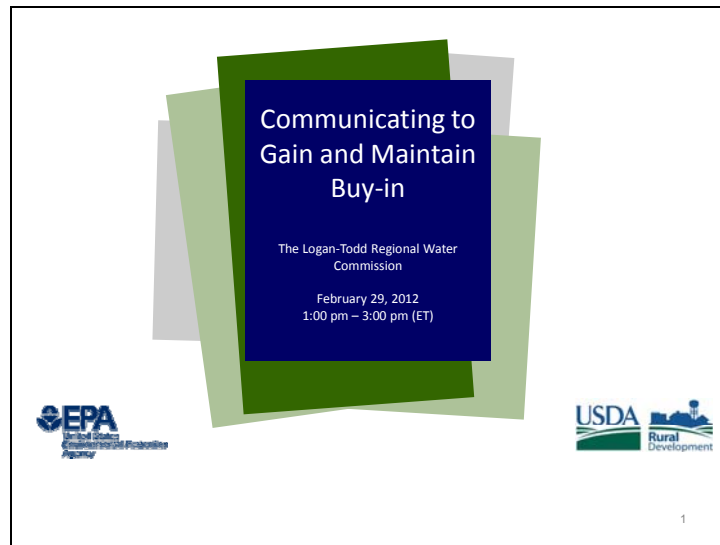


Slide 1



Allison – Hi everyone my name is Allison Watanabe and I'm with the Environmental Protection Agency's Office of Ground Water and Drinking Water. And I will be your host for today. I want to welcome you to today's webinar on Water System Partnerships. Today's webinar is called Communicating to Gain and Maintain Buy-in and we will be focusing on a partnership in Kentucky - the Logan-Todd Regional Water Commission. And this is the second installment in our webinar series on water system partnerships. Now I will turn it over to the USDA Kentucky State Director, Tom Fern, to say a few words.

Tom Fern – Thank you Allison.

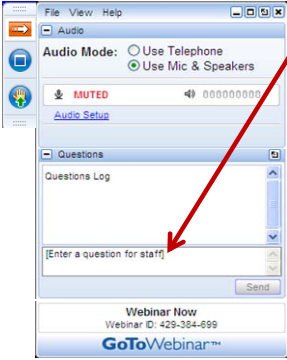
Hello everyone and welcome to our webinar. We are very pleased to highlight the Logan-Todd Regional Water Commission in Kentucky. This was a major partnership effort that included 12 water systems across three counties and took about 12 years to develop. It involved one of the biggest loans in USDA history and the first Drinking Water SRF loan in Kentucky. In the end, the partnership led to better quality water, more consistent service, and economic growth for the communities involved.

Water system partnerships are something you have probably heard more and more about recently from both USDA and EPA. In fact, promoting system partnerships is one of the core themes under the EPA-USDA Memorandum of Agreement to promote sustainable water and wastewater systems. We know that some rural communities are facing increasing challenges to achieving sustainability for their water systems, including aging infrastructure, workforce shortages, increased regulatory requirements, and increased operating costs. This is why both agencies are committed to working together to ensure that rural communities receive water and wastewater services that will continue to protect public health, ensure economic sustainability, and improve the quality of life in rural America.

Again, I'm very pleased to welcome you to this webinar to promote system partnerships. This partnership was made possible by the dedication and foresight of both the system leaders and the government agencies involved, some of whom are on our panel today. I hope you will enjoy the webinar and be able to take something away from our experience.
Thank you.

Slide 2

How to use the webinar



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- You can submit questions/comments any time during the presentation
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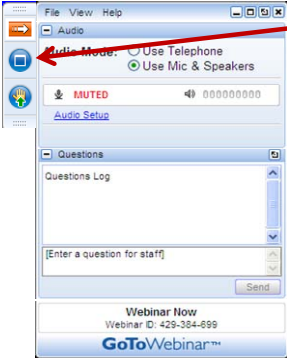
Allison – Great! Thank you Tom. But before we get started, we're going to go over a few housekeeping items.

First, we will send a copy of this webinar presentation with the speakers notes to everyone who registered for the webinar.

Second, if you are having any technical issues, please call the GoToWebinar Technical Support number at: 1-800-263-6317. And you might want to write this number down.

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Maximize Your Screen



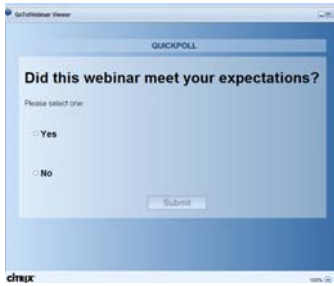
- For a full screen view hit F5 or full screen icon on your console
- To return to the regular view, hit F5 again or regular screen icon
 - You need to be in “regular” view to submit text questions
- Hitting Control + H will also give you a larger view

3

Allison - If you want to maximize your screen you can either click on the blue circular button with a square on your console or you can hit F5 on your keyboard.

Polls

- Polls will be launched during the presentation
- Please be sure to respond to the polls
- You will not be able to view the presenter's screen until the poll is closed by a webinar organizer

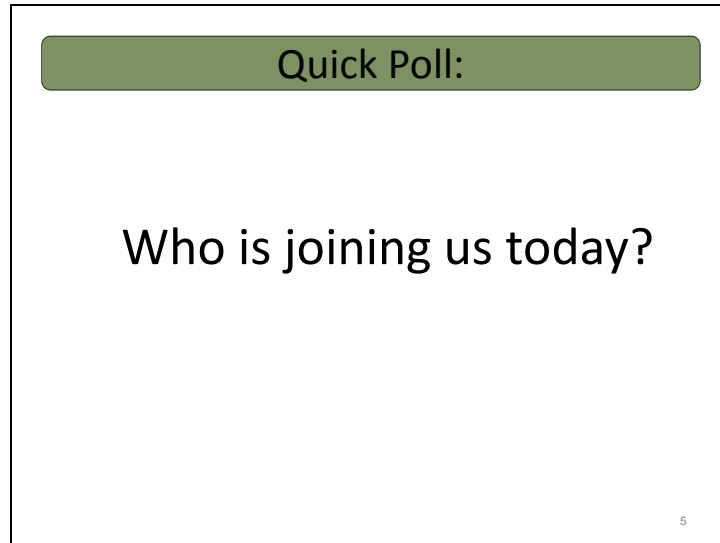


The screenshot shows a window titled 'QuickPoll' with the question 'Did this webinar meet your expectations?'. Below the question, it says 'Please select one:' followed by two radio buttons labeled 'Yes' and 'No'. A 'Submit' button is located at the bottom right of the poll area. The 'chux' logo is visible in the bottom left corner of the window.

4

Allison - Finally, Polls will be given during this presentation. Please be sure to respond to the polls by clicking on one of the radio buttons. Once you have answered the poll, you will not be able to view the presenter's screen until after the poll is closed by the presenter. Until then, you will just see a blue background.

Slide 5



Quick Poll:

Who is joining us today?

5

Allison - Now let's try our first poll. We'd like to know who is joining us today. If you answered other, can you please use your question and answer pane that we just highlighted to tell us what your organization is? Keep in mind that you will not be able to view the presenter's screen until after the poll is closed by the presenter. Until then, you will just see a blue background.

