



Resiliency through Water and Wastewater System Partnerships:

10 Lessons *from* Community Leaders

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

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Authors and contributors: Laura Landes, Ashley Zuelke, Sarah Buck, and Nathan Ohle

Interviewees:

- Phil Anderson, City of Piedmont, South Dakota
- Stephen Bordenkircher, Village of West Lafayette, Ohio
- Larry Foster, Jackson County Water Company, Ohio
- Jerry Greiner, Northwestern Water & Sewer District, Ohio
- Billy Hix, Cherokee Nation, Oklahoma (*Mr. Hix also serves on the RCAP, Inc. Board of Directors*)
- George Lloyd, Blossburg Borough, Pennsylvania
- Ramón Lucero, El Valle Water Alliance, New Mexico (*Mr. Lucero started working at the Rural Community Assistance Corporation, the Western RCAP, during the drafting of this report*)
- Eric Moore, West Branch Regional Authority, Pennsylvania
- Michael Prado, Sr., Northern Tulare County Water Alliance, California
- Sheila Watson, Nature Coast Regional Water Authority, Florida
- Christine Weigle, Lycoming County Water and Sewer Authority, Pennsylvania

Each of these community leaders is representative of different experiences, and the breadth and depth of their knowledge was an invaluable addition to this research. RCAP would like to thank them for the time they spent speaking with us and for the hard work they do every day to benefit their communities.

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We would also like to thank Great Lakes Community Action Partnership (GLCAP, the Great Lakes RCAP) for their work hosting the Regional Collaboration Summit in October 2019 in Springfield, Illinois, where we shared initial research findings to confirm understanding with a group of water and wastewater industry professionals and community leaders.



Introduction

Rural community leaders, operators and managers of small water and wastewater systems balance a variety of tasks and challenges on a daily basis. Technical assistance providers in the Rural Community Assistance Partnership (RCAP) network are on the ground, working directly with rural community leaders and observe those challenges regularly.^a

Common challenges include:

- Overbuilt or underbuilt systems
- Insufficient rates that are already too high for customers
- Operator retirements
- Federal standards that a community cannot meet
- Economic transitions

For example, during the last upgrade or when building their system, communities may have overestimated the treatment plant size and capacity they needed; it may now cost too much to maintain. Communities also may struggle to fully fund operating costs, much less create and sustain reserves. Yet, their residents already feel like too much of their paychecks pay for utilities; many are on fixed incomes. In addition, the operator who served a system for decades may need to retire, taking institutional knowledge about the system with them. Importantly, too, the drinking water delivered to customers and effluent leaving the wastewater treatment facility must meet federal and state standards, requiring careful diligence.

Lastly, many local economies have experienced or are experiencing industrial transition. Some areas, especially those with scenic and natural assets, are experiencing in-migration, but many are seeing their youth seek opportunities elsewhere. Decreases in populations reduce the ratepayer base of the water/wastewater system. This makes it difficult for the system to fund general maintenance as well as to invest in improvements for the future.

These challenges are serious, but are not insurmountable.

This is especially the case when communities consider how to pool resources or know-how, collaborating and partnering as it makes sense for them. Regionalization, also called regional collaboration, partnership, etc., is one tool in the toolbox for helping small rural communities face the challenges presented to maintaining a drinking water and/or wastewater system. 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. RCAP defines regionalization as a spectrum of collaborative activities, ranging from the most informal to the most formal of partnerships between communities in the same geographic area. See Figure 1 on page 6 for a description of the different kinds of regionalization.

Whether to implement regionalization or not should be up to each individual community, based on the opportunities and issues each community encounters when considering these approaches. RCAP believes in being a neutral third-party, helping communities explore and pursue regionalization if they so choose. With that in mind, RCAP interviewed community and system leaders across the country who had participated in some form of regionalization to highlight what other

community leaders who have not yet pursued partnerships should know. Sometimes a regional approach is not the right answer for a community. RCAP aims to help rural communities explore all their options and then pursue the best one for them when faced with the numerous challenges and pressures of operating a small water or wastewater system.

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 research report is different from previous studies and papers in a couple of ways:

- It focuses on small, rural communities,
- draws conclusions from previous research, and
- “ground truths” lessons learned with communities who have undertaken regionalization.

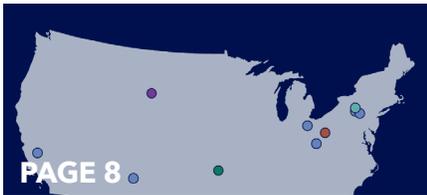
This report’s goal is to provide important lessons, both from previous research and from interviews conducted not only with community leaders but also with technical assistance providers who have experience working on regionalization projects. With the focus on small, rural communities, RCAP aims to fill an important gap in the current story. We hope that community leaders/members interested in pursuing regional partnerships can use this paper to improve their experience and avoid pitfalls that others have experienced in the past.

a. RCAP has a network of more than 200 technical assistance providers; visit www.rcap.org or see the map on the last page for contact information.

Elements of this Report for Community Leaders' Use



**PARTNERSHIPS TAKE MANY FORMS:
DEFINING REGIONALIZATION**



**A SNAPSHOT OF COMMUNITY LEADER
EXPERIENCES WITH REGIONALIZATION**



**HIGHLIGHTS: 10 LESSONS ON SYSTEM
PARTNERSHIPS FROM COMMUNITY LEADERS**



**FULL REPORT: 10 LESSONS ON SYSTEM
PARTNERSHIPS FROM COMMUNITY LEADERS**



**HOW RCAP IDENTIFIED 10 LESSONS ON SYSTEM
PARTNERSHIPS FROM COMMUNITY LEADERS**



**A PRIMER ON DRIVERS, BENEFITS AND
CHALLENGES OF COLLABORATION**

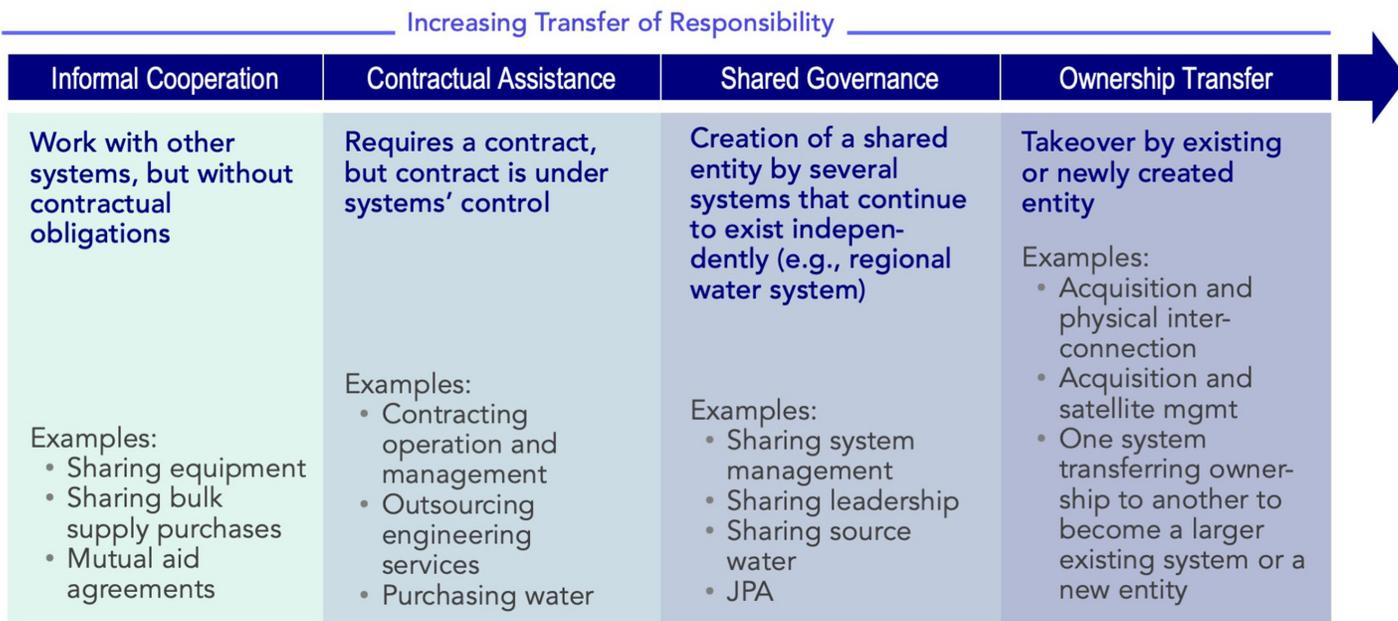


**ADDITIONAL WATER AND WASTEWATER
SYSTEM COLLABORATION RESOURCES**

Partnerships Take Many Forms

An array of partnerships and cooperation fall under the broad umbrella of regionalization, from informal collaboration to ownership and governance restructuring. See Figure 1 for a visual explanation of the spectrum of regional approaches.

Figure 1: Types of regional collaboration



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

INFORMAL COLLABORATION

Effective partnerships can consist of simple, informal collaboration. Sometimes a water or wastewater system will work with its neighbor(s) to share the cost of heavy machinery or other equipment if they don't each need their own all the time or to purchase disinfectants or other chemicals in bulk. These are great ways to exercise economies of scale that would otherwise be unattainable.

Other types of informal cooperation may include mutual aid agreements, in which systems formally agree to assist one another in an emergency.

