



Regionalization and the Power of Partnership

October 11, 2022



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To receive a certificate, attendees must:

- Attend for the entire session
- Register and attend individually using your real name and unique email address - group viewing credit will not be acceptable

Certificates will be sent via email within 30 days.

If you have questions or need assistance, please contact smallsystems@syr.edu.

About Us

The Environmental Finance Center Network (EFCN) is a university-based organization promoting innovative and sustainable environmental solutions while bolstering efforts to manage costs.



**Building TMF Capacity
for Small Systems**

Our Building Technical, Managerial, and Financial Capacity Programs for Small Water and Wastewater Systems provide free training and technical assistance across every state, territory, and tribal nations. Technical assistance is available on a first-come, first-served basis.

The Small Systems Water and Wastewater Teams

- Southwest Environmental Finance Center at the University of New Mexico
- Syracuse University Environmental Finance Center
- Environmental Finance Center at The University of North Carolina at Chapel Hill
- Environmental Finance Center at Wichita State University
- Environmental Finance Center at Sacramento State
- New England Environmental Finance Center at the University of Southern Maine
- Environmental Finance Center at the University of Maryland
- Government Finance Officers Association (GFOA)
- National Association of Development Organizations (NADO)
- Mississippi State University Extension
- Environmental Finance Center West
- Great Lakes Environmental Infrastructure Center at MTU



AGENDA

10:00 – 10:15 What are partnerships? Why might I be interested?

10:15 – 10:45 System collaboration examples

10:45 – 11:00 What are the different types of regionalization?

**Common Goals/Shared
Goals**

**Shared
Resources and
Information**

Networking

**Economies of
Scale**

Opportunity

**Best
Practices**

Mutual Aid

Powerful

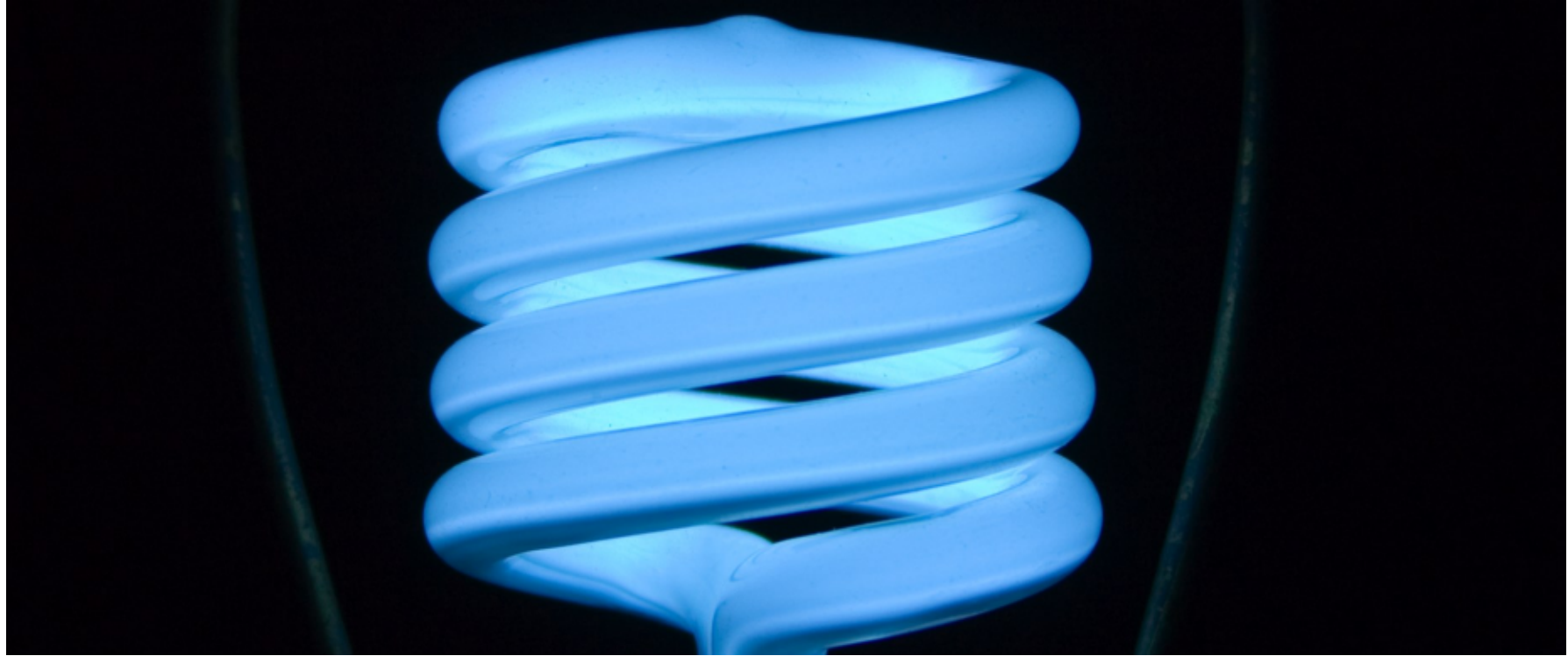
**Increase Your
Systems
Resilience**

**Collaborating on an
Informal Basis (over
beers, handshakes)**



PARTNERSHIP BASICS

A QUICK REVIEW...



