

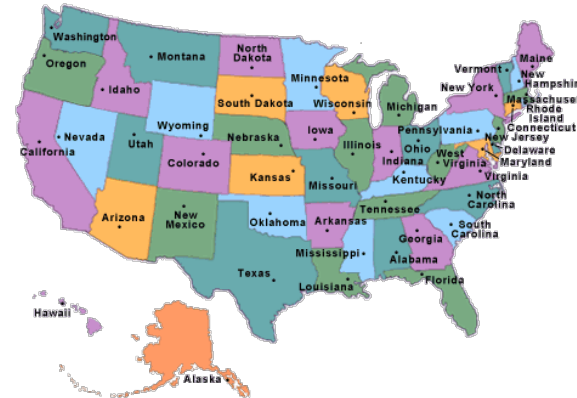
SOUTHWEST
ENVIRONMENTAL
FINANCE CENTER

Partnership and Collaboration



Engineer by training
Operations, Management,
and Finance by choice

Heather



SOUTHWEST
ENVIRONMENTAL
FINANCE CENTER

Hayley



SOUTHWEST
ENVIRONMENTAL
FINANCE CENTER



WHO
AM
I?



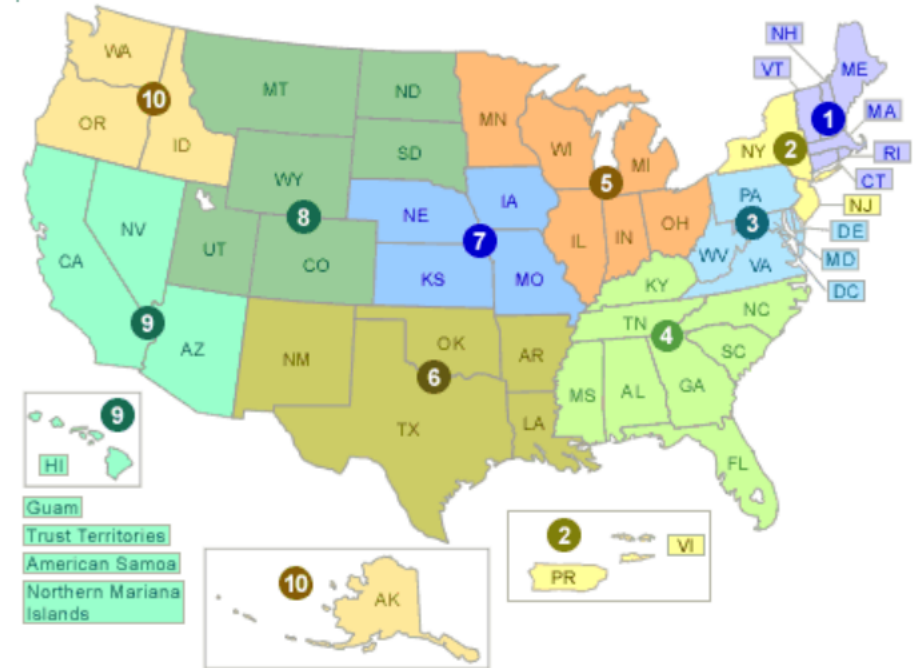
Brought to you by...



... And the Environmental Finance Center Network (EFCN)



EFCN – a university- and non-profit-based organization creating innovative solutions to the difficult how-to-pay issues of environmental protection and improvement.



The Project Website



efcnetwork.org or google "EFC Network"

Access Our Managerial Assist Financial
Check out Our Webinars and Other
Read and/or Subscribe to Our Blog Posts
Trainings, including Recorded Webinars



efcnetwork.org or google "EFC Network"

Enter your email to subscribe... [Sign Me Up](#)

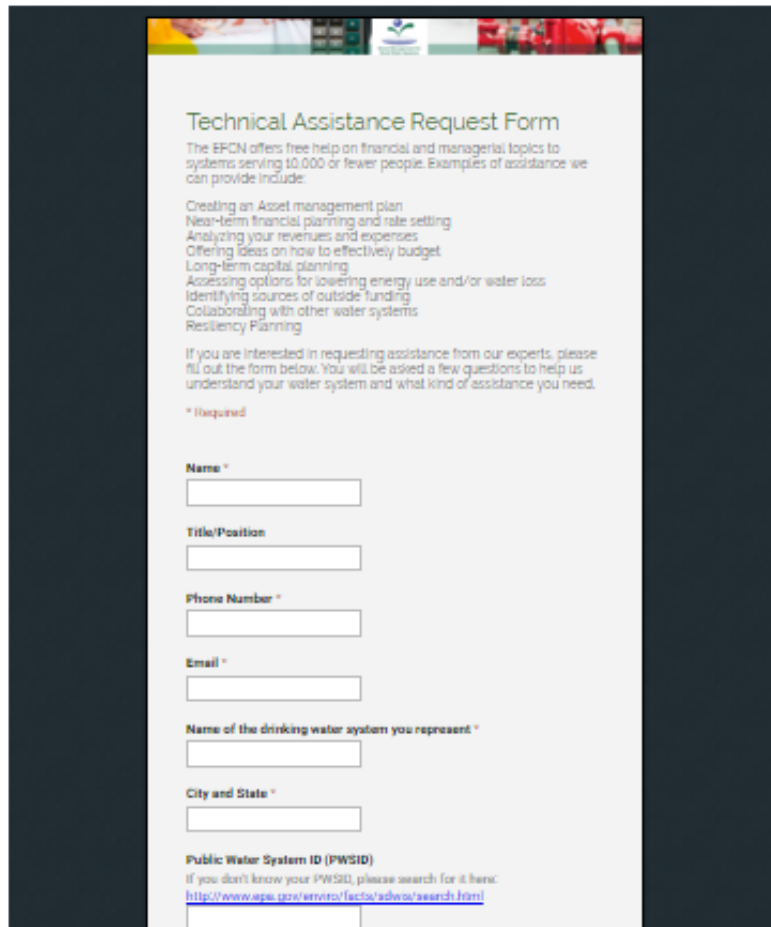


Innovative Finance Solutions for Environmental Services

[HOME](#) [ABOUT](#) [WORKSHOPS & WEBINARS](#) [ASSISTANCE](#) [RESOURCES](#) [BLOG](#) [ARCHIVES](#) [SEARCH](#)

[» ASSISTANCE](#) [» REQUEST ASSISTANCE](#)

REQUEST ASSISTANCE



Technical Assistance Request Form

The EFCN offers free help on financial and managerial topics to systems serving 10,000 or fewer people. Examples of assistance we can provide include:

- Creating an Asset management plan
- Near-term financial planning and rate setting
- Analyzing your revenues and expenses
- Offering ideas on how to effectively budget
- Long-term capital planning
- Assessing options for lowering energy use and/or water loss
- Identifying sources of outside funding
- Collaborating with other water systems
- Resiliency Planning

If you are interested in requesting assistance from our experts, please fill out the form below. You will be asked a few questions to help us understand your water system and what kind of assistance you need.

*** Required**

Name *

Title/Position

Phone Number *

Email *

Name of the drinking water system you represent *

City and State *

Public Water System ID (PWSID)
If you don't know your PWSID, please search for it here:
<http://www.epa.gov/enviro/facts/adwss/search.html>

Fill out
Request Form
for Assistance

The Southwest EFC

<https://swefc.unm.edu/home/>



[Home](#) [About](#) [Resources](#) [Blog](#) [Events](#) [Switchboards](#) [Search](#)

A wide-angle landscape photograph showing a winding river flowing through a valley. The river is a light brown color, contrasting with the green and yellow vegetation on the banks. In the background, there are rolling hills and mountains under a dramatic sky with dark, heavy clouds and a bright light source on the horizon, suggesting either sunrise or sunset. The overall scene is rugged and natural.

We promote self-reliance through innovative training
and assistance focused on actionable results.

Getting familiar with the Question Box Feature

How long have you been in the water business?



Getting familiar with the Question Box Feature

On a scale of 1 to 10 how satisfied are you with your job?
(1 – completely unsatisfied, 10 – absolutely love my job)

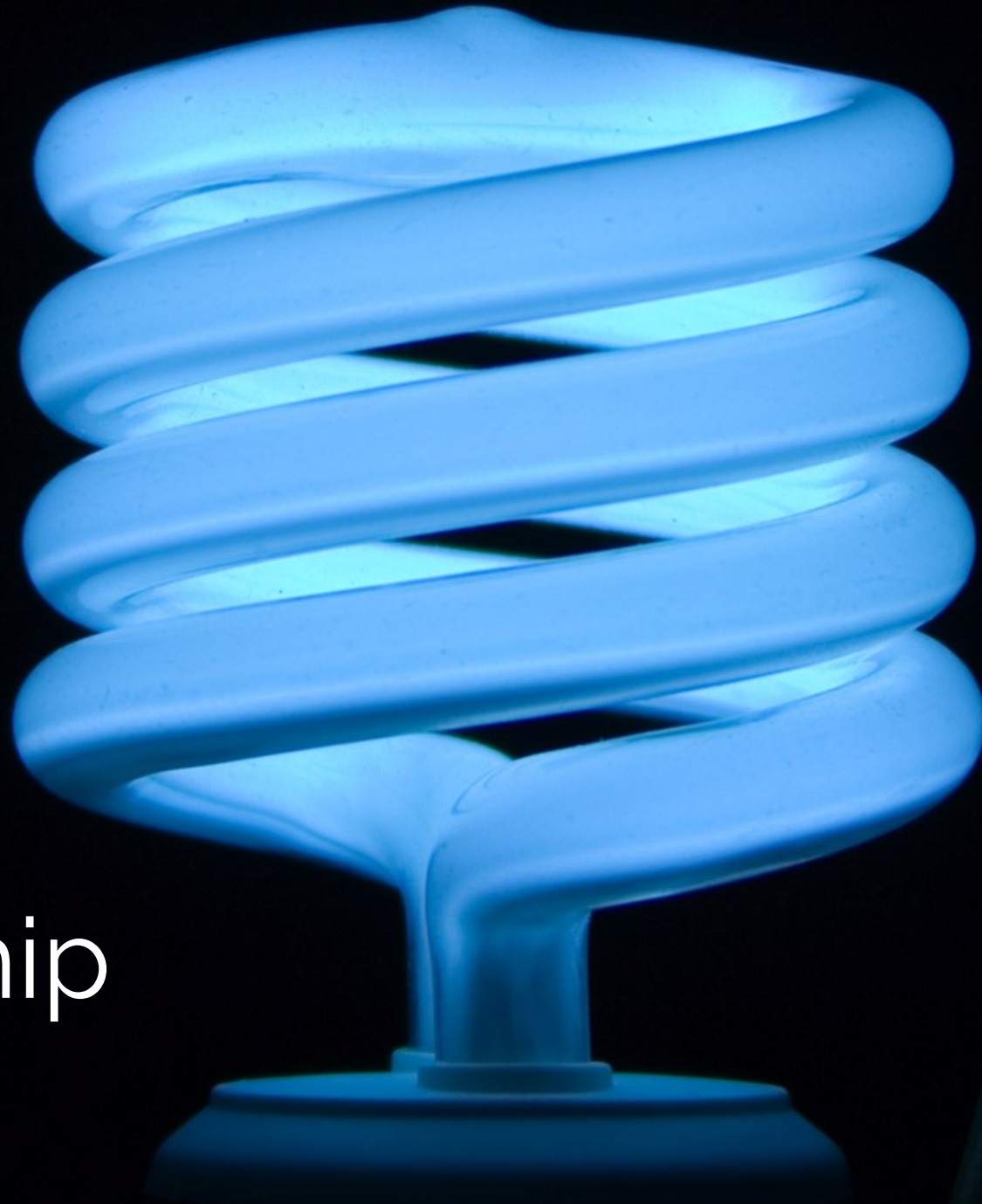


Any time you see this picture and a light orange shaded box, you will have a chance to type in an answer

