

# Utility Strengthening through Consolidation: A Briefing Paper





# About the US Water Alliance

The US Water Alliance advances policies and programs to secure a sustainable water future for all. Our membership includes water providers, public officials, business leaders, environmental organizations, community leaders, policy organizations, and more. A nationally recognized nonprofit organization, the US Water Alliance brings together diverse interests to identify and advance common ground, achievable solutions to our nation's most pressing water challenges. We:

**Educate the nation about the true value of water and the need for investment in water systems.** Our innovative education and advocacy campaigns, best-in-class communications and media activities, high-impact events, and publications are educating and inspiring the nation about how water is essential and in need of investment.

**Accelerate the adoption of One Water policies and programs that manage water resources to advance a better quality of life for all.** As an honest broker, we convene diverse interests to identify and advance practical, achievable solutions to our nation's most pressing water challenges. We do this through national dialogues, knowledge building and peer exchange, the development of forward-looking and inclusive water policies and programs, and coalition building.

**Celebrate what works and spread innovation in water management.** We shine a light on those who engage in groundbreaking work through storytelling, cataloguing and disseminating best practices, and spearheading special recognition programs that focus attention on how water leaders are building stronger communities and a stronger America.

# Acknowledgements

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Building consensus on how utility consolidation can forge progress in America is a multi-faceted and highly polarizing topic. We are especially grateful to Ted Henifin, General Manager of Hampton Roads Sanitation District, and Patrick Decker, CEO of Xylem Inc., who co-chaired the leadership dialogue and began the conversation.

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# Introduction

In 2018, the US Water Alliance convened a leadership dialogue, *Utility Strengthening Through Consolidation*. This forum brought together water executives, community leaders, and policymakers in a cross-sector discussion focused on the role of utility consolidation in advancing sustainable water management in the United States. The dialogue explored the role consolidation can play in helping water sector utilities, and the communities they serve, address existing and anticipated challenges; the benefits consolidation can provide; and the barriers hindering the rate and scope of consolidation in the US water sector.

Dialogue participants—acting in their individual capacities as informed experts—agreed that further consolidation in the water sector is desirable and feasible. There is collective realization that consolidation is one important strategy to address current and emerging water sector challenges.

Consolidation can enable utilities to address unfunded investment gaps; achieve predictable, consistent revenue; address affordability and environmental justice; provide a stronger basis for local economic growth; support better operational resilience; provide the capacity to meet modern treatment standards; and leverage innovation opportunities in the water sector more readily.

Despite being an important tool for sustainable water management, utility consolidation is one of the most difficult topics to discuss in the sector. Communities considering options to better meet their water service needs struggle to find fact-based information.

Historically, consolidation has put different interests in the water sector in opposition and been difficult to undertake. The US Water Alliance developed this briefing paper to support informed, fact-based dialogue on the consolidation of water utility service in America. This document is organized as follows:

- **Guiding Principles.** The briefing paper begins with common-ground, guiding principles developed by the participants in the 2018 Leadership Dialogue. The uniform consensus that emerged from the discussion is that utility consolidation is most effective when grounded in the community value proposition. The signatories to these principles believe they are the core values that should steer future consolidation efforts.
- **Understanding Water Utility Consolidation.** The remaining sections of this briefing paper put the guiding principles into context. The second section defines water utility consolidation, reviews various governance models, and describes the key benefits and barriers. Through this discussion, the US Water Alliances seeks to make the foundational contours explicit, setting the stage for communities and decision-makers to weigh their options.
- **Recommendations.** In the concluding section, the US Water Alliances offers recommendations for how water sector leaders can create an enabling environment to support locally determined consolidation that delivers true community value.

# Guiding Principles

At the US Water Alliance's leadership dialogue on *Utility Strengthening Through Consolidation*, the discussion explored many complex factors utilities and local leaders need to consider. The conversation examined the role consolidation can play in helping water sector utilities, and the communities they serve, address existing and anticipated challenges; the benefits consolidation can provide; and the barriers hindering the rate and scope of consolidation in the US water sector. Dialogue participants—acting in their individual capacities as informed experts—agreed that further consolidation in the water sector is desirable and feasible.