CONTRACTUAL ASSISTANCE

A system starting to formalize collaboration may set up a contract with either another system or a service provider who also serves other systems. This method can alleviate strain on a system's employees and build capacity by creating a more efficient workflow, or simply provide an option for when the skill sets needed are not readily available or affordable. Sometimes neighboring systems will share staff, like an engineer, back office operations like billing staff, or a system operator. Sometimes they will create a contract to purchase water together or from one another.

There are many contractual options that eliminate redundancies, build efficiencies, streamline operations, make staff lives easier, and provide the security and peace of mind of a contractual agreement, but still allow individual systems to maintain their independence.

SHARED GOVERNANCE (E.G., JPA)

Two or more systems form a shared governance model, such as a joint powers agency (JPA, also sometimes called a joint powers authority or agreement), establishing a completely new legal entity. While a JPA may perform many different functions, it is often set up with a particular role in mind. Under a JPA or other shared governance model, systems maintain autonomy, but also work together to set up and manage the new entity, which can perform various functions. This arrangement may provide shared system operators, run a treatment facility, or enable access to source water that would have been impossible for one system to tap into on its own. This new entity also may be able to apply for and access funding more easily. A shared governance model such as a JPA may own, build, manage and operate utilities under an agreement made by the communities that formed it. It has the power to pledge revenue and incur debt, in addition to applying for and receiving funds.

Other types of shared governance models may include other regional entities like a regional water/wastewater authority or a special utility district. These are just a few examples of how systems can form a new entity to help them all experience better, more reliable and affordable water or wastewater services.

OWNERSHIP TRANSFER

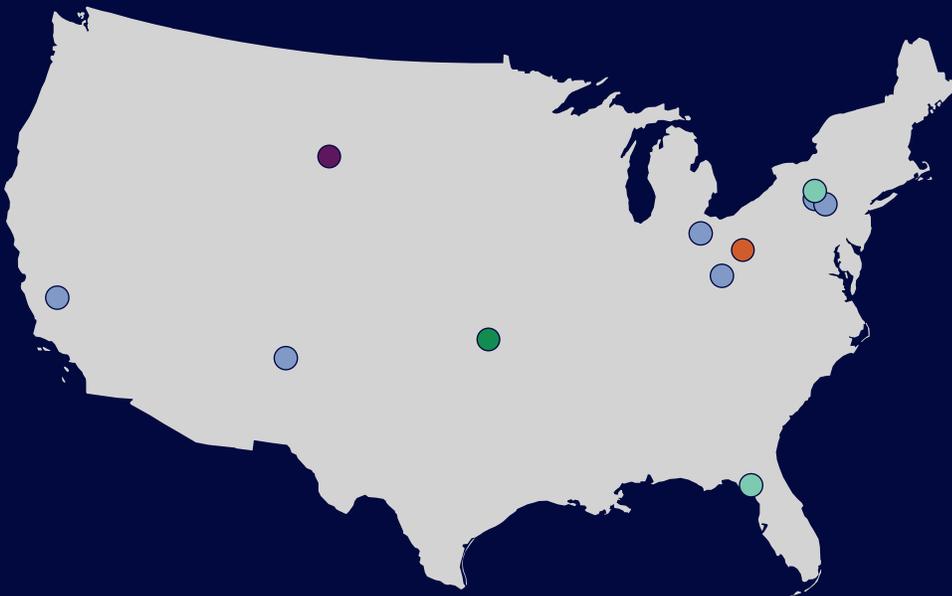
Systems often equate regionalization with consolidation or ownership transfer, though this is only one of many partnership options and is often reached after other, less formal cooperation occurs. Consolidation has been known to create concern for communities. While it is not always the right fit, it is one tool in the regionalization toolbox that can sometimes solve a system's problems. It can entail a takeover of a system either by an existing entity or the formation of a new entity. Ownership transfer usually takes place through a merger process where either an existing system assumes the assets and liabilities of the merging entities or a new structure is organized for regional partners to merge into. Ownership transfer often (but not always) includes a physical interconnection; managerial consolidations are also common.

RESOURCE: Additional information on types of partnerships and an interactive map with case studies for each type are available at: <https://www.epa.gov/dwcapacity/water-system-partnerships>.



The Rural Community Assistance Partnership (RCAP) spoke with system and community leaders across the country to learn about their experiences with system partnerships and regionalization.

RCAP asked about their circumstances, the types of partnerships they pursued, their path to partnering, including roadblocks, and - especially - what they wished they would have known early in the process and what they would tell other community and system leaders like themselves.



Sources of Lessons *for* Water & Wastewater System Partnerships:

A tribal leader who saw an opportunity for collaboration among several communities with high tribal populations and helped to bring them together to discuss regionalization options

An elected official who had a vision for how to help their community & carried out a partnership mandate driven by their community

Leaders of successful existing regional water and/or wastewater authorities or utilities who have several years of experience, have learned how to build trust with community members and pursue long-term visions of partnership

Community leaders who saw the benefits of regionalization and worked to move efforts forward, then took the helm of the resulting entities (e.g. board members and Borough Managers)

A leader of a community where physical interconnection was unsuccessful, but they are trying different forms of partnerships and neighboring communities remain interested in helping each other out in other ways

RESILIENCY THROUGH WATER AND WASTEWATER SYSTEM PARTNERSHIPS:

10 Lessons *from* Community Leaders



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



RESILIENCY THROUGH WATER
AND WASTEWATER
SYSTEM PARTNERSHIPS:

10 Lessons *from* Community Leaders

Credit: Wil Amani

The Rural Community Assistance Partnership (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 from its network of service providers who have been integrally involved in facilitating partnerships as a neutral, third-party. RCAP aimed to get an array of thoughts and opinions from a variety of stakeholders from different regions across the country, representing various partnership structures and roles and responsibilities. Previous research, as discussed in “A Primer on Drivers, Benefits and Challenges of Partnerships,” following these 10 Lessons, has identified many common reasons why systems pursue partnerships and the benefits and challenges of doing so. RCAP confirmed many of these in its own research. **Most previous research, however, does not focus on small systems.**

RCAP approached this research through the lens of what the U.S. Environmental Protection Agency (EPA) classifies as small systems (those that serve 10,000 people or fewer). RCAP interviews captured experiences from leaders in communities as small as 200 residents and spoke with regional organizations that serve populations as large as 6,000.

RCAP focuses its regionalization efforts on those smaller communities. According to EPA’s Enforcement and Compliance History Online (ECHO) database as of December 2019, there are 49,981 community water systems in the U.S. **91.3% (45,633) of those serve 10,000 people or fewer** and 54.5% (27,254) serve 500 or fewer. Additionally, EPA estimates that there are 15,617 public wastewater facilities in the U.S., with **72% (about 11,244) serving 10,000 people or fewer** (as of June 2019).

Instead of further exploring territory already well-mapped, RCAP sought to put itself in the shoes of a community/system leader or manager wondering about, considering, or in the early stages of pursuing some form of partnership, from informal arrangements to physical inter-connection.

What would they want to know about the process?

What can those who have been through longer-term regionalization projects offer as lessons learned or best advice, to help others save time or better plan?

How was trust built?

How did the process progress and what did that mean for leaders?

What governance structures are working and why?

Many RCAP 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. Rural, small system needs guided this research. Regionalization can be time-, emotion-, and effort-intensive, but ultimately - if regionalization makes sense in a given situation - it can result in better services to customers and provide for communities' futures.

Findings from RCAP interviews with community leaders are organized in three sections (by when in the timeline of the process RCAP found leaders should consider these findings) and in what RCAP found as a logical order to approach them.

FIRST, AT THE BEGINNING OF THE PROCESS

1

DETERMINE WHETHER A PARTNERSHIP MAY BE RIGHT FOR YOUR COMMUNITY

Key Questions ¹

- What challenges does my system face, and what is the nature of those challenges, i.e., technical, managerial, and/or financial?
- How might my system be able to work with another nearby system to address these challenges, informally or through a more formal arrangement?

First, home in on what is happening with your system and your community. Identify the primary problem or challenge. Ensure it is clear to you and other community leaders. Review the figure in the section on "Partnerships Take Many Forms" (Figure 1) and talk with a trusted advisor or technical assistance provider, seeking input from others familiar with the water/wastewater system. Start considering if and what type of partnership may make sense.

Focus on the reasons why the problems exist:

A lack of water treatment capacity? A retiring water operator? Financial instability that is exacerbated by a declining ratepayer base?

...and why a regional solution may work.

A nearby community has too much capacity? An operator who could come serve your community? A way for you to purchase water while keeping rates low?

Example: ² A not-for-profit water corporation faced rising costs its customers could not cover. It turned to a nearby community who had already been providing informal assistance and sold the system after a community vote.

RCAP heard from **Larry Foster of the Jackson County Water Company in Ohio**, which purchased the neighboring water system in Vinton County after RCAP did a rate study for Vinton. In Vinton, the minimum water bill necessary to address contamination issues and operate the system properly would have exceeded what community members would have been able to pay; with so few rate-payers, the system couldn't spread the costs easily over their customer base. Having unbiased information from the RCAP rate study helped Vinton determine they needed to pursue another option. They also lost their operator and needed help from

Jackson to operate their system.

They began working together. Jackson had been providing informal assistance, gradually becoming more formal, to Vinton since they opened. Ultimately Vinton consolidated their system with Jackson's over time, as a long-term solution. Prior to the acquisition, they held multiple public meetings. Because Vinton was a not-for-profit corporation where the customers were voting members, they held votes on whether to sell the system. By the time the consolidation process began, the community had considered it and clearly felt it was the right thing to do.

