



Troubleshooting the Partnership Process

The final presentation in a series of water system partnership presentations

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?
- What kind of challenges do systems face when forming partnerships and how do you troubleshoot through them?
 - The Lower Rio Grande Public Water Works Authority
 - The El Valle Water Alliance



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

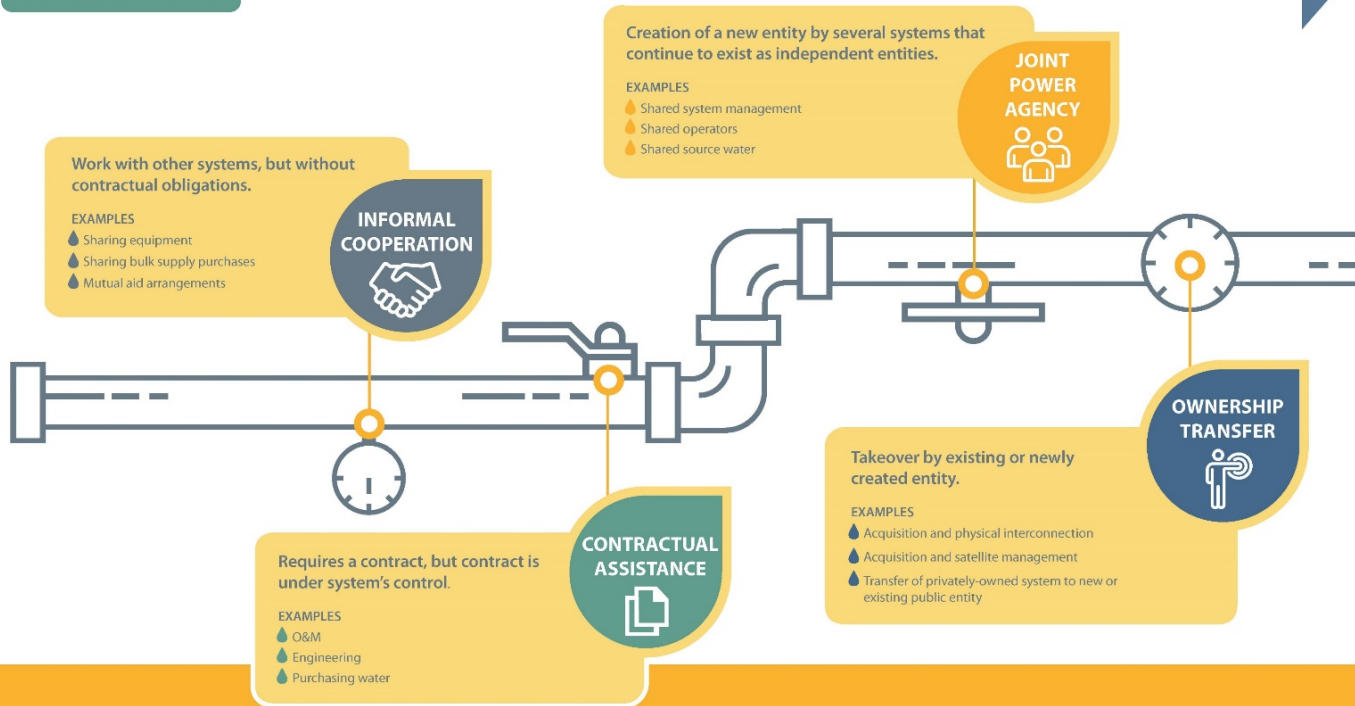


Different Types of Partnerships



Water system partnerships encompass a range of opportunities for systems to work together in order to sustainably provide drinking water services.

