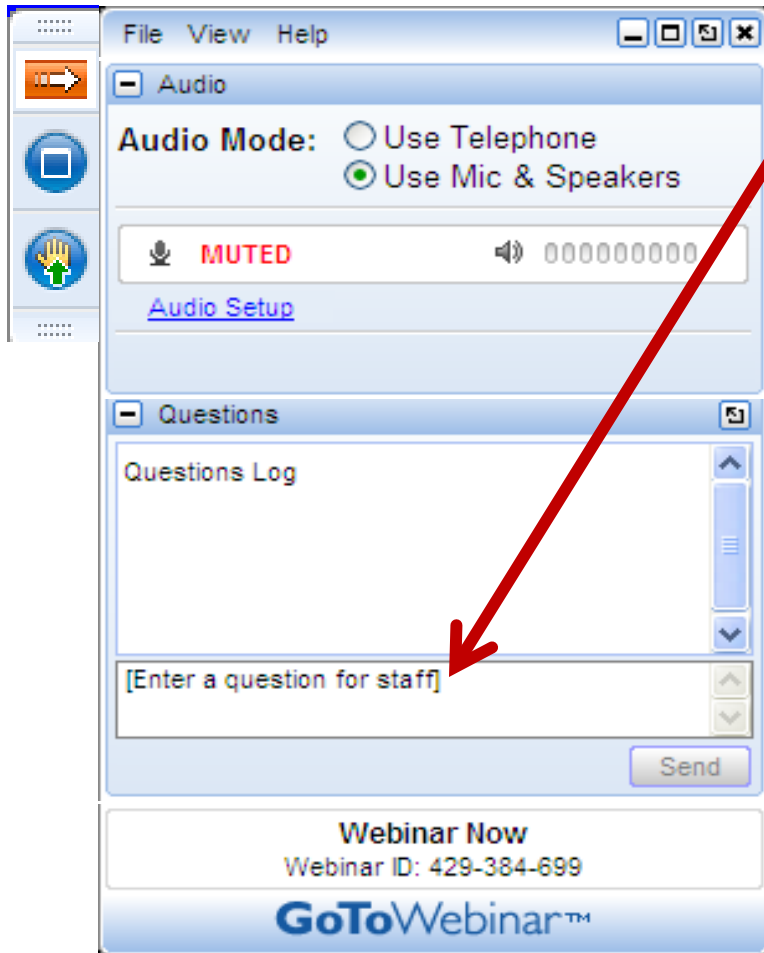


# Facilitating Partnerships:

State and funder  
perspectives

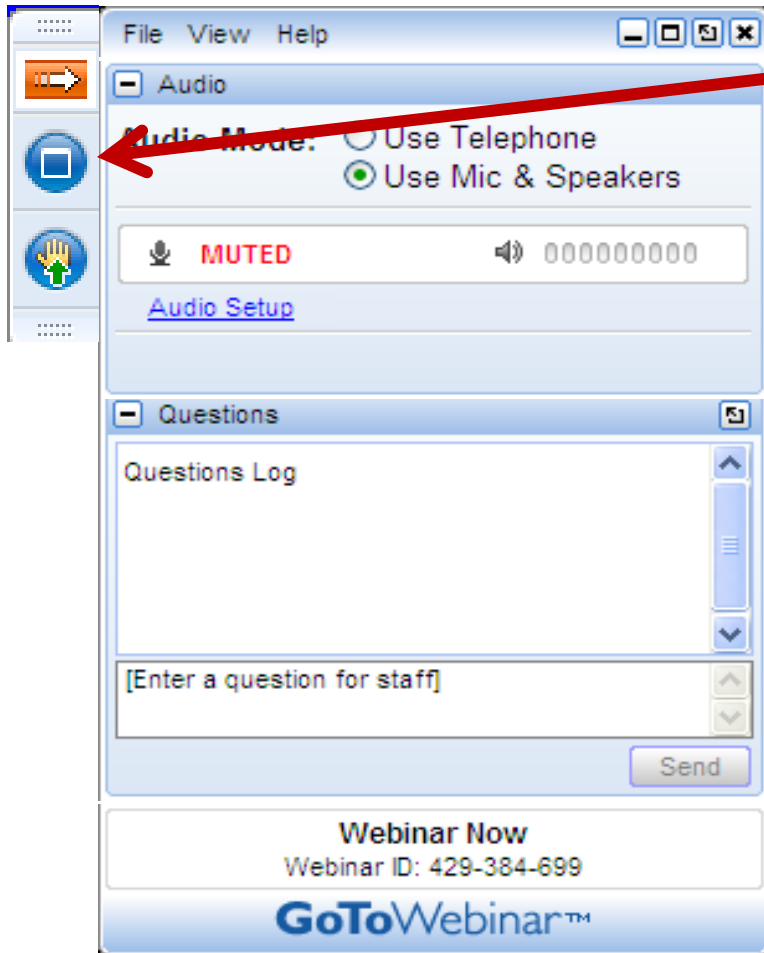
August 8, 2012  
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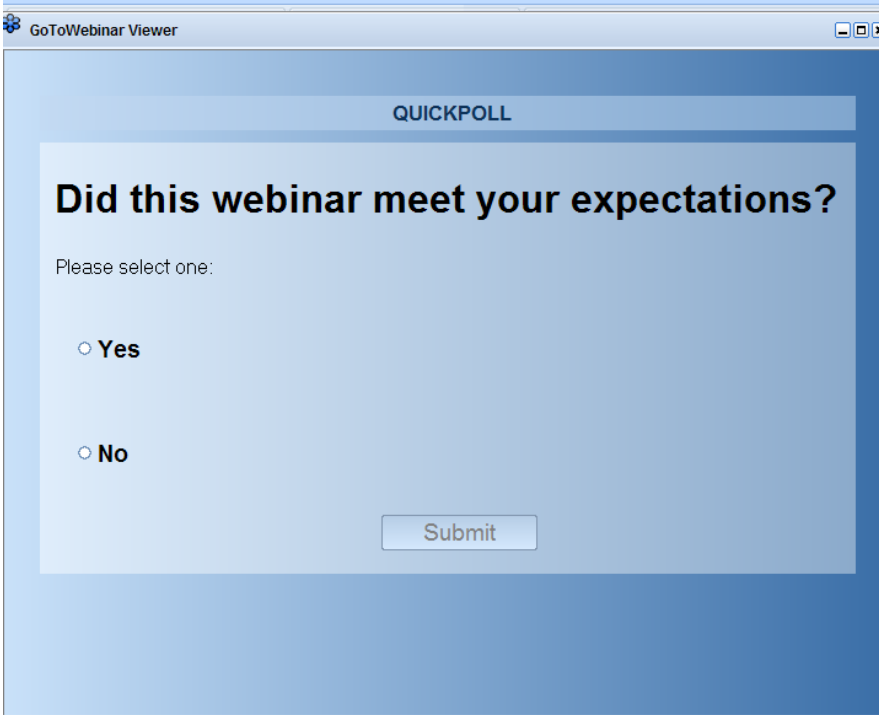
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**Did this webinar meet your expectations?**

