

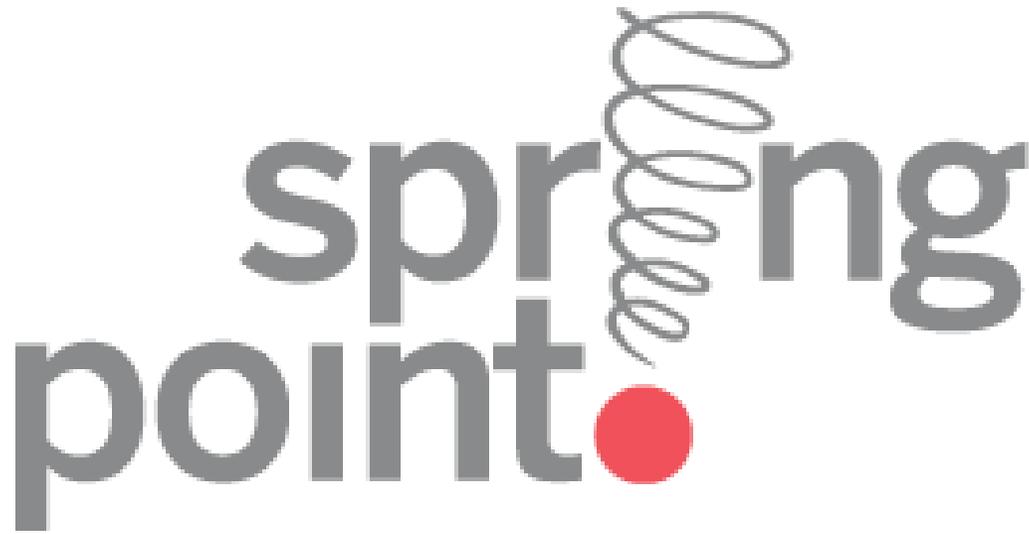
Systems Helping Systems: A Conversation on Utility Collaboration



November 17, 2020



Thank you to our funders!



Acknowledgement

This project has been funded wholly or in part by the United States Environmental Protection Agency under an EPA Training and Technical Assistance for Small Drinking Water Systems to Achieve and Maintain Compliance.

The contents of this document do not necessarily reflect the views and policies of the Environmental Protection Agency, nor does the EPA endorse trade names or recommend the use of commercial products mentioned in this document.



Sarah Buck
Panelist



Derik Dressler
Panelist



Zach Green
Panelist



Laura Landes
Panelist



Kinsey Brown
Moderator



Glenn Barnes
Moderator



RCAP *Solutions*



★ **RCAP National Office**
1701 K St. NW, Suite 700
Washington, D.C. 20006
www.rcap.org

Western RCAP
Rural Community Assistance
Corporation
www.rcac.org

Midwestern RCAP
Midwest Assistance Program
www.map-inc.org

Southern RCAP
Communities Unlimited
www.communitiesu.org

Great Lakes RCAP
Great Lakes Community Action
Partnership
www.glcap.org

Southeastern RCAP
Southeast Rural Community Assistance
Project
www.sercap.org

Northeastern RCAP
RCAP Solutions
www.rcapsolutions.org

**COMMUNITIES
Unlimited**

"Improving Rural Quality of Life"

Webinar Agenda

- Define utility collaboration
- Identify examples of different types of collaboration
- Explain how collaboration can evolve over time through an in-depth case study
- Discuss RCAP's past and ongoing research into collaboration

Defining Utility Collaboration

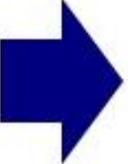
with



OPEN ENDED QUESTION

- What does the phrase “utility collaboration” mean to you? What are some examples?
- Please type your thoughts into the question box

Increasing Transfer of Responsibility



Informal Cooperation	Contractual Assistance	Shared Governance	Ownership Transfer
<p>Work with other systems, but without contractual obligations</p> <p>Examples:</p> <ul style="list-style-type: none">• Sharing equipment• Sharing bulk supply purchases• Mutual aid agreements	<p>Requires a contract, but contract is under systems' control</p> <p>Examples:</p> <ul style="list-style-type: none">• Contracting operation and management• Outsourcing engineering services• Purchasing water	<p>Creation of a shared entity by several systems that continue to exist independently (e.g., regional water system)</p> <p>Examples:</p> <ul style="list-style-type: none">• Sharing system management• Sharing leadership• Sharing source water• JPA	<p>Takeover by existing or newly created entity</p> <p>Examples:</p> <ul style="list-style-type: none">• Acquisition and physical interconnection• Acquisition and satellite mgmt• One system transferring ownership to another to become a larger existing system or a new entity



Graphic adapted by RCAP and RCAC from U.S. Environmental Protection Agency resources