Look for the orange box



You can also type in questions at any time

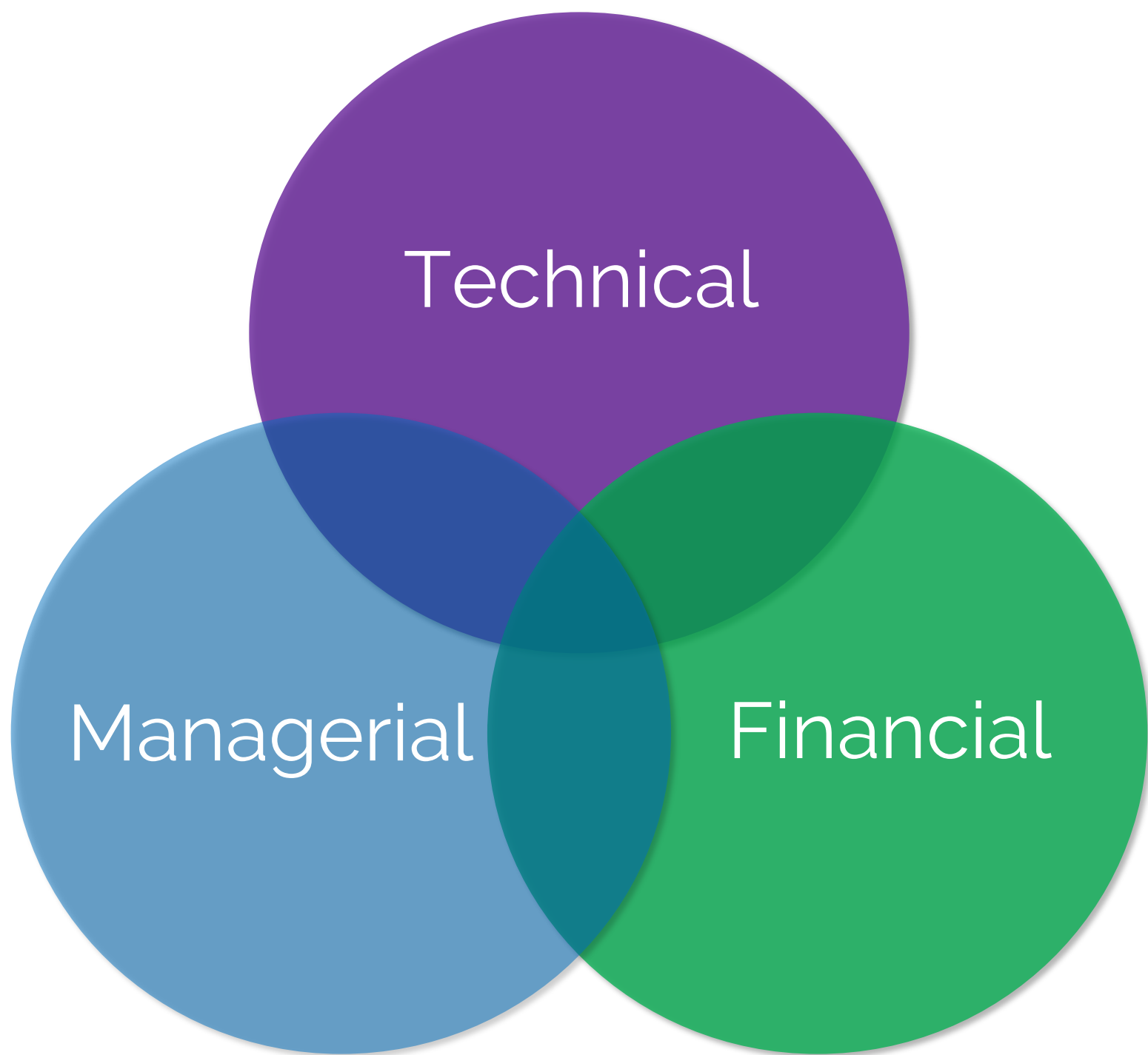


Partnership

What's the
Big Idea?

A glowing blue lightbulb with a spiral filament, symbolizing an idea or innovation. The lightbulb is centered in the frame, and the text "Capacity Development" is overlaid on it in white. The background is dark, making the glowing lightbulb stand out.

Capacity Development



Technical

Managerial

Financial



Technical

- Infrastructure: inadequate or aging?
 - Adequacy of treatment, storage, and distribution
- Technical knowledge: lack of certified operator?
- Source: poor quality/quantity?



Managerial

- Appropriate staffing and organization
- History of water rates that are too low
- Limited understanding of financing options
- Lack of expertise in long-term water system planning



Financial

- Revenue is sufficient to cover expenses now and into the future
- Credit worthiness
- Adequate water rates
- Fiscal management and controls in place



Technical

Managerial

Financial

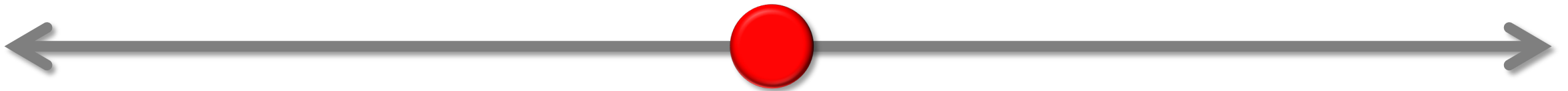
What would you say is your biggest concern with capacity?

Type: Technical, Managerial, or Financial in the Question Box

You can also be more specific about what factor within technical, managerial, and financial is the biggest concern

