Partnering Over Time:

Vinton County Water joins Jackson County Water

October 26, 2011 1:00 pm - 2:30 pm (ET)





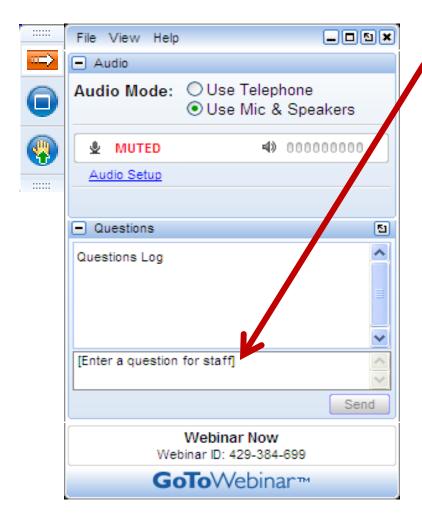






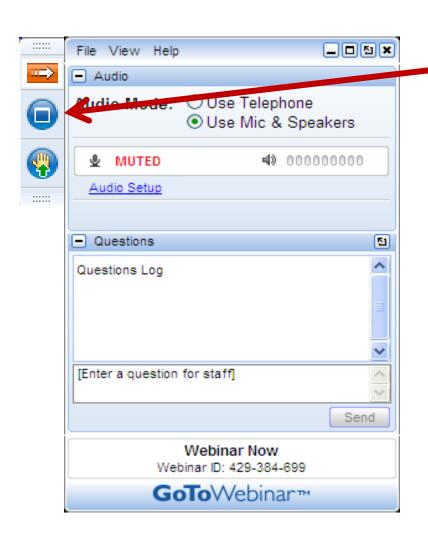


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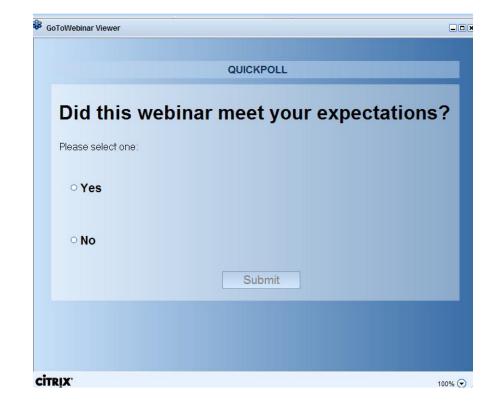
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Polls

- Polls will be launched during the presentation
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Quick Poll:

Who is joining us today?

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Today's Panel



- Larry Foster, Jackson County Water Company
- Jim Holtz, Former VP Vinton County
 Water Company, Board member Jackson County
 Water Company
- David Douglas, USDA RD
- Sarah Wallace, Ohio EPA
- John Rauch & Deb Martin, GLRCAP

Larry Foster

Larry has been General Manager of Jackson County Water Company since 1990. Under Larry's leadership, Jackson County Water Company has grown to serve over 6000 customers. He is a Class III Water Operator. He is involved in many organizations including Ohio Rural Water Association and AWWA. Larry and Jackson County Water Company have been a partner with the Rural Community Assistance Program and were recognized in 2010 for their good work.





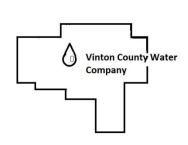
Jim Holtz

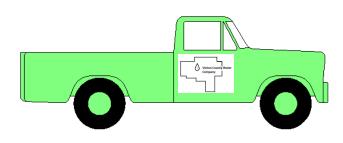
Jim was appointed to The Vinton County Water Company Board of Trustees after attending a board meeting to complain about the telemetry. Jim was then elected Vice President and held that that position until the association was unincorporated.



Jim was elected to the Jackson County Water Company board and serves on several committees. His leadership is appreciated by all members in the service area.

THEN





NOW



David Douglas



Dave is the Community Program
Director at USDA - Rural
Development.
Both Jackson County Water
Company and Vinton
County Water Company were
started with financing from then
FmHA. USDA has played a
major role in both organizations.



Sarah Wallace



Sarah is an environmental engineer with Ohio EPA. In addition to working with public water systems, Sarah coordinates SRF activities in over half of Ohio's Appalachian Counties. She is always looking for solutions that make sense.



John Rauch

John is the RCAP Coordinator for the Great Lakes Region. He has worked with Jackson County Water Company and Vinton County Water Company since the mid 1990's. One of his duties includes working with water systems to facilitate partnerships. Prior to joining RCAP, John worked for FmHA.





Deb Martin



Deb is Director of Great Lakes RCAP. She started in the field as a technical assistance provider and has set the bar very high in terms of quality of service and work ethics. Today, Deb will be facilitating the discussion between our panelists.



