



ADMINISTRATIVE RULES OF MONTANA



36.23.108 PROOF OF FINANCIAL, MANAGERIAL OR TECHNICAL CAPABILITY

- (1) The program may not provide assistance to a public water system that does not have financial, managerial and technical capability to assume compliance with the requirements of the federal act, except as provided herein. For purposes of these rules those terms shall have the following meanings:
 - (a) "Financial capability" shall mean the financial RESOURCES of the water system, including but not limited to the revenue sufficiency, credit worthiness, and fiscal controls.
 - (b) "Managerial capability" shall mean the management structure of the water system, including but not limited to ownership accountability, staffing and organization.
 - (c) "Technical capability" shall mean the physical infrastructure of the water system, including but not limited to the source water adequacy, infrastructure adequacy, and technical knowledge based on information provided by the borrower and its own inquiry of system operators.
- (2) Each applicant for financial assistance under the program shall complete a capability assessment questionnaire provided by the department of environmental quality, which will elicit from the borrower relevant information that will enable the department and the department of environmental quality to determine the borrower's capabilities. In determining whether the borrower has the relevant capability, the department and department of environmental quality shall consider, among other things:
 - (a) financial capability:
 - (i) whether the revenues cover the costs of the system;
 - (ii) whether the rates and charges cover the costs by providing water service;
 - (iii) whether adequate books and records are maintained; and
 - (iv) whether appropriate budgeting, accounting and financial planning methods are used.
 - (b) managerial capability:
 - (i) whether the system owner(s) , operator(s) and manager(s) are clearly identified;
 - (ii) whether system owner(s) can be held accountable for the system;
 - (iii) whether the system is properly staffed and organized;
 - (iv) whether personnel understand the management aspects of regulatory requirements and system operations;

- (v) whether personnel have adequate expertise to manage water system operations;
 - (vi) whether personnel have the necessary licenses and certifications;
 - (vii) whether the system interacts well with customers, regulators, and other entities; and
 - (viii) whether the system is aware of available external RESOURCES, such as technical and financial assistance.
- (c) technical capability:
- (i) whether the system has a certified operator;
 - (ii) whether the system is operated with technical knowledge of applicable standards;
 - (iii) whether personnel are able to implement technical knowledge effectively;
 - (iv) whether the operators understand the technical and operational characteristics of the system; and
 - (v) whether the system has an effective operation and maintenance program.

Authorizing statute(s): 75-6-205, MCA

Implementing statute(s): 75-6-222, MCA

History: NEW, 1998 MAR p. 1412, Eff. 5/29/98.