

Water System Partnerships & Regionalization – System Mergers



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URS



EFCN

environmental finance center network



www.efcnetwork.org



Smart Management for Small Water Systems

*under a Cooperative Agreement with the US EPA

- The EFCN will provide training and technical assistance to small public water systems in all fifty states and five territories to help local water systems achieve and maintain compliance with the Safe Drinking Water Act.
- Workshops and trainings will be provided in these areas:
 - Asset Management
 - Water Loss Reduction
 - **Water System Collaboration**
 - Fiscal Planning and Rate Setting
 - Energy Management
 - Funding Coordination, and
 - Managerial and Financial Leadership



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Water System Collaboration

Small Water Systems Project

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Dedicated to enhancing the ability of governments and organizations to provide environmental programs and services in fair, effective, and financially sustainable ways



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Mission Statement

We work to enhance the ability of governments and other organizations to provide environmental programs and services in fair, effective and financially sustainable ways.

Upcoming Events

- Webinar Series on Revenue Resiliency for Water Utilities
Tuesday, February 4, 2014
- 2014 NC Water and Wastewater Finance Course
Tuesday, February 11, 2014
- NCAWWA-WEA Finance and Management Committee 2014 Spring Seminar
Communicating Your Utility's Financial Position to your Board and Customers
Wednesday, February 19, 2014

1 of 2 next >

[View all events](#)



Featured Work



The EFC Awarded \$2M for its Smart Management for Small Water Systems Project

The EPA recently announced the EFC at UNC Chapel Hill and the entire Environmental Finance Center Network as one of four successful grantees for the 2013 competitive award to provide training and technical assistance to small water systems in both rural and urban communities.



Featured Report: Defining a Resilient Business Model for Water Utilities

The Environmental Finance Center and the Water Research Foundation partnered to produce a new report that helps utilities address the challenges of revenue gaps while modernizing financial and management practices.



Regionalization Webinar for Small Water Systems

Water Partnerships: SC Case Study:
Lowcountry Regional Water System

Fred Hanna, P.E.

Study Commissioned in 2010

- Issues & Compelling Drivers Faced by Small Operators
 - Regulatory Compliance (consent orders)
 - Financial Viability (audit reports)
 - Operational Sustainability (operational plans)
 - Managerial Effectiveness (licensing and certifications)
 - Political Will (theme, resolutions)

Final Report Recommendations

- Phased Plan to Regionalize Systems under enabling legislation
 - Phase 1 – Strategic Plan
 - Vision
 - Mission
 - Operational Philosophy and Values

Phased Plan to Regionalize Systems under enabling legislation

- Phase 2 – Governance
 - (Legal RFP)
- Phase 3 - Financial Plan for Start Up
 - (Soft Cost)
- Phase 4 – Operational Plan for Start Up
 - 3 key roles Professional Engineer, CPA, Attorney
- Phase 5 – June 1 , 2013 Start up

Financial Challenges

- Artificially Low Rates
- Lack Of System Growth
- Lack of Rate Setting and Budgeting Process
- Lack Of Cost Based Rates and Cost Data
- Rate Variances in Design, Structure and Levels between Operators

Financial Advantages

- Economies of Scale
 - Procurement
 - Management
- Professional Advice
 - Start up planning
 - Rate Study
 - Long Term Planning for Capital and Financing
 - Professional Management
 - Operations

Vision

- Create and sustain a viable and competitive regional water system for Hampton County created by enabling legislation known as the Joint Authority Water and Sewer Act.

Mission

- The mission of the LRWS is to provide the Lowcountry Region's water needs to improve quality of life, economic development, and improve the viability of providing safe, clean and reliable water services to the citizens of the region

Operating Philosophy and Values

- Excellence in Customer Service
- Professional management
- Well trained staff
- Operational excellence in system operations
- Regulatory compliance with local, state and federal regulations
- Implementation of industry best practices
- Technical expertise with a commitment to technical training and certification for employees
- Forward looking as evidenced by long term master planning for operations, capital and growth
- Financially strong in managing revenue, expenses, assets and liabilities
- Independent rate setting by the Board of Commissioners that each charter town appoints
- Cost based rates for water and wastewater utilities