**Loose, Less
Formal
Arrangements**

**Defined, More
Formal
Arrangements**



Any kind of collaboration can be helpful

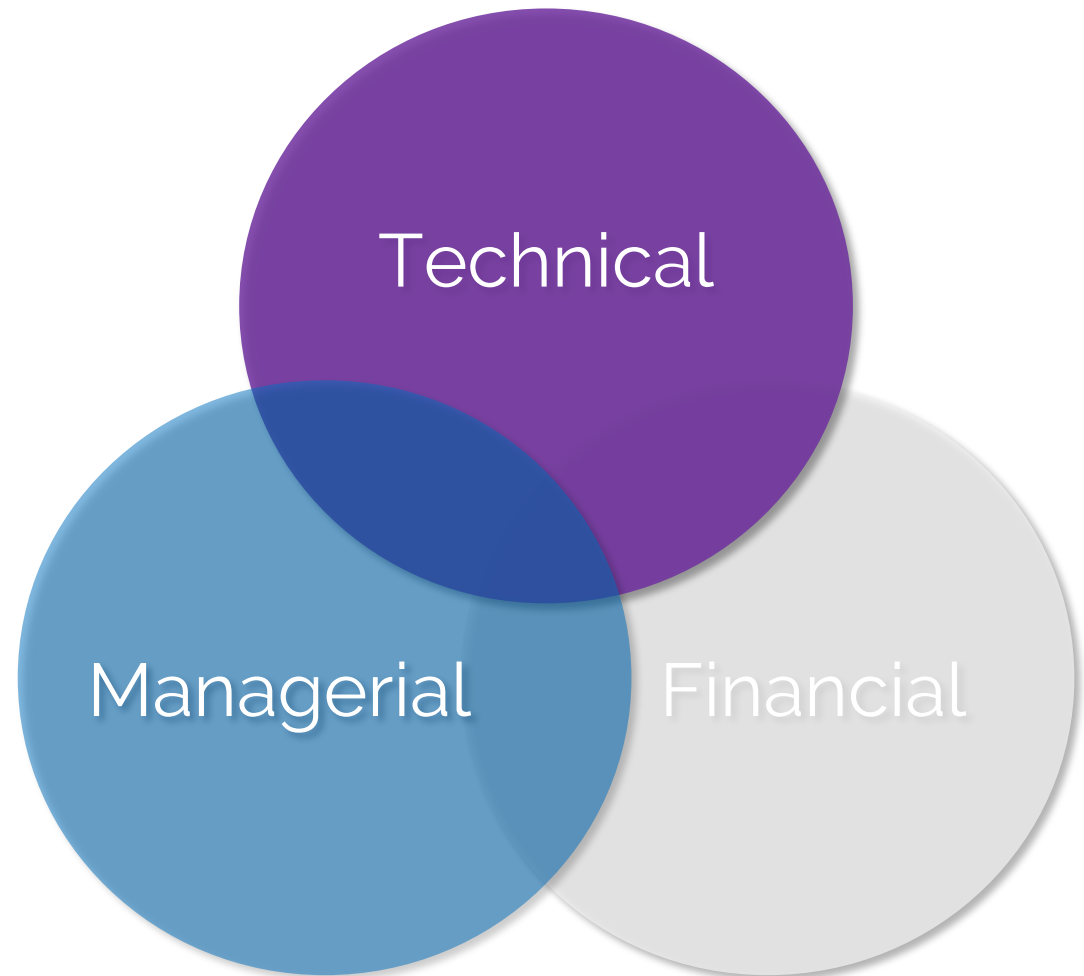
Less Formal

More Formal

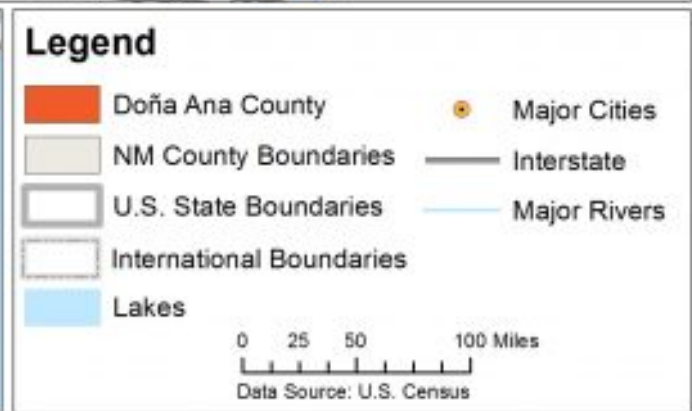


Information Sharing

Systems share information regarding regulations, planning, infrastructure







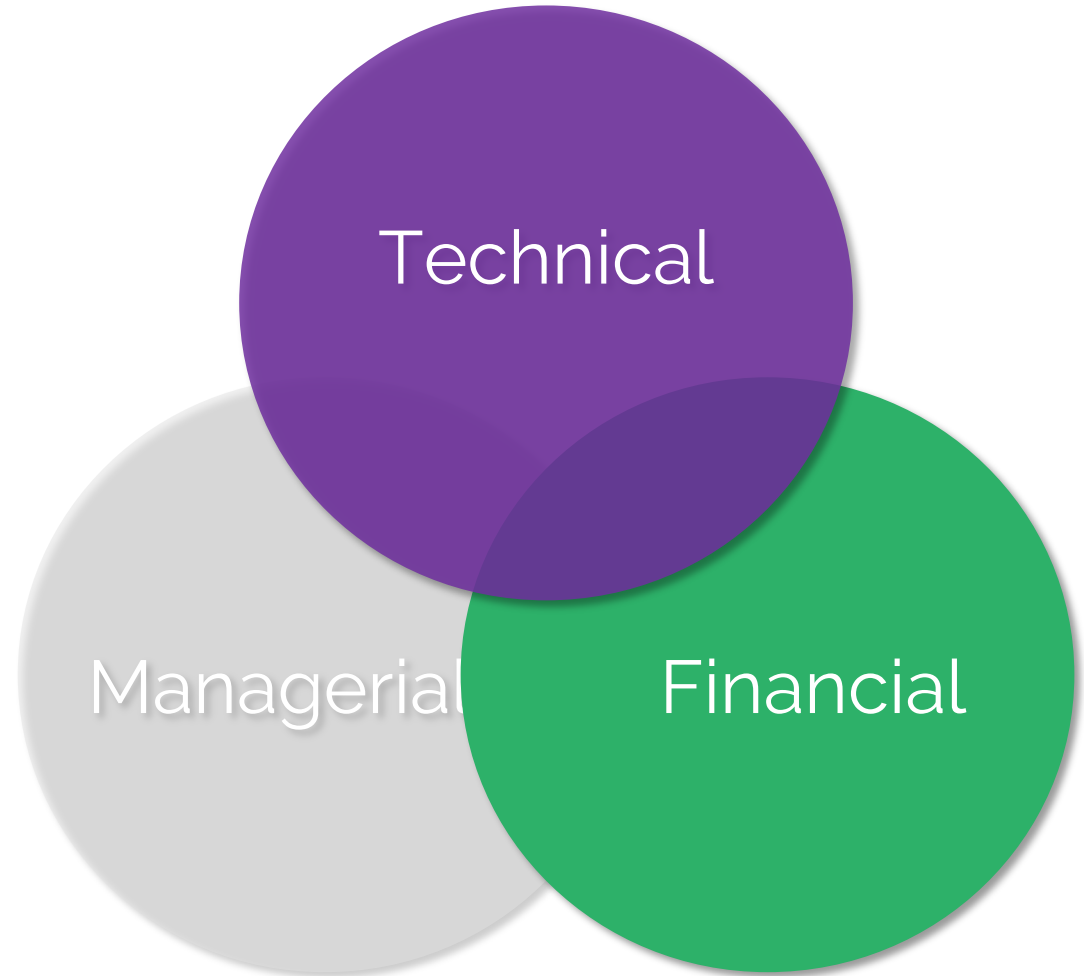
Less Formal

More Formal



Equipment Sharing

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





Great Falls & Helena



Tremonton

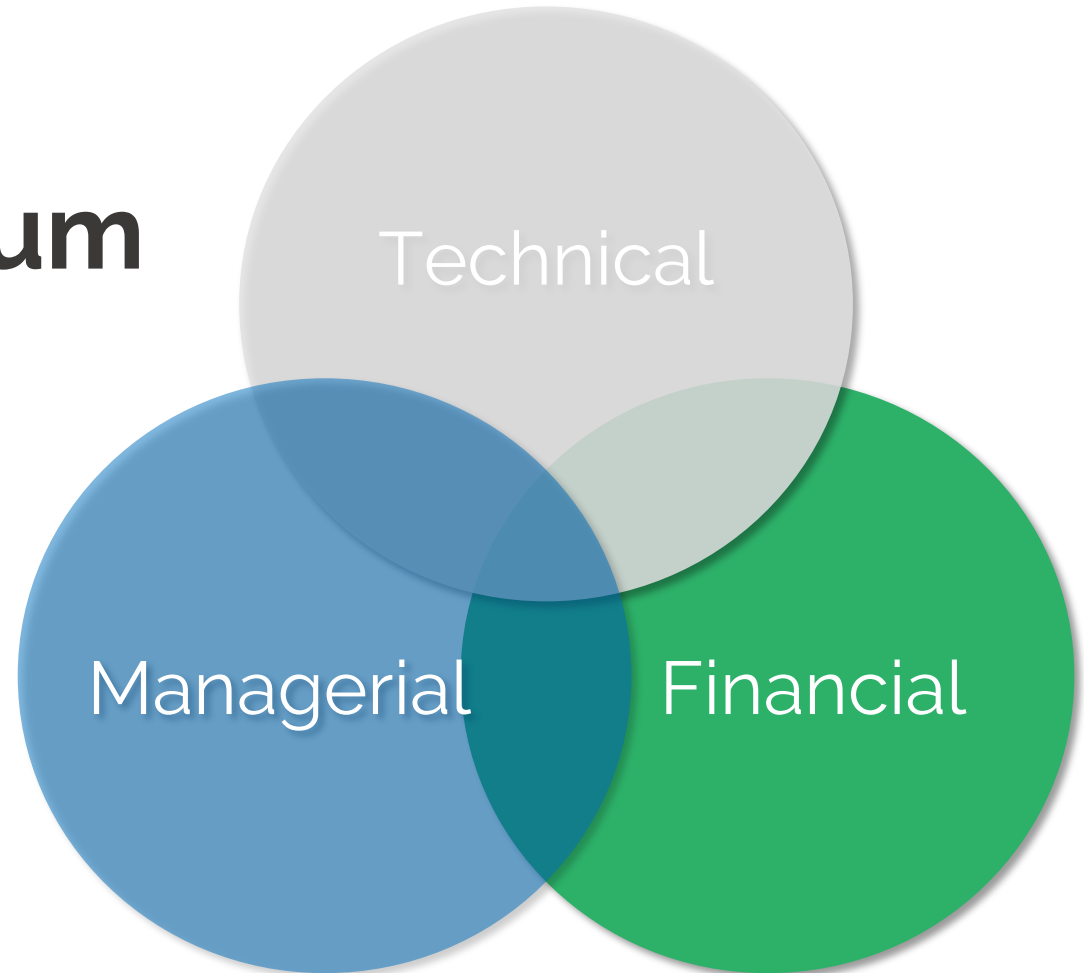
Less Formal

More Formal



Buying Consortium

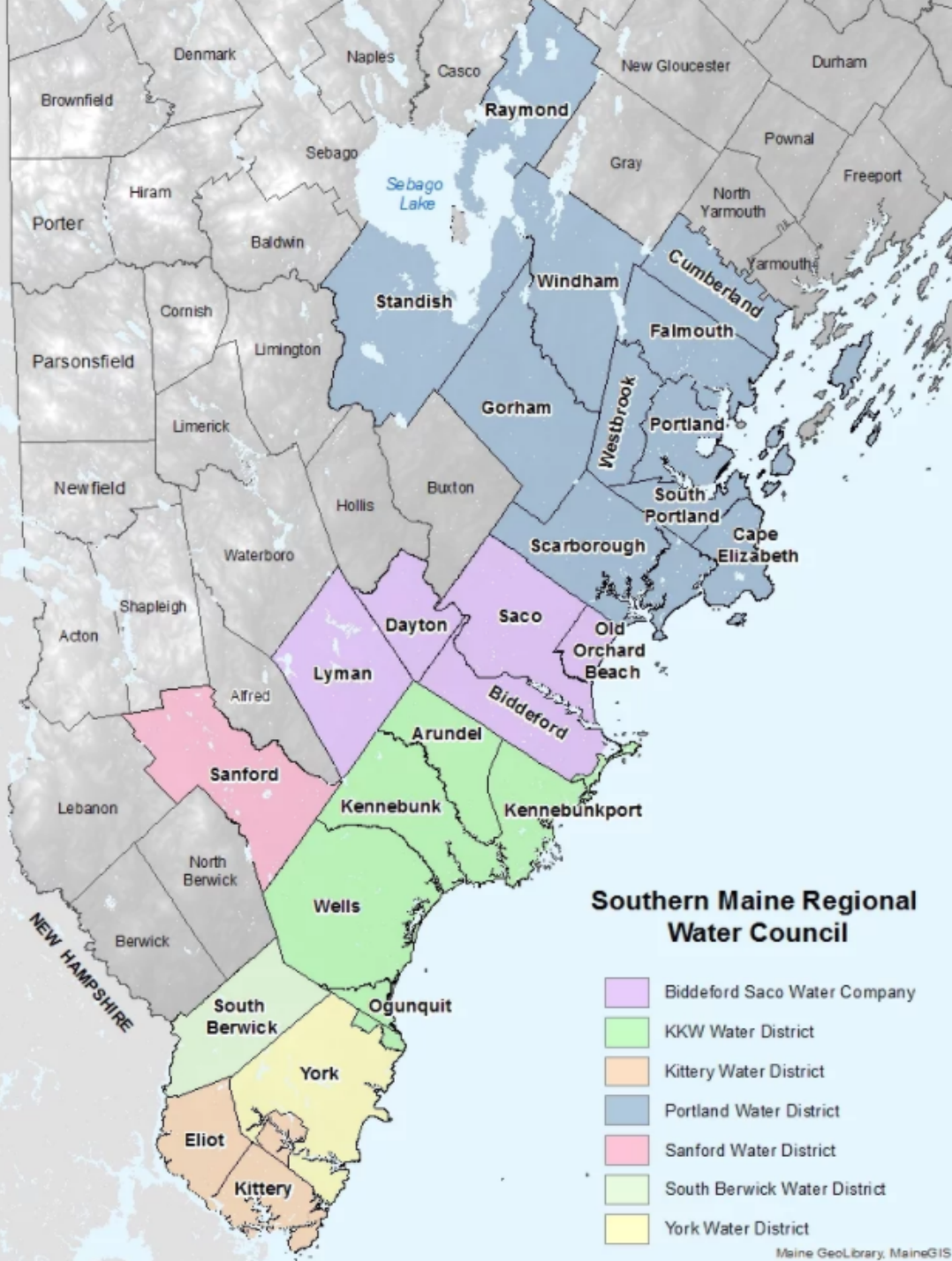
Systems work together to buy equipment, chemicals or supplies



Southern Maine Regional Water Council



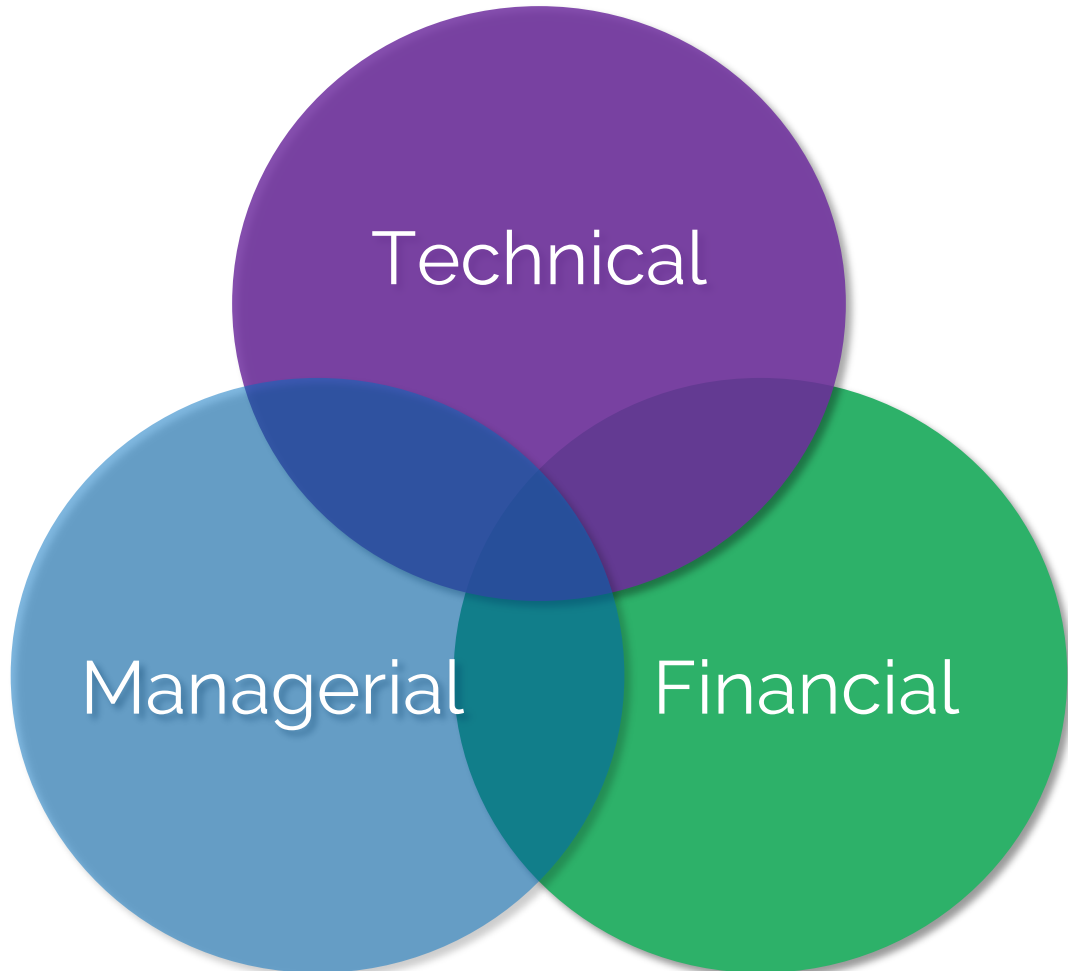
The Southern Maine Regional Water Council (SMRWC) is an organization of water and wastewater utilities united by the mission to advance regional water supply objectives, including promoting regional cooperation, improving public water system resiliency, developing cooperative programs to reduce expenses for the existing and future customers and planning for future public water supply needs of the region. SMRWC was formed in 2005 and is made up of seven water utilities. Combined, these seven utilities serve approximately 300,000 people in 23 communities or 25% of Maine's population.



