Systems Helping Systems:
A Conversation on Utility Collaboration

RCAP

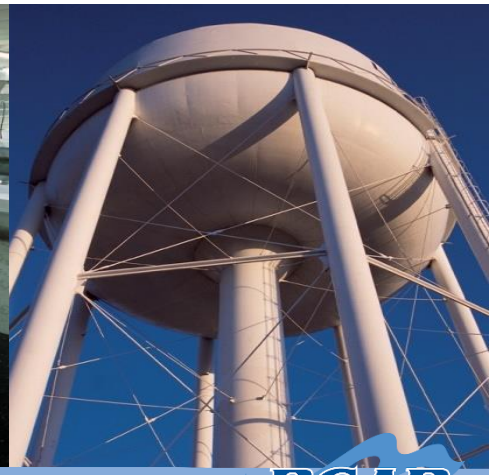
Great Lakes COMMUNITY ACTION PARTNERSHIP

RCAP Solutions

November 17, 2020







Thank you to our funders!

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Acknowledgement

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Kinsey Brown
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Glenn Barnes
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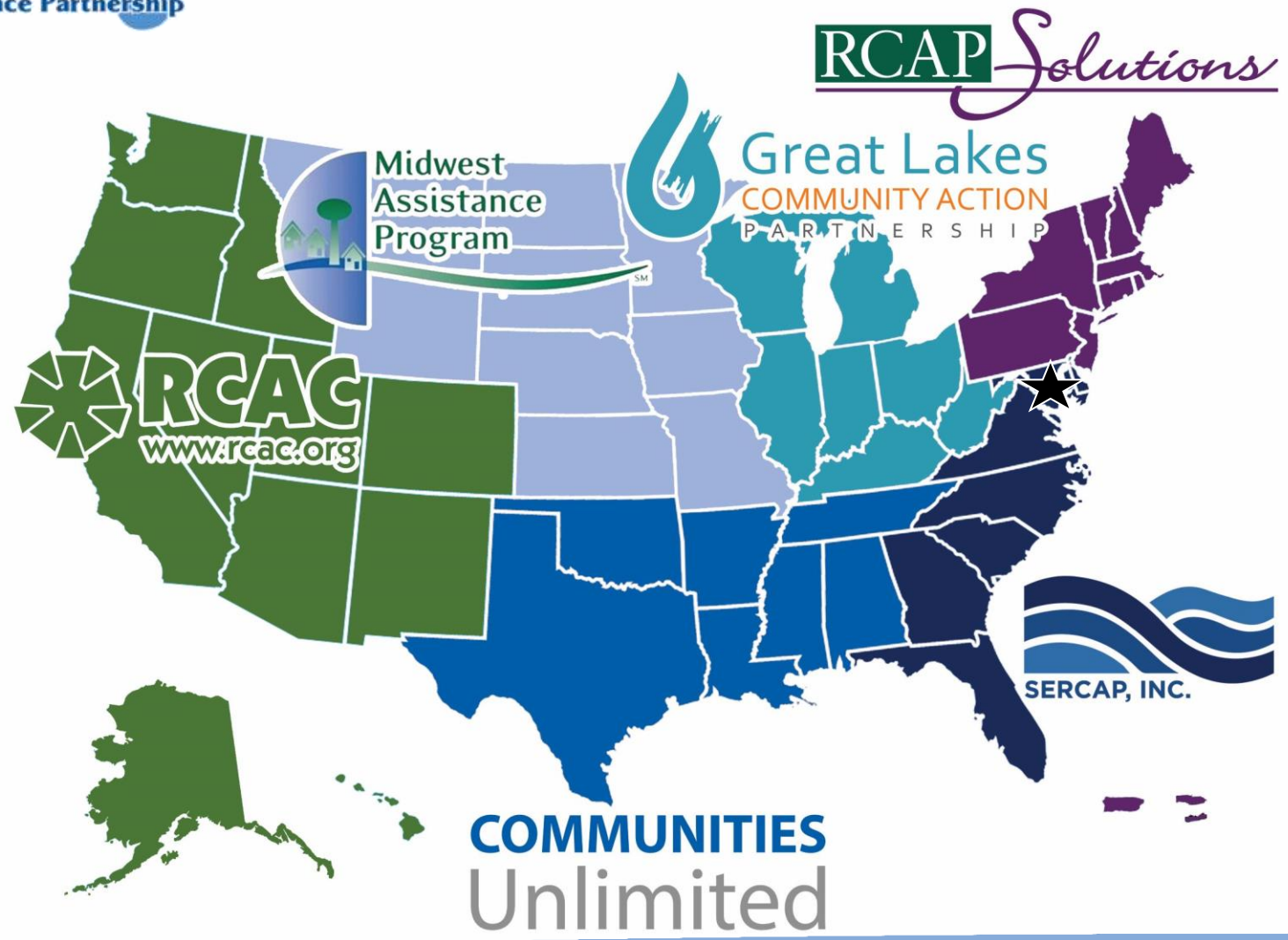
RCAP
Rural Community Assistance Partnership