WHAT'S THE BIG IDEA?

CAPACITY DEVELOPMENT

A process for water systems to acquire and maintain adequate technical, managerial and financial **(TMF)** capacity.

TMF capacity enables water systems to have the capability to consistently provide safe drinking water to the public.

WATER SYSTEM CAPACITIES



Technical

- Is your infrastructure inadequate or aging?
- Is your treatment, storage, and distribution adequate?
- Technical knowledge: Do you lack a certified operator?
- Is your source water of poor quality or quantity?

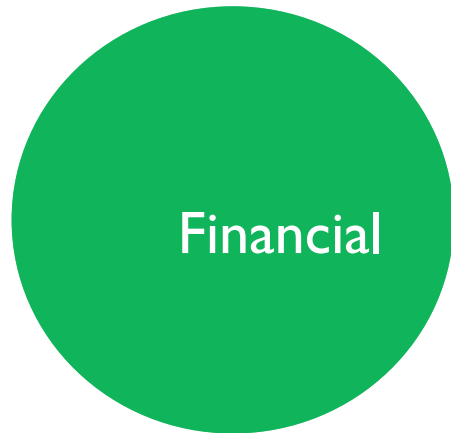
WATER SYSTEM CAPACITIES



Managerial

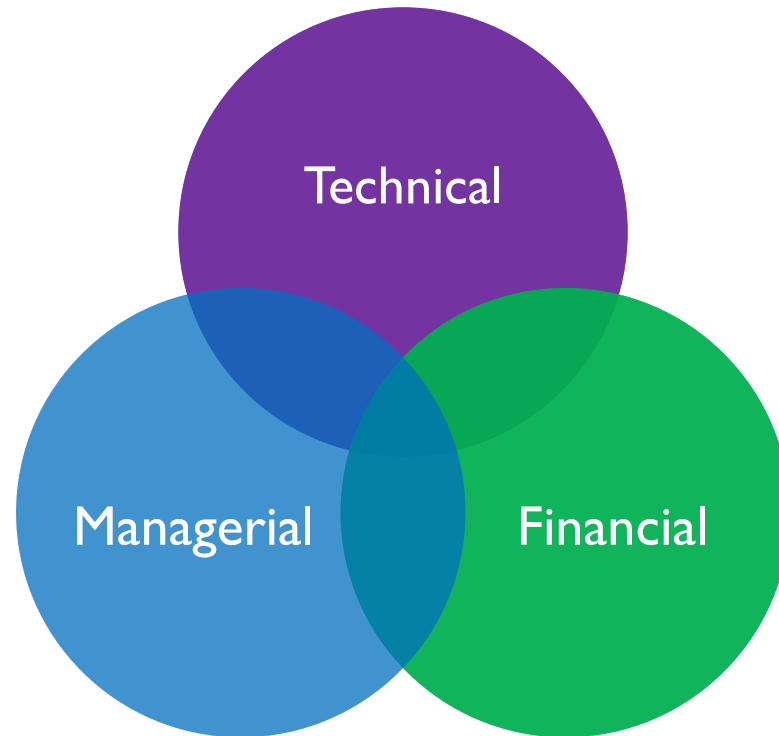
- Do you have appropriate staffing and organization?
- Do you have a history of water rates that are too low?
- Do your decision makers have a limited understanding of financing options?
- Does your staff have a lack of expertise in long-term water system planning?

WATER SYSTEM CAPACITIES



- Is your revenue sufficient to cover expenses now and into the future?
- Good credit worthiness?
- Are your water rates adequate?
- Fiscal management and controls in place