- Have a purchasing group led by a Chairperson appointed by the Council's board
- Participation in each bid is elective
- Bulk purchasing of chemicals has resulted in significant savings
- Tank maintenance contracting also provided significant savings over individual RFP's

Less Formal

More Formal

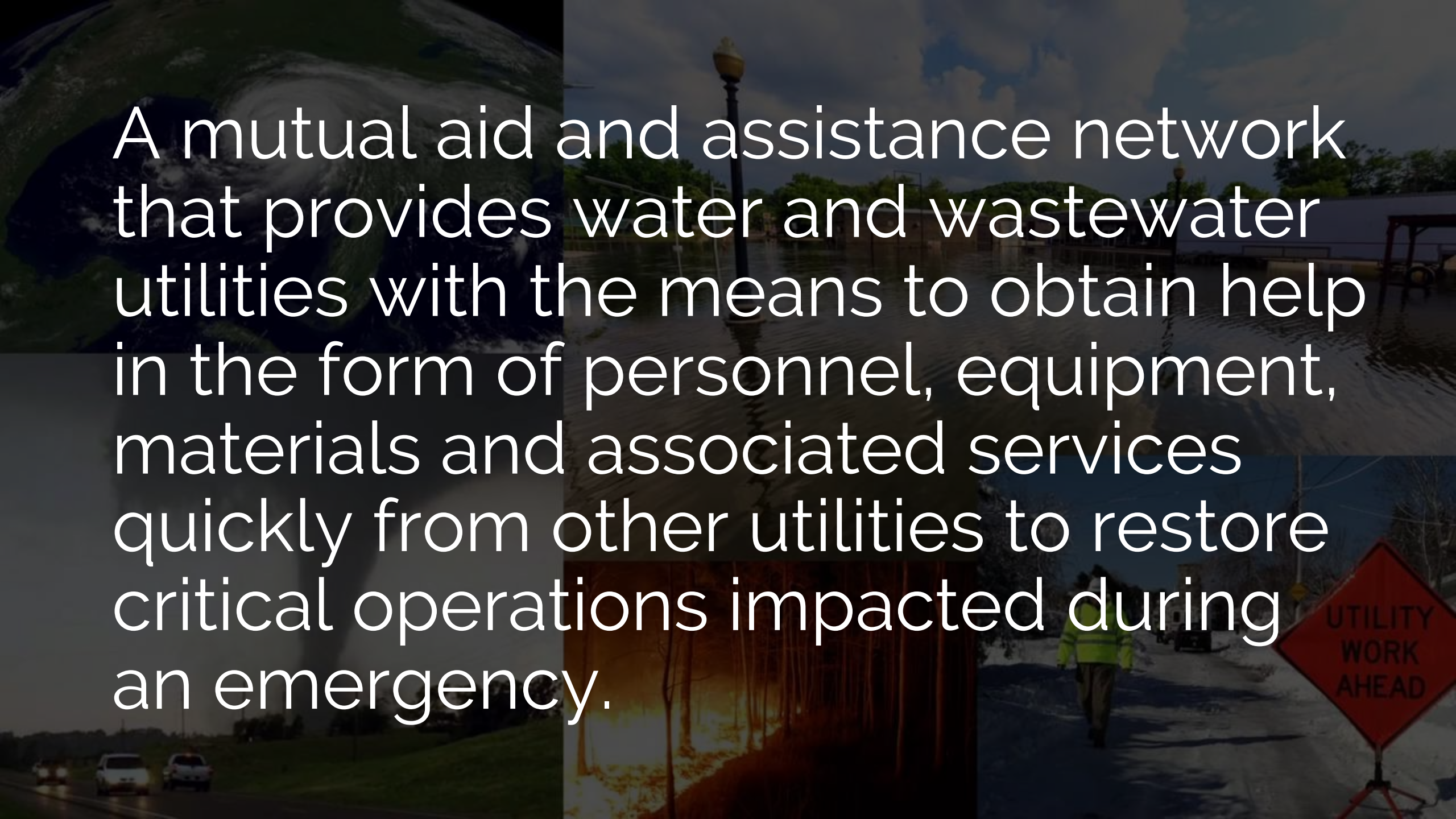


Mutual Aid & Emergency Assistance

A contract, systems assist each other during an emergency or time of need



Water/Wastewater Agency Response Network (WARN)

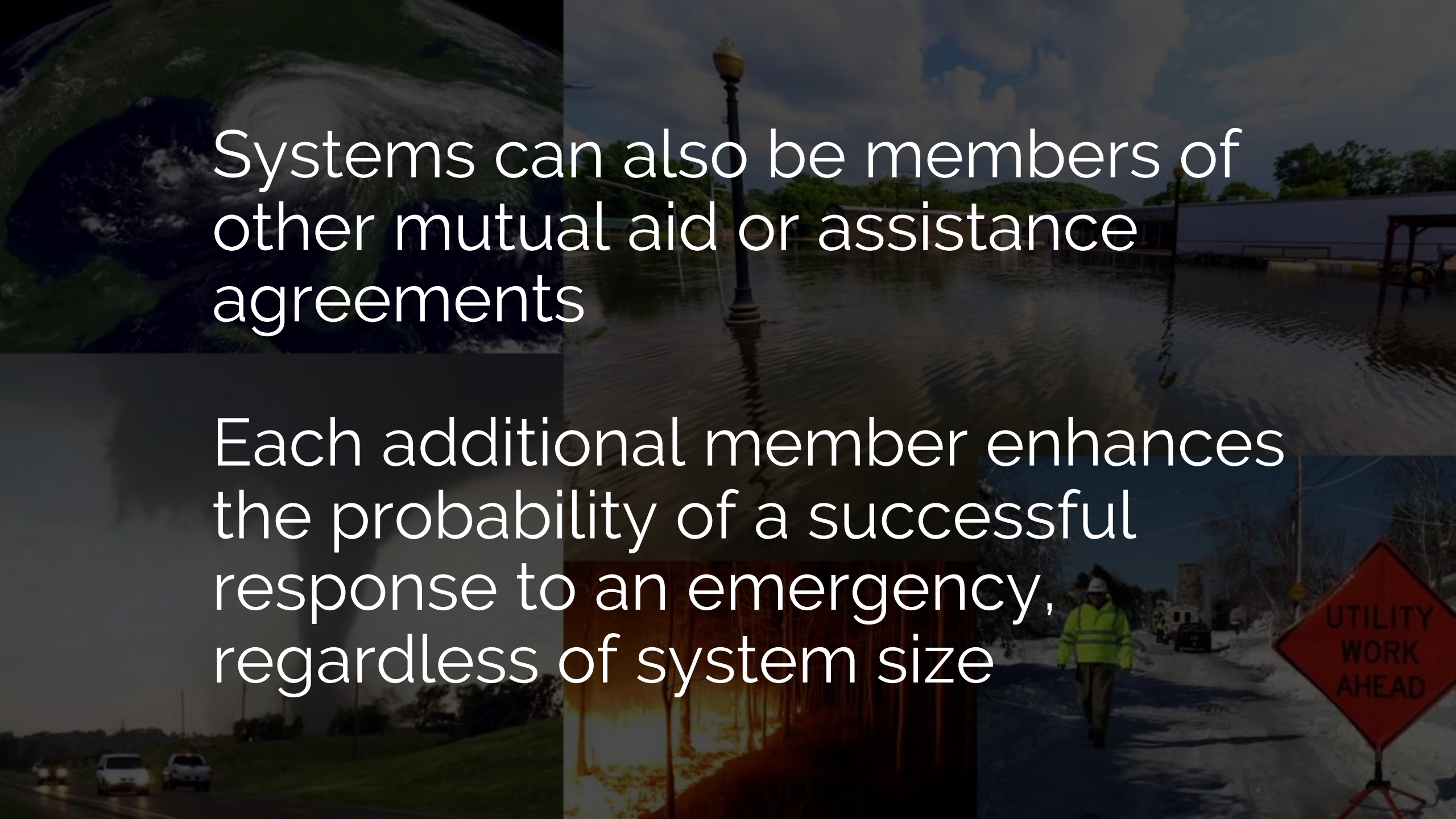


A mutual aid and assistance network that provides water and wastewater utilities with the means to obtain help in the form of personnel, equipment, materials and associated services quickly from other utilities to restore critical operations impacted during an emergency.




WARN membership is for all water systems regardless of ownership

No member system is obligated to send resources if they decide not to for any reason

The background is a collage of four images. The top-left image shows a large, swirling hurricane or storm system over a dark ocean. The top-right image shows a street completely flooded with water, with a street lamp partially submerged. The bottom-left image shows a bright orange fire with thick smoke rising from a building. The bottom-right image shows a utility worker in a high-visibility vest walking on a snowy path next to a red diamond-shaped sign that reads "UTILITY WORK AHEAD".

Systems can also be members of other mutual aid or assistance agreements

Each additional member enhances the probability of a successful response to an emergency, regardless of system size



Each WARN enters into a mutual aid and assistance agreement that best meets the member system needs

These agreements clarify liability, reimbursement, response procedures and joint planning efforts



Alerts

How It Works

Members

Events

Resources

About

Contact

What's New?

We've updated our entire website! Be sure to browse around and take the tour.



Have Questions?

Welcome to NYWARN

NYWARN is a statewide Water/Wastewater Agency Response Network (WARN) designed to provide utility to utility response during an emergency. The NYWARN program provides its member utilities with



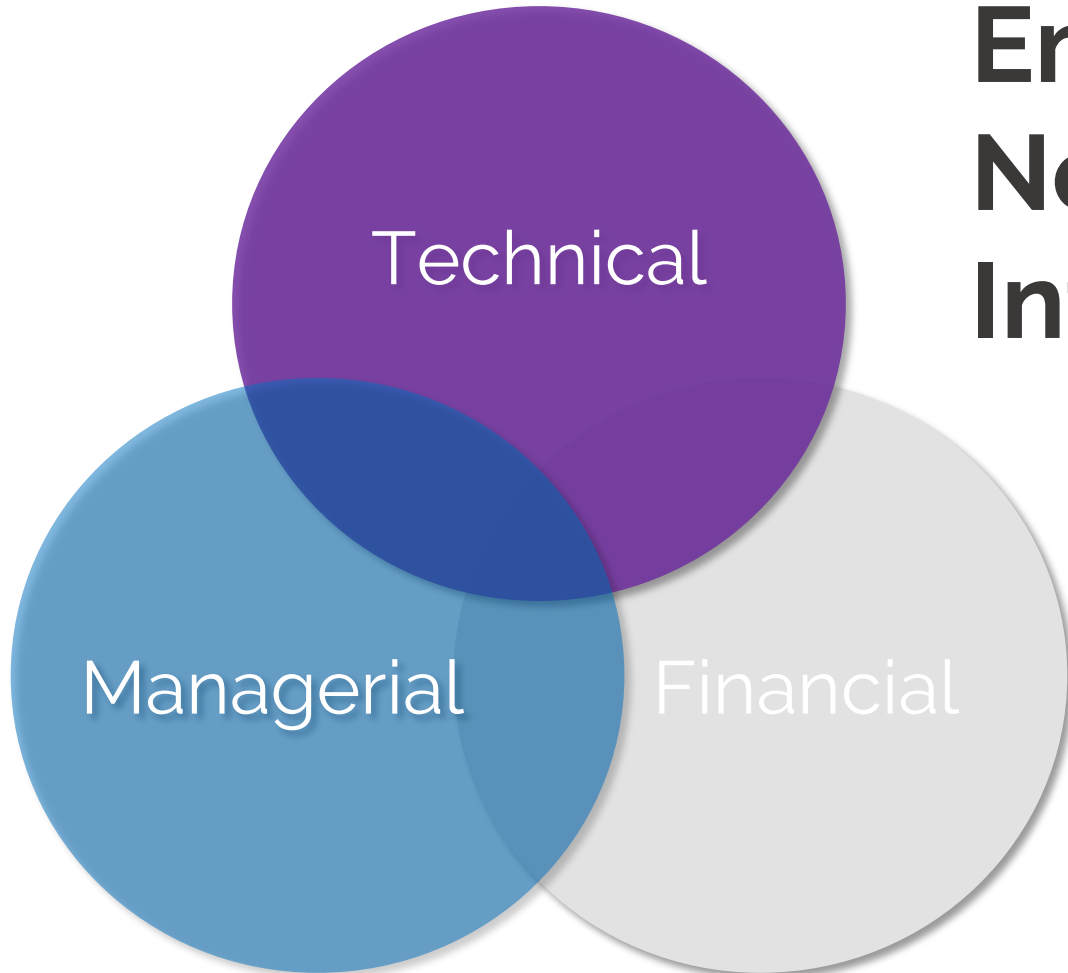
Do you participate in NY WARN?