Increasing Transfer of Responsibility

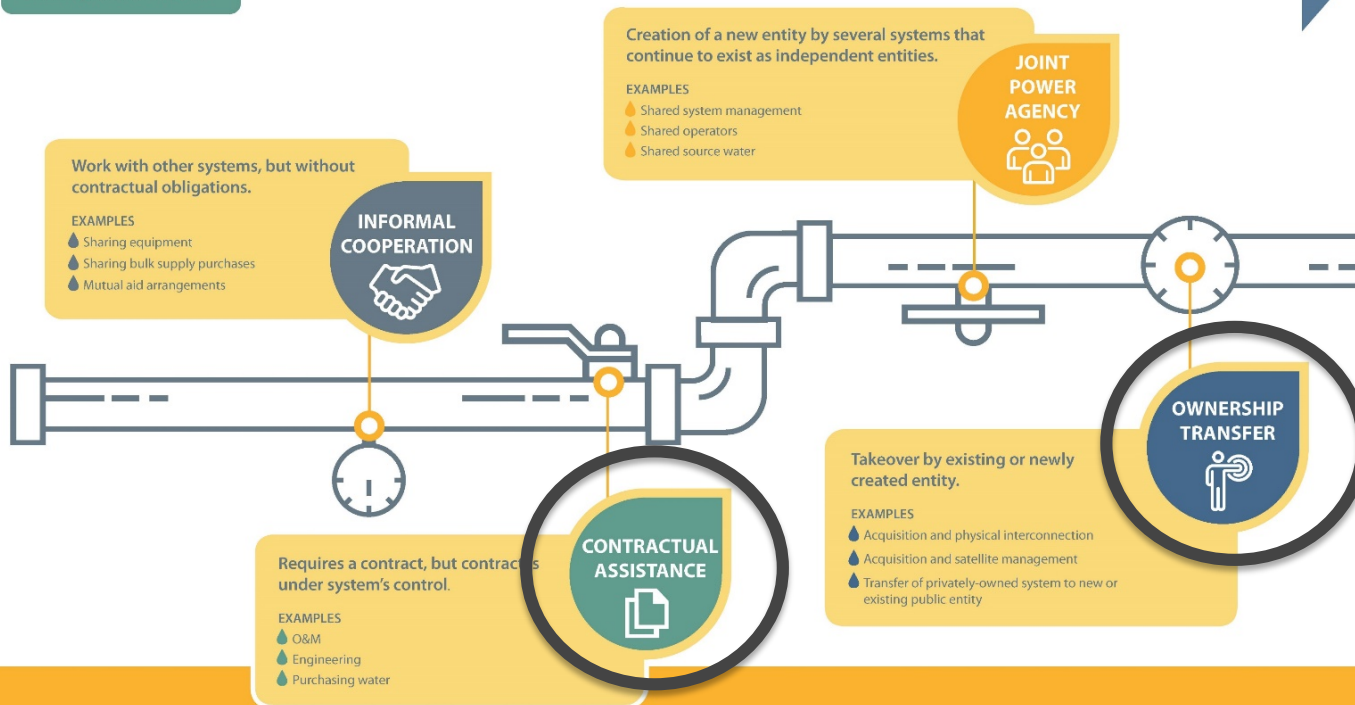


Different Types of Partnerships



Water system partnerships encompass a range of opportunities for systems to work together in order to sustainably provide drinking water services.

Increasing Transfer of Responsibility



Presentations

Technical Assistance Providers

- Olga Morales & Blanca Surgeon, Rural Community Assistance Corporation

System Representatives

- Martin Lopez & Karen Nichols, Lower Rio Grande Public Water Works Authority
- Ramon Lucero, El Valle Water Alliance