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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
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"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
Work with other systems, but without contractual obligations	Requires a contract, but contract is under systems' control	Creation of a shared entity by several systems that continue to exist independently (e.g., regional water system)	Takeover by existing or newly created entity
Examples: • Sharing equipment • Sharing bulk supply purchases • Mutual aid agreements	Examples: • Contracting operation and management • Outsourcing engineering services • Purchasing water	Examples: • Sharing system management • Sharing leadership • Sharing source water • JPA	Examples: • 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

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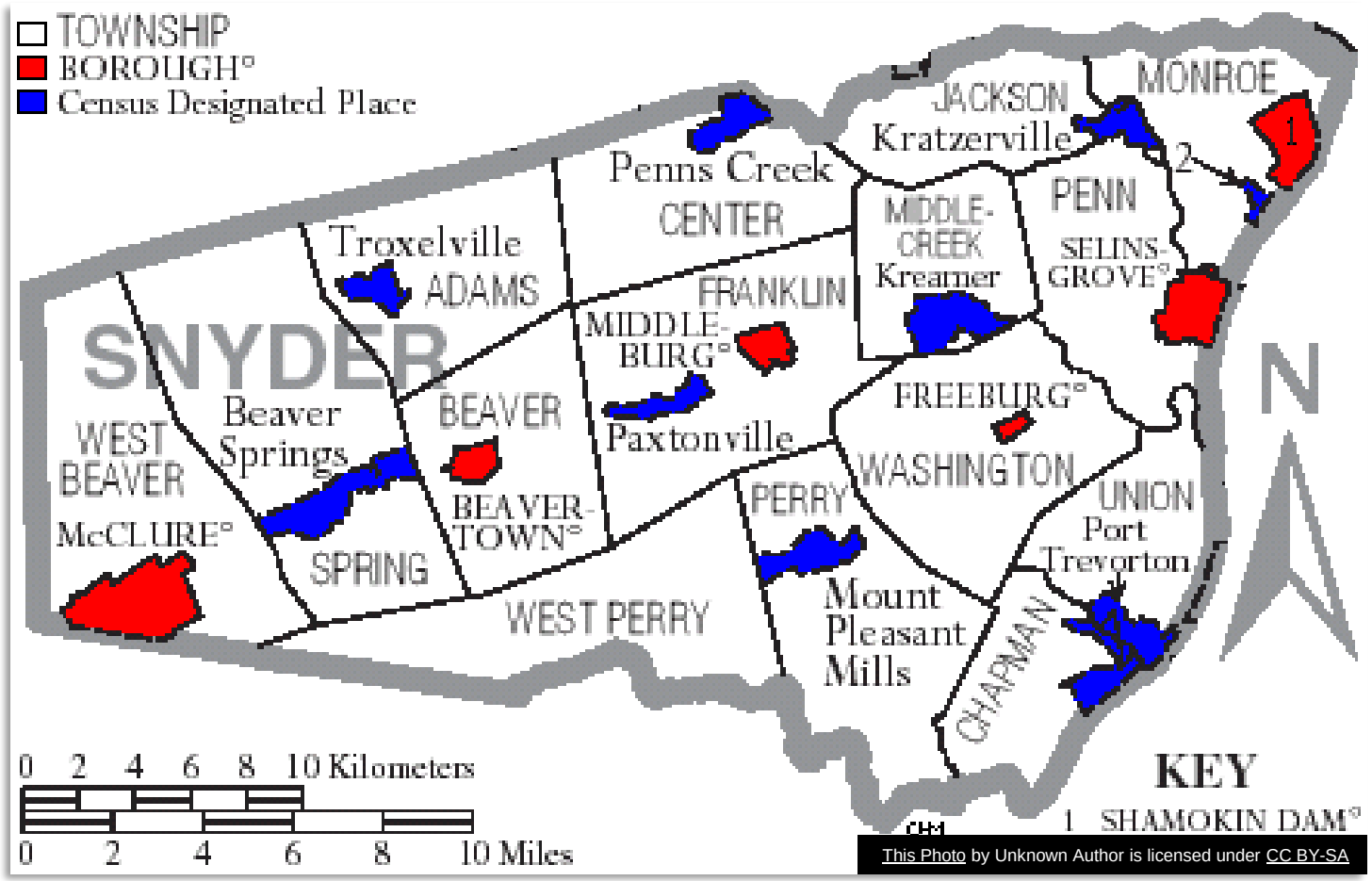
Informal Cooperation