Type in the question box whether you participate and if you have ever used it for an emergency

Less Formal

More Formal



Emergency or Non-emergency Interconnect

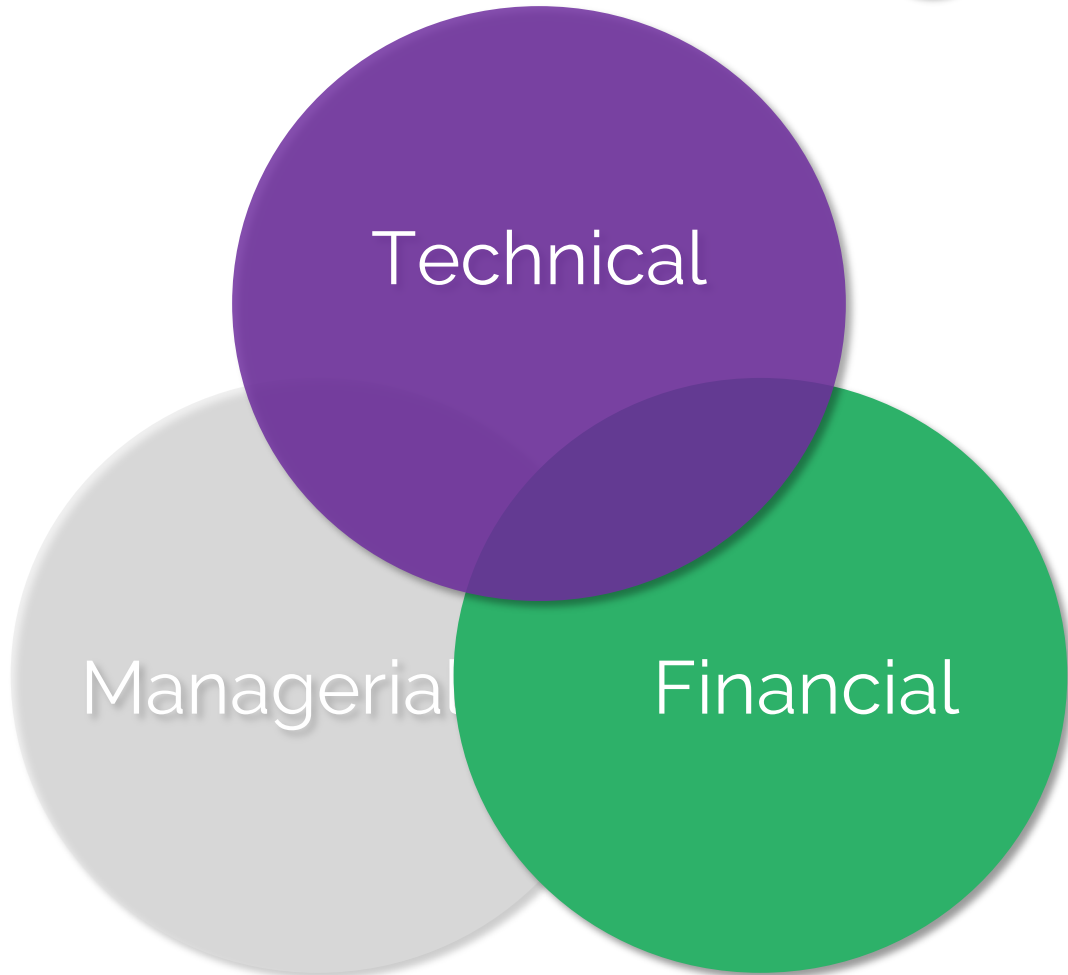
Systems have a physical connection that is only used during emergencies



- Aurora has a population of 500 with 250 connections
- Aurora is located 5 miles from Brookings. Brookings population is 22,000
- Aurora consistently violated the MCL for nitrate, did not have a plant operator with adequate certification, lacked financial resources etc.
- Aurora and Brookings shared the cost of a transmission pipeline to interconnect the systems

Less Formal

More Formal



Operational Collaboration

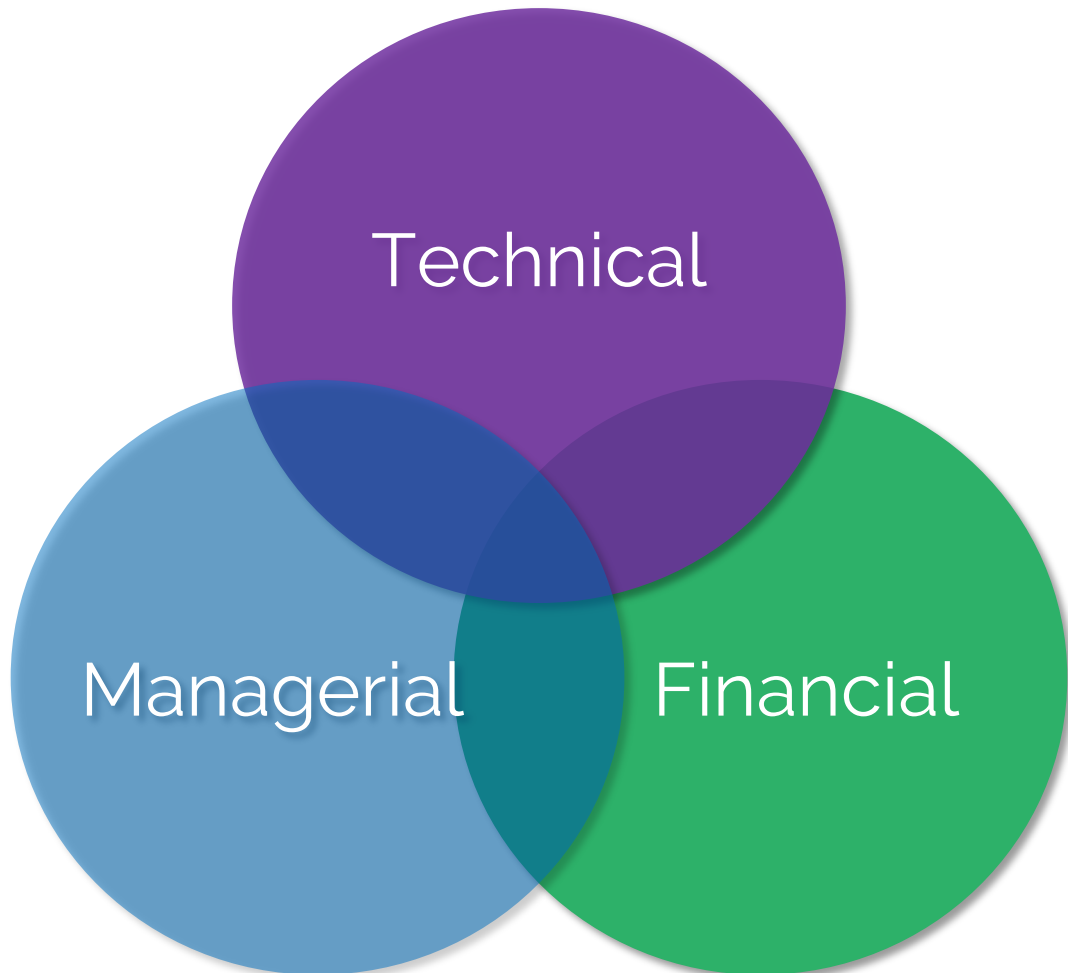
Systems share an operator or contract with the same operator or operation company



- Very small community had trouble retaining staff (serves 1,175 customers)
- Signed an MOU with Des Moines to allow Des Moines to monitor the treatment plant remotely
- Limited the need for an onsite operator to 2.5 hours per day
- Larger utility gets extra revenue, small utility gets access to operators they had trouble recruiting

Less Formal

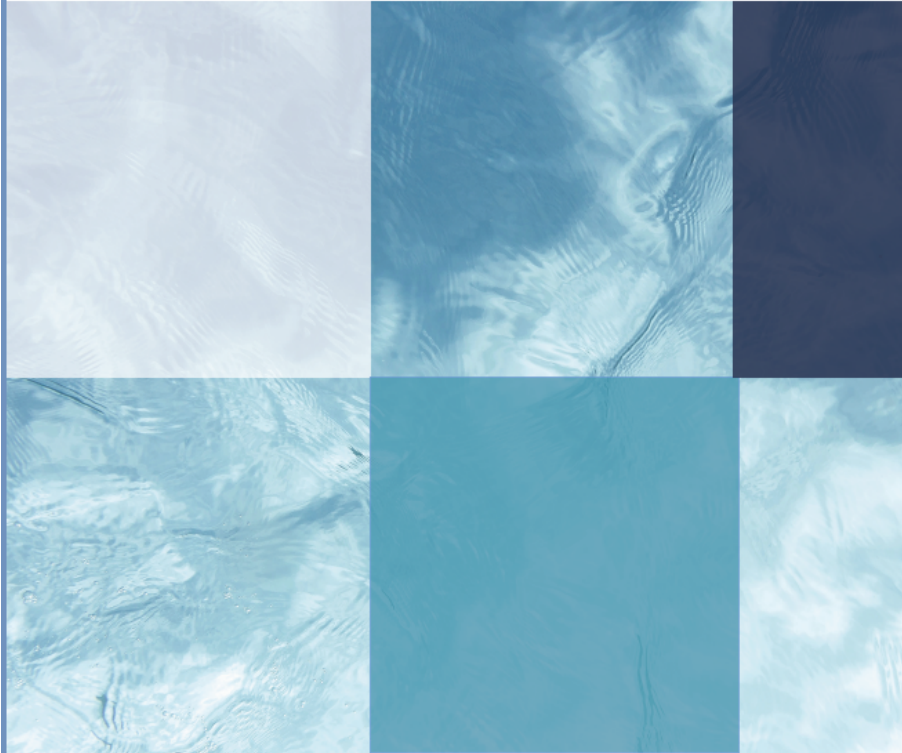
More Formal



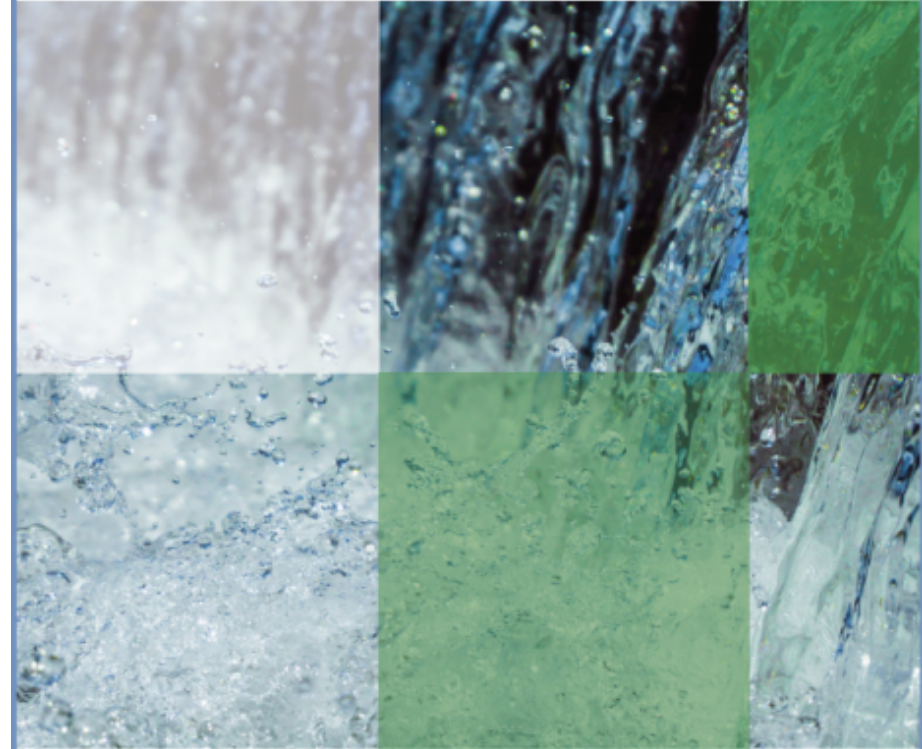
Interlocal Agreement

Agreement to buy or sell water services to one another

Crafting Interlocal Water and Wastewater Agreements



Consolidation of Water and Wastewater Systems: **Options and Considerations**



<https://efc.sog.unc.edu/our-resources>

Environmental Finance Center Network

<https://efcnetwork.org/>

Focus on Interlocal Agreements:

04/16/2020

2:00 pm - 3:00 pm

Webinar | Options for Small Water Systems Considering Regionalization

COVID-19 Webinars:

04/08/2020

12:00 pm - 1:00 pm

Webinar | A Conversation Regarding Coronavirus and How it Might Affect Your Small Water System's

