



Water Quality Division  
Public Water Supply  
**Capacity Development Checklist**

DW-515b  
Capacity Development Checklist  
Revised 12/2023

Name of Utility: \_\_\_\_\_  
PWS ID: \_\_\_\_\_  
Utility Contact: \_\_\_\_\_  
Email/Telephone: \_\_\_\_\_

Validator Name: \_\_\_\_\_  
Email/Telephone: \_\_\_\_\_  
Date Completed: \_\_\_\_\_

<b>CAP DEV SCORE:</b>	
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**INSTRUCTIONS**

**This information is NOT intended for use in enforcement actions.**

**Capacity Development** refers to the **technical**, **managerial**, and **financial** (TMF) conditions that lead to the successful and sustainable operation of a water system. This checklist serves to help identify areas of TMF that may significantly impact your ability to produce safe water now and in the foreseeable future.

**TO COMPLETE THIS FORM**, a **managing operator** (or other official that is familiar with the day-to-day operations of the system) **AND** a **financial manager** (or other official that is familiar with the system's finances) shall go through and answer each item with one of the answer choices provided. For additional info on each item, click on the (?).

If you are interested in assistance and/or resources on any specific topic, please either make a note in the comments section and DEQ will contact you, or scan this QR code for access to additional resources and a technical assistance request form. If you have any immediate questions about completing the assessment, please contact the Capacity Development Section at (405) 702-8100 or DEQ.capdev@deq.ok.gov.



**ANSWER CHOICE KEY**

<b>Yes - Verified</b>	This item is complete and has been shown to DEQ for verification
<b>Yes - Unverified</b>	This item is complete, but has not yet been physically provided to DEQ for verification
<b>No</b>	This item has not yet been completed, or does not exist
<b>Not applicable</b>	This item is not applicable to this water system

**PLEASE NOTE: items in bold are required for DWSRF loan applicants.**

**Technical Capacity**

<i>Operations and Maintenance Plan</i>		Yes	No	Verified	Comments
<b>T1</b>	<b>Operation and Maintenance (O&amp;M) <i>written</i> plan available and regularly updated, detailing all aspects of operating the water system and addresses the following:</b>				
	Leak Detection/repair	<input type="radio"/>	<input type="radio"/>	<input type="checkbox"/>	
	Flushing	<input type="radio"/>	<input type="radio"/>	<input type="checkbox"/>	
	Elimination of cross connections	<input type="radio"/>	<input type="radio"/>	<input type="checkbox"/>	
<b>T1a.</b>	<b>Meter Calibration</b>	<input type="radio"/>	<input type="radio"/>	<input type="checkbox"/>	
	Regular Valve exercising	<input type="radio"/>	<input type="radio"/>	<input type="checkbox"/>	
	Sufficient valve isolation	<input type="radio"/>	<input type="radio"/>	<input type="checkbox"/>	
	Resting/exercising of emergency/backup equipment	<input type="radio"/>	<input type="radio"/>	<input type="checkbox"/>	
	Preventative Maintenance	<input type="radio"/>	<input type="radio"/>	<input type="checkbox"/>	
<b>T1b.</b>	<b>O&amp;M plan reviewed and approved by the board.</b>	<input type="radio"/>	<input type="radio"/>	<input type="checkbox"/>	