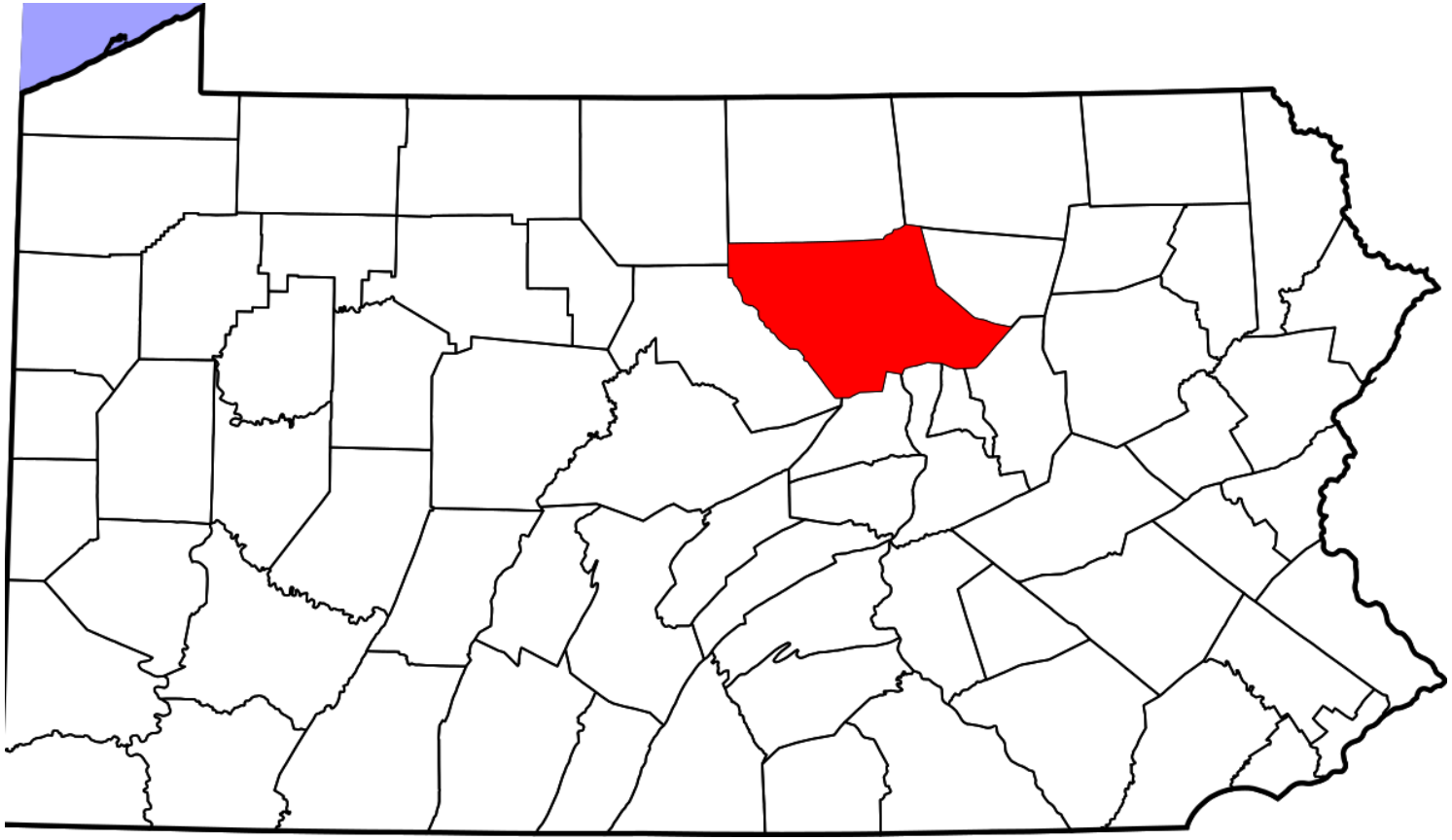


- Tri-town operator meetings
  - Sharing services
- Woodward assistance through RCAP
  - Leak detection

