New Mexico Environment Department
Drinking Water Bureau

MANAGERIAL AND FINANCIAL CAPACITY/ FUNDING READINESS ASSESSMENT

Date:

System:

Reviewer:

SECTION 1: SYSTEM ASSESSMENT

Items with a * should be requested from the system and reviewed. Other items can be addressed through a system interview. Questions in *italics* in the "Comments" column are suggested evaluation criteria.

Assessment item	Yes/No/NA	Comments
Articles of Incorporation *		*Are the primary characteristics of the organization defined (e.g. purpose of organization, definition of member, member voting rights, number of board members)?*
Bylaws *		*Are responsibilities of board defined? Are officer duties specified? Are elections/board meetings/membership meetings regularly held? Are there any conflicts with the Articles?*
Rules/Policies/Procedures *		*Are procedures for billing, collections, and delinquent accounts defined? Are they followed? Are there any conflicts with the Articles or Bylaws?*
Open Meetings Resolution *		*Is the Resolution for the current year? Are provisions in the Resolution in compliance with OMA?*
Annual budget *		*Is the budget for the current/upcoming fiscal year? Is the budget balanced? Does the budget include allocations to reserve funds?*
Water rate and fee schedule *		*Was the rate schedule recently adopted? Do rates encourage conservation? Are rates for 6000 gal/mon for a residential customer significantly below/above state average?*
Good standing with Secretary of State Corporations Business Services Division (formerly PRC)		*If system is not in good standing, why?*
3 most recent years of financial statements (i.e. Income Statements and Balance Sheets)		*Did revenue cover expenses during the last 3 fiscal years? Does the system have a balance in its reserve accounts? Does the system have a high delinquency rate? If the system is seeking funding, does it have*

		any debt capacity?
Compliance with Audit Act		*Define organization's OSA reporting requirement. If system is not in compliance, why?*
Compliance with DFA Local Government Division reporting requirements		*Define organization's DFA LGD reporting requirements. If system is not in compliance, why?*
Compliance with Office of State Engineer Regulations		*Does system submit meter readings? Does it have sufficient water rights? Is it up-to-date with required filings (e.g. extension of time for proof of beneficial use)?*
Infrastructure Capital Improvement Plan		*Has the ICIP been filed with DFA? If the system is seeking funding, is the proposed project listed in the top 5 projects on the ICIP?*
Asset Management program		*Describe the system's asset management program. Has the system completed all five components of an Asset Management Plan (i.e. asset inventory, level of service, critical asset assessment, life cycle costing, long-term funding strategy)?*

Additional comments:

SECTION 2: PROJECT ASSESSMENT (OPTIONAL)

PROJECT DESCRIPTION	
Description of proposed project:	
Project need:	
Estimated project cost:	

PROJECT READINESS		
Assessment item	Yes/No/NA	Comments
Preliminary Engineering Report		*When was PER completed? Has it been approved by relevant agencies? If not, what is its status?*
Environmental review		*What environmental work has been completed for project? Has it been approved by relevant agencies? If not, what is its status?*
Plans and specifications		*When were plans and specifications completed? Have they been approved by relevant agencies? If not, what is their status?*
Ownership of land, easements, rights of way		*Describe status of land ownership where project will be located.*
Joint Powers Agreement/MOU/MOA		*Describe regionalization between partnering systems.*

PROJECT FUNDING	
Current loans (lender and outstanding loan amount):	
Sources of funding for which system has already applied:	
Water System Median Household Income (including source of data):	
Recommended source(s) of funding:	

Additional comments:

SECTION 3: MANAGERIAL AND FINANCIAL CAPACITY/FUNDING READINESS NEEDS

This section outlines the managerial and financial capacity/funding readiness needs identified in the assessment. They should be discussed with the water system. If the system agrees to work with Community Services staff to address the needs, a Work Plan should be documented in the Community Services Assistance Tracking Form.

Proposed work plan item	Justification	Priority (urgent, high, normal)

Date assessment discussed with system:

Additional comments:

PEER REVIEW (OPTIONAL)	
Name of reviewer:	
Date of review:	
Review comments:	