

**A SURVEY OF THE STATES ON THE
CURRENT LEVEL OF ACTIVITY BY
STATEWIDE SUPPORT GROUPS INVOLVED
IN WATER INFRASTRUCTURE FUNDING
AND TECHNICAL ASSISTANCE**

Steven J. Grossman
Executive Director
Ohio Water Development Authority
On behalf of the
Small Community Water Infrastructure Exchange (scwie.org)
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FOREWARD

The author wishes to acknowledge the review of this paper during the second quarter of 2013 by the United States Department of Agriculture (USDA) Rural Development (RD) and the United States Environmental Protection Agency (USEPA) staff level. USDA RD and USEPA field staff reviewed this paper between April and July of 2014 and the revisions that have been received were incorporated into the paper. Additional revisions were made after a March 2015 webinar which was held for USDA RD staff.

The author also wishes to acknowledge the support from the steering committee of the Small Community Water Infrastructure Exchange (SCWIE). Representatives of the Steering Committee come from the agencies and organizations shown in Attachment 1.

The many examples used in this paper are not meant to be an exhaustive listing of what is occurring among statewide support groups. They are, however, indicative of what is occurring throughout the states.

Additional information continues to be received, including the recent recognition from South Carolina and Virginia about their groups. It is hoped, that as groups continue to develop, grow and mature, that information of their ideas and activities are shared among the states.

Contact information for Steve Grossman

U.S. Mail: Ohio Water Development Authority
480 South High Street
Columbus, Ohio 43215-5603

Phone: 614.466.0152

E-mail: steve@owda.org

Website: www.owda.org

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INTRODUCTION

In the spring of 2011, the USDA and the USEPA entered into a Memorandum of Agreement (Attachment 2) to promote sustainable rural water and wastewater systems. The two federal agencies pledged 1) to collaborate to ensure that rural communities receive water and wastewater services that improve the quality of life in rural communities; 2) to continue to protect public health and water quality in rural communities; and 3) to increase economic opportunities that allow community sustainability and growth. They also are collaborating to leverage in-house expertise and make the best use of limited federal resources.

In the fall of 2011, the leadership of the Rural Utilities Service in the Rural Development RD office of USDA expressed an interest in further learning of the level of cooperation between RD state offices and agencies administering the State Revolving Fund (SRF) Clean Water and Drinking Water Programs in that state. To support this interest, the SCWIE undertook an effort to update its information and survey states about their current level of activity in Statewide Support Groups.

For purposes of the survey, a “**Statewide Support Group**” is defined as a group of representatives from funding agencies and technical assistance providers that coordinates and/or collaborates (even informally) at least annually on the financing programs they provide to water and wastewater systems within a given state.

A survey (Attachment 3) was sent to all known Statewide Support Group contacts. Where there was no known Statewide Support Group, the survey was sent to each known program contact (as listed on the SCWIE website), which includes the:

- Clean Water State Revolving Fund;
- Drinking Water State Revolving Fund;
- Rural Development in the USDA;
- State Community Development Block Grants;
- Rural Water Association;
- Rural Community Assistance Partnership;
- Economic Development Administration in the U.S. Department of Commerce;
- Appalachia Regional Commission (if appropriate);
- A Financing Agency; and
- Any other appropriate agency.

Follow-up calls were made to all who did not respond to the survey. As a result, a 100% response rate was obtained from all states receiving the survey. A list of all those who responded and provided information of their Statewide Support Group is shown in Attachment 4. Due to the unique nature of the needs of residents in Alaska and Puerto Rico, the State and the Commonwealth were not included in the survey.

While the preliminary goal of reporting the survey results to USDA RD, USEPA, and to the participating states is met with this report; the more important goal is that this record of results serves to continue the discussion begun by the survey. The significant product shall be found in the process of the exchange of ideas engendered by the survey and the responses to the report.

BACKGROUND

Prior to the creation of the Clean Water SRF Program in the latter half of the 1980s, the federal government funded wastewater treatment plants and collection systems through the Construction Grants Program administered by USEPA. USDA already had been funding wastewater systems as well as water systems for many years at the time of creation of the Construction Grants Program.

