

# WATER SYSTEM PARTNERSHIPS:

## STATE PROGRAMS AND POLICIES SUPPORTING COOPERATIVE APPROACHES FOR DRINKING WATER SYSTEMS

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## ABOUT THIS GUIDE

This guide contains information about programs, statutes and policies implemented in each state that encourage partnerships between drinking water systems. Drinking water system partnerships encompass a full range of options where entities (i.e. systems, communities, non-profits, associations) work together to reduce operating costs, improve access to safe drinking water and leverage limited resources. This document is intended as a starting point for public water system (PWS) owners or operators seeking information in their states *and* state drinking water program staff who would like an overview of how other states encourage and facilitate partnerships. This guide will point communities towards resources as they begin to explore the benefits that partnerships can bring to their utility.

While this guide outlines state programs that directly support partnerships, it is by no means a comprehensive list of all ways a state is engaging on partnership activities. States often employ best management practices that indirectly support partnership development. Additionally, work focused on compliance with SDWA requirements encourage partnership use as well. The programs laid out in this guide are those where the state is specifically working to support partnership activities.

The term “Partnerships” refers to a range of possible activities that water systems can consider (see Table 1). These agreements range from informal bulk purchasing of chemicals or equipment to formal contract development between utilities for the purpose of improving operation and management of the utility. Each state’s section in this guide contains specific legal or programmatic language that requires or encourages consolidation or restructuring of drinking water systems. Information about state drinking water programs and reference guides and manuals produced by the states are also included.

This guide consists of three sections. The main body summarizes partnership policies, programs and/or regulations by state. This information has been compiled from state-produced documents including the Drinking Water State Revolving Fund (DWSRF) Intended Use Plans; Capacity Development Strategies, Annual Reports and Triennial Governors’ Reports; and state drinking water program websites; as well as other government files and information provided by state regulatory agencies.







### SAFE DRINKING WATER ACT: 1996 AMENDMENTS and Partnerships

*In 1996, the Safe Drinking Water Act (SDWA) was amended in part to address the challenges small water system faced. The new Act prioritized assistance to small water systems through establishing state capacity development and operator certification programs, and training and technical assistance targeting small water systems. In addition, the Act established the Drinking Water State Revolving Fund (DWSRF). Many States have directed resource towards partnership development.*

*States and the EPA have devoted substantial resources to enhancing the technical, managerial, and financial (TMF) capacity of small water systems. Partnerships between small water systems have long been seen as a TMF capacity-building tool. Partnered systems can access some of the advantages that larger systems have, for example a larger customer base over which to spread infrastructure and operation costs.*

In each state summary, efforts to promote partnerships are labeled with the following categories:

**Table 1. PROGRAM/POLICY TOOL ICONS USED IN THIS GUIDE**

PROGRAM OR POLICY ICON	MEANING
	Drinking Water State Revolving Fund or other funding mechanisms
	State Capacity Development or Operator Certification Programs
	Mid-Level, County or Regional Planning
	State Drinking Water Enforcement Program
	State Legislation and/or Statute
	Emergency Planning

Sections two and three are appendices: Appendix A includes internet links to partnership resources produced by states, EPA, or other organizations, as well as links to state statutes and regulations. Appendix B includes a list of the common authority, statutory, and regulatory elements used by the states as of August 2017.

## DRINKING WATER SYSTEMS CHALLENGES

Drinking water systems, particularly those with limited resources, often face significant challenges in providing safe, reliable drinking water to their users at a reasonable cost. These systems may lack technical, managerial, or financial (TMF) capacity or a combination of these elements that would help them meet their public health protection goals. Other factors, such as aging infrastructure, a shrinking customer base over which to disperse costs, or a lack of qualified or knowledgeable operators can add to the challenges.

## TYPES OF PARTNERSHIPS

Water systems can utilize partnerships to build capacity and enhance public health protection. On one end of the spectrum, a partnership can be as simple and informal as two or more water systems agreeing to share equipment or buy treatment chemicals together to capture savings from bulk purchases. A more formal partnership could include contractual assistance or creating a joint power agency to allow sharing of operators, building an emergency interconnection, or engaging in regional water planning with nearby water systems. Finally, on the far end of the partnership spectrum is ownership transfer, where two or more systems combine to form one system or where the ownership of a system is transferred to another entity.

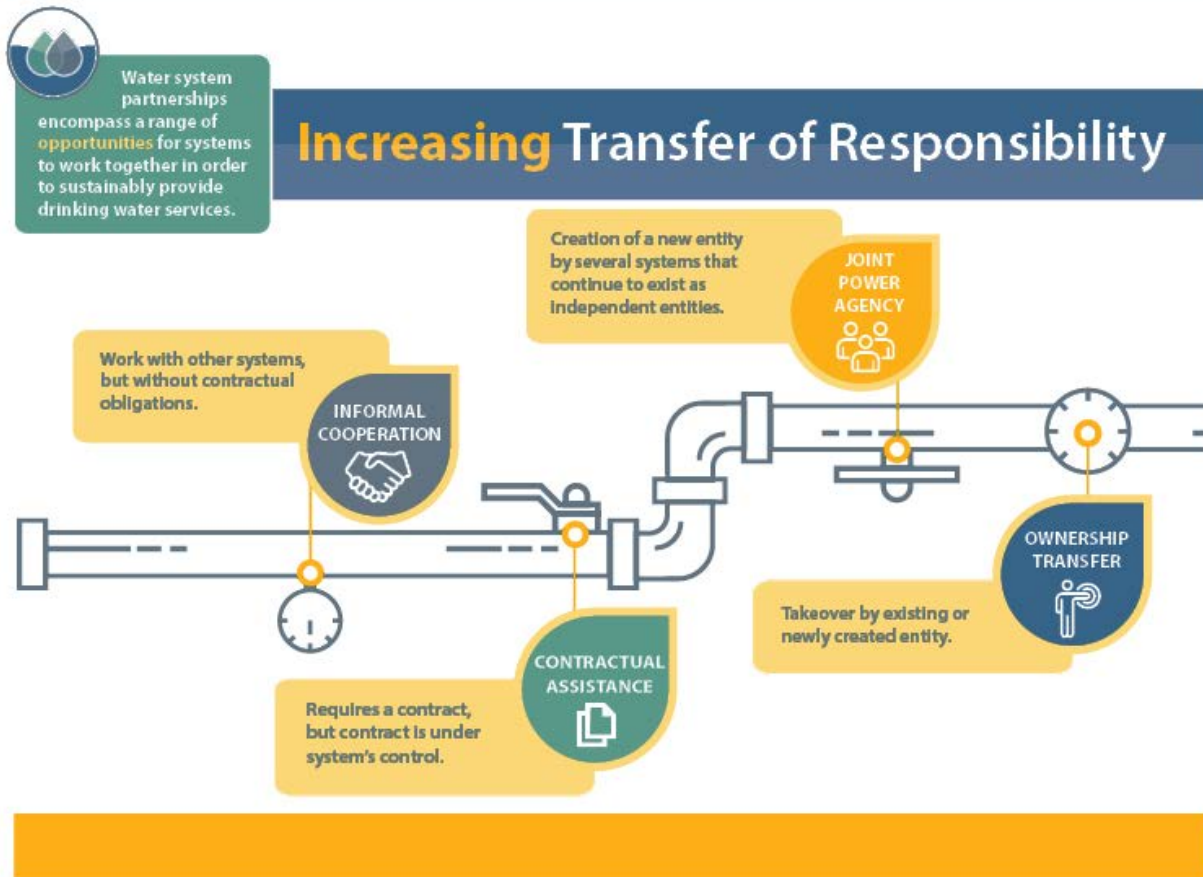


Figure 1. Partnerships Spectrum

These partnership activities help systems enhance their TMF capacity:

- **Technical capacity improvements** can include increasing access to higher quality/quantity source water; sharing, upgrading, or building new infrastructure; developing more efficient treatment technologies; and opening access to a certified operator and additional expertise.
- **Managerial capacity improvements** can include increasing expertise in water system planning/operations and enhancing systems' financial, accounting, and asset management practices.
- **Financial capacity improvements** can include reducing costs, achieving greater economies of scale through shared services, and increasing a system's access to funds through new partnerships. In addition, systems that consider consolidation or restructuring may receive preferential treatment in loan or grant programs (e.g., higher priority for DWSRF loans).

In addition to helping small water systems achieve and maintain TMF capacity, water system partnerships can reduce the oversight and resources that states need to devote to these systems. States can promote water system partnerships through capacity development and operator certification programs, loans and set-asides in the DWSRF, and/or state legislation and regulations. In addition, state drinking water programs can promote partnerships through collaboration with other state agencies such as the public utility or public service commissions. Examples of these state strategies can be found throughout this document and are also included in Appendix B.

## STATE DRINKING WATER SYSTEM PARTNERSHIPS SUMMARY

States support drinking water system partnerships in a variety of ways. Many offer financial incentives to encourage their use to help systems provide safe drinking water. Thirty-five states offer priority points in the DWSRF for partnerships, and ten states, like Maine, have a specific grant program to encourage their use. Within their capacity development programs, seventeen states include partnerships activities and facilitation of partnerships within the program. Fourteen states require new systems to consider interconnection to existing systems. A less common approach to increasing partnerships is found in California and Alaska, who have programs that authorize the state to order partnerships under certain conditions. The state programs highlighted here are not a comprehensive list of all activities that the state engages in around partnerships. Rather, it represents the programs and activities the state explicitly commits to supporting the increased use of partnerships to help increase access to safe drinking water and improve operational efficiencies at drinking water systems.



## COMMONLY USED ACRONYMS

CDBG	Community Development Block Grant
CPCN	Certificate of Public Convenience and Necessity
CWS	Community Water System
CWSRF	Clean Water State Revolving Fund
DEP	Department of Environmental Protection
DEQ	Department of Environmental Quality
DNR	Department of Natural Resources
DOH	Department of Health
DWSRF	Drinking Water State Revolving Fund
EFC	Environmental Finance Center
FFY	Federal Fiscal Year
IUP	Intended Use Plan
MCL	Maximum Contaminant Level
PWS	Public Water System
SDWA	Safe Drinking Water Act
SFY	State Fiscal Year
STP	Single Tariff Pricing
TMF	Technical, Managerial, and Financial
USDA	United States Department of Agriculture
WARN	Water and Wastewater Agency Response Networks

**Note: All URLs referenced in this guide were valid as of August 2017.**

## ALABAMA



Alabama Department of Environmental Management (ADEM)  
Alabama Cooperative Extension System

### STATE POLICIES AND PROGRAMS REGARDING WATER SYSTEM PARTNERSHIPS



#### DWSRF PRIORITIZATION OF CONSOLIDATION PROJECTS

Alabama's DWSRF program gives priority to projects that "use consolidation with other systems to correct existing deficiencies and improve management." The Alabama Drinking Water Finance Authority Act, No. 97-415 specifies that the DWSRF may finance legal fees and water buy-in fees associated with consolidation.



#### IDENTIFYING POSSIBLE SYSTEM CONSOLIDATIONS THROUGH SANITARY SURVEYS

The Capacity Development Program encourages consolidation of non-viable water systems with other viable water systems with the goal to improve or inactivate non-compliant systems. Sanitary surveys are used to identify systems lacking in TMF capacity that could benefit from consolidation. The number of non-viable water systems, both community and non-community, has decreased as a result. According to Alabama's 2014 Triennial Capacity Development Report to the Governor, the number of overall active PWSs has gone down by half as non-viable systems are inactivated and as systems consolidate (see Figure 2).



#### COORDINATION WITH OTHER GROUPS REGARDING NEW AND EXISTING SYSTEMS

ADEM's Drinking Water Branch coordinates with local stakeholder groups and other state and federal agencies to discuss the TMF capacity of proposed new water systems. "Communication with these groups has discouraged the construction of non-viable new water systems and the expansion of marginally operated existing water systems" (see the 2014 Triennial Capacity Development Report to the Governor in link below). Encouraging existing viable systems to extend service to new areas rather than allowing the construction of new systems eases the regulatory burden on the state and increases public health protection.

### HELPFUL LINKS TO STATE RESOURCES

- Drinking Water Reports (including Annual Reports and Capacity Development Triennial Governor's Reports):  
<http://adem.alabama.gov/programs/water/dwother.cnt>
- Clean Water and Drinking Water State Revolving Fund Information:  
<http://www.adem.state.al.us/programs/water/srf.cnt>
- Environmental Regulations and Laws:  
<http://www.adem.state.al.us/alEnviroReglaws/default.cnt>
- Alabama Cooperative Extension System's Water Information Website:  
<http://www.aces.edu/waterquality/index.php>

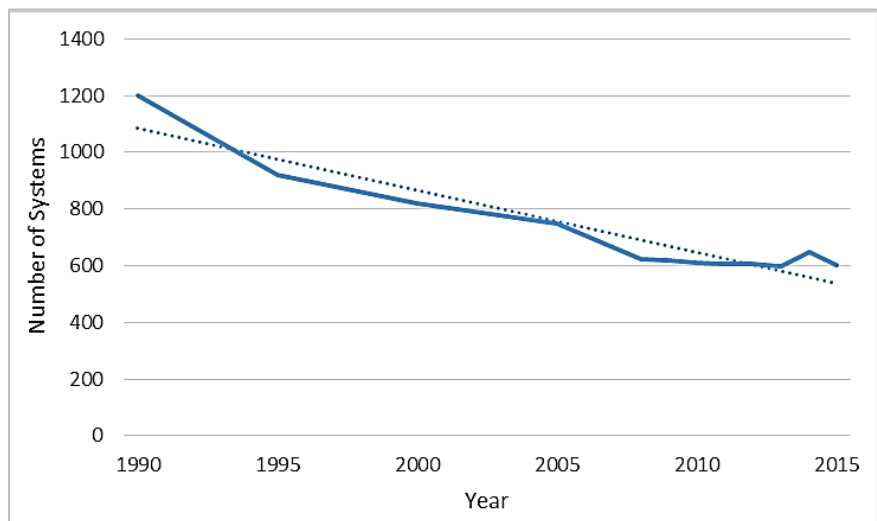


Figure 2. ACTIVE PWSs IN ALABAMA 1990-2015 (Source: 2011 Triennial Capacity Development Report and Drinking Water Annual Reports from 2010-2015)



Alaska Department of Environmental Conservation  
 Division of Environmental Health  
 Division of Water

## STATE POLICIES AND PROGRAMS REGARDING WATER SYSTEM PARTNERSHIPS



### DWSRF PRIORITIZATION OF CONSOLIDATION PROJECTS

DWSRF funding is awarded to projects based on priority points. In Alaska's DWSRF program, projects that include consolidation or regionalization are awarded 5 points. Projects that will enhance the sustainability of the system may also earn extra points. For example, projects can earn 50 points for "Fix It First" projects and 25 points for projects that will apply Effective Utility Management or planning.



### OPERATOR SHARING

Alaska's Department of Environmental Conservation can approve one contract operator to supervise more than one system according to the Operator Certification and Training Regulations (18 AAC 74). The department will take into account the system size, complexity, accessibility, emergency planning, and other factors when approving the plan for such a scenario.



### STATE ORDERED CONSOLIDATION OR INTERCONNECTION

The Regulatory Commission of Alaska (RCA) can order public systems with conduits, pipes, pipelines, mains, or other distribution or transmission facilities to allow other public systems to use these facilities when public convenience and necessity require it. Use must not result in substantial injury to the owner or in substantial detriment to the provided service. The user must pay for any necessary modifications or additions and may be required to pay reasonable compensation for use of the facilities [AS 42.05.311 (a)].



### NEW SYSTEMS MUST CONSIDER INTERCONNECTION TO EXISTING SYSTEMS

Applications for new PWSs that are located within one mile of an existing water system must include "an explanation why connection to the existing service is not in the customer's interest" [3 ACC 52.715(b)(4)].

## HELPFUL LINKS TO STATE RESOURCES

- ADEC's Contract Operator Approval Policy: <http://dec.alaska.gov/water/opcert/contractoperatorpolicy.htm>
- ADEC's Drinking Water Program: <http://dec.alaska.gov/eh/dw/>
- Alaska's Drinking Water Regulations: <http://dec.alaska.gov/eh/dw/dw-regulations.html>
- Municipal Grants & Loans: <http://dec.alaska.gov/water/MuniGrantsLoans/index.htm>
- Statute and Administrative Code Infobase: <http://rca.alaska.gov/RCAWeb/Home.aspx>
- Village Safe Water Program: <http://dec.alaska.gov/water/vsw/index.htm>

*Because of the remote nature of many areas in Alaska, physical interconnections are not always feasible. In fact, in many remote areas the state is focused on decentralized water and wastewater options in order to address the pressing need for affordable and reliable access to safe drinking water. For information visit:*

*<http://dec.alaska.gov/water/watersewer-challenge/index.html>.*

*However, other types of partnerships, such as operator sharing and coordination among water systems, are a way some systems are able to use partnerships to help manage and plan their water resources.*



Arizona Corporation Commission  
 Arizona Department of Environmental Quality  
 Arizona Water Infrastructure Finance Authority

## STATE POLICIES AND PROGRAMS REGARDING WATER SYSTEM PARTNERSHIPS



### DWSRF PRIORITIZATION OF CONSOLIDATION PROJECTS

The Water Infrastructure Finance Authority of Arizona prioritizes project applications that will include consolidation or regionalization. The application for funding asks whether the project physically consolidates two or more PWSs into one PWS; if the project is the extension of service to areas currently not served by a PWS; or if the project consolidates the operations, management, and/or ownership of two or more PWSs.



### CAPACITY DEVELOPMENT ASSISTANCE FOR SMALL WATER SYSTEMS

The Arizona Corporation Commission formed a Small Water Systems Ombudsman Office to assist small water utilities in preparing and filing rate and financing applications and other compliance filings to help support long-term system sustainability, including partnering.



### OPERATOR SHARING

Title 18-5-104 of the Arizona Administrative Code allows very small water systems to have remote operators, as long as the remote operator resides no more than 200 miles by ground travel from the water system and they visit either weekly or monthly, based on the size and type of the system.



### STATE ORDERED CONSOLIDATION OR RESTRUCTURING

The Arizona Corporation Commission has the regulatory power to order a public service corporation to make additions, improvements, or changes to an existing plant and to construct new structures, including interconnections to other systems. If any ordered changes require joint action by two or more public service corporations, the corporations must share the cost of those changes (after notice from the commission). If the corporations cannot agree upon an apportionment of the costs, the commission can order the corporations to pay at a proportion determined by the commission (Arizona Revised Statute 40-331).

## HELPFUL LINKS TO STATE RESOURCES

- Arizona Department of Environmental Quality, Water Quality Division: <http://www.azdeq.gov/programs/water-quality-division>
- Operator Certification: <http://www.azdeq.gov/OperatorCertification>
- Water Infrastructure Finance Authority of Arizona (WIFA): <http://www.azwifa.gov/>
- Arizona Administrative Code: <http://www.azsos.gov/rules/arizona-administrative-code>
- Arizona Corporation Commission Small Water Systems Ombudsman Office: <http://www.azcc.gov/divisions/utilities/smallwaterombudsmanoffice.asp>



## STATE POLICIES AND PROGRAMS REGARDING WATER SYSTEM PARTNERSHIPS



### DWSRF PRIORITIZATION OF CONSOLIDATION PROJECTS

Those seeking DWSRF funds are priority ranked for available loan monies if they are interconnecting, consolidating, or regionalizing systems that lack TMF capacity. In addition, DWSRF applicants must show through an engineering review and cost review that interconnection with an existing PWS is not the best option.



### NEW SYSTEMS MUST CONSIDER INTERCONNECTION TO EXISTING SYSTEMS

All new PWSs are required to submit an engineering report to the Department of Health detailing all available options for a new system. Those with new sources are required to evaluate all contiguous existing PWSs to determine if interconnection is the best option. For existing systems, all PWSs seeking non-private funding of construction projects must be reviewed by the Water and Wastewater Advisory Committee.

