Water System Partnerships

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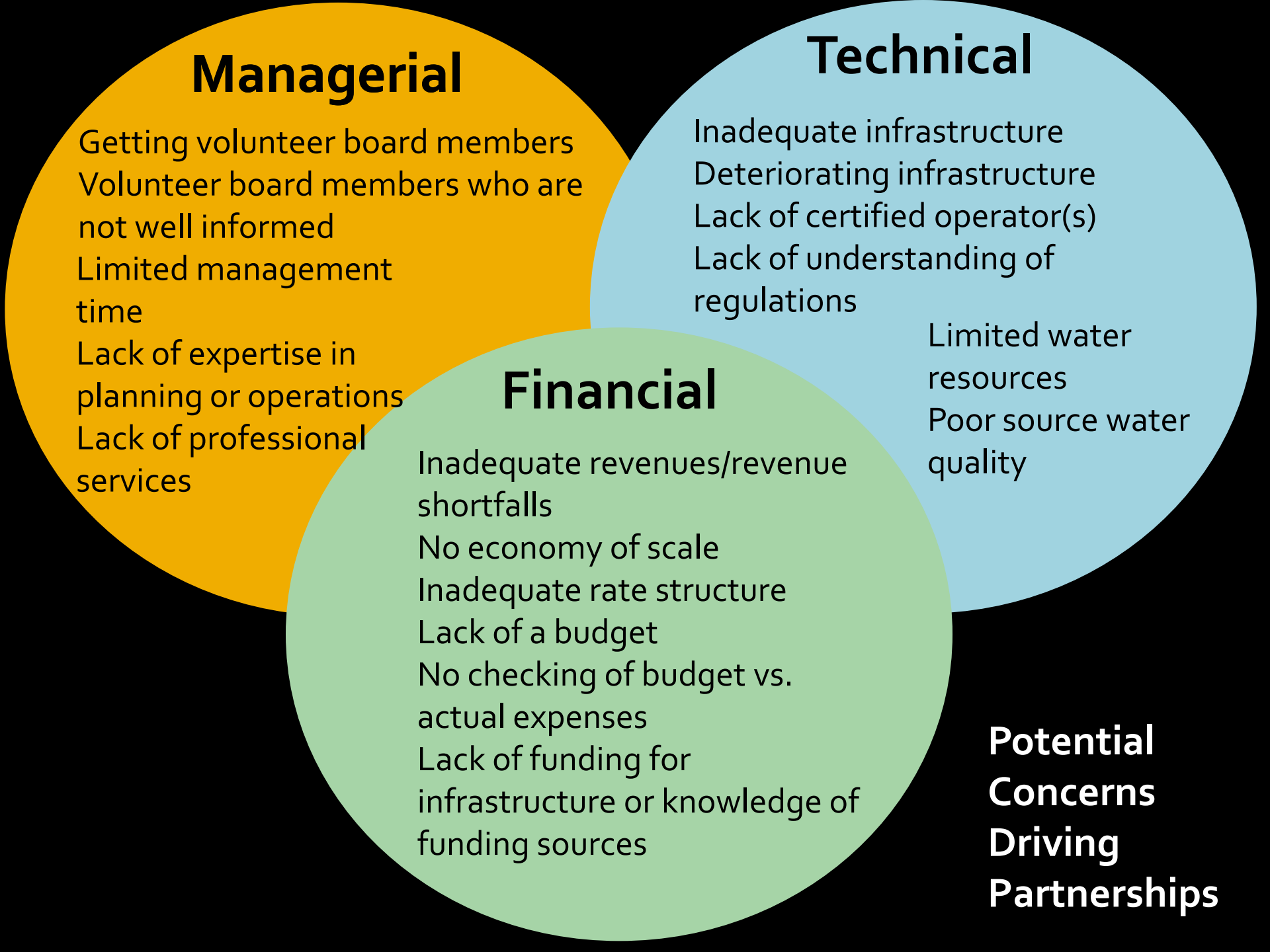
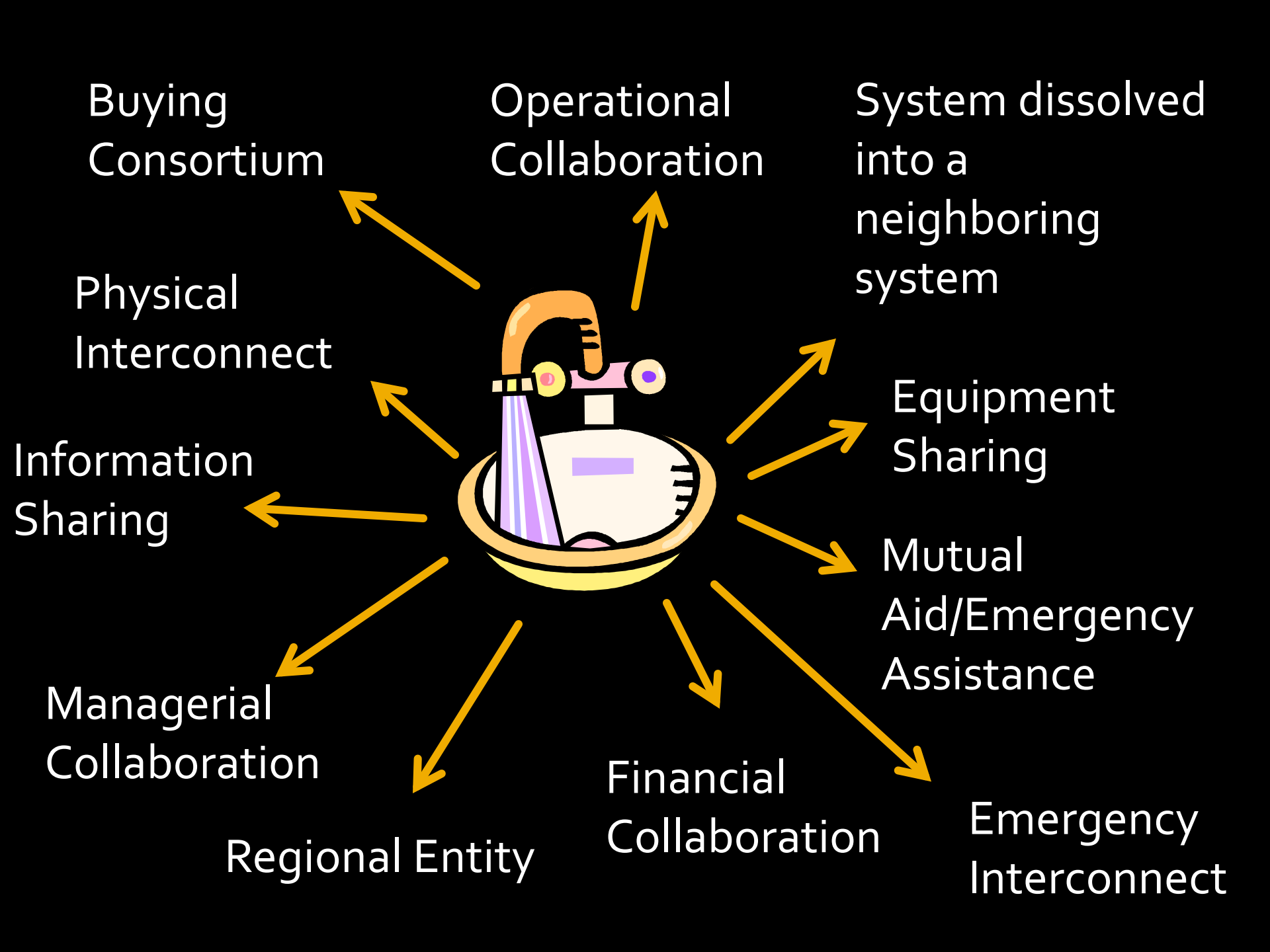