Government Agency Representatives

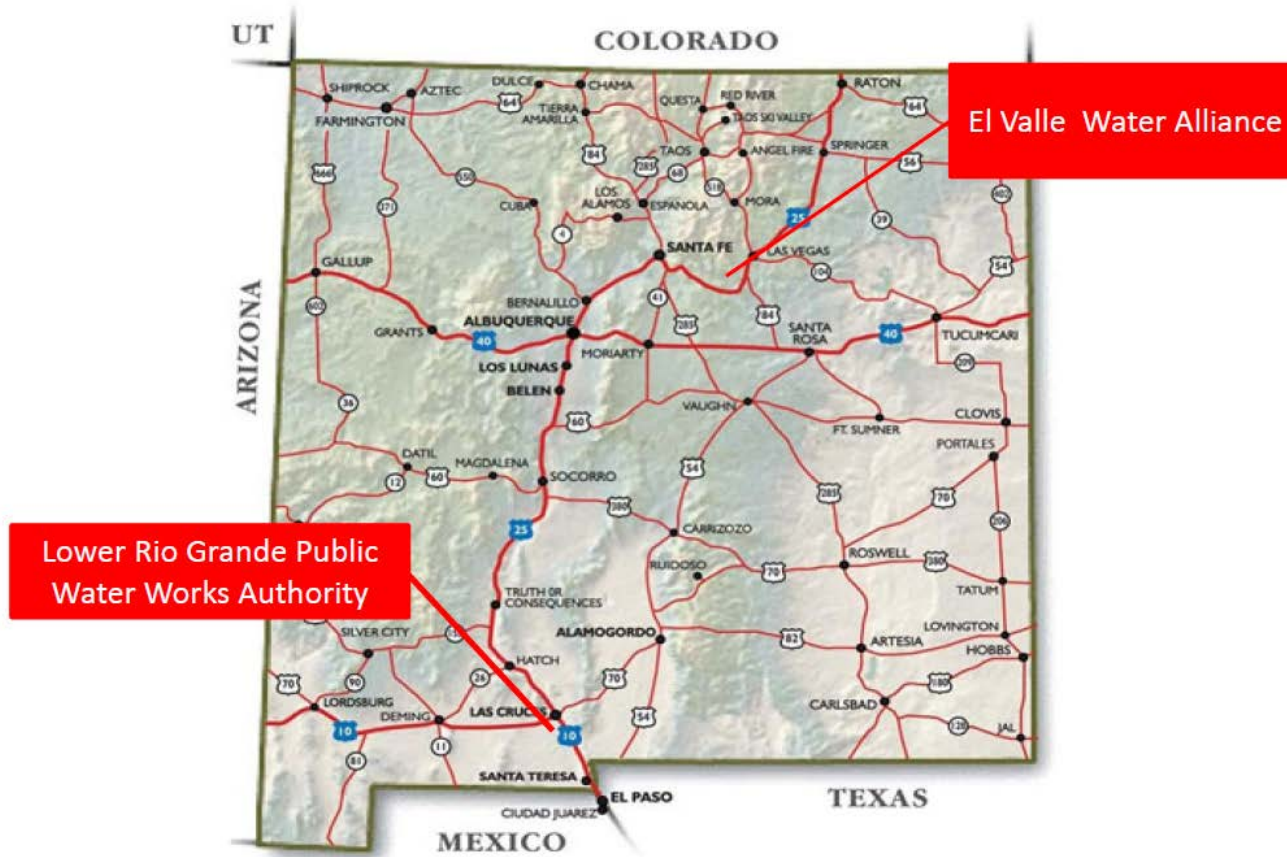
- Martha Torrez, USDA – New Mexico State Office
- Rick Martinez, New Mexico Finance Authority
- Ray Melendrez & Ernest Valenzuela, New Mexico Environment Department
- Cheryl Thacker, New Mexico Office of State Engineer



Partnership Examples



Partnership Examples



Lower Rio Grande Public Water Works Authority

- The founding member associations of the Lower Rio Grande Public Water Works Authority are:
- Berino MDWC & MSWA
- Desert Sands MDWCA
- Vado MDWCA
- Mesquite MDWC & MSWA
- La Mesa MDWCA



Lower Rio Grande Public Water Works Authority

Issues	Berino MDWC & MSWA	Desert Sands MDWCA	La Mesa MDWCA	Mesquite MDWC & MSWA	Vado MDWCA
Number of Connections (meters)	760	542	430	1,500	203
Population Served	2,280	1,626	1,290	4,500	609
Original Incorporation Date	1967	1975	1989	1968	1960
Regulatory Challenges	Arsenic	Arsenic	None	Nitrate	Nitrate
Water Rights	483.9	340	73.62	875.42	0
Miles of water line	31.2	36	44.5	42.75	4.9
Number of wells	2	2	2	4	0
Storage capacity	250K	344K	250K	845K	150K
Colonia(s) served	Berino	Las Palmeras, Montana Vista	La Mesa	Mesquite, Del Cerro y Vado	Vado



Lower Rio Grande Public Water Works Authority

Drivers behind the partnership:

- Duplication of efforts
 - 5 of everything
- Regulatory requirements
 - New arsenic rule
 - Mandatory board training
 - New funding/reporting/audit requirements
- Inability to declare service area
 - Threat by larger entities