## HELPFUL LINKS TO STATE RESOURCES

- Arkansas Office of Drinking Water:  
<http://www.healthy.arkansas.gov/programsServices/environmentalHealth/Engineering/drinkingWater/Pages/default.aspx>
- Capacity Development:  
<http://www.healthy.arkansas.gov/programsServices/environmentalHealth/Engineering/CapacityDevelopment/Pages/default.aspx>
- Operator Certification:  
<http://www.healthy.arkansas.gov/programsServices/environmentalHealth/Engineering/operatorCertification/Pages/default.aspx>



California Environmental Protection Agency  
California State Water Resources Control Board (SWRCB)

**STATE POLICIES AND PROGRAMS REGARDING WATER SYSTEM PARTNERSHIPS**



**DWSRF PRIORITIZATION OF CONSOLIDATION PROJECTS**

California’s DWSRF program includes an incentive program for consolidation. In their IUP for SFY 2016-2017, the SWRCB lists several incentives for consolidation, including but not limited to: up to \$5 million zero percent interest rate financing “for a construction project that benefits eligible PWSs if such PWS completes a full consolidation with a water system serving a small disadvantaged or small severely disadvantage community;” priority financing to consolidation projects “using financial assistance terms the smaller consolidating entity would be eligible for;” and funding to replace capacity lost through consolidation. The Division of Financial Assistance also requires all funding applicants to evaluate the feasibility of consolidation (via the TMF assessment listed above).



**TMF ASSESSMENTS**

New community and non-transient, non-community water systems must complete a TMF assessment. One of the required components of the assessment is to evaluate the feasibility of consolidation.



**NEW SYSTEMS MUST CONSIDER INTERCONNECTION TO EXISTING SYSTEMS**

In reference to submittals for operation permits, any new system applying for operation within the State of California must submit a preliminary technical report including a characterization of water quality and an evaluation of the feasibility of consolidation (Section 116527). In addition, if the California SWRCB determines that consolidation or interconnection is feasible and that the proposed water system would not be able to deliver safe drinking water, the SWRCB may deny the permit [Section 116540(d)].



**STATE-ORDERED CONSOLIDATION IN DISADVANTAGED COMMUNITIES**

The SWRCB has the authority to order consolidation of a small water system within a disadvantaged community that “consistently fails to provide an adequate supply of safe drinking water” with a receiving water system [Section 116682(a)]. In addition, Section 116684: Consolidation Liability Exemptions provides liability relief for a “consolidated water system, wholesaler, or any other agency in the chain of distribution that delivers water to a consolidated water system.” Finally, if the SWRCB does not deem consolidation or interconnection feasible, they may contract with an administrator to provide administrative and managerial services to the selected system (Section 116686).

**HELPFUL LINKS TO STATE RESOURCES**

- California’s Public Drinking Water Systems page: [http://www.waterboards.ca.gov/drinking\\_water/certlic/drinkingwater/publicwatersystems.shtml](http://www.waterboards.ca.gov/drinking_water/certlic/drinkingwater/publicwatersystems.shtml)
- Operator Certification: [http://www.waterboards.ca.gov/drinking\\_water/certlic/occupations/DWopcert.shtml](http://www.waterboards.ca.gov/drinking_water/certlic/occupations/DWopcert.shtml)
- Capacity Development: [http://www.waterboards.ca.gov/drinking\\_water/certlic/drinkingwater/TMF.shtml](http://www.waterboards.ca.gov/drinking_water/certlic/drinkingwater/TMF.shtml)
- California’s Drinking Water-Related Laws: [http://www.waterboards.ca.gov/drinking\\_water/certlic/drinkingwater/Lawbook.shtml](http://www.waterboards.ca.gov/drinking_water/certlic/drinkingwater/Lawbook.shtml)
- California DWSRF: [http://www.waterboards.ca.gov/drinking\\_water/services/funding/SRF.shtml#](http://www.waterboards.ca.gov/drinking_water/services/funding/SRF.shtml#)



Colorado Department of Public Health and Environment - Water Quality Control Division  
 Colorado Water Resources & Power Development Authority

**STATE POLICIES AND PROGRAMS REGARDING WATER SYSTEM PARTNERSHIPS**



**DWSRF PRIORITIZATION OF CONSOLIDATION PROJECTS**

Colorado prioritizes projects that restructure and consolidate water systems to correct contamination issues or to assist systems unable to maintain SDWA compliance due to insubstantial financial and managerial capacity. Under the category of “Sustainability,” projects that consolidate or regionalize two or more PWSs are awarded 10 points. Several consolidations are included in the 2016 Project Eligibility List.



**ENCOURAGING SYSTEM COLLABORATION**

Colorado’s Capacity Development strategy includes the goal to: “develop a program that will support collaboration among all drinking water systems, assist those smaller systems understand their problems and potential solutions, and use performance based approaches to developing training.” This goal includes such activities as: free system training and the development of an excellence program for all systems. The excellence program encourages source water protection, distribution optimization, improved operations and maintenance, and includes incentives to examine and form partnerships. More information about the program can be found here:

<https://www.colorado.gov/pacific/cdphe/excellence-award-program>.



**EMERGENCY RESPONSE**

Water system partnerships are fostered through Colorado’s Water/Wastewater Agency Response Network (CoWARN). CoWARN is a statewide network with a central purpose of preparing for emergency situations through “utilities helping utilities.” CoWARN provides water and wastewater utilities with a mutual aid agreement, mutual assistance program, resources to respond to and recover from disasters, and a growing network of emergency contacts. Additionally, there is a Joint Security and Emergency Preparedness Committee formed under the Rocky Mountain Section of the American Water Works Association and the Rocky Mountain Water Environment Association that helps facilitate partnerships between systems of all sizes. The committee works to share information to help systems prepare and respond to emergencies, and offers trainings in coordination with CoWARN.

**HELPFUL LINKS TO STATE RESOURCES**

- Colorado Drinking Water Program (Water Quality Control Division): <http://www.colorado.gov/cs/Satellite/CDPHE-WQ/CBON/1251596875425>
- Operator Certification Program Office: <http://www.ocpoweb.com/>
- TMF Tools Web Portal: <https://www.colorado.gov/pacific/cdphe/tools-drinking-water-facilities-managers>
- Colorado Water Resources & Power Development Authority DWSRF Page: <http://www.cwrpda.com/>
- CoWARN: <http://www.cowarn.org/>
- Water Quality Control Commission Regulations: <https://www.colorado.gov/pacific/cdphe/water-quality-control-commission-regulations>



Connecticut Department of Public Health (DPH)  
Connecticut Public Utilities Regulatory Authority (PURA)

## STATE POLICIES AND PROGRAMS REGARDING WATER SYSTEM PARTNERSHIPS



### DWSRF PRIORITIZATION OF CONSOLIDATION PROJECTS

Public water system consolidations are a priority in Connecticut's DWSRF program. Priority points are awarded for projects that include consolidation, acquisition or transfer of other systems, and interconnections. Additional state funding might also be available to assist to subsidize interconnections and system consolidations.



### STATE ORDERED CONSOLIDATION OR RESTRUCTURING

Non-compliance, monitoring and reporting violations, or lack of certified operators are triggers that help the Connecticut Capacity Development Program prioritize systems that may benefit from restructuring or connecting to another system. Restructuring and connecting non-sustainable systems can occur through formal enforcement actions, direct acquisition by another water system, or ordered acquisition approved by DPH & PURA. In certain circumstances, PURA, the DPH, a municipality served by a water company, or an organization representing 20 percent of the water system's customers can petition the court for attachment of the assets of the company and to place the company in receivership. In cases where the acquisition of the system by the most suitable entity is ordered by DPH and PURA, the acquiring entity can recover the costs of acquisition and improvements through rates and can impose a rate surcharge to recover on a current basis all costs of the acquisition and necessary improvements. The surcharge can be imposed on the customers of the acquired and the acquiring company, revised quarterly, and "designed to recover 100 percent of the revenues to provide a net after-tax return on investment" (General Statutes Sec. 16-262l, 262n, 262o). In addition, compensation can be provided to the acquiring company.



### REGIONAL PLANNING

Connecticut's state legislature passed "An Act Concerning a Connecticut Plan for Public Water Supply Coordination" in 1985, with the purpose of delineating service areas throughout the state and encouraging regional planning of Connecticut's water resources. Connecticut General Statute 25-33h-1(c) states that each Water Utility Coordinating Committee will prepare a coordinate water system plan that will address assuring high quality drinking water for a 50-year period, water conservation, joint management, and source water protection planning in each area.



### NEW SYSTEMS MUST CONSIDER INTERCONNECTION TO EXISTING SYSTEMS

Small water systems (serving 1,000 people or fewer or with 250 service connections or fewer) must obtain a certificate of public convenience and necessity (CPCN) from DPH prior to any construction or expansion. DPH, in coordination with PURA, will not issue a CPCN unless it determines that no feasible interconnection with an existing system is available (General Statutes Sec. 16-262m).

## HELPFUL LINKS TO STATE RESOURCES

- Connecticut DPH Drinking Water Section: [http://www.ct.gov/dph/cwp/view.asp?a=3139&q=387304&dphNav\\_GID=1824&dphPNavCtr=#47062](http://www.ct.gov/dph/cwp/view.asp?a=3139&q=387304&dphNav_GID=1824&dphPNavCtr=#47062)
- Connecticut DPH WUCC: <http://www.ct.gov/dph/cwp/view.asp?a=3139&q=387352>
- Connecticut DWSRF: [www.ct.gov/dph/dwsrf](http://www.ct.gov/dph/dwsrf)
- General Statutes of Connecticut: <https://www.cga.ct.gov/current/pub/titles.htm>





## STATE POLICIES AND PROGRAMS REGARDING WATER SYSTEM PARTNERSHIPS



### DWSRF PRIORITIZATION OF CONSOLIDATION PROJECTS

A system applying for a DWSRF loan will receive additional priority points on its application if regionalization or consolidation is involved. The application for the DWSRF loan asks information in order to prioritize projects for funding.



### REGIONAL PLANNING

In 2003, the Delaware Water Supply Coordinating Council (WSCC) was re-established, and its scope was expanded statewide. The council is made up of representatives from municipalities, stakeholders, water companies, and representatives from the Delaware Division of Public Health, Delaware Geological Survey, and the University of Delaware Water Resources Agency. The WSCC is charged with working cooperatively to achieve water-supply self-sufficiency and develop water supply plans for three counties in Delaware. These plans are to be integrated into the comprehensive plans for municipalities in those counties and will designate water supply service areas and plan for future water supply needs, including the need for water system interconnections.

## HELPFUL LINKS TO STATE RESOURCES

- Delaware’s Administrative Code:  
<http://regulations.delaware.gov/AdminCode/>
- Delaware’s Office of Drinking Water:  
<http://www.dhss.delaware.gov/dhss/dph/hsp/odw.html>
- Drinking Water State Revolving Fund:  
<http://www.dhss.delaware.gov/dph/hsp/dwsrf.html>
- Meetings and Reports from the WSCC:  
<http://www.wrc.udel.edu/public-service/water-supply-coordinating-council/wsccl-meetings-and-reporting/>

*Delaware’s Capacity Development Program acknowledges some of the challenges that often impede water system partnerships in their 2014 Triennial Report to the Governor:*

“Political rivalry between municipalities and between private utilities may thwart interconnection or consolidation of any part of the operation. Resisting change also prevents the study or implementation of new ideas. Interconnections could minimize equipment duplication, create an economy of scale, and share personnel. Interconnected municipalities would each profit from reduced costs. Moreover, municipalities would assure their customers of greater continuity of water service during emergencies or mechanical failures.”



Florida Department of Environmental Protection (FDEP)

**STATE POLICIES AND PROGRAMS REGARDING WATER SYSTEM PARTNERSHIPS**



**DWSRF PRIORITIZATION OF CONSOLIDATION PROJECTS**

Encouraging the consolidation and regionalization of PWSs that lack TMF capacity is a long-term goal of the Florida DWSRF. FDEP actively encourages consolidation by allowing certain types of system consolidation, particularly when one of the systems is small and financially disadvantaged, be eligible for loan subsidy.



**OPERATOR SHARING**

Where allowed by the rules, Contract Operators can be under contract for the operation of several plants. Florida contracted with the Florida Rural Water Association to develop a Contract Operators Checklist with duties, assignments, and responsibilities that may want to be considered when establishing a contract between an operator and system owner, including the number of visits per week that the operator will make to the system.



**NEW SYSTEMS MUST CONSIDER INTERCONNECTION TO EXISTING SYSTEMS**

FDEP is not authorized to prevent the construction of a new system based solely on the availability of alternative means to provide service in the area. However, new systems must demonstrate using DEP Form 62-555.900(20) that they investigated and considered alternate means of providing water service. This is reviewed by the Capacity Development Program (see box below).



**EMERGENCY RESPONSE**

Florida's Water/Wastewater Agency Response Network (FlaWARN) is the formalized system of "utilities helping utilities" to address mutual aid during emergency situations ([www.flawarn.org](http://www.flawarn.org)). These incidents may be man-made or a result of a natural disaster. The project's infrastructure consists of a secure web-based database of available resources and a practical mutual aid agreement designed to expedite the process in the event of an emergency. The goal of FlaWARN is to provide immediate assistance to impacted utilities until such time that a permanent solution may be implemented.

*FDEP recommends that new system owners consider the following questions:*

1. *Are there any other utilities close to the service area of your proposed system? If so, what are their names and locations?*
2. *Are there any utilities able to provide service to all or part of the service area of your proposed system? If so, what are their names and locations?*
3. *How did you determine which utilities are close to the service area of your proposed system, and which utilities might be able to provide service to all or part of the service area of your proposed system? (e.g. talked with city representative, drove through the area and looked for water systems)*

*It is recommended that the owner attach an explanation to the completed DEP Form 62-555.900(20) with a description of the TMF reasons for starting a new system if regional water utilities might be able to provide service to all or part of the proposed service area. Florida also encourages new systems to communicate with neighboring PWSs even if they do not plan to connect because in some cases, PWSs near to proposed service areas may be available to assist the new system temporarily.*

**HELPFUL LINKS TO STATE RESOURCES**

- Drinking Water Program: <http://www.dep.state.fl.us/water/drinkingwater/>
- Operator Certification Handbook: [www.dep.state.fl.us/water/wff/ocp/docs/ocp\\_handbook.pdf](http://www.dep.state.fl.us/water/wff/ocp/docs/ocp_handbook.pdf)
- Contract Operations Checklist: [http://www.frwa.net/uploads/4/2/3/5/42359811/dwwwformcontractoperations\\_checklist053013.pdf](http://www.frwa.net/uploads/4/2/3/5/42359811/dwwwformcontractoperations_checklist053013.pdf)
- DWSRF: <http://www.dep.state.fl.us/water/wff/dwsrf/index.htm>



Georgia Environmental Finance Authority  
 Georgia Environmental Protection Division (EPD)

**STATE POLICIES AND PROGRAMS REGARDING WATER SYSTEM PARTNERSHIPS**



**DWSRF PRIORITIZATION OF CONSOLIDATION PROJECTS.**

The DWSRF ranking criteria awards interconnections or consolidation projects with 5 extra points. Each project has the potential to earn up to 100 points.



**FUNDING INTERCONNECTIONS WITH STATE LOAN FUNDS**

The Georgia Reservoir Fund provides loans for water supply projects. In addition to financing the development of new sources, the fund can also finance interconnections between water systems, whether to consolidate two or more water systems to enhance the redundancy of water supply.



**LOWER ENFORCEMENT PENALTIES FOR SYSTEMS THAT WILL CONNECT TO COMMUNITY WATER SYSTEMS**

If formal enforcement action is taken on a privately-owned water system, EPD may offer lower penalties if the water system agrees to connect to a publicly-owned water system or water authority within a reasonable period of time. From 1998 to June 2015, 412 privately-owned water systems had consolidated with a nearby publicly-owned water system. The figure below displays the number of consolidations in Georgia each year since 1998 and indicates that an average of 24 water systems have successfully consolidated with a local government owned water system or water authority each year.



**CONTINUITY OF SERVICE AGREEMENTS**

Privately-owned community water systems (CWSs) are required to provide a performance bond or letter of credit to assure the continuity of service. In some cases, CWS owners have entered into trust agreements with the local government in which the system is located. In other cases, the CWS owners have used non-government trustees (Georgia Rules for Safe Drinking Water, Chapter 391-3-5-.04(9)).



**NEW SYSTEMS MUST CONSIDER INTERCONNECTION TO EXISTING SYSTEMS**

New privately-owned PWSs and CWSs are required to evaluate the possibility of connecting to an existing publicly-owned and operated PWS. If the system cannot connect to the existing system, then they must describe the reasons to the EPD. New systems must also: provide written certification from the local government that it is aware and in concurrence with the development of the privately-owned CWS; have a back-up water source; and enter into a trust indenture with the local government to assure compliance, unless the local government provides documentation that it has no desire to act in this capacity (Chapter 391-3-5-.04).

**HELPFUL LINKS TO STATE RESOURCES**

- Georgia Drinking Water Program: <http://epd.georgia.gov/drinking-water>
- Chapter 391-3-5 Rules for Safe Drinking Water: <http://rules.sos.state.ga.us/gac/391-3-5>
- Georgia Drinking Water State Revolving Fund: <http://gefa.georgia.gov/drinking-water-state-revolving-fund>
- Georgia Reservoir and Water Supply Fund: <http://gefa.georgia.gov/georgia-reservoir-fund>

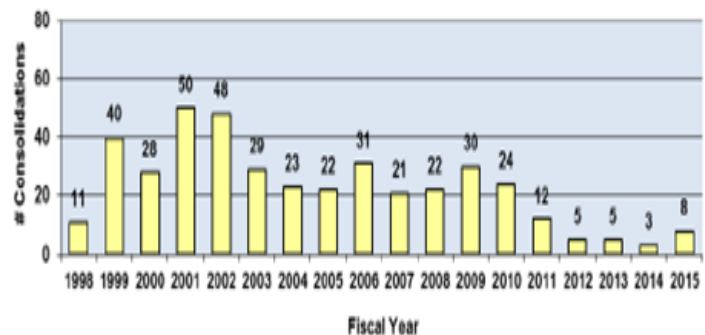
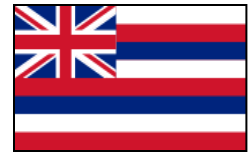


Figure 3. NUMBER OF CONSOLIDATED WATER SYSTEMS IN GA 1998-2015 (from Georgia’s 2015 Capacity Development Annual Report)



### STATE POLICIES AND PROGRAMS REGARDING WATER SYSTEM PARTNERSHIPS



#### DWSRF PRIORITIZATION OF INTERCONNECTION PROJECTS

Hawaii's DWSRF program prioritizes consolidation projects categorized under "sustainability and resiliency." Projects addressing drought mitigation measures, which include interconnections between utilities, may receive 5 priority points.



#### MANAGERIAL PARTNERSHIPS FOR NEW SMALL COMMUNITY WATER SYSTEMS

Small water systems in residential subdivisions are encouraged to contract with an operator and a financial management company to provide technical and managerial support. The Capacity Development Program assists developers of new water systems with incorporating covenants for the community association to contract a system operator to operate the system and a private management company to bill customers, collect money owed, pay bills, and provide financial records. In order to start a new water system, the developer must demonstrate that the new system will have the financial capacity required to maintain and operate the system and cover repairs and replacement costs.