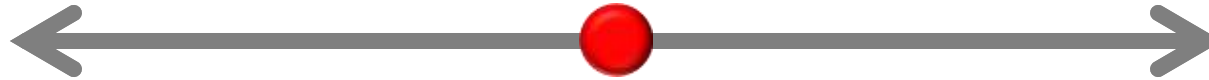
WATER SYSTEM CAPACITIES





Loose, Less
Formal
Arrangements

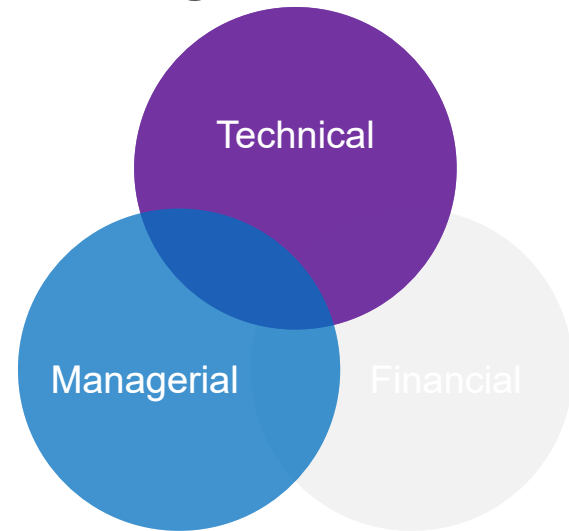
Defined, More
Formal
Arrangements



Any kind of collaboration can be helpful



**Information
Sharing**



Systems share
information
regarding
regulations,
planning,
infrastructure

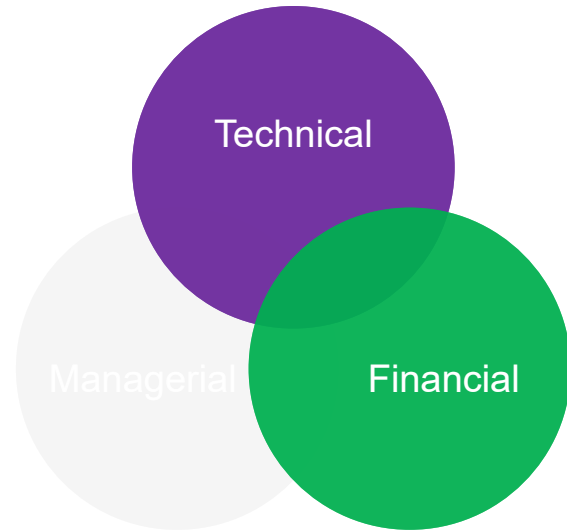
EXAMPLES: SAIPAN AND NM

Saipan Facilities Manager Association

- Meet monthly over lunch
- Mainly for non-community systems
- Rotate around different facilities
- Discuss common interests and concerns

Dona Ana County W & WW Alliance

- Met monthly over dinner
- Rotated around different facilities
- Primarily small, community water systems
- Discussed common interests and concerns, especially regulatory
- Invited guest speakers



Systems share equipment so each one does not have to buy/own/rent all the equipment they need

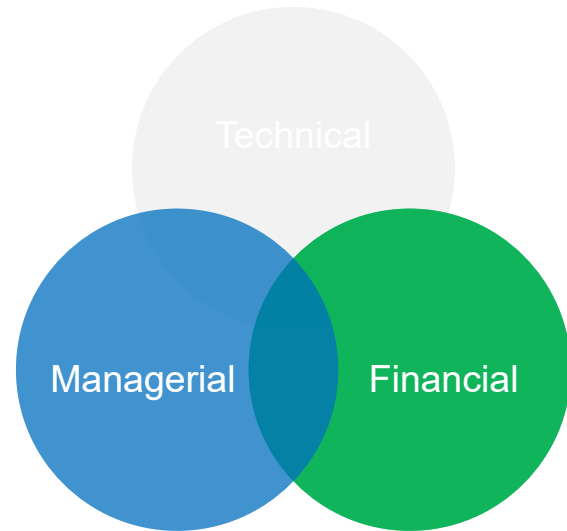
EXAMPLES: MONTANA AND UTAH

Great Falls & Helena, MT

- Provides equipment and/or personnel to help tap water pipes for small near-by systems
- The larger systems bill for employee time, travel and use of equipment

Tremonton, UT

- Largest water system in the area
- Aids 30 smaller utilities near-by, including distributing chlorine, lending equipment, parts, and supplies and by establishing an organization to train water operators



Systems work together to buy equipment, chemicals, or supplies

SOUTHERN MAINE REGIONAL WATER COUNCIL

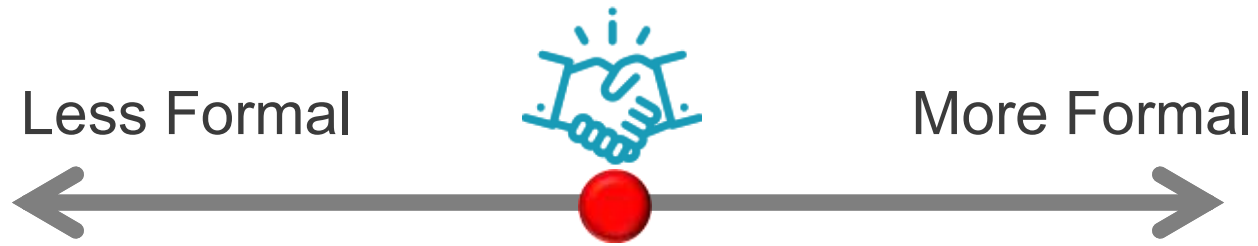
The Southern Maine Regional Water Council (SMRWC) is an organization of water and wastewater utilities united by the mission to advance regional water supply objectives, including promoting regional cooperation, improving public water system resiliency, developing cooperative programs to reduce expenses for the existing and future customers, and planning for future public water supply needs of the region. SMRWC was formed in 2005 and is made up of seven water utilities. Combined, these seven utilities serve approximately 300,000 people in 23 communities or 25% of Maine's population.