Slide 6

Disclaimer

This guidance does not confer legal rights or impose legal obligations upon any member of the public. While EPA has made every effort to ensure the accuracy of the discussion in this presentation, the obligations of the regulated community are determined by statutes, regulations, or other legally binding requirements. In the event of a conflict between the discussion in this presentation and any statute or regulation, this presentation would not be controlling.

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Allison - Here is a disclaimer just basically saying that this presentation does not supersede any regulations or legally binding agreements.

Today's webinar:

- What are water system partnerships?
- The Logan-Todd Regional Partnership
 - Background on the Partnership
 - Communicating to gain and maintain buy-in
 - Lessons learned

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Allison – Here is the agenda for today's webinar.

First we're going to take a brief moment to discuss what water system partnerships are.

Then we're going to move right into our case study – the Logan-Todd Regional Water Commission. We're going to talk about the background behind the partnership, then we're jumping into our main theme – communicating to gain and maintain buy-in and then we will finish with some lessons learned.

And as we mentioned before, this is the second webinar in our partnership series. And in the first webinar the audience indicated that they were interested in tips and tools for partnerships.

So as we go through this particular case study we'd like to highlight a couple things: Our main theme is all about tips for communicating to gain and maintain buy-in from partners and communities

But towards the end of the webinar we will also feature how authorizing legislation was an important tool to make this partnership happen and how Kentucky currently coordinates their planning efforts using an important tool – the Water Resources Information System.

Slide 8

What are Water System Partnerships?




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Allison - So, What are water system partnerships?

What are water system partnerships?

- It's a **tool** for building technical, managerial and financial capacity.



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Allison - First, water system partnerships are a tool for building technical, managerial and financial capacity.

What are Water System Partnerships?

Do you know a system that faces any one 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

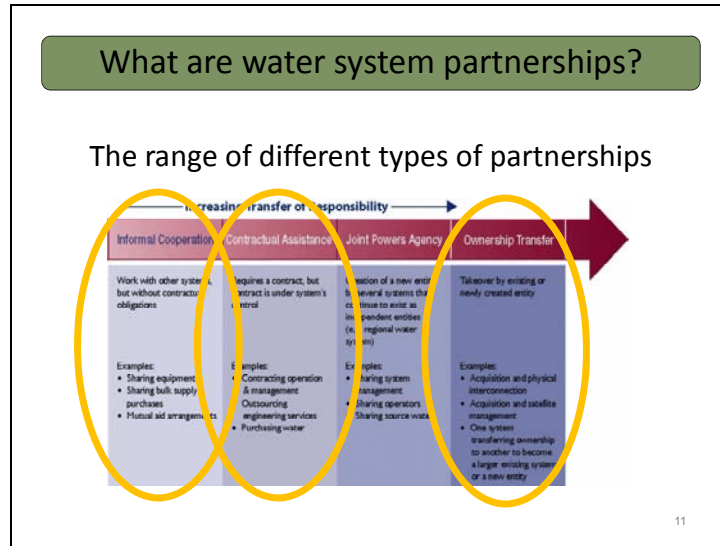
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Allison - But what do we mean by technical, financial and managerial capacity?
Well let's ask this question - Do you know a water system that faces any one of these challenges – that maybe lacks capacity in one of these areas?

For example, under technical - Do you know a system that has aging infrastructure or lacks a certified operator?

Under financial - Do you know a water system that has a history of low water rates?

Under managerial - Do you know a water system that has only part-time management attention or where there is a lack of expertise in planning or operations



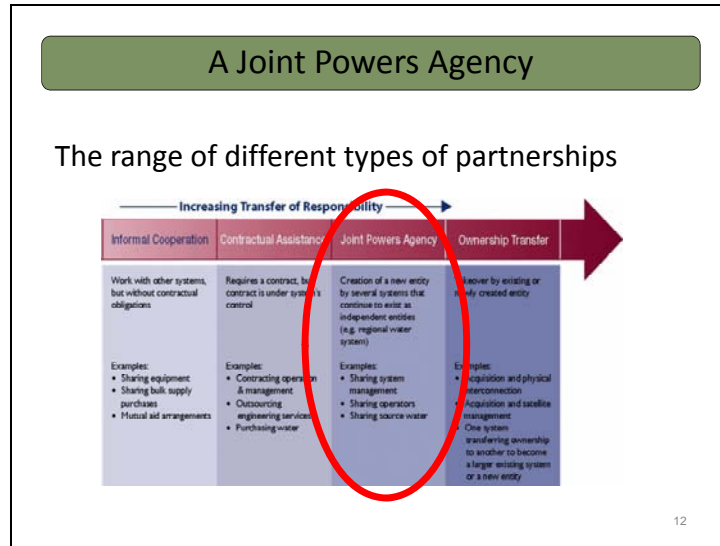
Allison - Again, one tool for building capacity and addressing these challenges is system partnership solutions. It's simply 2 or more systems working together to overcome challenges and build capacity. To create a win-win situation for all systems.

This graphic illustrates that there are a range of water system partnership solutions. A range of different ways systems can work together. You can see that the range of responsibility increases from left to right.

If you were part of our previous webinar, we highlighted Jackson County's and Vinton County's water system partnership and how that changed over time. In that partnership we saw how Jackson County Water provided Vinton County Water with a form of informal cooperation by helping them out in times of emergency.

Next we saw how Jackson County Water and Vinton County Water entered into a form of Contractual assistance when Vinton County Water contracted with Jackson County Water to operate and manage their system.

Finally we saw ownership transfer, when Jackson County Water bought Vinton County Water.



Allison – And today's case study – The Logan-Todd Regional Water Commission is a type of Joint Powers Agency.

And you can see that the features of a Joint Powers Agency are that a new entity is created, in this case that is the regional water system, while all of the individual entities continue to exist. Those are the 12 utilities that came together to form the Logan-Todd Regional Water Commission and continue to exist as distribution systems that buy water whole-sale from the regional water system.

Today's Panel


- **John Walton**
 - Logan-Todd Regional Water Commission / Former Mayor of Elkton
- **Roger Recktenwald**
 - Former Director of Kentucky Infrastructure Authority / Current Director of Research and Planning for Kentucky Association of Counties
- **Julie Roney**
 - Kentucky Department for Environmental Protection, Division of Water
- **Vernon Brown**
 - Communities Program Director for USDA-RD-RUS Kentucky State Office

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Allison – And now we will move on to the second part of our webinar – discussing the Logan-Todd Regional Water Commission.

Here is a quick look at our panelists for today. And now I'll let them each say a little bit about themselves.

John Walton

A portrait photograph of John Walton, a middle-aged man with light hair, wearing a light blue button-down shirt and a brown blazer. He is smiling slightly and looking towards the camera.

- Mayor of Elkton (1999-2007)
- Director of Marketing for Logan-Todd Regional Water Commission (2007 – current)

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John – My name is John Walton, I was the mayor of the city of Elkton from 1999-2007. The city of Elkton has a water system that is a member of the Logan-Todd Regional Water Commission, and I was actually a mayor during part of the development of the Regional Water Commission.

I served on the Logan-Todd board of directors from 1999-2007. And in 2007, after my retirement, I was hired by the Regional Water Commission to become director of marketing. Part of my job is to assist cities and water districts needing funding for water and wastewater projects.