Please select one:

Yes

No

Submit

CITRIX 100%

## Quick Poll:

Who is joining us today?

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# Today's webinar:

- What are water system partnerships?
- Facilitating Partnerships: State and Funder Perspectives
  - Vermont DEC
    - State policy to encourage partnerships
    - Improving access to funding
  - Mississippi USDA
    - Working with others
    - Partnerships across state lines
  - Washington DOH
    - Proactive approaches
    - Reactive approaches

# What are Water System Partnerships?



# What are water system partnerships?

- It's a **tool** for building technical, managerial and financial capacity.

# What are Water System Partnerships?

**Do you know a system that faces any one of these challenges?**

– **Technical**

- Inadequate or aging infrastructure
- Limited/poor source quality/quantity
- Lack certified operator

– **Financial**

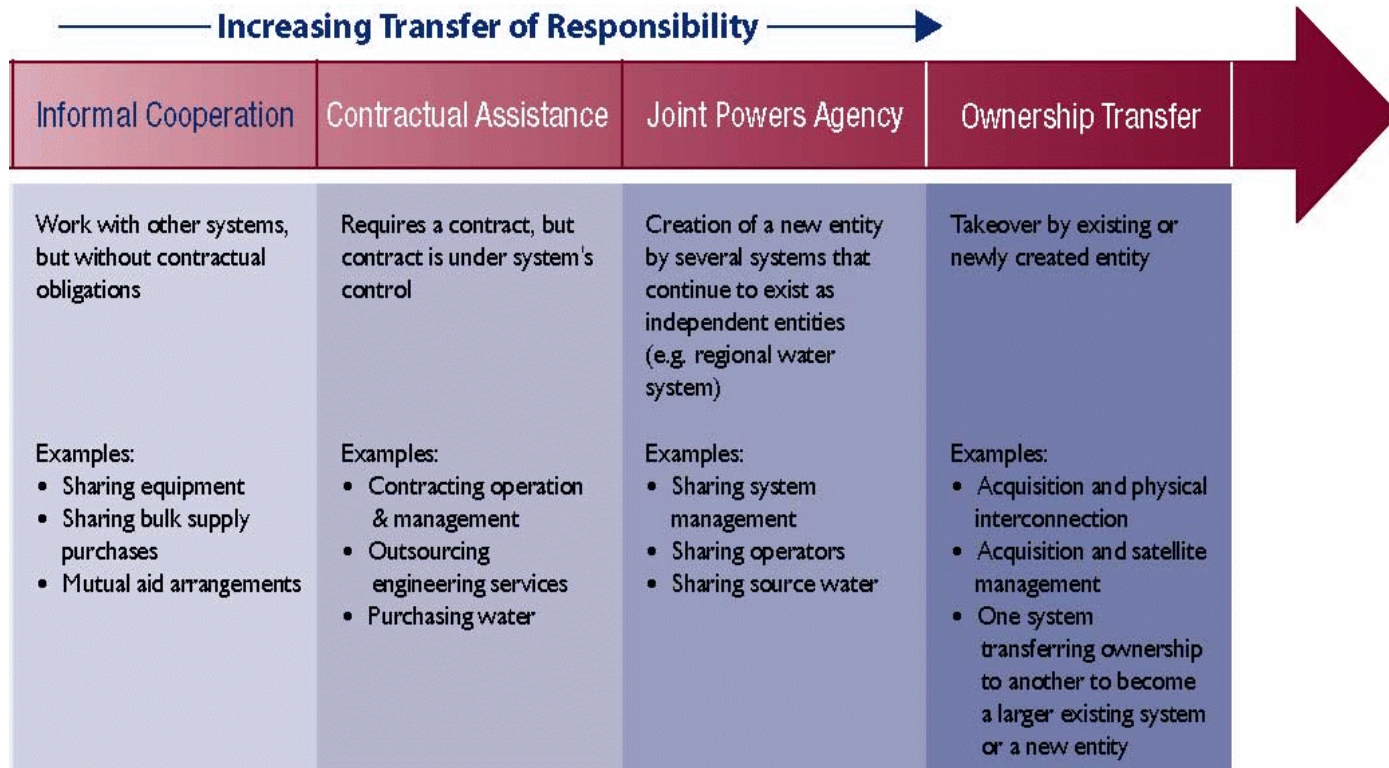
- Diseconomies of scale (few households = high costs)
- History of water rates that are too low
- Limited knowledge of financing options

