




Decentralized Wastewater System Case Study


May 29, 2019 Webinar
 Presenter: Jean Holloway
 Moderators: Jeff Oxenford & Kevin Kundert
 Panelists/TAPs: Karen McBride, Ben Howard, Robert Rick, & Jascha Pettit




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Moderators




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RCAP Rural Community Assistance Partnership
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<p>Western RCAP Rural Community Assistance Corporation (916) 447-2854 www.rcac.org</p> <p>Midwest RCAP Midwest Assistance Program (952) 758-4334 www.map-inc.org</p> <p>Southern RCAP Communities Unlimited (479) 443-2700 www.communitiessu.org</p> <p>Northeast RCAP RCAP Solutions (800) 488-1969 www.rcapsolutions.org</p> <p>Great Lakes RCAP Great Lakes Community Action Partnership (800) 775-9787 www.glcap.org</p> <p>Southeast RCAP Southeast Rural Community Assistance Project (866) 928-3731 www.southeastrcap.org</p>	<p>RCAP National Office 1701 K St. NW, Suite 700 Washington, DC 20006 (800) 321-7227 www.rcap.org info@rcap.org</p>
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Webinar Logistics


- Certificates will be issued at the end of the webinar
- Please add questions in the chat/question box
- Slides can be downloaded
- Survey at the end of the webinar

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Polls


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Panelists / TAPs: 


A special thanks to our panelists / technical assistance providers for their participation in this event!




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Presenter 



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Decentralized Wastewater System Case Study



Clean Water Solutions –
A Non-profit Collaboration
Eden – DSSC - SERCAP






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Learning Objectives 



- Explain the need that gave rise to this collaboration
- Identify situations that may be analogous to their own state or region
- Identify opportunities to replicate this approach in their own state or region
- Discuss potential funding that enables sustainably affordable rates

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Background  



- There are approximately 165 community groundwater discharge wastewater systems in Delaware
- About 80 of those are "cluster" septic systems where individual septic tanks are connected to a central drainfield
- About 1/3 of these systems have experienced some kind of deficiency – either technical, financial or managerial
- Most of these are privately-owned, and thus not eligible for grants

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Background  



- July 2016 - a panel of some 20-25 interested parties convened by USDA had been meeting to study the problem for over a year
- The panel came to the conclusion that a non-profit, responsible management entity needed to be created. USDA then issued a Request for Information (RFI) and 3 non-profits responded
- The committee felt that none of the responders could provide all they had envisioned and asked the 3 to form a partnership instead

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Clean Water Solutions  


- Clean Water Solutions is a collaboration of three non-profit organizations:
EDEN Delmarva – DSSC - SERCAP
- The goal of the initiative is to enable the consolidation of under-resourced community systems to a sole non-profit utility ownership structure through fundraising, technical assistance, and long term management.

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Organizational Roles  


- EDEN
 - Financial consulting, CRA funding conduit, fundraising efforts
- DSSC
 - Non-profit utility owner-operator, capital improvement planning, debt servicing
- SERCAP
 - Technical assistance, community advisement, system transition planning

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EDEN's Program Activities are dedicated to the financial needs of the collaboration:  


- To identify funding sources compatible with program goals.
- To create innovative financial collaborative efforts between state, federal, local and private entities to benefit LMI communities.
- To fundraise and coordinate all grant applications, loan programs and funding sources.
- As CWS receives funding from identified program sources and carries out requirements successfully, EDEN will manage funding as stipulated in each grant request for program goals.

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DSSC's Program Activities are dedicated to being the non-profit utility company for the collaboration: 


- To own and manage community water and wastewater systems to ensure their long-term sustainability
- To perform engineering and environmental assessments
- To oversee construction of required improvements to bring systems into compliance and promote sustainability
- To perform operations and maintenance
- To manage billing and debt service by developing cost effective billing methods that allow affordable rates to be set.
- To provide tariffs overseen and approved by the Public Service Commission (PSC) and to coordinate all PSC oversight
- DSSC is a Responsible Management Entity (RME) as defined by regulations

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SERCAP's Program Activities are dedicated to the community outreach and education needs of the collaboration: 

- To work with key agencies to identify communities in need
- To work with prospective communities by attending meetings, providing technical assistance and guidance
- To coordinate and provide Community Orientation sessions and outreach to communities acquired by the CWS program
- To help participants understand their new bill, to understand their new rate(s), and to learn qualifications for assistance
 - Participants will receive a general overview and history of the program; be guided through their new bills, line by line
 - Rate calculations will be explained
 - The process of Public Service Commission oversight will be outlined

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Population Served 

The target population of Clean Water Solution's (CWS) initial 4 Pilot Systems identified are all in Sussex County, Delaware, which has the largest proliferation of these "cluster" systems.

