EPA United States Environmental Protection Agency

USDA Rural Development

Facilitating Partnerships

State and Funder Perspectives

This presentation was originally presented in 2012 as part of a four-part webinar series to promote system partnerships. The webinars were provided by the U.S. EPA and U.S. Department of Agriculture to jointly promote sustainable rural water and wastewater systems.

Presentation Topics:

- What are water system partnerships?
- Facilitating Partnerships: State and Funder Perspectives
  - Vermont DEC
    - State policy to encourage partnerships
    - Improving access to funding

  - Mississippi USDA
    - Working with others
    - Partnerships across state lines

  - Washington DOH
    - Proactive approaches
    - Reactive approaches

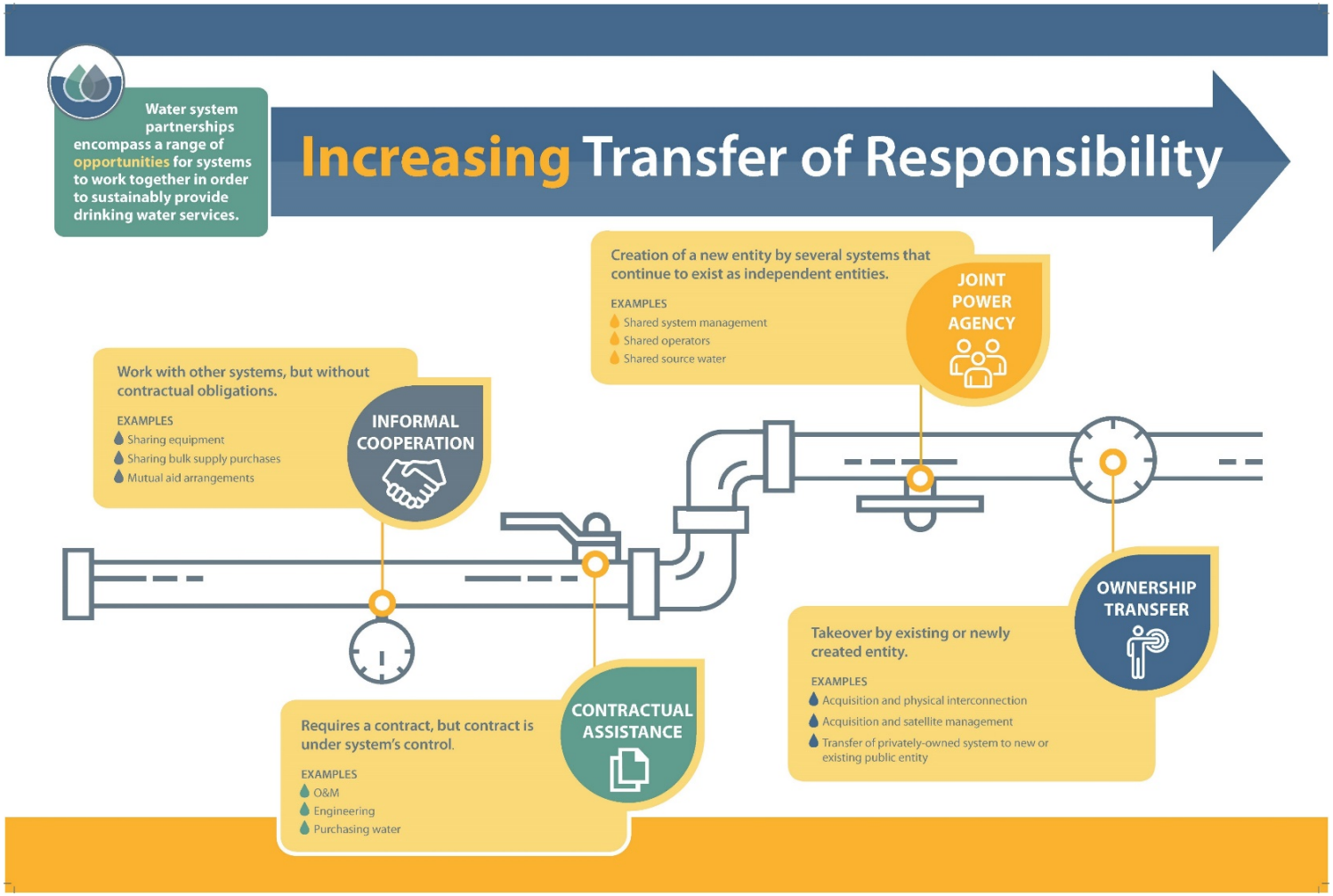
What are Water System Partnerships?