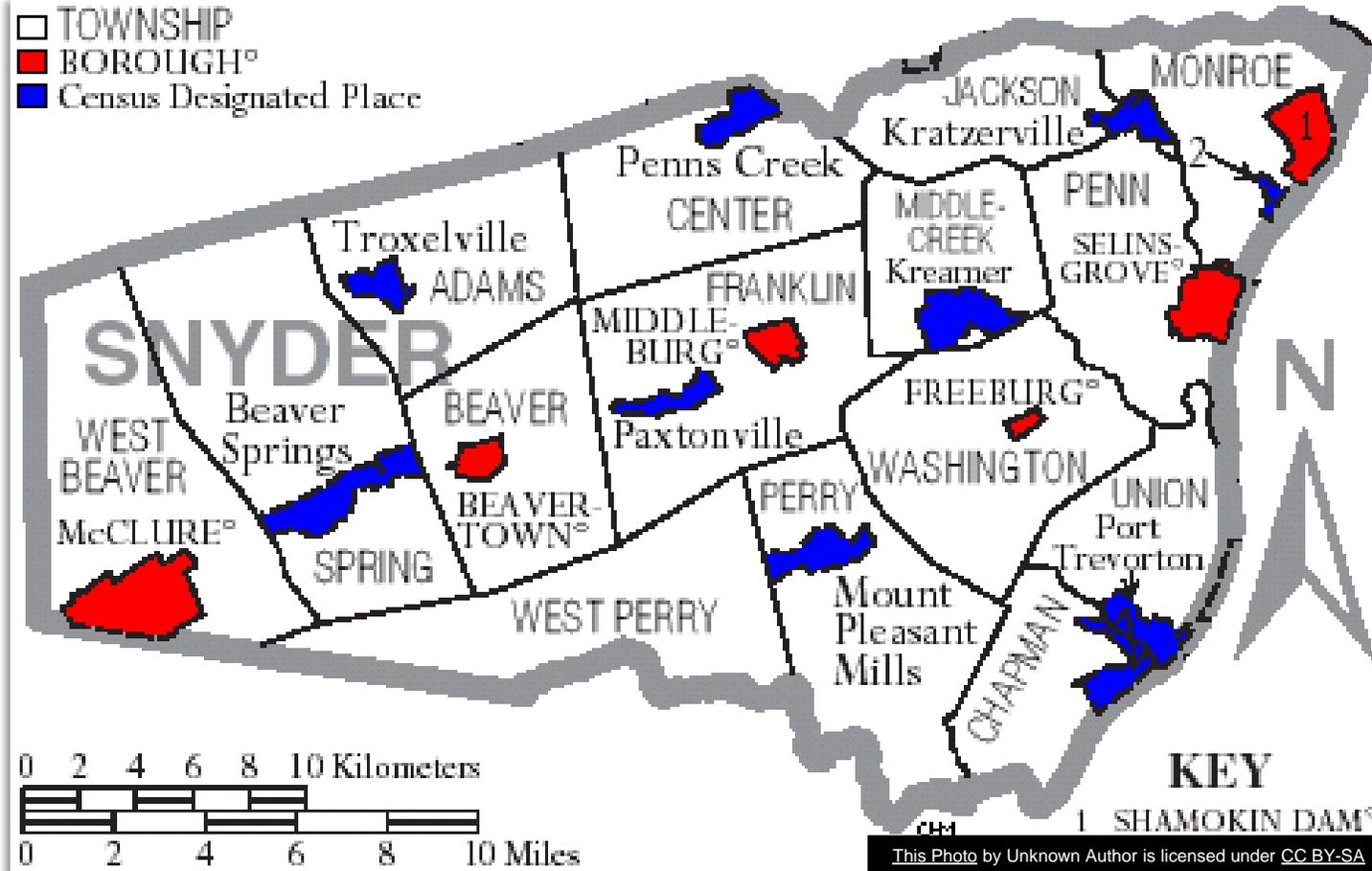


Examples of Different Types of Collaboration

with



Informal Cooperation



- Tri-town operator meetings
 - Sharing services

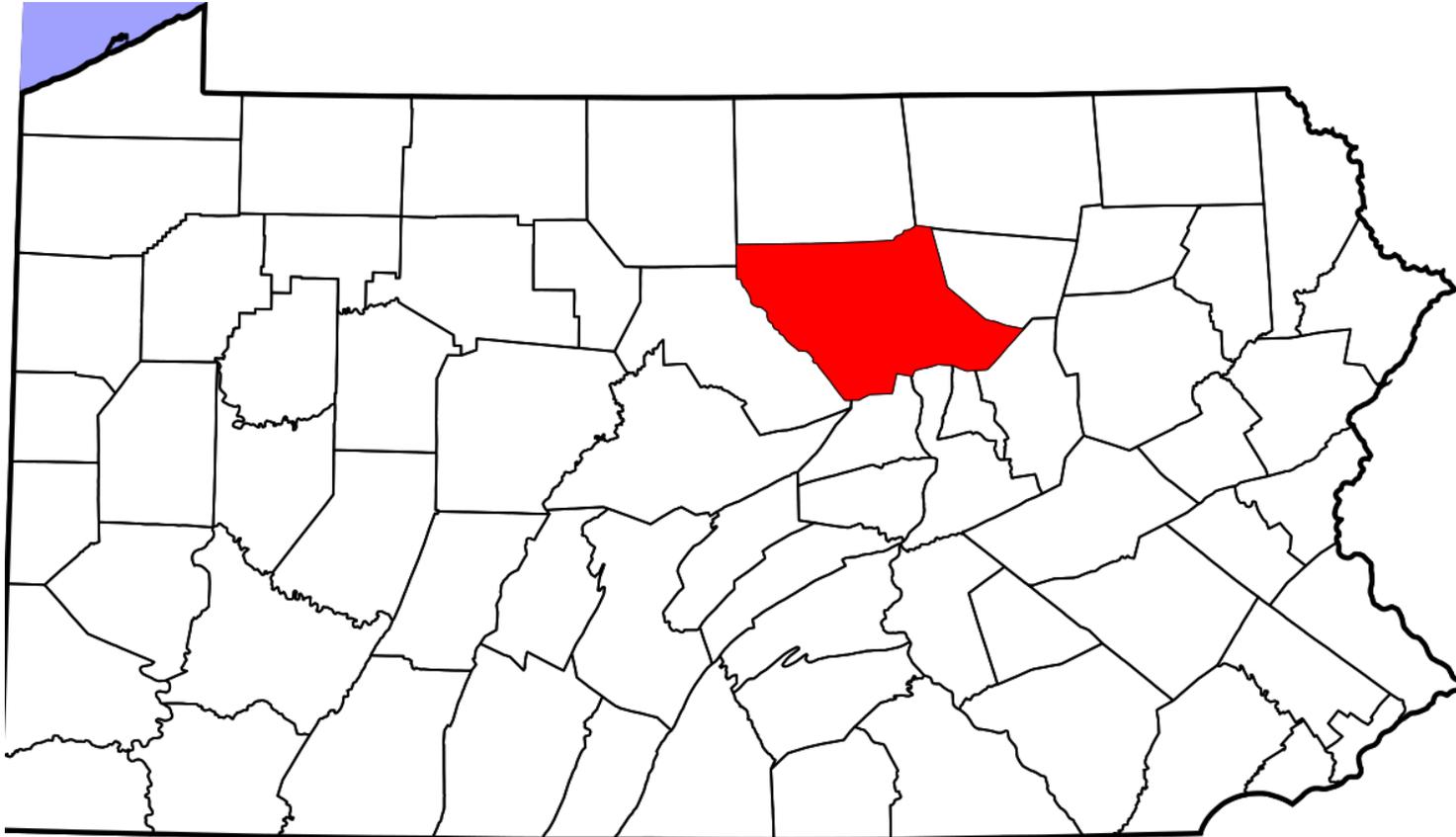
- Woodward assistance through RCAP
 - Leak detection

Contractual Assistance



- Hegin Hubley – Mountain Water Authority
 - Started as informal cooperation
 - Certified Operator services
 - Technical and Managerial
 - Operator local champion

Shared Governance



- LCWSA
- Serving 10 sewer and water systems in 12 Lycoming County
- 8,500 customers
 - Small town politics
 - Regulatory/compliance driven
 - Big picture thinking
 - Critical Infrastructure
 - Asset Management

Ownership Transfer



This Photo by Unknown Author is licensed under [CC BY-SA](#)

- Mifflin Twp., Columbia County
 - Unaccounted water 80% was primary driver
 - Major infrastructure upgrades
 - Aqua PA acquisition
 - User rates

How Collaboration Can Evolve Over Time

with



Kankakee Alliance

An Ongoing Case Study

Increasing Transfer of Responsibility



Informal Cooperation	Contractual Assistance	Shared Governance	Ownership Transfer
<p>Work with other systems, but without contractual obligations</p> <p>Examples:</p> <ul style="list-style-type: none">• Sharing equipment• Sharing bulk supply purchases• Mutual aid agreements	<p>Requires a contract, but contract is under systems' control</p> <p>Examples:</p> <ul style="list-style-type: none">• Contracting operation and management• Outsourcing engineering services• Purchasing water	<p>Creation of a shared entity by several systems that continue to exist independently (e.g., regional water system)</p> <p>Examples:</p> <ul style="list-style-type: none">• Sharing system management• Sharing leadership• Sharing source water• JPA	<p>Takeover by existing or newly created entity</p> <p>Examples:</p> <ul style="list-style-type: none">• Acquisition and physical interconnection• Acquisition and satellite mgmt• One system transferring ownership to another to become a larger existing system or a new entity