### HELPFUL LINKS TO STATE RESOURCES

- Department of Health Administrative Rules: <http://health.hawaii.gov/opppd/department-of-health-administrative-rules-title-11/>
- Hawaii Safe Drinking Water Branch: <http://health.hawaii.gov/sdwb/>
- Hawaii DWSRF: <http://health.hawaii.gov/sdwb/drinking-water-state-revolving-fund/>
- Operator Certification: <http://health.hawaii.gov/sdwb/operatorcert/>



Idaho Department of Environmental Quality (DEQ)  
Idaho Public Utility Commission

## STATE POLICIES AND PROGRAMS REGARDING WATER SYSTEM PARTNERSHIPS



### DWSRF PRIORITIZATION OF CONSOLIDATION PROJECTS

Idaho's DWSRF program awards 10 extra points to projects that include consolidation or regionalization. Projects that will enhance sustainability efforts, energy conservation, water conservation, extending life of capital assets, green building practices and other environmentally innovative approaches to infrastructure repair, replacement, and improvement can earn up to 50 additional points.



### OPERATOR SHARING

Idaho allows public water systems to share operators so long as the operators are available and on-call to direct staff and assistants. The Idaho Public Drinking Water System Switchboard provides links that allow public water systems to search for licensed operators available for contract.



### NEW SYSTEMS MUST CONSIDER INTERCONNECTION TO EXISTING SYSTEMS

The Idaho DEQ requires new systems to investigate the feasibility of obtaining water service from an established PWS. "If existing water service is available, but an owner elects to proceed with an independent system, the owner must explain why this choice is in the public interest in terms of environmental protection, affordability to water users, and protection of public health" [IDAPA 58.01.08 §500 (6)]. The Public Utility Commission (PUC) can deny a certificate to a small water company if it is shown that there is no need for the service or that another company whether municipal, cooperative, or investor-owned, is willing and able to provide similar or better service (IDAPA 31.36.01. §102).



### EMERGENCY RESPONSE

The Idaho Department of Environmental Quality participates in the Idaho Water-Wastewater Agency Response Network (IDWARN) and provides links to this program through the Public Water System Switchboard. The IDWARN network is hosted by the Idaho Rural Water Association and allows water and wastewater utilities to help each other during emergencies by facilitating the exchange of resources and staff where needed. Members sign a mutual aid agreement to facilitate rapid emergency response among member utilities. IDWARN also facilitates quarterly regional and annual statewide meetings to bring together state representatives, stakeholder groups, and IDWARN members.

## HELPFUL LINKS TO STATE RESOURCES

- Idaho Administrative Code: <https://adminrules.idaho.gov/rules/current/>
- Idaho Drinking Water Program: <http://www.deq.idaho.gov/water-quality/drinking-water/>
- Capacity Development: <http://www.deq.idaho.gov/water-quality/drinking-water/capacity-development.aspx>
- Operator Certification: <http://www.deq.idaho.gov/water-quality/drinking-water/pws-classification-licensure/operator-resources.aspx>
- IDWARN: <http://www.idwarn.org/>
- Idaho DEQ Public Water System Construction Loans (including DWSRF): <http://www.deq.idaho.gov/water-quality/grants-loans/water-system-construction-loans.aspx>



Illinois Environmental Protection Agency, Division of Public Water Supplies

## STATE POLICIES AND PROGRAMS REGARDING WATER SYSTEM PARTNERSHIPS



### PRIORITIZING MANAGERIAL PARTNERSHIPS

35 Il Adm Code Part 681 “Procedures and Requirements for Determining Loan Priorities of Projects in the Public Water Supply Loan Program” states that projects that will correct public health violations will receive 20 points, and projects that will extend drinking water services to areas currently served by private wells will receive 15 points. These scores can be augmented by the points assigned through the Service Continuation Scoring Sheet (Appendix A of Part 633). This scoring sheet rewards 1 bonus point for systems that participate in “area local cooperative management and emergency response activities.”



### OPERATOR SHARING

35 Il Adm Code Part 681 outlines the rules for the Operator Certification Program. The duties and obligations of contract operators are listed in Section 681.1000. Contracts between water systems and operators must stipulate how often the operator will be on site. Illinois Rural Water Association prepared a template contract that meets the requirements of the regulation.



### TMF ASSESSMENTS

As part of Illinois’s Capacity Development Strategy, a TMF assessment has been developed. The evaluation of financial capacity includes the following questions: “Does your long-term planning incorporate analysis of alternative strategies that may offer cost savings to customers, such as consolidation with neighboring water systems, or sharing of operations and management expenses with other nearby water systems?”

## HELPFUL LINKS TO STATE RESOURCES

- Capacity Development Program: <http://www.epa.illinois.gov/topics/drinking-water/field-operations/capacity-development/index>
- Illinois Administrative Code: <http://www.ilga.gov/commission/icar/admincode/titles.html>
- Illinois Environmental Protection Agency, Public Water Supply: <http://www.epa.state.il.us/water/index-pws.html>
- Operator Certification: <http://www.epa.state.il.us/water/operator-cert/drinking-water/>
- Illinois Rural Water Association Sample Contract for hiring a Contract Operator. <http://www.ilrwa.org/Downloads/Certified%20Water%20Plant%20Operator%20Contract.doc>



Indiana Utility Regulatory Commission  
 Indiana Department of Environmental Management  
 Indiana Finance Authority

## STATE POLICIES AND PROGRAMS REGARDING WATER SYSTEM PARTNERSHIPS



### DWSRF PRIORITIZATION OF CONSOLIDATION PROJECTS

Indiana's DWSRF program incentivizes projects that include the consolidation of two or more PWSs by providing priority points for various consolidation projects. For example, projects that incorporate consolidation or interconnection of a non-complying PWS (acute public health concerns) are awarded 50 points, those that support consolidation of a non-complying PWS (chronic public health concerns) are awarded 20 points, and those involving SDWA compliant PWSs are awarded 1 point.



### TMF SELF ASSESSMENTS

The Capacity Development Program provides water systems wishing to apply for DWSRF funding a self-assessment that asks whether systems have considered consolidation; emergency interconnections with neighboring systems; and operator sharing as tools to enhance TMF capacity.



### NEW SYSTEMS MUST CONSIDER INTERCONNECTION TO EXISTING SYSTEMS

New PWSs must provide the Indiana Utility Regulatory Commission (IURC) with a Water System Management Plan that includes a managerial capacity section which assesses "the potential accessibility to another public water supply system with adequate water supply, flow, and pressure to serve the proposed service area." The assessment must include "a description of the efforts to notify other operating public water supply systems within a ten-mile radius that there is a proposal to develop a new public water supply system and the responses to that notification. Finally, the narrative must state whether an agreement could be obtained for consolidation with or interconnection to an operating public water supply system within the ten-mile radius. If other systems are willing to serve the proposed service area, the Plan must include a cost-benefit analysis prepared by or under the direction of a professional engineer who is registered in Indiana." The cost-benefit analysis must compare the development of a new public water supply system against consolidation with an existing public water supply system, and interconnection with an existing public water supply system. After receiving the narrative and cost-benefit analysis, the IURC can give or deny consent for the PWS to provide service in a municipality with an existing PWS.

## HELPFUL LINKS TO STATE RESOURCES

- Indiana's State Revolving Fund: <http://www.in.gov/ifa/srf/>
- Drinking Water Page: <http://in.gov/idem/cleanwater/2381.htm>
- Operator Certification and Capacity Development: <http://in.gov/idem/cleanwater/2446.htm>
- Indiana's Information Handbook for Preparing a Water System Management Plan: [http://in.gov/idem/cleanwater/files/dw\\_ops\\_ws\\_plan\\_handbook.pdf](http://in.gov/idem/cleanwater/files/dw_ops_ws_plan_handbook.pdf)



Iowa Finance Authority  
Iowa Department of Natural Resources (DNR)

## STATE POLICIES AND PROGRAMS REGARDING WATER SYSTEM PARTNERSHIPS



### OPERATOR SHARING

The 2011 Capacity Development Report to the Governor stated that IDNR is developing a training program to provide on-site assistance to systems using retired operators as mentors. Operators in need of general assistance or help with a specific problem will be able to contact a pool of operators with experience to visit their system and provide advice.



### EMERGENCY RESPONSE

The Iowa DNR participated in the development of the Iowa Water/Wastewater Agency Response Network (IOWARN), a system of “utilities helping utilities” to deliver mutual aid in the event of a major emergency. This allows for the provision of mutual aid among utilities and promotes emergency preparedness for all sizes of water systems.

## HELPFUL LINKS TO STATE RESOURCES

- Drinking Water Program:  
<http://www.iowadnr.gov/InsideDNR/RegulatoryWater/DrinkingWaterCompliance.aspx>
- Operator Certification:  
<http://www.iowadnr.gov/InsideDNR/RegulatoryWater/Certification/WaterWastewaterOperators.aspx>
- DWSRF: [http://www.iowasrf.com/program/drinking\\_water\\_loan\\_program/](http://www.iowasrf.com/program/drinking_water_loan_program/)





Kansas Department of Health and Environment (KDHE)  
Kansas Water Office

## STATE POLICIES AND PROGRAMS REGARDING WATER SYSTEM PARTNERSHIPS



### DWSRF PRIORITIZATION OF CONSOLIDATION PROJECTS

The enabling state statute of the Kansas DWSRF program requires the KDHE to encourage regional cooperation. According to the 2017 DWSRF IUP, there is no regionalization strategy specified in the Kansas Water Plan, but the DWSRF ranking system awards priority points to consolidation projects. Furthermore, DWSRF set-asides have been used to fund rate studies, which can help to target systems that would benefit from consolidation. Kansas has had consolidation done based on rate studies alone in order to take advantage of economies of scale.



### FUNDING INTERCONNECTIONS WITH STATE FUNDS

Kansas' Capacity Development Program manages the Regional Public Water Supply Planning Grant program, which provides 50/50 cost-share funding to study the feasibility of developing regional public water supply systems. Eligible projects must evaluate consolidation of two or more systems; the creation and operation of a Public Wholesale Water Supply District; and other infrastructure projects that benefit a minimum of three public water supply systems (two of which must be primary systems not currently connected to each other). In addition, Kansas' Community Development Block Grant (CDBG) Program, which is a competitive grant program available to water systems serving populations with low to moderate incomes, may finance regionalization projects. The preliminary engineering report, which is part of the application, must discuss regionalization possibilities. The Department of Commerce, who runs the CDBG Program, added non-competitive funds for regional projects that meet CDBG requirements. The CDBG funds are available to regional projects that qualify under the MOU signed by KDHE, KDOC and USDA Rural Development.



### STATUTES AND REGULATIONS THAT ENCOURAGE PARTNERSHIPS

Kansas has been encouraging regionalization among water systems since 1957 through state legislation. There are several statutes which address water system partnerships, directly or indirectly.

- **The Interlocal Cooperation Act (K.S.A. 12-2901 et seq.)**, passed in 1957, enables local units of government including school districts, townships, cities, rural water districts and other governmental units to enter into agreements to work together.
- **K.S.A. 82a-637 et seq.**, passed in 1969, establishes the procedures required for acquisition of a rural water district by a city when the district's service territory is within three miles of that City.
- **The Public Wholesale Water Supply District Act (K.S.A. 19-3545 et seq.)**, passed in 1977, allows water suppliers to work together to build a common source and treatment center while maintaining their individual systems.
- **K.S.A. 82a-650 et seq.**, passed in 2005, essentially allows for the consolidation of rural water districts. The act establishes the procedures for acquisition of a rural water district by another rural water district. This statute allows two or more rural water district boards to enter into an agreement to merge into a single district. As a result of this act, the 40 rural water districts that existed prior to 2005 have consolidated into 15 new districts.

## HELPFUL LINKS TO STATE RESOURCES

- Kansas Public Water Supply Section: <http://www.kdheks.gov/pws/>
- Regional Public Water Supply Planning Grant: <http://www.kdheks.gov/pws/loansgrants/loansgrants.html>
- Capacity Development: <http://www.kdheks.gov/pws/capdev/capdev.html>
- Kansas CDBG Program: <http://www.kansascommerce.com/index.aspx?NID=127>



Kentucky Department for Environmental Protection Division of Water (KDOW)  
 Kentucky Public Service Commission (PSC)  
 Kentucky Infrastructure Authority (KIA)

**STATE POLICIES AND PROGRAMS REGARDING WATER SYSTEM PARTNERSHIPS**



**DWSRF PRIORITIZATION OF CONSOLIDATION PROJECTS**

The KIA awards priority points to regionalization projects, including: elimination of a PWS through a merger or acquisition, elimination of a water treatment plant as a result of an interconnection, or acquisition of an emergency potable water supply. According to the 2017 DWSRF IUP, regional borrowers may also be eligible for a discounted interest rate of 1.75 percent (as opposed to 2.75 percent).



**REGIONAL PLANNING**

In 2000, Area Water Management Councils were created in each of Kentucky’s 15 Area Development Districts (ADDs). The Councils bring together local utilities and officials to discuss and identify the drinking water and wastewater needs in each area and prioritize potential infrastructure projects. This information is then entered into the Water Resources Information System (WRIS), which is a geo-database of water infrastructure and proposed projects in the state. KIA uses the WRIS information to prioritize funding from the DWSRF and CWSRF. Councils also use the information in the WRIS to make regional water needs assessments and plans.



**STATE ORDERED CONSOLIDATION OR RECEIVERSHIP**

The PSC is authorized to initiate and carry out feasibility studies to determine the possibility of merging water districts or merging water associations into water districts. Upon completion of a study, and after a public hearing, the PSC can order the merging of water districts or associations into a single water district, and make any additional orders in connection with rates and charges. Secured debts continue to be paid under the terms and conditions of the outstanding obligations. The PSC can also purchase a system (KRS Chapter 74).



**NEW SYSTEMS MUST CONSIDER INTERCONNECTION TO EXISTING SYSTEMS**

The KDOW has statutory authority under Kentucky Revised Statutes (KRS) 151.634 to approve or refuse plans for all new water systems based on their ability to demonstrate TMF capability.



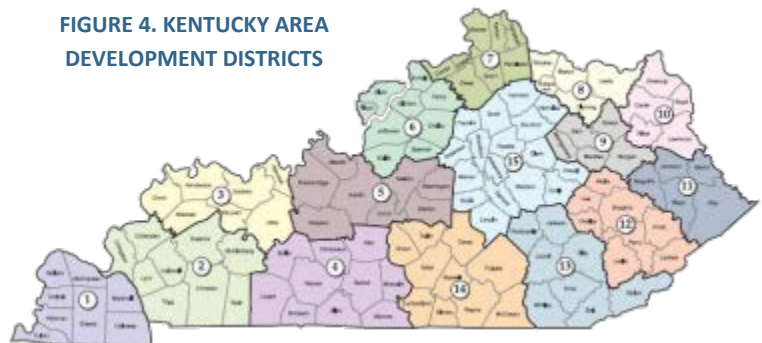
**STRATEGIC PLAN FOR WATER RESOURCE DEVELOPMENT**

In 1999, the Water Resource Development Commission (WRDC) prepared a strategic plan for water resource development under the governor’s executive order. One of the plan’s recommendations was to: “promote and encourage water system regionalization.” In 1999, there were roughly 700 PWSs in Kentucky, and now there are approximately 400 PWSs, with most non-community water systems being absorbed by community water systems.

**HELPFUL LINKS TO STATE RESOURCES**

- Kentucky Water Resources Information System Portal: <http://kia.ky.gov/wris/portal/>
- Kentucky Infrastructure Authority: <http://kia.ky.gov/>
- Capacity Development: <http://water.ky.gov/drinkingwater/pages/capdev.aspx>
- Operator Certification: <http://dca.ky.gov/certification/Pages/default.aspx>
- WRDC: <http://kia.ky.gov/wris/wmp/wrdcwater.htm>

**FIGURE 4. KENTUCKY AREA DEVELOPMENT DISTRICTS**





Louisiana Department of Health (LDH)  
 Louisiana Public Service Commission  
 Louisiana Department of Environmental Quality

## STATE POLICIES AND PROGRAMS REGARDING WATER SYSTEM PARTNERSHIPS



### DWSRF PRIORITIZATION OF CONSOLIDATION PROJECTS

Louisiana's DWSRF encourages consolidation of two or more systems, and also encourages other options, such as contract management or partnerships with other communities in their area. Consolidation projects earn 1-4 priority points depending on the size of the system.



### STRICT CAPACITY DEVELOPMENT REQUIREMENTS FOR NEW AND EXISTING SYSTEMS

Consolidation of water systems is an objective for the Capacity Development Program. According to the 2014 Triennial Report the Governor, stricter Capacity Development requirements for new systems have helped direct potential new small systems toward consolidation with existing water systems. Also, the Capacity Development Program encourages and assists existing systems that wish to merge with another system.



### STATE ORDERED CONSOLIDATION OR RECEIVERSHIP

The LDH State Health Officer can bring a civil action against a PWS to carry out the provisions of the state statutes and regulations. The court, on its own or upon application of the state health officer, can appoint a receiver to collect the assets of the system if the system has been abandoned or service has ceased; the operator of the system has failed or refused to comply with administrative orders; or circumstances necessitate the appointment of a receiver based on the state's rules. The court, upon a showing by the system owner or operator of good cause, can dissolve the receivership. The PSC recognize that some small water systems are facing significant financial and operational obstacles, and acknowledged that these systems are not always easily acquired by larger systems. Therefore, flexible enforcement of PSC's rules and streamlined economic regulations for small systems (e.g., expedited rate-making), may be necessary to keep these small systems viable (RS 40 §5.9C).

## HELPFUL LINKS TO STATE RESOURCES

- DWSRF: <http://new.dhh.louisiana.gov/index.cfm/page/431/n/285>
- Drinking Water Program: <http://new.dhh.louisiana.gov/index.cfm/page/963>
- Capacity Development: <http://www.dhh.louisiana.gov/index.cfm/page/433>
- Water System Operators Page: <http://dhh.louisiana.gov/index.cfm/page/416>



Maine Department of Health and Human Services, Drinking Water Program (DWP)

## STATE POLICIES AND PROGRAMS REGARDING WATER SYSTEM PARTNERSHIPS



### CONSOLIDATION GRANTS

One of the long term goals of the Maine DWSRF is to provide assistance for consolidation or interconnected systems. The Maine DWSRF offers Water System Consolidation grants specifically for the consolidation of two or more water systems. Water systems with a TMF capacity issue can receive partial funding to consolidate with a more viable PWS. These projects do not necessarily have to involve construction. The grant provides 50 percent of the cost for for-profit facilities or 75 percent for non-profit facilities up to \$100,000 (see State of Maine 2017 IUP).



### CAPACITY DEVELOPMENT GRANTS

The Capacity Development Program uses DWSRF set-aside money to offer Capacity Development grants to PWSs to help prepare professional documents, including Comprehensive System Facilities Plans, Capital Improvement Plans, System Hydraulic Modeling Studies, Comprehensive Operations and Maintenance Manuals, System Vulnerability Assessments, Emergency Response Plans, Management Review Studies, System Consolidation Studies, Asset Management Plans, GIS Infrastructure Mapping, Energy Audit Reports, Water Audit Reports, Water Storage Tank Upgrade/Replacement Evaluations, Hydrogeologic Investigation Reports for locating new groundwater well locations, and other professionally prepared documents that can be used to enhance system capacity. Eligible projects receive 50 percent of the cost of the document up to \$15,000.



### OPERATOR SHARING

Maine's Operator Certification Program has published guidelines for contracts between water system owners and contract operators, including the scope of services, the distance between the contract operator and water system, etc. See link below.



### EMERGENCY RESPONSE

Maine's state wide Water and Wastewater Agency Response Network (MEWARN) of utilities, provides water and wastewater utilities with a Mutual Aid Agreement and process for sharing staff and resources statewide in the event of an emergency.