Operating Philosophy and Values

- Alignment of infrastructure master plans with growth plans of Hampton County
- Future interconnections between Towns where beneficial
- Commitment to capital improvement plans for system operations with internally and externally generated funding to ensure long term viability
- Committed to the Community as a corporate citizen and a key player in the economic development of the region
- LRWS has a leadership role in the economic development of the County and Region. The availability of water and sewer service is a key factor in the site selection process for new and expanding economic development projects
- Committed to safety in LRWS operations and in enhancing public safety for the communities through improved water quality and fire protection

“A Rising Tide Floats All Boats”

*Regional Water/Wastewater Viability Study - A Business Plan
for Creation of The Lowcountry Regional Water System*

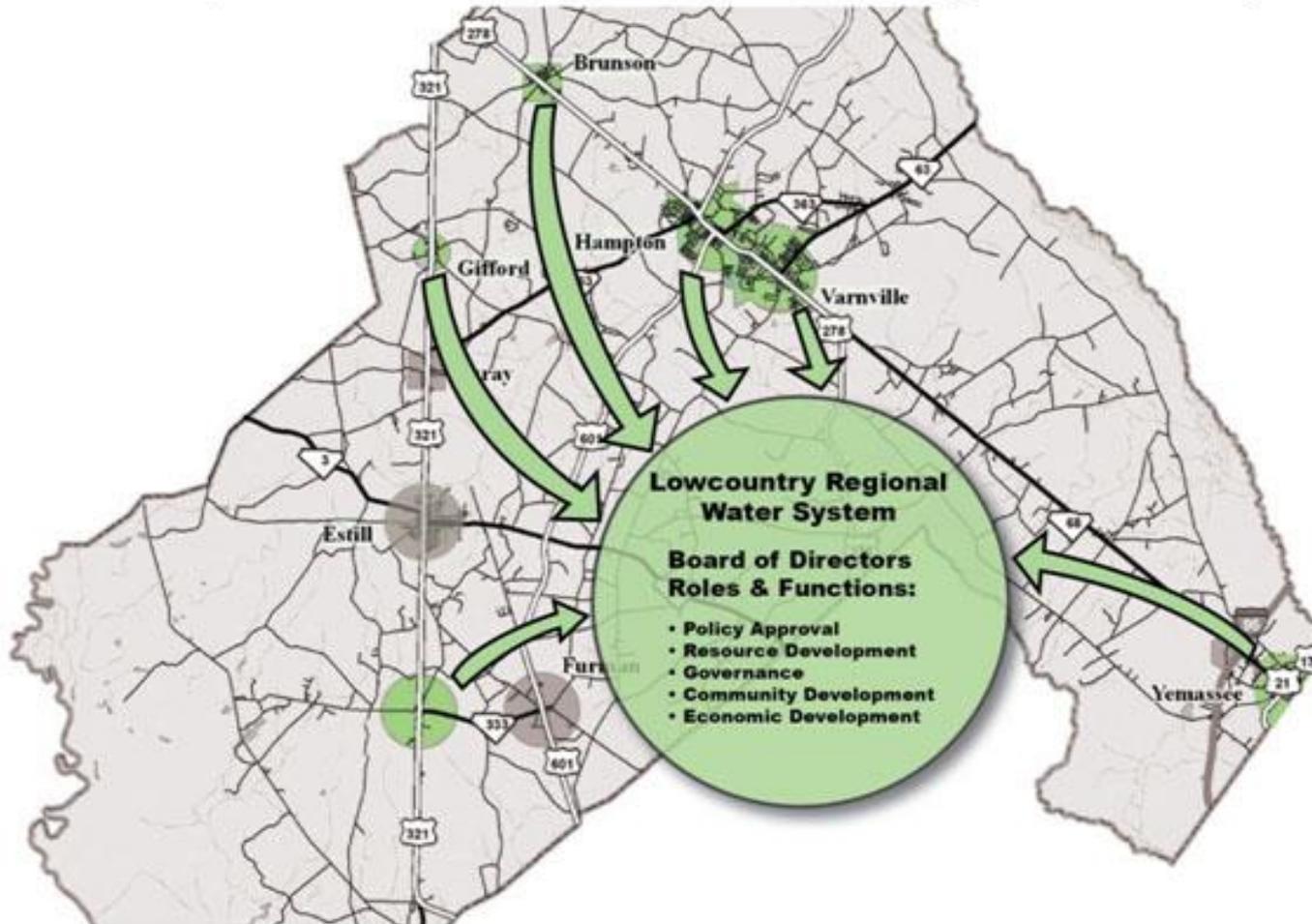


Business Processes

Technical	Managerial	Financial
<ul style="list-style-type: none"> • Water Supply • Treatment • Storage • Distribution/Collection • Emergency Capability • Compliance with Regulations • Cross Connection Control • Drinking Water Standards • Wastewater Standards • System Capacity • Operational Procedures and Documentation • Distribution System Operation and Documentation • Certified Operators, treatment and Distribution • Technical Knowledge and Capability of Staff • Preventative and Corrective Maintenance 	<ul style="list-style-type: none"> • Governance • Staff and Organization • Human Resources • Continuous Improvement • Authority and Decision Making • Safety Program • Emergency Planning • Strategic Plan • Purchasing • Asset Management • Capital Improvements Plan • Management Information Systems • Engineering • Customer Service/Response • Record Keeping • Drought Management • Capacity Development • Public and Governmental Relations • IT Systems 	<ul style="list-style-type: none"> • Budgeting • Financial Management and Reporting • Financial Procedures • Financial Reserves • Financial Accountability and Auditing • Financial Forecast and Funding Plan • Accounts Management • Revenues • Expenses • Debt Management • Insurance • Meter Reading • Water Audits • Connection Charges and Customer Fees • Capacity Charges • Billing Systems

Governance Map

Governance, Functional & Technical Integration of Systems



Multi-Jurisdictional Approaches Evaluated

Multi – Jurisdictional Approaches Evaluated		Analysis Summary
1. Joint Municipal Water/Sewer District ● Go ● Prepare to Stop ● Stop	●	Selected as the approach based on analysis, comparison and legal advice
2. Regional Water/Sewer Authority	●	Not selected based on legal advice and “Home Rule” Legislation as it would likely require an act of the entire General Assembly