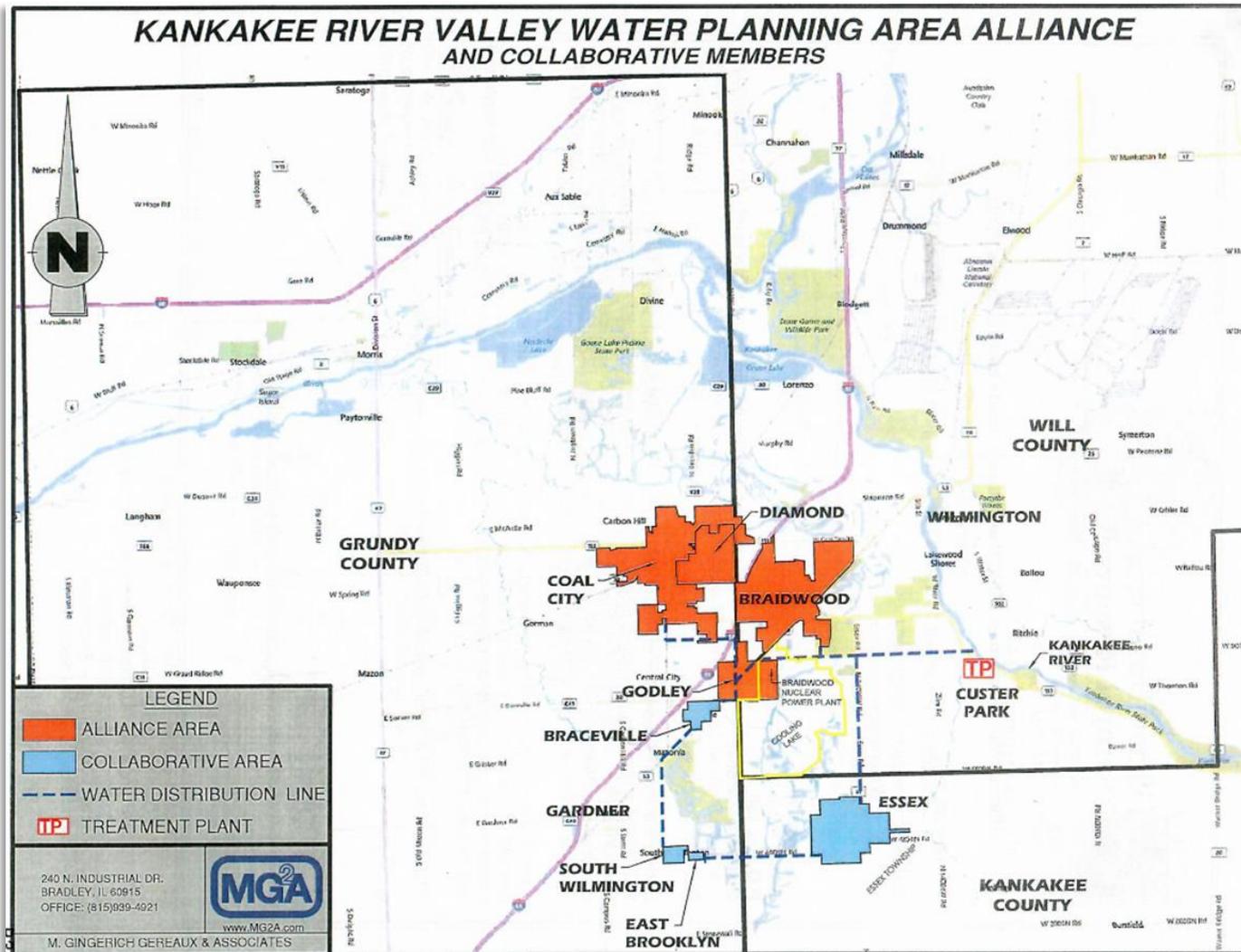
Graphic adapted by RCAP and RCAC from U.S. Environmental Protection Agency resources



Demographics

Community/System Name	Population Served	Connections	MHI
Godley Public Water District	660	232	\$49,531
Village of Diamond	2508	880	\$60,417
City of Braidwood	6200	2102	\$63,651
Village of Coal City	5587	2330	\$71,406
Village of South Wilmington	681	321	\$68,750
Village of Braceville	900	322	\$63,077
Village of Essex	0	0	\$72,406
Custer Park (Unincorp.)	0	0	N/A

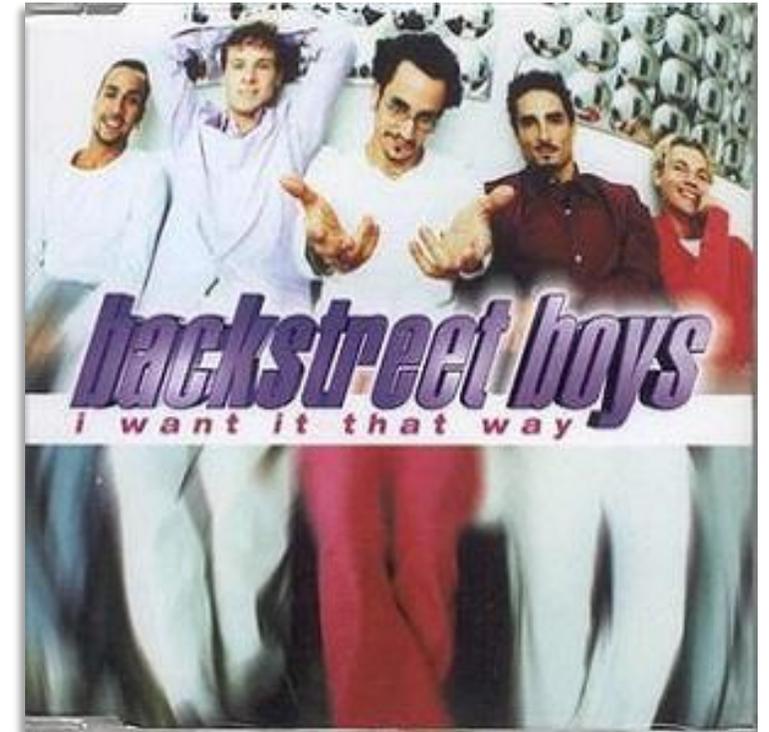
Project Area



What do these 3 things have in common with the KA?