## HELPFUL LINKS TO STATE RESOURCES

- Contract Operator Guidelines: <http://www.maine.gov/dhhs/mecdc/environmental-health/dwp/professionals/PWSOperatorRequirements.shtml>
- MEWARN: <http://www.mewarn.org/>
- Drinking Water Program: <http://www.medwp.com>
- Maine DWSRF Financial Resources (DWSRF and other loans and grants): <http://www.maine.gov/dhhs/mecdc/environmental-health/dwp/pws/financialResources.shtml>
- Capacity Development: <http://www.maine.gov/dhhs/mecdc/environmental-health/dwp/partners/capacityDevelopment.shtml>



Maryland Department of the Environment  
 Maryland Water Quality Financing Administration

**STATE POLICIES AND PROGRAMS REGARDING WATER SYSTEM PARTNERSHIPS**



**DWSRF PRIORITIZATION OF CONSOLIDATION PROJECTS**

In 2012, Maryland Department of the Environment published an integrated project priority system for drinking water capital projects, which outlines the criteria for prioritizing projects for funding through the Maryland water quality financing administration. In the priority system, 40 points are assigned to projects that include the consolidation of two or more PWSs. Projects that extend water service to an unserved area will receive 30 points. Projects that address acute water quality problems also receive 40 points.



**TMF ASSESSMENTS**

The Capacity Development Program provides TMF assessments that in part determine whether systems are eligible for DWSRF funding. Systems that are determined to lack capacity, and therefore are ineligible for DWSRF funding, are often counseled to consider consolidation, which would be eligible for funding.



**STATE ORDERED CONSOLIDATION OR RESTRUCTURING**

Maryland environmental article 9-221 provides authority for the Maryland Department of the Environment to require non-compliant water systems to install a new water or sewage system, or to alter the system to another system in order to address non-compliance (§9-221).

Table 2. PWS Statistics 2001-2013

	2001	2004	2007	2010	2013
<b>POPULATION OF MARYLAND</b>	5,296,486	5,558,058	5,618,344	5,773,552	5,928,814
<b>INDIVIDUALS SERVED BY COMMUNITY WATER SYSTEMS</b>	4,438,355	4,846,923	4,844,668	4,989,406	5,057,350
<b>PERCENT OF POPULATION SERVED BY COMMUNITY WATER SYSTEMS</b>	84%	87%	86%	86%	85%
<b>NUMBER OF PUBLIC WATER SYSTEMS</b>	3,816	3,692	3,533	3,432	3,396
<b>NUMBER OF NON-COMMUNITY NON-TRANSIENT COMMUNITY WATER SYSTEMS</b>	568	576	559	550	544
<b>NUMBER OF TRANSIENT NON-COMMUNITY WATER SYSTEMS</b>	2,745	2,614	2,488	2,409	2,378

**HELPFUL LINKS TO STATE RESOURCES:**

- Drinking Water Program: [http://mde.maryland.gov/programs/Water/water\\_supply/Pages/index.aspx](http://mde.maryland.gov/programs/Water/water_supply/Pages/index.aspx)
- Water Quality Financing: [http://mde.maryland.gov/programs/water/WQFA/Pages/mission\\_statement.aspx](http://mde.maryland.gov/programs/water/WQFA/Pages/mission_statement.aspx)
- Capacity Development: [http://mde.maryland.gov/programs/Water/water\\_supply/Capacity\\_DevelopmentResources/Pages/index.aspx](http://mde.maryland.gov/programs/Water/water_supply/Capacity_DevelopmentResources/Pages/index.aspx)
- Operator Certification: [http://mde.maryland.gov/programs/Water/Water\\_Supply/Pages/OperatorInformation.aspx/Pages/OperatorGuidance.aspx](http://mde.maryland.gov/programs/Water/Water_Supply/Pages/OperatorInformation.aspx/Pages/OperatorGuidance.aspx)



Massachusetts Department of Environmental Protection (MassDEP)  
 Massachusetts Office of Consumer Affairs & Business Regulation

**STATE POLICIES AND PROGRAMS REGARDING WATER SYSTEM PARTNERSHIPS**



**OPERATOR SHARING**

The MassDEP Drinking Water System Management Handbook contains a section on contract operators, with recommendations on what to look for in hiring a contract operator, and terms to consider including in a contract, including duties, duration, compensation, frequency of visits, owner and operator responsibilities.



**TMF SELF ASSESSMENTS**

MassDEP uses a questionnaire as a first step in evaluating a system’s TMF capacity. The questionnaire asks basic questions about a system’s existing interconnections, permanent or emergency, and the willingness to consolidate or connect with neighboring systems.



**CONSECUTIVE SYSTEM AGREEMENTS**

All consecutive systems are required to file an agreement describing the operational responsibilities of the parent and consecutive systems. These agreements help establish successful. Long-term partnerships between the systems. If the parent system is responsible for all the operational functions, then the consecutive system does not have any reporting duties. MassDEP published a guide for consecutive systems, along with an example of conditions to include for a Memorandum of Understanding of consecutive systems. See link below.



**EMERGENCY RESPONSE**

Massachusetts has a Water and Wastewater Agency Response Network (MaWARN), which facilitates mutual aid agreement among participating utilities in order to provide access to staff and resources in the event of an emergency.

**HELPFUL LINKS TO STATE RESOURCES**

- Drinking Water Program: <http://www.mass.gov/eea/agencies/massdep/water/drinking/>
- Massachusetts WARN: <http://www.mass.gov/eea/agencies/massdep/water/drinking/water-wastewater-agency-response-network-warn.html>
- MassDEP Drinking Water System Management Handbook: <http://www.mass.gov/eea/docs/dep/water/drinking/alpha/i-thru-z/sysmngt.pdf>
- MassDEP Self-Assessment Questionnaire to Assist Small Public Water Systems with Capacity Development: <http://www.mass.gov/eea/docs/dep/water/drinking/alpha/i-thru-z/sawsheet.pdf>
- Operator Certification (in the Office of Consumer Affairs and Business Regulation): <http://www.mass.gov/ocabr/licensee/dpl-boards/dw/>



Michigan Department of Environmental Quality (DEQ)

## STATE POLICIES AND PROGRAMS REGARDING WATER SYSTEM PARTNERSHIPS



### DWSRF PRIORITIZATION OF CONSOLIDATION PROJECTS

Michigan's DWSRF prioritization system awards a maximum of 1,000 points to projects that apply for funding. Points (up to 100) are awarded for projects that include consolidation of smaller, separate systems to achieve compliance (100 points), correct deficiencies (60 points), or serve other purposes (40 points). For comparison, up to 450 points are awarded for projects that will eliminate violations of water standards.



### ENCOURAGING PARTNERSHIPS THROUGH CAPACITY DEVELOPMENT STRATEGY

Michigan's capacity development strategy for existing systems includes encouraging partnerships among water systems to address TMF deficiencies. In the 2014 Capacity Development Report to the Governor, a partnership initiative for surface water systems was described. Surface Water Intake Protection Programs (SWIPP) encourage communities to develop partnerships with nearby communities to protect areas around the shared intake and the watershed as a whole. As of 2014, seven communities were involved in a SWIPP.



### NEW SYSTEMS MUST CONSIDER INTERCONNECTION TO EXISTING SYSTEMS

As part of its new system approval process, the DEQ requires new privately-owned CWSs to submit proof of refusal to accept ownership or operational responsibility from the governing body of a city, county, village, township, or other governmental entity where the new system would be located. In addition, the owner of the privately-owned CWS must stipulate (prior to the DEQ issuing a permit) to transfer the ownership and operation of the system to a governing body of a city, village, or township, or its designated public entity (Michigan Safe Drinking Water Rules R 325.11705-11706), if connection to the publicly-owned system becomes practical.

## HELPFUL LINKS TO STATE RESOURCES

- Michigan Drinking Water Program: [http://www.michigan.gov/deq/0,1607,7-135-3313\\_3675---,00.html](http://www.michigan.gov/deq/0,1607,7-135-3313_3675---,00.html)
- Michigan Community Water Supply Program: [http://www.michigan.gov/deq/0,4561,7-135-3313\\_3675\\_3691---,00.html](http://www.michigan.gov/deq/0,4561,7-135-3313_3675_3691---,00.html)
- DWSRF: [http://www.michigan.gov/deq/1,1607,7-135-3307\\_3515\\_3517---,00.html](http://www.michigan.gov/deq/1,1607,7-135-3307_3515_3517---,00.html)
- Operator Certification: [http://www.michigan.gov/deq/0,1607,7-135-3308\\_3333\\_4171-10155--,00.html](http://www.michigan.gov/deq/0,1607,7-135-3308_3333_4171-10155--,00.html)
- Capacity Development: [http://www.michigan.gov/deq/0,1607,7-135-3313\\_3675\\_3691-61632--,00.html](http://www.michigan.gov/deq/0,1607,7-135-3313_3675_3691-61632--,00.html)



Minnesota Department of Health

## STATE POLICIES AND PROGRAMS REGARDING WATER SYSTEM PARTNERSHIPS



### DWSRF PRIORITIZATION OF CONSOLIDATION PROJECTS

Seven points are awarded for proposed projects that will result in interconnection between existing public drinking water supplies. (See Minnesota Administrative Rule 4720.9030). For comparison, projects that will address issues that led to acute violations of MCLs or outbreaks of waterborne diseases within the last 36 months will be assigned up to 25 points.



### OPERATOR SHARING

Minnesota provides guidelines for contracts between water system owners and operators, including a recommendation of the number of visits per week that an operator should make, based on the system's classification. In addition, contracts must include the contract period and duties of the owner and the operator.



### EMERGENCY RESPONSE

Minnesota Water/Wastewater Agency Response Network (MnWARN) is a mutual aid agreement to provide staff and resources to member utilities in the event of an emergency. Participation is free and voluntary.

## HELPFUL LINKS TO STATE RESOURCES

- Minnesota Drinking Water Protection: <http://www.health.state.mn.us/divs/eh/water/>
- Operator Certification: <http://www.health.state.mn.us/divs/eh/water/wateroperator/index.htm>
- Contract Operator Requirements:  
<http://www.health.state.mn.us/divs/eh/water/wateroperator/contractoperating/requirements.htm>
- MnWARN: <http://www.mnwarn.org/about-mnwarn>
- DWSRF: <http://www.health.state.mn.us/divs/eh/water/dwrf/index.html>
- Minnesota Administrative Rules: <https://www.revisor.mn.gov/rules/>





Public Supply Commission of Mississippi (PSC)  
Mississippi Department of Health (MSDH)

## STATE POLICIES AND PROGRAMS REGARDING WATER SYSTEM PARTNERSHIPS



### DWSRF PRIORITIZATION OF CONSOLIDATION PROJECTS

Any project that includes consolidation of ownership and management of two or more separate systems will receive extra points equal to half the adjusted benefit/cost points earned. Mississippi's 2017 IUP explains that "the purpose of assigning consolidation points is to promote reliability, efficiency, and economy of scale that can be achieved with larger water systems while discouraging the proliferation of numerous separate small systems with their inherent inefficiencies and limitations."



### PEER-TO-PEER OPERATOR ASSISTANCE

MSDH provides DWSRF funding to Mississippi State University Extension Service to coordinate the PEER Review Program, which started in 2003. The program brings high performing operators to consult with low performing systems to prepare for annual MSDH inspections and rule changes. The PEER Review team members are volunteers with experience as PWS operators or managers and are not affiliated with any regulatory agency. The program is geared toward providing improved technical operations to water supply staff through peer to peer interaction.



### STATE ORDERED CONSOLIDATION OR RECEIVERSHIP

The PSC can petition the Chancery Court in the county where the system is doing business to attach the assets of a privately-owned water system and appoint a receiver if the system is unable or unwilling to adequately serve its customers; has been actually or effectively abandoned by its owner; or has management that is grossly inefficient, irresponsible, or unresponsive to the needs of its customers. The court-appointed receiver must operate the water system so as to preserve the assets and to serve the best interests of the customers. Control of and responsibility for the water system remains with the receiver until the court determines that it is in the best interest of the customers for the system to be returned to the owner, transferred to another owner, assumed by another water system or public service corporation, or liquidated.



### ENFORCEMENT ACTIONS TO ENCOURAGE CONSOLIDATION

MSDH encourages systems with inadequate capacity to form cooperative arrangements, including physical consolidation and administrative mergers. This can be done by increasing the number of enforcement actions, imposing administrative penalties on systems that serve customers in excess of their approved design capacity, and by reviewing plans and specifications. According to the 2014 Triennial Report to the Governor, "Strict enforcement also encourages water systems without adequate capacity to seek alternate methods of compliance, including the pursuit of mergers with neighboring viable water systems. In most cases, these mergers (or "consolidations") result in the creation of much more capable public water systems, which do have the capacity to provide safe drinking water to their customers."

## HELPFUL LINKS TO STATE RESOURCES

- MSDH Bureau of Public Water Supply: [http://msdh.ms.gov/msdhsite/\\_static/30,0,76.html](http://msdh.ms.gov/msdhsite/_static/30,0,76.html)
- PEER Review Program: <http://msucares.com/water/>
- DWSRF: [http://msdh.ms.gov/msdhsite/\\_static/44,0,127.html](http://msdh.ms.gov/msdhsite/_static/44,0,127.html)
- Capacity Assessments: [http://msdh.ms.gov/msdhsite/\\_static/30,0,76,489.html](http://msdh.ms.gov/msdhsite/_static/30,0,76,489.html)
- Water Supply Regulations: [http://msdh.ms.gov/msdhsite/\\_static/30,0,76,225.html](http://msdh.ms.gov/msdhsite/_static/30,0,76,225.html)



Missouri Public Service Commission (PSC)  
Missouri Department of Natural Resources – Water Protection Program

## STATE POLICIES AND PROGRAMS REGARDING WATER SYSTEM PARTNERSHIPS



### DWSRF PRIORITIZATION OF CONSOLIDATION PROJECTS

The DWSRF program gives priority to projects that would expand service as a regional water supplier are awarded 20 points. 20 points are also awarded for any projects that include interconnection between two or more water systems. Projects that would consolidate the management of two or more systems are awarded 10 points.



### OPERATOR SHARING

Missouri hosts an online Operator Certification Database with information about certified operators who are willing to contract with owners of water systems in the state. Water system owners can use the database to search for operators nearby (by county) that are certified at the desired level. In addition, operators can search the database for water systems that either have no operator listed, or list an operator who is not properly certified.



### ENGINEERING REPORT SERVICES GRANTS

Engineering Report Services grants are funded through the Department of Natural Resources' Public Drinking Water Branch. Participation in this grant program is based on compliance, infrastructure condition and capacity, as well willingness of the systems' owner to look at consolidation options, whether physical, operational or managerial. Engineering contract services provide very small systems with the funding to have an entire system evaluation performed, considering several options including consolidation with nearby water systems. When small systems apply for engineering contract services, they're required to demonstrate a good faith effort to apply for project development and construction funding through the Missouri Water and Wastewater Review Committee, which houses the state and federal funding agencies.



### STATE ORDERED CONSOLIDATION OR RECEIVERSHIP

Missouri Revised Statutes (MRS) stipulate that the PSC can petition a Circuit Court for an order to attach the assets and appoint a receiver of a water system, serving less than 8,000 people, that is unable or unwilling to provide safe and adequate service, has abandoned or effectively abandoned its business, or has defaulted on any financial obligation owed to a unit of state government. The receiver must operate the system in the best interests of the customers and must attempt to preserve the assets of the system until further notice from the court. The court after a hearing, must determine whether to return control and responsibility of the system back to its owners or order the receiver to liquidate the assets of the system. (MRS § 393.145)

## HELPFUL LINKS TO STATE RESOURCES

- Operator Certification: <http://www.dnr.mo.gov/env/wpp/opcert/oprtrain.htm>
- Contract Operator Form (to be entered into the operator certification database): <http://www.dnr.mo.gov/forms/780-2002-f.pdf>
- Missouri Revised Statutes: <http://revisor.mo.gov/main/Home.aspx>
- Public Drinking Water Branch: <https://dnr.mo.gov/env/wpp/dw-index.html>
- Capacity Development Strategy: <http://www.dnr.mo.gov/env/wpp/pub/CDstrategy.htm>
- Financial Assistance (including DWSRF): <http://www.dnr.mo.gov/env/wpp/srf/index.html>
- Engineering Report Services Grants: <http://dnr.mo.gov/env/wpp/pdwb/eng-report-svcs.htm>



Montana Department of Environmental Quality  
 Montana Department of Natural Resources and Conservation

## STATE POLICIES AND PROGRAMS REGARDING WATER SYSTEM PARTNERSHIPS



### DWSRF PRIORITIZATION OF CONSOLIDATION PROJECTS

Projects that promote regionalization or achieve consolidation of two or more PWSs earn 20 points. In comparison, projects that address acute health risks earn a maximum of 120 points, and projects that include proactive compliance measures earn up to 50 points. Fiscal Year 2013 included partial funding for two regionalization projects. MT predicted in the Fiscal Year 2015 report that it would use DWSRF funds for similar projects in Fiscal Year 2016 (*Montana DWSRF Annual Report for State Fiscal Year 2015*).



### REGIONAL PLANNING

The Department of Natural Resources and Conservation supports four main regional water authorities and participates in the review and implementation of regional water planning. These four regional systems are the Fort Peck Dry Prairie Rural Water System, the Rocky Boy's North Central Montana Regional Water System, the Musselshell-Judith Regional Water System, and the Dry-Redwater Regional Water Authority. The regional systems receive funding through the DWSRF and other federal and tribal grant programs to help address the challenges small systems face from drought, aging infrastructure, and increasing costs.

## HELPFUL LINKS TO STATE RESOURCES

- Public Water Supply Program: <http://deq.mt.gov/Water/PWSUB>
- Operator Certification: <http://deq.mt.gov/Water/WQINFO/opcert>
- Public Water Supply Laws and Rules: <http://deq.mt.gov/Water/PWSUB/pws/lawsrules>
- Montana's Regional Water Systems: <http://dnrc.mt.gov/divisions/cadd/regional-water-systems>
- Montana DWSRF Annual Report for State Fiscal Year 2015: <https://deq.mt.gov/Portals/112/Water/TFAB/DWSRF/AnnualReports/Final2015AnnualReport.pdf>



## STATE POLICIES AND PROGRAMS REGARDING WATER SYSTEM PARTNERSHIPS



### COORDINATE WITH LAND-USE PLANNING

The 2011 Triennial Report to the Governor stated that the “Department currently encourages the consolidation of existing systems in certain circumstances, and requires TMF capacity to be demonstrated by new community and non-transient non-community PWS’s prior to being issued a permit to operate a PWS. The process to regionalize water systems may need to have a larger role in the Nebraska drinking water future. Future regulations will require a greater effort by the Department to act as a technical resource to help cities and counties acquire the information they need to understand drinking water capacity issues and then incorporate these issues into their planning efforts. The Department will implement meetings throughout the state to bring these issues to the attention of local governments. At the July 16, 2008 Stakeholder meeting it was stated that working with other associations such as the Natural Resources District’s and local county planning commissions is necessary to enhance land use planning objectives.”



### NEW SYSTEMS MUST CONSIDER INTERCONNECTION TO EXISTING SYSTEMS

Nebraska’s Capacity Development Report to the Governor states that the lack of planning in rural areas has a negative impact on the economics of producing safe drinking water. Local and county governments often fail to incorporate drinking water issues in land use planning, particularly in the development of unincorporated areas adjacent to existing municipal and not-for-profit PWSs. The Department currently encourages the consolidation of existing systems in certain circumstances, and requires TMF capacity to be demonstrated by new systems prior to being approved.