Finances & Management

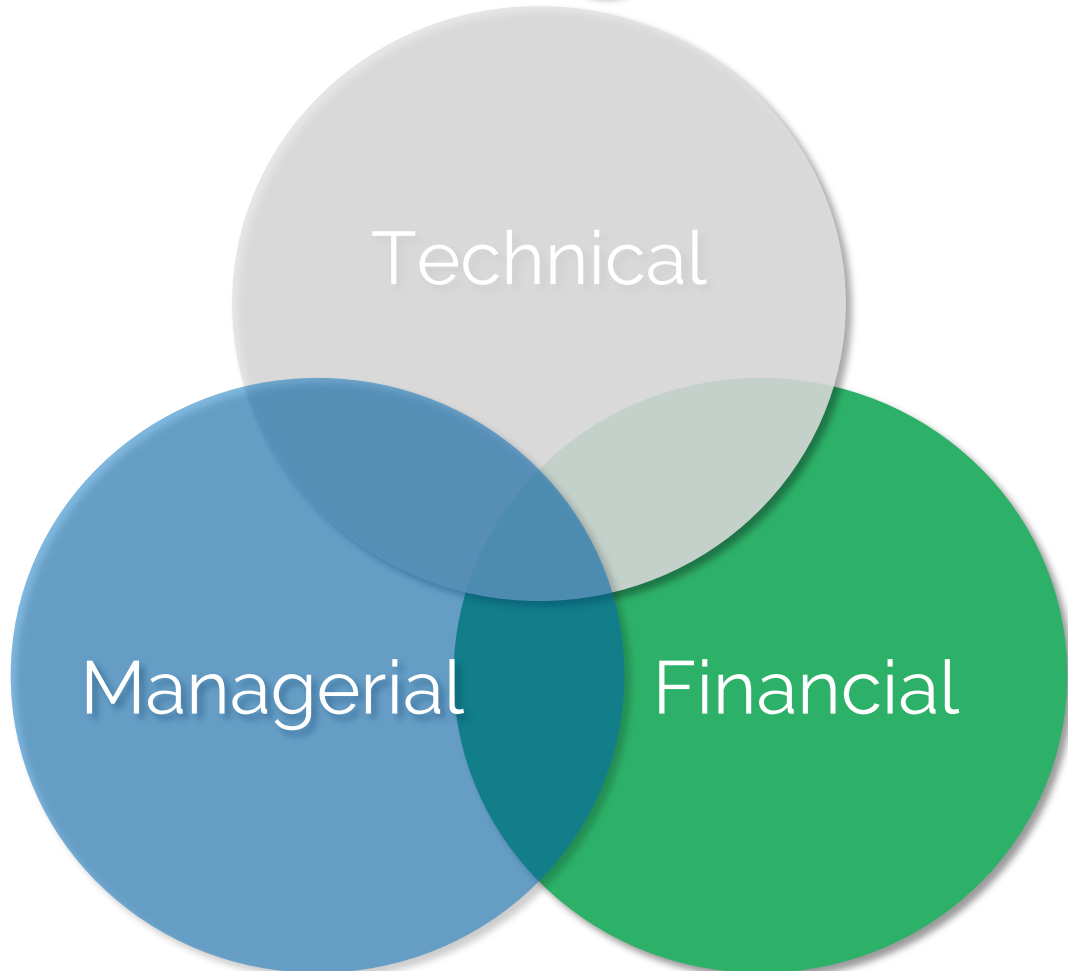
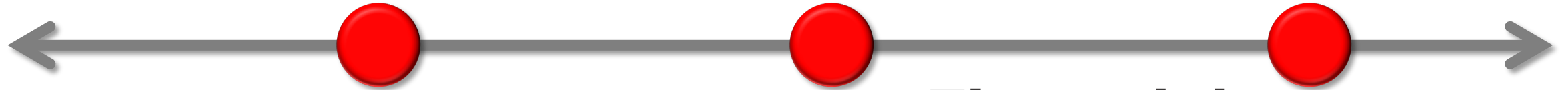
05/21/2020

2:00 pm - 3:00 pm

Webinar | Ask the Expert: Protecting and Investing in the Water Workforce Through COVID-19 and Beyond

Less Formal

More Formal

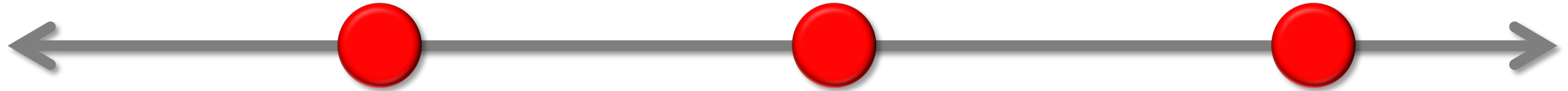


Financial Collaboration

Systems share a financial connection. Many options available.

Less Formal

More Formal



Financial Collaboration

Financial Collaboration

Financial Collaboration

Single CPA Firm in Southern NM

Firm provides extensive financial services to approx. 18 water utilities who remain completely independent

Water Utility, NM

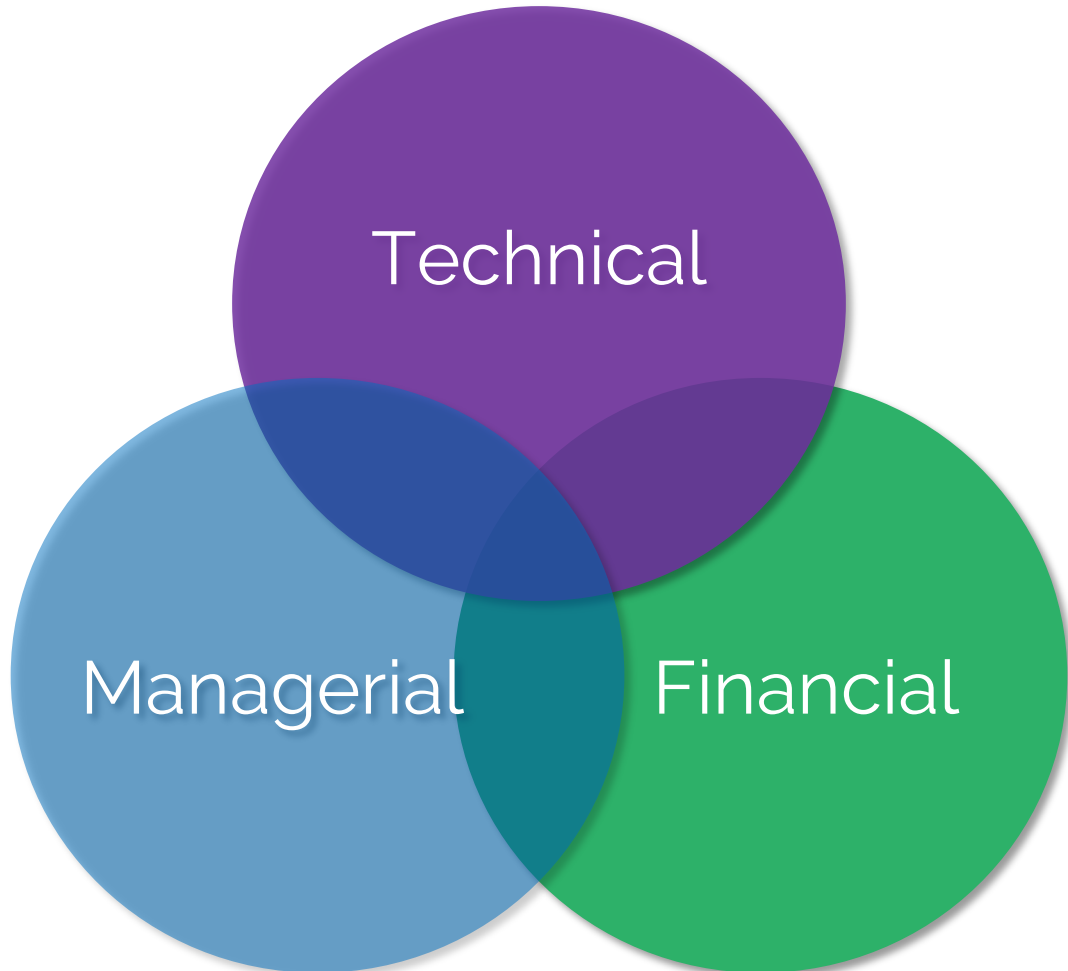
Large water utility provides billing services for smaller water utilities

FMLH Regional Water Supply Corporation

14 Utilities Joined to form a separate entity for the purpose of funding a regional supply

Less Formal

More Formal



Managerial Collaboration

Systems share
management
structure but systems
are not
interconnected



Texas Weather

Childress, TX
81 °F / 27 °C
Clear
at 08:53 PM

[Click for Forecast](#)

Lake Levels

[Canadian Basin](#)

[Red Basin](#)

Helping the environment in Texas?

Red River Authority of Texas

[About Us](#) [Public Services](#) [Water Quality & Planning](#) [Publications](#) [Public Notices](#) [Employment](#)

Utility Services Division



The Utility Division provides water and sewer services for rural unincorporated communities, towns and cities within a 15 county area of North Texas. The Utility Division is divided into nine geographical districts, each managed by a District Manager under the supervision of a Regional Manager and Director of Operations. Administrative, accounting and engineering technical support is provided by the General Services Division headquartered in Wichita Falls, Texas. The Authority's Regional Environmental Laboratory provides water quality monitoring and analytical services to the Utility Division, other public utilities and private entities to insure the highest quality of water is available to the public. A Maintenance Division assists with routine facility maintenance and provides for major repairs, planned service area expansions and 24-hour emergency repair service to the utility districts within the Utility Division.

The Utility Division also provides contractual services for cities and water supply corporations desiring assistance in areas of water quality monitoring, project development and permitting, facility financing, utility management, digital mapping, operator training and emergency utility maintenance. Services are provided under individual contracts for specific areas of service to permit the entity to maintain complete control of its own infrastructure and comply with prevailing statutes.

© Red River Authority of Texas

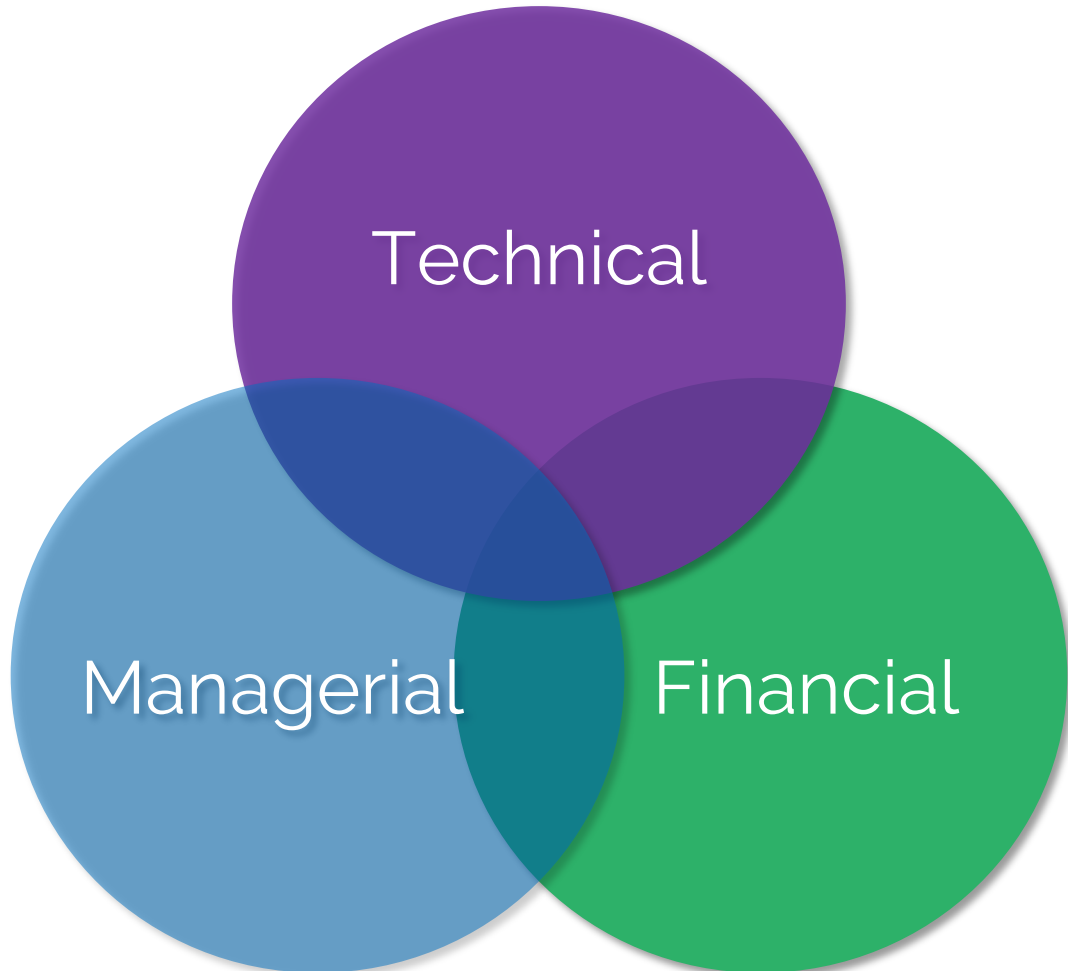


Florence, MT Program of Shared Operation and Management

Small systems contract with POSOM to provide operation, maintenance and management needs

Less Formal

More Formal



Regional Entity

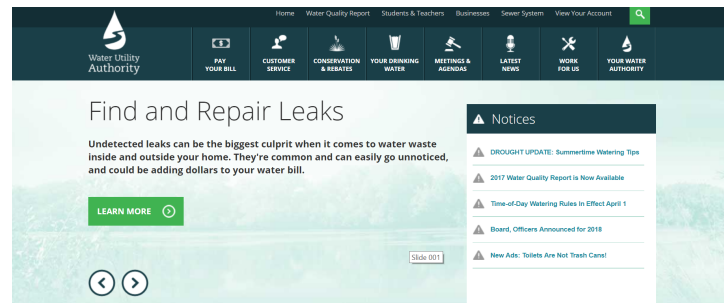
Systems form a regional entity either as a separate option or the only option. All have a role on the board

