Systems Helping Systems:  
A Conversation on Utility Collaboration

November 17, 2020
Thank you to our funders!
Acknowledgement

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

Derik Dressler
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Zach Green
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Laura Landes
Panelist

“Improving Rural Quality of Life”
“Improving Rural Quality of Life”
Webinar Agenda

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

with
What does the phrase “utility collaboration” mean to you? What are some examples?

Please type your thoughts into the question box.
### Increasing Transfer of Responsibility

<table>
<thead>
<tr>
<th>Informal Cooperation</th>
<th>Contractual Assistance</th>
<th>Shared Governance</th>
<th>Ownership Transfer</th>
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<td>Work with other systems, but without contractual obligations</td>
<td>Requires a contract, but contract is under systems’ control</td>
<td>Creation of a shared entity by several systems that continue to exist independently (e.g., regional water system)</td>
<td>Takeover by existing or newly created entity</td>
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<td>• Contracting operation and management</td>
<td>• Sharing system management</td>
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<td>• Outsourcing engineering services</td>
<td>• Sharing leadership</td>
<td>• Acquisition and satellite mgmt</td>
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<td>• Mutual aid agreements</td>
<td>• Purchasing water</td>
<td>• Sharing source water</td>
<td>• One system transferring ownership to another to become a larger existing system or a new entity</td>
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Graphic adapted by RCAP and RCAC from U.S. Environmental Protection Agency resources
Examples of Different Types of Collaboration

with

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Informal Cooperation

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

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

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

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Ownership Transfer

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

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How Collaboration Can Evolve Over Time

with
Kankakee Alliance

An Ongoing Case Study
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Examples:
- Sharing equipment
- Sharing bulk supply purchases
- Mutual aid agreements

Examples:
- Contracting operation and management
- Outsourcing engineering services
- Purchasing water

Examples:
- Sharing system management
- Sharing leadership
- Sharing source water
- JPA

Examples:
- Acquisition and physical interconnection
- Acquisition and satellite mgmt
- One system transferring ownership to another to become a larger existing system or a new entity

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

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<th>Community/System Name</th>
<th>Population Served</th>
<th>Connections</th>
<th>MHI</th>
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<tr>
<td>Godley Public Water District</td>
<td>660</td>
<td>232</td>
<td>$49,531</td>
</tr>
<tr>
<td>Village of Diamond</td>
<td>2508</td>
<td>880</td>
<td>$60,417</td>
</tr>
<tr>
<td>City of Braidwood</td>
<td>6200</td>
<td>2102</td>
<td>$63,651</td>
</tr>
<tr>
<td>Village of Coal City</td>
<td>5587</td>
<td>2330</td>
<td>$71,406</td>
</tr>
<tr>
<td>Village of South Wilmington</td>
<td>681</td>
<td>321</td>
<td>$68,750</td>
</tr>
<tr>
<td>Village of Braceville</td>
<td>900</td>
<td>322</td>
<td>$63,077</td>
</tr>
<tr>
<td>Village of Essex</td>
<td>0</td>
<td>0</td>
<td>$72,406</td>
</tr>
<tr>
<td>Custer Park (Unincorp.)</td>
<td>0</td>
<td>0</td>
<td>N/A</td>
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Project Area
What do these 3 things have in common with the KA?

Median Household Income ~$40,000
The Regional Problem

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

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

- **ELIMINATE RADIIUM**
  - Highly corrosive • Potential health risks

- **REGIONALIZING KEEPS RATES AFFORDABLE**

- **SUPPORT CURRENT AND FUTURE GROWTH**

- **SUSTAINABLE WATER SOURCE**
Theory or Practical?

1. Identify
   Identify project champions and on the ground support

2. Understand & Document
   Understand and document existing strengths and challenges

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

4. Assess
   Assess practicality of possible partnerships

5. Develop
   Develop a plan for communicating with stakeholders
Step 1: Identify Champions/Support

- Joe Cosgrove - Godley PWD

- Individual Community Support
  - Mayors, Operators, Fire Protection, County Officials, Economic Development

- RCAP officially entered as 3rd party facilitator in the Spring of 2019.
  - Why?
2019 Regional Collaboration Summit, Springfield, IL

Regional Systems Panel
Step 1: Identify Champions/Support

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Step 2: Understand & Document Strengths/Challenges

Summer 2019 – Vision Development

- Challenges
  - Poor well water quality; Fire Protection; Long-term water supply

- Strengths
  - River withdrawal permit; willingness to come to the table

- Concerns
  - Funding; Local control; Rates; Fire protection; Regulatory Issues (Mixing?); Corrosion Control Study
Step 3: Governance Structure + Participants
Step 4: Assess Practicality

TMF Capacity Framework

- Capacity – the ability to comply with water and wastewater regulations

- Three areas of system capacity (TMF)
  - Technical
  - Managerial
  - Financial
RCAP’s Role Within Kankakee Alliance

- An objective, unbiased third party assisting in facilitating Kankakee Alliance and helping each member of Kankakee Alliance.
- Collect important information from each community to assist in project scope and project development.
- Educate on regional solutions.
- Perform Water Audits for each community to assess water loss, along with knowing how much water loss is costing each community.
- Facilitate collaborative meetings.
- Evaluate each community’s upcoming capital improvement plans and costs, along with reviewing current assets age and replacement cost.
- Ensure project progresses forward at a healthy pace.
- Calculate the Cost of Production per 1,000 gallons for each community, and assess the cost savings each community would have through partnering in a regional solution.
- Perform water rate analysis for each community which assesses each community’s financial health and evaluates their current water rate structure.
Step 5: Communication

IT’S TIME FOR QUALITY WATER.

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- SUSTAINABLE WATER SOURCE

PROJECT DETAILS

- Water treatment plant purchased
- New transmission system
- Intake structure on Kankakee river
- Raw water reservoir

CURRENT MEMBERS:

- City of Bradley
- Village of Coal City
- Village of Hammond
- Godby Public Water District
- Village of Essex
- Curtis Township Fire Protection District
- South Wawasee

COST:

- $45-50 Million
- Utilizing funds from United States Department of Agriculture-Rural Development (USDA-415)

PURPOSE:

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

Available at https://www.rcap.org/blog/regionalizationresearch/
Determine whether a partnership may be right for your community

Find out what resources are available and build your team

Commit to transparency from the start

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

Recognize the importance of thinking through and reaching agreement on governance

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

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

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

Keep your goal in sight, but be open to possibilities

Ensure building and earning trust is prioritized throughout the process

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Other Resources/Coming Soon:

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

- Fall 2020:  
  *Coming soon!*

- Fall 2019:  
  *The Regionalization Issue*

- Fall 2018 feature story:  
  *Regional Partnerships: Sustainable Rural Water Systems*

- Summer 2009:  
  *The Road to Regionalization*
Building the Capacity of Drinking Water Systems

Water System Partnerships

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

The information presented in this interactive website lays out ways partnerships can address common challenges that water systems
EPA Partnerships Webinar Tomorrow!

- Rollout webinar for the Water System Partnerships Handbook
- Targeted for state drinking water personnel and EPA Regional staff
- Technical assistance providers may also find this tool helpful in supporting their communities

https://register.gotowebinar.com/register/4828533211412329229

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Funding Strategies to Promote System Regionalization

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

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

- Funding Strategies to Promote System Regionalization (PDF)
Improving Rural Quality of Life
Next Finance & Management Webinars

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