

Infrastructure Task Force - Infrastructure Sustainability Summary of Commonalities and Best Practices from Tribal Utility Interviews

The Infrastructure Task Force (ITF) held a series of listening sessions to learn the best practices among tribes that have helped improve sustainability of their water and wastewater infrastructure. This document is based on the interviews with the following utility organizations:

- Navajo Tribal Utility Authority (NTUA);
- Tohono O’odham Utility Authority (TOUA);
- Alaska Rural Utility Collaborative (ARUC);
- Pyramid Lake Paiute Tribe (PLPT);
- Squaxin Island Tribe (SIT); and
- Nez Perce Tribe (NPT)

It provides a high-level summary of the commonalities among tribes, as well as additional best practices that were mentioned by single Tribal utility organizations during the interviews.

COMMONALITIES ACROSS TRIBAL UTILITY ORGANIZATIONS

Maintain Utility Independence

- Day-to-day management and funding for the utility should be isolated from politics, either through an independent utility board (e.g., NTUA, TOUA) which provides oversight and high-level direction, or a separate entity (e.g., ARUC).
- The utility must have the ability to set and adjust rates independently from local politics, so that rates are not tied to election cycles, but rather to utility needs.
- The utility must have the authority to disconnect homes/business if fees are not paid.
- Utility funds should be kept and managed separately from general tribal funds. The utility can still partner with the tribe for bonding or other financing.
- Success often hinges on a champion or team of one committed operator and one committed administrator to manage the organization successfully for the long term.

Train and Retain Operators

- A good operator should be trained to do the job, whether in-house (e.g., NTUA) or outside the utility (e.g., ARUC).
- Turn-over makes utility management difficult, and cross-training can help.
- Incentives including a paycheck (i.e., no pro-bono work) and benefits can keep an operator at the utility once they are trained. This helps the operator take the job seriously.
- Tribal members trained as operators have more incentive to work for the tribal utility.

Run the Utility as a Business

- Utility staff should be paid, and provided the tools to do their job (e.g., truck, equipment).
- Customers should be billed and should pay for services, or risk disconnection.
- Rates and revenue should be adjusted to match costs.
- Partnerships should be developed (e.g., with the Tribe for financing, with other utilities).
- There can be significant cost savings through economies of scale (e.g. consolidated customer billing among utilities [ARUC])

Establish a Fair and Accepted Billing and Collection System

- The billing system should be fair and equitable for all customers (i.e., everybody pays).
- The utility should be able to enforce non-payment (disconnects), and allow for payment plans.
- Rates should be reviewed and increased regularly. Consumers are often more accepting of a small rate change on a regular basis, rather than large one-time increases.

Educate Consumers and the Tribe

- Consumers should be educated about the true cost of running the system, and told that water may be free, but the infrastructure for treating and delivering the water is not.
- Consumers should understand the economic consequences to themselves and to the utility of late/non-payment. Disconnection costs are billed to consumers and can cost more than the normal service cost.
- Providing reliable service helps consumers see the value of the service, and pay for it.
- The tribal council and/or the utility board must be regularly educated on the purpose and true cost of the utility. Even when collection and rates are low, the community pays for the true cost of services once way or another.

Subsidize the Utility

- Many tribes experience high unemployment and low median income. Combined with a rural and sparse environment, the true cost of infrastructure can be unaffordable.
- A tribal industries or enterprises may provide a subsidy for both infrastructure and O&M.
- Combining multiple businesses such as water, wastewater, gas, telephone, and electricity is a model to cover costs (e.g., NTUA also provides services for electricity and natural gas; TOUA provides telecommunication services, among others).
- Common utility billing systems (for water, sewer, solid waste, electricity, etc.) can allow for one service to subsidize another.
- A tribal council may subsidize the utility from its general funds (e.g., some tribes under ARUC subsidize the water and wastewater service).

ADDITIONAL BEST PRACTICES

Manage the Utility Pro-actively

- Operators and managers should stay aware of upcoming regulatory and political changes.
- Coordination with other utilities on projects, services and staffing can benefit the tribe through cost savings when projects are done concurrently and staff support from one utility to another during a vacancy.
- Utilities should plan for replacement costs rather than pay for equipment when it breaks (i.e. asset management).

Identify Savings Opportunities

- Utilities should try to implement energy efficiency measures (e.g., solar panels, variable-frequency drive systems).
- Cost savings can be realized in managing under-utilized assets effectively, such as shutting down an unneeded well to reduce sampling and compliance costs.

Build Trust and Accountability

- A utility organization must gain the trust of the tribe and its members to succeed.
- A utility organization should be accountable to both the council and customers.
- Utility organizations must also establish a good track record with funding agencies.