1. For each lesson, RCAP lists questions communities considering partnerships (or in the process) should ask themselves.

2. Blue boxes in each lesson indicate example community leader experiences.



Lesson 1: Continued

Example: Two systems – one with excess capacity and one without enough – partnered to combine drinking water treatment efforts after a voter mandate.

Mayor Stephen Bordenkircher of **West Lafayette, Ohio**, described the process that his village went through to partner with the City of Coshocton. Coshocton had lost some of its industrial base and West Lafayette was struggling to meet capacity needs for water. This meant that Coshocton had extra capacity and West Lafayette needed extra capacity. West Lafayette's board was hesitant to consider a partnership and voiced concerns about losing local control. The board could have decided to not obtain water from Coshocton based on their concerns alone. However, the board decided to hold a referendum to find out what the community wanted. The public voted by a 2-to-1 margin to work with Coshocton. This provided a clear mandate to the board to move forward with a regional collaboration effort. The community seemed to agree that regionalization was a clear answer for the village because it meant lower water rates, better water quality, and the potential for further growth and economic development.

Example: A Regional Water Authority created an opt-in environment; systems did not have to join the regional authority if they decided it was not the right option.

Sheila Watson, city clerk of Fanning Springs and member of the **Nature Coast Regional Water Authority in Florida** explained that their partnership lost a couple of potential members at the beginning because those communities did not feel regionalization was right for them. She said that the most you can do is bring people together and state the facts of the opportunity – if they want to join in, they will, but they can't be forced. The communities that came together to form the Nature Coast Regional Water Authority were those that felt it was the right choice for them, and that has strengthened the partnership in the long run.

A broad base of research is emerging that showcases successful economic development collaboration at the regional level. Some communities have found that by working together, such as by forming regional economic development entities, they can expand opportunities for economic growth. Also, depending on the situation, utility regionalization may pave the way for economic development and growth, either in one or multiple communities.

When communities see the power of partnering, and how, specifically, they can work together, it can lead to additional collab-

oration outside of water or wastewater, often around larger economic development projects. Sometimes, economic activity may be hampered by the lack of high quality or sufficient quantity of water or wastewater. For example, it is unlikely a company would locate in or expand to a community without the availability of water and wastewater services it needs. In some cases, partnerships may alleviate this issue and unleash economic potential.



Credit: Matthew Osborne

2

FIND OUT WHAT RESOURCES ARE AVAILABLE AND BUILD YOUR TEAM

Key Questions

- Who can help? What experts are available to me?
- Am I connected with a local technical assistance provider, accountant or engineer? If not, how do I reach them?
- Who in the community can be a champion?
- What financial resources are available? Small grants for feasibility studies from the state or federal government? Can I issue bonds?

As you are making the decision of whether or how to partner, you will also want to determine the kinds of resources available to you. This can include financial resources (such as state revolving loan funds, other loans and grants from the state or federal government, or issuing bonds) as well as human resources (experts available, including technical assistance providers such as those in the RCAP network, locals with backgrounds in accounting or engineering, residents who are passionate about helping the community and willing to put in time and effort to find a solution).

RCAP technical assistance providers can help throughout the process and can advise, for example, on what technical resources, e.g., equipment, may be required.

You will likely need both an outsider to help facilitate the process and an insider to help champion the process. The outsider should ideally be a neutral third-party facilitator, someone who understands the process of regionalization and what it takes to get it done but does not have a stake in the outcome. The facilitator should be unbiased and be clearly perceived by all potential partners as such.

Example:

The Cherokee Nation and a regional council of governments brought resources to bear for two communities to form a regional entity; external facilitation was critical.

Billy Hix, the Executive Director of Environmental Health and Engineering for the Cherokee Nation in Tahlequah, Oklahoma described a regionalization effort that he helped facilitate between several communities in **South Delaware County, Oklahoma**. He had been working with the communities individually and realized that, while they all had different problems with their water service, it would be a perfect opportunity for a regional solution.

Hix brought the communities together and made them aware of the resources available to them. They also learned that they could take advantage of principal forgiveness with the state revolving loan fund if they were pursuing a regional solution to their water concerns.

A local council of governments (COG) in the area also realized that a regional water system could encourage economic development and helped the communities find an engineer to perform a feasibility study, which the Cherokee Nation subsequently funded. The COG believed improved water

service could attract new employers to the region. The COG also helped communities apply for funds through the Community Development Block Grant program (administered through U.S. Department of Housing and Urban Development) and from the Economic Development Administration. External facilitators, including the Cherokee Nation, the COG, and RCAP, and internal champions came together for the project.

Hix confirmed that the project came to fruition because of the help of third-party facilitators. Their assistance was seen as unbiased, and they were able to host meetings on neutral ground. He believed that if one of the communities had hosted the meetings, the others wouldn't have been comfortable participating, and the effort would have failed.

The Cherokee Nation also worked with each community individually, so each community trusted them as a facilitator. Hix indicated that one of the most important factors for successful collaboration, in this case, was having outside facilitators.



Lesson 2: Continued

Credit: SERCAP



In addition to those in Oklahoma, **community leaders across the country undertaking regionalization have seen the impact that a facilitator can have on the process.** For example, Michael Prado, Sr. of the **Northern Tulare County Water Alliance in California** also explained how outside assistance from RCAP allowed the partners to determine how to fund their regional project, which was a critical hurdle to overcome and allowed them to continue working toward a partnership. RCAP performed a rate study as part of comprehensive, years-long technical assistance.

Examples:

Systems seeking to regionalize or partner leveraged social capital as a resource by fostering community champions.

Eric Moore of the **West Branch Regional Authority in Pennsylvania** told us that you really need to have advocates in the communities who clearly understand the project and its purpose and are respected by their fellow community members. When forming the West Branch Regional Authority, Moore - a water system operator and former consultant - identified and started building relationships with members of the community. He gave them the facts illuminating the need for a regional entity because of regulatory changes. Those key community members became myth-busters in their conversations with their fellow residents. Having a respected insider to help champion and explain the issues to community members helped to build trust and legitimacy for the Authority. Christine Weigle, Executive Director of the **Lycoming County Water and Sewer Authority in Pennsylvania** agreed, telling us that partnership projects - especially more formal projects - must have a leader in the community: someone who can coordinate the process and make sure the message is being presented clearly and accurately to the community.

Example: Resources available to aid partnerships may come in the form of technology or experienced personnel, allowing multiple systems to share them and save costs.

Jerry Greiner of the **Northwestern Water & Sewer District** in Ohio described the significant benefit the District has seen from adopting technological resources, such as allowing payments to be made with a credit card. This improvement allowed the system to receive a higher rate of paid bills, offsetting any credit card processing cost. He also explained that their water and wastewater operators are cross-trained. It is worth considering adopting this policy when taking stock of what personnel resources are available to you. The “graying” of the water and wastewater industry, that is, the aging workforce, and the shortage of operators presents a significant challenge.

RCAP technical assistance providers, as well as some interviewees, suggest that cross training operators for both water and wastewater, as well as for both treatment and distribution, may be one solution to help address the problem. It is also common that staff are trained for multiple jobs or functions within those subsections, such as reading meters and managing treatment.

3

COMMIT TO TRANSPARENCY FROM THE START

Key Questions

- What information do I need to make an informed decision?
- What information does my community need to be kept in the loop?
- How can I create a culture of transparency?



Transparency and trust are key. Regionalization involves significant thought and transparency between partnering communities early in the process. Experienced community leaders recommend determining what the structure of the partnership will be, how to change the agreement later, and what happens if the needs or wishes of a partner change. For example, leaders should decide what will happen if a community decides to leave or enter the partnership at a later date. Some decided that because

of the significant initial resources required to get the partnership off the ground, those who wanted to join later could do so for a one-time set cost. If that expectation isn't clear from the start, however, it could lead to confusion and hard feelings later.

In addition to transparency among decision makers, public engagement throughout the process can increase the chances for success. This involves engaging the right people and opinion leaders as well as ratepayers in a proactive fashion.

Example: Communication has been key for a regional water and sewer district in keeping communities informed and fostering trust – they use social media and provide a phone number to keep community members up-to-date.

Example: Failure to inform a partner of important impacts on their service derailed a partnership, but could have been avoided with transparent communication.

Phil Anderson, system board member in the **City of Piedmont, South Dakota** explained how his community lost trust in the neighboring community from whom they were purchasing water due to a lack of communication. Piedmont was not contacted when their supply was cut off abruptly due to a cut service line during a construction project.

Piedmont now feels the need to create a water storage solution to decrease their vulnerability, that way if their water is shut off, they will have an emergency backup. This lack of communication occurs throughout the country; it is one reason why, as a third-party facilitator, RCAP examines the history of relationships across communities. Lost trust can take years to overcome.

Maintain open communications throughout (before, during, and after the formation of a partnership). When partnering, communications must be constant and multi-directional—between system leadership, operators and community members; with the third-party facilitator; and with the other partners. For example, we heard from Jerry Greiner with the **Northwestern Water & Sewer District**, where they use social media to increase transparency and show neighboring communities the benefits of joining their District and partnering in the future.

The District maintains a Twitter handle specifically for notifying residents of where the District's noticeable red trucks will be that day, road closures, and other major work. The staff maintaining this account have access to all the information about where the system is conducting work, so sometimes residents call early in the

morning so they can plan for disruptions and find out if there is anything they need to know before starting their day. For example, a school bus driver can call or check Twitter to find out if there will be any disruptions to their route. The staff also post pictures of ongoing and completed work, which makes its importance clearer and more tangible: there are pictures of leaking pipes before and after they have been repaired or replaced and of hydrants being flushed with links to information about why flushing is necessary.