## HELPFUL LINKS TO STATE RESOURCES

- Public Water Supply Program: [http://dhhs.ne.gov/publichealth/Pages/enh\\_pwsindex.aspx](http://dhhs.ne.gov/publichealth/Pages/enh_pwsindex.aspx)
- Capacity Development: [http://dhhs.ne.gov/publichealth/Pages/enh\\_pws\\_capdevindex.aspx](http://dhhs.ne.gov/publichealth/Pages/enh_pws_capdevindex.aspx)



Nevada Public Utility Commission  
 Nevada Division of Environmental Protection

**STATE POLICIES AND PROGRAMS REGARDING WATER SYSTEM PARTNERSHIPS**



**TMF SELF-ASSESSMENTS**

The major objectives of Nevada's Capacity Development Strategy are: 1. Prioritization of systems most in need. 2. Assessment of system capacity. 3. Developing programs to assist systems with SDWA compliance. 4. Encouraging partnering between systems. 5. Measuring success. One of the ways the state encourages water system partnerships is through a TMF Capacity Survey, which is used to assess overall capacity and DWSRF eligibility (See Figure 5).



**REGIONAL PLANNING OF SOURCE WATER PROTECTION**

Nevada is implementing an Integrated Source Water Protection Program in an effort to address groundwater quality and quantity challenges facing many areas in the state. The NDEP's Bureau of Safe Drinking Water administers the ISWPP and helps communities develop and implement Community Source Water Protection Plans (CSWPPs). Local CSWPPs require coordinated planning among all PWSs within a specific county to examine shared water sources, evaluate community development impacts to those sources, and discuss how to collectively manage potential risks from a broader perspective. This provides opportunities for a wide array of PWSs, from mobile home parks to larger districts and municipalities, to leverage resources and promote community-wide awareness and acceptance of the plan.

**HELPFUL LINKS TO STATE RESOURCES**

- Operator Certification: <https://ndep.nv.gov/water/operator-certification>
- Capacity Development: <https://ndep.nv.gov/water/financing-infrastructure/state-revolving-fund-loans/drinking-water/capacity-development>
- Nevada Source Water Protection: <https://ndep.nv.gov/water/source-water-protection>
- Drinking Water Regulations: <https://www.leg.state.nv.us/NRS/NRS-445A.html#NRS445ASec235>

11. How interested would you be in consolidating either physically or managerially with another public water system? Has this been investigated or has a feasibility study been done? Is it a feasible option? Note: If this option is not feasible, this question is not counted toward the final technical score.

\_\_\_\_\_ Interested in TA    \_\_\_\_\_ N/A

*Comments:*

Consolidation	Assessment			Score (1-3)
	Strong Technical Capacity 3	Moderate Technical Capacity 2	Weak or deficient Technical Capacity 1	
Physical / Managerial Consolidation	PWS is currently consolidated managerially with other PWS(s) or PWS is in the process of consolidating either physically or managerially with other PWS(s)	PWS is working on or has completed a feasibility study and would consider either physical or managerial consolidation; however, funding or other issues are currently inhibiting further action	PWS could consolidate either physically or managerially with other PWS(s) but chooses not to	
	<b>Total</b>			
	<b>Score = Total ÷ 1</b>			

Figure 5. EXCERPT FROM NEVADA TMF SURVEY

([https://ndep.nv.gov/uploads/water-financing-srf-capacitydevelopment-docs/nv\\_tmf\\_capacity\\_survey\\_fy12.pdf](https://ndep.nv.gov/uploads/water-financing-srf-capacitydevelopment-docs/nv_tmf_capacity_survey_fy12.pdf))



New Hampshire Department of Environmental Services (NHDES)  
 New Hampshire Public Utility Commission (PUC)

**STATE POLICIES AND PROGRAMS REGARDING WATER SYSTEM PARTNERSHIPS**



**FUNDING INTERCONNECTIONS WITH STATE LOAN FUNDS**

New Hampshire offers financial assistance for regionalizing or interconnecting systems through the State Interconnection and Groundwater Investigation (SIGI) grant, which provides a 25 percent reimbursement of costs for planning, design and construction of piping, pumping, and source improvements associated with interconnection of two or more PWSs.



**DWSRF PRIORITIZATION OF CONSOLIDATION PROJECTS**

PWSs in need of significant TMF assistance through the Capacity Development Program are identified through sanitary surveys, referrals from contract operators, requests from water systems, customer complaints, and repeat enforcement or non-compliance. The state notifies these systems of recommended improvements in site visit reports or sanitary survey reports, and the systems are entered into a “capacity development tracking database.” Systems on this list will be awarded up to 30 points if they apply for DWSRF funding: 20 points for any kind of infrastructure project to address capacity issues, and an additional 10 points if the project includes interconnecting to a more viable PWS. Very small (population less than 100) disadvantaged communities with failing infrastructure qualify for the “Very Small System Compliance Loan fund,” which are 100 percent subsidized loans.



**STATE ORDERED CONSOLIDATION OR RECEIVERSHIP**

Under New Hampshire Revised Statutes Annotated 374:47, the New Hampshire PUC may appoint a receiver when the PUC finds that a PWS is failing to provide adequate and reasonable service and that the failure presents a serious and imminent threat to the health of the community, or when a regulated system is consistently failing to provide adequate and reasonable service. The PUC staff or appointed receiver have the authority to assess and manage all system assets and records. NHDES has the authority to investigate public water supplies and to require improvements, including consolidation or extension of water supplies. A DES Investigation is required when 10 or more people report water quality or quantity concerns for a particular water system. If the Department determines that an extension of water service from an existing PWS is the most feasible and cost-effective alternative; that the extension is consistent with municipal master planning, rules, and policy; and that the existing PWS has adequate capacity to serve the problem area, the DES can order an existing system to allow the connection.

**HELPFUL LINKS TO STATE RESOURCES**

- Drinking Water and Groundwater Bureau: <http://des.nh.gov/organization/divisions/water/dwgb/index.htm>
- Small Public Water Supply Help Center and Capacity Assurance: <http://des.nh.gov/organization/divisions/water/dwgb/capacity/>
- Operator Certification and Training: [http://des.nh.gov/organization/divisions/water/dwgb/op\\_cert/categories/training.htm](http://des.nh.gov/organization/divisions/water/dwgb/op_cert/categories/training.htm)
- Public Water System Grants: <http://des.nh.gov/organization/divisions/water/dwgb/capacity/pwsg.htm>



New Jersey Department of Environmental Protection (NJDEP)  
New Jersey Board of Public Utilities (BPU)

### STATE POLICIES AND PROGRAMS REGARDING WATER SYSTEM PARTNERSHIPS



#### DWSRF PRIORITIZATION OF CONSOLIDATION PROJECTS

Costs of acquisition and costs of improvements are eligible for state financing and expedited loan procedures. The acquiring entity can impose a different rate for the customers of the acquired system for use of the services of the acquiring system.



#### OPERATOR SHARING

Since contract operators are often used to handle the operation of very small systems, New Jersey developed outlines of operator duties and responsibilities at very small water systems, both community and non-community. These include the time in which operators must be present at the water system after certain MCL violations or other failures.



#### STATE ORDERED CONSOLIDATION OR RESTRUCTURING

Through an administrative hearing process, the NJDEP and the BPU can take actions, including acquisitions, and require expenditures (including acquisition costs) to make necessary improvements at small water systems that are in noncompliance with water quality regulations or that have failed to comply with an order of the DEP. At the hearing, DEP must issue an Administrative Consent Order that: sets forth a schedule for compliance for the acquiring entity; stipulates that the acquiring entity is not liable for any fines and penalties resulting from the violations that caused the acquisition (NJ Statute §58:11-63.2 for specific rules applying to the release of liability from the discharge of hazardous substances); provides for the immediate inclusion in the rates of the acquiring entity the anticipated costs of necessary improvements; authorizes the acquiring entity to commence eminent domain proceedings; revokes the franchise of the acquired entity; and renders the owner or operator of the acquired entity unfit to hold any other water franchise.

### HELPFUL LINKS TO STATE RESOURCES

- Division of Water Supply and Geoscience: <http://www.nj.gov/dep/watersupply/>
- Training and Certification: [http://www.nj.gov/dep/watersupply/dws\\_train.html](http://www.nj.gov/dep/watersupply/dws_train.html)
- Capacity Development: [http://www.nj.gov/dep/watersupply/dws\\_loans\\_capdev.html](http://www.nj.gov/dep/watersupply/dws_loans_capdev.html)



New Mexico Environment Department (NMED)  
New Mexico Finance Authority

**STATE POLICIES AND PROGRAMS REGARDING WATER SYSTEM PARTNERSHIPS**



**DWSRF PRIORITIZATION OF CONSOLIDATION PROJECTS**

According to New Mexico’s DWSRF IUP for SFY 2017, one of its program's long term goals is to encourage consolidation and regionalization. As a result, priority is given via a ranking system to projects that: address system consolidation or regionalization, expand service to areas not currently served by a water system, add a back-up source by interconnection, or involve regional resource coordination.



**CAPACITY DEVELOPMENT STRATEGY TO PROMOTE REGIONALIZATION**

According to Mexico’s 2014 Capacity Development Report to the Governor, the state’s capacity development strategy has been revised in ways that further promote regionalization. These revisions include:

- “a community planning focus through the inclusion and development of the Source Water and Wellhead Protection Program to include other planning objectives best addressed in a community setting that incorporates public feedback such as emergency response, water conservation, drought contingency planning, and regionalization opportunities” and
- “promotion of an expansion of the term ‘regionalization’ to include any collaboration of operations, management, or infrastructure between neighboring systems and increasing outreach on the potential for PWS to collaborate in all capacity development topics.”



**TRAINING AND TECHNICAL ASSISTANCE EMPHASIZING PARTNERSHIPS**

The Drinking Water Bureau (DWB) of the NMED provides assistance to PWSs through the Community Services Program. The Community Services Team provides free managerial and financial assistance to PWSs through various activities including the facilitation of regional coordination with other systems. The Community Services Program also facilitates partnership-building workshops which involve a session with hands-on exercises regarding various TMF topics and a follow-on session where water systems work together on a regional collaboration activity. These workshops can identify opportunities for cost savings and collaboration and provide NMED insight into what type of collaboration model the systems are willing to participate in.



**NEW SYSTEMS MUST CONSIDER INTERCONNECTION TO EXISTING SYSTEMS**

The DWB requires additional information to be submitted with applications for the construction of new PWSs. The proposed system must demonstrate adequate capacity, which includes explaining why consolidation with a nearby system is not feasible.



**PROPOSED LEGISLATION TO ALLOW CREATION OF REGIONAL WATER AUTHORITIES**

In 2016, the Regional Water Utility Authority Act was introduced to the New Mexico House of Representatives, which would allow for the creation of regional water utility authorities. According to the proposed bill, a regional water utility may be established to plan, develop, manage, maintain, or coordinate regional water and wastewater facilities.



**REGIONAL PLANNING**

The Sanitary Projects Act (SPA) governs the formation of Mutual Domestic Water Consumer Associations (MDWCA). There are approximately 200 of these water systems in the state. Under the 2006 revisions to the SPA, a new MDWCA cannot be formed if it is adjacent to a municipal water system that is able to provide water to the proposed service area of the new system at or below the cost of the new system.

**HELPFUL LINKS TO STATE RESOURCES**

- Drinking Water Program: [https://www.env.nm.gov/drinking\\_water/](https://www.env.nm.gov/drinking_water/)
- Drinking Water Bureau: Managerial and Financial Assistance: <https://www.env.nm.gov/dwb/mfa.htm>
- Capacity Development: <http://www.nmenv.state.nm.us/dwb/assistance/>



- Drinking Water State Revolving Loan Fund: [http://www.nmenv.state.nm.us/dwb/loan\\_fund/Index.htm](http://www.nmenv.state.nm.us/dwb/loan_fund/Index.htm)
- Drinking Water Laws and Regulations: <https://www.env.nm.gov/dwb/regulations/index.htm>
- Proposed bill: <https://www.nmlegis.gov/Legislation/Legislation?chamber=H&legtype=B&legno=196&year=16>

*The Lower Rio Grande Public Water Works Authority (PWWA) started with the merger of five mutual domestic associations in 2009. Today, the Lower Rio Grande PWWA includes nine water systems, serves 16 communities, and recognizes such benefits as a larger customer base to share costs, increased purchasing power, and a larger pool of available resources, among other benefits. More information on examples of regionalization in New Mexico can be found in the slides and speakers notes from a 2012 EPA-USDA Webinar Series on partnerships: [https://www.epa.gov/sites/production/files/2016-01/documents/troubleshooting\\_partnerships\\_speaker\\_notes\\_final\\_website\\_version.pdf](https://www.epa.gov/sites/production/files/2016-01/documents/troubleshooting_partnerships_speaker_notes_final_website_version.pdf).*



New York State Department of Health (NYSDOH)

## STATE POLICIES AND PROGRAMS REGARDING WATER SYSTEM PARTNERSHIPS



### DWSRF APPLICANTS REQUIRED TO CONSIDER INTERCONNECTIONS

Systems that apply for DWSRF funding must carefully consider interconnection if it will address the scope of the project with respect to its priority health ranking. According to a 2017 NYS DWSRF Intended Use Plan, if a system decides not to pursue a possible interconnection, it has to provide detailed justification "that the interconnection is a technically, financially, or managerially disadvantageous option." In addition, the State Small Systems Technical Assistance set-aside encourages small water systems to consider collaborative/regional approaches like consolidating, forming partnerships, O&M agreements.



### DIRECT CAPACITY DEVELOPMENT ASSISTANCE

The NYSDOH's Small Systems Program assists communities in applying for DWSRF funding and performing technical assessments. In addition, the Small Systems Program encourages small water systems to consider collaborative or regional approaches to water supply services, such as consolidating, forming partnerships, and initiating contract operation and maintenance agreements.



### IDENTIFYING POSSIBLE SYSTEM CONSOLIDATIONS

The NYSDOH uses a data management system to evaluate system capacity against certain "criteria established in the *Capacity Development Program Strategy Report*." This helps identify which systems are in need of capacity development. In consultation with local health department staff, select systems identified as being in "critical" need of capacity development are given direct assistance from either the state or local health department, or from one of NYSDOH's partners. Such assistance may include engineering support, training, system consolidation, or help with applying for financing.

## HELPFUL LINKS TO STATE RESOURCES

- Drinking Water Protection Program: <http://www.health.ny.gov/environmental/water/drinking/>
- Operator Certification: <http://www.health.ny.gov/environmental/water/drinking/operate/opcertfs.htm>
- Capacity Development: <http://www.health.ny.gov/environmental/water/drinking/capacity/>
- Final Intended Use Plan – Drinking Water State Revolving Fund (Issued October 1, 2016): <https://www.efc.ny.gov/dwiup>



## STATE POLICIES AND PROGRAMS REGARDING WATER SYSTEM PARTNERSHIPS



### DWSRF DISADVANTAGED COMMUNITIES ADDITIONAL SUBSIDIZATION

The Public Water Supply Section initiates consolidation projects using the DWSRF Disadvantaged Community Additional Subsidization Program and offers principal forgiveness loans to the most appropriate water system having capacity that is willing to take over a failing system serving a disadvantaged community. In this context, a disadvantaged community is a community served by a PWS that lacks capacity as defined in the Safe Drinking Water Act, Sections 1420 and 1452(a)(3). Because these projects are initiated by the PWS Section, no application is required.



### DIRECT CAPACITY DEVELOPMENT ASSISTANCE

The Capacity Development Program reports that compliance of water systems in the state has improved because of enforcement activities, on-site visits, technical assistance, and the consolidation of problem water systems with more reliable systems. The PWS Section regional office staff has also been effective in helping small and also non-viable systems interconnect through DWSRF Disadvantaged Communities Additional Subsidization Program.



### OPERATOR SHARING

North Carolina Revised statute § 90A-31 directs that all Operators in Responsible Charge (ORC) of water systems, whether employed by the system or contracted through a commercial water operation firm, must obtain certification through the Water Treatment Operators Board of Certification.

## HELPFUL LINKS TO STATE RESOURCES

- DWR Public Water Supply Section: <http://www.ncwater.org/pws/>
- Capacity Development: <http://deq.nc.gov/about/divisions/water-resources/drinking-water/capacity-development>
- Operator Certification: <http://deq.nc.gov/about/divisions/water-resources/operator-certification>
- Map of North Carolina Community Water System Interconnections (prepared by UNC Environmental Finance Center, data from October 2012): <http://www.efc.sog.unc.edu/reslib/item/interactive-map-community-water-system-interconnections-north-carolina>

*The Public Water Supply Section has worked with the University of North Carolina Environmental Finance Center to develop and maintain a comprehensive database and interactive map of all of the physical interconnections between water systems in the state of North Carolina.*

*This and other partnerships resources from UNC EFC are located here: <https://efc.sog.unc.edu/>.*



North Dakota State Water Commission  
 North Dakota Department of Health, Environmental Health Section  
 North Dakota Public Finance Authority

**STATE POLICIES AND PROGRAMS REGARDING WATER SYSTEM PARTNERSHIPS**



**DWSRF PRIORITIZATION OF CONSOLIDATION PROJECTS**

The Department of Health developed a priority ranking system that assigns a maximum of 100-points, of which up to 10 points can be awarded to systems that include the consolidation or regionalization of water supplies. Points are awarded based on the criticality/severity of compliance problems that consolidation would address. For comparison, water quality issues can be assigned up to 35 points.



**NEW SYSTEMS MUST CONSIDER CONSOLIDATION**

New systems are required to submit a technical plan to the state that includes an assessment of interconnection alternatives and describes the rationale for the chosen alternative. The Capacity Development Program reports that new developments, including subdivisions, trailer courts, and industries, generally occur adjacent to or within the service areas of existing PWSs and typically choose to consolidate with or purchase bulk water service by existing PWSs. As a result, there are many rural water systems throughout North Dakota that provide regionalized service or consolidation.

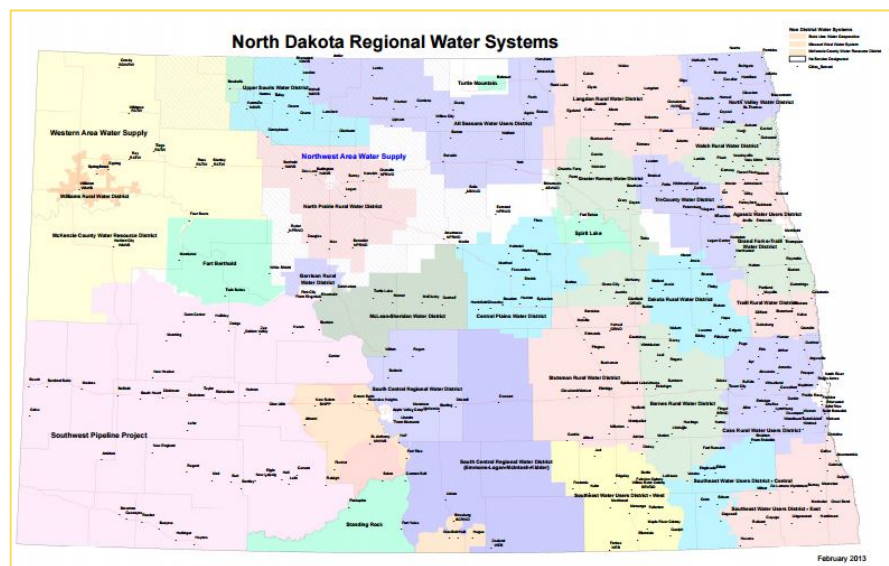


**REGIONAL PLANNING**

North Dakota’s municipal, rural, and industrial (MR&I) water supply program was amended (in 2000) to disperse funding to meet statewide water requirements. As a result of this program, regional and rural water systems have expanded throughout the state. As of 2012, there were 31 regional water systems providing drinking water to over 200,000 people in 319 cities, 88 various water systems, and over 90,000 rural residents. Currently, all or part of North Dakota’s 53 counties are served by regional water systems, with several having plans to expand. The North Dakota State Water Commission has produced and regularly updated the North Dakota Water Development Plan to identify regional water infrastructure needs, and coordinate the funding of various projects, including regional water systems.

