



March 2009

Dear Clients, Colleagues, and Friends,

*Re: Funding Program Eligibility*

As I am sure you are aware, starting this year, there is to be federal economic stimulus funding and substantially more state funding available for water and wastewater projects throughout Pennsylvania. Competition for this money is obviously enormous. One of the things that you are likely asking yourself is, "What can we do now to make our project more eligible for funding?"

Specific criteria are used by the funding agencies to rank projects as a basis to determine which projects will get funding. Understanding these rating systems can help you to prepare for and position your projects to obtain the highest rating possible.

The recently updated PennVest rating system for sewer projects now includes additional points for projects that can demonstrate a proactive asset management plan and/or long-term capital planning. You can also find similar requirements strongly stated in the November 1, 2008 *Governor's Sustainable Infrastructure Task Force Report*. Here is an excerpt from the Executive Summary of the *Governor's Report*:

"We make two key recommendations. First, we recommend that all water and wastewater systems be required to prepare long-term asset management plans, which analyze asset condition, risk of failure, expected costs, dates of renewal and the ultimate replacement of infrastructure components. Secondly, to assure that funds are available when replacement is needed, all systems should be required to establish a repair and replacement fund."

The *Governor's Report* also states, "At the local level, much of the funding gap can be filled in by the adoption of full cost pricing and asset management practices by drinking water and wastewater systems."

So now may be the time to consider taking the steps to learn about and begin to plan for developing a meaningful assessment management plan for your facility, if one is not in place already. An asset management plan is recognized by many as a worthwhile endeavor and can help you cope with fiscal challenges. The plan can allow for more efficient allocation of your capital funds and provide increased reliability of your facility. The content of the plan can also help you to communicate to the rate payers about what needs to be done, when, and the benefits and costs. Keep in mind that the level of detail required in an asset management plan can vary with the size and complexity of the treatment system.

We urge you to work closely with your consulting engineer and planners in preparing the most sensible approach for your facility to be in position to maximize your eligibility for these funding programs. If you would like a copy of the *Governor's Report* mentioned in this letter, you can contact me or go to our website ([www.cet-inc.com](http://www.cet-inc.com)) for a direct link to this document and related information.

Until next time,

A handwritten signature in blue ink that reads "Jodi L. Reese".

Jodi L. Reese, P.E.  
Project Manager