- These systems serve a total of 850 residents, families of all ages.
- The Sussex Co. Median Household Income is about 11% below the state average and its average salary is some 30+% lower than the statewide figure.
- The future systems serviced by CWS will be located in Sussex, Kent and New Castle Counties.
- All communities targeted will be qualified as majority low to moderate income (LMI) residents

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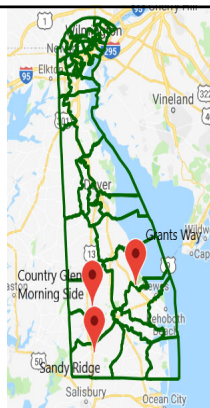
First Pilot Group of Four LMI Communities 2018/2019

Country Glen II: 11802 Glen Circle, Bridgeville, DE 19933; House District 35 Jesse Vanderwende

Sandy Ridge: 11883 Sandy Ridge Dr., Laurel, DE 19956; House District 40 Timothy Dukes

Grants Way: 13131 Grant Dr., Milton, DE 19968; House District 36 Bryan Shupe

Morningside Village: 18838 Wheatley Drive, Bridgeville DE 19933 House District 35 Jesse Vanderwende



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The Original Idea



- Initially the plan was to target systems who had water service with Tidewater Utilities in order to "piggy back" on their water billings
- Tidewater's parent company would have charged over \$50,000 to reconfigure their computer software to do that billing
- Finding an accounting firm to do billing and collection allows DSSC to use monthly billing, making the payments more affordable for the customers and improving monthly cash flow

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The Results so far...



- CWS calculation is that a grant to loan ratio of 70% : 30% will be necessary to keep rates down
- **FOUR of the five targeted communities have already agreed to the transfer of system assets and have passed resolutions to transfer those assets.** (*The 5th was eliminated for other reasons*)
- DSSC has become Delaware's FIRST Non-Profit Utility

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Delays and Misjudgments



- The first CPCN was approved in January 2018
- The collaborators estimated transfer of assets by June 2018
- June 2019 is approaching and transfer is still not completed
- Sustainable funding has been elusive, while one-time grants have been awarded
- We need money to prove it works and some of the sources won't commit money until we prove it works

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The Next steps



- A 38-unit subdivision, Country Glen II is the first CPCN awarded by the PSC
- An engineering assessment will be conducted by DSSC via planning grant applications
- Capital Improvement needs (if any) will be identified during this process
- DSSC has submitted applications to transfer the CPCN's of two more cluster systems this year, and will apply for the 4th this summer


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The Next Steps (continued)




- Meetings with various legislators and agencies to get concept buy-in (and maybe some \$\$)
- SERCAP will working on identifying additional cluster community systems as the first ones are running sustainably
- User revenues from the first systems operating successfully will help to fund activities in the subsequent systems

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Lessons learned ... 

- No matter what you plan or estimate for a timetable, it won't go exactly as you plan
- If there is sufficient knowledge and access to private foundations a non-profit like the RCAP's could act as the outreach and funding advocate
- Forming an alliance with an operational partner could allow RCAP's to drive rather than ride along

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In summary: 

- Additional funding has been verbally committed by two foundations, pending submission of formal applications ONCE the 4 pilot systems have been transferred
- All funding so far has been from private sources, except for 2 small USDA grants
- To keep the user rates low CWS will need a grant to loan ratio of 70% : 30%



Success will breed Success

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In Summary:  



- DSSC will become the owner of two more existing systems in 2019 via a transfer of CPCN
- CWS has received enough petitions (51% of the property owners) in a fourth subdivision to start the CPCN process
- CWS/DSSC will likely be pursuing its own office and office staff sometime later in 2019
- The timetable hasn't worked as we'd liked but we are still rolling along

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Q&A with the TAPs: 


Questions for our presenter and panelists?



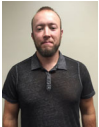
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Thank you!

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