



# Regionalization- Working Cooperatively for Sustainability

IACC October 2019

## Rural Community Assistance Partnership, Inc.

**Western**  
Rural Community Assistance Corporation  
916/447-2854  
[www.rcac.org](http://www.rcac.org)

**Midwest**  
Midwest Assistance Program  
952/758-4334  
[www.map-inc.org](http://www.map-inc.org)

**Southern**  
Community Resource Group  
479/443-2700  
[www.crg.org](http://www.crg.org)

**Northeast**  
RCAP Solutions  
800/488-1969  
[www.rcapsolutions.org](http://www.rcapsolutions.org)

**Great Lakes**  
WSOS Community Action Commission  
800/775-9767  
[www.glrca.org](http://www.glrca.org)

**Southeast**  
Southeast Rural Community Assistance Project  
866/928-3731  
[www.southeastrcap.org](http://www.southeastrcap.org)



800/321-7227  
[www.rcap.org](http://www.rcap.org)



## Today's Presenters

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## Today's Topic: Regionalization

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## What's Your Regionalization Fear?

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## Regionalization Fears

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- Loss of control
- Control over ... ?
- What is your system missing?
- If it is missing, how do you have control?



## Today's Objectives

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- Recognize efficiency challenges
- Learn ways to collaborate to improve sustainability
- Identify key elements of a successful regionalization partnership/project



Where can your system be more efficient?

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## What does it mean to be sustainable?

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*“Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs.”*

UN World Commission on Environment and Development



## Why Regionalization?

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Increase the ability to:

- Protect existing and future water resources
- Promote a regional approach to water resource management, system operations and emergency response
- Increase funding capacity
- Achieve and maintain regulatory compliance
- Reduce volunteer burnout
- Create economies of scale



## How is a potential partnership identified?

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- Self-identified
- By chance
- By regulatory/funding agencies
- By technical assistance providers
- By others



## Regionalization

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- Can be a *formal* or *informal* way of creating or forming partnerships
- A guided process normally determined by more than one community
- Does NOT always end by connecting pipe
- It is **VOLUNTARY**



## Needs of a Successful Regionalization Project

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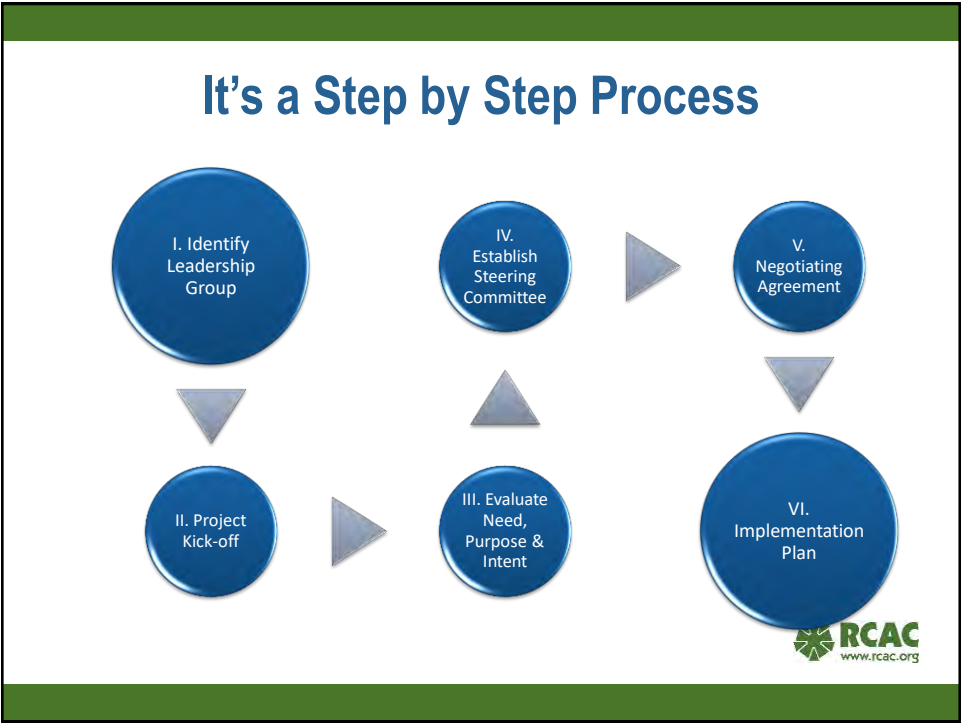
- Community sparkplug / local leader(s)
- Shared community vision/need
- Facilitated process