Contractual Assistance

- Hegins 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

- 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

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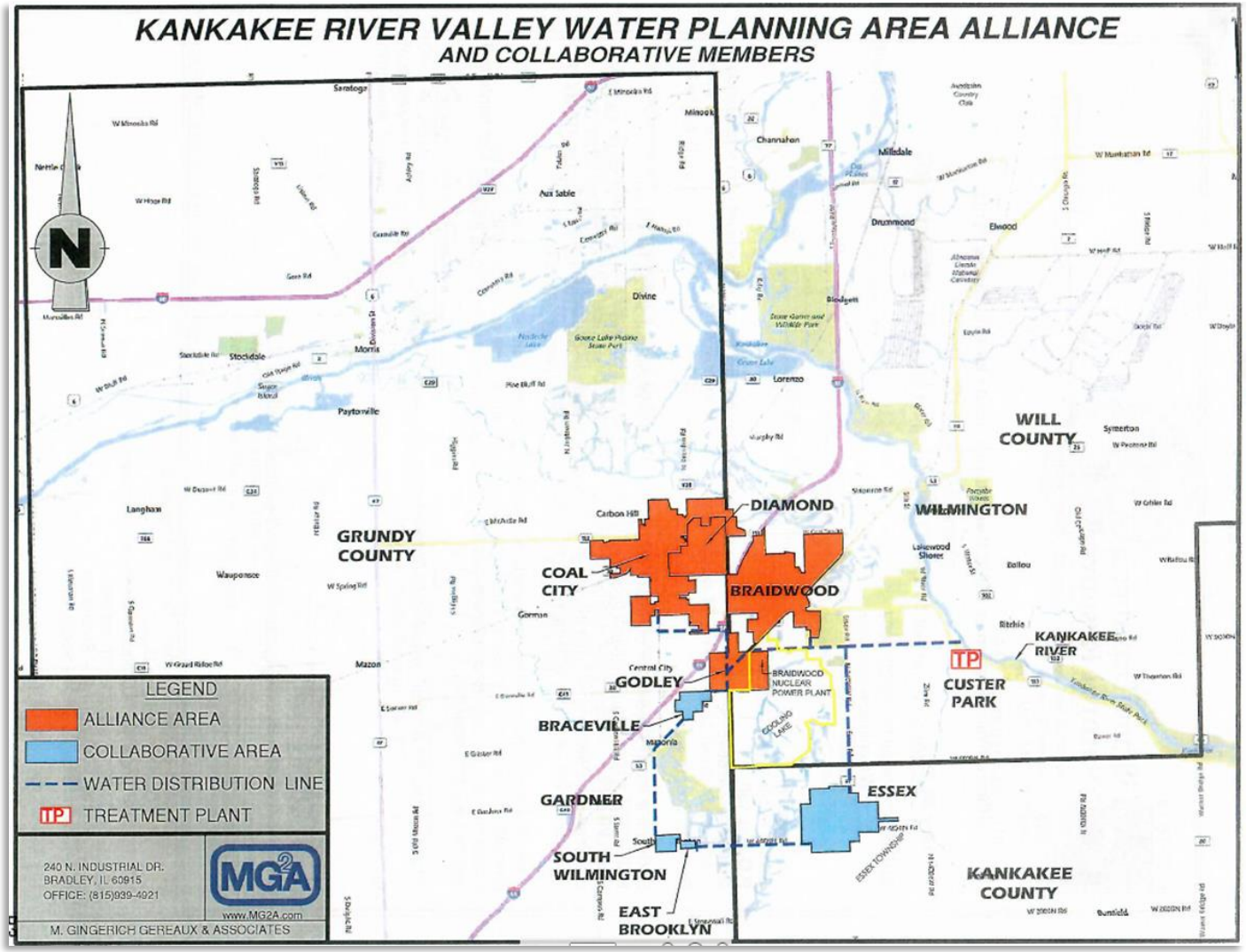
Graphic adapted by RCAP and RCAC from U.S. Environmental Protection Agency resources

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

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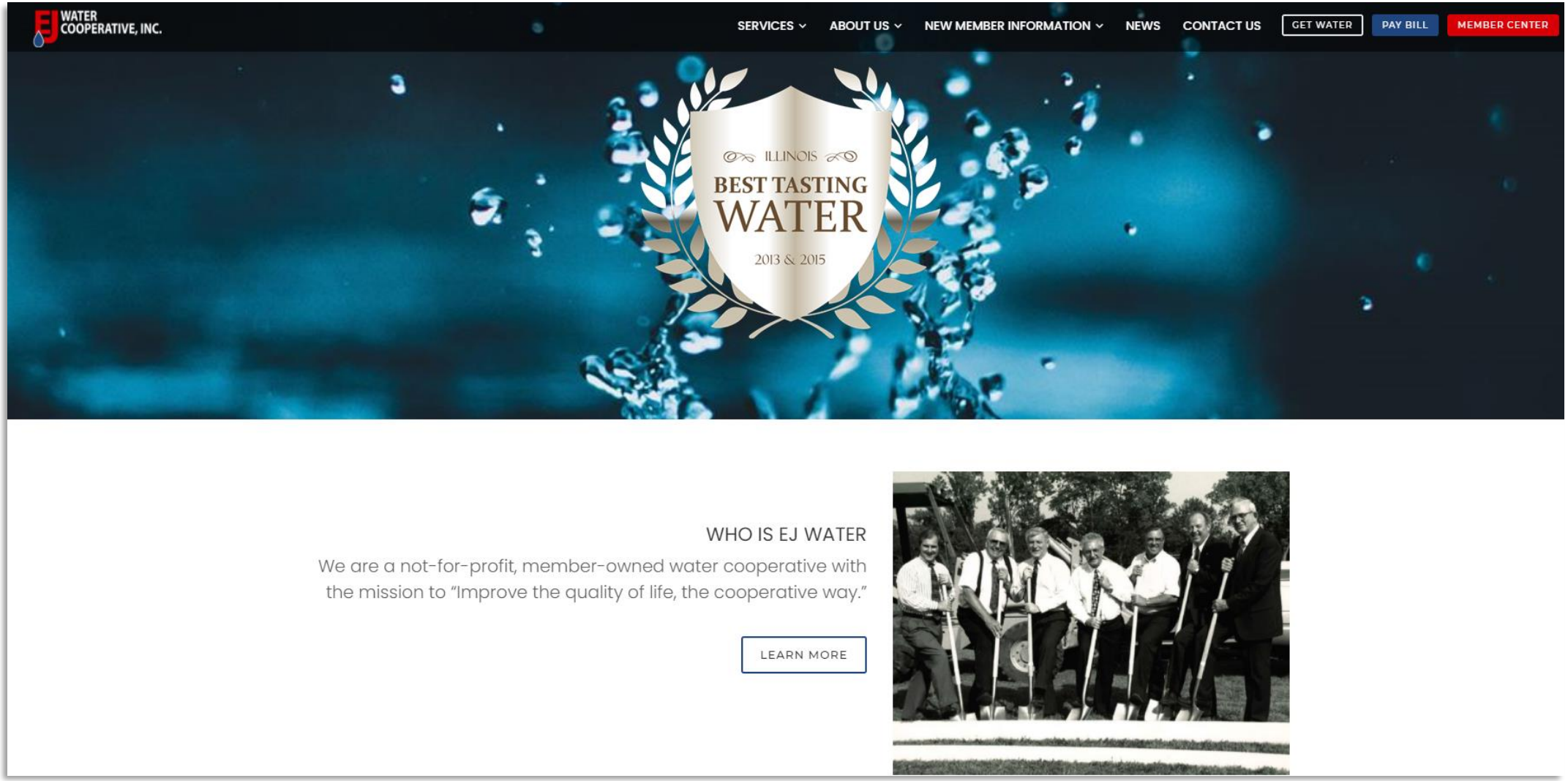
Step 2: Understand & Document Strengths/Challenges