Lower Rio Grande Public Water Works Authority

Current Status:

- Fully integrated the five founding entities
- Declared service area
- Incorporating additional two Mutual Domestic water systems
- Increased operational capacity
- Created ability to sustain planned growth, including commercial and industrial



El Valle Water Alliance



The founding members of El Valle Water Alliance were:

- Ilfeld
- San Juan
- El Ancon
- El Coruco
- San Miguel del Bado
- Villanueva
- La Sacatosa
- North San Isidro
- San Jose
- Gonzales Ranch
- El Cerrito
- South San Ysidro

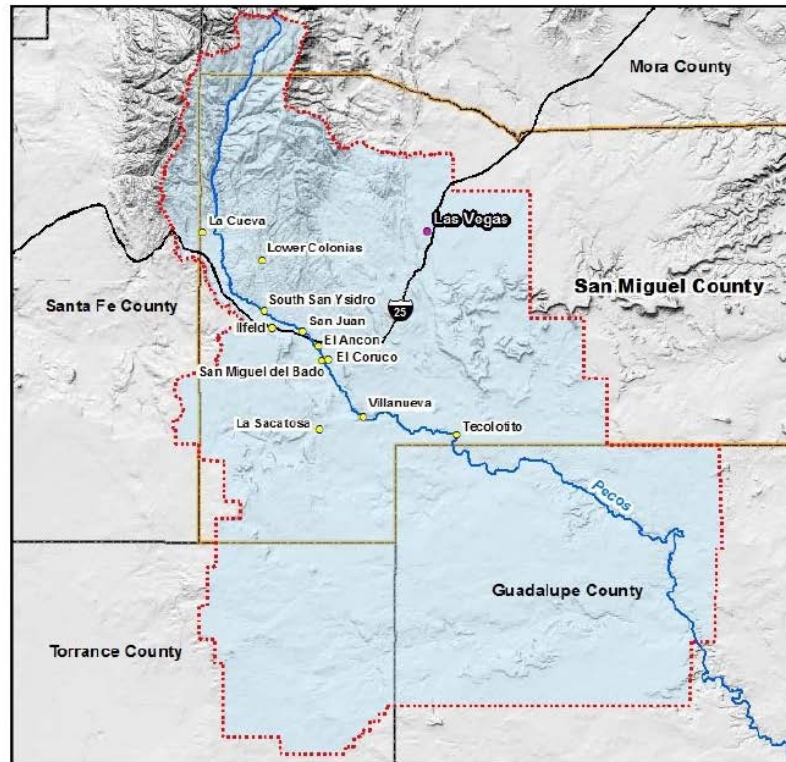


El Valle Water Alliance



Legend

- El Valle Water Alliance
- Pecos River
- ⋯ Upper Pecos Basin
- ▭ San Miguel County
- Interstate



Last Update: 8/2/12
Projection: NAD_1983_UTM_Zone_13N



40 Miles



El Valle Water Alliance

Association	Connections	Population	Storage Capacity	Original Incorporation	Water Rights	Wells	Line/ft	Regulatory Challenges
Villanueva	96	201	50,500	1949	24.2	2	10,053	Iron/ Aluminum
El Coruco	52	89	10,000	1965	9.7	1	9,459	
El Ancon	44	79	45,500	1965	23	1	3,860	
San Juan	53	125	10,000	1955	38.7	1	7,906	
S. San Ysidro	24	31	20,000	1961	19.4	1	4,510	
Ilfeld	100	193	25,000	1962	19.4	2	15,750	
La Sacatosa	14	16	10,000	1968	3	1	7,799	
San Miguel	33	74	45,000	1959	7.7	1	7,350	Fluoride
Lower Colonias	15	12	5,000	1957	4.8	1	2,762	
Total	431	820	221,000		149.9	11	69,449	





El Valle Water Alliance

Drivers of the Partnership:

- Protection and preservation of water rights
- Regional water conservation
- Long term compliance
- Managerial capacity through:
 - Combining administration fees
 - Contracting services
 - Source management
- Governance
 - 9 member board



El Valle Water Alliance



Current Status:

- Operates as a Management and Ownership Entity
- Two systems are fully merged; others in the process of merging; others under contract
- In the process of completing a 40 Year Plan
- Continue seeking funding to address aging infrastructure challenges





Troubleshooting the Partnership Process

How can a water system build credibility to gain the support of its members and customers?