T1c.	System issues work orders for needed repairs, and completed work orders are recorded and filed.	<input type="radio"/>	<input type="radio"/>	<input type="checkbox"/>	
T1d.	System keeps inventory of chemicals, pipe, repair equipment, and maintenance materials, which is current and regularly updated. Essential spare parts and back-up equipment noted in inventory and kept on-hand.	<input type="radio"/>	<input type="radio"/>	<input type="checkbox"/>	
T2	System conducts an energy audit on a regular basis.	<input type="radio"/>	<input type="radio"/>	<input type="checkbox"/>	
<i>Training and Continuing Education</i>		Yes	No	Verified	Comments
T3	<b>Written Training Plan in place that ensures all operators, office staff, and board members have appropriate and necessary licensing and certifications.</b>	<input type="radio"/>	<input type="radio"/>	<input type="checkbox"/>	
T4	Operators are cross-trained across shifts, plants, distribution, and maintenance.	<input type="radio"/>	<input type="radio"/>	<input type="checkbox"/>	
<i>Communication</i>		Yes	No	Verified	Comments
T5	System has complete <b>written</b> policy regarding communication with:				
T5a.	State/Federal Regulators	<input type="radio"/>	<input type="radio"/>	<input type="checkbox"/>	
	Customers	<input type="radio"/>	<input type="radio"/>	<input type="checkbox"/>	
	Governing board and other entities	<input type="radio"/>	<input type="radio"/>	<input type="checkbox"/>	
T5b.	Policy states that the system will provide advanced notice to customers prior to planned outages and/or maintenance	<input type="radio"/>	<input type="radio"/>	<input type="checkbox"/>	
<i>Strategic Growth</i>		Yes	No	Verified	Comments
T6	System has a <b>written</b> strategic plan with a mission statement, goals, and objectives	<input type="radio"/>	<input type="radio"/>	<input type="checkbox"/>	
T7	System has <b>written</b> policy regarding water main extensions and new connections/service that aligns with source capacity and strategic plan.	<input type="radio"/>	<input type="radio"/>	<input type="checkbox"/>	
T8	System has <b>written</b> policy for bulk water sales and has appropriate equipment and structures to sell bulk water.	<input type="radio"/>	<input type="radio"/>	<input type="checkbox"/>	<input type="radio"/> N/A
T9	System has <b>written</b> plan to acquire additional water rights to meet future increases in demand.	<input type="radio"/>	<input type="radio"/>	<input type="checkbox"/>	
<i>Mapping</i>		Yes	No	Verified	Comments
T10	System has accurate and up-to-date maps with clearly defined:				
T10a.	Service area	<input type="radio"/>	<input type="radio"/>	<input type="checkbox"/>	
	Distribution system	<input type="radio"/>	<input type="radio"/>	<input type="checkbox"/>	
	Pressure zones	<input type="radio"/>	<input type="radio"/>	<input type="checkbox"/>	<input type="radio"/> N/A
	Location, size, and types of mains and service lines	<input type="radio"/>	<input type="radio"/>	<input type="checkbox"/>	
	Location of shut-off valves	<input type="radio"/>	<input type="radio"/>	<input type="checkbox"/>	
<i>Emergency Response Planning</i>		Yes	No	Verified	Comments
T11	System has a complete <b>written</b> Emergency Response Plan				
T11a.	Signed by all employees and reviewed and practiced annually	<input type="radio"/>	<input type="radio"/>	<input type="checkbox"/>	
	System has made arrangements for an emergency or standby source of water prior to outages or emergency situations	<input type="radio"/>	<input type="radio"/>	<input type="checkbox"/>	
T12	If population served > 3,300 must complete a VSAT Risk and Resiliency Assessment	<input type="radio"/>	<input type="radio"/>	<input type="checkbox"/>	<input type="radio"/> N/A