- 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

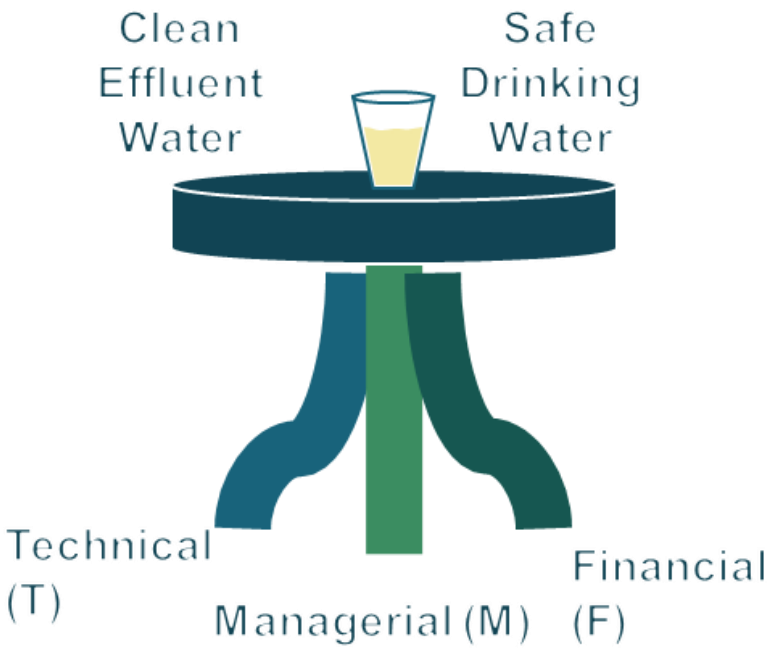
Step 3: Governance Structure + Participants