Today's webinar:

What are water system partnerships?

- The partnership between Jackson County Water and Vinton County Water
 - How the partnership changed over time
 - The players their roles and perspectives
 - Lessons learned

What are Water System Partnerships?



What are water system partnerships?

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



What are Water System Partnerships?

Do you know a system that faces 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

What are water system partnerships?

The range of different types of partnerships

———— Increasing Transfer of Responsibility ————				
Informal Cooperation	Contractual Assistance	Joint Powers Agency	Ownership Transfer	
Work with other systems, but without contractual obligations	Requires a contract, but contract is under system's control	Creation of a new entity by several systems that continue to exist as independent entities (e.g. regional water system)	Takeover by existing or newly created entity	
Examples: Sharing equipment Sharing bulk supply purchases Mutual aid arrangements	Examples: Contracting operation & management Outsourcing engineering services Purchasing water	Examples: Sharing system management Sharing operators Sharing source water	Examples: Acquisition and physical interconnection Acquisition and satellite management One system transferring ownership to another to become a larger existing system or a new entity	

Quick Poll

What kind of partnership have you seen the most often?

Increasing Transfer of Responsibility				
Informal Cooperation	Contractual Assistance	Joint Powers Agency	Ownership Transfer	
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The story of two water systems: Vinton County Water &

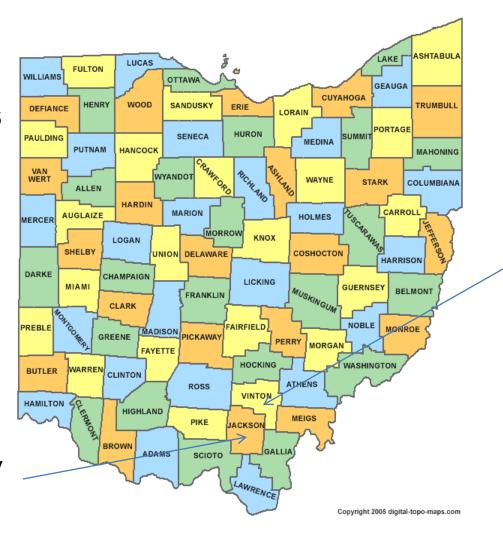
Jackson County Water





Location of Systems

Ohio MHI \$40,956



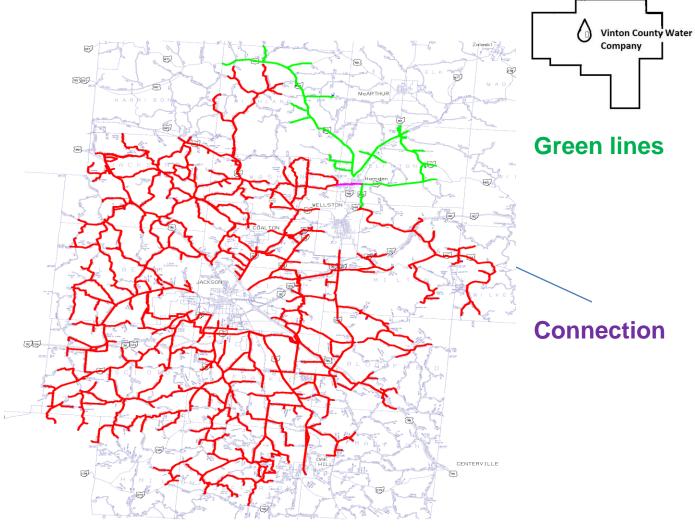
Vinton County MHI \$29,465

Jackson County MHI \$30,661

Service Area Map



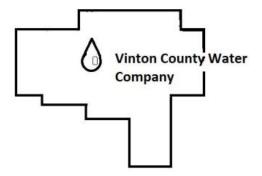
Red lines



The Systems at a glance

Vinton County Water Company

- Member owned Not -for-Profit
- Served a very rural area
- Served about 600 connections
- Distribution System bought treated surface water
- System is about 20 years old



Jackson County Water Company

- Member owned Not -for-Profit
- Serves a very rural area
- Serves about 6,000 connections
- Treats and distributes ground water
- System is about 40 years old



20 Years of Partnering

Jackson County Water Company Starts selling Water 1970

Jackson begins helping Vinton 1992

Vinton's Operator Quits 2007

ARRA 2009

















Vinton County Water Company Starts Selling Water 1992 Vinton gets fined for disinfection by products rule 2005 Vinton hires Jackson to operate system 2008 Vinton becomes part of Jackson 2009