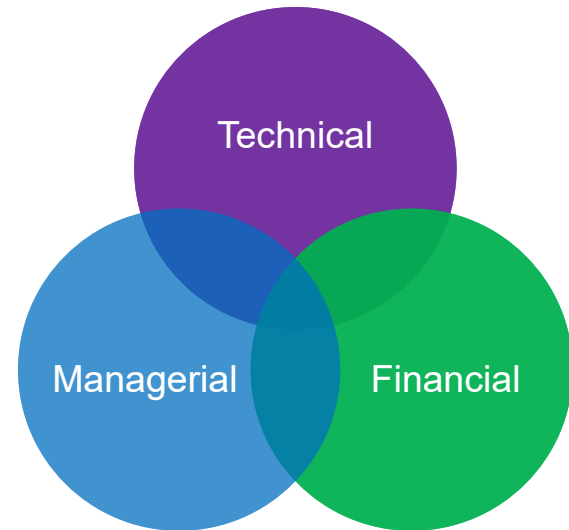
Southern Maine Regional Water Council

SOUTHERN MAINE REGIONAL WATER COUNCIL

- Have a purchasing group led by a Chairperson appointed by the Council's board
- Responsible for developing and awarding bids or purchasing packages
- Participation in each bid is elective
- Bulk purchasing of chemicals has resulted in significant savings
- Tank maintenance contracting also provided significant savings over individual RFP's



Mutual Aid & Emergency Assistance



It's a contract,
systems assist
each other during
an emergency or
time of need



WATER/WASTEWATER AGENCY RESPONSE NETWORK (WARN)

A mutual aid and assistance network that provides water and wastewater utilities with the means to obtain help in the form of personnel, equipment, materials and associated services quickly from other utilities to restore critical operations impacted during an emergency.

SMALL WATER SYSTEMS A Vital Component of WARN

BACKGROUND



The mission of Water/Wastewater Agency Response Networks (WARN) is to provide expedited access to specialized resources needed to respond to and recover from natural and human caused events that disrupt public and private drinking water and wastewater utilities.

Unlike existing statewide mutual aid agreements, WARN membership is open to both public and private utilities. By adopting the WARN approach to mutual aid and assistance, drinking water and wastewater utilities in each state are able to sign a single agreement covering issues such as indemnification, workers' compensation, and reimbursement. The agreement also allows for utilities to share equipment, personnel, and other resources to respond effectively to any crisis.

A WARN's success relies on a strong base of member utilities willing to help one another during emergencies. For this reason, no utility is too large or too small to benefit from WARN, and each additional member enhances the probability of a successful response to an emergency.

ROLE OF SMALL SYSTEMS IN WARN

Every existing WARN includes small systems as members and all member utilities have equal rights, regardless of size. Small systems are eligible to serve on the various WARN committees and subcommittees, as well as serve as the WARN Chair, if elected to the position. Small systems, like all members, can request or send resources during an emergency, but are not obligated to do so if they decide not to for any reason.

WARN FEATURES

- WARN membership is for all water systems regardless of ownership
- No member system is obligated to send resources if they decide not to for any reason

WARN FEATURES

- Systems can also be members of other mutual aid or assistance agreements
- Each additional member enhances the probability of a successful response to an emergency, regardless of system size

LEGAL AGREEMENT

- Each WARN enters into a mutual aid and assistance agreement that best meets the member system needs
- These agreements clarify liability, reimbursement, response procedures and joint planning efforts

Mutual Aid and Assistance for Drinking Water and Wastewater Utilities

On this page:

- [Learn about Water and Wastewater Agency Response Networks \(WARN\)](#)
- [Join a WARN](#)
- [Access WARN Resources](#)
- [Access WARN Training](#)

Related Info

Model Mutual Aid and Assistance Agreement for Intrastate Water/Wastewater Agency Response Network (WARN)

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This Model Agreement contains procedures and standards for a water and wastewater utility Mutual Aid and Assistance Program. The Model is based on existing water and wastewater utility Mutual Aid and Assistance agreements implemented in California, Florida, Texas, Louisiana, South Carolina, Oregon, Georgia, and Pennsylvania. While the Model shares some similarities with each of the eight agreements, it is a unique document in and of itself.