**HELPFUL LINKS TO STATE RESOURCES**

- Drinking Water Program: <https://www.ndhealth.gov/mf/dw.html>
- DWSRF: <https://www.ndhealth.gov/MF/dwsrf.html>
- MR&I Water Supply and Dakota Resources Act Information: [http://www.swc.nd.gov/project\\_development/mri\\_water\\_supply.html](http://www.swc.nd.gov/project_development/mri_water_supply.html)



**Figure 6. NORTH DAKOTA REGIONAL WATER SYSTEMS (2013)**



Ohio Environmental Protection Agency (EPA)

## STATE POLICIES AND PROGRAMS REGARDING WATER SYSTEM PARTNERSHIPS



### DWSRF PRIORITIZATION OF CONSOLIDATION PROJECTS

The consolidation and regionalization of small PWSs is a long term goal of the Ohio DWSRF program. Consequently, “projects that provide the potential for consolidation” are awarded 10 points to the priority ranking score (*Drinking Water Assistance Fund: Draft Program Management and Intended Use Plan*). When the project involves consolidating more than two systems, another 10 points are added for each additional system. Ohio also offers substantial principal forgiveness (up to 50%) to systems, which have already demonstrated capability, when they regionalize smaller, less capable systems.



### OPERATOR SHARING

Ohio EPA maintains a list of Contract Operators on their website. These contract operators are available to for the operation and treatment of PWSs, and when contracted become the “operator of record” at each water system.



### EMERGENCY RESPONSE

Utilities may sign the OH Water-Wastewater Agency Response Network (OHWARN) mutual aid agreement to facilitate the exchange of staff, resources and equipment between water systems in the event of an emergency. The network of participating systems can help streamline access to needed help, foster mutually beneficial relationships between participating utilities, and protect public health.

## HELPFUL LINKS TO STATE RESOURCES

- Public Water Systems Page: <http://epa.ohio.gov/ddagw/pws.aspx>
- Security and Emergency Preparedness: <http://epa.ohio.gov/ddagw/security.aspx>
- Capability Assurance Program:  
<http://epa.ohio.gov/ddagw/financialassistance/tabid/5791/LiveTabId/113407/Default.aspx>
- Certified Operators: <http://epa.ohio.gov/ddagw/opcert.aspx>
- OHWARN: <http://www.ohwarn.org/>



**STATE POLICIES AND PROGRAMS REGARDING WATER SYSTEM PARTNERSHIPS**



**DWSRF PRIORITIZATION OF CONSOLIDATION PROJECTS**

The DWSRF program offers subsidization through principal forgiveness loans for consolidation or regionalization projects. Projects that will involve the consolidation of two or more water systems receive 20 points to their prioritization score. Projects that connect two or more systems but do not consolidate, including back-up and emergency supply interconnections, will receive 10 points.



**IDENTIFYING POTENTIAL CONSOLIDATIONS**

The Capacity Development Program identifies new and existing water systems that may benefit from regionalization and consolidation into larger water systems, and helps them through the DWSRF application process. Systems are considered good candidates for regionalization and consolidation if they have source water capacity limitations (drought); are undergoing DEQ enforcement proceedings; are considering giving away, selling, or abandoning the system; or have expressed interest in consolidation. In SFY 2016, 11 water systems consolidated into neighboring water systems.



**REGIONAL PLANNING**

In 2012, the Oklahoma Water Resources Board released the most recent Oklahoma Comprehensive Water Plan, which contains state-wide information on hydrology, water planning and management, water quality, as well as policy recommendations to alleviate deficits. Watershed Planning Region Reports are also included in the Comprehensive Plan, and contain detailed information for each of the 13 identified watershed planning regions in the state. Information and recommendations regarding regionalization of and supply sharing between public water supplies is also included in the Water for 2060 Act, which established a state-wide goal of consuming no more fresh water in 2060 than was consumed in 2010.

**HELPFUL LINKS TO STATE RESOURCES**

- Oklahoma Comprehensive Water Plan page: <http://www.owrb.ok.gov/supply/ocwp/ocwp.php>
- Operator Certification: <http://www.deq.state.ok.us/wqdnew/opcert/>
- DWSRF: <http://www.deq.state.ok.us/wqdnew/dwsrf/>



Figure 7. SYSTEM CONSOLIDATIONS IN OKLAHOMA 2008-2015 (Source: Annual capacity development reports)

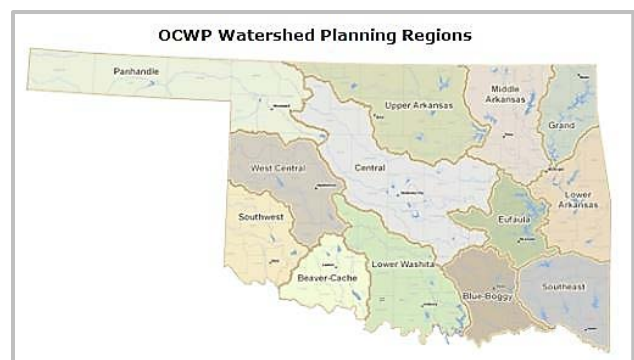


Figure 8. OKLAHOMA WATERSHED PLANNING REGIONS



## STATE POLICIES AND PROGRAMS REGARDING WATER SYSTEM PARTNERSHIPS



### DWSRF DISADVANTAGED COMMUNITIES ADDITIONAL SUBSIDIZATION

Oregon's DWSRF uses the Disadvantaged Communities additional subsidy to consolidate non-viable systems by providing principal forgiveness and reduced interest loans for PWSs that are willing to take over a Disadvantaged Community system. In most cases, this will consist of a project to run supply to and replace the distribution system in the Disadvantaged Community.



### CAPACITY DEVELOPMENT TMF ASSESSMENTS

Oregon's Capacity Development Program encourages partnerships between PWSs to enhance TMF capacity through training, education, and outreach. The benefits of partnerships and the sharing of information for emergency operations to gain capacity and stay in compliance are key topics during technical assistance outreach and manager/operator training programs.



### REGIONAL PLANNING (BY COUNTY)

Oregon Revised Statutes allow counties to develop a water service plan in which small systems are encouraged to "combine management functions and...consolidate where possible" (2015 *Oregon Revised Statutes* 448.165). In addition, the many different types of water entities in Oregon (domestic water supply districts, people's utilities districts, water authorities or joint water and sanitary authorities, and water control and improvement districts) can enter into cooperative agreements with each other and can merge and consolidate. Mergers, consolidations, and annexations must be approved by the governing body of the districts and in general, the rights, responsibilities, obligations, and liabilities of the districts survive the merger, consolidation, or annexation and flow to the newly created entity.



### EMERGENCY RESPONSE

The Oregon Water/Wastewater Agency Response Network (ORWARN) is composed of member utilities providing voluntary assistance to each other during an emergency incident. ORWARN facilitates rapid, short-term deployment of emergency services, in the form of personnel, equipment and materials, that are required to restore critical operations to utilities that have sustained damages from natural or man-made events.

## HELPFUL LINKS TO STATE RESOURCES

- Drinking Water Program: <http://public.health.oregon.gov/HealthyEnvironments/DrinkingWater/Pages/index.aspx>
- Operator Certification: <https://public.health.oregon.gov/HealthyEnvironments/DrinkingWater/OperatorCertification/Pages/index.aspx>
- DWSRF: <http://public.health.oregon.gov/HealthyEnvironments/DrinkingWater/SRF/Pages/index.aspx>
- ORWARN: <http://www.orwarn.org/>



Pennsylvania Infrastructure Investment Authority (PENNVEST)  
 Pennsylvania Public Utility Commission (PUC)  
 Pennsylvania Department of Environmental Protection

**STATE POLICIES AND PROGRAMS REGARDING WATER SYSTEM PARTNERSHIPS**



**DIRECT AND 3RD PARTY CAPACITY DEVELOPMENT ASSISTANCE**

The Pennsylvania Capability Enhancement Program provides on-site assistance with consolidation and regionalization planning. In addition, the Capability Enhancement Program utilizes DWSRF set-asides to contract with private consultants to provide engineering expertise and legal assistance to small water systems in the state and to facilitate regionalization and consolidation.



**TMF ASSESSMENTS**

The Capability Enhancement program uses TMF assessments to rank systems in terms of system capability. Approximately thirty high-priority water systems are selected to receive direct assistance to increase system TMF capacity, including through consolidation with another system. This program’s overall goal is to eliminate non-viable PWSs and decrease the number of high priority water systems.



**ENCOURAGING CONSOLIDATIONS THROUGH PRICING INCENTIVES**

The state also aims to encourage the restructuring of existing non-viable small systems. The PUC provides acquisition incentives, and facilitates the rate process to aid in the provision of financial assistance from PENNVEST to projects that involve a viable system acquiring a small, non-viable system. Acquisition incentives include additional rate of return basis points, the inclusion of reasonable excess acquisition costs in the rate base of the acquiring entity and amortization over 10 years, and a phased-in rate recovery for improvement costs. Additional surcharges are allowed to offset various operating costs (state tax adjustment, distribution system improvement, purchase power, and purchase water).



**EMERGENCY RESPONSE**

Pennsylvania utilities may participate in state-wide Water and Wastewater Agency Response Network (PaWARN), in order to promote statewide mutual aid in the event of natural and human-caused events. Participating utilities sign a mutual aid agreement which allows swift exchange of staff, resources or equipment after a disaster, and improves the resiliency of water and wastewater services statewide. Participating in PaWARN is voluntary.

**HELPFUL LINKS TO STATE RESOURCES**

- Bureau of Safe Drinking Water: <http://www.dep.pa.gov/Business/Water/BureauSafeDrinkingWater/Pages/default.aspx>
- Operator Certification: <http://www.dep.pa.gov/Business/Water/BureauSafeDrinkingWater/OperatorCertification/Pages/default.aspx>
- Capability Enhancement: <http://www.dep.pa.gov/BUSINESS/WATER/BUREAUSADEFDRINKINGWATER/CAPABILITYENHANCEMENT/Pages/default.aspx>
- DWSRF: <http://www.pennvest.pa.gov/Information/Funding-Programs/Pages/Drinking-Water-State-Revolving-Fund.aspx>
- PaWARN: <http://www.pawarn.org>





## STATE POLICIES AND PROGRAMS REGARDING WATER SYSTEM PARTNERSHIPS



### DWSRF PRIORITIZATION OF CONSOLIDATION PROJECTS

The DWSRF program prioritizes projects that include water system restructuring, consolidation, or management changes to water systems. Systems that do not have the technical, managerial, and financial capacity to ensure compliance can only receive funding if the resulting consolidation or reorganization will enable the system to maintain compliance with the SDWA and the state's *Rules and Regulations Pertaining to Public Drinking Water R46-13-DWQ*.



### TRAINING WORKSHOPS FOCUSING ON PARTNERSHIPS

Rhode Island contracted with third party technical assistance providers to offer training and continuing education units (CEUs) regarding several topics, including Preparing for Water Emergencies and Regionalism, Consolidation and Costs Sharing.



### SYSTEM INITIATED MERGERS OR CONSOLIDATIONS

The Public Water Supplies Systems Act (PWSSA) of 1995 states that "economy and efficiency dictate the desirability to combine small public water supply systems with other public water supply systems" RI Gen L § 46-30-2 (2014). In addition, the law provides water suppliers the authority to petition an adjacent supplier for the purpose of merging or annexing, as long as they have consent of the governing board of both entities [RI Gen L § 46-30-2 (2014)]. The Public Utility Commission has the authority to approve user charges, fees, or rate changes as a result of the merger. An annexation fee of any amount between 10 percent and 100 percent of the pre-annexation rate can be imposed for up to 30 years, or until the loan that funded the merger is paid off [RI Gen L § 46-30-4 (2013)].

## HELPFUL LINKS TO STATE RESOURCES

- Drinking Water Quality Program: [http://health.ri.gov/programs/detail.php?pgm\\_id=126/](http://health.ri.gov/programs/detail.php?pgm_id=126/)
- Operator Certification: <http://health.ri.gov/licenses/detail.php?id=273>
- DWSRF: <http://www.health.ri.gov/programs/drinkingwaterstaterevolvingloanfund/>



South Carolina Department of Health and Environmental Control (DHEC)  
 South Carolina Public Service Commission (PSC)  
 South Carolina Office of Regulatory Staff (ORS)

### STATE POLICIES AND PROGRAMS REGARDING WATER SYSTEM PARTNERSHIPS



#### DWSRF PRIORITIZATION OF CONSOLIDATION PROJECTS

Projects that involve consolidation or regionalization receive a higher ranking on the DWSRF project priority list. In addition, the DWSRF program offers a 1 percent capacity development rate to fund system upgrades and improvements that can help encourage a viable system to take over a non-viable system. Projects that do not include consolidation of water systems when consolidation or regionalization is the most feasible alternative are ineligible for DWSRF funding. 30 percent of each annual federal capitalization grant is allocated as additional subsidies to encourage consolidations, most of the time in the form of principal forgiveness loans.



#### CONSOLIDATION STUDIES

South Carolina has partnered with the South Carolina Council of Governments (COG) to fund evaluations of municipal water systems to assess the feasibility of consolidation. The Capacity Development Program has been involved with facilitating regionalization projects in conjunction with the DWSRF program, South Carolina Department of Commerce, South Carolina Budget & Control Board-Office of Local Government, and other non-governmental organizations.



#### STATE ORDERED CONSOLIDATION OR RECEIVERSHIP

The South Carolina DHEC can petition the State's Administrative Law Court to appoint a receiver for a system whose owner is recalcitrant towards regulatory requirements; if the system is privately-owned, the PSC may also be involved in this process. The ORS represents the consumers in such actions and will petition the PSC to allow use of the system owner's bond with the PSC to be liquidated to fund the system's operations between receivership designation and new owner designation.



#### NEW, SMALL NON-COMMUNITY SYSTEMS REQUIRED TO CONSIDER CONSOLIDATION

When a small business water system applies for a construction permit, they must provide the name of and distance to the nearest publicly-owned water system. They may also be required to submit a cost estimate for connecting to this system. In addition, they must agree to connect to a PWS whenever the water line from such a system becomes contiguous to the business' property.

### HELPFUL LINKS TO STATE RESOURCES

- Drinking Water Program:  
<http://www.scdhec.gov/HomeAndEnvironment/YourHomeEnvironmentalAndSafetyConcerns/DrinkingWaterConcerns/>
- DWSRF: <http://www.scdhec.gov/HomeandEnvironment/BusinessesandCommunities-GoGreen/EnvironmentalGrantsandLoans/StateRevolvingFund/>
- Capacity Development Strategy:  
<http://www.scdhec.gov/environment/WaterQuality/DrinkingWater/CapacityDevelopmentStrategy/>



South Dakota Department of Environment & Natural Resources (DENR)

**STATE POLICIES AND PROGRAMS REGARDING WATER SYSTEM PARTNERSHIPS**



**PRIORITIZATION OF CONSOLIDATION PROJECTS AND SMALL SYSTEM ASSISTANCE**

DENR’s Division of Financial and Technical Assistance offers several tools to support and encourage partnership. Systems are given priority points for consolidating or becoming a consecutive system of another public water system. The state’s Consolidated Grant Funds are used to compliment DWSRF or other funds with preference given to drinking water projects. DENR also has a Small Systems Planning Grant program which provides an 80% grant up to \$8000 to allow systems to hire an engineer to develop the required facility plan needed to apply for state funding opportunities. DENR has also developed a Very Small System’s Compliance Grant for up to \$50,000 if total project costs are less than \$100,000. This grant is only available to systems serving less than 50 connections and could be used for consolidation purposes if compliance is an issue.



**SELF-ASSESSMENTS**

The Capacity Development Program developed self-assessments for systems to determine their TMF capacity. In the Emergencies section of the assessment, systems are asked if their Emergency Response Plan has a contingency for emergency interconnections to neighboring systems, and whether the emergency connections are functional.



**OPERATOR SHARING**

The state allows small systems the option of contracting with a certified operator. The Board can approve arrangements where a certified operator not under direct employment of a system can work as the system’s certified operator. The contract operator must work a minimum number of hours per week and be in direct responsible charge of all operation and maintenance of the system.



**NEW SYSTEMS REQUIRED TO CONSIDER CONSOLIDATION**

New systems must supply the state with a description of the alternatives considered (including consolidations or interconnections with existing water systems) and the technical, managerial, financial and operational reasons for the approach selected.



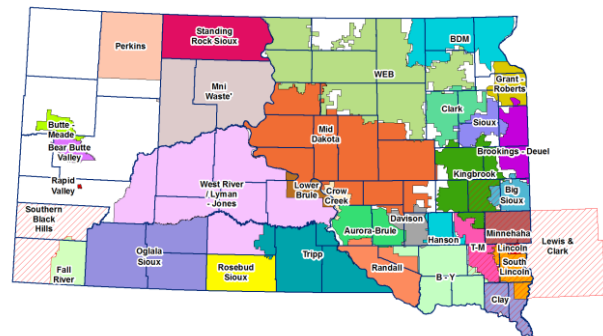
**EMERGENCY RESPONSE**

South Dakota’s Water and Wastewater Agency Response Network (SDWARN), is a utility created mutual aid agreement which water systems may sign in order to access and distribute staff, equipment and resources between water systems in the event of an emergency. This tool can be used by member utilities in the event of a flood, ice storm, blizzard, fire, or human-caused event.

**HELPFUL LINKS TO STATE RESOURCES**

- Drinking Water Program: <http://denr.sd.gov/des/dw/dwhome.aspx>
- DWSRF: <http://denr.sd.gov/dfta/wwf/dwsrf/dwsrfprogram.aspx>
- Capacity Development: <http://denr.sd.gov/des/dw/capacity.aspx>
- Operator Training: <http://denr.sd.gov/des/dw/exam.aspx>
- Drinking Water Security: <http://denr.sd.gov/des/dw/dwsecurity.aspx>

South Dakota Rural Water Systems



**Figure 9. SOUTH DAKOTA HAS 46 REGIONAL DRINKING WATER SYSTEMS SERVING 42.7% OF CWS STATEWIDE**



Tennessee Department of Environment and Conservation (TDEC)  
Tennessee Utility Management Review Board

**STATE POLICIES AND PROGRAMS REGARDING WATER SYSTEM PARTNERSHIPS**



**OPERATOR SHARING**

Many systems share certified operators. Several regional and statewide “management” groups have emerged in Tennessee, which offer their services to water systems that by themselves are not capable of retaining certified operators, nor is it feasible for them to interconnect.



**REGIONAL PLANNING**

In conjunction with Drought Management planning (see Emergency Planning and Response below), Water Resources Technical Advisory Committee (WRTAC) and TDEC partnered with the U.S. Army Corps of Engineers and other regional planning experts to initiate a water resources planning pilot program in two regions: North Central Tennessee and Southern Cumberland. The pilot study was conducted in order to establish a statewide process for regional water supply planning process and to identify potential interconnections.



**STATE PRESCRIBED RESTRUCTURING OR CONSOLIDATION STUDIES**

The Utility Management Review Board advises and assists financially distressed utility districts in the area of utility management, and it has the authority to prescribe a user rate structure that will allow the utility to be self-sufficient. In addition, the board must review the creation of a utility district, and the board may undertake a study leading to the consolidation and regionalization of a utility district with another to achieve compliance.



**STRICT TMF REQUIREMENTS FOR NEW AND EXISTING SYSTEMS**

Tennessee Rules [Rule 0400-45-01-.05 (9)] “require” systems to consider regionalization “insofar as feasible.” The Capacity Development Program reports that consolidations and partnerships are occurring as a consequence of economic and managerial conditions that limit the capacity of small systems to operate effectively. The environment for the creation of smaller, stand-alone water districts is unfavorable.