The process is fully transparent and Greiner credits it with fostering trust between the regional entity and the communities it serves and may serve in the future. The district also works to establish its presence with the surrounding communities by issuing press releases, hosting trainings at their facility, providing quotations to local media, and through word of mouth.

Credit (Above): Cytonn Photography



Lesson 3: Continued

Be up-front, clear, precise, and honest about the costs and benefits of partnership. If anything is left out, opponents may point to that later to derail the whole project after significant effort and money have already been invested. Eric Moore (**West Branch Regional Authority, Pennsylvania**) emphasized the importance of having good financial and operational projections (a third-party facilitator can help with that) to help make decisions. His regional authority based their argument on facts, which helped to build trust. George Lloyd with **Blossburg Borough in Tioga County, Pennsylvania** credited success to being completely straightforward, honest, and transparent about costs.

Keep the public involved at all stages. Be open and ready to address their concerns and answer their questions. Stephen Bordenkircher (**West Lafayette, Ohio**) said that the most important thing they did was to keep the public fully informed at every step in the process, and Christine Weigle (**Lycoming County Water and Sewer Authority, Pennsylvania**) emphasized the importance of education and communication throughout the process. Community leaders may need to keep the public informed for various reasons, including possible upcoming votes, need for community buy-in, or awareness of rate changes.

Use community participation as a resource rather than avoiding concerns. **Consider establishing an advisory committee of community members who can help you to understand the public's needs, wants, and fears.** If you don't take care to become aware of them, those needs, wants, and fears can derail the project later. Also, it is critical to make sure that the project addresses what the public (the customers) really need, since you're undertaking it for their sake.

Credit: Donald Giannatti



Example: Information gathering on water rights before pursuing a partnership was a crucial step which made regionalization a feasible and desirable option for communities in New Mexico.

Especially in the Western United States, a key element of establishing transparency is understanding who owns the water rights which may be shared. Ramón Lucero, President of the **El Valle Water Alliance in New Mexico**, described a complicated situation regarding water rights for the different communities that ultimately formed the Alliance. Water rights had been adjudicated by the state in 1987, but the communities didn't fully understand the legal parameters involved. They worried that regionalizing would cause them to lose their water rights.

Before the regionalization process could begin, careful research was required to find out exactly what water rights each community held and whether it would be better for them to partner or remain separate (from the perspective of maintaining their

DEFINITION

Appropriative water rights: in New Mexico, water use is governed by the doctrine of prior appropriation. Unlike riparian water rights in the eastern U.S., prior appropriation states (commonly in the west) allocate water rights based on who was first to use the water (as opposed to who owns the land containing, adjacent to, or above the water). Note that water rights are governed differently in different states and may be governed differently for surface and ground water.

water rights). It turned out that, because declining populations in individual communities could cause them to lose some of their water rights, it was safer to form a partnership and combine population numbers and water rights.

Initially, communities were con-

cerned that formation of a regional organization would lead to the sale of their water rights to an outsider. This was based on a perception that having a larger organization would mean it would be run by outsiders. However, that was not the case, and the regional organization is run by community members, retaining local control.

The whole process of researching the water rights and combatting perceptions took two years and involved engaging several people, including an expert who could perform a water rights needs assessment and meetings with State Engineers, in addition to Lucero's efforts. Then the communities signed a memorandum of understanding which allowed them to see exactly how the process of working together would work and who would be involved.

4

COMMIT TO A WILLINGNESS TO LISTEN, BE RESPECTFUL AND FIND MUTUAL BENEFIT

Successful partnership building requires a willingness to listen, respect, and compromise. Proposed solutions will only work if all parties have a voice and see a benefit for themselves. The only way to keep partners at the table is to make sure that everyone is benefitting from the arrangement. The idea that solutions must be “win-win” came up many times at a community-focused summit on system partnerships convened by RCAP in October 2019 in Springfield, Illinois. More than 60 attendees, including community leaders; local, state and federal government



Credit: Matthew Osborne

Key Questions

- What ground rules can I set to ensure all parties respect one another's opinions?
- What decision points can I be flexible on?
- How can I find a “win-win” situation?

officials; and technical assistance providers participated in the summit. Many of them suggested the “win-win” approach, saying that it can address multiple regionalization barriers (such as complex local politics and a lack of trust). Partners are unlikely to stay at the table if they feel disrespected, ignored, or if there is a perception that one partner is benefiting more than others. This is where third-party, objective facilitators can help, by suggesting “win-win” opportunities that communities can ultimately decide how to adopt and implement.

Examples: In three examples, community leaders credited mutual respect and satisfaction, as well as flexibility, for successful partnerships: the willingness to listen to and consider others' opinions was key.

Sheila Watson described the most important contributor to the **Nature Coast Regional Water Authority's (Florida)** success: Everyone on the board of the regional authority has their own opinions, but they also respect others' perspectives and stay open to other ideas. This allows for compromise, which is essential. Not all communities chose to stay with the regional authority. That was their prerogative, Watson said. She emphasized that communities shouldn't be forced to join, they should only join if they see the benefits to their system and its customers.

Billy Hix (**Cherokee Nation, Oklahoma**) recommended bringing everyone to the table from the beginning and giving everyone an equal voice, no matter the size of their system. Ultimately the success of the project relies on everyone being satisfied in the end. He felt project leaders should engage everyone who might be potential customers or members when starting the partnership process.

Stephen Bordenkircher (**West Lafayette, Ohio**) explained that his village and the City of Coshocton worked together successfully because when they had a difference of opinion, everyone was willing to be flexible and they found solutions that would benefit everyone. They were also each able to find benefits in the partnership. West Lafayette was able to access Coshocton's excess water capacity, avoid using its previous water supply, which was contaminated with vinyl chloride, a carcinogen, and receive 13,000 miles of new service lines to replace out-of-compliance infrastructure. On top of that, West Lafayette's customers had been experiencing rate increases that would have continued as the village's infrastructure reached the end of its life; the partnership allows them to avoid those rate increases.

Bordenkircher also anticipated benefits to West Lafayette from opportunities for economic development, which would not have been possible without a safe and reliable water supply. Coshocton would benefit from the arrangement because West Lafayette agreed to sign a long-term contract, ensuring Coshocton would have new customers paying rates for a minimum number of years, covering the cost of Coshocton investing in infrastructure to serve West Lafayette. Coshocton's ability to use its excess capacity to serve West Lafayette was also an important benefit after some major industrial users left the city.



5

RECOGNIZE THE IMPORTANCE OF THINKING THROUGH, AND REACHING AGREEMENT ON, GOVERNANCE



Credit: Ashley Zuelke, RCAP

Key Questions

- What is important to my community regarding how our system or a new regional system may be governed? How will my community want to be represented?
- How will my community handle it if a governance agreement needs to be changed later?

The theme of governance came up many times during our interviews. First, to clarify, **there is no one-size-fits-all solution to picking the right governance structure for your community and partnership.** This is partly because there are many different forms of partnerships and partly because every community is different. What a community is comfortable with might make certain types of partnerships more logical than others. In the interviews, many community and system leaders felt that the governance structure they used was instrumental in the success of their partnership, and their governance models are all distinct and tailored to their needs.

Example: One new board was formed with careful consideration of how many positions to assign to each community.

In the case of Eric Moore of the **West Branch Regional Authority in Pennsylvania**, several communities varying in size were joining together and decided that each community should have the same number of board members to keep things equal, even though some communities were much larger than others. Though the smaller communities had fewer customers to contribute, they had other valuable resources, such as newer and better infrastructure.

In another example seen by RCAP, smaller communities received fewer board members than their larger counterparts. However, to protect against larger communities dominating the board (and thus decisions that would impact each community), they decided that sensitive decisions (such as rate increases) would require a supermajority. Those decisions could not be made without at least some of

the smaller communities voting in favor, protecting the voice of the smaller communities. This is an example of building in a specific governance mechanism to provide for compromise.

There are multiple examples of partnerships that have an even or odd number of board members, all with success for a variety of reasons, despite the belief by some that an even-number of board members can create gridlock.

It became clear through the interviews that this depends on the individual communities. Finally, some feel strongly about keeping the size of the board small, to make it easier to reach consensus. Small is a relative term, however, and we heard about examples of boards of varying sizes.

There is not necessarily one correct answer here. Local conversations are important.

All the interviewees had different experiences because their communities are unique, face different challenges, and have different strengths. Each regional project is local, assessing the assets in a region and identifying opportunities that fit that region's specific needs.

These examples lean more toward the formal end of the spectrum of partnerships. There are considerations that communities pursuing less-formal

...decisions could not be made without at least some of the smaller communities voting in favor, protecting the voice of the smaller communities.

partnerships should also think about. For some, a legal contract spelling out

how partners will work together or help each other will be in their best interest. For others, simply agreeing to help one another without any contracts might be an easier way to work together. This type of informal approach can also begin to build a base of trust between communities which may lead to further cooperation, possibly in a more formal manner, in the future.

Examples: In three examples, leaders went out of their way to ensure all communities were involved in governing the new entity because they believed it was important for success and fairness.