Managerial
Getting volunteer board members
Volunteer board members who are not well informed
Limited management time
Lack of expertise in planning or operations
Lack of professional services
Technical
Inadequate infrastructure
Deteriorating infrastructure
Lack of certified operator(s)
Lack of understanding of regulations
Limited water resources
Poor source water quality
Financial
Inadequate revenues/revenue shortfalls
No economy of scale
Inadequate rate structure
Lack of a budget
No checking of budget vs. actual expenses
Lack of funding for infrastructure or knowledge of funding sources
Potential Concerns Driving Partnerships

Loose, Less Formal Arrangements

More Formal Arrangements

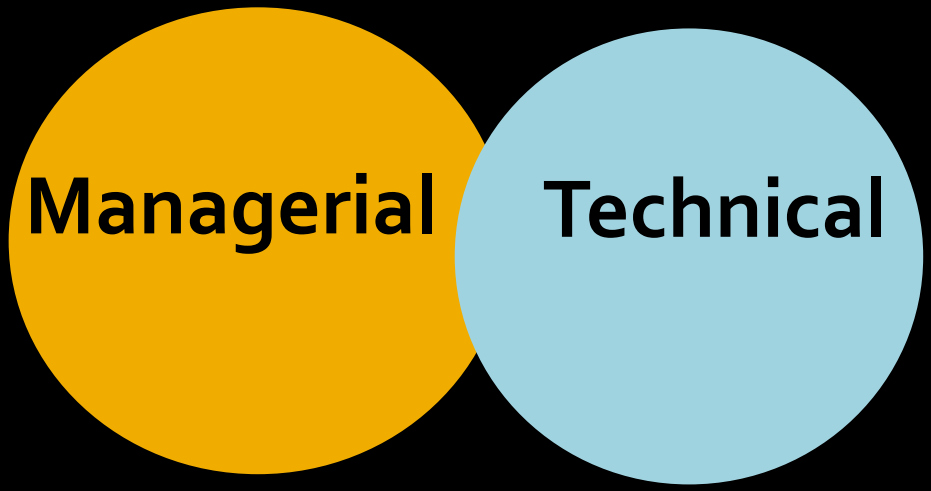
Any kind of collaboration can be helpful


Buying Consortium
Operational Collaboration
System dissolved into a neighboring system
Physical Interconnect
Equipment Sharing
Information Sharing
Mutual Aid/Emergency Assistance
Managerial Collaboration
Financial Collaboration
Regional Entity
Emergency Interconnect