USDA began financing water systems in 1937 with the passage of the Water Facilities Act. This program initially authorized USDA to provide loans for individual and farm water systems in 17 western states where drought and water shortages were familiar hardships. With the 1961 passage of the Consolidated Farm and Rural Development Act, the Farmers Home Administration (FmHA), later renamed Rural Development (RD), was able to finance water systems in rural communities across the United States. In 1965, the program was expanded to become a loan and grant program to assist rural communities with financing the construction of both wastewater treatment plants and collection systems and water treatment and distribution systems.

While the Construction Grants Program funded any wastewater treatment system, no matter the size of the population that the system served, the RD program serves only rural communities, currently defined by statute as having a population of 10,000 or fewer people. USEPA did not fund drinking water and distribution systems until the late 1990's.

Beginning in the early 1970's, USEPA funding was provided to local governments through the states for the construction of wastewater treatment and collection systems. Local governments received a 75% grant which had to be matched with 25% of local funds. FmHA/RD provided up to 100% funding, generally with a 60% grant and a 40% loan. During this time, it was not uncommon for a rural community to obtain a 75% Construction Grant (during the early 80's this percentage was reduced to 55%) with the remainder of the project funded by an FmHA grant and loan.

The latter half of the 1980's saw the phase-out of the USEPA Construction Grants program and the introduction of the Clean Water SRF Program. This time period also saw the beginning of changes in the loan to grant ratio of RD's Rural Water and Wastewater Program towards a higher percentage of loans.

The 1990's through 2001 saw the federal government take a leadership role in assisting small communities with their environmental infrastructure needs through its sponsorship of five Big IF 3 (National Infrastructure) Conferences. Funds from USEPA, USDA as

well as the Department of Housing and Urban Development (HUD), were provided to the Council of State Community Development Agencies (COSCDA)¹ to hold these conferences.

Representatives from RD's state offices, state HUD Community Development Block Grant (CDBG) Programs, state Clean Water SRF Programs and state financing institutions involved with the SRF Program came together to share ideas on how funding coordination to assist small communities was taking place in each state.

The concept of Statewide Support Groups was shared throughout these conferences. A Joint Memorandum (Attachment 5) was signed in 1997 by EPA, HUD, and USDA, which has been superseded by the 2011 Memorandum of Agreement (Attachment 2). While actual results cannot be measured, the memorandum helped to promote the concept of a Statewide Support Group. Beginning in 1999, coordination by Statewide Support Groups became a featured session at the National SRF Workshop sponsored by USEPA and administered by the Council of Infrastructure Financing Authorities (CIFA). At these presentations, representatives from either state and/or national offices of RD, CDBG, the Rural Community Assistance Partnership (RCAP), the National Rural Water Association (NRWA); and University based Environmental Finance Centers (EFCs) frequently would be panelists.

It also was during this time that the concept of SCWIE was created and implemented. SCWIE, which operates under the auspices of CIFA, is a network of water funding officials who come from public and non-profit environmental funding and technical assistance agencies. The main purpose of SCWIE is to facilitate communication among peer group members throughout the United States about what they are doing in their respective states to assist small and/or rural communities with their environmental infrastructure needs.

SCWIE operates through a steering committee with representatives from the agencies and organizations shown in Attachment 1. Prior to 2012, the main function of the SCWIE was to develop a small community track for the annual SRF workshop. With the signing of the 2011 Memorandum of Agreement between USEPA and USDA, there has been a stronger direction from the federal government to strengthen the work at the state level to assist rural communities with their water and wastewater infrastructure. Based on this, in 2012, SCWIE adopted several goals regarding collaboration.

The first goal, assisting in the development of a uniform Preliminary Engineering Report (PER) template that can be used by the SRF and RD Programs in any state, has resulted in a (PER) template being agreed upon in January 2013 by several federal

¹ The COSCDA, a national trade association, supports the common interest and goals of states, with the major emphasis on community development, affordable housing, local economic development and state-local relations.

agencies. The implementation of this template continues with it being adopted by several federal programs and either being adopted or being considered for adoption in several states. A second goal begun in 2012 was surveying the states to ascertain the existence and level of activity of the Statewide Support Group in each state. The circulation of this survey is indicative of the progress of this goal. In late 2012 SCWIE adopted a third goal to review the coordination effort for the Environmental Assessment that is used by any state's SRF and RD programs. This review is currently being considered.

