



# **BUSINESS PLAN TEMPLATE**

**FOR**

**EXISTING  
PUBLIC WATER SUPPLY SYSTEMS**

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## **INTRODUCTION AND INSTRUCTIONS**

The purpose of this template is to assist the owner / governing body of existing public water systems prepare a business plan. A water system business plan is a multifaceted assessment of the system's present and future managerial and financial condition as it affects compliance with regulations and the ability to produce an adequate quantity of high quality water. The completed business plan will help the system's owners better understand the short and long term managerial and financial responsibilities involved in operating and maintaining a well-run water system.

A completed business plan is a tool to help small water systems that wish to voluntarily improve the manner which they manage and operate their water system. Preparing a business plan is not a DES requirement (in most cases) nor does it need to be submitted to the state. Only water systems that are deemed to be "deficient" by the criteria described at the end of this template are required to prepare and submit a business plan.

This business plan template categorizes information into the technical, managerial, and financial aspects of a water system. Part A concerns the technical aspects of the water system, Part B addresses the managerial issues, and Part C covers water system finances. It is recommended that the system owner work closely with the water system's book keeper/accountant, certified operator, and/or engineering consultant to complete the business plan. The planning horizon for the business plan is five years and the water system owners should update the plan each year. Another excellent tool to use in conjunction with the business plan for water system planning is DES' Public Water Supply Check-up & Self-Assessment Form" that is available at DES' small water systems help center [www.des.state.nh.us/wseb/capacity/](http://www.des.state.nh.us/wseb/capacity/)

Please remember that this template is only a guideline and not every category may apply to a particular water system. Similarly, a water system should include or attach information not described herein that it believes will help achieve the goal of sustaining a well run water system.

**PART A. TECHNICAL**

1) Technical Description (ref. Env-Ws 371.10)

Use the space below to describe the technical components of the water system.

a) Public Water System Type

- Community..... ( )
- Non-transient, non-community..... ( )
- Transient, non-community..... ( )

b) US Environmental Protection Agency Identification Number..... \_\_\_\_\_

c) Water system start-up date or approximate age..... \_\_\_\_\_

d) Number of Service Connections..... \_\_\_\_\_

e) Approximate Population Served..... \_\_\_\_\_

f) System Treatment Classification (I, II, III or IV)..... \_\_\_\_\_

g) System Distribution Classification (I,II,III or IV)..... \_\_\_\_\_

h) Water Source (check all that apply)

- Groundwater
- Surface Water
- Water purchased from wholesaler

i) If the water source is from on-site groundwater, describe the following well characteristics for each well:

Well Name:	Well Name:	Well Name
_____	_____	_____

- |   |           |           |
|---|-----------|-----------|
| a) diameter _____ inches  | _____ in. | _____ in. |
| b) depth _____ feet   | _____ ft. | _____ ft. |
| c) yield _____ gpm  | _____ gpm | _____ gpm |
| d) age _____ years  | _____ yrs | _____ yrs |
| e) location (For each well, note the distance and a compass bearing from a fixed location in the space below) _____ |           |           |

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j) Land use types served by water system (check all that apply)

- Residential
- Commercial
- Industrial
- Other - please describe \_\_\_\_\_

k) Average Daily Demand.....\_\_\_\_\_gals/day

l) Peak Daily Demand.....\_\_\_\_\_gals/day

m) Treatment (check all that apply)

- a. Disinfection with chlorine.....( )
- b. Disinfection with ozone.....( )
- c. Disinfection with ultraviolet light.....( )
- d. Softening for iron /manganese removal.....( )
- e. Softening for hardness.....( )
- f. Oxidation / Filtration for iron / manganese removal.....( )
- g. pH adjustment for corrosion control.....( )
- h. Aeration for radon removal.....( )
- i. Aeration for VOC removal .....( )
- j. Granular Activated Carbon.....( )
- k. Activated alumina for arsenic / flouride.....( )
- l. Cartridge / bag filter.....( )
- m. Surface water treatment .....( )
- n. None.....( )

n) Atmospheric Storage Tanks - Number and Volume



o) Hydro-pneumatic Tanks - Number, Volume & Operating Pressure



o) Distribution System

Please fill in the type, length and diameter of distribution piping

<u>Type</u>	<u>Length</u>	<u>Diameter</u>
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\_\_\_\_ Other (explain) \_\_\_\_\_  
\_\_\_\_\_

5. Governing Body

Name of Governing Body \_\_\_\_\_

The business plan should include a copy of the Governing Body's Bylaws or Articles of Incorporation (Env-Ws 371.25 (a)). If not included in the water system by-laws, please answer the following questions regarding the governing body.

Please attach a description of the type of Governing Body (including number of members, how selected, and replacement procedure for vacancies).