Billy Hix (**Cherokee Nation, Oklahoma**), Michael Prado, Sr. (**Northern Tulare County Water Alliance, California**), and Larry Foster (**Jackson County Water Company, Ohio**) all stressed the importance of including all involved communities on the governing board. Sometimes they had to work within existing limitations to make that happen. In two cases that involved one of the board positions of the organization taking on the new community being vacated because the number of seats on the board were limited by charter or practicality; this could be done over time to make it easier, by waiting for the next election cycle or a retirement, for example. Where possible, another option is to increase the number of seats on the board. In any case, all members of the partnership having a voice in governance was crucial to success. This was especially important in consolidation cases where the community being incorporated into another entity had previously governed their own system. Including them in the new governance model alleviated concerns about loss of control and sovereignty.

Jerry Greiner (**Northwestern Water & Sewer District, Ohio**) and Michael Prado, Sr. (**Northern Tulare County Water Alliance, California**) noted that their board members receive a small stipend for their time, which makes it feasible for them to commit the necessary level of effort. If possible, this is a best practice which can help ensure that the most qualified people for the job are able to participate on the board.

6

KEEP A PATIENT MINDSET, AND KNOW THAT THIS IS A LONG-TERM DISCUSSION FOCUSED ON SUSTAINABILITY

Key Questions

- What is the ideal outcome in 5 years? 10 years? 20 years?
- What could drive partnership? Maintain momentum?

After speaking with several system and community leaders who experienced regionalization processes, we found that keeping the long view in mind was an essential building block for success. Have patience with the amount of time it takes to build trust, determine the best options, assess governance models, and navigate all the necessary hoops (legal, political, financial etc.). Be realistic. Partnerships can be challenging, especially if the end goal is a more formal type of partnership. Keep in mind, however, that other communities have succeeded and reaped great benefits from partnering. George Lloyd, from **Blossburg Borough in Pennsylvania**, told us that moving slowly and taking baby steps in partnerships has worked well for them. Technical assistance providers recommend not rushing a decision. While true that moving fast may result in quicker decisions, a rushed process can risk relationships and trust, or sabotage them in the long run.

Lesson 6: Continued

Examples: Three leaders explained why patience is important: it may take time to reach decisions in multiple jurisdictions, and it may take many years to become ready for a formal agreement.

It is possible (though not inevitable) that the process will move faster if your community is experiencing some kind of crisis. A crisis can be any number of things: contamination, impending regulation changes, loss of an operator, financial struggles, natural disaster, or other challenges. Sometimes, a crisis can be an impetus for partnership and can help convince the public that regionalization is the best option. Christine Weigle (**Lycoming County Water and Sewer Authority, Pennsylvania**) felt that if communities had been operating under a long-term vision, they would have come to the regional Authority sooner, before a crisis hit. More often, however, small systems are operating on a day-to-day basis with a short-term vision, so they come to the conclusion that a partnership might be a good fit post-crisis.

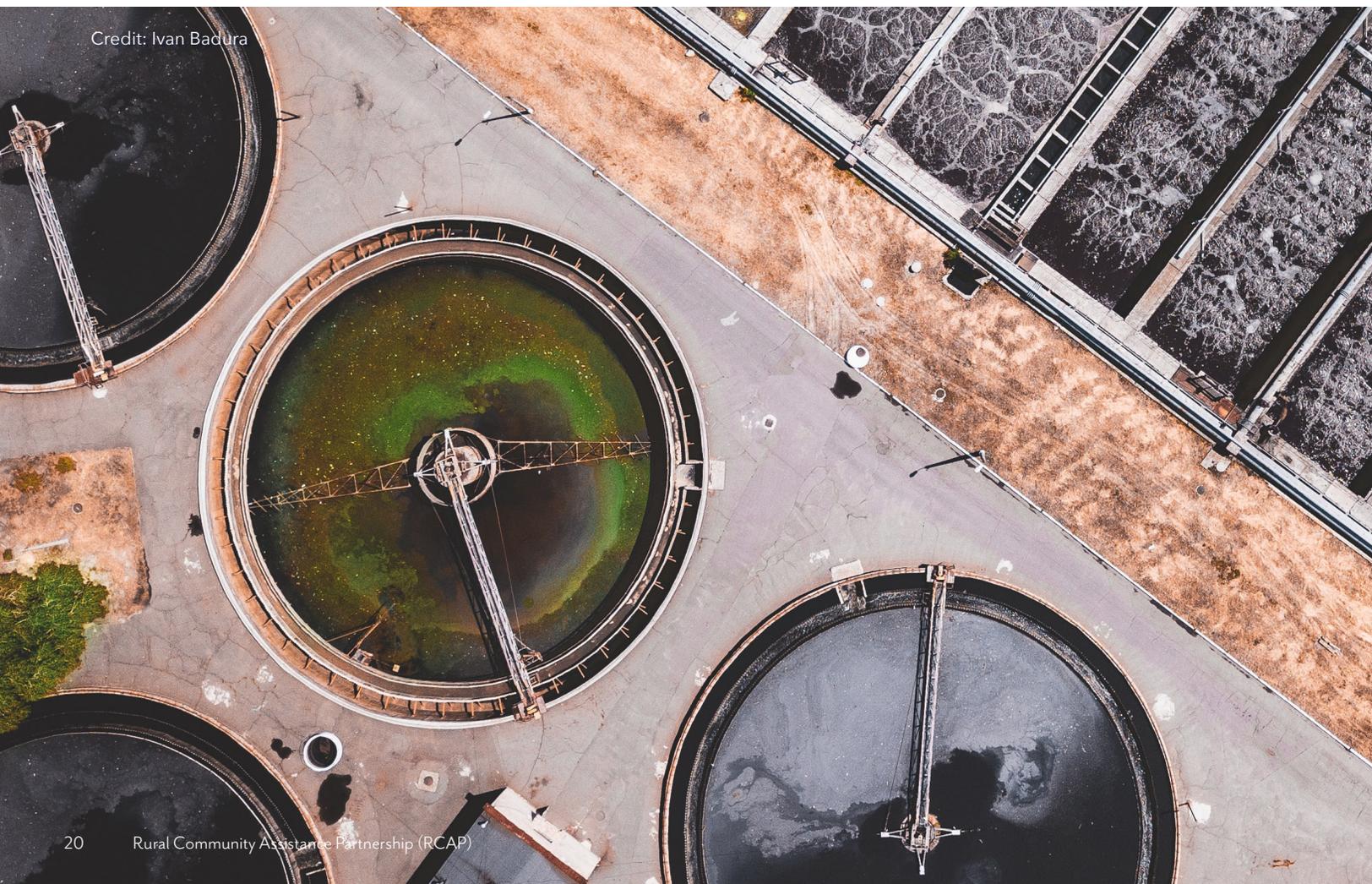
Sheila Watson (**Nature Coast Regional Water Authority, Florida**) told us that the process for developing the Authority required patience, both for local government officials to make a decision, and for individual community elected officials to bring local decisions back to the regional board. In governance structures where each decision must undergo the process of building local buy-in and building consensus at the regional level, progress is slow but deliberate.

The potential that board leadership may change (for example, when elections for a board or council come around) also requires patience, as we heard from Eric Moore (**West Branch Regional Authority, Pennsylvania**): sometimes, you can put in a lot of time and effort to convince decision-makers, but then they are replaced and you have to convince new leader-

ship that a decision is in their and the region's best interest.

Before even reaching that point, it takes a long time to establish trust and come to agreement on whether, why, and how to have a partnership. Larry Foster (**Jackson County Water Company, Ohio**) explained that some people thought about the possibility of regionalization with the water system in Vinton County 10 or more years before the process actually began. It was becoming progressively difficult for new systems to form with low customer counts and comply with all the regulations, so Jackson and USDA discussed the possibility of the Jackson system absorbing the Vinton system early on in Vinton's existence. The partnership didn't move forward until later when the financial situation was more dire, creating a sense of urgency.

Credit: Ivan Badura



7

BE REALISTIC ABOUT LONG-TERM COSTS AND CAPACITY TO KEEP UP ANY NEW INFRASTRUCTURE

Key Questions

- Will my community be able to pay off any loans and maintain new infrastructure in the long run?

Example: It is important to avoid the trap of taking on more than you can reasonably manage and afford to maintain over the long term.

As noted in Lesson #3, Eric Moore (**West Branch Regional Authority, Pennsylvania**) told us about the importance of good projections to assist decision-making. Those projections are not only helpful during the decision process but help create a plan for longer-term management. Sheila Watson's system (**Nature**

When pursuing a partnership, it can be tempting to build an expensive new treatment plant or to invest in another type of infrastructure, especially if grants or low-interest loans are available. However, it is important to think about the big picture. New, increasingly costly infrastructure may not be the answer. *Will you be able to afford the operations and maintenance over the long term?*

Managerial and financial capacity are just as important as technical capacity to ensure a system is sustainable. Any managerial/operations and maintenance costs should be built into cost formulations and decision-making from the start, as should the long-term growth needs of a community. An under- or over-built system brings additional complexities to the long-term sustainability of a system.

Coast Regional Water Authority, Florida) received a grant to build an advanced wastewater treatment plant but not to operate and maintain it for the long run, which created another challenge to resolve. Phil Anderson of **Piedmont, South Dakota**, warned us that communities need to be careful to look at the long-term financial sustainability of regionalization projects, especially if they involve building new infrastructure. According to Anderson, Piedmont incorporated to better shape their destiny and spending, aiming for careful maintenance of their downtown and local economy. He wants to avoid infrastructure projects that would make the community beholden to a loan provider in the long term and require substantial maintenance costs. Thus Piedmont is focused on lasting viability, not just short-term fixes.