FINDINGS

The results of this report are based on survey questionnaires that were sent out in 2011 to points of contact at state or federal agencies. The results are therefore subjective to the extent that they do not represent the input of a statistically significant sample. However, the information from the survey does provide important information about whether a statewide support group existed in the state at the time of the survey and the nature of its activities.

Of the 49 states surveyed, the results indicated that 43 states have Statewide Support Groups and 6 states (Alabama, Connecticut, Massachusetts, New Mexico, Tennessee, and Wyoming) do not have such a group.

Mission/Goals and Major Activities of Statewide Support Groups

The response provided by the Infrastructure for Nevada Committee best summarizes the work of all Statewide Support Groups. The statewide work group is "to provide a forum for coordination and collaboration on utilities serving Nevada communities to promote efficient application of technical and financial assistance and to ensure they have the best access to resources".

The above statement encapsulates almost all of the mission/goal responses that were received. It combines the concepts of project coordination and program collaboration; the two most frequently mentioned major activities by the Statewide Support Groups. The first, as stated by 39 of the 43 groups (see Table 1) that responded to this question, is to provide specific project coordination among members of the group in their efforts to assist local governments in obtaining funding for the construction of environmental infrastructure facilities. The other major activity, as stated by 31 respondents, is to facilitate coordination, encourage cooperation and provide information among the member agencies and organizations in their general administration of funding the construction and maintenance of these facilities.

Table 1 – Classification of the Major Activities of Statewide Support Groups						
State	Project Coordination	Program Collaboration	Funding Forums	Conference Participation	T&TA	Misc.
Arizona	1	1	1			
Arkansas	1					
California	1	1		1		
Colorado	1	1	1	1	1	
Delaware	1	1				
Florida	1		1			
Georgia	1	1				
Hawaii		1			1	
Idaho	1	1				
Illinois	1	1				
Indiana	1	1	1			
Iowa	1	1		1		
Kansas	1	1				
Kentucky	1	1				
Louisiana	1	1				
Maine ²						
Maryland	1					
Michigan	1					
Minnesota	1	1				
Mississippi	1					
Missouri	1					
Montana	1	1				
Nebraska	1	1				
Nevada	1	1				
New Hampshire	1	1				
New Jersey	1		1		1	
New York	1	1	1	1	1	
North Carolina	1	1				
North Dakota	1					
Ohio	1	1	1		1	
Oklahoma	1	1	1			

² Maine did not respond to this question.

Table 1 - Classification of the Major Activities of Statewide Support Groups (Cont'd)						
State	Project Coordination	Program Collaboration	Funding Forums	Conference Participation	T&TA	Misc.
Oregon	1	1	1	1	1	
Pennsylvania	1	1				
Rhode Island		1				
South Carolina	1	1				
South Dakota	1			1	1	
Texas	1	1	1	1	1	
Utah	1	1				
Vermont	1	1				
Virginia	1	1				
Washington		1	1	1	1	
West Virginia	1					1 ³
Wisconsin	1			1		
Totals:	39	31	11	9	9	1
Key to Chart Headings:						
Conference Participation -- Where a representative of the group makes a presentation at a conference not sponsored by the group.						
T&TA -- Training & Technical Assistance						

Twenty-eight Statewide Support Groups report both of the above activities are considered major to the group. Eleven report only project coordination as a major activity and three report only facilitating coordination, encouraging cooperation and providing information.

Other major activities that were reported are:

Hold funding forums (where local leadership has the opportunity to present the current statuses of their project to all funders gathered in a central location and receive collective advice from the group);

Educate the local government leaders and officials as well as the engineering and planning community on the various funding programs available in the state either through one on one outreach or by conducting or participating in conferences; and

Provide training and technical assistance (T&TA).