**Participants in the US Water Alliance's leadership dialogue, *Utility Strengthening Through Consolidation*, call on all water sector partners to reduce barriers to consolidation and promote the use of this important tool. Towards that end, together, we offer the following principles to guide future efforts:**

## 1.

### **Focus on proactive, community-driven, and locally-determined approaches to consolidation.**

**Consolidation is best undertaken proactively. Community leaders and stakeholders should tailor the process for evaluating options and determine appropriate institutional arrangements at the local level.** Consolidation will work best when utilities voluntarily explore consolidation options before a substantial deterioration in operations and assets takes place. An optimal time is when a fundamentally sound system undertakes an opportunity assessment and identifies infrastructure replacement needs, new regulatory requirements, or other significant cost drivers, and decides merging with another utility is the best option for customer service and affordability. Consolidation is also a complex undertaking. It intersects with the local history of how communities have governed drinking water and wastewater, and will depend on watershed and socio-political conditions. Consolidation

efforts must be sensitive to local control of land use and water services and the community benefits they provide, whether they are economic, social, cultural, public health, or environmental health related.

## 2.

### **Build in backstops to address significant public health or environmental risks and threats.**

**While voluntary consolidation is the best approach, some communities and their water systems face challenges that place public health or the environment at significant risk. State governments play an important role in these cases.**

Communities facing economic, demographic, or other challenges can experience an erosion of their rate base, which places substantial pressure on the technical, financial, and managerial capacity of their water systems. These conditions can place public and environmental health at risk and require coordinated intervention. Consolidation, technical assistance, funding, and other support—individually or combined—all need to be on the table to ensure communities are provided with reliable access to clean and safe water services. If communities are in this challenged context but encounter resistance or reluctance to solve the challenge, state authority to require consolidation becomes a critical option, and may ensure sustainable local water services, protection of public health, and environmental well-being.

### 3.

#### Define, and be guided by, the community value proposition.

**Present consolidation in the context of the value it can provide the community. Clearly articulate the potential costs and the potential benefits a community can anticipate from consolidating utilities.** Consolidation must balance up-front requirements, costs, and any true loss of community decision-making with the mid-to-longer-term benefits consolidation can provide. Consolidation transactions are complex, and the benefits from consolidation must be sufficiently compelling to justify and drive the transaction forward. A continuum exists relative to current system operating contexts and the incentives and enabling environment that support consolidation. This continuum runs from high technical/financial/managerial (TFM) capacity systems operating in economically stable communities to low TFM capacity systems operating in economically vulnerable communities. Each end of this continuum represents unique cases where either the benefits of consolidation will be insufficient or the barriers to consolidation will be too high to support consolidation taking place. The local value proposition for consolidation will vary along this continuum, and communities should evaluate their value proposition and make a locally-driven business decision on whether they will pursue consolidation. To help communities make informed, well-balanced decisions, water sector partners need to better characterize and communicate the costs and benefits of consolidation and promote rigorous, but streamlined, opportunity assessments.

### 4.

#### A range of consolidation models can work; communities must have balanced, factual information to make informed choices.

**Communities need balanced information on the full range of governance models under which consolidation can take place.** A range of governance models and institutional arrangements exist to support consolidation. These include: general purpose government (e.g., municipal water departments); special purpose government utility (e.g., authority service district); privately owned utilities; and cooperative, nonprofit organizations (e.g., membership cooperatives). Each of these models offers communities a different combination of governance structures, access to

capital, and jurisdictional and geographic considerations. Any of the available institutional governance models can be an effective approach to utility consolidation, with advantages in some community contexts and disadvantages in others. The historical backdrop and the unique design elements of a governance model determine effectiveness, *not* the structure of the model itself. Models can also be customized through interlocal agreements in which different aspects of governance, decision making, and operational responsibility are delegated or shared regionally. The water sector best serves communities by providing clear, balanced information on the range of models, key considerations, and design elements to make them effective.

### 5.

#### Develop a cohesive authorizing environment at the state level.

**Given that consolidation is an important tool to accelerate movement towards a One Water future in the United States, state governments should adopt a complete and cohesive authorizing environment to streamline consolidation transactions, lower up-front transaction costs, and provide balanced, factual information on consolidation options.**

No state has a comprehensive and cohesive package of legislation and regulation that enables a clear, low-transaction cost path to consolidation. This complicates consolidation transactions, and at times, actually prohibits certain forms of transactions. Some state governments have policy or regulation that unfairly favors certain institutional approaches to consolidation. Others have implemented policy to better motivate and enable water systems consolidation. State governments should outline the assistance options and the technical assistance programs available to support for systems interested in exploring consolidation. The water sector can support state governments in adopting the needed statutes and regulations, as well as lower the significant barrier to consolidation activity by cataloging and characterizing these options.