– **Managerial**

- Limited part time management attention
- Lack of expertise in long-term water system planning or operations

# What are water system partnerships?

## The range of different types of partnerships



## Quick Poll

Who takes the lead on partnership efforts?

# Today's Webinar

Tools

Policies

Approaches

# Today's Panel

- **Ashley Lucht**
  - Vermont Department of Environmental Conservation
- **Bettye Oliver**
  - Water Program Director for USDA-RD Mississippi State Office
- **Derek Pell**
  - Washington Department of Health

# Ashley Lucht



Capacity Development  
Program Manager



# Bettye Oliver

Water Programs Director  
for USDA Rural  
Development  
in Mississippi



Committed to the future  
of rural communities.



# Derek Pell

Washington State  
Department of Health,  
NW Office of Drinking  
Water,  
Planning & Engineering  
Manager



# Water System Partnerships

## Vermont's Perspective

Ashley J. Lucht, Capacity Development Program  
State of Vermont  
Drinking Water & Groundwater Protection Division  
Drinking Water Program  
August 8, 2012



# Vermont's Demographics

State population ~625,000 (2010 census)

- Largest city: Burlington ~42,000 (2010 census)

Total regulated public water systems: 1362

- Community water systems (CWS) (as of 12/2011): total 440
  - Population 25- 500: 321
  - 501 – 3300: 85
  - 3301- 10,000: 27
  - >10,000: 7
- Non-Transient Non-Community (NTNC): total 242
- Transient Non-Community (TNC): total 680

DWGPD Drinking Water Program- 30 employees

- Only regulate sources that serve 25 or more people, at least 60 days of the year
- Regional offices have more but only manage non-public water and wastewater systems

# Vermont's Role in Water System Partnerships

## Capacity review

- Encourages TMF-lacking systems to connect
- Deny construction or operating permit to new systems that may lack TMF

## Funding (SRF)

- VT gives priority points for consolidation
- Gives more favorable financing to municipalities
- Through planning loan, explores other options → connection/consolidation

## Quick Poll:

How would you rate your level of activity when it comes to facilitating partnerships in your state?

Vermont plays an **active role** in water system partnerships through the use of funding programs and incentives.

Here is the tale of two small, low-income, rural, capacity-lacking systems...

# Four Seasons of Early Learning and Greensboro Bend FD#2

## Four Seasons of Early Learning (Daycare)

- 'Newly discovered'
- Failed water source → ran out of water; can't find source
- Was on a 'do not use', then 'boil water' notice
- NTNC = requires capability for continuous disinfection
- Small daycare in a very rural, low-income area
- 54 kids, teachers, aides



# Four Seasons of Early Learning and Greensboro Bend FD#2

## Greensboro Bend FD#2 (GBFD)

- Originally organized as a co-op
- Reformed as a fire district (municipality)
- 23 connections (currently)
- MHI is \$30,000 (2012 income survey)
- Lacking adequate chlorine contact time before first connection; stand-by power





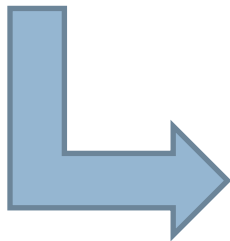
# Greensboro Bend Proposed Waterline



# Putting it Together

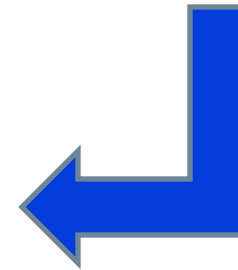
## Four Seasons of Learning

- Daycare submitted source permit
- Daycare applied to SRF for new source, stand-by disinfection
- Daycare would only be eligible for base loan program (20 yr/3%)



## Greensboro Bend FD#2

- GBFD applied to SRF for chlorine contact time, generator
- Daycare is ~900' from a GBFD flushing hydrant (end of line)



Internal **conversations** between capacity, operations and funding developed idea for consolidation; approached systems

# Facilitating the Partnership

- DWGPD **facilitated** monthly night meetings between Daycare and GBFD over two year period → **interlocal agreement**
- DWGPD **facilitated** coop transition to **fire district**
  - FD is an organizational structure that is recognized as a municipality; doesn't provide fire protection
  - More monthly night meetings (separate from interlocal meetings) over six to eight months to create FD application
  - Attended Selectbaord meetings to speak about FD process and responsibilities
  - Follow-up meetings to develop system by-laws, educate on open meeting law, etc.

