



Regionalization: RCAP's Recommendations for Water and Wastewater Policy

Regionalization is a spectrum of collaborative activities, ranging from the most informal to the most formal of partnerships between communities in the same geographic area. Focused and effective water and wastewater regionalization policy is crucial to ensuring that small, rural, and tribal communities have access to as many options as possible, and consider regional approaches where feasible. Incentivizing regionalization often opens the door to important conversations that drive collaboration, as opposed to competition, leading to positive outcomes and more sustainable water and wastewater systems.

The Rural Community Assistance Partnership (RCAP)[®] sees water and wastewater regionalization as a key tool to help communities become more sustainable and resilient, which can be especially important in a crisis such as a pandemic or natural disaster. Policies at the local, state, and federal level can help or hinder regionalization efforts. RCAP conducted comprehensive research to analyze existing examples and came up with policy recommendations for all levels of government to better support successful regional solutions. The top-line recommendations are listed below, but we encourage readers to read through the [executive summary](#) and the [full report](#) to learn more.

Key takeaways from RCAP's research, especially to help small, rural, and tribal communities, are:

- 1) **The need for flexibility.** Policy at the federal, state, and local levels should allow for as many ways of implementing, encouraging, and incentivizing regionalization as possible. This should be paired with capacity building opportunities for communities to understand and access those options. Each community can then find the right solution that fits their unique needs.
- 2) **The need for more funding for regionalization efforts** across the spectrum of informal-formal regionalization that is supported by all levels of government.

Policy Recommendations from RCAP for Water and Wastewater Regionalization

Apply to all levels of government	1	Coordinate with other governmental entities to understand what gaps and opportunities exist.	4	Beyond encouraging feasibility studies, support capacity-building trainings and TA, and set requirements for transparency.
	2	Incentivize regionalization efforts through intentional, targeted, and more favorable funding terms.	5	Recognize the importance of and provide for planning and capacity building as well as actual project construction.
	3	Fund systems which most need assistance and encourage regionalization studies; fund TA to rural and tribal communities and colonias.	6	Specifically fund areas of greatest need to work towards regionalization.



RCAP is a national network of non-profit organizations working to ensure small, rural and tribal communities throughout the country have access to resources, tools, and technical assistance (TA) – creating capacity and opportunity for economic prosperity. The RCAP Network, including a national office located in D.C. and consisting of six regional partners who employ more than 300 individual TA providers, uses a locally-driven approach to address various needs.



RCAP'S REGIONALIZATION RECOMMENDATIONS for WATER and WASTEWATER POLICY

State Governments

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Use the state WARN to its full potential.

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Provide funding for technical assistance to help small systems sign up for the WARN before a disaster hits.

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Extend funding prioritization in SRFs beyond consolidation to all types of partnerships.

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Use DWSRF set-asides to place more emphasis on regionalization.

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State laws should incentivize but most importantly should not prohibit regionalization.

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Emphasize technical assistance and feasibility studies for regionalization under CDBG colonias set-asides.

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Allow and encourage CDBG to be used for water and wastewater needs and consider emphasizing regionalization projects under CDBG.

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USDA should allocate funds to help small systems achieve regionalization; annual appropriations by Congress should prioritize regionalization projects and technical assistance for regionalization efforts.

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USDA should prioritize regionalization projects within scoring criteria.

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USDA should consider regionalization activities as progress towards financial sustainability.

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USDA should consider changing its policies and regulations to allow refinancing of debt and provide debt forgiveness and principal forgiveness in select circumstances for regionalization projects.

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USDA should create stronger requirements around the quality, breadth, and depth of the required analysis of regional alternatives within a PER.

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EPA should require states to condition SRF funding on an analysis of regional alternatives.

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Federal laws should encourage regionalization to the greatest extent possible without requiring or mandating regionalization.

21

Strengthen safe harbor provisions for compliant systems involved in managerial consolidation/ownership transfer.

22

Create a program to fund technical assistance for small, distressed communities to help them access federal resources during a national emergency.

Federal Government