Creating an agreement for Mutual Aid and Assistance involves a number of policy decisions. The Model Agreement proposes specific approaches to Mutual Aid and Assistance Program issues; however, reasonable minds will differ as to whether the approaches presented in the model are the best. Accordingly, notes are included for each provision of the Model Agreement. These notes highlight significant issues that arise in the drafting of a mutual aid and assistance Program and how the Model Agreement approaches those issues. The notes also explain why certain provisions are included in the Model Agreement.

Representatives of the water and wastewater industry can use this Model Agreement as a tool to facilitate discussion on drafting an Intrastate Mutual Aid and Assistance agreement that best illustrates their needs. However, while each intrastate steering committee may revise portions of this Agreement, it is important to note that this Model Agreement allows for inclusion and eventual connection with a national interstate mutual aid and assistance agreement. Because mutual aid and assistance programs require standardized operational procedures, consistency between the intrastate agreements is critical. Thus, major modifications to this Agreement would preclude using it for connection with an interstate program for mutual aid and assistance program.

WARNs in Action



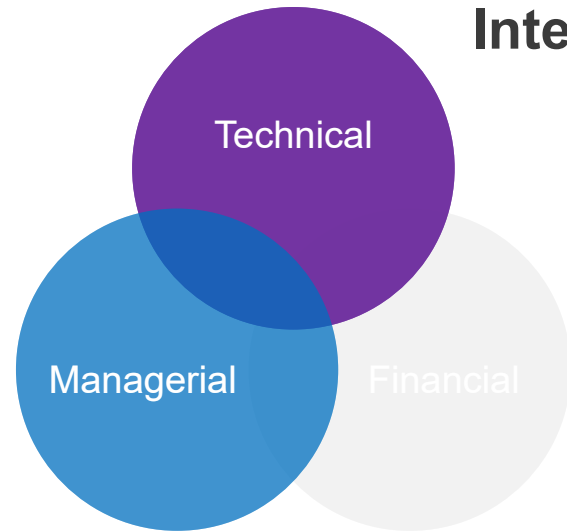
www.epa.gov/mutualaid

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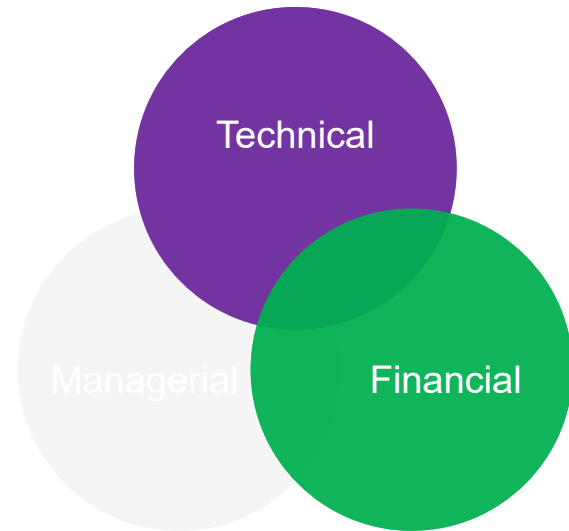
**Emergency or
Non-emergency
Interconnect**



Systems have a physical connection that is only used during emergencies

AURORA, SOUTH DAKOTA

- Aurora has a population of 500 with 250 connections
- Aurora is located 5 miles from Brookings. Brookings population is 22,000
- Aurora consistently violated the MCL for nitrate, did not have a plant operator with adequate certification, lacked financial resources etc.
- Aurora and Brookings shared the cost of a transmission pipeline to interconnect the systems



Systems share an operator or contract with the same operator or operation company

PANORA AND DES MOINES, IA

- Very small community had trouble retaining staff (serves 1,175 customers)
- Signed an MOU with Des Moines to allow Des Moines to monitor the treatment plant remotely
- Limited the need for an onsite operator to 2.5 hours per day
- Larger utility gets extra revenue, small utility gets access to operators they had trouble recruiting

WHY CONSIDER REGIONALIZATION?

- **Infrastructure Challenges**
 - ex. aging, failing pipes or facilities
- **Capacity Challenges**
 - ex. growth, changes in population resulting in changes in demand
- **Emergency Needs**
 - ex. emergency personnel, capacity
- **Economies of Scale**
 - ex. efficiency, rate stability
- **Climate Challenges**
 - ex. drought, contaminated sources