GBFD, as a fire district, is eligible for non-base loan terms because of MHI and project costs

# Using Incentives

Used **funding incentives** for both sides to move the conversation

- SRF Planning loan forgiveness for GBFD (used to hire engineer)
- Probable favorable funding terms to GBFD, but not the daycare, including negative interest
- Additional priority list points because of consolidation
- Higher priority points for GBFD; guaranteed fundable
- Capacity issue if didn't work out
- Legal assistance

# The Results

- Construction start August 2012
- Project will result in more ERU's for GBFD
- Additional residential connections will be added
- Daycare will pay GBFD their pro-rated portion of the loan to connect to the system
- More sustainable user base for GBFD

Solves two systems compliance issues; eliminates one marginally sustainable system

# Questions

Ashley J. Lucht,  
Capacity Development Program  
[ashley.lucht@state.vt.us](mailto:ashley.lucht@state.vt.us)

[www.vermontdrinkingwater.org](http://www.vermontdrinkingwater.org)

# Water System Partnerships Mississippi's perspective

Bettye Oliver  
Water Programs Director  
USDA- RD  
Mississippi State Office  
August 8, 2012



# Water Systems Partnerships - Mississippi

- Mississippi has approximately 1,365 water systems.
- 552 funded by USDA, Rural Development.
- Majority are very small systems in rural communities.







Together in partnership the United States Environmental Protection Agency (EPA) and USDA, Rural Development are committed to assisting small systems achieve the technical, managerial and financial capacity needed to attain sustainability.

# Overview of Program

- Provide Federal Financial Assistance
- Eligible applicants
- Population of 10,000 or less
- Loans and grants
- Reasonable rates and terms
- Partnerships are encouraged



# How do we do it?

## Area Directors & Staff:

- Network with partners & stakeholders for all program areas
- Set specific goals & expectations that are tied to performance measures
- Cooperate rather than compete
- Program Director provides leadership
- Communicate expectations
- Facilitate discussion & collaboration

# Sustainability of Rural Communities

Well-maintained water and wastewater systems are critical to ensuring the sustainability of rural communities.



# Leverage Funds

Know the other funding sources available for your projects!

## Federal & State

- EPA – Environmental Protection Agency
- ARC – Appalachian Regional Commission
- CDBG – Community Development Block Grant
- DOT – Department of Transportation
- DRA – Delta Regional Authority
- SRF – State Revolving Loan Funds

# Leverage Funds

## Local

- County Governments
- Area Development Districts
- Municipalities

# Quick Poll

How would you rate your level of coordination with local planning agencies (e.g., area development districts, county governments, economic development districts) during the partnership process?

# Community Development Team Meetings

- Held in all 82 counties
- Inform and educate
- Prioritize needs
- Assist customers with their plan to help themselves through Rural Development financing and technical assistance
- Do not make promises you cannot keep
- Target Persistent Poverty/Strike Force Communities



# Other Strategies

- Meet regularly with other funding partners
- Technical Assistance Providers
- Market our programs
  - Press media
  - Ground breakings
  - Local officials
  - Celebrate successes

Compliance of small rural public water and wastewater systems with drinking water and clean water regulations.



COMMUNITY  
RESOURCE GROUP

[www.crg.org](http://www.crg.org)

# System Partnerships

<b>ACEC, American Council of Engineering Companies</b>	<b>DEQ, Department of Environmental Quality</b>
<b>MAS, Mississippi Association of Supervisors</b>	<b>MSDEQ, Mississippi Department of Environmental Quality</b>
<b>MSU, Mississippi State University Extension Service</b>	<b>DFA, Department of Finance and Administration</b>
<b>CRG, Community Resource Group</b>	<b>USDA–RD, Rural Development</b>
<b>MDA, Mississippi Development Authority</b>	<b>MSDOH, Mississippi State Department of Health</b>
<b>RWSM, Rural Water System Manager</b>	<b>MML, Mississippi Municipal League</b>