Loose, Less Formal Arrangements

More Formal Arrangements

Information Sharing

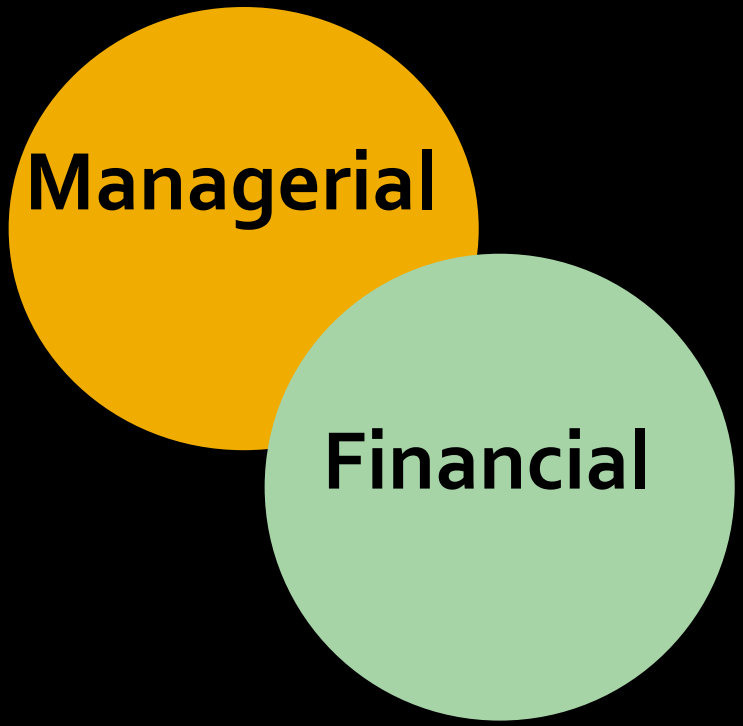


Systems share information regarding regulations, planning, infrastructure

Loose, Less Formal Arrangements

More Formal Arrangements

Buying Consortium

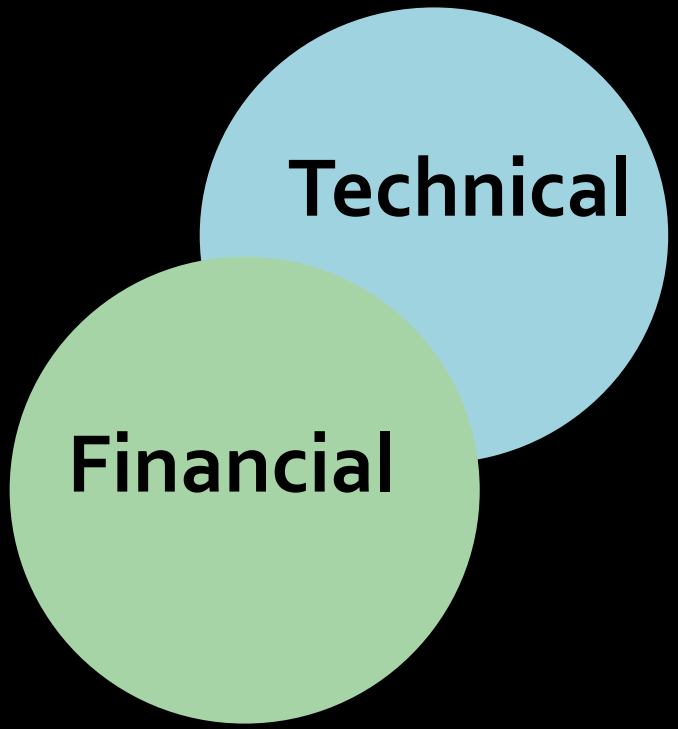


Systems work together to buy equipment or supplies

Loose, Less Formal Arrangements

More Formal Arrangements

Equipment Sharing

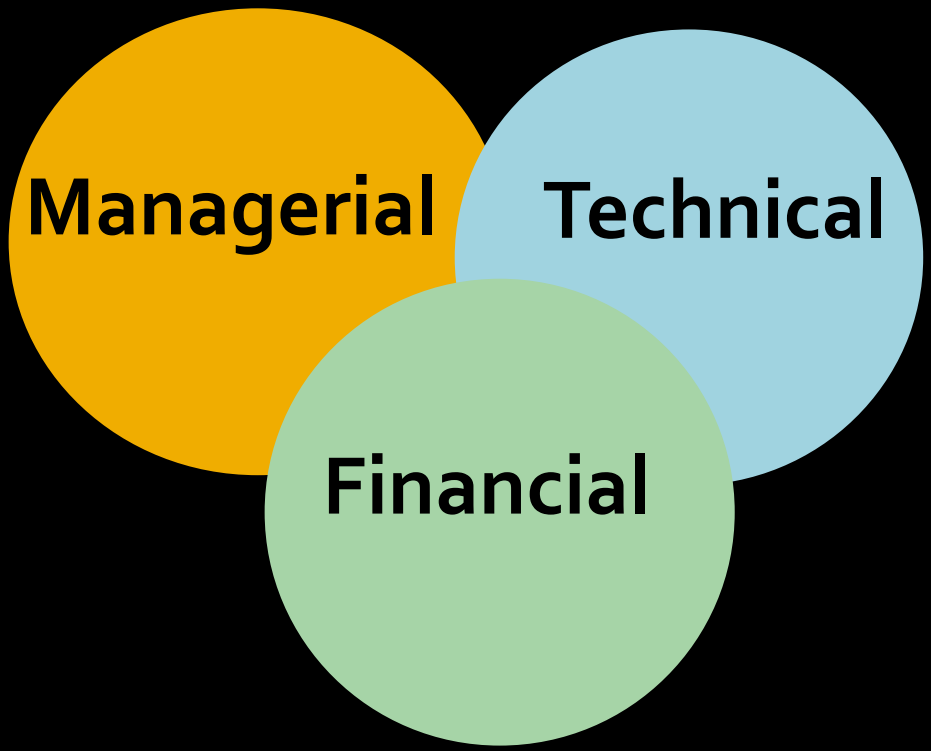


Systems share equipment so each one does not have to buy/own/rent all the equipment they need