OPTIONS FOR REGIONALIZATION



OPTIONS FOR REGIONALIZATION

1. Interlocal Cooperation
2. Emergency Connections
3. Consolidation



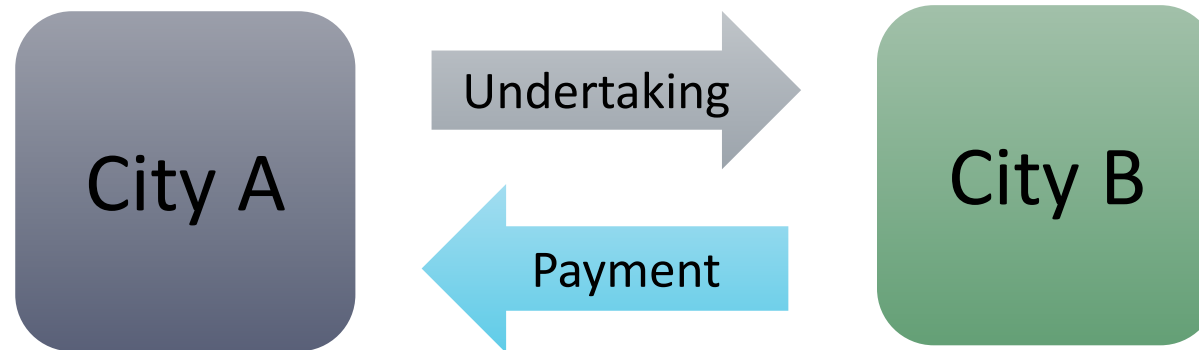


INTERLOCAL COOPERATION

3 FORMS OF INTERLOCAL COOPERATION

On Behalf of Another

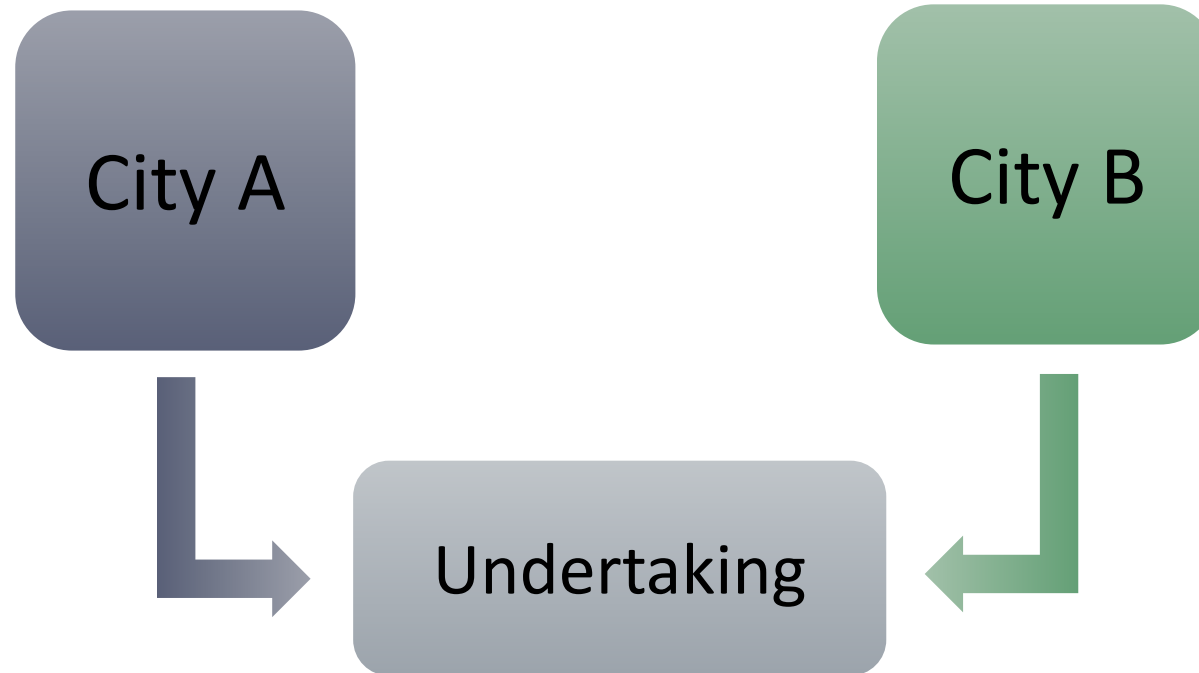
Retain independent legal authorities and one unit performs the undertaking for another