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# Understanding Water Utility Consolidation

Many complex considerations go into consolidating water utilities. There are different approaches for how and what to consolidate and different options for governing the resulting water utility. Communities could realize different outcomes depending on their goals and how they design their agreements. To set a baseline for understanding water utility consolidation, this section lays out a working definition, summarizes the dominant governance models, and outlines potential benefits and challenges.

## Defining Consolidation

Water sector consolidation occurs when two or more distinct legal entities become a single legal entity operating under the same governance, management, and financial functions. It may or may not include physically interconnecting assets. Consolidation can occur on a regional basis when systems fully merge the geographically-spread governance, management, and administrative assets. Three primary approaches to consolidation are:

- **Direct acquisition**, where a higher-capacity utility acquires the assets, operations, and customers of another system and absorbs them into its existing governance and operational and financial frameworks.

- **Joint merger**, where two or more relatively equal partners both adjust governance, operations, and financial frameworks to create an entity that is owned and controlled by the previously separate parties—for example, through consolidating assets and giving governing authority to a merged Board of Directors.
- **Balanced merger**, where two or more entities consolidate with the goal of establishing a governance structure that provides a basis for at least some direct participation by the pre-existing utility in future decision-making. However, equal representation of all parties may not be an objective or even feasible. This is a common approach when many lower-capacity systems consolidate with one higher capacity system.

Outside of this report, the term consolidation has also been applied to situations in which a subset of governance, management, operations, and financial functions are consolidated without resulting in a single legal entity. Consolidation is also just one avenue on a spectrum of options to achieving greater scale in the water sector. On one side of the spectrum, utilities preserve more individual autonomy, while full consolidation and less autonomy is on the other side.

**Figure 1**  
**Approaches to Collaboration Between Utilities**



## Governance Models

Two of the biggest decisions to make when consolidating utilities is who will be in charge and what will their framework for decision making look like. Water systems in the United States have been consolidated under several governance models, the most common being:

- General purpose government
- Special purpose government
- Privately-owned entity
- Cooperative/nonprofit enterprise

These governance models can all be effectively applied to utility consolidation. The advantages and disadvantages to each governance model are context and community-specific. The biggest differences between them include the decision making and governing processes, access to capital, and jurisdictional and geographical considerations. Any of these governance models can accommodate drinking water, wastewater, stormwater, or a combination of these services.

Communities can also customize their approach to utility governance. For example, they can use interlocal agreements to decide whether governance, decision making, and operational responsibility are delegated or shared regionally. Or, one entity or government could legally own utility assets, but an interlocal agreement could give the authority to set rates and expand to a governance body of regional governments.

### General Purpose Government

Most local utilities are owned and operated by a general purpose government. Utility management typically proposes rates and elected officials within that jurisdiction approve them. The budget is part of the larger government system, and officials can transfer water revenues to a general fund and allocate them to other municipal functions. A general purpose government utility may serve customers outside its political boundaries or may acquire additional systems by expanding jurisdictional boundaries or charters. When a general purpose government utility absorbs another community's utility system, it can apply its policies, like broader land use options, to the annexed community. General purpose governments have tax exempt municipal bond status and can issue revenue and general obligation bonds to finance capital projects.

### Special Purpose Government

Special purpose governments are another option for governing a public water system. They are typically established through state legislation and are authorized to provide water services to a community. Special purpose government utilities can also access tax-exempt capital financing and hold property exempt from local taxation. Oversight for special purpose government utilities varies from state to state. State context also affects these utilities' access to capital, dividends, and rate approvals. These systems are typically governed by appointed, rather than elected, officials and can more easily address regional concerns not tied to a single political jurisdiction. Special purpose government utilities typically have more direct oversight than general purpose government utilities over key operating conditions, like workforce benefits, rates, and budgets. This model allows systems to incorporate with one another without requiring either municipality to adopt other policies, such as land use. The scope is much more targeted than general purpose local governments, which are tasked with ensuring the public good across many services.