RCAP has also seen communities concerned about being held responsible for debt incurred while undertaking a regional project. One solution to alleviate concerns was the creation of a new, nonprofit entity that would be responsible for all efforts to undertake the project, including debts incurred. Each community agreed to contract with the nonprofit entity to purchase water from it for a period of years (usually a few decades). By setting up the project this way, each community is only legally responsible for holding up their end of the contract and the nonprofit entity is responsible for securing financing and eventually repaying those debts with payments from individual communities.

It is important to remember that there are many different legal configurations to consider when forming a new entity. The circumstances surrounding the project will likely dictate which option makes the most sense.



8

HELP SYSTEM LEADERSHIP AND BOARDS DEVELOP AN UNDERSTANDING OF THEIR ROLES AND RESPONSIBILITIES

Key Questions

- What skills or knowledge do board members already have? What do they need to have?
- Can my community afford to offer stipends to board members or travel costs for attendance at board trainings?

Note, we use the term “board” to describe governing bodies that have different names and structures across the country, including town councils. Board positions may be volunteer; paid full-time, part-time or through small stipends; they can be elected or appointed; and their terms vary in length.

Examples: Board member knowledge makes a difference for one regional authority and board member attitudes make a difference for one municipal water/wastewater system.

Interviews showed that board makeup varies greatly. The most successful partnerships RCAP observed were between those that have a board (or other decision-makers) comprised of people who understand the value of water/wastewater infrastructure and are committed to making the system sustainable for their community and region. Sheila Watson with the **Nature Coast Regional Water Authority (Florida)** said that despite some logistical challenges of running the Authority with board members who have major obligations to their home communities, a key to their success is the fact that those board members all have a strong understanding of what is required to effectively operate a water or wastewater

If possible, encourage or provide board training on what it takes (technically, managerially, and financially) to run a water or wastewater system or involve people who already understand and care about water/wastewater issues.

Properly invested and educated board members can be valuable contributors to partnerships and system management on the whole, just as the lack of them can present a major barrier to overcome. Many board members responsible for the water/wastewater system also are responsible for other municipal duties; water and wastewater might not be their top priority or the

reason they sought election or appointment. In addition, many volunteer and/or elected board members do not have a background or expertise in water or wastewater system management. For inexperienced members the learning curve on water issues is an obstacle to overcome. For this reason many technical assistance providers like RCAP focus on system management and board training. With the availability of education and training, board members are more likely to understand the value and importance of the water/wastewater infrastructure to a community and the investment in that infrastructure.



Credit: Matthew Osborne

system. That knowledge has increased the regional board’s effectiveness and efficiency.

George Lloyd told us that the board members of the **Blossburg Borough, Pennsylvania Municipal Water and Wastewater Authority**, as well as the elected Borough council members, were more than willing to step up and help neighboring communities when approached. They are proactive and willing to partner. Finding board members, who in this case are volunteers, interested in thinking ahead has been very helpful in creating productive partnerships.

Though it is ideal when members of the system’s governing board are invested, informed, and proactive, we recognize that this is often out of the control of community leaders seeking to improve the situation of their water/wastewater service. Board trainings

are one way to address this. In RCAP’s experience, many board members of small systems have little to no water/wastewater experience, so basic education about how the system works can make a huge difference in their ability to make informed decisions about

policies, spending, and more. Many board members also do not understand the full scope of their role and responsibilities, including liability. A basic understanding of board management and best practices is very important in order to have a well-managed system.

9

**KEEP YOUR GOAL IN SIGHT,
BUT BE OPEN TO POSSIBILITIES**

Key Questions

- What is the one thing that my community needs the most from this effort, and do I have buy-in from the right stakeholders that this is the priority?
- Have I clearly communicated that need?
- Have I considered different paths to reach that goal?

Have a clearly defined goal, which all the partners agree on, but be open to different ways of achieving it. There may be more than one way to form a successful partnership and to meet the needs of your community, but if all the partners are not on the same page, a lot of time and effort may go to waste. Stay open to the broad spectrum of partnership types. Things may evolve over time.



Credit: Laura Landes, RCAP

Example: Partnerships can be, and in certain geographies need to be, more than interconnection.

Lesson 8: Continued

Board trainings are very helpful, though it can be tough to mandate training, especially if the board is volunteer-based. A few states require board training. For example, California requires ethics training for all board members. In cases where trainings are not required a small stipend (ideally that avoids conflicts of interest) might help encourage board members to attend trainings. If all members are not able to attend, it helps to send at least one and ask them to report back to the other members about what they learned.

Phil Anderson (**Piedmont, South Dakota**) emphasized the unique difficulty posed to rural regionalization efforts by geography. Communities are often too distant from one another to allow for feasible physical interconnection. For example, the farther the distance, the more costly and therefore the less feasible, and the more miles of pipe, the more chance there is that something could go wrong, such as a break or a disinfection issue. Unintended disinfection challenges could arise from differing water chemistry of a consecutive system creating unwanted disinfection byproducts or necessary chlorine residual becoming difficult or impossible to maintain with increasing water age. Expansive distribution line distances could also mean that it takes longer to notice and/or find the location of a problem.

This means it is important to stay open to other types of partnerships. For example, while not physically connected, Piedmont provides operations for another community in their area.



Lesson 9: Continued

Example: One regionalized system allowed some users to keep using their wells for non-drinking water purposes in addition to connecting to a public system.

To make the **Nature Coast Regional Water Authority in Florida** successful, Sheila Watson explained that when they were trying to increase the buy-in of member communities, they had to arrive at a compromise with residents who didn't want to give up using their personal drinking water wells. Their private wells weren't a good source of drinking water because the ground water was contaminated, but instead of banning any use of them they agreed to allow residents to continue using them for other purposes such as irrigation and washing vehicles.

Examples: Partnerships evolved over time: a willingness to allow for flexibility and evolution was key to success.

Larry Foster explained that **Jackson County Water Company in Ohio** started their partnership with Vinton simply by being a good neighbor. Jackson provided them with surplus office furniture and supplies, checked in to see if they needed help from time to time, but didn't push anything on Vinton that they didn't want. Jackson's assistance slowly became more formalized, morphing from occasional free assistance to contracted assistance and eventually to full consolidation when Vinton sold their water system to Jackson. It took a long time, but the partnership evolved, and it was voluntary at each step.

Ramón Lucero of the **El Valle Water Alliance in New Mexico** explained how the Alliance has evolved over time. As member communities saw the bene-

fits of the shared governance model, some of them decided to dissolve their individual system and fully become part of the Alliance, beyond just using the services it provided. The process involved transferring all their assets and liabilities to the Alliance. Though the majority (eight) of the communities have done this, a few (four) have chosen not to. The communities not choosing to join the Alliance continue to use the services the Alliance provides for a fee and maintain ownership of their individual systems. Lucero believes that the flexibility to choose how to be part of the Alliance has been important to its success. This is partly because some communities are farther away than others, so their needs and preferences as well as the benefits they would receive may be different.

10

ENSURE BUILDING AND EARNING TRUST IS PRIORITIZED THROUGHOUT THE PROCESS

Key Questions

- What can I do to earn the trust of my community and our neighbors?
- What processes can I establish to ensure that trust is maintained?

Trust building is critical, and it takes time. Like communication, trust is necessary in three directions: between the communities and the third-party facilitator, between the involved communities, and within each community.

Many of you may already be very familiar with the difficulty of building trust between communities. For those who aren't, RCAP has seen many examples in our work with rural communities. There may be very serious reasons for mistrust, such as impending legal action on an unrelated issue, and there may be bad feelings between communities for reasons as simple as high school sports rival-

ries or incidents that happened decades ago.

At the Regional Collaboration Summit in Illinois, a lack of trust was one of the barriers that was identified repeatedly. Some solutions to overcome lack of trust suggested by attendees included: holding public hearings including time to listen to concerned residents, sharing success stories, finding shared experiences and commonalities between the communities, educating the community on different partnership options, and practicing patience. As mentioned in Lesson #4, another solution suggested was to identify win-win scenarios.

Like communication, trust is necessary in three directions: between the communities and the third-party facilitator, between the involved communities, and within each community.

**Examples: Trust is earned,
and it can be quickly lost.**

As described in Lesson #3, **Piedmont, South Dakota** lost trust in their partner completely when Piedmont's water supply line was severed, and the supplier did not provide notification. The importance of communication in this kind of circumstance cannot be overstated. Trust, which can take years to build, might be destroyed in an hour. It is very difficult to come back from that in some cases. Trust is earned, and it is not always easy to maintain. It cannot be taken for granted.

Ramón Lucero (**El Valle Water Alliance, New Mexico**) described how information gathering, which took a lot of time, was essential to building trust with and among communities (they needed to know what would happen to their water rights, which are extremely important and valuable in New Mexico, similar to other arid Western states). He told us that trust is fundamental to any partnership, and as trust grows (and the benefits are seen or made clear), so will the belief that regionalization is a good idea.

Christine Weigle told us that communities seek help from the **Lycoming County Water and Sewer Authority** because they have heard about it through word of mouth or seen it in action in other communities, improving services and providing benefits, which helps them to trust the Authority. She explained that communities didn't trust the Authority when it was new; it had to prove itself over time. She also said building trust and political will comes first. Similarly, Jerry Greiner of the **Northwestern Water & Sewer District in Ohio** said that showing up every day and having their distinctive red trucks always appear whenever there was a problem proved their value and commitment to the communities. He also credited the Twitter account described above with fostering trust in the community by keeping communication open and activities transparent.