Median Household
Income ~\$40,000



The Regional Problem

WHAT IS KANKAKEE ALLIANCE? - KANKAKEE RIVER VALLEY WATER PLANNING AREA ALLIANCE (KRVWPAA) - COMMONLY REFERRED TO AS KANKAKEE ALLIANCE

LOCAL MUNICIPALITIES AND AGENCIES SUPPORTING A REGIONAL WATER PLANT THAT WOULD:

ELIMINATE RADIUM

Highly corrosive • Potential health risks

REGIONALIZING KEEPS RATES AFFORDABLE

SUPPORT CURRENT AND FUTURE GROWTH

SUSTAINABLE WATER SOURCE

Theory or Practical?

1

Identify

Identify project champions and on the ground support

2

Understand & Document

Understand and document existing strengths and challenges

3

Determine

Determine the best type of partnership and partners to address those challenges

4

Assess

Assess practicality of possible partnerships

5

Develop

Develop a plan for communicating with stakeholders

Step 1: Identify Champions/Support

- Joe Cosgrove - Godley PWD
- Individual Community Support
 - Mayors, Operators, Fire Protection, County Officials, Economic Development
- RCAP officially entered as 3rd party facilitator in the Spring of 2019.
 - Why?

2019 Regional Collaboration Summit, Springfield, IL



Regional Systems Panel

Step 1: Identify Champions/Support

- Joe Cosgrove - Godley PWD
- Individual Community Support
 - Mayors, Operators, Fire Protection, County Officials, Economic Development
- RCAP officially entered as 3rd party facilitator in the Spring of 2019.
 - Why?

Step 2: Understand & Document Strengths/Challenges

- Summer 2019 – Vision Development
 - Challenges
 - Poor well water quality; Fire Protection; Long-term water supply
 - Strengths
 - River withdrawal permit; willingness to come to the table
 - Concerns
 - Funding; Local control; Rates; Fire protection; Regulatory Issues (Mixing?); Corrosion Control Study

Step 3: Governance Structure + Participants

EJ WATER COOPERATIVE, INC.

SERVICES ▾ ABOUT US ▾ NEW MEMBER INFORMATION ▾ NEWS CONTACT US GET WATER PAY BILL MEMBER CENTER

ILLINOIS
BEST TASTING WATER
2013 & 2015

WHO IS EJ WATER

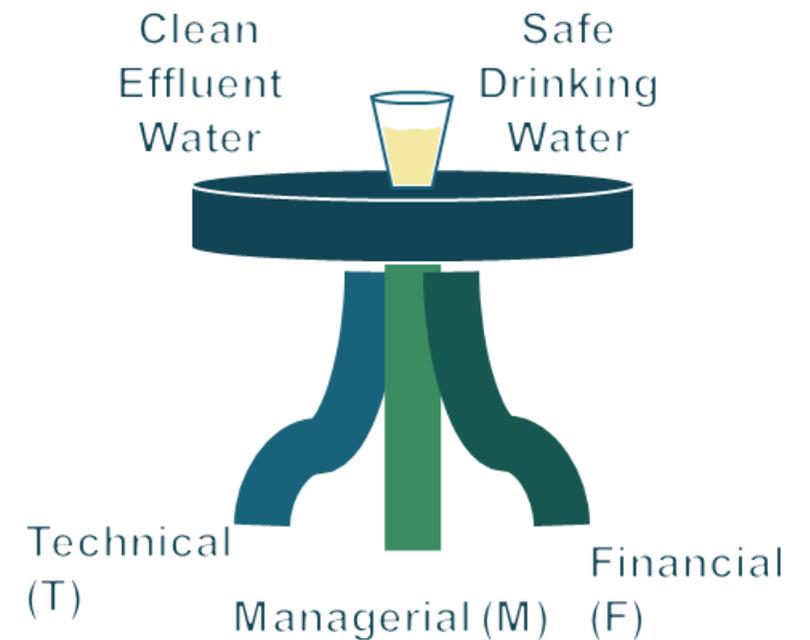
We are a not-for-profit, member-owned water cooperative with the mission to “Improve the quality of life, the cooperative way.”

[LEARN MORE](#)

Step 4: Assess Practicality

TMF Capacity Framework

- Capacity – the ability to comply with water and wastewater regulations
- Three areas of system capacity (TMF)
 - Technical
 - Managerial
 - Financial



RCAP's Role Within Kankakee Alliance



An objective, unbiased third party assisting in facilitating Kankakee Alliance and helping each member of Kankakee Alliance.



Collect important information from each community to assist in project scope and project development.



Educate on regional solutions.



Perform Water Audits for each community to assess water loss, along with knowing how much water loss is costing each community.



Facilitate collaborative meetings.



Evaluate each community's upcoming capital improvement plans and costs, along with reviewing current assets age and replacement cost.



Ensure project progresses forward at a healthy pace.



Calculate the Cost of Production per 1,000 gallons for each community, and assess the cost savings each community would have through partnering in a regional solution.



Perform water rate analysis for each community which assesses each community's financial health and evaluates their current water rate structure.

Step 5: Communication



WHAT IS KANKAKEE ALLIANCE? - KANKAKEE RIVER VALLEY WATER PLANNING AREA ALLIANCE (KRVWPA) - COMMONLY REFERRED TO AS KANKAKEE ALLIANCE

LOCAL MUNICIPALITIES AND AGENCIES SUPPORTING A REGIONAL WATER PLANT THAT WOULD:

ELIMINATE RADIUM

Highly corrosive • Potential health risks

REGIONALIZING KEEPS RATES AFFORDABLE

SUPPORT CURRENT AND FUTURE GROWTH

SUSTAINABLE WATER SOURCE

PROJECT DETAILS

(AS OF AUG 2020)



Water treatment plant providing lime-softened surface water



Intake Structure on Kankakee river with raw water transmission main connecting to plant.