A **tool** for building technical, managerial and financial capacity.

What are Water System Partnerships?

- Do you know a system that faces any of these challenges?
  - Technical
    - Inadequate or aging infrastructure
    - Limited/poor source quality/quantity
    - Lack certified operator
  - Financial
    - Diseconomies of scale (few households = high costs)
    - History of water rates that are too low
    - Limited knowledge of financing options
  - Managerial
    - Limited part time management attention
    - Lack of expertise in long-term water system planning or operations

Different Types of Partnerships



Presentations

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

VERMONT
ENVIRONMENTAL CONSERVATION

Water System Partnerships Vermont's Perspective

Ashley J. Lucht, Capacity Development Program

Vermont Department of Environmental Conservation

Vermont's Demographics

- State Population: ~625,000 (2010 census)
  - Largest city: Burlington ~42,000 (2010 census)
- Total regulated public water systems: 1,362
- DWGPD Drinking Water Program: 30 employees
  - Only regulate sources that serve 25 or more people at least 60 days of the year
  - Regional offices have more but only manage non-public water and wastewater systems

Vermont Public Water Systems (PWSs)

- 1,362 regulated public water systems
  - Community Water Systems (CWS) (as of 12/2011): 440 total systems
    - Population of 25-500: 321 systems
    - Population of 501 – 3,300: 85 systems
    - Population of 3301- 10,000: 27 systems
    - Population greater than 10,000: 7 systems
  - Non-Transient Non-Community (NTNC): 242 total systems
  - Transient Non-Community (TNC): 680 total systems

Vermont's Role in PWSs

- Capacity review
  - Encourages TMF-lacking systems to connect
  - Deny construction or operating permit to new systems that may lack TMF
- Funding (SRF)
  - VT gives priority points for consolidation
  - Gives more favorable financing to municipalities
  - Through planning loan, explores other options → connection/consolidation

Vermont's Role

- Vermont plays an active role in water system partnerships through the use of funding programs and incentives.
- Here is the tale of two small, poor, rural, capacity-lacking systems…

Four Seasons of Early Learning and Greensboro Bend FD#2

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

Four Seasons of Early Learning and Greensboro Bend FD#2

- Greensboro Bend FD#2 (GBFD)
  - Originally organized as a co-op
  - Reformed as a fire district (municipality)
  - 23 connections (currently)
  - MHI is $30,000 (2012 income survey)
  - Lacking adequate chlorine contact time before first connection; stand-by power

Greensboro Bend Proposed Water Line

Putting it Together

- Four Seasons of Early Learning
  - Daycare submitted source permit
  - Daycare applied to SRF for new source, stand-by disinfection
  - Daycare would only be eligible for base loan program (20 yr/3%)
- Greensboro Bend FD#2
  - GBFD applied to SRF for chlorine contact time, generator
  - Daycare is ~900’ from a GBFD flushing hydrant (end of line)
- Internal conversations between capacity, operations and funding developed idea for consolidation; approached systems

Facilitating the Partnership

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

Using Incentives

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

The Results

- Construction started August 2012
- Project will result in more ERU's for GBFD
- Additional residential connections will be added
- Daycare will pay GBFD their pro-rated portion of the loan to connect to the system
- More sustainable user base for GBFD
- Solves two systems' compliance issues; eliminates one marginally sustainable system

Water System Partnerships Mississippi's Perspective

Bettye Oliver

Water Programs Director, USDA Rural Development, Mississippi State Office

Water Systems Partnerships - Mississippi

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

The Goal

Together in partnership the U.S. EPA and USDA, Rural Development are committed to assisting small systems achieve the technical, managerial and financial capacity needed to attain sustainability.

Program Overview

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

USDA Rural Development

How does Mississippi do it?

Area Directors & Staff:

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

Sustainability of Rural Communities

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

Leverage Funds

Know the other funding sources available for your projects!

