

Municipalities using Kansas Public Water Supply Loan Fund money for projects are required to submit a final plan of operation prior to 50% construction completion. The plan of operation must include, but is not limited to, an overall Project completion schedule, annual operating cost projections for a minimum of five years, a description of the financial management system, and the projected revenues to operate and maintain the public water supply system. Revenue projections shall also include the Loan Repayments.

The Final Plan of Operation serves as a snap shot of how the loan fund project has progressed, a projection of how it will be completed, and how the addition of the project effects the operation and management of the public drinking water system in whole. The Final Plan of Operation further confirms that the system has the required Technical, Financial, and Managerial capacity. Below is general format that can be used.

PLAN OF OPERATION FORMAT

The Plan of Operation Format is to be used to develop the Final Plan of Operation for Kansas Public Water Supply Loan Fund Projects as required by K.A.R. 28-15-61(b)(3). The Plan of Operation must include/discuss the following subjects:

1. **General Information:**

Name of Project, Project Number, Project Consulting Engineer, and Brief Project Description

2. **Chronological summary:** *Implementation dates, including design phase, bid date, construction start date, projected construction completion date, and projected final loan disbursement date.*

3. **Staffing and training:** *What additional Staff or Staff skills will be necessary? Will special start-up training be needed?*

4. **Records and reports:** *What records are to be produced during the construction of the project (progress/inspection reports, contract change orders, contractor pay requests, etc)? Will new records and reports be needed due to the addition of the project (disinfection residual records, maintenance records, financial record keeping due to loan requirements, water use reports, etc)?*

5. **Laboratory control:** *What additional new equipment and new testing protocols will be necessary to assure quality control after completion of the project (only applies to projects that alter treatment processes)?*

6. **Process control and "fine tuning" procedures:** *What additional testing, monitoring and treatment control applications will be necessary to assure compliance with the regulations (only applies to projects that alter treatment processes)?*

7. **Safety:** *What areas of safety need to be addressed and what areas of increased risk are associated with the operation of the system when the project is completed, if any?*

8. **Emergency operating plan:** *Does the system have an Emergency Operating Plan approved by KDHE? Does it need to be updated for the addition of the project?*
9. **Maintenance management:** *What systems of routine maintenance need to be placed in service to ensure maximum life from the project? (If the project is for pipeline, address how leaks, services, flushing, disinfection, and valve exercising activities will be routinely carried out.)*
10. **Operation and maintenance manual:** *Will the addition of the project to the system alter an existing O&M manual? Will an O&M Manual be needed because the project created a system component that did not exist before? (Typically, pipeline projects will not require an O&M manual if a statement is made in this section indicating that the O&M for the completed project will be consistent with the system's existing O&M practices. Projects for wells, storage, and pump stations will still require an O&M manual but the O&M manual need not be as detailed as an O&M manual would need to be for changes in treatment processes.)*
11. **O&M budget and ordinance development:** *Describe the process for calculating annual cost projections for the system as a whole, including cost projections for long term capital needs. Also describe the process that would alert the system that the user rate structure would need to be adjusted.*
12. **Project performance criteria:** *Describe how the project will be evaluated to determine whether it has met its operational goals. How will you determine the project met the need it was designed to fulfill?*
13. **Project construction schedule:** *Provide a schedule of the remaining construction milestones with special attention to the times and the areas where existing facilities or operations will be impacted.*
14. **Estimated remaining construction payments schedule:** *Summarize the remaining construction contract and reimbursement requests from the loan fund.*
15. **Projections of annual operating costs and revenue:** *Provide a summary of loan repayments, operational costs, maintenance and replacement costs, and revenues for the next 5-year period.*

	<i>Year 1</i>	<i>Year 2</i>	<i>Year 3</i>	<i>Year 4</i>	<i>Year 5</i>
<i>Revenue</i>					
<i>Expenses</i>					
<i>Debt Service</i>					
<i>Excess/Shortfall</i>					

16. **Description of existing Financial Management System of water supply utility:** *Who makes financial decisions for the system? Explain how the system's finances are maintained. Are revenues regularly transferred to support other municipal operations? Does the system have a minimum year end cash balance goal?*