Roger Recktenwald



Former Director of
Kentucky Infrastructure
Authority (KIA)
(2000-2004)



Currently Director of
Research and Planning
for the Kentucky
Association of Counties
(KACo)

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Roger – I'm Roger Recktenwald and I am the former Director of the Kentucky Infrastructure Authority. The Authority, in partnership with the Kentucky Division of Water, is responsible for administering the drinking water and clean water SRF program and other funding sources relating to community water and wastewater projects, coordinates Kentucky's community-based water and wastewater planning process and manages a statewide collaborative GIS system. Prior to working with the Authority, I was the executive director of the Big Sandy Area Development District, a five county regional planning and development agency in eastern Kentucky. And I am currently the director of research and planning for the Kentucky Association of Counties.

Julie Roney

Drinking Water Program
Coordinator for
Kentucky Division of
Water,
Kentucky Department for
Environmental Protection



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Julie – I'm Julie Roney, and I'm the Drinking Water Program Coordinator for the Kentucky Division of Water (DOW). As Coordinator, I'm responsible for integrating many aspects of Kentucky's drinking water activities, working not only within the Department for Environmental Protection's purview but with other agencies such as Public Health, Plumbing, Public Service and Agriculture. I've been in the drinking water field for about 25 years, and I hold both a Class IVA Drinking Water Treatment license and a Class IVD Drinking Water Distribution license.

Vernon Brown

Community Programs Director for USDA Rural Development in Kentucky



Committed to the future of rural communities.

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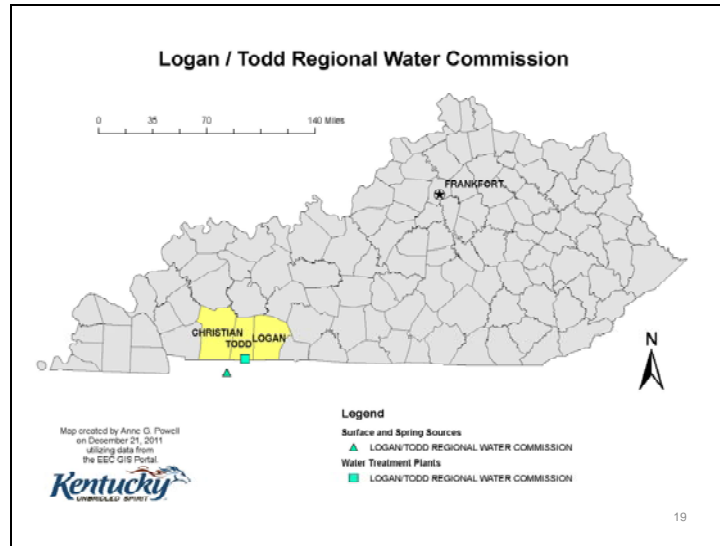
Vernon – I 'm Vernon Brown. I'm the Community Programs Director for USDA Rural Development in Kentucky. I started my career with USDA in 1971, and I've been the Community Program Director since 1994. I am responsible for managing approximately \$60 million annually in loan and grant assistance awards to local rural communities for essential infrastructure and community facilities. I also have the responsibility for loan servicing of 380 borrowers who have 1,061 loans with a total outstanding principal of approximately \$650 million.

Slide 18

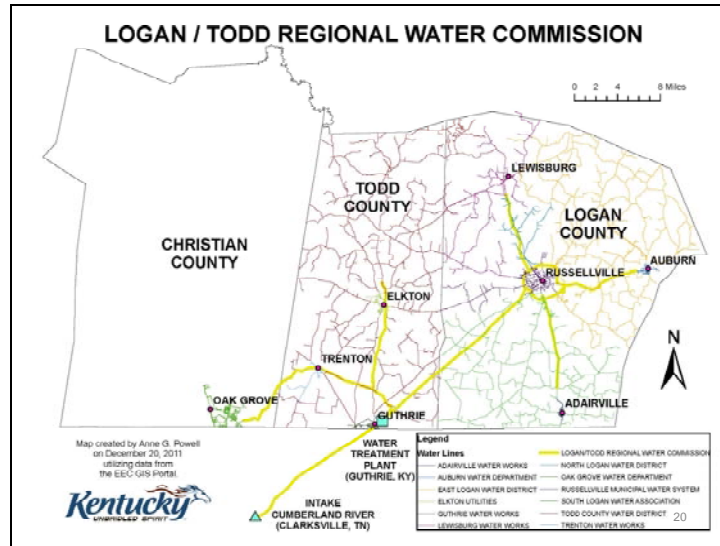


Allison – Thank you everyone. Now I’m going to turn it over to Julie, Vernon and John to give you a little more background on the Logan-Todd Regional Water Commission and the formation of this 12 system partnership.

Slide 19



Julie – You can see from the map that the location is in the southwest portion of the state spanning three counties, Christian, Todd and Logan.



Julie – This is a service area map. Again you can see the three counties covered by the commission. The regional water treatment plant is located in Guthrie, Kentucky, right on the state line. It’s marked by the blue square on this map. And you can also see that the intake is on the Cumberland River in Clarksville, TN. The intake is marked by a blue triangle on this map.

It may be a little difficult to see, but all of the different colored lines represent the 12 different utilities that are members of the commission. Again, the utility members are all distribution systems that buy water whole sale from the regional water treatment plant in Guthrie.

John – One thing I just want to note here is that because the intake is in Tennessee, we had to get a permit to withdraw from the state of Tennessee. We received the first permit to withdraw water.

The Twelve Partners

Customers Served:

- About 300-3,300 customers
- 7 systems served <1,000

System Ownership:

- 8 municipally-owned systems – with their own treatment plants
- 3 water districts – purchased finished water; 1 treated water
- 1 privately-owned water association – purchased finished water

System Sources:

- Several flashy springs, some lakes and rivers




Vernon – The systems ranged between about 300 - 3,300 customers and 7 systems served less than 1,000 customers. We also had a variety of types of system ownership including municipally-owned systems that had their own treatment plants, 3 water districts – that mostly purchased finished water, and one privately owned water association that purchased finished water. Many of the systems got their raw water from flashy springs that were prone to drought. One of the large systems had a reservoir that was leaking, but would have to be drained in order to repair.



Julie – Many of the systems had challenges that were due to aging facilities. But for the most part, the utilities were struggling with a source problem. There were both water supply shortages and water quality problems. Nematodes and cryptosporidium was a problem.

Why the systems came together

- Russellville was a key plant – it served 3 other systems
- Drought
- Not enough water for industry



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Allison – Julie, we always hear about systems having problems, but sometimes it's hard for people to spring into action immediately. What would you say was a catalyst for this particular partnership?

Julie – Before the partnership was formed, the systems suffered from a variety of technical issues related to water quantity and quality. But I would say that the regionalization efforts were driven by primarily when a drought in 1988 prompted the City of Russellville to start looking for a new source after water shortages became a problem. Russellville had 3 drinking water intakes on Spa Lake and it could not support all 3. Russellville's other source had a leak that was eventually repaired. A poultry processing plant could not locate to the area during this time due to inadequate potable water. And there were three other systems that purchased water from Russellville.

Other systems in the area were also experiencing source problems. Auburn's intake was flashy Blue Hole spring that is very drought-prone. The city of Guthrie also relied on a drought-prone spring. Oak Grove (Christian County) was searching for an alternative water supply after realizing that the spring feeding its supply was also vulnerable to drought.