**EMERGENCY PLANNING AND RESPONSE**

In response to an extreme drought that lasted two years, the WRTAC was created to develop a Drought Management Plan to outline TDEC’s role in facilitating coordination and emergency response to lessen the impacts from drought. Communication and collaboration among water systems as well as physical interconnects have mitigated the impacts from past droughts. CWSs are required to develop drought management plans, which can be a companion to the regional water supply plan.

**HELPFUL LINKS TO STATE RESOURCES**

- Drinking Water Program:  
<http://www.tennessee.gov/environment/topic/wr-wq-dw-drinking-water>
- Regional Water Supply Planning:  
<http://www.tennessee.gov/environment/article/wr-wq-water-resources-regional-planning>
- Operator Certification:  
<https://tn.gov/environment/article/wr-ftc-operator-certification>
- DWSRF:  
<http://www.tennessee.gov/environment/topic/wr-srf-state-revolving-fund-program>

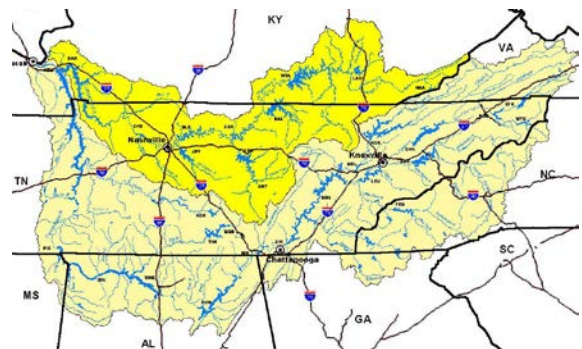


Figure 10. NORTH CENTRAL AND SOUTH CUMBERLAND REGIONS



Texas Commission on Environmental Quality (TCEQ)

## STATE POLICIES AND PROGRAMS REGARDING WATER SYSTEM PARTNERSHIPS



### DWSRF PRIORITIZATION OF CONSOLIDATION PROJECTS

Projects that include PWS consolidations can receive additional priority points in the state's DWSRF loan program. TCEQ also contracted with the University of Texas to help PWSs with maximum contaminant level violations understand the issues and related consolidation options (e.g., interconnections, treatment, new sources). Financial impacts were also discussed, so that the PWS would understand the costs per customer for different options. TCEQ funded this high-level technical assistance to small PWSs using the DWSRF Small Systems Technical Assistance set-aside.



### FUNDING AND ASSISTANCE COORDINATION

Numerous state and federal regulatory, funding and assistance agencies are members of the Texas Water Infrastructure Coordination Committee (TWICC). TWICC meets regularly with entities who operate PWSs and that are interested in getting funding and other assistance including forming regional partnerships.



### CONSOLIDATION ASSESSMENTS

TCEQ currently contracts with the Texas Rural Water Association (TRWA) to provide consolidation assessment for PWSs interested in consolidating with another system. If consolidation is determined to be feasible and recommended, the contractor discusses consolidation with the water system officials and stakeholders.



### ENFORCEMENT AND RECEIVERSHIP

The TCEQ can ask the State Attorney General to bring suit in state court for the appointment of a receiver to collect the assets and operate and maintain the water system when a system violates a final order of the TCEQ or allows any property owned or controlled by it to be used in violation of a final order of the Commission; fails to provide adequate service or notice of public health hazards; fails to maintain facilities such that a potential public health hazard may result; or, displays a pattern of hostility toward or repeatedly fails to respond to the TCEQ or its customers. The court can also appoint a receiver if it is necessary to collect fees, penalties, or interest. The receiver can apply to transfer the required certificate of convenience and necessity (CCN) and can seek to acquire, sell, or otherwise dispose of the system's facilities. The court, after a showing of good cause by the system, can dissolve the receivership and return the assets to the system.



### CONSOLIDATION IS A STATUTORY PRIORITY

The Texas Health and Safety Code (THSC) §341.0315, requires TCEQ to "encourage and promote the development and use of regional and area wide drinking water supply systems" (THSC §341.0315[b]). To help meet that end, TCEQ requires anyone wishing to construct a new system within a municipality or within one-half mile of a district or political subdivision providing the same service or within ½ mile of a certificated service boundary of any other water service provider, to prove that an application for service was made to the provider and that all of the provider's requirements for service were satisfied.

## HELPFUL LINKS TO STATE RESOURCES

- Texas Water Infrastructure Coordination Committee: <http://www.twicc.org/>
- Texas Rural Water Association (TCEQ Contractor) TMF Brochure: <http://www.trwa.org/associations/14156/files/FMTAssistanceBrochure.pdf>
- TCEQ Feasibility Studies for Small Public Water Systems: <http://www.beg.utexas.edu/research/areas/groundwater-studies/tceq-feasibility-for-small-public-water-systems>



## STATE POLICIES AND PROGRAMS REGARDING WATER SYSTEM PARTNERSHIPS



### CAPACITY ASSESSMENTS FOR DWSRF FUNDING

Eligible systems for DWSRF funding must submit TMF self-assessments for review by the Capacity Development Program. The TMF assessment includes the following questions: “Does your long-term planning analysis of alternative strategies that might offer cost saving to customers, such as consolidation with other nearby systems or sharing of operations and management expenses with other nearby systems?” and “Is there a contingency for making emergency interconnections to neighboring systems, and do you know they will work if needed?” Those systems that lack capacity may still be eligible if the loan will address the non-compliance or the system agrees to undertake feasible and appropriate changes (e.g. restructuring).



### STRICT CAPACITY DEVELOPMENT REQUIREMENTS FOR NEW SYSTEMS

The Division of Drinking Water receives inquiries from developers, landowners, and other entities about creation of new PWSs. In response, the Division promotes alternatives such as consolidation with or annexation by existing PWSs. According to a 2008 Triennial Capacity Development Report to the Governor, approximately 10-20 different entities make preliminary inquiries to the Division about creation of a PWS each year but never submit a proposal. In these cases, the Capacity Development Program can be credited for discouraging application follow-through by would-be water system operators with suspect business plans. Strict TMF requirements dissuade non-viable water system creation. In many cases, the projects move forward but the developers opt to consolidate with, or annex into, existing water systems.



### PRIORITIZING REGIONALIZATION THROUGH STATE FUNDS

The Utah State Revolving Fund (separate from the Federal DWSRF program) incentivizes regionalization by offering prioritization points under the Financial Considerations criteria for projects that create or enhance a regionalization plan.

## HELPFUL LINKS TO STATE RESOURCES

- Division of Drinking Water: <http://www.drinkingwater.utah.gov/>
- State Revolving Fund: [https://deq.utah.gov/FeesGrants/funds/drinkingwater/state\\_srf.htm](https://deq.utah.gov/FeesGrants/funds/drinkingwater/state_srf.htm)
- Federal Revolving Fund: [https://deq.utah.gov/FeesGrants/funds/drinkingwater/federal\\_srf.htm](https://deq.utah.gov/FeesGrants/funds/drinkingwater/federal_srf.htm)



## STATE POLICIES AND PROGRAMS REGARDING WATER SYSTEM PARTNERSHIPS



### DWSRF PRIORITIZATION OF CONSOLIDATION PROJECTS

The DWSRF program prioritizes projects that include water system restructuring, consolidation, or management changes to water systems that will address human health issues and ensure compliance. The priority ranking scores projects based on seven criteria, of which physical consolidation is the second. Projects that include the consolidation or interconnection of two or more systems are eligible for up to 20 priority points. For scale, projects that address acute health risks, such as microbiological contaminated sources, receive up to 120 points. The DWSRF program also administers a Planning Loan Program, which offers funding and principal forgiveness for engineering studies and plans, including for consolidation and system acquisition.



### REGIONALIZATION

The Capacity Program is involved in assisting publicly-owned CWSs restructure through the formation of fire districts. Fire districts are municipal entities with taxing and bonding authority which can provide services including fire protection, water supply, and wastewater. A fire district is given authority to organize and operate by a Town's Select Board or by State legislature. Once formed, the fire district is a sovereign entity in or among town boundaries and establishes a prudential committee, by-laws, collection practices, etc. Fire districts are likely to receive more favorable financing terms from the DWSRF program, including access to DWSRF set-aside programs and the ability to adequately charge for water service without having to obtain Public Service Board approval.

## HELPFUL LINKS TO STATE RESOURCES

- Drinking Water and Groundwater Protection Division: <http://drinkingwater.vt.gov/>
- Capacity Development: <http://dec.vermont.gov/water/drinking-water/capacity-dev>
- Operator Certification: <http://dec.vermont.gov/water/drinking-water/pwso>
- Funding (including DWSRF): <http://dec.vermont.gov/funding>



Virginia Resources Authority (VRA)  
Virginia Department of Health (VDH) – Office of Drinking Water (ODW)  
Virginia State Corporation Commission (SCC)

## STATE POLICIES AND PROGRAMS REGARDING WATER SYSTEM PARTNERSHIPS



### REQUIRING RESTRUCTURING FOR DWSRF FUNDING

The 2014 Capacity Development Report to the Governor stated that “all waterworks that qualify to receive DWSRF funds are assessed by ODW staff to determine if the waterworks has sufficient TMF capacity.” If the PWS does not have sufficient TMF capacity, ODW works with the VRA to set “requirements for waterworks restructuring as part of the funding process.”



### CAPACITY ASSESSMENTS

ODW staff assess TMF capacity during sanitary surveys. In Virginia, the number of PWSs that require a licensed operator has decreased; “very small waterworks... are being eliminated through consolidation.” “ODW continues to encourage... small water systems with TMF deficiencies to connect to a service authority or larger municipal... system when extend[ed] into surrounding rural areas.”



### STATE ORDERED RECEIVERSHIP

Both the VDH and SCC have receivership statutes. The State Corporation “Commission may, either upon petition of two-thirds of the affected customers or upon petition of its staff or upon petition of the Board of Health, appoint a receiver to operate a small water system... which is unable or unwilling to provide adequate service to its customers.” (Va. Code §56-265.13:6.1). The State Health “Commissioner may petition the circuit court for... the appointment of a receiver... any time that the Commissioner finds that the waterworks is unable or unwilling to provide adequate and safe service for any of the following reasons:... the waterworks can no longer be depended on to furnish pure water... has inadequate capacity... has failed to comply with an order... has abandoned the waterworks... or the Commissioner has issued an emergency order because there is an imminent danger to the public health” (Va. Code §32.1-174.3).



### STATE ORDERED INTERCONNECTION

Va. Code § 15.2-2146 authorizes localities to acquire waterworks “for the purpose of providing an adequate water supply or of acquiring, maintaining or enlarging a waterworks... of any private or public service corporation operating a waterworks system... However, any locality condemning property hereunder shall furnish water... to the customers... of [that] water company.” The SCC “may require a public utility to transfer to another public utility... whenever the public health, welfare, or safety shall be found to so require...” (VA Code § 56-249.1). The transferring public utility is compensated at a rate fixed by the SCC.



### SYSTEM INITIATED INTERCONNECTIONS OR ACQUISITIONS

Code of Virginia makes it “unlawful for any public utility to construct, enlarge or acquire, by lease or otherwise, any facilities for use in public utility service, except ordinary extensions or improvements in the usual course of business, without first having obtained a certificate from the Commission that the public convenience and necessity require the exercise of such right or privilege.” (Va. Code § 56 – 265.2.A.1). It is the utility’s responsibility to file for approval. “‘public utility’... shall mean... every corporation (other than municipality), company, individual or association of individuals or cooperative ... that... own, manage or control any plant or equipment... for the conveyance of... water... to the public” (Va. Code § 56-232).

## HELPFUL LINKS TO STATE RESOURCES

- Capacity Development Strategy: <http://www.vdh.virginia.gov/drinking-water/capacity-development-strategy/>
- Information for Waterworks Operators: <http://www.vdh.virginia.gov/drinking-water/information-for-waterworks-operators/>
- DWSRF: <http://www.virginiaresources.org/drinkingwater.shtml>





## STATE POLICIES AND PROGRAMS REGARDING WATER SYSTEM PARTNERSHIPS



### DWSRF PRIORITIZATION OF CONSOLIDATION PROJECTS

Limited principal forgiveness is offered to projects that include consolidation or restructuring, as long as they meet certain criteria to ensure that the consolidated system will have adequate TMF capacity.



### OPERATOR SHARING

The Public Water System Coordination Act (PWSCA) was amended in 1991 to include a satellite management program to address requests for water service that cannot be accommodated by a direct connection to an existing PWS. Washington approves Satellite Management Agencies (SMAs) that own or operate more than one PWS in specifically service areas. Newly-proposed systems outside a PWS's existing or future service area must be owned or operated by an approved SMA. If no SMA is available to provide service, the PWS is obligated to receive SMA service if it has problems.



### CAPACITY ASSESSMENTS

Managerial and Financial Capacity Assessments ask managers/owners of PWSs whether they would be willing to connect to a nearby water system: "The responsibilities and costs of owning and operating a public water system can be overwhelming. Some water systems are interested in the economic and operational benefits of consolidating facilities and operations with another utility. Is your system willing to consider transferring ownership, management, and operations to another water utility?" When consolidation is not possible due to the distance between systems, the state encourages water systems to consider the benefits of transferring ownership, management, and operations to another utility.



### REGIONAL PLANNING

The PWSCA of 1977 establishes a process whereby water systems identify existing and future service areas. Identifying service areas and directing water systems seeking restructuring and new water applicants to existing water systems for service, has helped prevent the creation of new isolated systems within the service area of existing water system.



### STATE ORDERED CONSOLIDATION OR RECEIVERSHIP

When a PWS is unable to achieve compliance the state may petition the court to take temporary control of a failing PWS and direct that PWS to a receiver. Receivers are authorized to operate and maintain the PWS, make needed system improvements, impose reasonable assessments on PWS customers, and receive reasonable compensation for the cost of providing service. Where no receiver is available, the local county is the receiver. PWSs placed under receivership are generally operated by the receiver for one year.

## HELPFUL LINKS TO STATE RESOURCES

- Drinking Water Program: <http://www.doh.wa.gov/CommunityandEnvironment/DrinkingWater.aspx>
- Operator Certification: <http://www.doh.wa.gov/CommunityandEnvironment/DrinkingWater/RegulationandCompliance/WaterworksOperatorCertification.aspx>
- Capacity Development: <http://www.doh.wa.gov/CommunityandEnvironment/DrinkingWater/WaterSystemAssistance/CapacityDevelopment.aspx>
- DWSRF: <http://www.doh.wa.gov/CommunityandEnvironment/DrinkingWater/WaterSystemAssistance/DrinkingWaterStateRevolvingFundDWSRF.aspx>
- Regional Water Supply Report from King County Region: <http://www.govlink.org/regional-water-planning/docs/process-synthesis.htm>

## WEST VIRGINIA

West Virginia Department of Health & Human Resources  
Public Service Commission of West Virginia  
West Virginia Infrastructure and Jobs Development Council



### STATE POLICIES AND PROGRAMS REGARDING WATER SYSTEM PARTNERSHIPS



#### DWSRF & OTHER STATE FUND PRIORITIZATION OF CONSOLIDATION PROJECTS

The West Virginia Bureau of Public Health (BPH) assists PWSs in the development of partnerships by encouraging consolidation or merger options through funding infrastructure improvement projects (e.g., DWSRF). All West Virginia drinking water projects using any state agency funding, including DWSRF, are reviewed and approved by the West Virginia Infrastructure and Jobs Development Council (IJDC). The IJDC approval process includes reviewing all viable alternatives, including consolidation. Any project where consolidation is the most cost-effective alternative is referred to the IJDC Consolidation Committee. The BPH and Public Service Commission (PSC) are Consolidation Committee voting members. When the Consolidation Committee and IJDC determine consolidation is the most viable, cost effective alternative, only this alternative will be approved for funding.

#### *Partnerships at Every Level: A Case Study*

*The small community of Amonate straddles the border of Virginia and West Virginia. Its water system was built and maintained by a coal company until the 1990s. The water quality was poor and the pressure was unreliable – people usually hauled drinking water from a nearby creek. Another former coal community just a few miles away also straddled the same border. Funding through multiple regional and state agencies helped both of these small systems be taken over by utilities on both sides of the state line – the McDowell County Public Service District in West Virginia, and the Tazewell County Public Service Authority in Virginia. Funding came from the West Virginia Infrastructure and Jobs Development Council, the Virginia CDBG, and the Appalachian Regional Commission.*

*For more info on this project, visit:*

*[http://www.arc.gov/magazine/articles.asp?ARTICLE\\_ID=135&F\\_ISSUE\\_ID=17&F\\_CATEGORY\\_ID=](http://www.arc.gov/magazine/articles.asp?ARTICLE_ID=135&F_ISSUE_ID=17&F_CATEGORY_ID=)*

#### HELPFUL LINKS TO STATE RESOURCES

- Infrastructure and Capacity Development Program: <http://www.wvdhhr.org/oehs/eed/i%26cd/>
- Drinking Water Treatment Revolving Fund: <http://www.wvdhhr.org/oehs/eed/i%26cd/DWTRF.asp>



## STATE POLICIES AND PROGRAMS REGARDING WATER SYSTEM PARTNERSHIPS



### STATE FACILITATION OF INFORMAL PARTNERSHIPS

The DNR Capacity Development Program facilitates the establishment of “coalitions” of municipal and other PWS owners and operators throughout the state. The intent of the coalitions is to create forums where owners and operators can “discuss issues in an informal setting, network with other communities to share ideas and possibly equipment, [and] receive information on the new regulations from the EPA and review their implications.”



### OPERATOR SHARING

The Wisconsin Operator Certification Program maintains a list of contract operator service providers in the state. To find the list, go to the drinking water program website and search for Contract Operator.

## HELPFUL LINKS TO STATE RESOURCES

- Drinking Water Program: <http://dnr.wi.gov/topic/drinkingwater/>
- Capacity Development: <http://dnr.wi.gov/topic/DrinkingWater/CapacityDevelopment.html>
- Operator Certification: <http://dnr.wi.gov/regulations/opcert/>

## WYOMING



Wyoming Department of Environmental Quality  
Wyoming Public Service Commission  
Wyoming Water Development Commission (WWDC)  
U.S. EPA Region 8

### STATE POLICIES AND PROGRAMS REGARDING WATER SYSTEM PARTNERSHIPS



#### USING STATE FUNDS TO PROMOTE REGIONALIZATION

The WWDC funds regional water system projects and prioritizes projects that will provide service to regional areas or connect multiple existing water systems. The WWDC Operating Criteria state that "Priority will be given to those projects that may practically serve more than one entity or purpose and whose service area encompasses a larger, more regional area." The WWDC utilizes income generated from non-renewable resource development to fund the sustainable development of water resources. Some of the regional water systems that the commission has funded are the Gillette Regional Pipeline Project, connecting the City of Gillette and Campbell County; the Bighorn Regional Water Supply System, supplying water to multiple entities; and the Shoshone Municipal Water Supply District, among others.



#### CAPACITY DEVELOPMENT ASSESSMENTS FOR NEW SYSTEMS

Wyoming's Water and Wastewater Program promotes and develops partnerships among multiple drinking water systems to create regional systems. The Water and Wastewater Program requires all new or modified systems to submit a Capacity Assessment which includes the following question in the Financial portion of the assessment: "Does your long-term planning incorporate analysis of alternative strategies that might offer cost saving to customers, such as consolidation with other nearby systems or sharing of operations and management expenses with other nearby systems?"



#### STATE ORDERED COORDINATION BETWEEN SYSTEMS

Section 4 of the Wyoming Public Service Commission Rules (PWSCR) requires that utilities such as water systems that interfere or may interfere with one another coordinate and take steps to eliminate the interference. (Interference is not defined in the PWSCR.) If the interference is caused by a new system, the owner of the new system must pay for the correction and mitigation of any interference (Wyoming Chapter II General Regulations §4(f)).