Raw water reservoir.

CURRENT MEMBERS :

City of Braidwood | Village of Coal City | Village of Diamond
Godley Public Water District | Village of Essex
Custer Township Fire Protection District | South Wilmington

COST :

\$45-50 Million. Utilizing funds from United States Department of Agriculture-Rural Development (USDA-RD).

PURPOSE:

EJ Water Co-Op will partner with Kankakee Alliance to bring long-term, safe, and affordable drinking water to the residents of the partnering communities in a regionalized effort. By regionalizing, the Kankakee Alliance members will have cost savings that they can reinvest back into their community by purchasing water at a wholesale rate.

Zoom

RCAP's Past and Ongoing Research into Collaboration

with



Three Resources

RCAP

Resiliency through Water and Wastewater System Partnerships:

10 Lessons from Community Leaders

A Rural Community Assistance Partnership (RCAP)[®] RESEARCH REPORT

March 2020

Resiliency through Water and Wastewater System Partnerships

EXECUTIVE SUMMARY

10 Lessons from Community Leaders

Rural community leaders, operators and managers of small water and wastewater systems balance a variety of tasks and challenges on a daily basis. Because technical assistance providers in the Rural Community Assistance Partnership (RCAP)[®] Network are on the ground, working directly with rural community leaders, they observe those challenges first-hand. Depending on the nature of issues a community faces, partnering – or regionalizing – may be a solution. Whether to implement regionalization or not should be up to each individual community. RCAP serves as a neutral third-party, helping communities explore and pursue regionalization if they so choose. With that in mind, RCAP spoke with community leaders and/or water and wastewater system operators and managers from across the country to learn what they think other community leaders and members should know about the process of partnering. RCAP also spoke with technical assistance providers who have been integrally involved in facilitating partnerships.

Many of RCAP's interviews revealed ways community/system leaders can take a role in the regionalization process personally, starting with commitments they should make to both themselves and to the communities they serve. Small, rural and tribal system needs guided this research. Regionalization can be time, emotion, and effort-intensive. Ultimately, if regionalization is the best option in a given situation, it can result in better services to customers and provide for communities' futures.

Regionalization simply means any type of partnership between multiple utilities, from informal partnerships such as mutual aid agreements in case of an emergency or sharing of heavy equipment, to more formal partnerships such as the formation of a Joint Powers Authority to develop a new water source or a full physical and/or managerial consolidation.

Some systems are using regionalization as a solution to build capacity and become more resilient, enabling them to successfully sustain their systems not only financially, but technically and managerially, for years to come.

This summary accompanies RCAP's March 2020 research report, "Resiliency through Water and Wastewater System Partnerships: 10 Lessons from Community Leaders."

RCAP is a national network of non-profit organizations working to ensure small, rural and tribal communities throughout the country have access to resources, tools, and technical assistance (TA) – creating capacity and opportunity for economic prosperity. The RCAP Network, consisting of six regional partners who employ more than 200 individual TA providers, uses a locally-driven approach to address various needs. See the map on the back of this summary for more.

EXECUTIVE SUMMARY: RESILIENCY THROUGH WATER AND WASTEWATER SYSTEM PARTNERSHIPS 1

Resiliency through Water and Wastewater System Partnerships

10 Lessons from Community Leaders

Rural community leaders, operators and managers of small water and wastewater systems balance a variety of tasks and challenges on a daily basis. For more than 46 years, the Rural Community Assistance Partnership (RCAP)[®] Network's technical assistance providers (TAPs) have been on the ground, working directly with small, rural and tribal community leaders and observing those challenges first-hand. Common challenges include:

- Overbuilt or underbuilt systems,
- Insufficient rates that are already too high for customers,
- Operator retirements,
- Changing federal and state regulations that a community cannot meet, and
- Economic transitions.

Depending on the nature of the challenges a community faces, partnering with others – or regionalizing – may be a solution.

RCAP spoke with community leaders and/or water and wastewater system operators and managers as well as TAPs from across the country to learn what they think other community leaders and members should know about the process of partnering. Many interviews revealed ways leaders can take a role in the regionalization process personally, starting with commitments they should make to both themselves and to the communities they serve. RCAP synthesized these observations into ten lessons. A full report on www.rcap.org features the ten lessons summarized here.

Regionalization simply means any type of partnership between multiple utilities, from informal partnerships such as mutual aid agreements in case of an emergency or sharing of heavy equipment, to more formal partnerships such as the formation of a Joint Powers Authority to develop a new water source or a full physical and/or managerial consolidation.

Some systems are using regionalization as a solution to build capacity and become more resilient, enabling them to successfully sustain their systems not only financially, but technically and managerially, for years to come.