Allison – Thank you Julie.



Allison – But it all worked out in the end because the systems came together to form the Logan-Todd Regional Water Commission. John, you are currently employed with the Regional Water Commission. Can you tell us a little bit about it?

John – Twelve systems came together to create the Logan-Todd Regional Water Commission. The project was developed in the 90s and became fully operational in 2003.

On the left is the treatment plant in Guthrie, Kentucky that sells water wholesale to all 12 of the member utilities of the regional water commission. On the left you can see the flocculation basins, the membrane filter buildings and the offices. On the right you can see pump station and the construction of the intake on the Cumberland River in Clarksville, TN.

This is currently a 12MGD plant, but there is space for future expansion to a 20MGD plant.

There is also a certified lab at the plant. It provides testing services to 11 of the 12 member utilities.

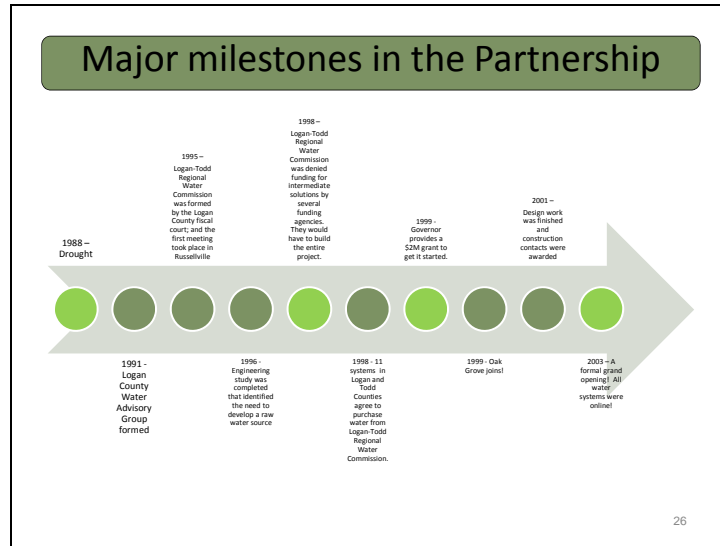
Logan-Todd Regional Water Commission

- Management determined by Kentucky Statutes
 - Regional Water Commission by-laws, positions
- Board has 12 members – one from each member system
- Each member has one vote on the board

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John - The management and the formation of the Regional Water Commission is determined by Kentucky's statutes. It establishes the Logan-Todd Regional Water Commission as a non-profit. It also establishes by-laws for the commission and positions including chairman, vice-chairman, treasurer, and a board. Board members are appointed by the city council or the water district that they represent. The Logan-Todd Board is made up of 12 members – 4 from Todd County that represent Elkton, Guthrie, Trenton and Todd County Water District, 7 from Logan County that represent Lewisburg, Russellville, Auburn, Adairsville, South Logan Water Association, North Logan Water District, and East Logan Water District, and 1 member is from the City of Oak Grove in Christian County. Each member has one vote on the board, regardless of the number of customers or the amount of water purchased, so there is no advantage given to any one member. Every member must live in the Regional Water Commission service area and they each serve a 4-year term. There are no term limits.

Allison – Thank you John.



Allison – John, we know this partnership didn't appear out of nowhere, so can you give us a run through of the major steps in the partnership process?

John – Sure! Here you can see a basic timeline for the project.

As Julie mentioned earlier, the drought in 1988 really prompted the City of Russellville to start looking for a new source after water shortages became a problem.

By 1991, the Logan County Water Advisory Group was formed as a committee of the Logan County Chamber of Commerce. This group's goal was to determine the best way to provide for the long-term water needs of Logan County.

The Logan-Todd Regional Water Commission was formed by the Logan County fiscal court in the summer of 1995. And the eleven systems in Logan and Todd counties appointed representatives to the Logan-Todd Regional Water Commission board.

In 1996 an engineering study was completed that addressed the long-term water needs of the two counties. This study identified the need to develop a raw water source as the key issue in supplying water for the future. The plan identified several intermediate term scenarios to enhance water availability among existing systems, and long-term goals that addressed the source issue.

However in 1998, several potential funding agencies were unwilling to provide financial support for the intermediate options since they did not solve the source water problem. Logan-Todd Regional Water Commission would have to build the entire project at once if it was to be successful.

By the end of 1998, all eleven systems had agreed to water purchase contracts with the Logan-Todd Regional Water Commission, and the project was poised to become a reality.

In January of 1999, Governor Patton provided a \$2,000,000 grant to help with getting the project started, and project planning and design began in earnest.

In mid 1999, Oak Grove joined as the twelfth member of the Logan-Todd Regional Water Commission.

By mid 2001, the design work was finished and seventeen construction contracts were awarded totaling over \$60,000,000 for construction of the project.

A formal grand opening was held on May 27, 2003 at the water plant and by the end of the summer of 2003, all 12 customers were on-line and the system was fully functional.

Funding

- Total project cost of regional project was about \$77M
- Funded through various sources:
 - USDA loan amount \$49.8M
 - DWSRF \$10.4M
 - KIA 20/20 Grant \$5M
 - Appropriation - Earmarks \$3.3M
 - State funds \$3.5M
 - CDBG \$1M
 - Area Development Grant Fund \$5K
 - Systems' contributions \$19K
 - Other funding \$4M

**Water Plant currently serves a population of 40K*

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Allison – Vernon, can you tell us a little more about what went into funding this project?

Vernon – The total cost for the project was about \$77M. USDA provided a \$49.8M loan, and as Tom Fern said earlier, this was one of the largest in USDA history. Kentucky's DWSRF provided its first loan ever in the amount of \$10.4M. There was about \$13M in grants, including one from Kentucky Infrastructure Authority for \$5M, a Community Development Block Grant for \$1M, earmarks for \$3.3M and state funds in the amount of \$3.5M.

Although the cost of the project is high, keep in mind that the regional water system serves 40,000 people and it actually has the potential to serve more than 100,000 people. There is the possibility for expansion into both Tennessee and Christian County in Kentucky.

Allison – Thank you Vernon.

Success!

- **Good quality water and consistent service**
- **Ability to attract industry**
- **Resilience**
- **Good neighbors**
- **Recognition**



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Allison – And John, what do you feel were the biggest successes of the Regional Water Commission?

John – Now we are able to provide good quality water consistently to our utility members.

And we brought new businesses and industries into the area including – Hovey Electric, Lake Painting, Refine Tile, MHM Metal, and many more. Just because you cannot see the growth coming, does not mean the area is not going to grow. We had no knowledge that these folks were going to locate in our area, but we planned for growth.

One of the ways you can see our success is through our member utilities' resilience in bad weather. During the ice storm of 2009, the City of Lewisburg and Todd County Water District were able to help their neighbors to the north get some Logan-Todd Regional Water Commission water through direct connections of water lines and even fire hoses laid on top of the ground. The problem with the other water systems was that they didn't have back-up generators.

In addition, Logan-Todd Regional Water Commission has won several awards for its innovative and far-sighted approach to water supply. The American Water Works Association, the Associated General Contractors, the American Builders and Contractors, the National Society of Professional Engineers, and Kentucky Rural Water Association have all given Logan-Todd Regional Water Commission their highest honors for the work it has accomplished.

Allison – Thank you John.