A helping hand



Jackson County lends Vinton County a helping hand

Jackson County Water Company Starts selling Water 1970

Jackson begins helping Vinton 1992

Vinton's Operator Quits 2007

ARRA 2009



Vinton

County

Water

Company

Starts Selling

Water 1992







Vinton becomes part of Jackson 2009

Jackson County lends Vinton County a helping hand

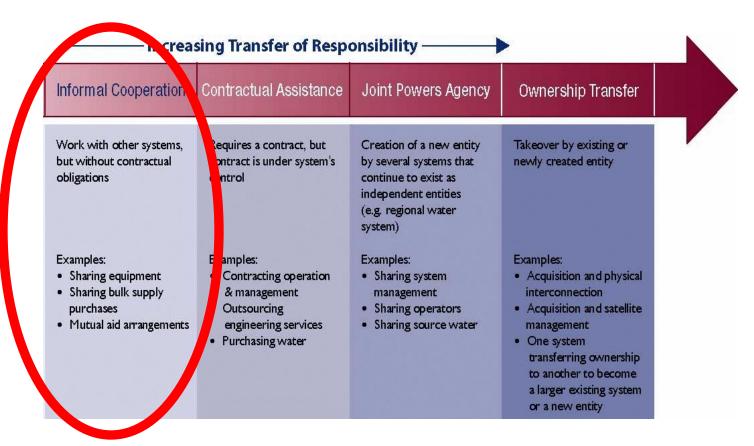
 Jackson County Water Company acted as a good neighbor to Vinton County Water Company





Informal Cooperation

The range of different types of partnerships



Things change



Things change...

Jackson County Water Company Starts selling Water 1970

Jackson begins helping Vinton 1992

Vinton's Operator Quits 2007

ARRA 2009

















Vinton County Water Company Starts Selling Water 1992 Vinton gets fined for disinfection by products rule 2005 Vinton hires Jackson to operate system 2008 Vinton becomes part of Jackson 2009

A new working relationship



Vinton County hires Jackson County

Jackson County Water Company Starts selling Water 1970

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Water 1992

Vinton gets fined for disinfection by products rule 2005 Vinton hires Jackson to operate system 2008 Vinton becomes part of Jackson 2009

Vinton County hires Jackson County

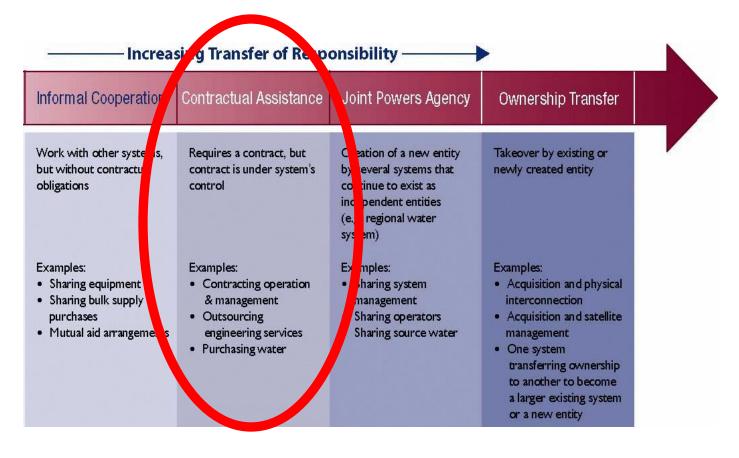
 Vinton County contracted with Jackson County to operate their system





Contractual Assistance

The range of different types of partnerships



More Changes Ahead:

Vinton County
Water negotiates
to sell the system
to Jackson
County Water



Negotiating to Sell Vinton County Water



- Financed both Vinton
 County Water and Jackson
 County Water in the
 beginning
- Brought the two water systems together for some meetings to discuss a sale early on
- Payment problems / poor financial health





- Could not keep operator
- High THMs exceeded MCLs
- Board did not have training and experience to efficiently make operational decisions





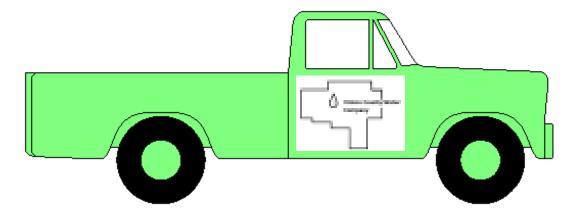
- Economies of scale for the new wells & treatment
- Fits within long term plan
- Fixed part of Jackson County Water violations (G-Line)



Jackson County Water had been helping Vinton County Water for years - Learned the system

 Customers voted twice in 2008 not to sell Vinton County Water.

The Truck Incident!



Quick Poll:

What do you think are the most common barriers to forming water system partnerships?