10 LESSONS ON WATER/WASTEWATER SYSTEM PARTNERSHIPS

1	DETERMINE WHETHER A PARTNERSHIP MAY BE RIGHT FOR YOUR COMMUNITY	6	KEEP A PATIENT MINDSET, AND KNOW THAT THIS IS A LONG-TERM DISCUSSION FOCUSED ON SUSTAINABILITY
2	FIND OUT WHAT RESOURCES ARE AVAILABLE AND BUILD YOUR TEAM	7	BE REALISTIC ABOUT LONG-TERM COSTS AND CAPACITY TO KEEP UP ANY NEW INFRASTRUCTURE
3	COMMIT TO TRANSPARENCY FROM THE START	8	HELP SYSTEM LEADERSHIP AND BOARDS DEVELOP AN UNDERSTANDING OF THEIR ROLES AND RESPONSIBILITIES
4	COMMIT TO A WILLINGNESS TO LISTEN, BE RESPECTFUL AND FIND MUTUAL BENEFIT	9	KEEP YOUR GOAL IN SIGHT, BUT BE OPEN TO POSSIBILITIES
5	RECOGNIZE THE IMPORTANCE OF THINKING THROUGH AND REACHING AGREEMENT ON GOVERNANCE	10	ENSURE BUILDING AND EARNING TRUST IS PRIORITIZED THROUGHOUT THE PROCESS

RCAP is a national network of non-profit organizations working to ensure small, rural and tribal communities throughout the country have access to resources, tools, and technical assistance (TA) – creating capacity and opportunity for economic prosperity. The RCAP Network—consisting of the RCAP national office and six regional partners who employ more than 200 TA providers located in every state, Puerto Rico and the U.S. Virgin Islands—uses a locally-driven approach to address various needs.

Visit www.rcap.org for more information.

Available at <https://www.rcap.org/blog/regionalizationresearch/>

**BEGINNING OF THE PROCESS /
BUILDING BLOCKS**

1

Determine whether a partnership may be right for your community

2

Find out what resources are available and build your team

3

Commit to transparency from the start

4

Commit to a willingness to listen, be respectful and find mutual benefit

5

Recognize the importance of thinking through and reaching agreement on governance

6

Keep a patient mindset, and know that this is a long-term discussion focused on sustainability

ONCE IN PROCESS

7

Be realistic about long-term costs and capacity to keep up any new infrastructure

8

Help system leadership and boards develop an understanding of their roles and responsibilities

9

Keep your goal in sight, but be open to possibilities

10

Ensure building and earning trust is prioritized throughout the process

THROUGHOUT

Other Resources/Coming Soon:

- Rural Matters
- New research:
Recommendations for policy-makers
 - How to encourage regionalization?
- Guidebook



Stock photo

Rural Matters

- Fall 2020:
Coming soon!
- Fall 2019:
[The Regionalization Issue](#)
- Fall 2018 feature story:
[Regional Partnerships: Sustainable Rural Water Systems](#)
- Summer 2009:
[The Road to Regionalization](#)



Environmental Topics

Laws & Regulations

About EPA

Search EPA.gov



Building the Capacity of Drinking Water Systems

CONTACT US

SHARE



Building the Capacity of Drinking Water Systems Home

About Small Systems

Small System Resources

Information for States

Compliance Help

Capacity Development Partners

EPA Capacity Development Contacts

Water System Partnerships

This new, interactive website for water system partnerships is a one-stop-shop for states, public water systems, and the general public to find cooperative tools to address their drinking water challenges. The website will lead you through the story of partnerships, exploring the different types of partnerships to consider, and outlining examples of successful partnerships across the country. There are pages with resources, both national and state, to assist systems in the partnerships process.

The information presented in this interactive website lays out ways partnerships can address common challenges that water systems

What's New In Water System Partnerships

- [Water System Partnership Handbook](#) (695 K)
- [Interactive Case Studies Map](#)
- [State Policies & Programs Supporting](#)



EPA Partnerships Webinar Tomorrow!



Water System Partnerships Handbook: How to Support Water System Partnerships

Wednesday November 18, 2020
12:30 PM - 2:00 PM EST

Register at:

<https://attendee.gotowebinar.com/register/4828533211412329229>

The US EPA's Office of Ground Water and Drinking Water presents the rollout webinar for the Water System Partnerships Handbook. This webinar is targeted for state drinking water personnel and EPA Regional staff. Technical assistance providers may also find this tool helpful in supporting their communities.



The handbook was created as a tool for state drinking water programs to identify, assess, and implement partnerships. The purpose of the handbook is to provide practical, sequential guidance to state and regional drinking water programs in identifying water systems that would benefit from partnerships, assessing the feasibility of these partnerships, and engaging public water systems in partnership discussions.

While partnerships can be beneficial for all water systems, partnerships are especially useful in helping small and mid-size public water systems (PWSs) address their unique challenges in providing safe and reliable drinking water and establishing technical, managerial, and financial capacity.