# Quick Poll

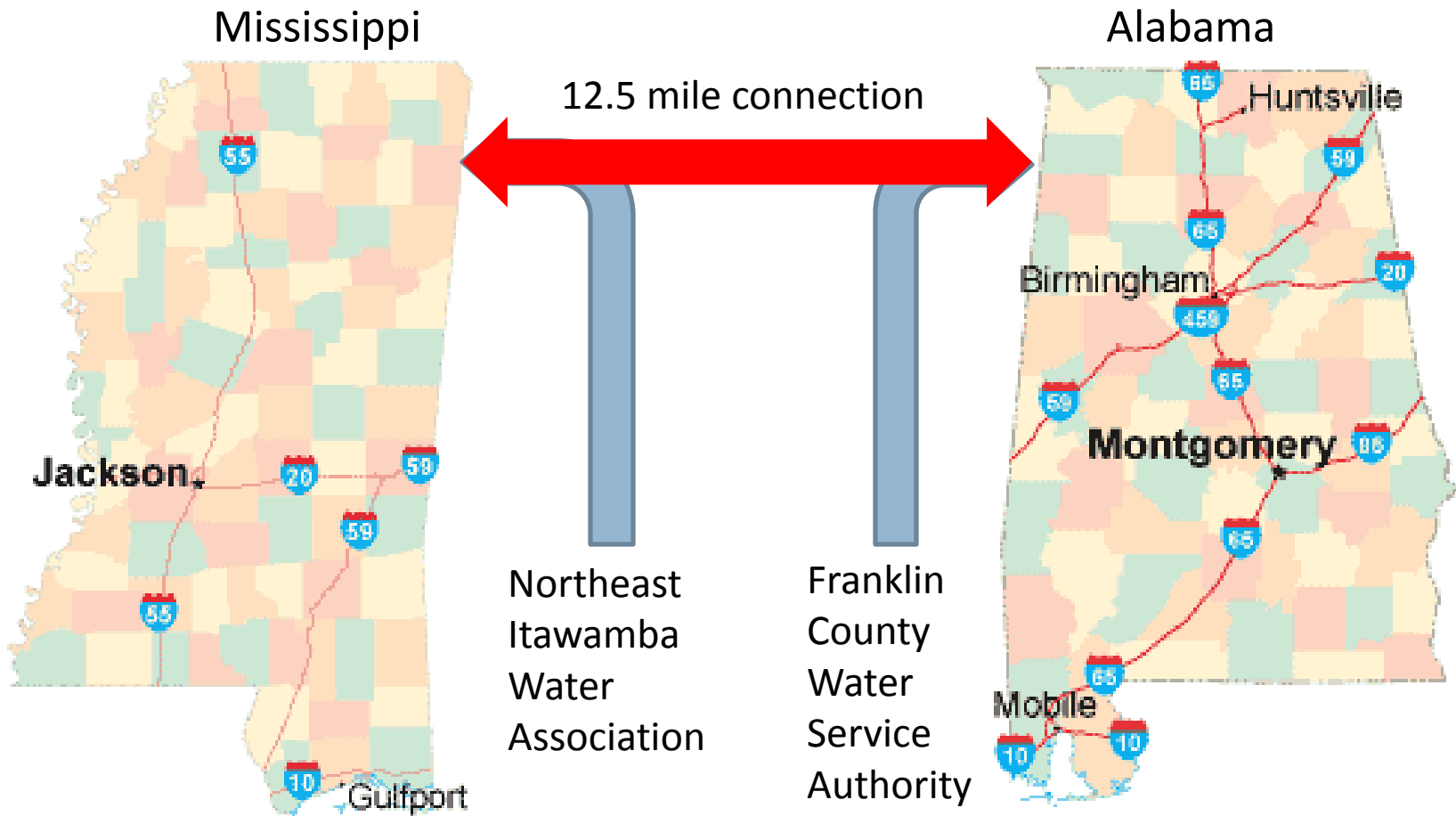
Does your state encourage borrowers to consider partnerships as a feasible alternative?

# Northeast Itawamba Water Association, Inc.(NEIWA)

- Diminishing water source.
- The Association needed an additional supply of water.
- They approached RD for funding.



# Water System Partnership



# Northeast Itawamba Water Association, Inc.(NEIWA)

Northeast  
Itawamba Water  
Association,  
Mississippi =  
diminishing backup  
source.

The Association  
begins pursue other  
alternatives.

NEIWA discouraged  
from attempting to  
drill any more wells  
in their service  
area.

Mississippi  
Department of  
Health structured  
an Agreed Order.

# Northeast Itawamba Water Association, Inc.(NEIWA)

Franklin County Water Service Authority in Alabama approached NEIWA with a proposal.

- Proposed 12” distribution main from Franklin County Water Authority in Alabama to NEIWA.
- Projected cost = \$3,388,000. A loan for \$2,187,000 and a grant \$1,201,000 were obligated on May 4, 2012.
- The average monthly user cost is projected to be \$32.76.





# Partners!

- Northeast Itawamba Water Association, Inc.
- Engineering Solutions, Inc. (ESI)
- Franklin County Water Service Authority
- Mississippi Department of Health, Bureau of Public Water Supply
- USDA, RD in Alabama
- Alabama Department of Environmental Management
- Tennessee Valley Authority
- Alabama Department of Transportation
- U. S. Army Corps of Engineers, Mobile District
- USDA, Natural Resource Conservation Service
- Mississippi Public Service Commission
- Mississippi Department of Archives and History
- Alabama Historic Commission
- United States Department of the Interior, Fish and Wildlife Service
- Mississippi Department of Wildlife, Fisheries, and Parks
- Alabama Department of Conservation and Natural Resources, Wildlife and Freshwater Fisheries Division
- Mississippi Rural Water Association

We all worked  
together!