### Privately-Owned Entity

Private, for-profit entities own thousands of water systems across the country. Some privately-owned systems are owned by corporations whose primary business is water provision. Some are owned by small businesses where water is not their primary business (e.g., mobile home parks and campgrounds). Investor-owned utilities are private businesses that own and operate the assets that provide the water services. Appointed corporate boards oversee systems and any profit generated is distributed among investors. Investor-owned utilities typically have more streamlined access to private markets for capital financing. State public utility commissions regulate privately-owned utilities including approving rate changes. Like cooperatives and special purpose government utilities, investor-owned utilities are not tied to geographic jurisdictions.

## **Cooperative/Nonprofit**

A water cooperative is a hybrid governance model with both publicly-owned and investor-owned utility characteristics. Each service user in a cooperative is a member-owner with some decision-making power and representation through voting rights. The cooperative board is elected by members and operates in a similar fashion to elected officials. Cooperative boards are often required to seek authorization for items beyond the board's control, such as system sales. Cooperatives are not always tied to a geographic jurisdiction. They are nonprofit models incorporated under state statutes and have a tax-exempt status under Internal Revenue Code section 501(c) (12). To remain tax-exempt, the cooperative must receive 85 percent or more of its income from members to meet losses and expenses, and they reinvest profits into the system or place them in a reserve fund.

## **Benefits of Consolidation**

Utility consolidation is only justified when the rewards outweigh costs for the community. Most of these benefits stem from having fewer, more independent, high capacity utilities. Utilities that increase in scale are likely to have higher technical, financial, and managerial capacity. Here we summarize some of the benefits that can accrue when water utilities are effectively consolidated.

### **Long-Haul Management**

Many utilities struggle to meet short-term operational demands let alone adopt long-term management strategies and prepare for challenges on the horizon. Consolidation could drive a shift towards more "long-haul" management. It can also create a buffer that keeps rate-setting and certain long-term investment decisions separate from short-term calculus about revenues and planning. Institutions can also help promote long-haul management.

### **Close the Equity Gap**

Consolidation can be a tool to address disparities in reliable access to clean and safe water and wastewater service within and across communities. Distressed communities are more burdened by water reliability, quality, affordability, and sustainability issues. These burdens contribute to public health and economic disparities between communities. If done well, consolidating water services can provide the opportunity to remediate gaps in service access, quality, and affordability across a broader and more diverse revenue base.

## **Lower Operational Costs**

Consolidation can lead to greater efficiency and lower cost per customer time. As utilities become more mechanized and digital, the marginal cost to add customers to the system can be very low. Utilities can spread fixed costs and lower the share borne by any one customer when their rate base increases. Utilities can optimize their capacity and pay lower costs per unit of service by consolidating duplicative functions, systems, and infrastructure.

## **Improved Financial Capacity**

Consolidation can result in more predictive and predictable revenue. Utilities may be able to access capital at lower rates allowing them to address infrastructure funding gaps and address new requirements and more challenging operating conditions—like improving system resilience to cyber threats or extreme weather. Utilities with more ratepayers can ease the burden individual customers bear relative to needed investments, and utilities with a mixed-income ratepayer base have more options to address affordability.

## **More Robust Staffing**

Utilities operating at a greater scale may have more opportunities for staff specialization. Specialized staff can provide more professional support to planning, asset management, operations and maintenance, engineering, and finance. Consolidation can also improve workforce recruitment, retention, and competency challenges by affording utilities the resources to provide staff benefits and professional development. These utilities may also have more staff capacity to support public engagement processes and be more accountable and transparent.

## **Improved Levels of Service and Customer Value**

Taken together, utilities that realize these benefits and savings may be able to pass them on to customers through lower rates over the long-term and improved water services than without consolidation. Passing on benefits to customers could be possible, because utilities with greater scale can often optimize their overall capacity, be more efficient, specialize staffing, acquire capital at lower rates, spread costs to address affordability and equity challenges, and have more capacity to engage and be responsive to customers.

### **Improved One Water Management**

Consolidated utilities that provide multiple water services, like drinking water and wastewater, can improve environmental conditions, water supply management, and sustainability. They are better positioned to coordinate service across the water cycle and within a watershed. This may be particularly important in water-stressed areas where optimizing water management across the entire water cycle is critical to meeting human, industrial, and ecological water needs.