3 FORMS OF INTERLOCAL COOPERATION

Jointly

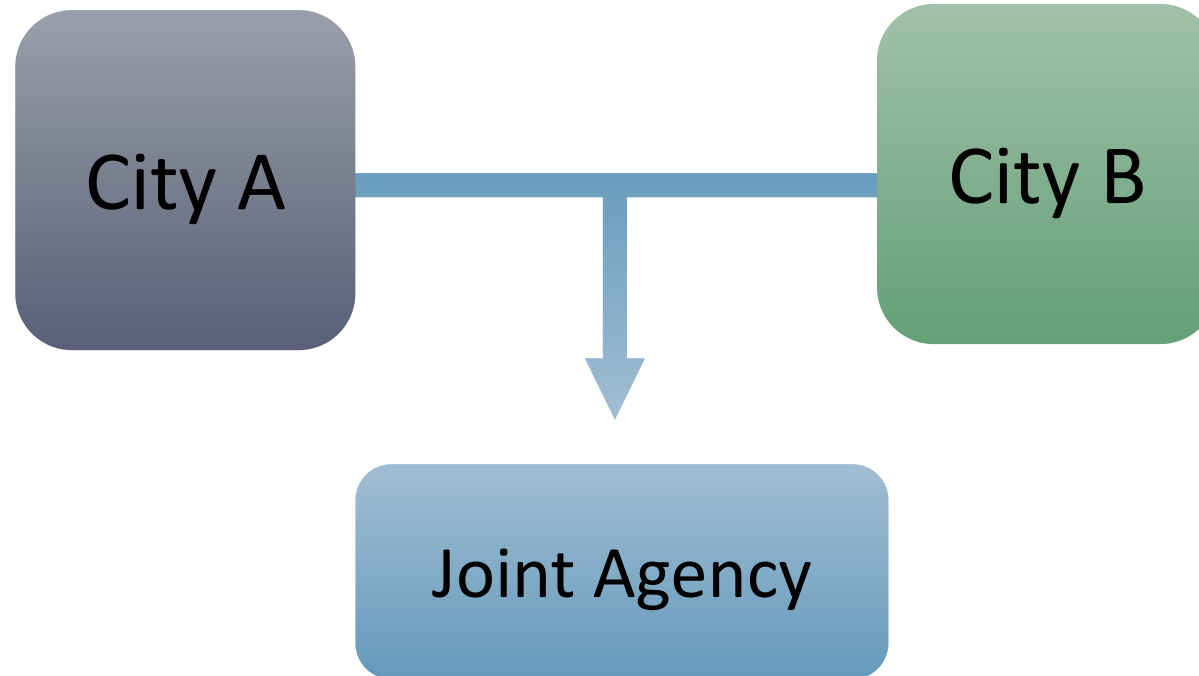
Retain independent legal authorities and agree to perform undertaking collaboratively

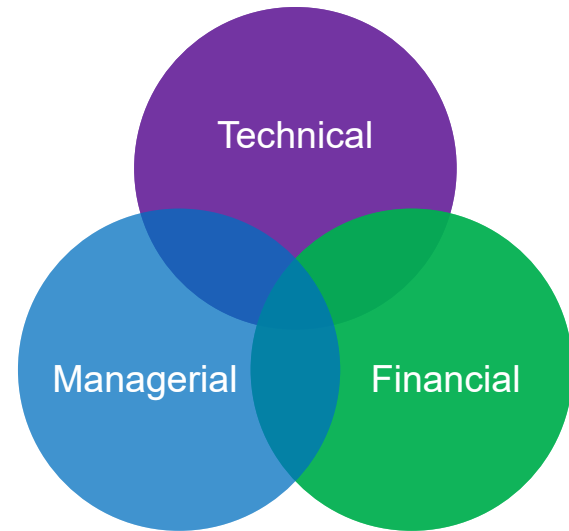


3 FORMS OF INTERLOCAL COOPERATION

Joint Agency

Confer independent legal authorities on joint agency to perform undertaking





Systems form a regional entity either as a separate option or the only option. All have a role on the board.