Loose, Less Formal Arrangements

More Formal Arrangements

Mutual Aid/Emergency Assistance

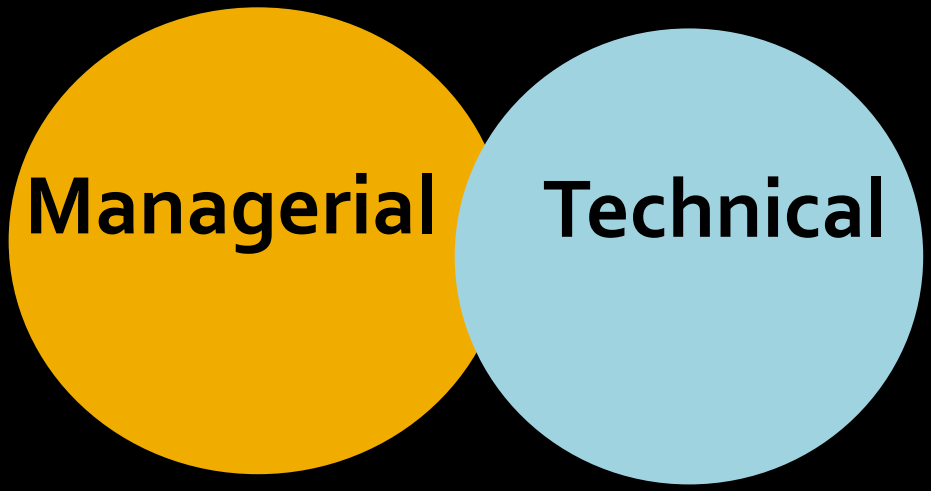


Systems assist each other during an emergency or time of need

Loose, Less Formal Arrangements

More Formal Arrangements

Emergency Interconnect

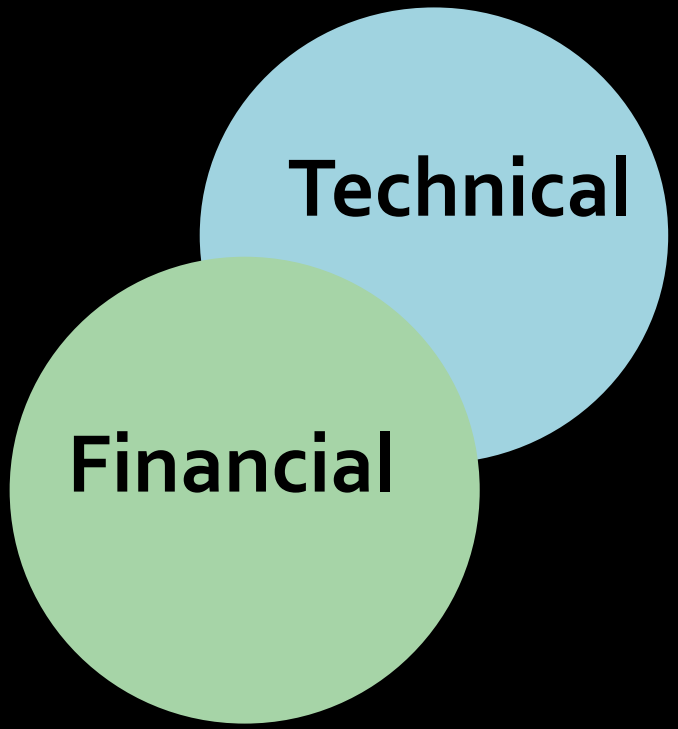


Systems have a physical connection but the connection is only used during emergencies

Loose, Less Formal Arrangements

More Formal Arrangements

Operational Collaboration

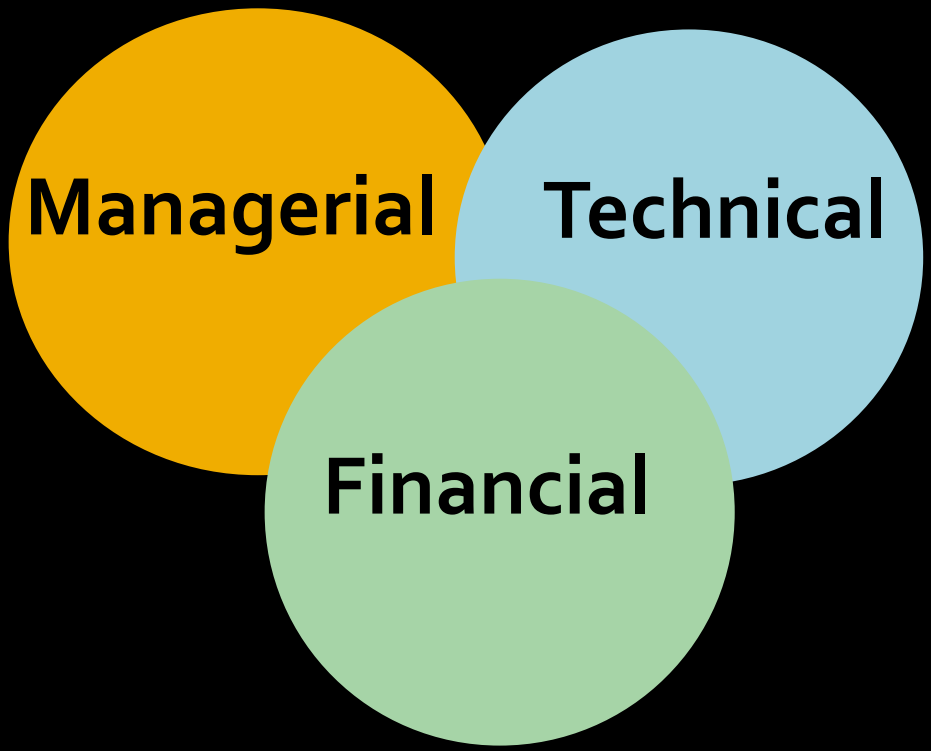


Systems share an operator or contract with the same operator or operation company