For more information, please contact:

Carla Hagerman
U.S. Environmental Protection Agency
Hagerman.carla@epa.gov

- Rollout webinar for the Water System Partnerships Handbook
- Targeted for state drinking water personnel and EPA Regional staff
- Technical assistance providers may also find this tool helpful in supporting their communities
- <https://register.gotowebinar.com/register/4828533211412329229>



Environmental Topics

Laws & Regulations

About EPA

Search EPA.gov



Water Infrastructure and Resiliency Finance Center

CONTACT US

SHARE



Water Infrastructure and Resiliency Finance Center Home

About the Center

Effective Financing

Technical Assistance

Environmental Financial Advisory Board

Funding Strategies to Promote System Regionalization

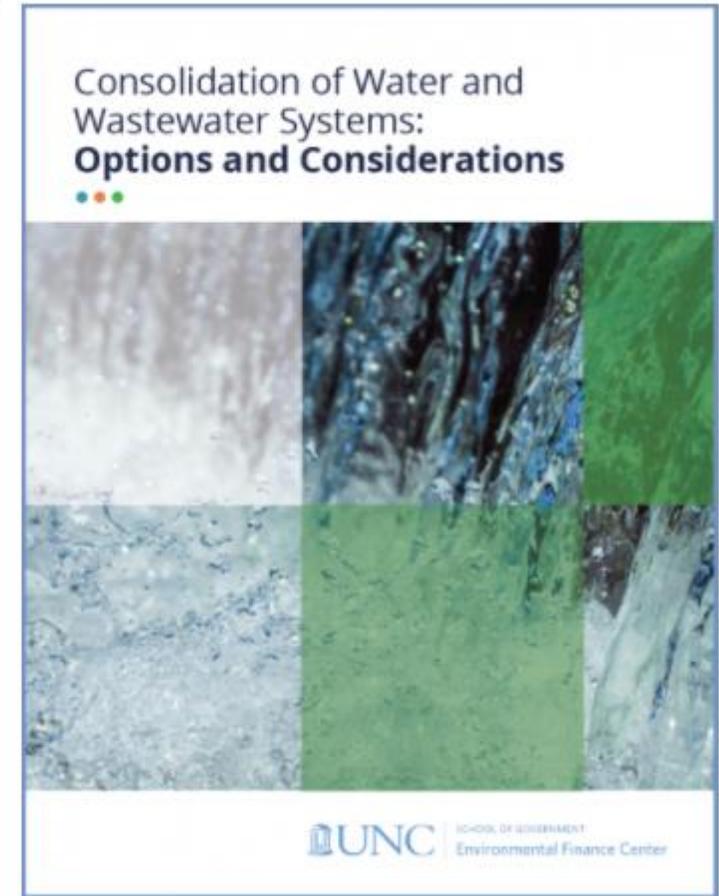
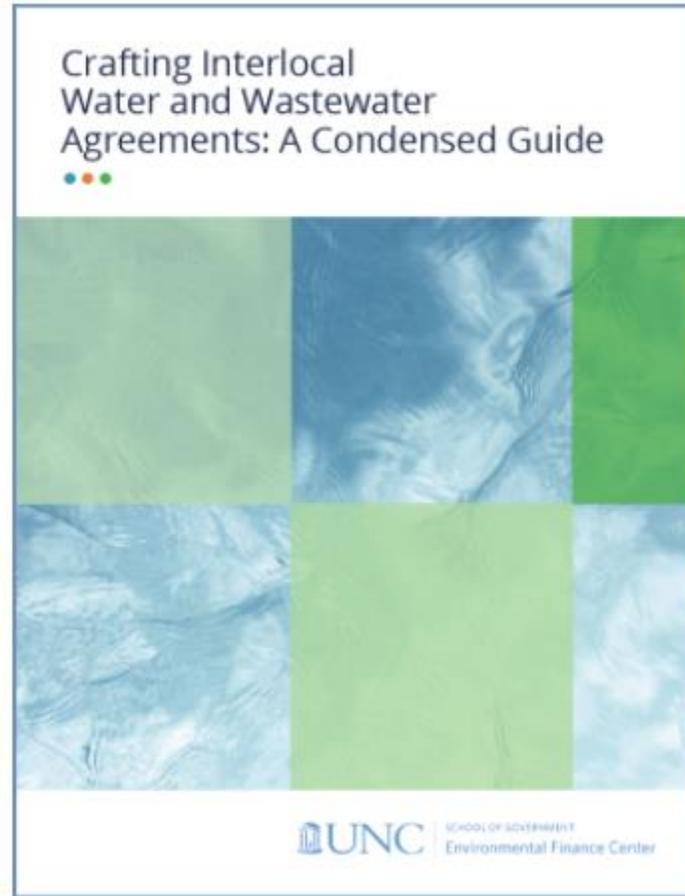
This EFAB report identifies and evaluates financing strategies designed to assist and or incentivize water and wastewater systems to implement governance strategies that includes system consolidation, regional projects, and shared service arrangements.

You may need a PDF reader to view some of the files on this page. See EPA's [About PDF page](#) to learn more.

- [Funding Strategies to Promote System Regionalization \(PDF\)](#)



<https://efc.sog.unc.edu/project/utility-regionalization-and-consolidation>



Next Finance & Management Webinars

- In January:
Risk/Resilience Assessments & Emergency Response Plans
Helping Small Water Systems Comply with AWIA
Requirements

Systems Helping Systems: A Conversation on Utility Collaboration

Sarah Buck, RCAP

sbuck@rcap.org

Derik Dressler, RCAP Solutions

Ddressler@rcapsolutions.org

Zach Green, Great Lakes CAP

zrgreen@glcap.org

Laura Landes, RCAP

Llandes@rcap.org

Kinsey Brown

kbrown@rcap.org

Glenn Barnes

gbarnes@rcap.org