>
Service Area AMHI is greater than 75% but not more than 90% of State AMHI	<b>2</b>
Service Area AMHI is greater than 90% but not more than 117% of State AMHI	<b>1</b>
Service Area AMHI is greater than 117% of State AMHI	<b>0</b>
<b>Operations</b> - Texas Commission on Environmental Quality (TCEQ) violations	<b>Points</b>
System has had no TCEQ violations in the previous 36 months as of the date the TWDB considers the system.	<b>3</b>
System has had only maximum contaminant level violations in the previous 36 months as of the date the TWDB considers the system.	<b>1</b>
System has TCEQ violations that are not maximum contaminant level violations in the previous 36 months as of the date the TWDB considers the system.	<b>0</b>
<b>Previous Participation</b> – Applicant has entity has participated in the AMPSS program previously, for either their water or wastewater system.	<b>Points</b>
The entity's water and wastewater systems have NOT participated in AMPSS previously	<b>2</b>
The entity's water or wastewater system has previously participated in AMPSS	<b>0</b>
<b>Customer Growth</b> – Percentage of growth of the population and connections served over the past 3 years. The percent of change in population and the percent of change in connections served will be averaged together to produce one value.	<b>Points</b>
Growth of 10% or more	<b>4</b>
Growth of 7% or more and less than 10%	<b>3</b>
Growth of 4% or more and less than 7%	<b>2</b>
Growth of 1% or more and less than 4%	<b>1</b>
Growth of less than 1%	<b>0</b>

*Formula for Customer Growth calculation:*

$$\left\{ \frac{\left( \frac{2022\ POP - 2019\ POP}{2019\ POP} \right) + \left( \frac{2022\ CNX - 2019\ CNX}{2019\ CNX} \right)}{2} \right\} \times 100 = \text{Customer Growth \%}$$

*Where POP = Population Served and CNX = Number of Connections*

Maximum of 22 points

Tiebreaker - (1 point) - the system with the fewest number of service connections

**Asset Management Program for Small Systems**  
**AMPSS Participant Systems List - 2022**

Water Systems:

System	Application Score	RWPD Team
Tom Green County FWSD 2	20	1
Bistone Municipal Water Supply District	20	2
Crawford, City of	20	2
Bell County WCID 5	19	2
Colorado County WCID 2	19	5
El Tanque WSC	19	6
Falfurrias Utility Board - Encino	18	6
Barton WSC	18	2
Winkler WSC	18	3
Midway, City of	17	4

Wastewater Systems:

System	Application Score	RWPD Team
Colorado County WCID 2	19	5
Matagorda Co WCID 5	18	5
Rosebud, City of	18	2
East Rio Hondo WSC - Lozano	17	6
Markham MUD	17	5
Olton, City of	17	1
George West, City of	17	6
North Zulch MUD	16	4
Wallis, City of	16	4
Mart, City of	16	2

Alternatives:

System	Application Score	RWPD Team
Water - Matagorda Co WCID 5	18	5
WW - Three Rivers, City of	16	6
R3 (Water) - Blooming Grove, City of	15	3

Asset Management Program for Small Systems (AMPSS)  
2022 Participant System Applications Received

Entity Name	System Type	County
Aledo	Water	Parker
Alpine	WasteWater	Brewster
Ames Minglewood WSC	Water	Liberty
Argyle	WasteWater	Denton
Athens	WasteWater	Henderson
Balmorhea	WasteWater	Reeves
Balmorhea	Water	Reeves
Bartlett	WasteWater	Bell
Bartlett	Water	Williamson
Barton WSC	Water	Erath, Palo Pinto
Bastrop	WasteWater	Bastrop
Bastrop Co WCID 2	Water	Bastrop
Bell County WCID 5	Water	Bell
Bell Milam Falls WSC	Water	Bell
Bishop	WasteWater	Nueces
Bishop	Water	Nueces
Bistone Municipal Water Supply District	Water	Limestone
Blanco	Water	Blanco
Blooming Grove	Water	Navarro
Blooming Grove	WasteWater	Navarro
Bluff Dale WSC	Water	Erath
Bowie	WasteWater	Montague
Bowie	Water	Montague
Bronte	Water	Coke
Buffalo	WasteWater	Leon
Buffalo	Water	Leon
Callisburg	Water	Cooke
Canyon Park WSC	Water	Polk
Centerville	Water	Leon
Centerville	WasteWater	Leon
Central Washington County WSC	Water	Washington
Charlotte	Water	Atascosa
Chatt WSC	Water	Hill
Clarendon	Water	Donley
Colorado County WCID 2	Water	Colorado
Colorado County WCID 2	WasteWater	Colorado
Combes	Water	Cameron
Copeville SUD	Water	Collin
Crawford	WasteWater	McLennan
Crawford	Water	McLennan
Crockett	WasteWater	Houston
Crockett	Water	Houston
Crystal City	WasteWater	Zavala
Crystal City	Water	Zavala
D & M WSC	Water	Nacogdoches
Derby Ing	Water	Frio
Dilley	Water	Frio
Eagle Lake	WasteWater	Colorado
Eagle Lake	Water	Colorado
East Medina Co SUD	Water	Medina
East Rio Hondo WSC Arroyo City	Water	Cameron
East Rio Hondo WSC Lozano Wastewater	WasteWater	Cameron
El Jardin WSC	Water	Cameron
El Tanque WSC	Water	Starr
Elderville WSC	Water	Gregg, Rusk
Eldorado	WasteWater	Schleicher
Eldorado	Water	Schleicher
Falfurrias	Water	Brooks
Falfurrias - Encino	Water	Brooks