# The Results

Cooperative effort between the states of Mississippi and Alabama resulted in a win for the systems!

- Will save the system thousands of dollars in iron removal treatment costs.
- Northeast Itawamba Water Association will have a reliable source of drinking water.
- Franklin County increases its revenues.
- Surrounding systems will have a backup water source.

# Questions

Bettye Oliver

USDA-Rural Development

Mississippi State Office

[bettye.oliver@ms.usda.gov](mailto:bettye.oliver@ms.usda.gov)

601-965-5460

# Water System Partnerships

## Washington's Perspective

Derek Pell, PE

Washington State Department of Health

Office of Drinking Water

August 8, 2012



# Encouraging Partnerships

## Outline

- State's Partners
- State's Drinking Water History / Demographics
- Partnership Strategies / Tools
- Restructuring Stories

# WA State Drinking Water History

## Beyond the Safe Drinking Water Act (SDWA)

- 1917 WA State's 1<sup>st</sup> Drinking Water rules
- 1921 Water system design approval required
- 1970 Water planning required
- 1977 Water System Coordination Act
- 1990 Growth Management Act
- 1995 Satellite management rules
- 2003 Municipal Water Law

# Partners

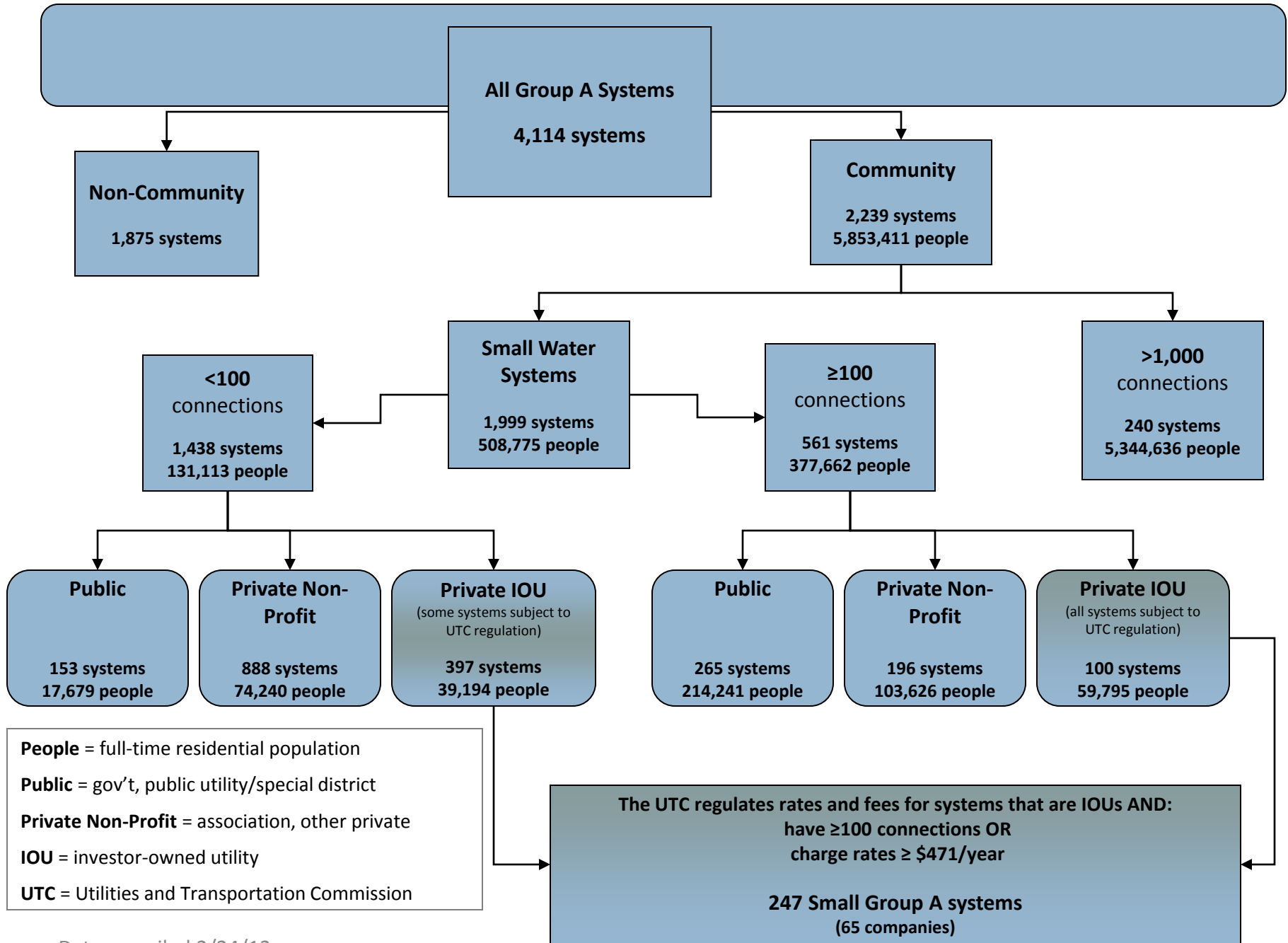
- Utilities
- Local Government
- Other State Agencies
- Utilities & Transportation Commission
- State Revolving Fund
- Public Works Trust Fund
- 3<sup>rd</sup> Party Tech Assist & Funding