Loose, Less Formal Arrangements

More Formal Arrangements

Managerial Collaboration



Systems share management structure, but systems not interconnected

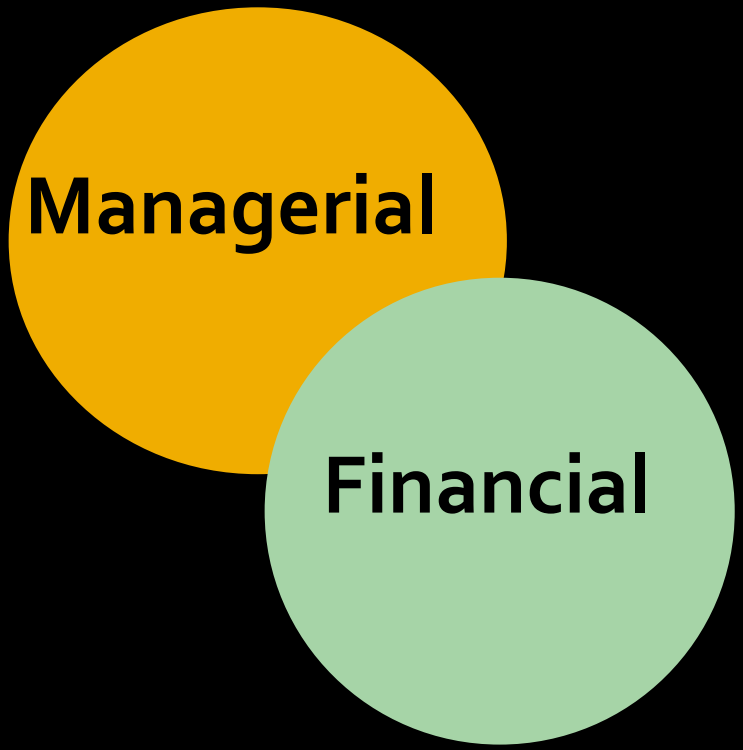
Loose, Less Formal Arrangements

More Formal Arrangements

Financial Collaboration

Financial Collaboration

Financial Collaboration

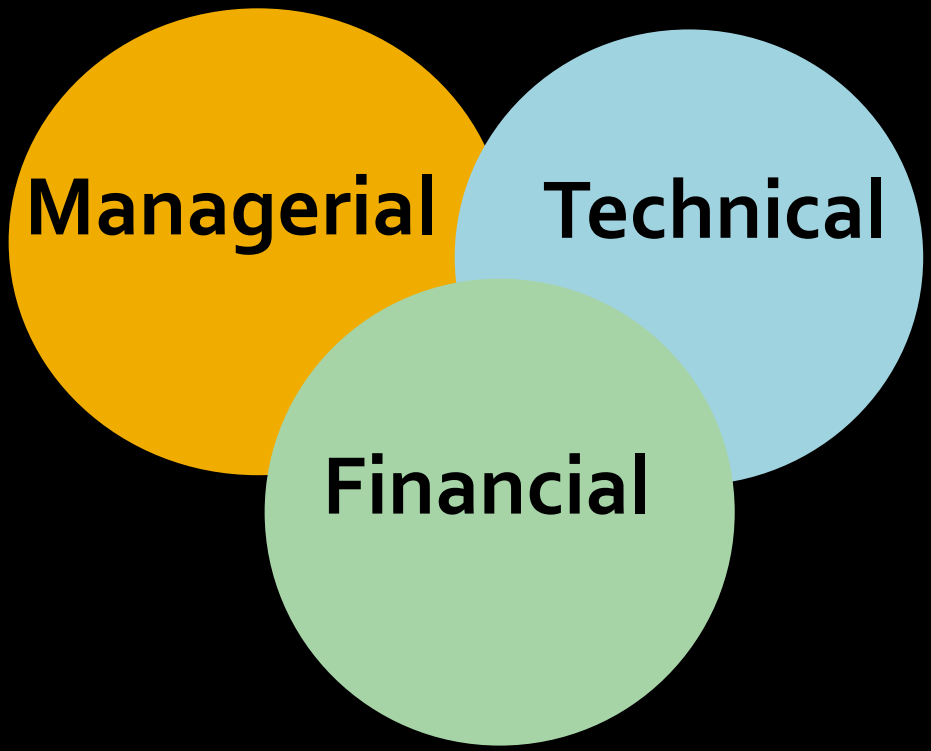


Systems share a financial connection. Many options available.