Credit: Ashley Zuelke, RCAP



Lesson 10: Continued

Example: Trust building can be accomplished by thinking ahead: establishing relationships before there is a need to work together.

George Lloyd, the Borough Manager of **Blossburg Borough, Pennsylvania**, serves as the chief administrator of the borough, including as head of Public Works. This means he is the head of the water and wastewater systems for the borough. As Borough Manager, he is appointed by the elected officials of the Borough Council. Lloyd has held that position since 1988. He explained that he has spent time over the subsequent years getting to know those managing the other community systems in his area. After years spent building those relationships with Managers from local Boroughs and Supervisors or Road Masters from local Townships, those leaders began to approach him for assistance with their water/wastewater systems. Because he had spent time building relationships with his counterparts in other communities, there was a foundation of trust which allowed his counterparts to feel comfortable requesting help.

When we asked Lloyd what the biggest takeaway from his experiences was, he said it was the importance of forming those initial bonds with other municipalities and consistently being honest with them to gain their trust. If that foundation is laid, when a worthwhile partnership opportunity comes along, it will happen. The result has been that Blossburg Borough provides varying levels of service to its neighbors and those communities receive a higher quality of service than they did before they approached Blossburg Borough for assistance.

Another way RCAP has worked to establish relationships between neighboring communities before the need for regionalization appears is by informally convening operators.



For example, one RCAP technical assistance provider hosts quarterly operator breakfasts in a rural county in Florida. This simple activity allows operators and utility managers from neighboring communities to get to know each other over time, and hopefully, learn to trust one another.

Credit: Joseph Lawrie

In order to build trust, RCAP also recognizes the importance of the willingness to not just invite others to your table but to sit at their table. It helps to be willing to engage others, whether that is another community or the members of your own community and show that you are invested in their well-being before asking them to come to your table and listen to your priorities.





Methodology

RCAP's "10 Lessons on System Partnerships from Community Leaders" developed from three research paths. First, RCAP reviewed existing research and literature to understand common findings about regionalization and what research questions have already been explored in order to avoid redundancy.

Next, RCAP conducted interviews with community leaders who experienced the regionalization process (both with and without success) and technical assistance providers who have worked with communities on regionalization projects. RCAP worked with communities to understand their stories and posed a common set of questions across interviewees.

The RCAP Regionalization Working Group vetted questions before interviews took place. The questions included:

- How would you describe the process of working together, either with other members of your community or with leaders of other communities?
- How is the system governed?
- What do you want the system to look like in five years? 20 years?
- Were you experiencing economic, social, and/or demographic pressure at the time you began to consider a partnership?
- Was there anything about the idea of a partnership that gave you pause?
- How long did you spend going through the process of developing a partnership?
- What was required of you, as a community leader?
 - Was that inside or outside of your comfort zone?
 - What was unexpected?
- If you could go back in time, what advice would you give to yourself?
- What was the ideal scope of partnership, in your mind? That is, what kind of partnership were you looking for?
- How did your community feel about the idea of a partnership?
- What do you think the biggest factor was in showing that a partnership was a possible solution for your community?
- What would you like other community leaders, who are assessing their options and considering partnerships and other approaches, to know?

RCAP posed additional questions depending on whether a partnership was successful or not and depending on the specifics of the regionalization experience.

Finally, RCAP presented initial findings at the Regional Collaboration Summit in Springfield, Illinois on October 9-10, 2019 hosted by RCAP and the Great Lakes Community Action Partnership (the Great Lakes RCAP). Presenters polled attendees to measure agreement with the findings. Notes taken at the event were also used to enhance RCAP's understanding of small communities' needs and concerns related to regionalization and inform this research.

Credit: Kobu Agency

Previous Research Findings *and* References



INTRODUCTION TO THE LITERATURE ON COLLABORATION AND THE INAUGURAL REGIONAL COLLABORATION SUMMIT

As part of its research, RCAP summarized background information about regionalization that has been published by other organizations and researchers to make it easier for communities to access this information.

The summary below incorporates information about perceptions of the greatest benefits and barriers of partnerships, and solutions to those barriers that were workshopped at the Regional Collaboration Summit in Illinois in October 2019.

The initial findings from interviews with community leaders and technical assistance providers were presented at the event in order to benefit from the perspective and

feedback of the wide array of attendees: community leaders, state and federal government officials, non-governmental organizations, and others. The participants were polled to determine whether they agreed with the initial findings, and the results showed that overall, participants agreed or strongly agreed.

If desired, this primer may be used independently to achieve an understanding of the common drivers, benefits, barriers, and solutions to barriers across the partnership spectrum, as well as what factors seem to be common among successful partnerships.

DRIVERS OF REGIONALIZATION EFFORTS

Drivers

Cost considerations (achieving financial sustainability, economies of scale, infrastructure funding)

Regulatory pressures (meeting state and federal water and wastewater quality rules)

Tran et al. (2019) identified common themes of regionalization’s drivers across their case studies, which were:

- coordinating between communities to plan how to adapt to regulatory pressures;
- addressing shared regional concerns such as having sufficient water supply in the future or the need for increased capacity to treat wastewater;
- achieving cost savings through economies of scale or reduced duplication; and
- eligibility for funding large or regional projects.

Drivers of regionalization identified by the US Water Alliance (USWA, 2018) include shared needs for greater efficiency, improved water quality, sustained regulatory compliance, and better service. The AWWA Strategic Management Practices Committee of the Technical & Educational Council (2012) found in their survey that the top drivers of collaboration were water supply concerns, legislative/regulatory issues, and cost reductions.

Across this research, common drivers include those pertaining to cost considerations and regulatory pressures.

BENEFITS

Benefits

Cost savings and improved operations

Access to funding sources

Improved ability to work with regulators or meet regulatory requirements

Advances in economic development

Benefits of regionalization that are commonly cited in the literature and coincide with RCAP's experiences include:

- economies of scale (Tran et al., 2019; UNC EFC & USWA 2019; Shih et al., 2004; Raucher et al., 2004),
- decreased future rates (UNC EFC & USWA 2019),
- access to lower-cost capital (UNC EFC & USWA 2019),
- increased opportunities for economic development (UNC EFC & USWA 2019),
- a larger rate base,
- improved reliability and service,
- decreased duplication of labor, and
- improved protection of public health and/or ability to meet regulatory requirements (Raucher et al., 2004).

The top themes regarding benefits of collaboration in the survey performed by the AWWA Strategic Management Practices Committee of the Technical & Educational

Council (2012) were: saving money/lower costs; information sharing, better communication; shared resources, water basin planning; reliable water supply; and cooperation and/or advocacy with regulators/legislators.

At the 2019 RCAP Regional Collaboration Summit, the most commonly mentioned benefits of regionalization included:

- economies of scale,
- improved operations and maintenance,
- increased opportunity for economic development and growth,
- lower future costs and consequently affordable rates, and
- better access to equipment, personnel, and funding sources.

The benefits seen most across this research include cost cutting and saving (such as by achieving economies of scale and through other means), access to funding sources, and better ability to work with regulators or meet regulatory requirements.

BARRIERS

Barriers

Local politics and interests

Lack of trust

Questions of local control

Fear of the unknown

Financial challenges (funding projects, distributing the costs and benefits of a project, and, at times, diseconomies of scale)

Barriers to regionalization that were commonly cited in the literature also coincide with RCAP's anecdotal experience. Though economies of scale are a major potential benefit for many partnerships, diseconomies of scale can also exist as the distance between communities increases or the number of communities involved increases (Eskaf and Moreau, 2009). Dunn and Filip (2008) also point out that moving wastewater over a long distance creates diseconomies of scale, and that combining wastewater from multiple communities can create the potential for a pollution hotspot (one large discharge of treated wastewater may be worse environmentally than several small ones). Their research also identified local political conflict, difficulty negotiating the regional agreement, and the extent and location of existing infrastructure as potential barriers to regionalization.

Raucher et al. (2004) identified some different barriers. These included loss of power and community independence, differing management goals, conflicting regulations (especially if the systems wishing to work together fall under different jurisdictions at the state or local level), cost and benefit inequities, workforce reduction, public confusion, and debt.

The barriers and challenges that rose to the top in the survey by the AWWA Strategic Management Practices Committee of the Technical & Educational Council (2012) were:

- finances/funding,
- logistics,
- politics and relationships,
- bureaucracy,
- legal (legislative, regulatory),
- willingness to compromise, and
- lack of trust.

At the 2019 RCAP Regional Collaboration Summit, the most frequently mentioned barriers to regionalization included:

- local politics,
- lack of trust,
- fear of a loss of local control or identity,
- fear of the unknown, and
- financial issues, such as high upfront costs, and potential for increased costs in the future.

The most common barriers observed are:

- issues of local politics,
- issues of trust,
- issues of local control, and
- financial challenges, such as how to fund a project, how to distribute the costs and benefits of a project, and diseconomies of scale.



SOLUTIONS

At the 2019 RCAP Regional Collaboration Summit, participants identified potential solutions to what they saw as the most common and difficult barriers to regionalization.