## **Barriers to Consolidation**

Leaders who want to maximize benefits from water utility consolidation also need to be aware of the barriers and costs. When barriers are too high or too costly compared to the expected payoff, they are unlikely to succeed. The prospect of substantial customer benefits, compelling circumstances, persistent leadership, and the ability to overcome structural impediments are powerful assets to communities who need to overcome any of these potential roadblocks.

### **Desire for Community Ownership and Control**

Communities can get tangible and intangible benefits from owning water utilities. Tangible benefits include the ability to set rates and disperse the money across government functions, control over economic and land development, annexation opportunities, and associated tax revenues. Intangible benefits include pride in ownership, community identity, and sense of community viability. The prospect of losing these can deter consolidation.

### **Insufficient Understanding of Water System Requirements and Current Conditions**

Community members may have false assumptions about the quality of current and future water service. Some might not understand or accept how consolidating utilities would affect their provider's ability to provide reliable, clean, and safe water services sustainably over time compared to maintaining the status quo. For example, if a consolidated utility would raise rates to cover all the costs of providing water service, community members may push back, not realizing the rate increase with consolidation could be lower than future rate increases to deal with issues like deferred maintenance or technology upgrades.

### **Institutional Disconnects**

In most states, communities lack clear "rules of the road" for water utility consolidation transactions. Some states prohibit certain aspects or approaches. Nationally, the existing institutional structure and regulatory framework is fragmented between drinking water and wastewater with different rules in play. Drinking water is primarily influenced by public health drivers and wastewater influenced by environmental drivers. As a result, the related state-level oversight bodies can have different priorities and objectives. This siloed institutional framework can make it difficult for communities to consolidate water utilities.

### **Lack of Funding for High Transaction Requirements and Costs**

Water utility consolidations are complex transactions requiring high upfront costs and time to realize mid-to-long-term financial benefits. Communities lacking immediate funding for conducting analyses, key support services (e.g., engineering, legal, etc.), operations and infrastructure upgrades, or starting up a new, regional system may be constrained from moving ahead. The capacity and knowledge to undertake planning may not exist locally, and the size of the undertaking may be considerable.

### **Financial Complexities**

Utility and government leaders need to untangle financial complexities for consolidation to take place. If it leads to improved finances, the utility could have a different qualifying status for grants and loans, including US Department of Agriculture Rural Development grants and loans. Systems without full-cost pricing may need to increase rates and addressing current debt may be challenging. The system may be subsidized and undervalued by the community in the form of artificially low rates. Conversely, communities that made investments in their systems may overstate their value. Decision makers need to consider these variables, their implications, and potential solutions before pursuing consolidation.

### **Social and Cultural Discontinuities**

Communities may have social and cultural reasons to resist consolidation. The parties involved may lack trust, including concern about big government, motivation, intentions relative to annexing a jurisdiction, or concern about sharing unflattering performance information. Customers may prefer locally provided services and want control over their own police, fire, water, and other systems. Urban versus rural outlooks may differ. Communities may also have different priorities or a history of competition and rivalry.

### **Liability and Hassle Factor**

A utility has less incentive to consolidate with utilities behind on compliance and infrastructure investments, communities with economically weaker customer bases, or those with overbuilt physical infrastructure. These utilities may find it difficult to find a partner willing to accept financial and other liabilities. This is especially true when the underlying economic and social conditions are insufficient to support needed system investments and basic day-to-day operating revenues or when the community is already in crisis.

### **Imbalance of Benefits**

Consolidation outcomes may not be evenly distributed. Some communities within a service territory can benefit more than others, and some may be concerned about cross-subsidies between systems and not support sharing costs between unconnected physical assets. Water utility staff, elected officials, commissioners, contractors, and consultants may also have concerns about losing status, jobs, or being reassigned.

### **Structural Realities**

Specific structures can complicate or curtail consolidation opportunities. Isolated communities with low density may not realize needed benefits. Systems consolidating across state lines would have to subject themselves to different state requirements, like those for operator certification. State differences could make the transaction and operating the unified system more complex. Additionally, water systems considering consolidation need to determine the difficulty and safety of blending water sources versus maintaining separate distribution systems.

# Recommendations

Everyone has a role to play to make utility consolidation an accepted and effective tool for water management. Though not exhaustive, these recommendations are a good place to start for those trying to accelerate utility consolidation. They seek to foster a culture in the water sector where smart, responsible, values-based utility consolidation is encouraged; where it is supported by policy and backed by financing; and where helpful knowledge and lessons are spread openly and widely. Taken together, these actions can help communities begin to untangle options and access the fact-based information they need to determine their own water future.