Loose, Less Formal Arrangements

More Formal Arrangements

Systems dissolved into a neighboring entity

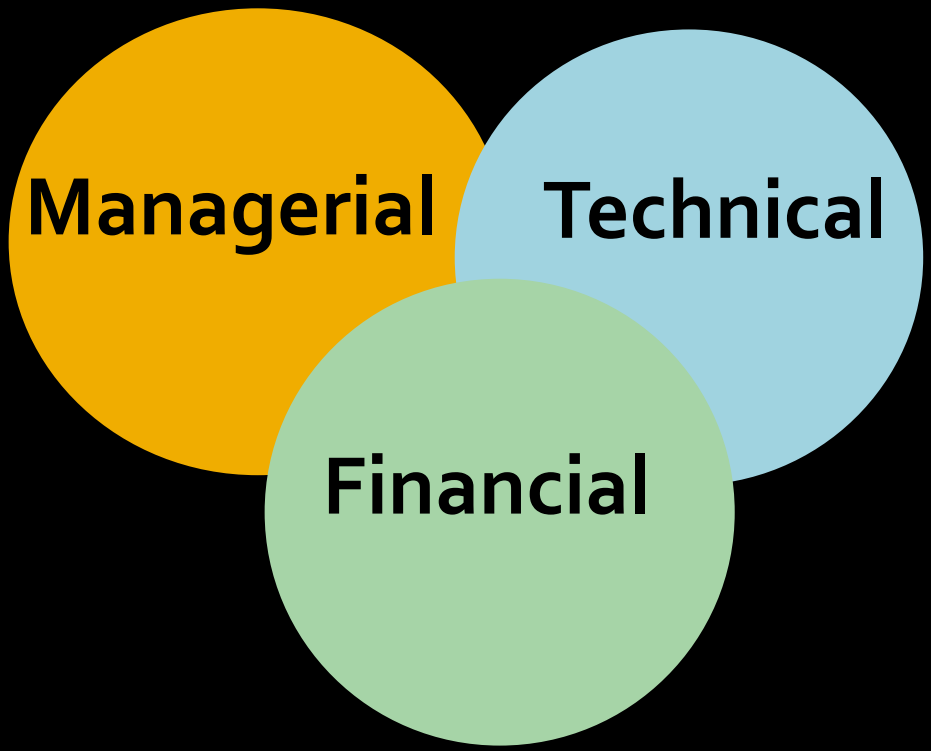


Systems no longer have independence. One utility remains, others dissolved.

Loose, Less Formal Arrangements

More Formal Arrangements

Regional Entity



Systems form a regional entity either as a separate option or as the only option. All have a role on board.

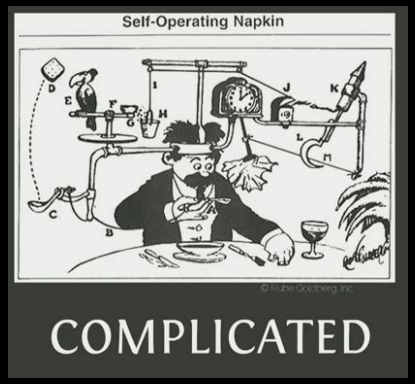
Motivations for Collaboration
Or
What's in it for the system?

Cost savings!!!!
Addressing long-term infrastructure needs
Improved customer service
Addressing Staffing Needs
Increased ability to comply with regulations
Ability to access professional services
Increased access to necessary equipment and/or supplies

Motivations for Collaboration
Or
What's in it for the customers?

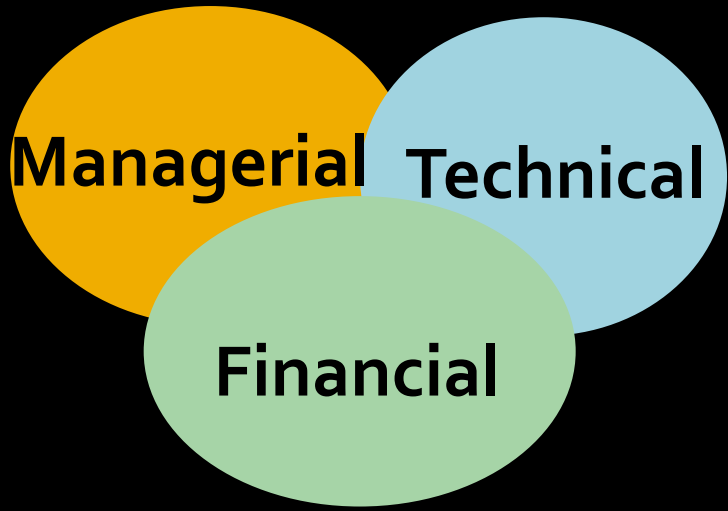
Improved water quality
Lower customer bills to meet infrastructure and operational needs
Addressing Staffing Needs
Increased reliability of service

Why Are Systems Increasingly Looking Toward Partnerships?