Federal & State

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

Leverage Funds

Local

- County Governments
- Area Development Districts
- Municipalities

Community Development Team Meetings

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

Other Strategies

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

Compliance

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







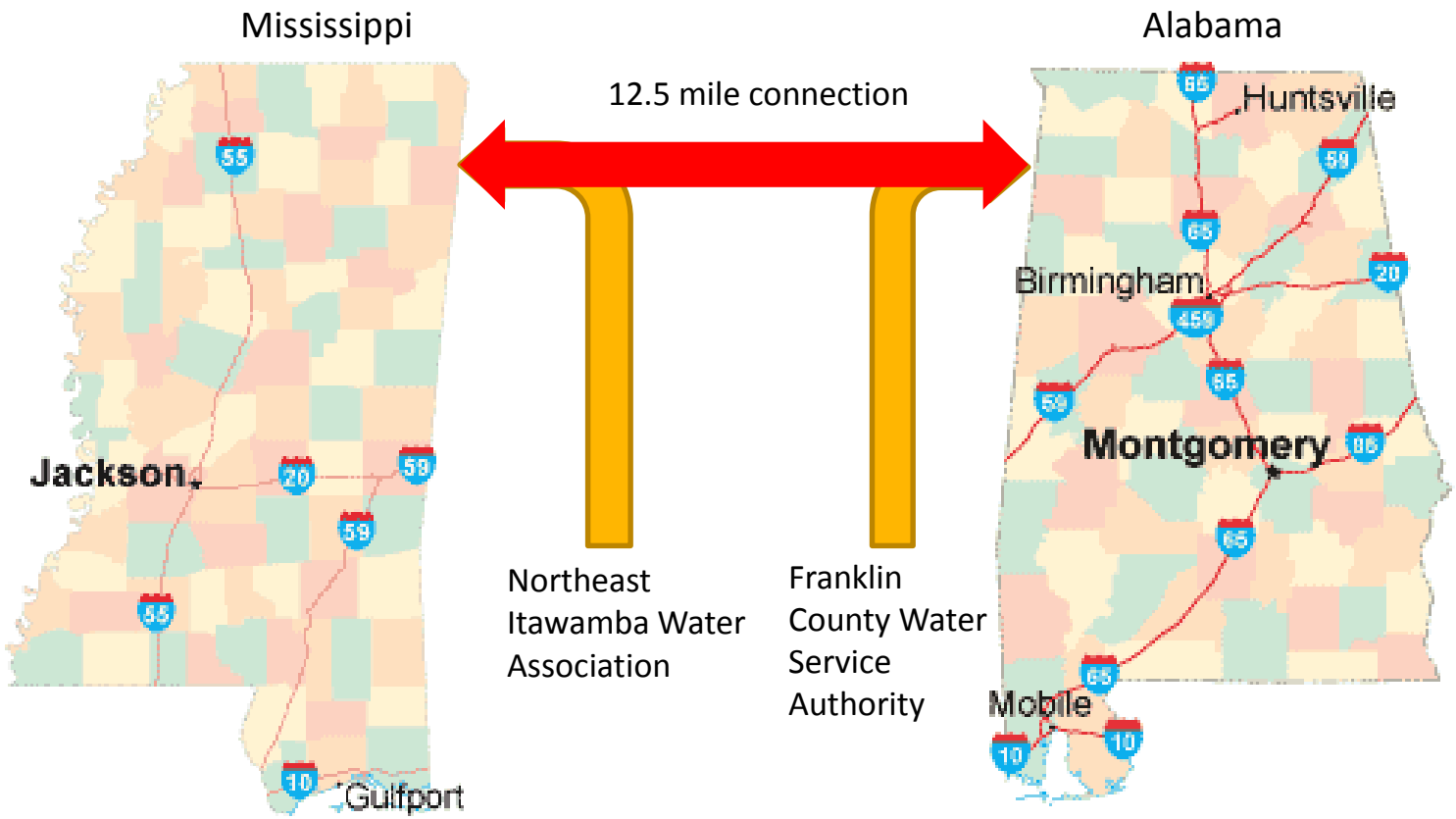

System Partnerships

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

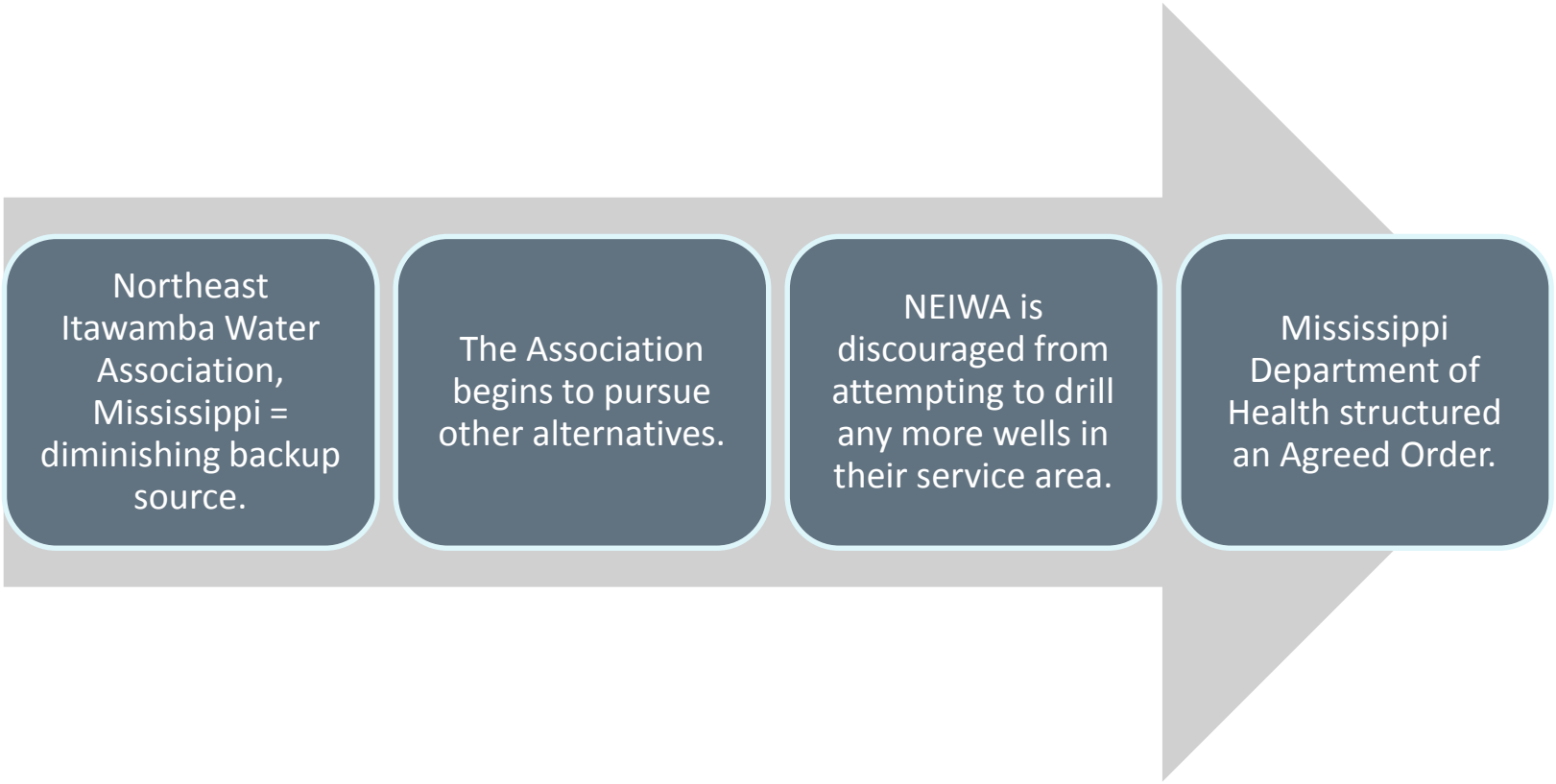
Northeast Itawamba Water Association, Inc. (NEIWA)

- NEIWA was faced with a diminishing water source.
- The Association needed an additional supply of water.
- They approached RD for funding.

Water System Partnership



Northeast Itawamba Water Association, Inc.