3. Special Purpose District	●	Not selected based on legal advice and “Home Rule” Legislation as it would likely require an act of the entire General Assembly
4. Rural Water and Sewer District	●	Not selected based on legal advice and “Home Rule” Legislation as it would likely require an act of the entire General Assembly
5. Non-Profit Water and Sewer Company	●	Not selected based on legal advice and “Home Rule” Legislation as it would likely require an act of the entire General Assembly
6. County Water and Sewer Authority	●	Not selected based on legal advice as it would likely require a County Wide Referendum
7. Special Tax District	●	Not selected based on legal advice and “Home Rule” Legislation as it would likely require an act of the entire General Assembly
8. Commissioners of Public Works	●	Not selected based on legal advice and “Home Rule” Legislation as it would likely require an act of the entire General Assembly
9. Inter-Governmental Agreement	●	Not selected as it would not put the managerial and technical competence in place to resolve the issues for smaller systems
10. Inter-Governmental Agreement	●	Not selected as it would not provide the managerial and technical competence to be in place for smaller systems

Startup Team

Start Up Team Professional Services for Creation of The Lowcountry Regional Water System

Lowcountry Regional Water System
Representatives or Board of Directors

Roles & Functions:

- Policy Approval
- Resource Development
- Governance
- Community Development
- Economic Development

Start Up Manager & Engineer, P.E.
*Start-up Engineer Familiar with systems
& Experienced at utility organization
& Management*

Roles & Functions:

- Development of Policy
- Implementation of Policy
- Design of Systems & Operations
 - Staffing
 - Standards
 - Operations
 - Processes
 - Systems

Roles:

- Financial Services
- Accounting CPA
- Familiar with Towns & Public Accounting

Functions:

- Due Diligence Review
- Financial Review
- Accounting Controls
- Policy

Roles:

- Legal Services
- Attorney
- Familiar with Establishment of Regional Utilities

Functions:

- Governance
- Contract Negotiations
- Charter & By Laws
- Bonding

Roles:

- Policy, Systems, Standards & Operational Design
- Utility Services Design
- Professional Engineer
- Familiar with Towns & Design of Utilities, Processes & Systems

Functions:

- Organizational Design
- Staffing
- Standards
- Systems
- Processes

Upcoming Webinars

- **In this series:**
 - Wed., Mar. 12, 2:30 PM EST / 11:30 AM PST:
Water System Partnerships & Regionalization –
Water Company
- **In the Leadership series:**
 - Mon., Feb. 24, 2:30 PM EST / 11:30 AM PST:
Part 1: Translating Data into Effective
Communication
 - Wed., Feb. 26, 2:30 PM EST / 11:30 AM PST:
Part 2: Effective Messaging
- Register at <http://www.efcnetwork.org>



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