ARRA

ChieEPA

Jackson County Water Company Starts selling Water 1970

Jackson begins helping Vinton 1992

Vinton's Operator Quits 2007

ARRA 2009

















Vinton County Water Company Starts Selling Water 1992 Vinton gets fined for disinfection by products rule 2005 Vinton hires Jackson to operate system 2008 Vinton becomes part of Jackson 2009

- An INDEPENDENT view of all sides to the question.
 - RCAP completed a five year forecast and rate recommendations for Vinton County Water
 - Visioning session with the Board of Vinton County
 Water to look for alternative solutions
 - Worked with Jackson
 County Water to determine their needs.



A Lasting Partnership – Vinton County Water decides to sell the system to Jackson County Water



Vinton County sells to Jackson County

Jackson County Water Company Starts selling Water 1970

Jackson begins helping Vinton 1992 Vinton gets fined disinfection by products rule 2007

ARRA 2009











Vinton County Water Company Starts Selling Water 1992

Vinton's Operator **Quits 2007**

Vinton hires Jackson to operate system 2008

Vinton becomes part of Jackson 2009

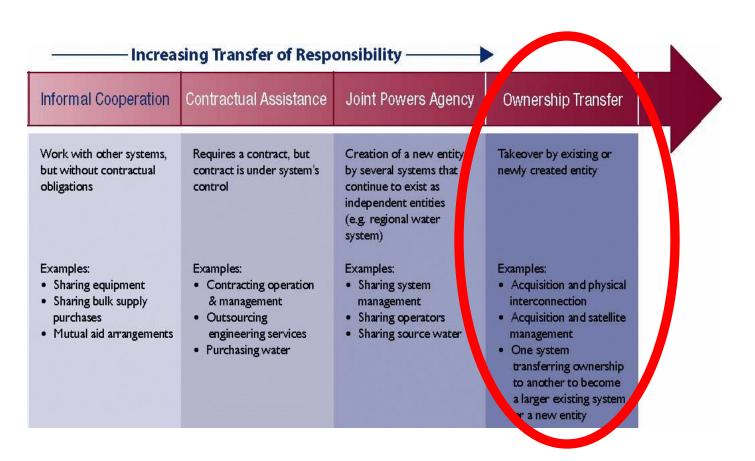
Vinton County sells to Jackson County

The Results:

- Customers of both systems receive reliable service
- Both utilities are in compliance
- Rates are affordable
- Improved local buy in and stakeholder relations.
- Vinton County Water is more sustainable

Ownership Transfer

The range of different types of partnerships



What have we learned?

What have we learned?



- Fines don't solve problems
- Educate the decision makers
- The system has to be Willing to resolve its problems



- Technical
 assistance is part of our responsibility
- Stay on top of the situation
- Partnerships are a tool

What have we learned?

- Look for a WIN, WIN solution
- Transparency is key to building trust
- Maintain mutual respect
- Be patient, patient, patient



Closing thoughts from Vinton County Water & Jackson County Water

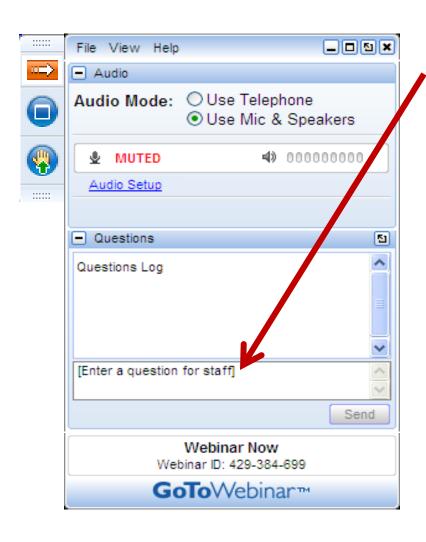




Quick Poll:

Webinar evaluation

Questions and Answers



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Rural Community Assistance Partnership

Improving the quality of life in rural communities



Rural Community Assistance Partnership 1522 K Street NW, Suite 400 | Washington, DC 20005-1255 (202) 408-1273 | www.rcap.org

Western RCAP

Rural Community
Assistance Corporation
(916) 447-2854
www.rcac.org

Midwest RCAP

Midwest Assistance Program (952) 758-4334 www.map-inc.org

Southern RCAP

Community Resource Group (479) 443-2700 www.crg.org

Northeast RCAP

RCAP Solutions (800) 488-1969 www.rcapsolutions.org

Great Lakes RCAP

WSOS Community Action Commission (800) 775-9767 www.glrcap.org

Southeast RCAP

Southeast Rural Community Assistance Project (866) 928-3731 www.southeastrcap.org

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