NIEWA

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

Our Partners

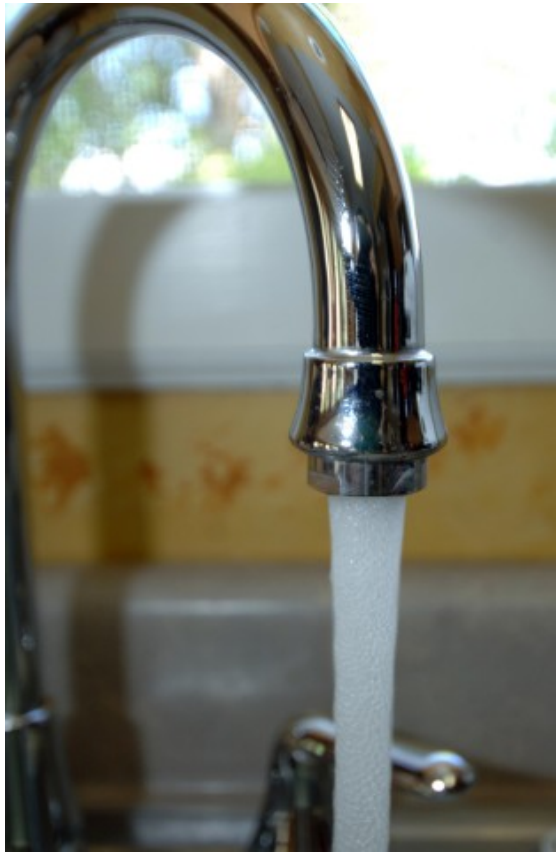
Partners include:

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

The Results

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

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



Water System Partnerships Washington's Perspective

Derek Pell, PE

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

Encouraging Partnerships

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

Partners

- Utilities
- Local Government
- Other State Agencies
- Utilities & Transportation Commission
- State Revolving Fund
- Public Works Trust Fund
- 3rd Party Technical Assistance & Funding

WA State Drinking Water History

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

WA State Demographics

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

Partnership Strategies: Proactive

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

Partnership Strategies: Proactive

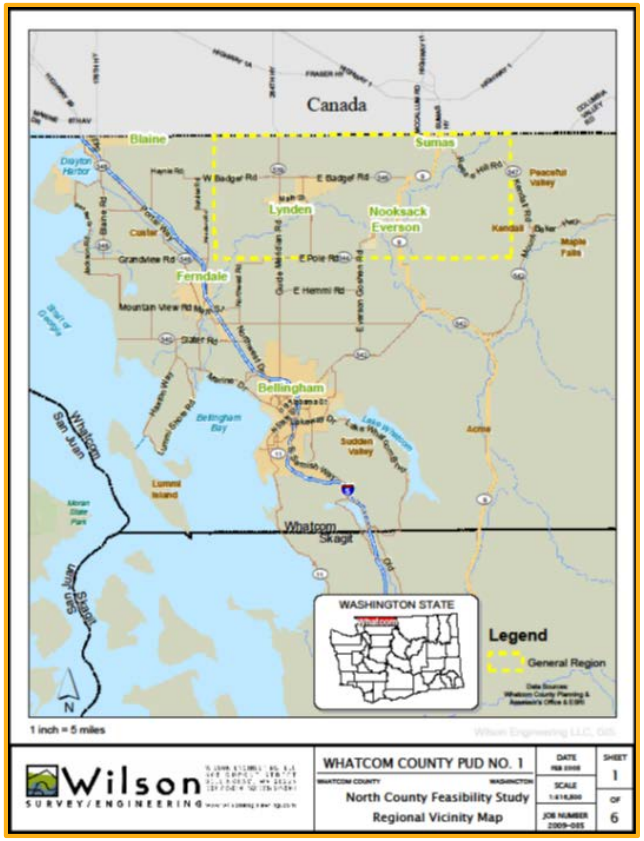
- Satellite Management Agencies (SMA)
  - State reviewed management plans
- TMF Capacity Self-Assessment
  - Capacity Assessment web survey
- State Revolving Fund
  - Loan program
  - Set-asides for restructuring

Partnership Strategies: Reactive

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

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

North Whatcom County Nitrates



North Whatcom Nitrates

North Whatcom created a regional solution with these tools:

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

North Whatcom Nitrates

North Whatcom used these additional tools:

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

North Whatcom Nitrates

The Results:

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

Columbia Crest Estates

Columbia Crest Estates

Columbia Crest Estates tried to use the following tools to build capacity:

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

Columbia Crest Estates

Using the Tools: Receivership

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

Columbia Crest Estates

The Results:

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

Additional Information

For more information on the benefits of Water System Partnerships, please visit: https://www.epa.gov/ground-water-and-drinking-water/water-system-partnerships-meeting