Step 4: Assess Practicality

TMF Capacity Framework

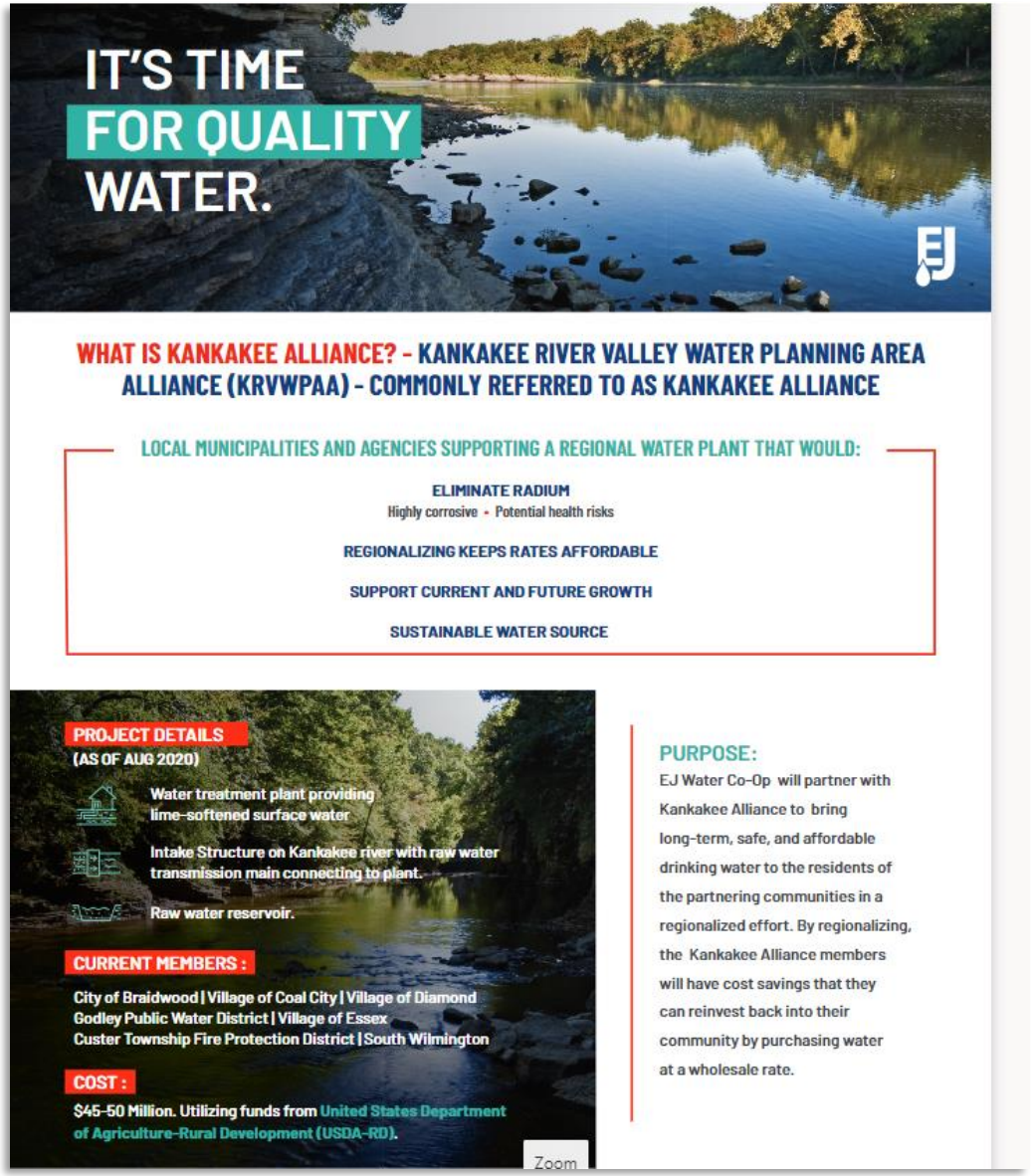
- Capacity – the ability to comply with water and wastewater regulations
- Three areas of system capacity (TMF)
  - Technical
  - Managerial
  - Financial



RCAP's Role Within Kankakee Alliance

- An objective, unbiased third party assisting in facilitating Kankakee Alliance and helping each member of Kankakee Alliance.
- Educate on regional solutions.
- Facilitate collaborative meetings.
- Ensure project progresses forward at a healthy pace.
- Perform water rate analysis for each community which assesses each community's financial health and evaluates their current water rate structure.
- Collect important information from each community to assist in project scope and project development.
- Perform Water Audits for each community to assess water loss, along with knowing how much water loss is costing each community.
- Evaluate each community's upcoming capital improvement plans and costs, along with reviewing current assets age and replacement cost.
- 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.

Step 5: Communication



RCAP's Past and Ongoing Research into Collaboration

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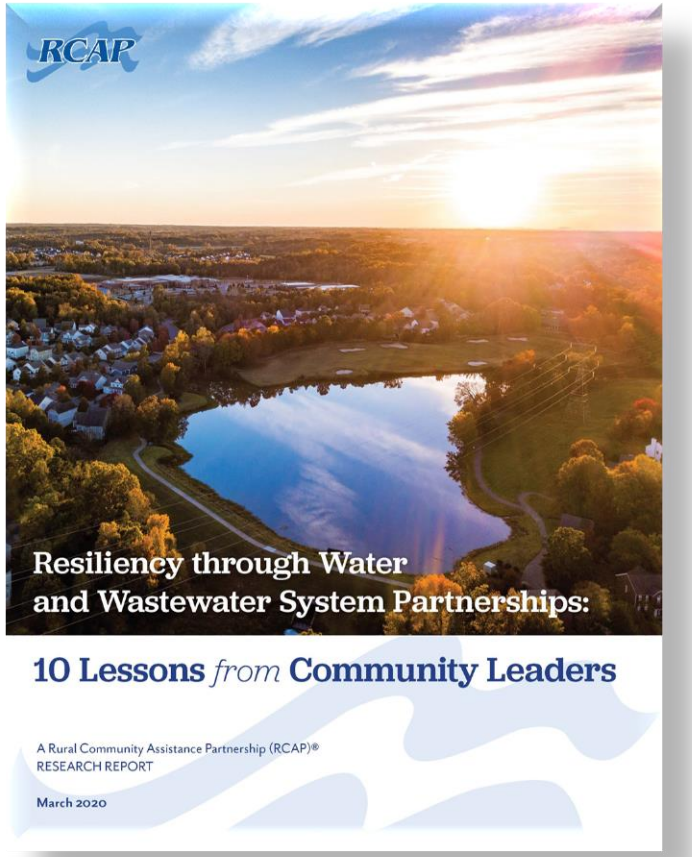
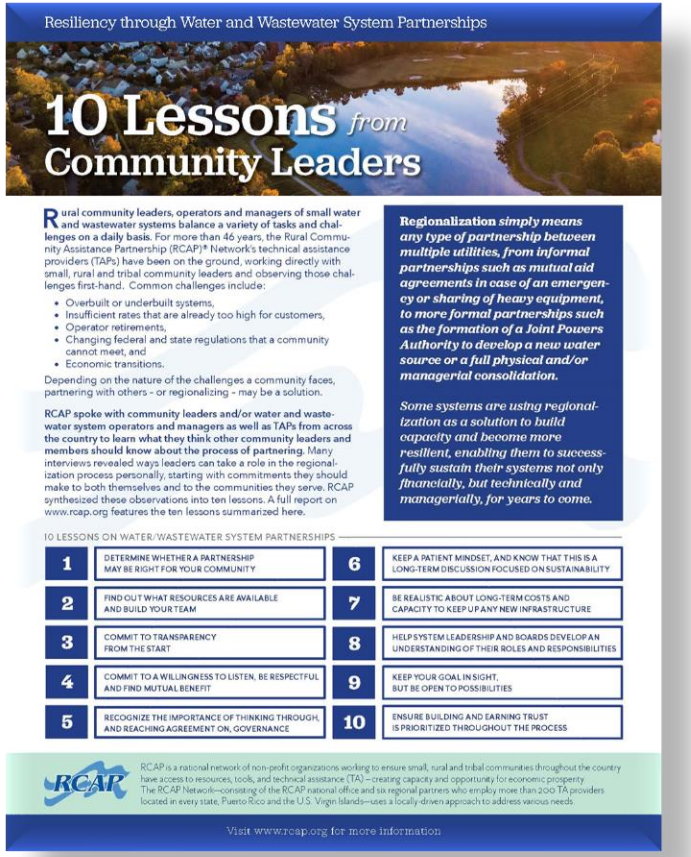
Three Resources