T13	System has at least 24-hrs of elevated finished water storage (at average daily use) and/or on-site generator.	<input type="radio"/>	<input type="radio"/>	<input type="checkbox"/>	
T14	System is a member of SoonerWarn or has a mutual-aid agreement with other water system(s).	<input type="radio"/>	<input type="radio"/>	<input type="checkbox"/>	
T15	Ability to provide 24-hr emergency response for outages to customers.	<input type="radio"/>	<input type="radio"/>	<input type="checkbox"/>	
T16	Local law-enforcement has 24-hr contact information for system in case of emergency or suspicious activity.	<input type="radio"/>	<input type="radio"/>	<input type="checkbox"/>	
<b>Source Water Protection and Sustainability</b>		Yes	No	Verified	Comments
T17	Wellhead or source water protection plan in use (surface and groundwater systems) OR system actively protects water system infrastructure (towers, lines, etc) from potential sources of contamination (purchase systems).	<input type="radio"/>	<input type="radio"/>	<input type="checkbox"/>	
T18	Service area maps indicate all water sources, facilities, and potential sources of contamination (e.g. waste disposal sites, landfills, feedlots, USTs, out-of-service wells).	<input type="radio"/>	<input type="radio"/>	<input type="checkbox"/>	
T19	System actively promotes conservation in times of drought or reduced supply	<input type="radio"/>	<input type="radio"/>	<input type="checkbox"/>	
<b>Water Loss</b>		Yes	No	Verified	Comments
T20	<b>System tracks water loss on at least a yearly basis using the AWWA M36 method.</b>	<input type="radio"/>	<input type="radio"/>	<input type="checkbox"/>	
T21	Results of the audit are utilized to address water loss issues.	<input type="radio"/>	<input type="radio"/>	<input type="checkbox"/>	
<b>Source and Production Capacity</b>		Yes	No	Verified	Comments
T22	A calibrated hydraulic model has been conducted for the system.	<input type="radio"/>	<input type="radio"/>	<input type="checkbox"/>	
T23	System is capable of supplying water at 25 psi to all points in the distribution system during drought conditions and at times of peak demand.	<input type="radio"/>	<input type="radio"/>	<input type="checkbox"/>	
T24	Systems' critical assets such as wells, treatment plants, tanks, pumping facilities, are above a 100-yr flood event.	<input type="radio"/>	<input type="radio"/>	<input type="checkbox"/>	<input type="radio"/> N/A
T25	All pumping facilities can meet peak demand with one pump out of service.	<input type="radio"/>	<input type="radio"/>	<input type="checkbox"/>	<input type="radio"/> N/A
T26	System routinely monitors the difference between maximum demand and rated design capacity.	<input type="radio"/>	<input type="radio"/>	<input type="checkbox"/>	<input type="radio"/> N/A
<b>Contamination Prevention</b>		Yes	No	Verified	Comments
T27	<b>Operators conduct all required monitoring and testing. System has <b>written</b> policy for retention of all process control tests results, operating records, and reports as required by OAC 252:631-3-11.</b>	<input type="radio"/>	<input type="radio"/>	<input type="checkbox"/>	
T28	System responds to and addresses deficiencies noted on sanitary surveys and/or CPEs within the required timeframes.	<input type="radio"/>	<input type="radio"/>	<input type="checkbox"/>	
T29	System has <b>written</b> policy to require/install backflow preventers or air gaps where potential for contamination is high.	<input type="radio"/>	<input type="radio"/>	<input type="checkbox"/>	
T30	Any equipment shared with a wastewater treatment plant is properly cleaned and disinfected prior to use on water system.	<input type="radio"/>	<input type="radio"/>	<input type="checkbox"/>	<input type="radio"/> N/A

<i>Metering</i>		Yes	No	Verified	Comments
T31	Wells and/or finished water production metered, and readings recorded.	<input type="radio"/>	<input type="radio"/>	<input type="checkbox"/>	
T32	Written meter maintenance plan that addresses:				
T32a.	Calibration frequency	<input type="radio"/>	<input type="radio"/>	<input type="checkbox"/>	
	Testing frequency	<input type="radio"/>	<input type="radio"/>	<input type="checkbox"/>	
	Replacement schedule	<input type="radio"/>	<input type="radio"/>	<input type="checkbox"/>	
<i>Security</i>		Yes	No	Verified	Comments
T33	Water treatment facilities and processes are secure at all times, whether staff are present or not.	<input type="radio"/>	<input type="radio"/>	<input type="checkbox"/>	
T34	Cybersecurity: System has a written plan to prepare, act, and recover from a cybersecurity incident.	<input type="radio"/>	<input type="radio"/>	<input type="checkbox"/>	

<b>Managerial Capacity</b>					
<i>Governing Board and Board Meetings</i>		Yes	No	Verified	Comments
M1	Ownership and authority of the system is clearly defined.	<input type="radio"/>	<input type="radio"/>	<input type="checkbox"/>	
M2	Governing documents (i.e., charters and bylaws) address the following for board members:				
M2a.	Elections	<input type="radio"/>	<input type="radio"/>	<input type="checkbox"/>	
	Terms and Term Limits	<input type="radio"/>	<input type="radio"/>	<input type="checkbox"/>	
	Replacements	<input type="radio"/>	<input type="radio"/>	<input type="checkbox"/>	
	Removal from Office	<input type="radio"/>	<input type="radio"/>	<input type="checkbox"/>	
	Authorities and Duties	<input type="radio"/>	<input type="radio"/>	<input type="checkbox"/>	
M3	All Board meetings conducted in compliance with the Oklahoma Open Meeting Act or other applicable laws.	<input type="radio"/>	<input type="radio"/>	<input type="checkbox"/>	
M4	Accurate minutes are kept at board meetings and are made publicly available.	<input type="radio"/>	<input type="radio"/>	<input type="checkbox"/>	
M5	Board members regularly tour the source and/or treatment plant (if applicable), and distribution system.	<input type="radio"/>	<input type="radio"/>	<input type="checkbox"/>	
M6	Time is set aside at board meetings for public comment.	<input type="radio"/>	<input type="radio"/>	<input type="checkbox"/>	
<i>Organization and Personnel</i>		Yes	No	Verified	Comments
M7	System has an organizational chart defining lines of authority and responsibility.	<input type="radio"/>	<input type="radio"/>	<input type="checkbox"/>	
M8	System has written personnel policies (i.e., an employee handbook) and job descriptions (with necessary minimum qualifications).	<input type="radio"/>	<input type="radio"/>	<input type="checkbox"/>	
M9	System has or is working towards having an adequate number of staff with necessary experience and expertise.	<input type="radio"/>	<input type="radio"/>	<input type="checkbox"/>	
M10	System holds regular staff meetings.	<input type="radio"/>	<input type="radio"/>	<input type="checkbox"/>	
M11	System has access to professional services (e.g., engineering, accounting, legal).	<input type="radio"/>	<input type="radio"/>	<input type="checkbox"/>	