Third Party Partner – Building Support

RCAC was contracted to assist the Lower Rio Grande Public Water Works Authority with:

- Regional governance structure and documents
 - Developed with public input
 - Held public meetings throughout the process
- Make process transparent
 - Post everything on a website
 - Make it easy for the community to participate



How do you establish a service area to reduce vulnerability?

- Mutual Domestic Systems
- District Municipalities and privately owned systems



Partnership with Office of the State Engineer

Declaration of Water Right

- Filed by each Individual Mutual Domestic
- Describes claimed Ownership, Service Area, Amount of Water, Well Locations, Purpose of Use , Priority Date

Applications Filed/Permits Issued

- Enlarge Service Areas – Mutual Domestics were serving areas beyond service area described on original Declaration
- Change Location of Existing Wells & Add Supplemental Wells

Ownership Change – Combine & Comingle

- Change of Ownership from Individual Mutual Domestics to Lower Rio Grande Water Public Works Authority
- Combine and Comingle Water Rights – Permit by end 2012



Partnership with the Office of the State Engineer

- OSE assisted in getting Bill passed by NM Legislature to create Authority
- OSE assisted the Authority with drafting 40-year water plan



How does the regulatory agency merge system information?

- Protect historical sampling data and compliance information
- Tie in historical source information to new source
- Conduct sanitary survey to create new water system
- Creating a new sampling plan for the new system



How do you merge financial information together to approve funding for a regionalization project?



New Mexico Finance Authority

- Multiple entities forming a regional authority have the issue of presenting financial information that's acceptable to the funding agencies.
- The NMFA works around that by accepting individual entity audits and/or financial statement information until the Regional Authority is formed and is audited under one entity.
- When regionalizing multiple entities, some have stronger financial information than others and some may lack financial information.
- Moving forward with funding requires a signed agreement that outlines a plan of action that will bring the newly formed authority or regional entity into financial compliance.



New Mexico Finance Authority

- Budget information within the financial statements of a regional entity is also crucial to awards made when considering loans and grants.
- When a regional incorporation is being considered, an in-depth review of the individual entities considering regionalizing is crucial and there should be some efforts made to correct any deficiencies before merging. This helps the effort move forward with funding support without major obstacles.



USDA Loans and Grants



General Process:

- Eligible participant submits: Application for Federal Assistance (SF-424), Preliminary Engineering Report, Environmental Information, Financial Statements, and Organizational Documents
- Predevelopment and Planning Grants assist in paying costs associated with developing the application.
 - In order to be eligible, the community's Median Household Income (MHI) must be less than \$31,526
 - The grant can be for up to \$30,000
- Repayment Terms (for loans only) are for the useful life of the facility or for up to 40 years.



USDA Loans and Grants



About Colonias:

- To qualify, a Colonia must be located in a county where over 50% of the county is within 150 miles of the Mexican border. Eligible counties are Dona Ana, Catron, Luna, Eddy, Grant, Otero, Hidalgo, and Sierra.
- USDA Rural Development can offer 100% grant, but the colonia must take a loan if it can afford it.



USDA Loans and Grants



Transfer and Assumption:

- Borrowers may transfer a project to another owner.
- Rural Development may approve a transfer if the transferee and the project meet certain criteria.
- Rural Development must ensure that the transferee meets applicable eligibility criteria and has the financial capacity and management experience to own and manage the project successfully.
- Rural Development must verify that the project and the use of the property continue to meet the program's purpose.
- Get USDA involved early in the process.



What have we learned?

Lower Rio Grande Public Water Works Authority

- It takes a Team!
- Developing leadership up front is KEY!
- Short and long term goals must be established by consensus
- It all starts with a shared vision
- Everyone has to be on board
- The process MUST be facilitated by someone impartial to the outcome



What have we learned?

El Valle Water Alliance

- It takes a community
 - Local communities
 - Technical Assistance Providers
 - Funding Agencies
 - Regulatory Agencies
 - County Government
- Identify common needs
- Develop vision and mission
- Overly communicate
- Paid staff



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>

