10 Lessons from Community Leaders:
Regional Partnerships for Small Systems

Laura Landes, Research Manager
Sarah Buck, Senior Director of Programs

Rural Community Assistance Partnership (RCAP)

“Improving Rural Quality of Life”
RCAP National Office
1701 K St. NW, Suite 700
Washington, D.C. 20006
www.rcap.org

Western RCAP
Rural Community Assistance Corporation
www.rcac.org

Midwestern RCAP
Midwest Assistance Program
www.map-inc.org

Southern RCAP
Communities Unlimited
www.communitiesu.org

Great Lakes RCAP
Great Lakes Community Action Partnership
www.glcap.org

Southeastern RCAP
Southeast Rural Community Assistance Project
www.sercap.org

Northeastern RCAP
RCAP Solutions
www.rcapsolutions.org

“Improving Rural Quality of Life”
Impact for Rural Quality of Life

In Fiscal Year 2019, the RCAP Network served:

- Approximately 2,000 communities in all 50 states, on tribal lands, in Puerto Rico, the U.S. Virgin Islands, American Samoa, and the Northern Mariana Islands
- 3.2M+ rural residents
- 1.2M+ households

Serving diverse populations:

- More than 1 million residents in communities assisted, or 33 percent of the total, were people of color
- 7 percent of residents served were American Indian or Alaska Native
- 6 percent of projects and 12 percent of trainings served tribal communities
RCAP Trainings and Technical Assistance Projects (2019)
PRESENTATION OBJECTIVES

▪ Have a shared understanding of the broad spectrum of regional solutions under the “regionalization” umbrella
▪ Explain RCAP’s on the ground assistance model and why it is effective
▪ Explore the small community experience based on RCAP's recent research
▪ Preview of what’s next for RCAP

“Improving Rural Quality of Life”
WHAT WE MEAN BY “REGIONALIZATION”

Increasing Transfer of Responsibility

<table>
<thead>
<tr>
<th>Informal Cooperation</th>
<th>Contractual Assistance</th>
<th>Shared Governance</th>
<th>Ownership Transfer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Work with other systems, but without contractual obligations</td>
<td>Requires a contract, but contract is under system’s control</td>
<td>Creation of an entity by several systems that continue to exist independently (e.g., regional water system)</td>
<td>Takeover by existing or newly created entity</td>
</tr>
<tr>
<td>Examples: • Sharing equipment • Sharing bulk supply purchases • Mutual aid arrangements</td>
<td>Examples: • Contracting operation and management • Outsourcing engineering services • Purchasing water</td>
<td>Examples: • Sharing system management • Sharing leadership • Sharing source water • JPA</td>
<td>Examples: • Acquisition and physical interconnection • Acquisition and satellite mgmt • One system transferring ownership to another to become a larger existing system or a new entity</td>
</tr>
</tbody>
</table>
REGIONALIZATION WORK AROUND THE COUNTRY
RCAP ON THE GROUND:

• In-depth long-term technical assistance and training
• Acts as a technical expert and neutral third-party process facilitator
• Often works with communities from inception to implementation including helping to leverage funds for regional projects
• Helping rural communities for more than a decade on more than 200 regional projects
• National working group to build capacity across the US

“Improving Rural Quality of Life”
ABOUT RCAP’s RESEARCH
OUR RESEARCH PAPER:

▪ Explores regionalization contexts and strategies that communities can relate to and potentially use

▪ Provides practical information for community decision makers looking to ensure the sustainability of their water or wastewater systems

▪ Made possible by Spring Point Partners

“Improving Rural Quality of Life”
A QUALITATIVE STUDY:

- Spoke with several system and/or community leaders
  - from across the country
  - who have experienced the full spectrum of partnerships
  - of water and wastewater systems
- Interviewed technical assistance providers

“Improving Rural Quality of Life”
WHAT WE ASKED ABOUT:

- Greatest pieces of advice and lessons learned
- What precipitated the partnership/driving conditions
- How trust was built
- What was expected of community leaders
- How did the process move along (what kinds of resources were helpful, how did they keep things moving, etc.)
- Governance structures – what worked and why

“Improving Rural Quality of Life”
THREE RESOURCES

Available at https://www.rcap.org/blog/regionalizationresearch/
KEY FINDINGS
Determine whether a partnership may be right for your community
Find out what resources are available and build your team
Commit to transparency from the start
Commit to a willingness to listen, be respectful and find mutual benefit
Recognize the importance of thinking through and reaching agreement on governance
Keep a patient mindset, and know that this is a long-term discussion focused on sustainability
Be realistic about long-term costs and capacity to keep up any new infrastructure
Help system leadership and boards develop an understanding of their roles and responsibilities
Keep your goal in sight, but be open to possibilities
Ensure building and earning trust is prioritized throughout the process
> RCAP did a rate study and showed that rates would have to increase well above the community’s ability to pay to return to compliance. It then became obvious that regionalization was the best option.

> Half of the board was against the partnership, but when it was put to a vote in the community, they voted 2-to-1 in favor. That gave the board a clear mandate.

> Regionalization meant lower water rates, better quality water, and the potential for further growth.
5. Recognize the importance of thinking through and reaching agreement on governance

- Develop a governance structure that everyone is comfortable with and will work long-term. There is no one-size-fits-all solution.

- The board includes one member from each community, because small communities have other things to offer besides a rate-payer base.

- Because board makeup was based on population size, it was important to build in governance mechanisms to provide compromise, such as requiring a supermajority when the board votes on sensitive issues like rate changes.
> “We actually talked about the possibility of [Utility A] absorbing [Utility B] 10-plus years before it happened... it was becoming progressively harder for new systems to start with low customer counts and meet all the regulatory [requirements].”

> It takes a long time for local government officials to make a decision and for their representatives to bring that back to the regional board – and it has to be done for each decision along the way.
Ensure building and earning trust is prioritized throughout the process

> Trust is necessary in three directions: between communities and facilitator; between community partners, and within communities.

> Having a third-party facilitator alleviated issues of trust – it wouldn’t have worked if one of the communities had hosted the meetings. The idea of having a member from each community on the board also alleviated mistrust.

> The most important thing [the system] did was keep the public informed at every step of the process and to be totally transparent.
TEASER – NEW RESEARCH COMING SOON!
A FOCUS ON POLICY:

- At the local, state, and federal level
- We will offer recommendations for policy-makers
  - How to encourage regionalization?
- Coming in 2021!
- Sign up for updates: rcap.org

“Improving Rural Quality of Life”
UPCOMING NATIONAL WEBINAR

11/17/20
2-3:30 PM ET
https://attendee.gotowebinar.com/register/2552551838541240848

Small water systems can often benefit from collaborating with other systems in both informal and formal ways. Establishing successful partnerships requires effort from all parties involved. In this webinar, RCAP staff will share stories from working in the field with communities on water system collaboration. What elements are needed to make a partnership successful? How can communities move from informal collaboration to more formal arrangements? How important is the role of a local champion? What about a third-party facilitator? This webinar will answer these questions and more as well as showcase some of RCAP’s tools and resources related to water system collaboration.

No cost to register!
THANK YOU!

Laura Landes
llandes@rcap.org

Sarah Buck
sbuck@rcap.org

Much appreciation to those who have helped with this research and show interest in it! We welcome your questions and thoughts.

“Improving Rural Quality of Life”