## Financial Capacity

Financial Capacity					
<i>Asset Management and Capital Improvement</i>		Yes	No	Verified	Comments
F1	Asset management is in use: inventory of all capital assets is current, and values of capital assets are fully accounted for (initial construction cost, depreciation, replacement cost, etc).	<input type="radio"/>	<input type="radio"/>	<input type="checkbox"/>	
F2	Capital Improvement Plan (CIP) or equivalent is accounted for in current annual budget and is included in future budget projections.	<input type="radio"/>	<input type="radio"/>	<input type="checkbox"/>	
F3	Funding in CIP or equivalent includes description of funding sources (revenue, loans, grants).	<input type="radio"/>	<input type="radio"/>	<input type="checkbox"/>	
<i>Budget</i>		Yes	No	Verified	Comments
F4	Budget conducted according to Generally Accepted Accounting Principles (GAAP), as defined by the Governmental Accounting Standards Board.	<input type="radio"/>	<input type="radio"/>	<input type="checkbox"/>	
F5	Budget reviewed and approved by the board. And includes the following:				
	Based on the previous years' budget	<input type="radio"/>	<input type="radio"/>	<input type="checkbox"/>	
F5a.	Anticipates upcoming changes in revenue and/or expenditures	<input type="radio"/>	<input type="radio"/>	<input type="checkbox"/>	
	Presented to the board	<input type="radio"/>	<input type="radio"/>	<input type="checkbox"/>	
F6	Financial reports based on current finances prepared and presented to board on a monthly basis.	<input type="radio"/>	<input type="radio"/>	<input type="checkbox"/>	
F7	Board regularly compares actual revenues/expenses with projected budget and addresses differences in revenue or costs (greater than 5%).	<input type="radio"/>	<input type="radio"/>	<input type="checkbox"/>	
<i>Financial Position</i>		Yes	No	Verified	Comments
F8	Have revenues exceeded expenses annually in the past five years including the current year?	<input type="radio"/>	<input type="radio"/>	<input type="checkbox"/>	
F9	Current revenues are greater than the total debt by a ratio of 1.25 or greater (net operating income / total debt service).	<input type="radio"/>	<input type="radio"/>	<input type="checkbox"/>	
F10	System has plan to investigate and address budget shortfalls if they occur.	<input type="radio"/>	<input type="radio"/>	<input type="checkbox"/>	
F11	System is current on all debt service payments.	<input type="radio"/>	<input type="radio"/>	<input type="checkbox"/>	
F12	System does not require funds from other division accounts to operate, and funds generated by system are not transferred to other division accounts.	<input type="radio"/>	<input type="radio"/>	<input type="checkbox"/>	
F13	Amount of bad debt written off is known, regularly reported, and addressed.	<input type="radio"/>	<input type="radio"/>	<input type="checkbox"/>	
<i>Accounts Receivable</i>		Yes	No	Verified	Comments
F14	System has a <b>written</b> policy for bookkeeping/accounting for accounts receivable.	<input type="radio"/>	<input type="radio"/>	<input type="checkbox"/>	
F15	System has <b>written</b> policy for meter reading and billing.				
F15a.	<b>Written</b> policy includes a section for hardship, cut-off, and resumption of service.	<input type="radio"/>	<input type="radio"/>	<input type="checkbox"/>	
F16	Total number and amount of past due customer accounts known, addressed, and regularly reported to the board.	<input type="radio"/>	<input type="radio"/>	<input type="checkbox"/>	