³ West Virginia conducts oversight on fund closings and disbursements during construction funding.

Table 2 (Activities of Statewide Support Groups) provides numerous examples grouped by major functions about significant activities being pursued by Statewide Support Groups.

Table 2 – Activities of Statewide Support Groups
<u>Program Collaboration</u>
<u>Montana</u> - Coordinates funding options, procedures and forms among federal, state and local funding sources.
<u>Virginia</u> - Reviews each other’s funding policies in an effort to provide consistency (as much as possible) among their programs.
<u>Kentucky</u> - Discusses general policy issues and program status.
<u>Delaware</u> - Establishes standards and procedures for persons to submit requests for funding the construction, repair, renovation, or expansion of water supply and wastewater facilities and recommends specific grants or loans, or both, in accordance with such standards and procedures using funds authorized for such purposes by act of the General Assembly or funds approved by the State’s Clearinghouse Committee.
<u>Arizona</u> - Holds executive committee meetings with partner agencies. This is a great opportunity for information sharing among agencies; often leads to greater coordination on projects, especially co-funded projects.
<u>Georgia</u> - Staff from different funding programs get to know each other and become more familiar with each other’s programs. As a result, staff can refer potential applicants to other funding programs where appropriate. Through this forum, in some cases, staffs of different programs have met for the first time. This helps new staff get oriented more efficiently into the field.
<u>Nebraska</u> - Effective Interagency communication is established through the group’s monthly meetings.
<u>Oklahoma</u> - Agency updates are presented.
<u>South Carolina</u> - Shares best practices and discusses current issues in infrastructure projects. The group discusses ways to streamline the delivery of services to applicants/grantees and solve common problems.
<u>Vermont</u> - Trends/issues and solutions are discussed.
<u>Hawaii</u> - Discuss regulatory policy to provide feedback in forming policy.
<u>Texas</u> - Guests are invited to speak to the group’s participants on a variety of topics including: statewide emergency drought response, asset management and innovative financing mechanisms.

Table 2 – Activities of Statewide Support Groups (Cont'd)
<u>Information Delivery</u>
<u>Wisconsin</u> - Participates in the annual Rural Water conference with members of the group providing workshop sessions on the various funding opportunities. Exhibits are set up at the annual Rural Water conference and outreach opportunities are provided.
<u>Arizona</u> - The most successful and well-attended events are Funding Forums held in Phoenix (centrally located). Each partner agency presents for 10 minutes. Afterwards participants circulate to agency tables around the room. This is most beneficial because participants have this opportunity to meet directly with the agencies all in one place with opportunity to discuss their own systems and upcoming projects.
<u>California</u> - Goes around the state to hold seven funding workshops each year.
<u>New Jersey</u> - Conducts seminars each October for community program outreach.
<u>Arkansas</u> - The funding agencies provide the community seeking funding with list of agencies that could fund the project. The community chooses funding source for its project. This is effective because the community learns about its funding options.
<u>Ohio</u> - Created with RCAP a web-based seminar on “Financial and Technical Assistance Training” and has posted it on the internet for future use.
<u>Project Coordination (Internal)</u>
<u>Minnesota</u> - The "Who's Hot - Who's Not" group is very effective for coordination of state and federal funding. The process targets available funds based on water quality priorities, affordability and readiness to proceed.
<u>Florida</u> - Information is submitted by a community on project funding needs. The group then evaluates and discusses which agency is the best option for funding and if collaboration is possible. One of the agencies then takes the lead in response to the information submitted by the community.
<u>Nevada</u> - Communities are discussed that appear to have the most crucial issues and/or those that have recently expressed interest in funding. Discussions include what agency or combination of agencies would be best suited to fund a community as well as the current resources available within each agency.
<u>North Dakota</u> - State and federal agencies budgets are reviewed for the development of water systems throughout the state. Discussions include identifying what projects are currently funded and their status for completion and which of the vast list of projects may qualify for funding during the current budget cycle.
<u>Kansas</u> - Projects are identified early in planning process so there is an opportunity to offer and review alternatives as well as to avoid duplication of services. This procedure promotes coordination among agency services /processes and addresses issues that have overarching impact on public water supply systems.