## Build the Evidence Base

Evidence and support matter. Successful consolidation processes address cultural, historical, and vested interest factors with evidence. Building a strong base of factual information supports good community decision making. Some recommendations:

- 1. Document processes and actions for overcoming mistrust.** Communities may have a history of fear, competition, and cultural identity differences between them. Tactics to bridge these differences may include sharing water system branding or developing initial shared service agreements before moving to consolidation.
- 2. Articulate benefits to local businesses, elected officials, and the public.** Focus on the customer benefits in terms of improved service provision. Tie into public health concerns, not just the water-related benefits. Look to and highlight other successful models in the water industry and other utility sectors.
- 3. Characterize the institutional models and the practices needed to make them work effectively.** Important areas to address include: Board of Directors membership and configuration, how to handle union and workforce issues, strategies for addressing existing debt and bond transactions, and equitable rate structures.

## Create a Supportive Regulatory and Policy Environment

All levels of government have a role to play in creating an enabling policy environment for utility consolidation. State governments are especially important. State legislation and policy can unlock governance options, remove obstacles, and lower high transaction costs. Comprehensive state frameworks should facilitate and encourage communities to customize consolidation agreements. States may require systems to consider consolidation, and others require it in certain cases. Some recommendations include:

1. Provide rules of the road. Develop clear procedures for how to initiate and complete consolidations relative to each major institutional governance model in state statute and regulation.
2. Define water utility asset valuation methods and determine what entity has authority to vet and approve valuations. Valuation methods are used to calculate the fair market value of system assets, and they establish the financial basis for acquiring water systems.
3. Remove obstacles. There are a number of obstacles such as service area restrictions (e.g., two-mile limit rules), right to serve restrictions, and rights of first refusal.
4. Clarify and limit liability exposure. Include an absorbing entity's compliance and tort liability.
5. Establish the ability to order consolidation as a backstop to address systems in significant non-compliance with health and safety requirements.

## Increase Financial Support

All levels of government should provide financial incentives to encourage systems to consolidate. Water utilities without the financial resources or ones that would take on substantial financial liabilities are less likely to consolidate without incentives. Federal, state, regional, and local funding can help with initial assessments and planning, capitalization to address system infrastructure requirements, and a means to address affordability concerns. Examples of how governments can provide financial support include:

1. Prioritize State Revolving Funds (SRF) for consolidation projects and offer priority points when evaluating Clean Water State Revolving Fund (CWSRF) and Drinking Water State Revolving Fund (DWSRF) applications.
2. Require SRF applicants to assess consolidation and whether it would result in cost-savings or significant health benefits for customers.
3. Subsidize consolidation through principle forgiveness, grants, and interest rate reduction. Planning or regionalization grants catalyze consolidation and overcome resource gaps that make it prohibitive. The grants could be reimbursed by the consolidating entity down the line. States may provide supplemental SRF funds and grants for consolidation for planning and capital upgrades. They may also buy down capital rates which lowers capital expenses and allows rates to more gradually increase towards full-cost rates.

## Support Capacity-Building and Knowledge Transfer

Many actors in government, research, and the water sector can provide technical assistance and spread knowledge to support consolidation. These activities are examples of how to enhance the current information environment:

1. Improve landscape information, including existing utility locations, needs, data on at risk communities, and opportunities.
2. Establish regional teams to examine and emphasize opportunities for same service utility consolidation and utilities consolidation that would integrate water cycle management at scale.
3. Recognize and celebrate effective gains through consolidation. Broadly share success stories to build momentum and increase peer sharing and interaction.
4. Enhance state and utility capacity to negotiate and write consolidation contracts.
5. Extend timeframes for communities to address compliance and other challenges with consolidation transactions.
6. Enhance and integrate oversight among state-level regulatory programs across the water cycle. Integrated regulatory programs would increase state capacity to respond to local integrated approaches and promote more holistic water cycle thinking and management.



# Summary

Water utilities face incredible and increasing operating pressures. Locally-determined consolidation can be an important solution when driven by the community value proposition. The US Water Alliance believes crafting solutions at scale can help accelerate sustainable water management in America. Rooted in a principled approach, the water sector and government decision-makers have many opportunities to improve the information, processes, and other resources available to communities considering consolidation.

# Notes

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