# WA State Demographics

- State population 6,724,540 (2010 census)
- 2,239 community water systems
  - 240 serving >1,000 connections (76% pop)
  - 2,000 serving <1,000 connects (8% pop)
    - 75% of these serve <100 connections
    - 90% of these are non-municipally owned
- 1,875 non-community water systems



# Group A Water Systems – by Size and Ownership Type



**People** = full-time residential population  
**Public** = gov't, public utility/special district  
**Private Non-Profit** = association, other private  
**IOU** = investor-owned utility  
**UTC** = Utilities and Transportation Commission

# Partnership Strategies

## Proactive

1. Relationships with utilities
  - Design review, sanitary surveys
2. Individual Water System Planning
  - Technical, Managerial, Financial Capacity
3. Coordinated Water Supply Planning
  - Collaborative relationship among utilities

# Quick Poll

Does your state encourage partnerships through any of the following proactive planning activities?

(Check all that apply)

# Partnership Strategies

## Proactive

4. Satellite Management Agencies (SMA)
  - State reviewed management plans
  
5. TMF Capacity Self-Assessment
  - See link in Speaker's notes
  
6. State Revolving Fund
  - Loan program
  - Set-asides for restructuring

# Quick Poll

Does your state have something similar to Washington state's Satellite Management Agencies?

# Partnership Strategies

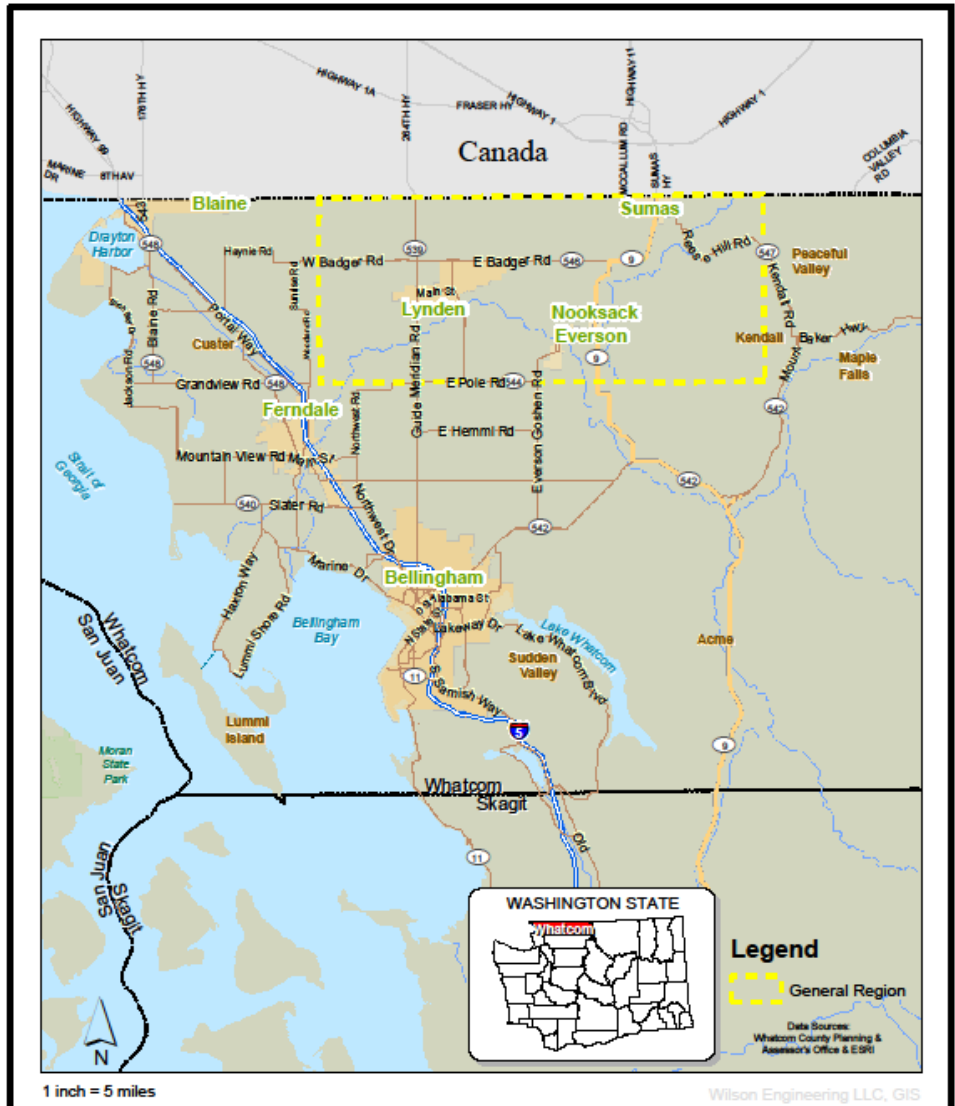
## Reactive

- Targeted compliance
- Permit restrictions at local level
- Enforcement penalties
- RECEIVERSHIP

“Report to the Legislature, Small Public Drinking Water Systems”, 2009, WA State Department of Health.

