



*\*Original authority: 640.100, RSMo 1939, amended 1978, 1981, 1982, 1988, 1989, 1992, 1993, 1995, 1996, 1998, 1999 and 640.115, RSMo 1939, amended 1949, 1978, 1998, 2015.*

### 10 CSR 60-3.030 Technical, Managerial, and Financial Capacity

*PURPOSE: This rule establishes minimum technical, managerial, and financial capacity requirements for community and nontransient noncommunity water systems commencing operation after October 1, 1999.*

(1) **Applicability.** This rule applies to community and nontransient noncommunity water systems commencing operation after October 1, 1999.

#### (2) General Requirements.

(A) Community and nontransient noncommunity water systems commencing operation after October 1, 1999, shall show, as part of their permit application, that the public water system will meet the requirements of this rule. The department will not issue a permit to dispense water until requirements of this rule are met.

(B) Public water systems commencing operation after October 1, 1999 shall show as part of their application that the public water system will meet the minimum technical, managerial, and financial capacity requirements of this rule. The department will not issue a written construction authorization until it determines that the proposed water system will meet the requirements of this rule.

(C) Community and nontransient noncommunity water systems shall maintain compliance with this rule and shall provide the department with information during sanitary surveys and upon written request for the department's use in assessing their compliance with this rule.

#### (3) Minimum Technical, Managerial, and Financial Capacity Requirements.

##### (A) Minimum Technical Capacity Requirements.

1. All community water systems subject to this rule must conform to construction requirements in 10 CSR 60-10.010.

2. All nontransient noncommunity water systems subject to this rule must conform to construction requirements in 10 CSR 60-3.010(2).

3. All public water systems subject to this rule shall have a sufficient number of operators certified and equipped as required in 10 CSR 60-14 to provide proper operation and maintenance of all source, treatment, storage, and distribution facilities so that the

public water system meets all requirements of sections 640.100-640.140, RSMo and regulations promulgated thereunder.

4. All public water systems subject to this rule shall have and maintain an updated distribution system map showing, at a minimum, the size and location of all waterlines, valves, hydrants, storage facilities, pumping facilities, treatment facilities, and water sources and shall make the map available to the department on request.

##### (B) Minimum Managerial Capacity Requirements.

1. Community and nontransient noncommunity water systems subject to this rule shall maintain a list that shows position titles, names, business addresses, and telephone numbers of individuals that provide drinking water functions, including the person(s) or legal entity who owns the public water system. An updated copy of the list shall be made available to the department.

2. Community and nontransient noncommunity water systems subject to this rule shall designate a person or persons who will receive customer complaints and shall have a written procedure for receiving, investigating, resolving, and recording customer complaints. The name, title, business address, business telephone number, and office hours of the person(s) designated to receive complaints shall be publicly displayed, along with the written complaint procedure. Complaint records shall be kept for a minimum of five (5) years and shall be made available to the department upon request. Results of investigations shall be used as part of the planning process for future improvements.

3. Community and nontransient noncommunity water systems subject to this rule shall have a written rate structure and service fees, and the rate structure and service fees shall be publicly displayed and shall be made available to the department upon request.

4. Community and nontransient noncommunity water systems subject to this rule shall hold at least one (1) public meeting prior to changing the rate structure or service fees and shall notify the customers in advance of the public meeting by posting notice in the principal business office and providing notice in the area served, unless the rate increase procedure is regulated by other state or federal regulations. Records of customers' notice and summary of the public meeting shall be kept for a minimum of five (5) years and shall be made available to the department upon request.

5. Community and nontransient noncommunity water systems subject to this rule shall designate a person to deal with compliance-related issues in accordance with the

public drinking water regulations in 10 CSR 60, including reporting and public notice requirements. This person shall be trained in public drinking water regulation requirements and shall act as liaison with the department on drinking water issues. The department will refer compliance actions to this person. The name, position title, business address, business telephone number, and office hours for this person shall be made available to the department and the department shall be notified within thirty (30) calendar days of any change.

##### (C) Minimum Financial Capacity Requirements.

1. Community and nontransient noncommunity water systems subject to this rule shall adhere to standard accounting practices in accordance with the Generally Accepted Accounting Principles and Practices, or the National Association of Regulated Utility Companies Uniform System of Accounts, as appropriate.

2. Community and nontransient noncommunity water systems subject to this rule shall develop and implement a system of collection of water fees that includes disconnection of service for nonpayment or other measures for obtaining payment. The total of uncollected fees and the percentage of uncollected fees compared to sum of collected and uncollected fees shall be recorded monthly. These records shall be made available to the department upon request.

3. Community and nontransient noncommunity water systems subject to this rule shall develop an annual budget showing public water system revenues and expenditures, shall prepare a report at the end of each fiscal year showing public water system revenues and expenditures for that year and a comparison with the annual budget prepared for that year, and shall prepare a five (5)-year capital improvement budget and capital improvement plan that will be updated annually. The capital improvement plan shall include the potential financial impacts of future regulations. These records shall be kept for a minimum of ten (10) years and shall be made available to the department upon request.

4. Annual revenues shall cover all public water system costs for the system including operating costs, maintenance costs, debt service costs, operating reserves, debt service reserves, emergency equipment replacement reserves, and revenue collection costs.

5. Community and nontransient noncommunity water systems subject to this rule and not subject to state regulation of rates for water service, in addition to all other financial capacity requirements, shall have and



maintain—

A. An operating reserve equal to or greater than one-tenth (1/10) of the annual operations and maintenance budget. The public water system must establish this reserve in at least annual payments not to exceed ten (10) years. Funds from the operating reserve shall be used for operating and maintenance expenses only and shall be replaced within ten (10) years from the date of use. This reserve shall be invested in an account with ready access to the funds. Records of this reserve shall be made available to the department upon request. Other private, state, or federal reserves may be applied to meet this requirement;

B. An emergency equipment replacement reserve equal to or greater than the replacement cost of the most expensive mechanical equipment item needed for operation. The public water system must establish this reserve in at least annual payments over a minimum of ten (10) years. Funds from the reserve shall be used for emergency equipment replacement expenses only and any funds so used shall be replaced within ten (10) years from the date of use. This reserve shall be invested in an account with ready access to the funds. Records of this reserve shall be made available to the department upon request. Other private, state, or federal reserves may be applied to meet this requirement; and

C. If there is debt on the public water system facilities, a debt service reserve no less than ten percent (10%) of the principle and interest or the amount required in the bonding agreement. Funds from the debt service reserve shall be used only for debt service expenses and for purposes agreed to in the bonding agreement and shall be replaced no less than as required in the bonding agreement. Records of this reserve shall be made available to the department upon request.

*AUTHORITY: sections 640.100 and 640.115, RSMo 2016.\* Emergency rule filed Sept. 20, 1999, effective Sept. 30, 1999, expired March 27, 2000. Original rule filed July 1, 1999, effective March 30, 2000. Amended: Filed June 13, 2018, effective Feb. 28, 2019.*

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