Slide 29

**Communicating to Gain and
Maintain Buy in**



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Allison – So now we will move to our main theme – communicating to gain and maintain buy-in.

Communication

- Bringing in **new members**
- Working on your **future**
- Working out **sticky** issues
- **Continuing** communication

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Allison - So why are we focusing on communication?

In any partnership situation, communication is key to bringing in new members; working together to determine what your future will be together; working out sticky issues such as the possibility of raising rates; and we need to continue communicating even after a partnership has been formed. Now we are going to hear from John Walton and Roger Recktenwald about some of the barriers to partnerships they have observed, and how to communicate to overcome these barriers.

Historic Rivalries

- Rooted in school traditions and local identity
- Need to address this directly by talking about it with other potential partners
- Hold meetings in communities other than the county seat

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John – Historic rivalries between partnering communities is something that you see often, and it can completely stop a partnership from getting off the ground. These rivalries are deep rooted in school traditions, when ball teams and post offices were in every community. The effect of these rivalries cannot be minimized or forgotten when approaching a partnership situation.

For example, in Todd County the communities that you saw on the map – including Elkton, Guthrie, and Trenton each had their own high school basketball teams in the 40s, 50s and early 60s. And the games were a serious business. Even after the school system was consolidated in 1965, the old rivalries remained alive and well.

To illustrate, in 2004 we formed the Silver Triangle Main Street Program to get grant money to help the downtown areas of Elkton, Guthrie and Trenton. We organized a fundraiser called the First Annual Grudge Match Basketball Tournament. It was made up of players from the former high schools and middle schools. Remember that these schools had not existed for 40 years! Former players from these schools came from as far away as California to participate. The games were played at the Todd County Central High School gym that seats 1200 people. And we had to turn people away! The rivalries have lingered all of these years and they are still alive all across the nation, and will be for many years to come.

Now our post offices are closing and it's a slap in the face to small communities. These are the same feelings that are present in Logan County as well. Anyone involved in facilitating or promoting partnerships has to recognize this issue, and address it head on.

Allison – John, what is an effective way to address this head on if you are working with another community?

John – You basically talk about it. People who sit on these boards are generally going to be about 50 years old or older, and they are still upset about when the high schools had to consolidate. They feel like they lost their identity. You talk about it together and then you say, “We have to get past the idea that one community is better than the next community.”

Another thing is that when we had public meetings about the Regional Water Commission, we held them in different communities. We didn’t just hold the meetings in the county seat. You have to remember that the county seat would have had the biggest high school, and they were the ones kicking everyone’s butt at basketball.

Sense of Unfairness

- Everyone brings different assets or different challenges to the table
- Not all partners will benefit equally
- Some communities may just have a greater need

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John – During a partnership, you may also encounter people who feel a sense of unfairness. We all bring something different to the table. Not everyone has the same assets or the same kind of problems. Lewisburg, Guthrie, Trenton and Auburn had water supplies that might still be good today, but not for the long-term. These systems were not in need of a big water supplier, however their ability to plan for the future allowed them to make the decision to join. At the same time, Russellville was really struggling, not only with water supply, but with quality as well.

Because of these differences, one community or system may feel like a neighboring community benefits more. That can lead to the feeling that the partnership is somehow unfair or skewed. And just like historic rivalries, this underlying feeling can create a barrier to forming partnerships.

Roger – You have to help people understand that it is impossible for everyone to be equal. Not everyone will benefit in exactly the same way or in the exact same amount from a merger or utility consolidation project – but each entity will benefit well enough to justify their participation. It's important to find a way to deal with everyone in as equal a way as possible. But you can't guarantee penny for penny that one person's benefit is going to be equal to the guy next door.

John - Some of the more populated cities wanted to purchase water at a reduced rate, but the way we worked it out, everyone pays the same whole sale rate. No one is penalized for being a smaller system with fewer customers. And we didn't base the rate on distance either. The city of Guthrie (where the plant is located) pays the same wholesale rate as the city of Auburn 30 miles away.

One of the things I tell people to counteract this feeling of unfairness is that you have to be open to each district's limitations – both your own and other's. You are similar, but

different, and you're all in it together. And if you feel others will benefit more than your community maybe they just have a greater need.

Loss of Control

- Instead of focusing on loss of control, focus on the ability to gain control over other aspects of the system
- Customers don't care about water loss as long as there is quality service and reasonable rates
- Bring decisions about a partnership to the broader community

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John – Many of our past relationships have been based on mistrust. What's in it for me? I have heard this so many times in the past. If you can get past this and build a relationship on trust, you can make solid decisions for progress, not political ones.

For example, I tell decision-makers that when you become part of a Regional Water System there is a possibility that you can actually gain control over issues in your own system and really do what you must for your system. It can free you up to really manage the system (not just operate the plant).

When we became part of the Logan-Todd Regional Water Commission and shut down our own treatment plant, it allowed us to concentrate on distribution and take control of the things that we really needed to take control of in our system. These were things that we hadn't been free to concentrate on before because of the issues with our treatment plant. These included replacing aging water lines and getting a handle on our water loss. We had one system with 40% water loss!

Roger – One thing to note is that a system's customers, the people who are drinking the water, don't care about loss of control as long as there is quality service and reasonable rates. It's really the system managers, decision-makers and elected officials that are the most concerned about the loss of control – which, in itself may not be a bad thing, unless it hurts the customers in the long run. If you bring the decision about a partnership to the broad community, they will understand. Get out into the community to talk to the people who are drinking the water. Don't just hold meetings at the city hall or the county courthouse. Get closer to the community by holding meetings at churches or the local volunteer fire department.

Focus on what you have in common

- What do you have in **common**?
 - Need a new source?
 - Need funding for new infrastructure?
- Remember the **long-term** goal
 - Potable water
- Focus on the **numbers**

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Allison – Now that we've talked about some of the barriers, what are some ways we can communicate to partners so that we can start changing their points of view?

John – Well, when you come in, have a barbecue sandwich and a coke....

Allison – Seriously?


John – Seriously, break bread together. That is one way you can get people to meet on a voluntary basis. And when you're talking with potential partners, try to remind them why they came together in the first place. Help people to find the common ground. In this case we all had a source problem. Todd County drilled wells all over the place looking for a source.

When I've talked to people about partnerships, I try to tell them to focus on the future - supplying potable water without interruption for years to come. Look beyond the day and think about 10 years from now. Focus them on the long-term goal, not the politics.

And make this project about the numbers as much as possible; they are rarely wrong. They help us deal with things concretely. Show the rates on actual demonstrable cost, it's usually less than if each party went their own way. Focusing on the numbers helps to take the distrust out of the equation.

Focus on the Wins

- **System wins**
 - Resiliency / redundancy
 - Focus on distribution
- **Political wins**



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John - Another suggestion is focusing on the win-win situations.

An idea that resonates with people is the idea of resiliency through redundancy. During the 2009 ice storm, there were 700 thousand people in Kentucky without water, and Logan-Todd didn't skip a beat. A regional water system can build redundancy into the system. You can also sell a potential member on the beauty of not having to treat the water. That can enable them to concentrate on the distribution side and cut back responsibilities.

When I talk to other decision makers like mayors and city council members, I try to emphasize the immediate political wins for them. For example, a regional project can increase political standing with funding agencies and state legislatures. A partnership approach will give you a leg-up for money because funding agencies recognize and applaud partnerships. It can give you a unified voice for funding that you do not now enjoy.