Less Formal

More Formal



Regional Entity



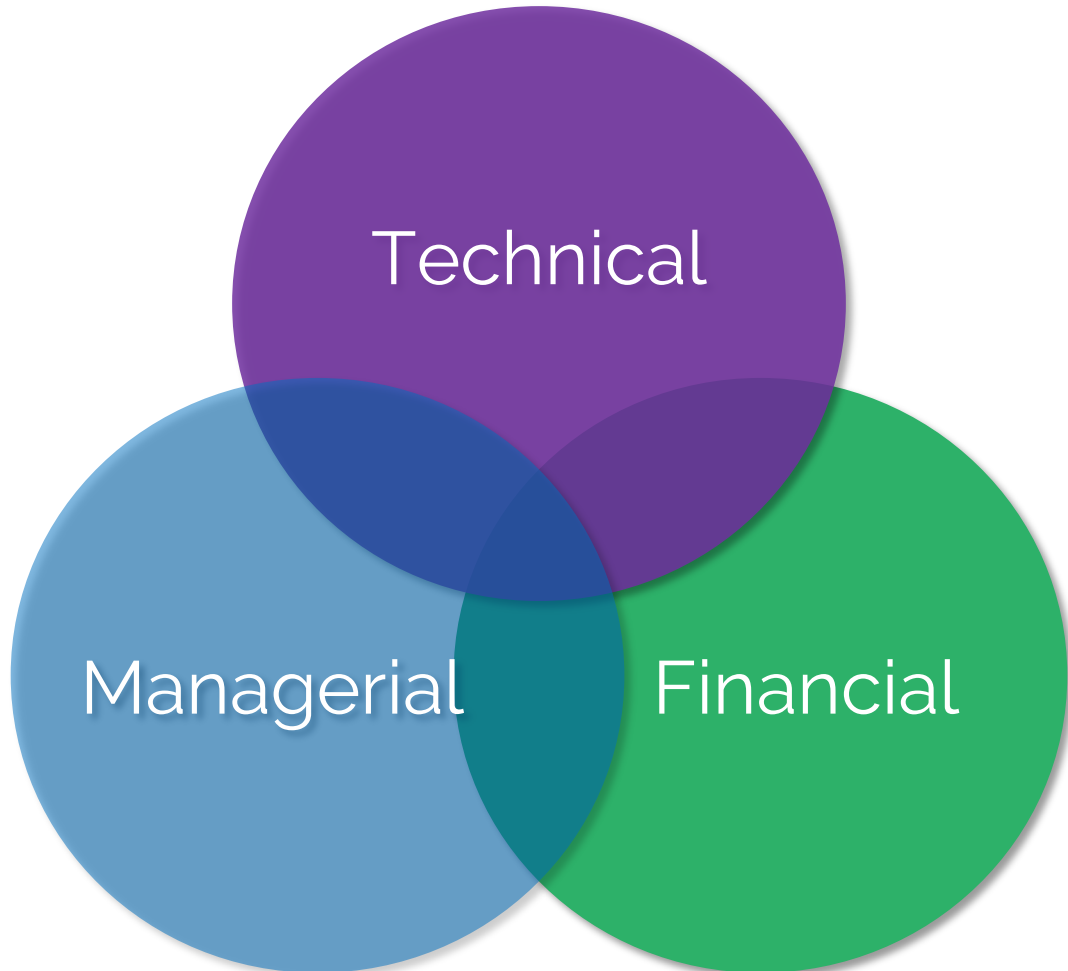
ABCWUA
Forced regionalization
but turned out to be
extremely successful



CRRUA
Regionalization of city
and county areas

Less Formal

More Formal



**Systems dissolve
into neighboring
entity**

Systems lose
independence. Only
one utility remains.



- Served about 40 homes and businesses, operated its own treatment plant for its 100 residents
- Used to treat its own water but the treatment plant needed major capital improvements
- Cheaper to connect with a neighboring community and pipe in treated water instead

Have any of you ever participated in ANY type of collaboration?

Please take a few minutes and type in the question box what type of collaboration and any detail you would like to provide



Consider Your Main Motivations for Collaboration: What Would Help You Most

Cost savings

Addressing long-term infrastructure needs

Improved customer service

Addressing Staffing Needs

Increased ability to comply with regulations

Ability to access professional services

Increased access to necessary equipment and/or supplies

Access to funding

Increased economy of scale

Consider Your Main Motivations for Collaboration: What Would Help You Most

Cost savings

Addressing long-term infrastructure needs

Improved customer service

Addressing Staffing Needs

Increased ability to comply with regulations

Ability to access professional services

Increased access to necessary equipment and/or supplies

Access to funding

Increased economy of scale



What would be your main motivation?



Common Concerns with Partnership

Lack of
Knowledge of
Other Systems



Desire for
Autonomy

Mistrust of
Other Systems

Lack of
Knowledge of
the Options

No Outside
Independent
Force to Get
Collaboration
Started

Partnerships don't always work
even when conditions seem
favorable

One small system's story

What Are The Biggest Needs or Interest in Partnerships?

Addressing emergencies

Addressing natural disasters

Providing a certified operator if you don't have one or you lose your certified operator

Sharing a water source

Sharing equipment

Buying equipment, supplies, chemicals together

Regionalizing with Another Utility

Merging with Another Utility

Other

What Are The Biggest Needs or Interest in Partnerships?

Addressing emergencies

Addressing natural disasters

Providing a certified operator if you don't have one or you lose your certified operator

Sharing a water source

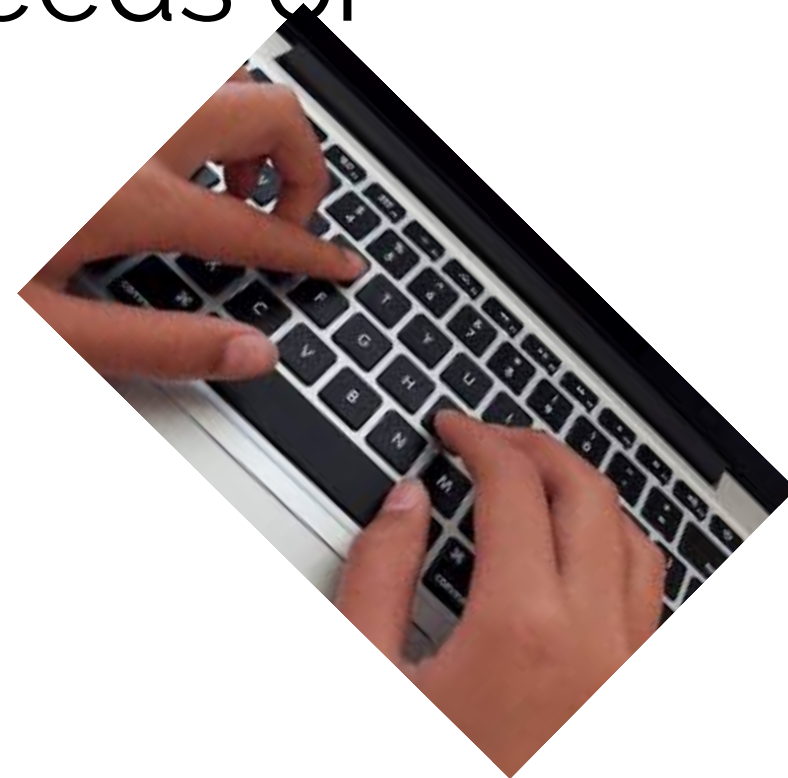
Sharing equipment

Buying equipment, supplies, chemicals together

Regionalizing with Another Utility

Merging with Another Utility

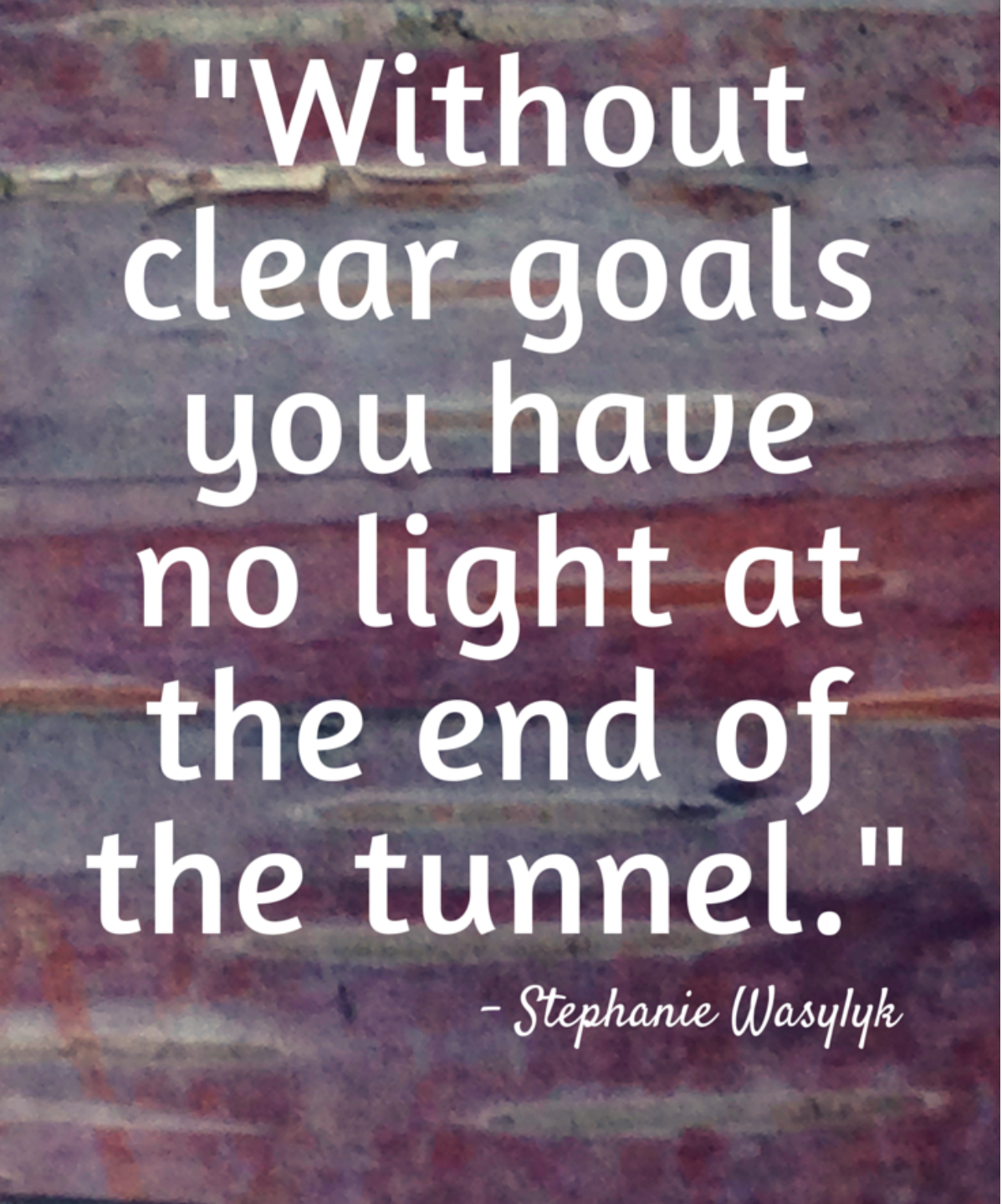
Other



What are your biggest needs?

Elements of Success





"Without
clear goals
you have
no light at
the end of
the tunnel."

- Stephanie Wasylyk

It's important to have a thorough understanding of what you want to get out of the partnership

The organization must have agreement from the leadership on down regarding the goals.

The goals for each party must be clearly articulated to the others.



← **SHORT TERM**



LONG TERM →

A 3D-rendered puzzle piece is the central focus, set against a background of other white puzzle pieces. The central piece is a vibrant red color and features the text "WHAT ARE YOUR OBLIGATIONS?" in a bold, white, sans-serif font. The text is arranged in two lines: "WHAT ARE YOUR" on the top line and "OBLIGATIONS?" on the bottom line. The letters have a slight shadow, giving them a three-dimensional appearance as if they are floating slightly above the red surface of the puzzle piece. The puzzle pieces themselves have a clean, white finish with dark grey outlines, and the lighting creates soft shadows and highlights, emphasizing the 3D effect.

**WHAT ARE YOUR
OBLIGATIONS?**



Communication
is the key

Outside or Neutral Facilitation





WIN

WIN

WIN

WIN

What are the Financial Implications?

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



What are the Debt Implications?