## Let's Create a Regionalization Project!

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## STEP I

### ESTABLISH A LEADERSHIP TEAM

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## Identify Stakeholders

- Area utility representatives
- Key stakeholders
- Local governments
- Technical assistance providers
- State agencies
- Others



## Leadership Development is a MUST!

- The focus is on what can collectively be achieved.
- Learn to distinguish good from bad leadership.
- One leader can derail the whole process, stop it or drag it along.



## Openness to Change

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*“If you don't fight change, it becomes an opportunity”*

Arnie Skeie



## STEP II KICK-OFF PROJECT

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## What Can You Offer/What Do You Need?

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## Factors to Evaluate:

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- Obstacles
- Source
- Benefits
- Infrastructure
- Risks
- Leadership
- Scale
- Fear



## Regionalization Challenges

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- Large number of unincorporated communities with limited powers
- Water rights' perceived concerns/difficulties
- Long-standing issues between communities
- Water system infrastructures
- "That's the way we have always done it!"
- Perceived loss of identity
- Hard to let go of local control



## Identify Common Need

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- Old infrastructure
- Funding
- Regulatory requirements
- Operators
- Baby boom
- Affordability
- Drought/water quantity issues
- Long-term sustainability



## Identifying Potential Partnerships

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Who needs to be involved?



## Fear versus Hope

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- Fear will stop you
- Fear spreads
- Fear could be part of a person's personality; they fear the unknown
- Hope also spreads
- Balance fear with hope



## STEP III

### PURPOSE AND STRUCTURE

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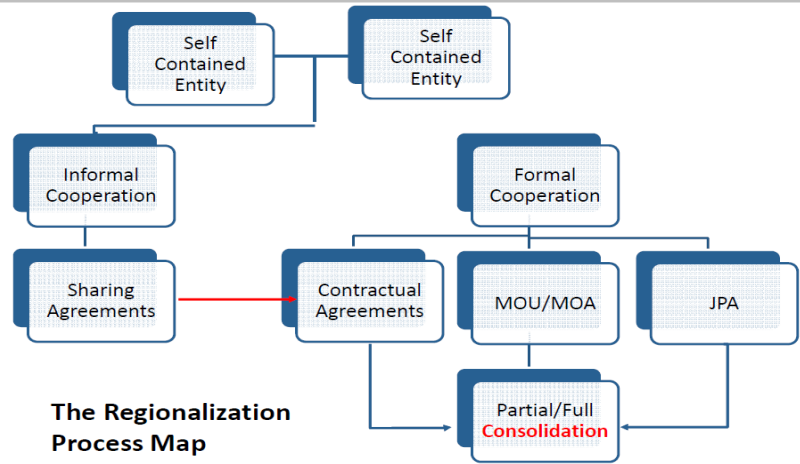
### Framework or Structure

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- Is there a framework or structure that allows for the merger of two or more utilities?  
(varies by state and sometimes county)
- Focus on the leadership side - **“human side”**
  - Take care of the “me” issues
- Create **ownership**
  - People **in the room** should come up with solutions
  - Create **TRUST**



# Regionalization Options



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# Regionalization Structural Options:

Increasing Transfer of Responsibility

Informal Cooperation	Contractual Assistance	Joint Powers Agency	Ownership Transfer
Work with other systems, but without contractual obligations	Requires a contract, but contract is under system's control	Creation of a new entity by several systems that continue to exist as independent entities (e.g. regional water system)	Takeover by existing or newly created entity
Examples: <ul style="list-style-type: none"><li>Sharing equipment</li><li>Sharing bulk supply purchases</li><li>Mutual aid arrangements</li></ul>	Examples: <ul style="list-style-type: none"><li>Contracting operation &amp; management</li><li>Outsourcing engineering services</li><li>Purchasing water</li></ul>	Examples: <ul style="list-style-type: none"><li>Sharing system management</li><li>Sharing operators</li><li>Sharing source water</li></ul>	Examples: <ul style="list-style-type: none"><li>Acquisition and physical interconnection</li><li>Acquisition and satellite management</li><li>One system transferring ownership to another to become a larger existing system or a new entity</li></ul>