<i>Accounts Payable</i>		Yes	No	Verified	Comments
F17	System has a <b>written</b> policy for bookkeeping/accounting for accounts payable.	<input type="radio"/>	<input type="radio"/>	<input type="checkbox"/>	
F18	System has kept no payments for more than 45 days past due over the past 12 months.	<input type="radio"/>	<input type="radio"/>	<input type="checkbox"/>	
<i>Rate</i>		Yes	No	Verified	Comments
F19	System has <b>written</b> policy requiring all connections to be metered and billed.	<input type="radio"/>	<input type="radio"/>	<input type="checkbox"/>	
F20	System conducts rate review:				
F20a.	At least annually to determine if rate covers expenses.	<input type="radio"/>	<input type="radio"/>	<input type="checkbox"/>	
F20b.	Water rate and rate structure accounts for both short- and long-term funding needs of water system.	<input type="radio"/>	<input type="radio"/>	<input type="checkbox"/>	
F21	The average residential bill in service area and the average production cost of water is regularly calculated and reported to the board.	<input type="radio"/>	<input type="radio"/>	<input type="checkbox"/>	
<i>Reserve Accounts</i>		Yes	No	Verified	Comments
F22	System has financial reserves set aside for debt service, contingency/emergency, and capital improvement in an account separate from other operating funds.	<input type="radio"/>	<input type="radio"/>	<input type="checkbox"/>	
F23	System has complete <b>written</b> policy for investment of reserve funds, if funds are invested.				<input type="radio"/> N/A
F23a.	Policy outlines investment requirements	<input type="radio"/>	<input type="radio"/>	<input type="checkbox"/>	
	Funds are kept in risk adverse investment accounts	<input type="radio"/>	<input type="radio"/>	<input type="checkbox"/>	
	Financial controls in place via withdrawal criteria to protect reserve accounts.	<input type="radio"/>	<input type="radio"/>	<input type="checkbox"/>	
F24	System is meeting reserve account requirements required by debts.	<input type="radio"/>	<input type="radio"/>	<input type="checkbox"/>	
<i>Financial Controls</i>		Yes	No	Verified	Comments
F25	System has <b>written</b> budgetary control processes in place, and financial duties are separated.	<input type="radio"/>	<input type="radio"/>	<input type="checkbox"/>	
F26	System has <b>written</b> policy for procurement.				
F26a.	Process for procurement of equipment and supplies is included	<input type="radio"/>	<input type="radio"/>	<input type="checkbox"/>	
	System requires a bid process and board approval for large purchases.	<input type="radio"/>	<input type="radio"/>	<input type="checkbox"/>	
<i>Insurance and Bonding</i>		Yes	No	Verified	Comments
F27	System has adequate insurance coverage, including:				
F27a.	General Liability Insurance	<input type="radio"/>	<input type="radio"/>	<input type="checkbox"/>	
	Vehicle Insurance	<input type="radio"/>	<input type="radio"/>	<input type="checkbox"/>	<input type="radio"/> N/A
	Fire Insurance	<input type="radio"/>	<input type="radio"/>	<input type="checkbox"/>	
	Property Damage Insurance	<input type="radio"/>	<input type="radio"/>	<input type="checkbox"/>	
	Worker's Compensation	<input type="radio"/>	<input type="radio"/>	<input type="checkbox"/>	

<b>F28</b>	<b>System has adequate fidelity bonds</b>				
<b>F28a.</b>	System has fidelity bonds for employees and board members who handle funds/ approve financial transactions.	<input type="radio"/>	<input type="radio"/>	<input type="checkbox"/>	
	Insurances and bonds are regularly reviewed for adequate coverage.	<input type="radio"/>	<input type="radio"/>	<input type="checkbox"/>	
<i>Auditing</i>		Yes	No	Verified	Comments
<b>F29</b>	<b>System finances are fully audited at least yearly by an independent auditor.</b>	<input type="radio"/>	<input type="radio"/>	<input type="checkbox"/>	
<b>F30</b>	<b>Audit results are presented to the board by the auditor for consideration and action.</b>	<input type="radio"/>	<input type="radio"/>	<input type="checkbox"/>	