To address the barriers of:

Consider these solutions:

Local politics and interests



- Ground the case for regionalization in facts and figures
- Work hard to educate the public as well as decision makers using a variety of mediums including social media
- Show the cost savings
- Use an unbiased third-party facilitator
- Make sure to find a win-win setup for the partnership
- If needed, try again with new elected decision makers

Lack of trust



- Hold public hearings and make sure to include time to listen to the public
- Share success stories
- Educate the community on different partnership options
- Find shared experiences and commonalities between communities involved
- Practice patience
- Find win-win scenarios for all parties involved

Fear of the unknown or high costs



- Educate the public on the process
- Illustrate the cost increases that should have been happening over time but were not
- Provide as much data as possible up front
- Share comparable case studies
- Use social media to disseminate information

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FACTORS FOR SUCCESS

Success Factors

Creating and growing trust

Leadership that sees a vision for partnering and can champion both community and partnership interests

Third-party facilitation

Relationship building

Motivating circumstances

The literature closely coincided with lessons learned from the interviews with community leaders on what factors are important for successful collaboration. Tran et al. (2019) found that building relationships based on trust is essential and that data transparency helped build trust.

Trust was viewed as a critical component to success by the respondents to the *AWWA Strategic Management Practices Committee of the Technical & Educational Council (2012)* survey. In addition, Tran et al. (2019) found it is important to conduct baseline studies to first understand the shared water space before exploring possible collaborations and that governing documents should include the means to transparently and fairly adapt to the changes of its partners.

NACEPT (2009) found in its study that successful regional collaborations have certain characteristics in common. One common characteristic is having a leader who recognizes that some critical needs, issues, or challenges are beyond the community's ability to control or resolve independently. The *AWWA Strategic Management Practices Committee of the Technical & Educational Council (2012)* also noted the

importance of having a strong leader or champion. NACEPT (2009) found that in rural watersheds an outside party was often instrumental in initiating awareness and organizing partnerships – this is what we refer to as the third-party facilitator. Related, they found it is important to obtain a venue that is considered safe or neutral where regional stakeholders can meet. In RCAP's experience, a third-party facilitator can help provide that as well.

Finally, it helps to have a motivating factor (financial, compliance-based, or environmental) that encourages communities to consider solutions outside their usual boundaries (NACEPT, 2009; *AWWA Strategic Management Practices Committee of the Technical & Educational Council, 2012*).

AWWA (2012) findings not covered above include having a shared vision, establishing the agreement in writing, being flexible, being committed, having open communication, building relationships, voluntary participation, and equitable interactions and outcomes.

Trust, leadership, and relationships are common factors for success seen across this research.

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Conclusion

While every community, and therefore every potential partnership between communities, is different, we hope that this research report can provide some context, perspective, and advice.

When considering regionalization for a rural community's water and/or wastewater system, the lessons we learned from community leaders—and would encourage others to consider—are:

1

DETERMINE WHETHER A PARTNERSHIP MAY BE RIGHT FOR YOUR COMMUNITY

Remember there is a wide spectrum of types of partnerships

2

FIND OUT WHAT RESOURCES ARE AVAILABLE AND BUILD YOUR TEAM

Look for your internal champions and external assets

3

COMMIT TO TRANSPARENCY FROM THE START

Honesty and straightforwardness will work out better in the long run

4

COMMIT TO A WILLINGNESS TO LISTEN, BE RESPECTFUL AND FIND MUTUAL BENEFIT

Compromise is important, and so is ensuring all communities get what they really need

5

RECOGNIZE THE IMPORTANCE OF THINKING THROUGH, AND REACHING AGREEMENT ON, GOVERNANCE

There is no one-size-fits-all model of governance

6

KEEP A PATIENT MINDSET, AND KNOW THAT THIS IS A LONG-TERM DISCUSSION FOCUSED ON SUSTAINABILITY

Take the time to do it right

7

BE REALISTIC ABOUT LONG-TERM COSTS AND CAPACITY TO KEEP UP ANY NEW INFRASTRUCTURE

Don't take on more than you can realistically handle – the point is to build sustainability

8

HELP SYSTEM LEADERSHIP AND BOARDS DEVELOP AN UNDERSTANDING OF THEIR ROLES AND RESPONSIBILITIES

When leaders understand what it takes to run a system, their decisions reflect that

9

KEEP YOUR GOAL IN SIGHT, BUT BE OPEN TO POSSIBILITIES

Collaborative solutions might not always look as first envisioned; they might evolve

10

ENSURE BUILDING AND EARNING TRUST IS PRIORITIZED THROUGHOUT THE PROCESS

No partnership can achieve true success without trust



With all this in mind, RCAP hopes that leaders in small, rural communities considering regionalization will find this report useful, whether working your way through the 10 lessons, using the primer to understand what is currently recognized about regionalization efforts, simply looking for examples that are similar to your own circumstances, or all of the above.

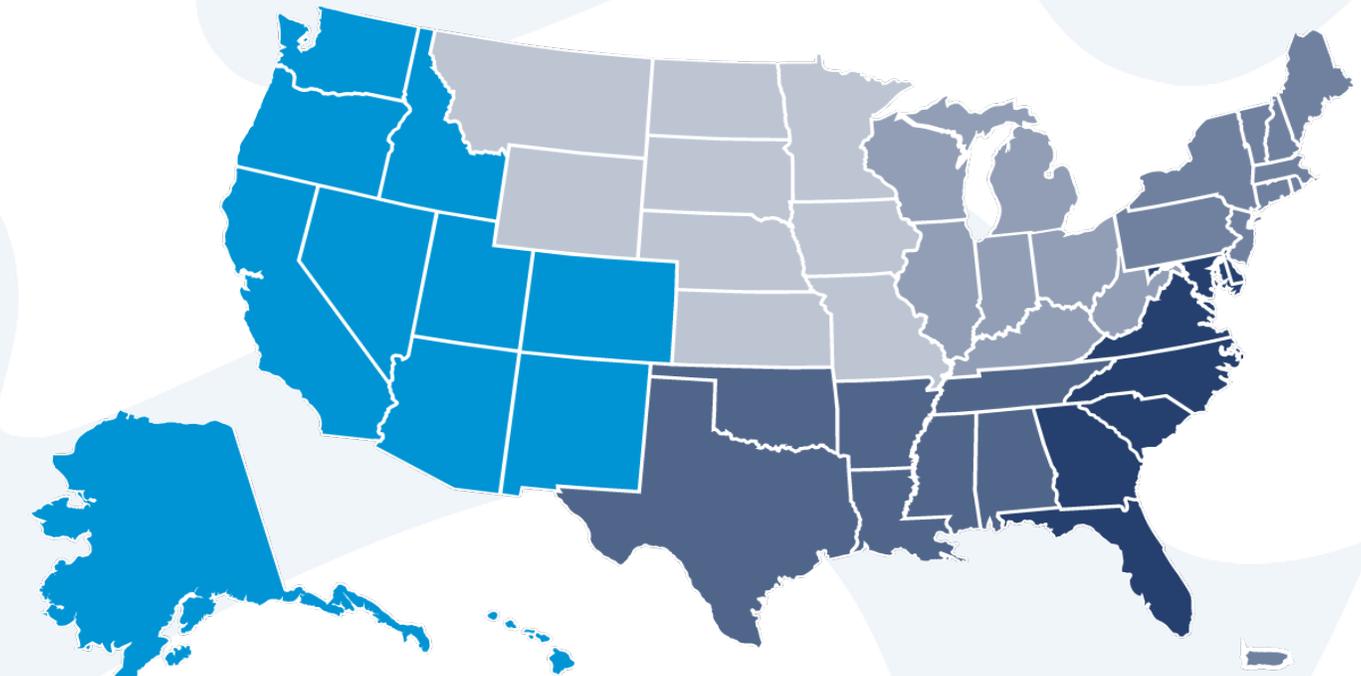
The most important step is explained in Lesson #1: Determining whether a partnership may be right for your community. **RCAP strongly believes in the right of communities to make that decision for themselves**, supported by context and information. If regionalization is a good option or tool for your community, the road may be rocky but there are major potential benefits at the end of it.

If you have questions or comments on this paper, please contact RCAP Research Associate Laura Landes at info@rcap.org.



Rural Community Assistance Partnership

A non-profit network reaching small, rural and tribal communities in all 50 states and territories to improve quality of life by starting at the tap.



Western RCAP

Rural Community Assistance Corporation (RCAC)
3120 Freeboard Drive, Suite 201
West Sacramento, CA 95691
(916) 447-2854
www.rcac.org

Midwest RCAP

Midwest Assistance Program (MAP)
303 N. Market St., Suite 2
Maryville, MO 64468
(660) 562-2575
www.map-inc.org

Southern RCAP

Communities Unlimited (CU)
3 East Colt Square Drive
Fayetteville, AR 72703
(479) 443-2700
www.communitiesu.org

Northeast RCAP

RCAP Solutions (RSOL)
191 May St.
Worcester, MA 01602
(800) 488-1969
www.rcapsolutions.org

Great Lakes RCAP

Great Lakes Community Action Partnership (GLCAP)
P.O. Box 590 | 127 S. Front St., 2nd Floor
Fremont, OH 43420
(800) 775-9767
www.glcap.org

Southeast RCAP

Southeast Rural Community Assistance Project (SERCAP)
347 Campbell Ave. SW
Roanoke, VA 24016
(866) 928-3731
www.sercap.org

RCAP National Office

1701 K Street NW, Suite 700 | Washington, DC 20006 | (202) 408-1273
www.rcap.org





Rural Community Assistance Partnership (RCAP)[®], Inc
1701 K Street NW, Suite 700 | Washington, DC 20006 | (202) 408-1273
www.rcap.org