For example, in 2008 several of the system partners - Lewisburg, Adairsville, Auburn, Oak Grove, Trenton, and Todd County Water District, needed money to upgrade their water infrastructure. They needed new lines, tanks, pumps, etc. Working on their behalf and using the Logan-Todd reputation for partnering, we were able to secure over \$2M in grant funding as well as \$2.8M for Logan-Todd to assist in upgrading their systems. We have one water plant that services over 40,000 people. We don't have to keep competing for the same money to keep 8 plants operating. Now the mayors can go together and seek funding for their one water plant and the people who write checks listen. Politicians listen when you ask together.

Communicating with your community

- **Explain** the need
- Communicate about the partnership process at the **beginning**
- Go **door-to-door**
- **Regulatory agencies** are partners

No one likes higher water bills; not having water is even worse.

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Allison – We’ve heard a lot about communicating with board members, decision makers, and council members. But Roger and John, do you have any advice for communicating with communities?

Roger – It’s important to reach out to the community and get them involved. Like I mentioned before, customers don’t care about loss of control. They care about quality service and reasonable rates. Many times communities aren’t aware of the water system needs. You need to tell the community about the need for infrastructure. And help them understand the water quality issues. Decision makers need to be up front with community so they understand process, especially if that involves needing something like increased rates. Use the numbers to explain why the older rates were just not reasonable. And get out into the community. Meet people at some place other than city hall.

John – I agree with Roger, let the numbers do the talking for you. People are under the misconception that you don’t have to pay for water. You need to change their minds.

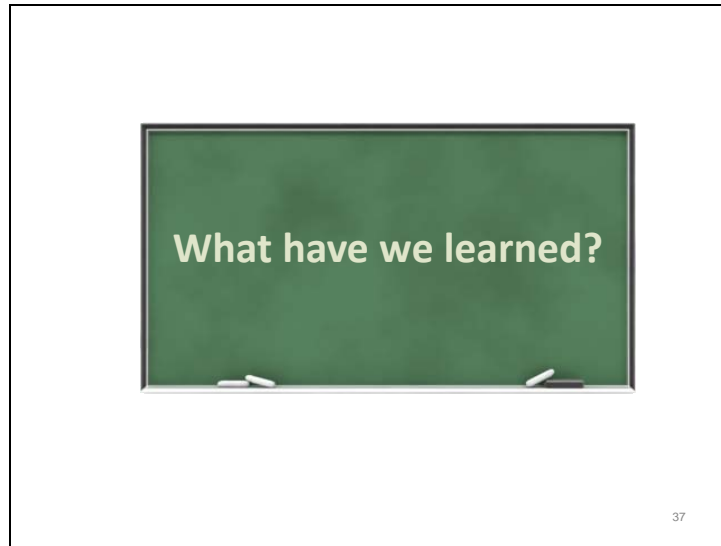
Allison - John, how did you reach out to your community in Elkton ?

John – When I was with the City of Elkton, we talked and talked about our water supply problem in the city council meetings and with people on the street. We went door-to-door to give them information. We told people about water quantity issues and about raising rates. And the regulatory agencies were partners in this. They were available too, to answer anyone’s questions about violations. Our news media painted a fair picture of the problem that helped to inform our people.

We communicated our needs and we brought the community into the discussion. And we made the best decision for the future that we could have made.

Allison – Thank you John and Roger.

Slide 37



Allison - Now let's talk about what we learned.

Regulatory partners

- Regulatory partners can help with messaging and providing technical information to the communities
 - Can play a “white hat role” in communicating about public health problems, violations
 - Can encourage partnerships by talking to commissioners and governors
 - KY DEP attended public meetings and board meetings to explain regulations, diseases, non-compliance



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Allison – Julie, what are your suggestions for regulatory partners?

Julie – As technical experts, the KY Division of Water were good partners in the effort to educate the community about the state of the water system and the relationship to public health.


We made ourselves available for board meetings and we also participated in public meetings. We explained what the regulations were. We explained what non-compliance meant for the system, and we explained about disease and the effect of poor water quality on public health.

It was really nice to be able to play the “white hat role” and helping a water system in this partnership effort, rather than interacting with the system in an enforcement action. It really helped our relationship with the water systems.

Fund

- Funding Coordination
 - Frequent communication
 - Bring funders in early

“Maybe... But let’s talk about it...”



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Allison – We saw in previous slides how many funders were involved in this process. Vernon do you have any tips about how to keep funders engaged and involved in the process?

Vernon - Like John mentioned, we always met at mealtime. We met frequently to coordinate and let everyone know what was going on, so people knew that the project hadn’t been shelved or died. If people think that things are not happening, then people shelve it and move on. Keeping people together is difficult. When you have a large group it takes a common interest and common goal and good communication.

John – Another thing is that funders should be brought into the planning process at the very beginning while the systems are developing their plans for a new water plant. We brought both Roger and Vernon in from the beginning.

Allison – When funders are brought in at the beginning of the process they may be able to suggest alternative ways to meet the ultimate goal of providing reliable, safe drinking water. So one thing that a system may hear from a funder after asking for money is: “Maybe... But let’s talk about it.” John, can you tell us a little more about your experience with different possible funders and how that changed the trajectory of the project?

John – Yes, we were actually rejected a couple of times by funders, and that pushed us towards the regionalization effort.

The City of Elkton was one of the last hold outs from joining the Regional Water Commission. Our water plant had been shut down for some years and we were buying water from the Todd County Water District. The Todd County Water source was Settles Lake and it was not holding enough water to supply all the customers. Another source,

City Lake, needed some upgrades before it could be used, and we went to the governor to ask for funding. And we were turned down. He said, "No damn money for the dam! Join the Logan-Todd Water Commission." He was a very big supporter of partnerships and regional water systems. After that, we joined the commission.

Earlier, I mentioned that the funders really pushed this project forward in 1998 when they were unwilling to provide any of us with funding for intermediate options because none of these options addressed our source problem. None of the intermediate options helped us address the long-term needs. The funders helped us realize that what we needed was a long-term source of raw water. They helped us see that we were just putting band-aids on our system when what we really needed was surgery.

Allison – So when the funders said, "let's talk about it" the discussion about the project really helped the partners see the advantage of the regional water system. Thanks John.

Enabling Legislation

Kentucky Statutes that Authorize Regionalization
& Consolidation

<ul style="list-style-type: none">• Drinking Water <ul style="list-style-type: none">KRS 74.420-520 (source r&f)KRS 65.210-300 (all dw +)KRS 74.361 (PSC-merger)	<ul style="list-style-type: none">• Wastewater <ul style="list-style-type: none">KRS 65.8901-8925 (treatment)KRS 76.231-233 (all ww)MSD - 'normal'KRS 220 & 67.715 (all ww)
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<http://www.lrc.ky.gov/krs/titles.htm>

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Allison – Can you talk a little bit about the role of enabling legislation in this partnership process?

Roger – O.K. Know this can be boring...but hang on. In Kentucky, from about 1960, drinking water systems were allowed by statute to partner in a number of different areas including finding and developing water sources and sharing treatment plants as well as major transmission or collection facilities. Previously, John talked about how the legislation dictates some of the management structure of a regional water commission. That chapter also includes the requirement to sell water on a wholesale basis and forbids the regional water system from taking on direct retail customers.