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

THROUGHOUT

9. Keep your goal in sight, but be open to possibilities
10. Ensure building and earning trust is prioritized throughout the process

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

https://www.epa.gov/dwcapacity/water-system-partnerships

Building the Capacity of Drinking Water Systems

Water System Partnerships

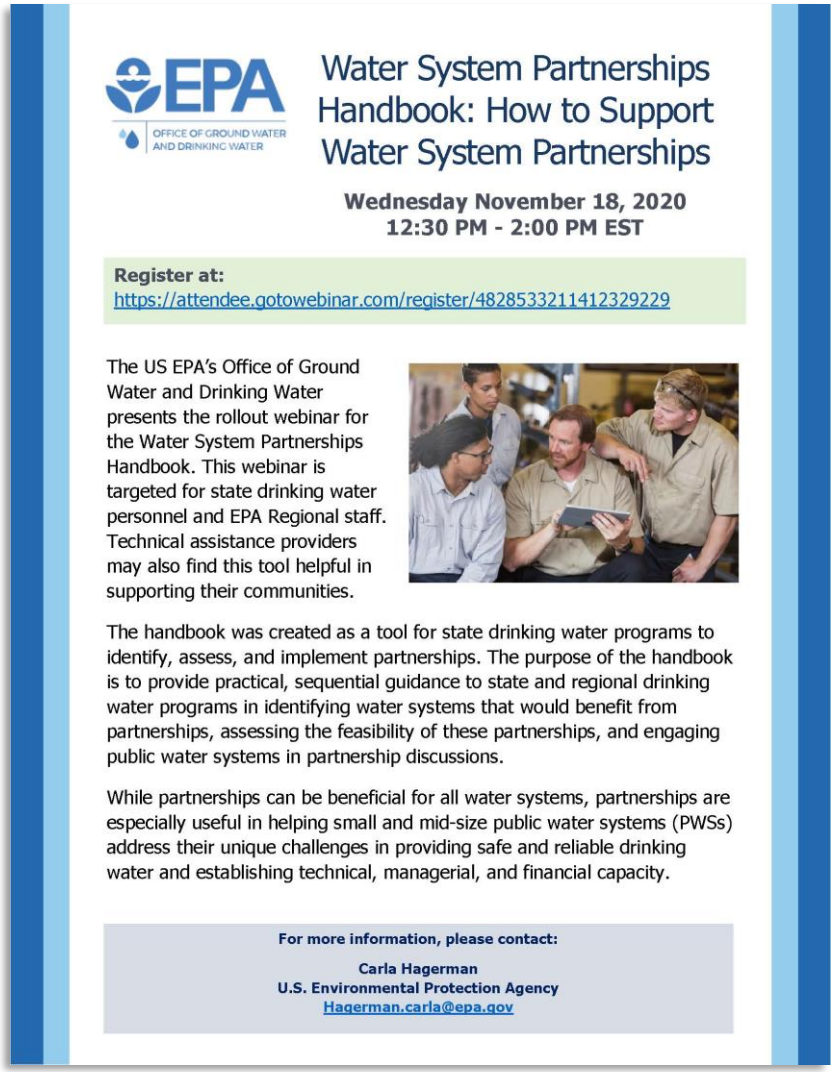
This new, interactive website for water system partnerships is a one-stop-shop for states, public water systems, and the general public to find cooperative tools to address their drinking water challenges. The website will lead you through the story of partnerships, exploring the different types of partnerships 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!