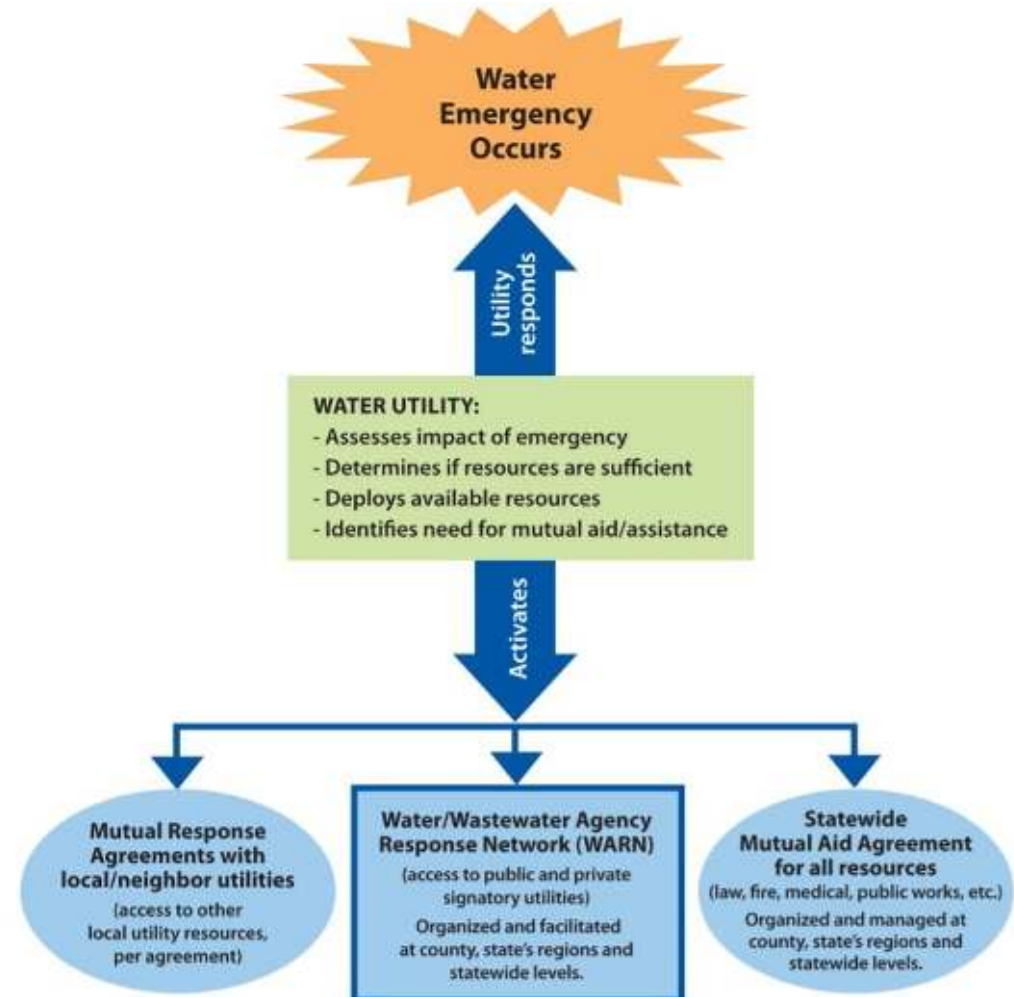


EMERGENCY CONNECTIONS



3 TYPE OF EMERGENCY CONNECTIONS

1. Mutual Response Agreements with local/neighborhood/partner utilities
2. EPA Water/ Wastewater Agency Response Networks (WARNs)
3. Statewide Mutual Aid



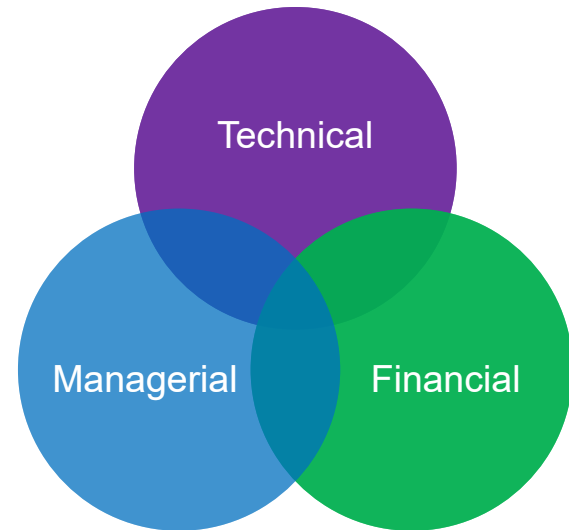


CONSOLIDATION



**Systems dissolve
into neighboring
entity**

Systems lose
independence.
Only one utility
remains.



FORMS OF CONSOLIDATION

- **Direct Acquisition** - one higher-capacity utility absorbing another in its entirety.
- **Joint Merger** - two or more utilities often, but not necessarily, of similar capacity consolidating to become a new entity that is jointly owned by the participating utilities.
- **Balanced Merger** - hybrid of the other two types and involves two or more utilities consolidating and creating a governance structure that is designed to allow for participation by the previously existing utilities in future decision-making.
- **Consolidation of Governance/Operations/Mgmt**

CONSOLIDATION CONSIDERATIONS

- Assessing the Feasibility of Consolidation Options
- Valuing the Physical Assets of the Systems
- Addressing Outstanding Obligations and Responsibilities
- Impact on Customer Rates
- Governance Structure for Consolidated Utility
- Board Representation for Utility
- Resolving Disputes



Why is this important?
Sets the stage for all that follows

COMMON CONCERNS WITH COLLABORATION

- Desire for Autonomy
- Mistrust of Other Systems
- Lack of Knowledge of Other Systems
- Lack of Knowledge of the Options
- No Outside Independent Force to Get Collaboration Started



← SHORT TERM



LONG TERM →



**WHAT ARE YOUR
OBLIGATIONS?**



Communication
is the key

OUTSIDE OR NEUTRAL FACILITATION



Look for resources within the community or outside the community to assist in facilitating discussions





Questions
Comments
Concerns