Chapter 65.210 – the interlocal cooperation act -- allows uncommon flexibility to devise a workable solution to nearly any problem—among local governments and their agencies.

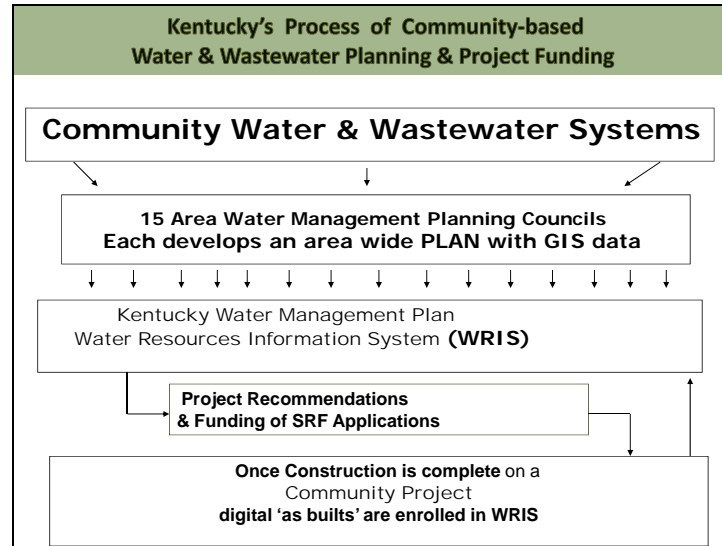
Chapter 220 and 67 allow for the creation of wastewater commissions.

Chapter 76 was primarily written for the city of Louisville and Jefferson County, but you'll see that the last section allows any other cities to form sewer districts with one or more city or county. That is why we call it MSD Normal.

As a result of all of this enabling legislation, we now have 4 regional water commissions in Kentucky and many other multi-entity merger or consolidation arrangements among w/ww utilities. What is significant about the Logan-Todd project, however is the scale in terms of the number of systems involved.

Allison – Thank you Roger.

**Kentucky's Community-based
Water and Wastewater Planning
&
Project Development Process**



Allison - This is an overview of Kentucky's water and wastewater infrastructure planning process. Roger would you take us through the high points?

Roger – Yes, as Julie mentioned, we had a severe drought in the late 1980s and soon after “county water supply planning,” such as was done among the communities in the Logan Todd Commission, was mandated by the state. But we really didn't end up with a comprehensive system for infrastructure planning and funding in place and the issue became a hot political button. So, we devised a state-wide process that starts and ends with the water and wastewater systems themselves, developed a GIS, mapped all existing systems and all of their proposed projects and used this information in the funding decision process. The Kentucky Infrastructure Authority (KIA) is directed by a board that meets monthly, is comprised of representatives from the major state agencies and assistance organizations and utilizes the eClearinghouse process following Executive Order 12372 (Reagan, 1982, Federal Intergovernmental Review Process). As mentioned above, the Kentucky Infrastructure Authority administers the SRF programs and other similar grant and loan programs, provides open access to the WRIS and stays in constant communication with RD, CDBG, ARC, EDA and other federal and state infrastructure funding partners.

**Water Resource Information System
GIS Map Layers & Attributes For All Systems**

<p>Water: 17 Layers w/ over 300 attributes + financial and management information</p> <p>Wastewater: 11 Layers w/ over 175 attributes + financial and management information</p>	<p>Contributors/Users 400 + w/ww systems 15 Area Development Districts State & Federal w/ww Agencies State & Federal Emergency Management Agencies Utility Support Associations Engineering Firms</p>
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Principal Uses:

- Local Community Planning
- Decision Support – Regulatory and Funding Agencies
- Advocacy: Legislators are provided wall maps annually, illustrating existing w/ww facilities and proposed projects in their districts.
- Emergency Planning & Response
- State Economic Development, Highway & Public Facilities Planning

<http://kia.ky.gov/wris/>

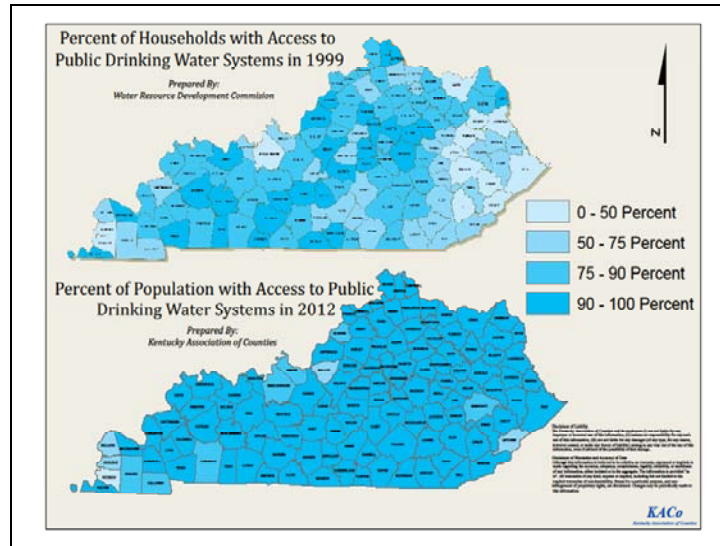
Roger – Kentucky Infrastructure Authority provides management of the WRIS, working closely with many state and federal agencies, but especially the DOW and the PSC to integrate data from sanitary surveys and monitoring reports from each respectively. The ADDs work directly with the water and wastewater systems to collect and upload data to the WRIS. A sampling of data layers for both water and wastewater include: lines, by size, material, direction, direction of flow, pressure, together with similar attributes for valves, hydrants, meters, pressure controls, etc.; pumps, by size, hp, gpm, type, phase, head pressure, manufacturer, etc; storage tanks, by material, base and overflow elevation, capacity, date of construction, last servicing, etc; treatment plants by design & permitted operating capacity, type, year of construction/last major rehab; clear well capacity, disinfection method, etc.

The number and type of WRIS contributor and user ebbs and flows in any given year, and increasingly relies on local systems to provide accurate, updated data as they expand and improve their facilities.

The next level of WRIS development in Kentucky has already begun – again, like all of our regionalization efforts -- with the active assistance and support of the ADDs and Kentucky Rural Water Association. Many large systems have, and continue to develop in-house GIS programs, and now many mid-sized and smaller systems are integrating the basic WRIS data with SCADA and other monitoring and control software into their daily operations – to the benefit of system management and ultimately to consumers rates.

Probably after the benefit provided directly to the water and wastewater systems and their respective communities, the WRIS's next greatest value is in supporting emergency management decisions – when timely and accurate response is critical.