Struggles with complex rules and regulations and increasing complexity

Customers have high expectations for safe, reliable drinking water



Systems need a high level of TMF to meet all obligations

Need to leverage funding and available resources

There are more options available for a variety of partnership options

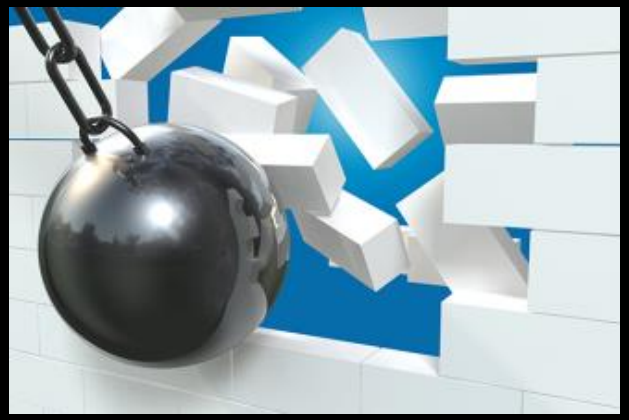
Common Concerns with Collaboration

Desire for Autonomy
Mistrust of Other Systems
Lack of Knowledge of Other Systems
Lack of Knowledge of the Options
No Outside Independent Force to Get Collaboration Started

Fostering Partnerships

Concerns of all parties must be heard and addressed to extent possible

Remove obstacles at state and local level preventing regionalization



Roles of Federal, State, Local entities need to be understood and clarified

Create financial incentives

Review guidance and incentives

Case Studies

Regional Entity for New Supply

- In Central Texas
- Several systems had problems meeting regulatory requirements
- New source could potentially solve the problem
- Formed a regional entity for the sole purpose of securing the new supply
- One member of each water system serves on the board of the new entity
- All individual water systems remain

Shared Operators and Managers for Rural Water Systems

- Several small systems owned and managed by one entity
- Systems wanted to be bought
- Each system financed separately
- Operators on regional basis
- Operators know each others system
- Three levels: Operator, Regional Operator, Head Operator

Sharing Bookkeeping

- Several small systems use the same accounting firm
- No connection between systems other than using the same firm
- Systems save considerable $$$ and receive higher level expertise than they would otherwise be able to afford
- Added benefit, “We didn’t want to shut you off, the firm made us”

Buying Consortium

- Entities work together to negotiate agreements for cheaper prices
- Take turns negotiating and leading the consortium
- If a utility won't take its turn, they are eliminated from the consortium
- No other relationship between systems

Conversion to Another Utility Type

- Utility started as municipality and became regional Authority

Collaboration for Water Sampling

- Reasons Why It's Useful
  - Mail and courier issues
  - Weather Conditions/Extremes
  - Remote Areas/Distance to Labs
  - Lack of Available Labs
  - Turnover of PWS staff
  - Lack of knowledge for resource direction
    - *"I need help, who do I call"?*
  - Communication and Coordination
    - Regulatory
    - Laboratory
    - Public Water Systems (PWSs)

Effective Collaboration in North Dakota

- Constructive feedback
  - Because it works!!!
- Look below the surface
  - You learn more about something
- Win/win solutions
  - Fewer violations and Public Notices (PNs)
  - COMPLIANCE ACHIEVED
- Improve personal productivity and use of time.

A Regionalization that Didn't Happen

- Small utility with compliance issues
- Cheaper to connect with neighbor
- System is being operated and managed entirely with volunteers
- Neighboring system well-run
- Only negative, lack of control on rates

- Chose not to go this route

Elements of Successful Partnering

What are the biggest drivers for partnering?

What are the biggest issues technically, managerially, and financially that would drive partnering?

Clear Goals

It's important to have a thorough understanding of what you want to get out of the partnership. The organization must have agreement from the leadership on down regarding the goals. The goals for each party must be clearly articulated to the others.

Level of Autonomy Desired

Do you want to remain a separate entity? Do you want to give up managerial, operational, or financial control? How much?

Win-Win Partnering

Every party benefits in some way either now or later (all parties do not have to benefit equally)

Establish a Means of Measuring Success; What is Success?

Need to understand what success would look like for you. How would you know whether you achieved success? How would it be measured? By whom? When?

Look at Short Term and Long Term Advantages and Disadvantages

Short and long term advantages and disadvantages may be different. Consider both.

What are your future obligations? What would you like them to be?

What would you/your customers be required to do in the future? Serve on a board, maintain the system, continue billing??

Outside or Neutral Facilitation

Look for resources within the community or outside the community to assist in facilitating discussions

Communication is Key

Communication at all levels is key – between parties, between managers/boards/operators, and between public and utility

What are the Financial Implications?

What will the funding requirements be for management, operations, customers, now and into the future?

Available Resources

Look at available federal and state resources. Also consider non-profits (EFC, NMRWA, RCAC, Universities)