Please provide the following information regarding members of the Governing Body:

<b>Name/Title</b>	<b>Address</b>	<b>Telephone</b>	<b>Term (expires)</b>
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_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

Please describe the Governing Body meeting schedule: \_\_\_\_\_

\_\_\_\_\_

Please describe how the Governing Body is elected or appointed. \_\_\_\_\_

\_\_\_\_\_

6. Other Legal Documents:

Please attach a copy of the water system's current fee schedule and billing policy including the following items: water use charges; disconnect or activation charges; availability charges; hydrant and fire sprinkler charges; late fees and fees for lost billing; and backflow device permits and testing charges (Env-Ws 371-25(b)).

**Part B. MANAGEMENT: Section II**

**Organization, Operation and Compliance**

Section II of Management defines the organizational structure of the water system, including identification of the certified operator, the relationship between the operator and the system (employee or contract operator), scheduling, definition of responsibilities for day-to-day functions, specialized contractors, emergency planning, and Safe Drinking Water Act compliance. The purpose of this section is to clearly identify the individuals responsible for the specific managerial and operational activities of running the water system.

7. Organizational Chart: (Env-Ws-371.20 (6))

Please attach a chart showing the organizational structure of the system (i.e., in terms of personnel).

8. Operation:

Grade of System (Env-Ws 367) \_\_\_\_\_

Certified Operator(s)

<u>Name/Title</u>	<u>Address</u>	<u>Telephone #</u>	<u>Grade</u>	<u>Certification #</u>

Are the operators employees of the public water system, or are they contract operators?

\_\_\_\_ Employee Name(s) \_\_\_\_\_

\_\_\_\_ Contract Name(s) \_\_\_\_\_

9. Operator Coverage

Please describe operator coverage schedule (i.e., give name of operator, and whether the operator is on duty or on call):

Weekdays \_\_\_\_\_

Shifts \_\_\_\_\_

Weekends \_\_\_\_\_

10. Responsibilities

Identify the person responsible for the following functions:

<b>Function</b>	<b>Name</b>	<b>Telephone</b>
Routine System Operation		
Emergency Operations (Incl. Planning)		
Liaison with NHDES-WSEB		
Consumer Confidence Report preparation		
Customer Relations		
Hiring/Firing/Personnel Matters		
Billing/Debt Collection		
Sampling/Monitoring/Record Keeping/SDWA-Compliance		
Long-Term Capital Planning		
Maintaining Material Inventory		
Legal Affairs		
User Rate Setting		

It is recommended that letters of intent from specialized contractors indicating their availability and interest in repairing the water system for the following specialties: (Env-Ws 371.25(c))

- (1) Electrical/mechanical repair (Env-Ws 360.08)
- (2) Repair of the distribution piping or other construction repair to the building and storage facilities (Env-Ws 360.08)

11. Emergency Plan (Env-Ws 371.20(5))

Please attach a copy of the water system's Emergency Plan as specified in Env-Ws 360.14

**PART C. FINANCIAL**

Operational Expenditures (Env-Ws 371.34)

13. Initial Year of Budget Calculation \_\_\_\_\_

14. Rate of annual inflation to be used in budget projections: \_\_\_\_\_%

15. Operating Expenses	Year 1	Year 3	Year 5
Year	20_____	20_____	20_____
<u>Power</u>			
Electrical	\$_____	\$_____	\$_____
Propane	\$_____	\$_____	\$_____
Subtotal	\$_____	\$_____	\$_____



Water Treatment \*Include any increase in costs due to regulatory changes

Repairs	\$ _____	\$ _____	\$ _____
Chemicals	\$ _____	\$ _____	\$ _____
Test equip.	\$ _____	\$ _____	\$ _____
Subtotal	\$ _____	\$ _____	\$ _____

Maintenance and Repairs

Distribution system Repair	\$ _____	\$ _____	\$ _____
Water storage Repair	\$ _____	\$ _____	\$ _____
Mechanical, Electrical, & Control Repair	\$ _____	\$ _____	\$ _____
Flushing & Valve Exercise	\$ _____	\$ _____	\$ _____
Subtotal	\$ _____	\$ _____	\$ _____

Personnel and Administrative Costs

Employee(s)	\$ _____	\$ _____	\$ _____
Contract Operator	\$ _____	\$ _____	\$ _____
Insurance	\$ _____	\$ _____	\$ _____
Permits & Licenses	\$ _____	\$ _____	\$ _____
Management, Contractual, Legal, Admin.	\$ _____	\$ _____	\$ _____
Water Quality Compliance Testing	\$ _____	\$ _____	\$ _____
Other Costs	\$ _____	\$ _____	\$ _____
Subtotal	\$ _____	\$ _____	\$ _____

Please describe other costs:

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Debt Service (For Public Utility Commission (PUC) regulated systems only )

The water system's debt is identified as:

\$ \_\_\_\_\_ for \_\_\_\_\_ years at \_\_\_\_\_ %

Payment \$ \_\_\_\_\_ \$ \_\_\_\_\_ \$ \_\_\_\_\_

Taxes

Real Estate \$ \_\_\_\_\_ \$ \_\_\_\_\_ \$ \_\_\_\_\_

Business  
Profits

Taxes \$ \_\_\_\_\_ \$ \_\_\_\_\_ \$ \_\_\_\_\_

Other \$ \_\_\_\_\_ \$ \_\_\_\_\_ \$ \_\_\_\_\_

Subtotal \$ \_\_\_\_\_ \$ \_\_\_\_\_ \$ \_\_\_\_\_

Additional Expenditures

Capital Reserve Accounts

Supply \$ \_\_\_\_\_ \$ \_\_\_\_\_ \$ \_\_\_\_\_

Treatment \$ \_\_\_\_\_ \$ \_\_\_\_\_ \$ \_\_\_\_\_

Storage \$ \_\_\_\_\_ \$ \_\_\_\_\_ \$ \_\_\_\_\_

Distribution \$ \_\_\_\_\_ \$ \_\_\_\_\_ \$ \_\_\_\_\_

Other \$ \_\_\_\_\_ \$ \_\_\_\_\_ \$ \_\_\_\_\_

Sub Total \$ \_\_\_\_\_ \$ \_\_\_\_\_ \$ \_\_\_\_\_

**Grand Total:**

**Operating Expenses**

Year 1                      Year 3                      Year 5

\$ \_\_\_\_\_                      \$ \_\_\_\_\_                      \$ \_\_\_\_\_

16. Operating Revenue (Water Rate) (Env-Ws 371.34 (f)).

Please provide a brief description of the water rate concept used to calculate the user fees. Include the user categories (residential, commercial, industrial, other, etc.), rate structure (flat rate, block rate, increasing block rate, decreasing block rate), whether meters are to be used, billing period (monthly, quarterly, etc.), other projected fees (hook-up, sprinkler, etc.)

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	Year 1	Year 3	Year 5
Number of Connections By Category			
Residential	_____	_____	_____
Commercial	_____	_____	_____
Industrial	_____	_____	_____
Other	_____	_____	_____

	Year 1	Year 3	Year 5
Projected User Fees* by Category			
Residential	\$ _____	\$ _____	\$ _____
Commercial	\$ _____	\$ _____	\$ _____
Industrial	\$ _____	\$ _____	\$ _____
Other	\$ _____	\$ _____	\$ _____

Revenues:

Water sales	\$ _____	\$ _____	\$ _____
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Connection Fees	\$ _____	\$ _____	\$ _____
Other Revenues**	\$ _____	\$ _____	\$ _____

**Grand Total:                      Operating Revenue**

	Year 1	Year 3	Year 5
	\$ _____	\$ _____	\$ _____

\* Calculated for a residential 100,000 gallon per year user, using the rate structure developed for the system

\*\* List any other sources of revenue: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

17. Operating Balance

	Year 1	Year 3	Year 5
Total Operating Revenue	\$ _____	\$ _____	\$ _____

	Year 1	Year 3	Year 5
Total Operating Expenditure	\$ _____	\$ _____	\$ _____

(Total Annual Operating Revenue - Total Annual Operating Expenditure) =

	Year 1	Year 3	Year 5
	\$ _____	\$ _____	\$ _____

Operating Ratio (Total Operating Revenue / Total Operating Expenditure)

	Year 1	Year 3	Year 5
	_____	_____	_____

## Deficient Systems

The 1996 amendments to the federal Safe Drinking Water Act (SDWA) included provisions that required USEPA to withhold drinking water funds from states “ ... *unless the State is developing and implementing a strategy to assist public water systems in acquiring and maintaining technical, managerial, and financial capacity....* (42 U.S.C.300g-9 section 1420c.) Part of New Hampshire’s strategy to satisfy this requirement was to adopt administrative rule Env-Ws 363, “*Capacity Assurance for Existing Public Water Systems*” effective September 23, 1999. This rule requires community and non-transient, non-community public water systems to prepare a business plan only if the system receives 25 or more deficiency points as per the following deficiency schedule.

Table 363-1  
Deficiency Schedule to Determine if a Capacity Assurance Business Plan is Required

Deficiency	Deficiency Points
Operating debts; over 6 months in arrears	5
Lack of a capital reserve or sinking fund	5
Identification of significant noncompliance including:	
Monitoring	5
MCL(s)	20
Required MCL treatment	20
Significant facility deficiency (ies) as identified and communicated to the owner or operator in the sanitary survey letter as per Env-Ws 306.01(d)(1)	5
Average number of water system outages for the past quarter exceeding either one per month or 12 hours	5
Lack of repair agreement	5
No backup operator	5

For more information on business plans for deficient systems, please see Administrative Rule Env-Ws 363 Capacity Assurance for Existing Public Water Systems at <http://www.des.state.nh.us/rules/env-ws363.pdf>