## Structural Option - JPA

### JOINT EXERCISE OF POWERS AGREEMENT



This Agreement is Between the National Joint Powers Alliance® (NJPA) and  
City of Monroe, Washington  
(participating governmental agency)

**Agreement.** The participants in this Joint Exercise of Powers Agreement, hereinafter referred to as the Agreement, agree to jointly or cooperatively exercise certain powers common to them for the procurement of various goods and services by the participants. The term "governmental agency" as defined and used in this Agreement, includes any city, county, town, school district, education agency, post secondary institution, governmental agency or other political subdivision of any agency of any state of the United States or any other country that allows for the Joint Exercise of Powers, and includes any instrumentality of a governmental agency. For the purpose of this section, an instrumentality of a governmental agency means an instrumentality having independent policy making and appropriating authority.

**Purpose.** The purpose of this Agreement is to allow for the cooperative efforts to provide for contract and vendor relationships to purchase supplies, materials, equipment or services (hereinafter referred to as goods and services,) as a result of the current and active competitive bidding process exercised by a legal qualifying bidding agency on behalf of governmental and other qualifying agencies. Qualified customers may forgo the competitive bidding process as a result of this action and process provided on the agencies behalf. Reference the Uniform Municipal Contracting Law MN Statute 471.345 subd 15. This provision is made possible as a result of the purchasing contract development through a national governmental agency association's purchasing alliance.

*Whereas, parties to this Agreement are defined as governmental agencies in their respective states;*



## Regionalization - Solution to the Small System Sustainability Dilemma

### 1. Cooperation

Sharing agreement

### 1. Formal

MOU/MOA - one major step with collaboration, either a PER, bookkeeping contract, transfer water rights etc.

### 2. Integration

Merger Plan and full merger (consolidation)

### 3. Innovation

Be innovative and flexible - look into joint water conservation, water rights planning, watershed protection, energy savings



## STEP IV STEERING COMMITTEE

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## Project Pathway

- Project Statement
- Vision Statement
- Mission Statement

Vision  
Mission  
& Values



## Financing the Committee

- Postage
- Copying/printing
- Professional services
  - Legal Counsel
  - Engineers
  - Community Planners
  - Facilitators
  - Other



## Transparency – Build Trust

- “Blockers” will be found throughout the process
- Don’t give up, keep going....Engage the “nay” sayers
- Document the process
- Make it transparent
- Preserve the local history

## STEP V

### NEGOTIATING AGREEMENTS

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## Compromise to Reach Agreements

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### **Win-Win not Win- Lose**

There must be a willingness to work together

### **Be aware of the multiple Negotiations & Agreements Happening**

The first negotiations are with your board & community

### **We are first Negotiating Trust**

Take time to Learn about each other's projects, challenges, structure. Open up be vulnerable and your peers will be too.



## One Area That May Need Negotiation

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### Potential Structure

- MOA/MOU
- JPA
- Special District
- Water Authority
- Other



## STEP VI IMPLEMENTATION PLAN

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## Implementation Steps

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- **Register new entity with pertaining agencies**
- **Establish governing body**
- **Develop organizational documents**
  - Bylaws
  - Merger plans
  - Rules
- **Acquire funding**
- **Comply with funding requirements**



Celebrate!....

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## Benefits of Regionalization

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- **Improve Quantity, Reliability and Quality**
  - Establish abundant/redundant & safe sources
  - Treatment affordability
- **Improve Level and Cost of Service**
  - Broader suite of services and volunteers
  - Cost savings for customers
- **Focus on the Long Term Vision: Community Sustainability**
  - Watershed planning
  - Water reuse/recycle
  - Source water protection



## What contributes to a “successful” project?

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### Regionalization Ingredients:

- Leadership
- A clear framework or structure
- Transparency
- Openness to change



## Regionalization In Action

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### Lincoln County Communities

- Exploring Regionalization
- Moving Forward



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Questions?

## Final Question

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Are you the leader who is advancing  
opportunity

Or

The leader who is blocking the way?