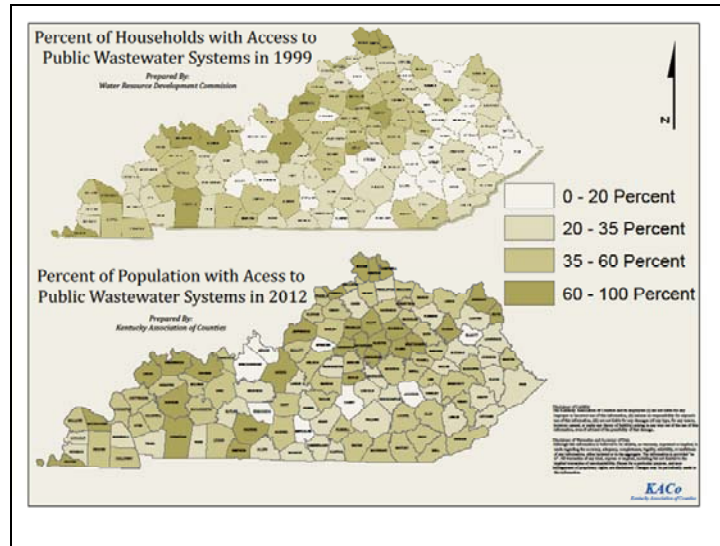
Slide 44



Roger - This illustration is pretty straight forward. In 1999 Kentucky's 120 counties had 479 public, community water providers, including systems that produced and distributed water, those that were distributors only and 1 regional water commission. These systems provided access to drinking water to approximately 85% of Kentuckians at that time.

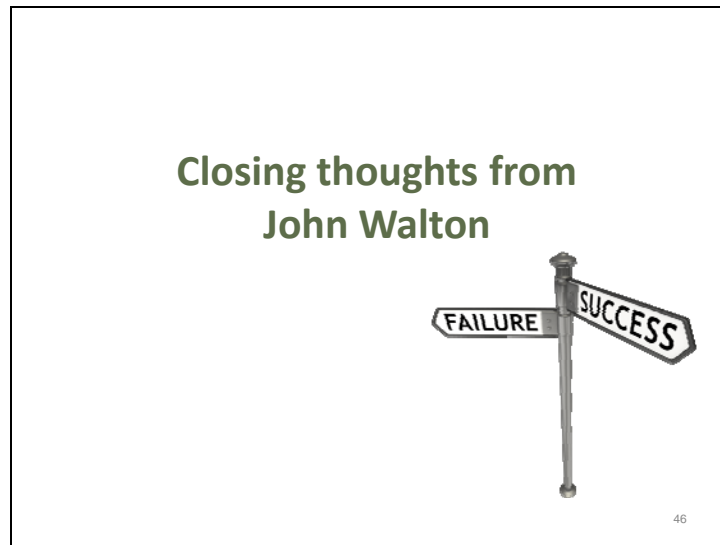
In late January 2012, the number of water systems was 367 and now includes 4 regional commissions, including Beech Fork, Logan-Todd, Greater Fleming, and Cave Run. Collectively, all systems provide access to drinking water to approximately 95% of Kentuckians.

Slide 45



Roger - We all wish the status of wastewater was similar to that of drinking water in Kentucky. It's not, and dramatically so! This illustration shows that in 1999 Kentucky had 265 public community wastewater providers, including both systems that collected and treated as well as those that collected only and delivered to a neighboring system for treatment. These services provided approximately 55% of Kentucky residents access to public system wastewater services at that time.

By the end of January, 2012, Kentucky had 259 public community wastewater providers. These systems provide access to public wastewater services to approximately 70% of Kentucky residents. It is commonly acknowledged that even with sustained funding –which does not appear to be a reasonable expectation at this time -- 'big pipe' solutions cannot solve Kentucky's wastewater problem, but rather should be considered one of an array of solutions. To this end, Kentucky's public wastewater systems are beginning to take on the role of the 'responsible management entity' for environmentally sound on-site wastewater programs – a timely and valuable application of their experience and expertise!

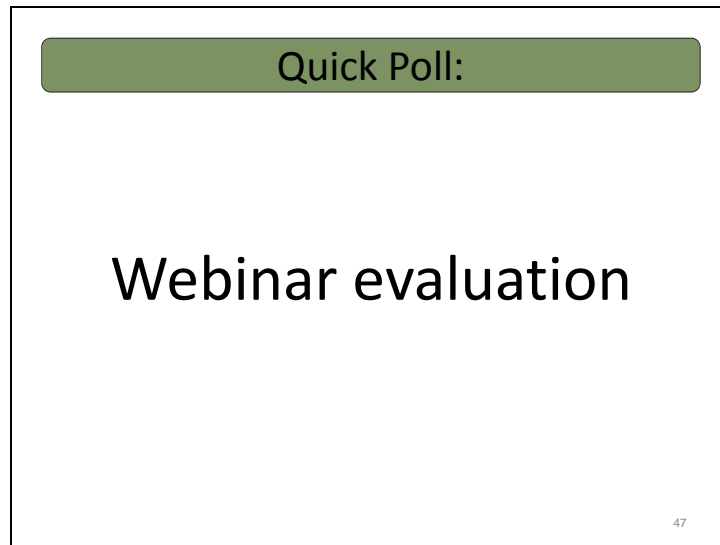


Allison – John, you are a former mayor who is so enthused about the Logan-Todd Regional Water Commission and the good that it did, that you will actually go out and talk to other decision-makers and communities about forming water system partnerships. Can you tell us what advice you give to other communities?

John – I give them a lot of the same advice that I gave everyone today.

- Remember that communities have rivalries that are deeply rooted in schools and traditions. These can't be ignored.
- Be honest with each other and your governing boards and try to find common ground with those you disagree with.
- Make this project about the numbers as much as possible, they are rarely wrong.
- Be open to each district's limitations; you are similar but different, and if you feel others will benefit more than your community, maybe they have a greater need.
- And finally, it's not about losing control of your water system. It is about supplying potable water without interruption for years to come.

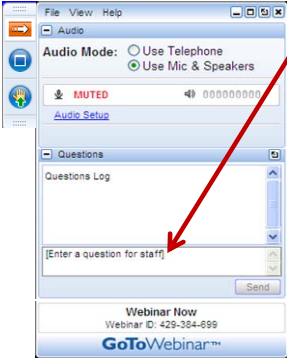
Allison – Thank you very much John.

The slide features a dark green rounded rectangular header at the top containing the text "Quick Poll:". Below the header, the text "Webinar evaluation" is centered in a large, black, sans-serif font. In the bottom right corner of the slide, the number "47" is displayed in a small font.

Allison –That is the end of the presentation portion of our webinar. Now we will have a couple quick polls that will ask you about what you thought of this webinar.

After the poll is finished, we will have time for questions and answers. Keep in mind that you will not be able to view the presenter's screen until after the poll is closed by the presenter. When the poll is up, you'll just see a blue background.

Questions and Answers



- You can submit questions/comments at any time
- Just use the question and answer pane that is located on your screen
- We will address as many questions as possible

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Allison - Now we'll start our Q and A session.

Some of you have been submitting questions as we went along.

But for those of you that would like to submit a question now, just use the question and answer pane that is located on your screen to submit your questions.

I will read some of the questions out loud and ask the panelists for their opinions.

More information

- Allison Watanabe
202-564 -0128
watanabe.allison@epa.gov

- This Power point will be available for download at:
 - <http://water.epa.gov/infrastructure/sustain/partnerships.cfm>

- All registrants will receive a copy of the presentation.

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Allison – That concludes our webinar for today. I want to thank all of the participants for their insights and their hard work.

Just a reminder, we will send a copy of this webinar presentation with the speakers' notes to everyone who registered for the webinar. And this power point presentation will be available for download from EPA's websites.

And if you have a partnership experience that you would like to share with us, please feel free to contact me, Allison Watanabe.
Thank you everyone!