Asset Management Program for Small Systems (AMPSS)  
2022 Participant System Applications Received

Ferris	WasteWater	Ellis
Ferris	Water	Ellis
Fort Griffin SUD	Water	Shackelford
Four Way SUD	Water	Angelina
Ganado	Water	Jackson
Gause WSC	Water	Milam
George West	Water	Live Oak
George West	WasteWater	Live Oak
Glen Rose	Water	Somervell
Glen Rose	WasteWater	Somervell
Goliad	Water	Goliad
Goliad	WasteWater	Goliad
Granite Shoals	Water	Burnet
Granite Shoals Sherwood Shores III	Water	Burnet
Harris Co MUD 50	WasteWater	Harris
Harris Co MUD 50	Water	Harris
Hidalgo Co MUD 1	WasteWater	Hidalgo
Hidalgo Co MUD 1	Water	Hidalgo
Hitchcock	Water	Galveston
Hitchcock	WasteWater	Galveston
Idalou	Water	Lubbock
Jacksboro	WasteWater	Jack
Jacksboro	Water	Jack
Jarrell	Water	Williamson
Jarrell	WasteWater	Williamson
Jourdanton	Water	Atascosa
Junction	Water	Kimble
Junction	WasteWater	Kimble
Kennedale	Water	Tarrant
Kennedale	WasteWater	Tarrant
King Creek WSC	Water	Bosque
Kirby	Water	Bexar
Krum	WasteWater	Denton
Krum	Water	Denton
La Joya	Water	Hidalgo
La Joya	WasteWater	Hidalgo
Lazy Acres Trailer Park	Water	Bexar
Leakey	Water	Real
Liberty Hill	Water	Williamson
Little Elm Valley WSC	Water	Bell
Lorena	Water	McLennan
Los Fresnos	WasteWater	Cameron
Los Fresnos	Water	Cameron
Marfa	WasteWater	Presidio
Marfa	Water	Presidio
Markham MUD	Water	Matagorda
Markham MUD	WasteWater	Matagorda
Marsha WSC	Water	Travis
Mart	Water	McLennan
Mart	WasteWater	McLennan
Matagorda Co WCID 5	WasteWater	Matagorda
Matagorda Co WCID 5	Water	Matagorda
Mathis	Water	San Patricio
McCoy WSC	Water	Atascosa, Live Oak, Wilson
McLennan County WCID 2	Water	McLennan
McLennan County WCID 2	WasteWater	McLennan
Medina WSC	Water	Bandera
Midway	Water	Madison
Minerva WSC	Water	Milam
Mountain WSC	Water	Coryell

Asset Management Program for Small Systems (AMPSS)  
2022 Participant System Applications Received

Needville	WasteWater	Fort Bend
Needville	Water	Fort Bend
North Milam WSC	Water	Milam
North Zulch MUD	WasteWater	Madison
North Zulch MUD	Water	Madison
Olney	WasteWater	Young
Olney	Water	Young
Olton	WasteWater	Lamb
Orange Grove	WasteWater	Jim Wells
Orange Grove	Water	Jim Wells
Palacios	Water	Matagorda
Palacios	WasteWater	Matagorda
Poteet	WasteWater	Atascosa
Poteet	Water	Atascosa
Praire View	WasteWater	Waller
Prairie View	Water	Waller
Premont	WasteWater	Jim Wells
Premont	Water	Jim Wells
Presidio	Water	Presidio
Presidio	WasteWater	Presidio
Primera	Water	Cameron
Primera	WasteWater	Cameron
Quitman	WasteWater	Wood
Quitman	Water	Wood
Ransom Canyon	Water	Lubbock
Reklaw	Water	Cherokee
RJR Water Co	Water	Parker, Palo Pinto
Rocksprings	WasteWater	Edwards
Rocksprings	Water	Edwards
Rosebud	WasteWater	Falls
Rosebud	Water	Falls
Salem Elm Ridge WSC	Water	Milam
San Leanna	Water	Travis
San Leon MUD	WasteWater	Galveston
San Leon MUD	Water	Galveston
Shallowater	Water	Lubbock
Shallowater	WasteWater	Lubbock
Snook	Water	Burleson
South Freestone County WSC	Water	Freestone
Starrville-Friendship WSC	Water	Smith, Gregg
Sunrise Beach Village	Water	Llano
Taft	Water	San Patricio
Taft	WasteWater	San Patricio
Thorndale	WasteWater	Milam
Thorndale	Water	Milam
Three Rivers	WasteWater	Live Oak
Tom Green County FWSD 2	Water	Tom Green
Troy	Water	Bell
Troy	WasteWater	Bell
Union WSC	WasteWater	Starr
Valley MUD No. 2	Water	Cameron
Wallis	WasteWater	Austin
Wallis	Water	Austin
West Columbia	Water	Brazoria
White Shed WSC	Water	Fannin
Whitesboro	Water	Grayson
Wilmer	Water	Dallas
Wilmer	WasteWater	Dallas
Winkler WSC	Water	Navarro, Freestone

# Asset Management Program for Small Systems (AMPSS) 2022 Applicants and Selected Participants