# North Whatcom County Nitrates





**WHATCOM COUNTY PUD NO. 1**

WHATCOM COUNTY WASHINGTON

**North County Feasibility Study**

**Regional Vicinity Map**

DATE FEB 2008	SHEET <b>1</b>
SCALE 1:816,800	
JOB NUMBER 2009-035	OF <b>6</b>





# North Whatcom Nitrates

## Using the Tools – A Regional Solution

- **Community meetings** to discuss health risks and potential solutions.
- **Compliance agreements** with utilities – treat or participate in regional solution.
- SRF set-aside **Feasibility Studies** to explore options, public meetings.

# North Whatcom Nitrates

## Using the Tools

- Identified water right to expand Town of Lynden's supply (City of Bellingham).
- Multi-agency **discussions** begin to align stakeholder interests.
- Utilities **update planning documents** and apply for SRF funding.
- 50% SRF **loan forgiveness** for utility consolidations.

# The Results

- Town of Lynden wholesales water
- Small utilities consolidate service areas
- Consumers receive water meeting nitrate standard
- Implementing Best Management Practices to mitigate source of nitrate contamination

# Columbia Crest Estates





# Columbia Crest

## Using the Tools – Trying to build capacity

- Utility planning – **not effective.**
- Financial Regulation – **not effective.**
- Compliance & Enforcement
  - Failed to comply with agreements and orders.
  - Penalty \$21,060.

# Columbia Crest

## Using the Tools - Receivership

- Receivership – **start**
  - County Public Works willing receiver
  - Adjacent Water District agreed to manage
- Community meetings
  - Helping homeowners organize / governing body
  - Transfer of ownership discussions
- Receivership – **finish**
  - Court valued system at \$1
  - Ordered transfer of ownership to Water Assoc.



# The Results

- Compliance Agreement with Water Association
- Utility Planning
- State Revolving Fund
- Arsenic treatment installed
- Reliable, self governed water utility

# Questions?

Derek Pell

Washington State Department of Health

Office of Drinking Water

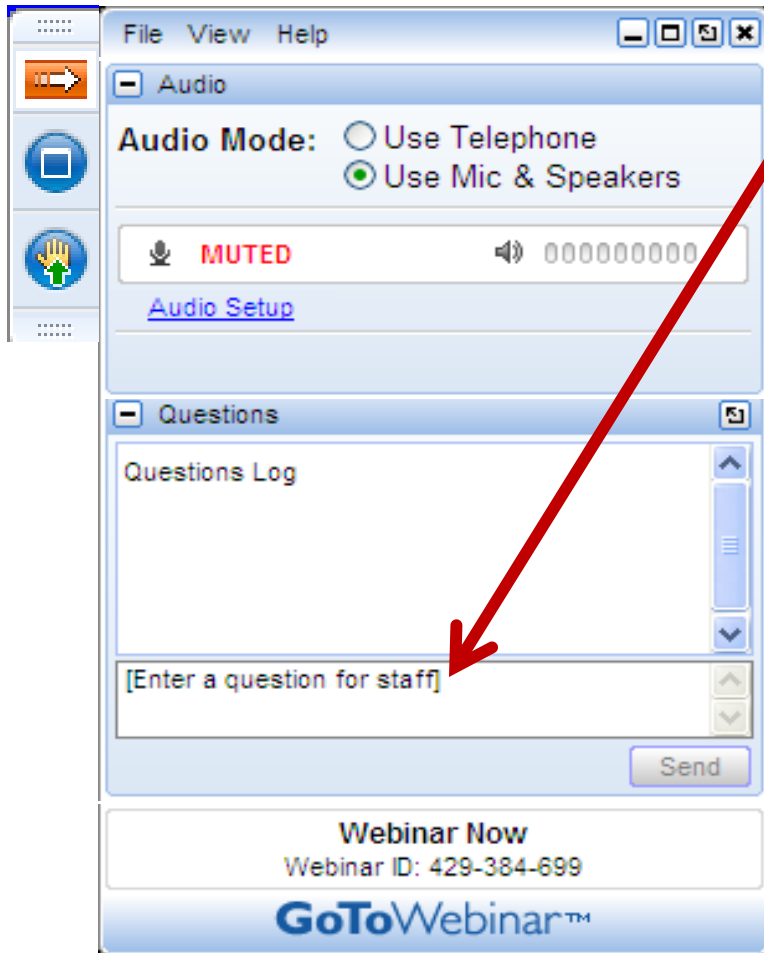
[Derek.pell@doh.wa.gov](mailto:Derek.pell@doh.wa.gov)

253-395-6763

# Quick Poll

What do you want to learn more about ?

# Questions and Answers



- You can submit questions/comments at any time
- Just use the question and answer pane that is located on your screen
- We will address as many questions as possible