What are each of the system's current debt obligations? How will these be addressed in the partnership?



What are the Rate Implications?

What is the current rate? Will future rates be higher or lower for each system?

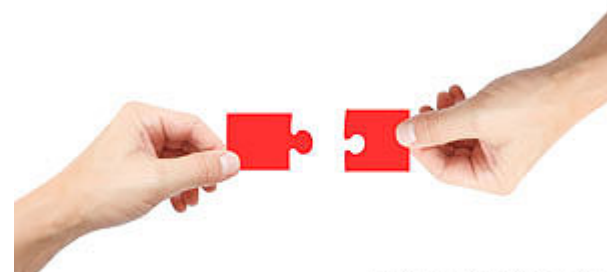


How Will Rates Be Structured?

Option 1: Keep All Rates Separate



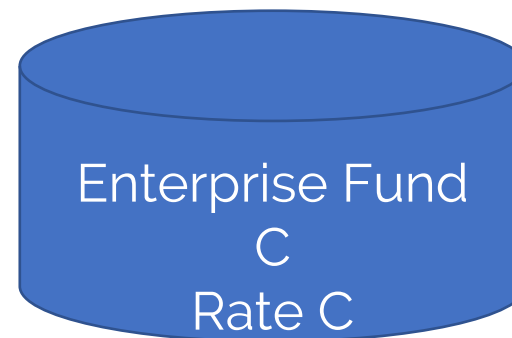
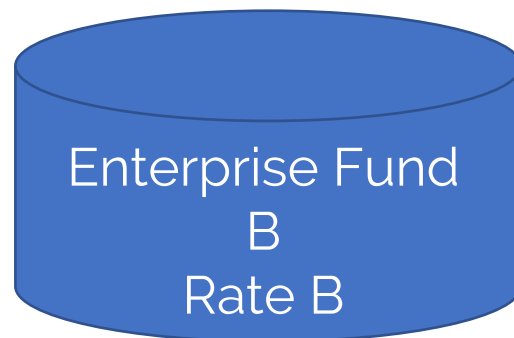
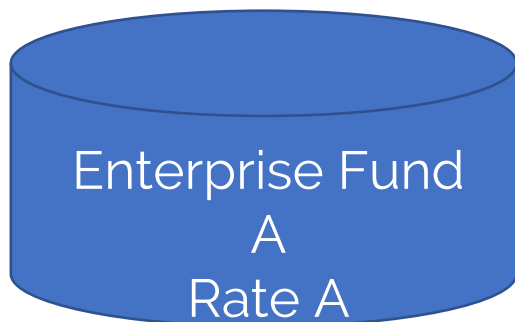
Option 2: Start w/ Separate Rates & Move Toward Combined Rate



Option 3: Combine Rates into Single Rate



Option 1: Keep All Rates Separate



Considerations:

Are systems physically interconnected? If so, separate rates more difficult to justify

What is the difference in the condition of the infrastructure?

How will shared costs be allocated between the systems?

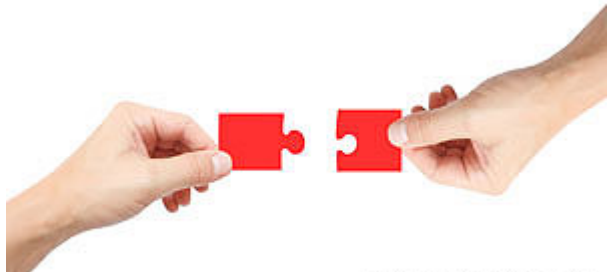
What is the population served by each system? Are they similar or very different?

What is the goal with the consolidation? What problem is trying to be solved?

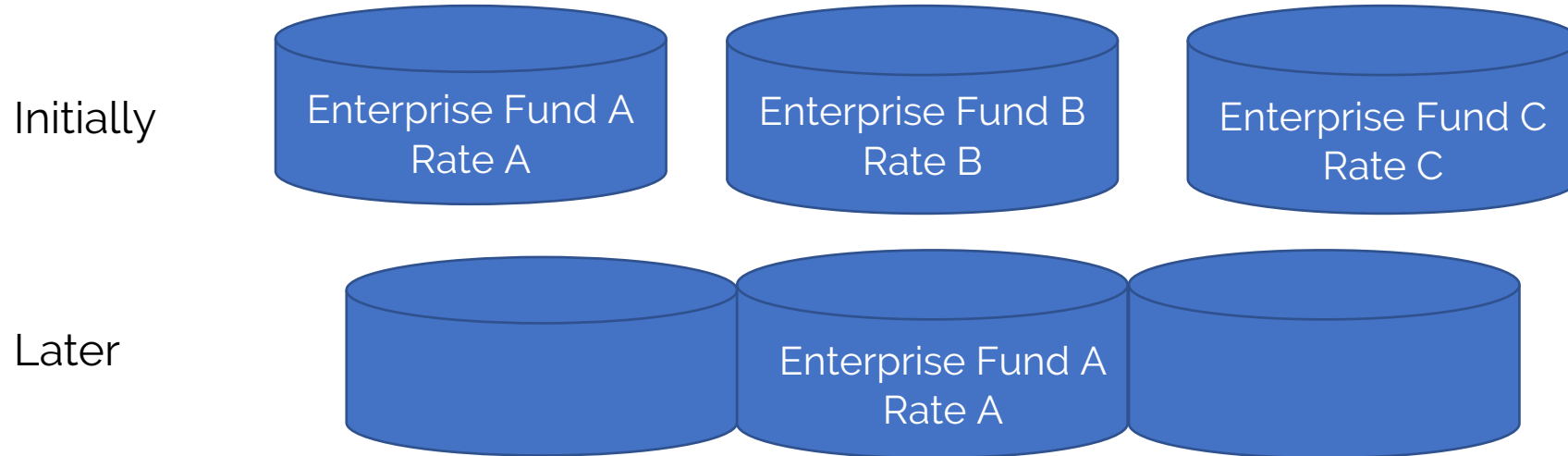
What will be the public reaction?

What is the economic difference between systems?

Is it significantly more expensive to serve customers in some systems than others?



Option 2: Start w/ Separate Rates & Move Toward Combined Rate



Considerations:

Are systems physically interconnected? If so, a combined rate is more relevant

Is there a need to pay for some initial infrastructure repairs/replacement to make the systems similar in condition?

How will shared costs be allocated between the systems initially before combining rates?

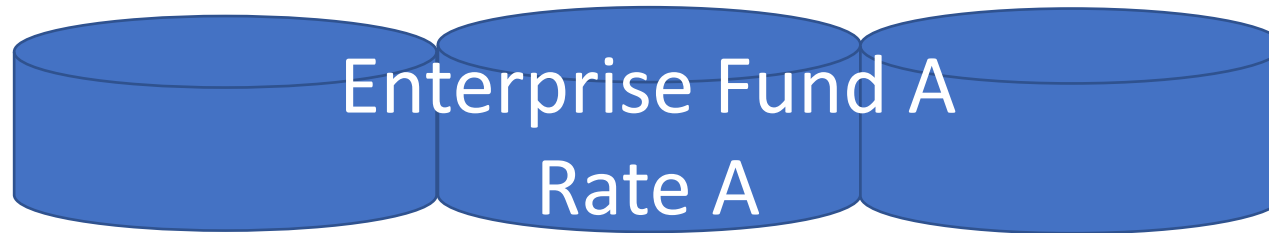
Is the phasing of the combined system such that rates can logically be separate for the initial phases and combined later?

Is it significantly more expensive to serve some system's customers initially? Will that change over time?

What will be the public reaction? Will the public support a combined rate?



Option 3: Combine Rates into Single Rate



Considerations:

Are systems physically interconnected? If so, a combined rate is more relevant
Will the combined rate include some initial upgrades to the various utilities?
How will debt be dealt with in the rate if each system carries an initial debt?
What will be the public reaction? Will the public support a combined rate?



LOWER RIO GRANDE

Public Water Works Authority

- Started with informal meetings
- 5 systems, early 2005
- Met regularly, built relationships, discussed opportunities to work together
- Found their operations, maintenance and capital improvement costs were unsustainable



Critical Drivers

Duplication of Efforts

- Same tasks
- Making similar purchases
- Provide the same service to their customers

Regulatory Requirements

- Two systems faced National Primary Drinking Water Regulation compliance issues
- Had to hold mandatory board trainings
- Meet reporting and audit requirements

Unsustainable Funding and Source

- Some systems struggled with strained water rights
- Some declared service areas under threat from larger entities



New Mexico House Bill 185

Key Players

- **State partners:**

- New Mexico OSE – to establish the Authority's service area
- New Mexico State Legislature – passed legislation that enabled the systems to merge

- **Private Associations & Groups:**

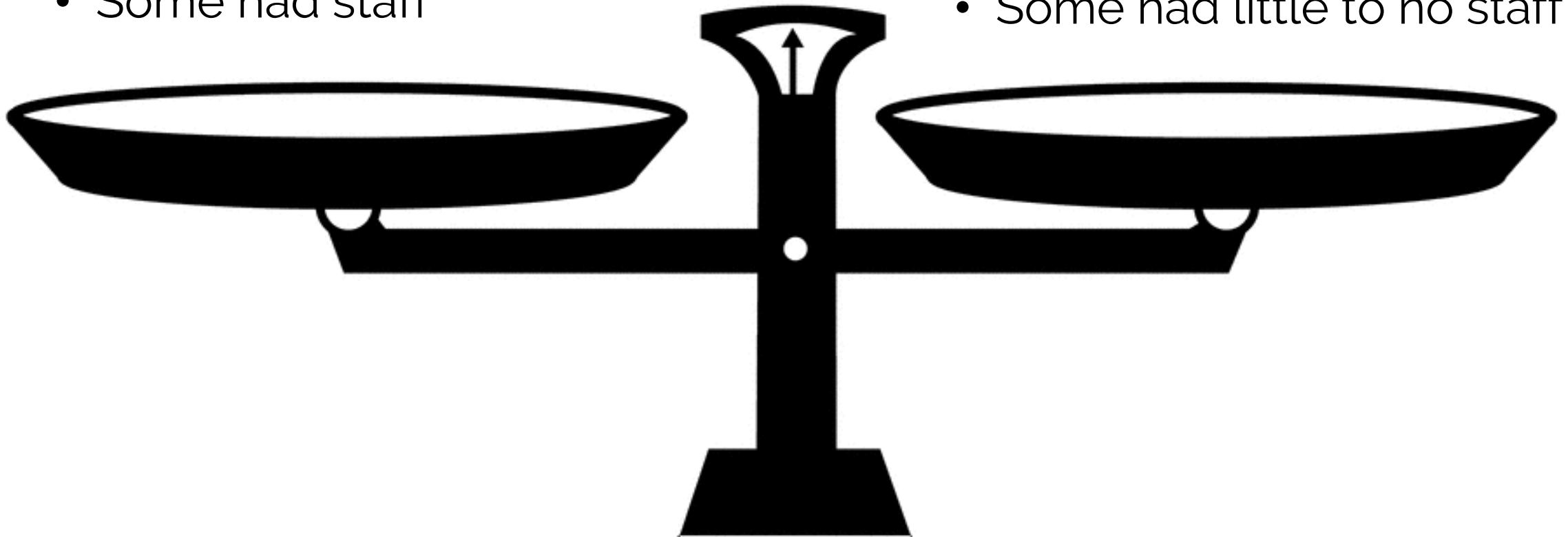
- RCAC – helped them develop the merger plan

- **Funding:**

- New Mexico Finance Authority Public Project Revolving Fund – provided a USDA Rural Development loan
- Additional loans: NM Drinking Water State Revolving Loan Fund, Water Trust Board, NM Finance Authority
- Federal Funding: USDA RD and HUD CBDG

- Some had large cash reserves
- Some had low debt
- Some owned equipment & vehicles
- Some had low customer rates
- Some had staff

- Some had done system upgrades, and some needed them badly
- Some had compliance issues
- Some had addressed compliance
- Some had high rates
- Some had little to no staff



End Result

- Serves 16 communities in three service areas covering 100 square miles
- The Authority includes
 - Two wastewater collection systems
 - One wastewater treatment facility
 - 10 water systems
 - Approximately 5,000 drinking water connections
 - 500 wastewater connections
 - 31 employees

Ultimate Benefits

- Utility benefits
 - Larger pool of resources
 - Improved working conditions
 - Increased cost efficiency
 - Better planning abilities
- Community benefits
 - Lower rates
 - Reliable access to safe drinking water
 - Increase resiliency to consumer water demands

Are you open to considering any type of collaboration?

Please take a few minutes and type yes or no, and if you are able, what type of collaboration might be most beneficial to you