EPA
OFFICE OF GROUND WATER AND DRINKING WATER

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

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https://www.epa.gov/waterfinancecenter/funding-strategies-promote-system-regionalization

Water Infrastructure and Resiliency Finance Center

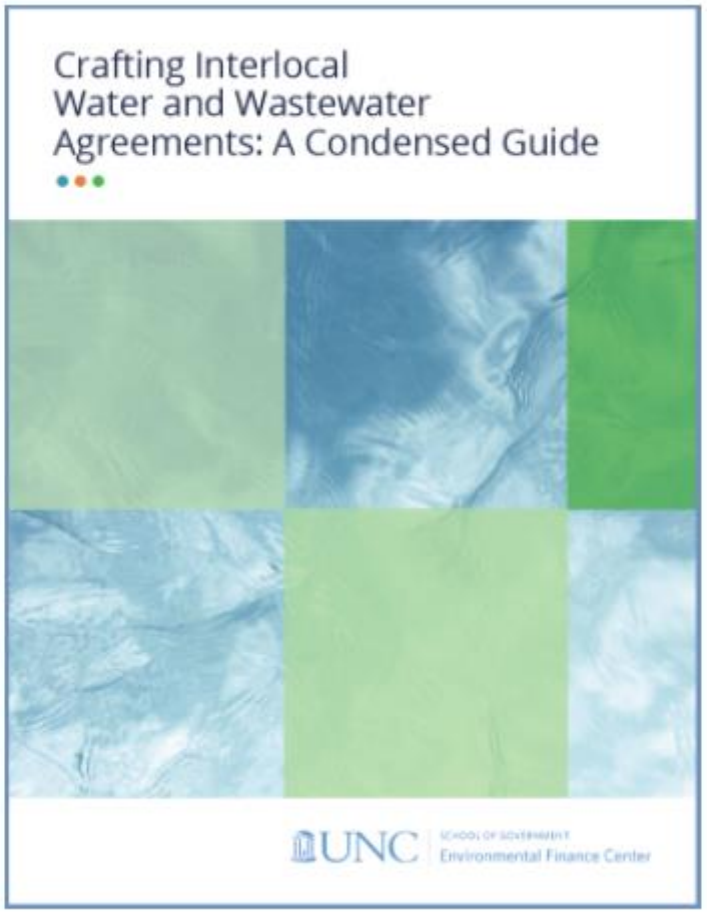
Funding Strategies to Promote System Regionalization

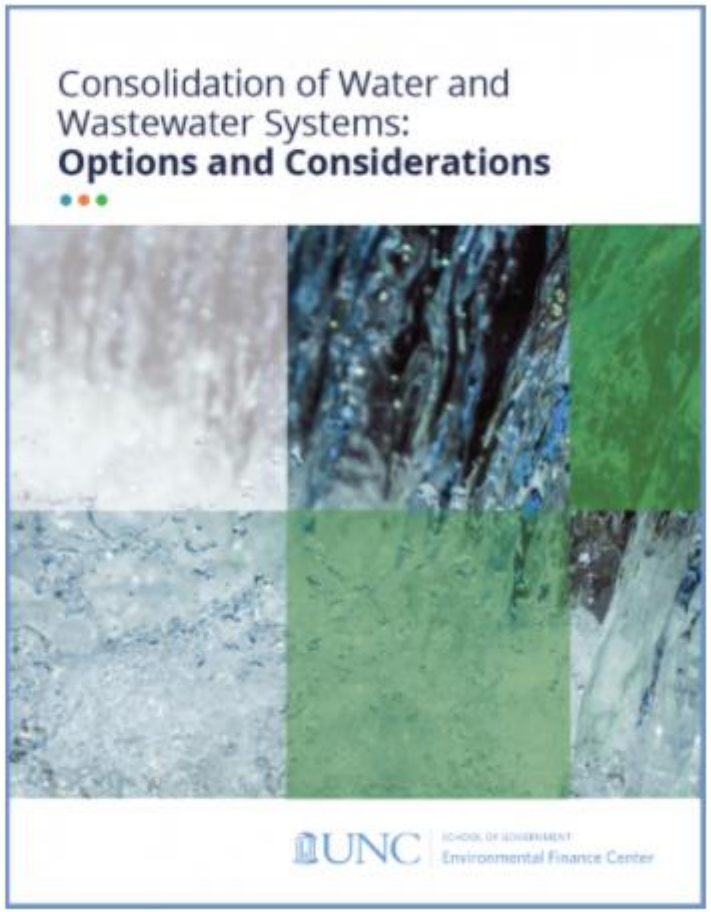
This EFAB report identifies and evaluates financing strategies designed to assist and or incentivize water and wastewater systems to implement governance strategies that includes system consolidation, regional projects, and shared service arrangements.

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

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