### HELPFUL LINKS TO STATE RESOURCES

- Wyoming Drinking Water Program: <https://www.epa.gov/region8-waterops/about-us>
- Wyoming Water Development Commission: [http://wwdc.state.wy.us/agency\\_info/agency\\_info.html](http://wwdc.state.wy.us/agency_info/agency_info.html)
- Operator Certification: <http://deq.wyoming.gov/wqd/operator-certification/>
- Capacity Development: <http://deq.wyoming.gov/wqd/state-revolving-loan-fund/resources/5-capacity-development/>
- Wyoming Public Service Commission Rules: <http://psc.state.wy.us/pscdocs/AdoptedRules.html>

## APPENDIX A: LINKS TO STATE RESOURCES

	Drinking Water Page	DWSRF
Alabama	<a href="http://www.adem.state.al.us/programs/water/drinkingwater.cnt">http://www.adem.state.al.us/programs/water/drinkingwater.cnt</a>	<a href="http://www.adem.state.al.us/programs/water/srf.cnt">http://www.adem.state.al.us/programs/water/srf.cnt</a>
Alaska	<a href="http://dec.alaska.gov/eh/dw/">http://dec.alaska.gov/eh/dw/</a>	<a href="http://dec.alaska.gov/water/MuniGrantsLoans/index.htm">http://dec.alaska.gov/water/MuniGrantsLoans/index.htm</a>
Arizona	<a href="http://www.azdeq.gov/programs/water-quality-programs/safe-drinking-water">http://www.azdeq.gov/programs/water-quality-programs/safe-drinking-water</a>	<a href="http://www.azwifa.gov/loan-programs/?dw">http://www.azwifa.gov/loan-programs/?dw</a>
Arkansas	<a href="http://www.healthy.arkansas.gov/programsServices/environmentalHealth/Engineering/drinkingWater/Pages/default.aspx">http://www.healthy.arkansas.gov/programsServices/environmentalHealth/Engineering/drinkingWater/Pages/default.aspx</a>	<a href="http://www.anrc.arkansas.gov/divisions/water-resources-development">http://www.anrc.arkansas.gov/divisions/water-resources-development</a>
California	<a href="http://www.waterboards.ca.gov/drinking_water/certlic/drinkingwater/publicwatersystems.shtml">http://www.waterboards.ca.gov/drinking_water/certlic/drinkingwater/publicwatersystems.shtml</a>	<a href="http://www.waterboards.ca.gov/drinking_water/services/funding/SRF.shtml#">http://www.waterboards.ca.gov/drinking_water/services/funding/SRF.shtml#</a>
Colorado	<a href="http://www.colorado.gov/cs/Satellite/CDPHE-WQ/CBON/1251596875425">http://www.colorado.gov/cs/Satellite/CDPHE-WQ/CBON/1251596875425</a>	<a href="http://www.cwrpda.com/">http://www.cwrpda.com/</a>
Connecticut	<a href="http://www.ct.gov/dph/cwp/view.asp?a=3139&amp;q=387304&amp;dphNav_GID=1824&amp;dphPNavCtr= #47062">http://www.ct.gov/dph/cwp/view.asp?a=3139&amp;q=387304&amp;dphNav_GID=1824&amp;dphPNavCtr= #47062</a>	<a href="http://www.ct.gov/dph/dwsrf">www.ct.gov/dph/dwsrf</a>
Delaware	<a href="http://www.dhss.delaware.gov/dhss/dph/hsp/odw.html">http://www.dhss.delaware.gov/dhss/dph/hsp/odw.html</a>	<a href="http://www.dhss.delaware.gov/dph/hsp/dwsrf.html">http://www.dhss.delaware.gov/dph/hsp/dwsrf.html</a>
Florida	<a href="http://www.dep.state.fl.us/water/drinkingwater/">http://www.dep.state.fl.us/water/drinkingwater/</a>	<a href="http://www.dep.state.fl.us/water/wff/dwsrf/index.htm">http://www.dep.state.fl.us/water/wff/dwsrf/index.htm</a>
Georgia	<a href="http://epd.georgia.gov/drinking-water">http://epd.georgia.gov/drinking-water</a>	<a href="http://gefa.georgia.gov/drinking-water-state-revolving-fund">http://gefa.georgia.gov/drinking-water-state-revolving-fund</a>
Hawaii	<a href="http://health.hawaii.gov/sdwb/">http://health.hawaii.gov/sdwb/</a>	<a href="http://health.hawaii.gov/sdwb/drinking-water-state-revolving-fund/">http://health.hawaii.gov/sdwb/drinking-water-state-revolving-fund/</a>
Idaho	<a href="http://www.deq.idaho.gov/water-quality/drinking-water/">http://www.deq.idaho.gov/water-quality/drinking-water/</a>	<a href="http://www.deq.idaho.gov/water-quality/grants-loans/water-system-construction-loans.aspx">http://www.deq.idaho.gov/water-quality/grants-loans/water-system-construction-loans.aspx</a>
Illinois	<a href="http://www.epa.state.il.us/water/index-pws.html">http://www.epa.state.il.us/water/index-pws.html</a>	<a href="http://www.epa.illinois.gov/topics/grants-loans/state-revolving-fund/index">http://www.epa.illinois.gov/topics/grants-loans/state-revolving-fund/index</a>
Indiana	<a href="http://in.gov/idem/cleanwater/2381.htm">http://in.gov/idem/cleanwater/2381.htm</a>	<a href="http://www.in.gov/ifa/srf/">http://www.in.gov/ifa/srf/</a>
Iowa	<a href="http://www.iowadnr.gov/InsideDNR/RegulatoryWater/DrinkingWaterCompliance.aspx">http://www.iowadnr.gov/InsideDNR/RegulatoryWater/DrinkingWaterCompliance.aspx</a>	<a href="http://www.iowasrf.com/program/drinking_water_loan_program/">http://www.iowasrf.com/program/drinking_water_loan_program/</a>
Kansas	<a href="http://www.kdheks.gov/water/">http://www.kdheks.gov/water/</a>	<a href="http://www.kdheks.gov/muni/index.htm">http://www.kdheks.gov/muni/index.htm</a>
Kentucky	<a href="http://water.ky.gov/drinkingwater/Pages/default.aspx">http://water.ky.gov/drinkingwater/Pages/default.aspx</a>	<a href="http://water.ky.gov/Funding/Pages/DrinkingWaterStateRevolvingFund.aspx">http://water.ky.gov/Funding/Pages/DrinkingWaterStateRevolvingFund.aspx</a>
Louisiana	<a href="http://new.dhh.louisiana.gov/index.cfm/page/963">http://new.dhh.louisiana.gov/index.cfm/page/963</a>	<a href="http://new.dhh.louisiana.gov/index.cfm/page/431/n/285">http://new.dhh.louisiana.gov/index.cfm/page/431/n/285</a>
Maine	<a href="http://www.maine.gov/dhhs/mecdc/environmental-health/water/index.htm">http://www.maine.gov/dhhs/mecdc/environmental-health/water/index.htm</a>	<a href="http://www.maine.gov/dhhs/mecdc/environmental-health/dwp/partners/srf.shtml">http://www.maine.gov/dhhs/mecdc/environmental-health/dwp/partners/srf.shtml</a>
Maryland	<a href="http://mde.maryland.gov/programs/Water/water_supply/Pages/index.aspx">http://mde.maryland.gov/programs/Water/water_supply/Pages/index.aspx</a>	<a href="http://mde.maryland.gov/programs/water/WQFA/Pages/mission_statement.aspx">http://mde.maryland.gov/programs/water/WQFA/Pages/mission_statement.aspx</a>
Massachusetts	<a href="http://www.mass.gov/eea/agencies/massdep/water/drinking/">http://www.mass.gov/eea/agencies/massdep/water/drinking/</a>	<a href="http://www.mass.gov/eea/agencies/massdep/water/grants/drinking-water-state-revolving-fund.html">http://www.mass.gov/eea/agencies/massdep/water/grants/drinking-water-state-revolving-fund.html</a>
Michigan	<a href="http://www.michigan.gov/deq/0,1607,7-135-3313_3675---,00.html">http://www.michigan.gov/deq/0,1607,7-135-3313_3675---,00.html</a>	<a href="http://www.michigan.gov/deq/1,1607,7-135-3307_3515_3517---,00.html">http://www.michigan.gov/deq/1,1607,7-135-3307_3515_3517---,00.html</a>
Minnesota	<a href="http://www.health.state.mn.us/divs/eh/water/">http://www.health.state.mn.us/divs/eh/water/</a>	<a href="http://www.health.state.mn.us/divs/eh/water/dwrf/index.html">http://www.health.state.mn.us/divs/eh/water/dwrf/index.html</a>
Mississippi	<a href="http://msdh.ms.gov/msdhsite/_static/30,0,76.html">http://msdh.ms.gov/msdhsite/_static/30,0,76.html</a>	<a href="http://msdh.ms.gov/msdhsite/_static/44,0,127.html">http://msdh.ms.gov/msdhsite/_static/44,0,127.html</a>
Missouri	<a href="https://dnr.mo.gov/env/wpp/dw-index.html">https://dnr.mo.gov/env/wpp/dw-index.html</a>	<a href="http://www.dnr.mo.gov/env/wpp/srf/index.html">http://www.dnr.mo.gov/env/wpp/srf/index.html</a>
Montana	<a href="http://deq.mt.gov/Water/PWSUB">http://deq.mt.gov/Water/PWSUB</a>	<a href="http://deq.mt.gov/Water/TFA/srf/dwsrf">http://deq.mt.gov/Water/TFA/srf/dwsrf</a>
Nebraska	<a href="http://dhhs.ne.gov/publichealth/Pages/enh_pwsindex.aspx">http://dhhs.ne.gov/publichealth/Pages/enh_pwsindex.aspx</a>	<a href="http://deq.ne.gov/NDEQProg.nsf/OnWeb/DWSRLF">http://deq.ne.gov/NDEQProg.nsf/OnWeb/DWSRLF</a>
Nevada	<a href="https://ndep.nv.gov/water/drinking-water">https://ndep.nv.gov/water/drinking-water</a>	<a href="https://ndep.nv.gov/water/financing-infrastructure/state-revolving-fund-loans">https://ndep.nv.gov/water/financing-infrastructure/state-revolving-fund-loans</a>
New Hampshire	<a href="http://des.nh.gov/organization/divisions/water/dwgb/index.htm">http://des.nh.gov/organization/divisions/water/dwgb/index.htm</a>	<a href="https://www.des.nh.gov/organization/divisions/water/dwgb/capacity/dwsrf.htm">https://www.des.nh.gov/organization/divisions/water/dwgb/capacity/dwsrf.htm</a>

	Drinking Water Page	DWSRF
<b>New Jersey</b>	<a href="http://www.nj.gov/dep/watersupply/">http://www.nj.gov/dep/watersupply/</a>	<a href="http://www.nj.gov/dep/watersupply/dws_loans.html">http://www.nj.gov/dep/watersupply/dws_loans.html</a>
<b>New Mexico</b>	<a href="http://www.nmenv.state.nm.us/dwb/Index.htm">http://www.nmenv.state.nm.us/dwb/Index.htm</a>	<a href="http://www.nmenv.state.nm.us/dwb/loan_fund/Index.htm">http://www.nmenv.state.nm.us/dwb/loan_fund/Index.htm</a>
<b>New York</b>	<a href="http://www.health.ny.gov/environmental/water/drinking/">http://www.health.ny.gov/environmental/water/drinking/</a>	<a href="https://www.efc.ny.gov/Default.aspx?tabid=83">https://www.efc.ny.gov/Default.aspx?tabid=83</a>
<b>North Carolina</b>	<a href="https://www.efc.ny.gov/Default.aspx?tabid=83">https://www.efc.ny.gov/Default.aspx?tabid=83</a>	<a href="http://portal.ncdenr.org/web/wi/dwsrf">http://portal.ncdenr.org/web/wi/dwsrf</a>
<b>North Dakota</b>	<a href="https://www.ndhealth.gov/mf/dw.html">https://www.ndhealth.gov/mf/dw.html</a>	<a href="https://www.ndhealth.gov/MF/dwsrf.html">https://www.ndhealth.gov/MF/dwsrf.html</a>
<b>Ohio</b>	<a href="http://epa.ohio.gov/ddagw/pws.aspx">http://epa.ohio.gov/ddagw/pws.aspx</a>	<a href="http://epa.ohio.gov/ddagw/financialassistance.aspx">http://epa.ohio.gov/ddagw/financialassistance.aspx</a>
<b>Oklahoma</b>	<a href="http://www.owrb.ok.gov/supply/ocwp/ocwp.php">http://www.owrb.ok.gov/supply/ocwp/ocwp.php</a>	<a href="http://www.deq.state.ok.us/wqdnew/dwsrf/">http://www.deq.state.ok.us/wqdnew/dwsrf/</a>
<b>Oregon</b>	<a href="http://public.health.oregon.gov/HealthyEnvironment/DrinkingWater/Pages/index.aspx">http://public.health.oregon.gov/HealthyEnvironment/DrinkingWater/Pages/index.aspx</a>	<a href="http://public.health.oregon.gov/HealthyEnvironment/DrinkingWater/SRF/Pages/index.aspx">http://public.health.oregon.gov/HealthyEnvironment/DrinkingWater/SRF/Pages/index.aspx</a>
<b>Pennsylvania</b>	<a href="http://www.dep.pa.gov/Business/Water/BureauSafeDrinkingWater/Pages/default.aspx">http://www.dep.pa.gov/Business/Water/BureauSafeDrinkingWater/Pages/default.aspx</a>	<a href="http://www.pennvest.pa.gov/Information/Funding-Programs/Pages/Drinking-Water-State-Revolving-Fund.aspx">http://www.pennvest.pa.gov/Information/Funding-Programs/Pages/Drinking-Water-State-Revolving-Fund.aspx</a>
<b>Rhode Island</b>	<a href="http://health.ri.gov/programs/detail.php?pgm_id=126/">http://health.ri.gov/programs/detail.php?pgm_id=126/</a>	<a href="http://www.health.ri.gov/programs/drinkingwaterstate revolvingloanfund/">http://www.health.ri.gov/programs/drinkingwaterstate revolvingloanfund/</a>
<b>South Carolina</b>	<a href="http://www.scdhec.gov/HomeAndEnvironment/YourHomeEnvironmentalSafetyConcerns/DrinkingWaterConcerns/">http://www.scdhec.gov/HomeAndEnvironment/YourHomeEnvironmentalSafetyConcerns/DrinkingWaterConcerns/</a>	<a href="http://www.scdhec.gov/HomeandEnvironment/BusinessesandCommunities-GoGreen/EnvironmentalGrantsandLoans/StateRevolvingFund/">http://www.scdhec.gov/HomeandEnvironment/BusinessesandCommunities-GoGreen/EnvironmentalGrantsandLoans/StateRevolvingFund/</a>
<b>South Dakota</b>	<a href="http://denr.sd.gov/des/dw/dwhome.aspx">http://denr.sd.gov/des/dw/dwhome.aspx</a>	<a href="http://denr.sd.gov/dfta/wwf/dwsrf/dwsrfprogram.aspx">http://denr.sd.gov/dfta/wwf/dwsrf/dwsrfprogram.aspx</a>
<b>Tennessee</b>	<a href="http://www.tennessee.gov/environment/topic/wr-wq-dw-drinking-water">http://www.tennessee.gov/environment/topic/wr-wq-dw-drinking-water</a>	<a href="http://www.tennessee.gov/environment/topic/wr-srf-state-revolving-fund-program">http://www.tennessee.gov/environment/topic/wr-srf-state-revolving-fund-program</a>
<b>Texas</b>	<a href="https://www.tceq.texas.gov/drinkingwater">https://www.tceq.texas.gov/drinkingwater</a>	<a href="https://www.twdb.texas.gov/financial/programs/DWSRF/">https://www.twdb.texas.gov/financial/programs/DWSRF/</a>
<b>Utah</b>	<a href="http://www.drinkingwater.utah.gov/">http://www.drinkingwater.utah.gov/</a>	<a href="https://deq.utah.gov/FeesGrants/funds/drinkingwater/state_srf.htm">https://deq.utah.gov/FeesGrants/funds/drinkingwater/state_srf.htm</a>
<b>Vermont</b>	<a href="http://drinkingwater.vt.gov/">http://drinkingwater.vt.gov/</a>	<a href="http://dec.vermont.gov/funding">http://dec.vermont.gov/funding</a>
<b>Virginia</b>	<a href="http://www.vdh.virginia.gov/drinking-water/">http://www.vdh.virginia.gov/drinking-water/</a>	<a href="http://www.virginiareources.org/drinkingwater.shtml">http://www.virginiareources.org/drinkingwater.shtml</a>
<b>Washington</b>	<a href="http://www.doh.wa.gov/CommunityandEnvironment/DrinkingWater.aspx">http://www.doh.wa.gov/CommunityandEnvironment/DrinkingWater.aspx</a>	<a href="http://www.doh.wa.gov/CommunityandEnvironment/DrinkingWater/WaterSystemAssistance/DrinkingWaterStateRevolvingFundDWSRF.aspx">http://www.doh.wa.gov/CommunityandEnvironment/DrinkingWater/WaterSystemAssistance/DrinkingWaterStateRevolvingFundDWSRF.aspx</a>
<b>West Virginia</b>	<a href="http://www.dep.wv.gov/ww/Pages/default.aspx">http://www.dep.wv.gov/ww/Pages/default.aspx</a>	<a href="http://www.wvdhhr.org/oehs/eed/i%26cd/DWTRF.asp">http://www.wvdhhr.org/oehs/eed/i%26cd/DWTRF.asp</a>
<b>Wisconsin</b>	<a href="http://dnr.wi.gov/topic/drinkingwater/">http://dnr.wi.gov/topic/drinkingwater/</a>	<a href="http://dnr.wi.gov/aid/eif.html">http://dnr.wi.gov/aid/eif.html</a>
<b>Wyoming</b>	<a href="https://www.epa.gov/region8-waterops/about-us">https://www.epa.gov/region8-waterops/about-us</a>	<a href="http://deq.wyoming.gov/wqd/state-revolving-loan-fund/resources/3-drinking-water-state-revolving-fund/">http://deq.wyoming.gov/wqd/state-revolving-loan-fund/resources/3-drinking-water-state-revolving-fund/</a>

Note: URLs were valid as of August 2017

## APPENDIX B: LISTING OF COMMON STATE PROGRAMS TO ENCOURAGE WATER SYSTEM PARTNERSHIPS

	AL	AK	AZ	AR	CA	CO	CT	DE	FL	GA	HI	ID	IL	IN	IA	KS	KY	LA	ME	MD	MA	MI	MN	MS	MO	MT	NE	NV	NH	NJ	NM	NY	NC	ND	OH	OK	OR	PA	RI	SC	SD	TN	TX	UT	VT	VA	WA	WV	WI	WY				
Consolidating Systems prioritized for DWSRF funding	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X		
State loan funds or incentive programs exist for consolidating systems									X							X		X											X						X						X				X			X			X			
Capacity development program identifies and facilitates partnerships	X				X	X	X			X		X	X	X	X	X	X	X	X	X	X	X						X	X		X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	
State allows contract operator/ operator sharing	X	X						X			X	X	X	X			X		X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X		
Regional planning incorporates water supply planning						X	X										X										X	X		X				X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X		
State does not allow small system variances if consolidation or interconnection is feasible						X															X																																	X
State can appoint a receiver																	X	X								X															X		X					X	X					
State requires new systems to consider interconnection to existing systems	X				X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	
Water and Wastewater Emergency Mutual Aid Agreement exists						X		X		X		X		X		X		X		X		X		X		X		X		X		X		X		X		X		X		X		X		X		X		X		X		