

Ask the Experts?

Each issue, we ask members of the *On Tap* Editorial Advisory Board to answer a drinking water-related question. We then print as many responses as space permits. The opinions expressed are not necessarily those of the NDWC.

Regionalization is fast becoming a hot topic in the drinking water industry, and many organizations and individuals have very different opinions about it and if it works. Are there situations in which regionalization can or cannot work?

Easier Said Than Done

I would like to start with a quote from the Statement of Policy of the American Water Works Association (AWWA).

“The AWWA encourages water utilities to identify local and regional solutions to resource management and water supply service needs. If a regional program is necessary or desirable, water utilities should work with the appropriate levels of government to develop the program and promote the use of good utility management principles. State, provincial, territorial, and federal agencies are encouraged to support local government efforts to develop a regional program and ensure equitable benefits to all water utilities.”

To this I say, “Boy, is that ever easier said than done!”

With the rapidly increasing population, most areas of the country are realizing growth beyond their resources, and many utilities already are experiencing source water shortages or are finding data that indicates that they soon will be.

Competition for water sources is becoming commonplace, and the battles for water are only just beginning. No place is this more evident than in the arid west. Water is fast becoming more precious than gold, and the acquisition of source waters is one of the most politically delicate matters that water systems will ever face.

Much has been written about areas such as Southern California, Texas, New Mexico, and probably the fastest growing water user in the West—the Las Vegas Valley—and the deals that they already have or are in the process of working out.

Many systems are looking to the largest water developer of all: the U.S. Bureau of Reclamation. They are also paying top dollar for—and suing for—changes in the management of traditionally agricultural water projects and use designations from agricultural into municipal and industrial applications.

Unfortunately, there is no easy answer. And we could fill an entire issue of *On Tap* magazine with stories concerning this subject.

As the U.S. population continues to grow at unprecedented rates, more and

more utilities will be forced to negotiate with someone to acquire the source waters that they need. And with these utilities realizing that their customers only consume approximately two percent of their finished drinking water, I believe we will see some very creative suggestions appear to meet our water needs.

Conservation is key, and along with exploring desalinization, reclamation, and reuse, there will need to be a united cooperation among all water users, or some taps will just run dry—period.

Nelson Yarlott
Resident Operator
Greeley, Colorado



Regionalization is a Tool

Regionalization is one of many tools that can be used to help a small water system. But like many tools, it all depends upon how you use it, as well as the skill of the user. Regionalization is a tool that ends up taking over the water system, tying it to other small systems that have given up, and forming a water system that provides water to the whole region.

This concept has many advantages to different stakeholders. The state primacy agency has fewer small systems to regulate and, consequently, fewer problems to try to solve. Funding agencies have only one large, generally tax-based system to provide funding for with a larger population base to spread the cost over. The engineer gets to come up with a single, large facility that will provide all the treatment needs for a whole region.

Notice that we haven't spoken about the system yet. If a system is dilapidated, low-income, in need of treatment and infrastructure, and wants to get out of the water business, then regionalization can be a valuable tool to get out of the hole that it's dug itself into.

A well-run system that meets its infrastructure needs, increases its rates to match

its requirements and indebtedness, and keeps an active voice in its water supply issues does not need regionalization.

It pretty much becomes the users' choice. Based upon scenarios related to infrastructure needs, funding levels, and the desire for independence, the system and its users should decide the future of their system.

As a tool, regionalization is like a dentist's drill. It's not pleasant by any means, but it can cut away decayed tissue and expose the real meat of the problem, allowing repair and healing to begin. You surely don't use it to clean healthy tissue or force repair where it is not needed.

Many small water system organizations think that consolidation should only be considered an option to address affordability concerns—where it is feasible and where the community freely chooses its preferred approach. It must be a local approach. Where a system faces compliance issues and unaffordable regulations, the system must be able to decide its course from options available to them, such as variance, consolidation, purchase, alternate water delivery, or other options that the state primacy agency makes available.

<p>Jerry Biberstine Principal Engineer National Rural Water Association</p>	
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Offers Help to Struggling Systems

A while ago, the state of Washington adopted a regulation (Chapter 246-295 WAC) that allows the formation of satellite management agencies (SMAs). SMAs either own or manage utilities. The Peninsula Light Company (PLC) is an SMA. In a way, SMAs set up the regionalization of small water systems. Washington has a number of state-approved SMAs.

PLC became a state-approved SMA about nine years ago. We did not actively get into the water business until sometime later. We now own and manage more than 100 public water systems, several of them initially failing or struggling with increasing regulatory requirements. In our area, there are now two other SMAs that help provide a more competitive market but not necessarily an inexpensive one.

To become an SMA, system managers need to submit a plan that is basically a financial viability and operation and maintenance plan that demonstrates how

the SMA plans to make non-viable systems work. These plans must be updated and resubmitted every five years. SMAs also must have a minimum of one certified operator who is at least a water distribution manager and a cross-connection specialist. However, if the system's size or complexity warrants it, this person's certification must be greater.

The Washington State Department of Health gives SMAs a cost break on annual operating permit fees for owned systems (\$1.00 instead of \$1.50 per connection), but these savings do not offset the actual cost of becoming or remaining approved.

An SMA must manage or own all new state Group B (small) systems and all new federally regulated Group A (large) systems (those that fall under the Safe Drinking Water Act mandate). Any existing Group A system that becomes a significant non-complier may be ordered to contract with an SMA.

Because water rights are difficult to obtain, most of the new growth is in new Group B water systems with between two and six equivalent residential connections. Group B water systems with six equivalent residential connections or less are not required to apply for a water right permit if they document using less than 5,000 gallons per day and are irrigating less than an acre per day.

One of the systems (less than 30 properties) we currently manage (but will soon own) was a group of homeowners that formed a water district and took over a private system. We assisted them with getting a state drinking water revolving fund loan to totally replace their water system. Because of additional cost and no desire on the part of the homeowners to be responsible for their own system the property owners have voluntarily entered into receivership to transfer the control of the water system to PLC. The property owners had to vote on it, and the county commissioners had to approve it. PLC is purchasing the water district for the debt over and above original property assessments.

Also, as Group A public water systems with grandparented certified operators fail to maintain certification, these systems may choose to contract for operator certification with another certified operator or with an SMA.

<p>Lisa Raysby Water Department Manager Peninsula [Washington] Light Company</p>	
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