Table 2 – Activities of Statewide Support Groups (Cont'd)
<u>Project Coordination (Internal) (Cont'd)</u>
<u>Oklahoma</u> - Each agency presents potential projects that are in the contact to pre-application stage. Which agency may be the best fit for the project is discussed as well as what other agencies think their funds could assist. Towns, communities, Tribes and Rural Water Districts with unique issues are invited to present their need for funds to the Support group and in many cases solutions are worked during these meetings. Status of funded projects and projects under construction is shared so that the Department of Environmental Quality is aware and can verify that violations cures are being moved forward.
<u>Louisiana</u> - A project submits an Intent to File Application for Funding to one or all funding agencies. Each application is then discussed to determine which agency can fund it. If an applicant selects more than one funder, then the selection is made by or agreed on between the two funders. CDBG applications are submitted through the committee. The main purpose of the group is to stop duplication of applications to funders. This allows applicants to know from the beginning who their funder will be.
<u>Idaho</u> - The group identifies and discusses potential projects.
<u>Delaware</u> - Makes funding recommendations to the heads of the Department of Natural Resources and Environmental Control and the Department of Health and Social Services of drinking water and wastewater infrastructure projects that are ready to proceed.
<u>Arkansas</u> - The Regulatory Agencies provide an initial look at the project and can request changes before the project has progressed very far. This is effective because the applicant will not spend time and effort on something the agencies will not approve.
<u>Illinois</u> - Discusses projects and which agency can best serve the customer.
<u>New York</u> - A conference call is held typically on the first Thursday of every month at which funding agency representatives bring issues for discussion and program news. A call also allows for coordination of specific projects. Considerable time is devoted to assuring funding decisions by multiple agencies complement each other rather than conflict.
<u>Wisconsin</u> - A monthly conference call is held where application reports are shared by RD with all participants. Each participant can provide updates and identify community that they are working in. Program information also is shared.
<u>Missouri</u> - Evaluates project proposals thoroughly. Comments/concerns are sent from the group to applicant and the consulting engineer. Once concerns are addressed, applicant works with appropriate funding partner directly. This process allows the applicant to develop a more concise project proposal, eliminates duplication of efforts for funding agencies and applicants and provides direction to selected funding source.

Table 2 – Activities of Statewide Support Groups (Cont'd)
<u>Project Coordination (Internal) (Cont'd)</u>
<u>Nebraska</u> - A common pre-application form is used. It is effective in that a single initial application submission covers every federal and state funding program for community water and wastewater projects.
<u>Nebraska</u> - The group conducts a financial and technical review of Facility Plans/Preliminary Engineering reports. This is effective in that through the required Evaluation of Alternatives by the group, it likely results in an overall improved scope for community infrastructure projects.
<u>Mississippi</u> - The group finalizes the Intended Use Plan (IUP) for Drinking Water projects.
<u>Colorado</u> - The group works together to match funding from different programs to projects in need of assistance. A listing of projects under consideration is maintained on the group's website.
<u>Georgia</u> - The group works to distribute financial resources that are less and less available.
<u>Idaho</u> - Seeks efficiencies in the implementation of multiple funding sources.
<u>Kansas</u> - Communicates about public water supply projects that have (or potential to have) a regional component. The group also reaches out to consultants and planners who work with public water supplies and encourages a regional option always be evaluated as one of the alternatives a community should consider.
<u>Pennsylvania</u> - Meets with other funding entities as specific issues or large projects present themselves. This is effective as the group is able to focus resources where needed.
<u>Mississippi</u> - Discusses problems as they arise so that they can be addressed.
<u>Michigan</u> - Discusses small, deficient water treatment plants that can be approached for financing by RCAP or RD.
<u>Minnesota</u> - The "Partners" group focuses on helping very small communities find affordable wastewater treatment alternatives. The group considers both capital and O&M costs, and how to modify programs to best address these situations. It is noted that the effort only is moderately successful due to the challenges and degree of difficulty.
<u>Oregon</u> - The group Identifies priority needs for technical assistance.
<u>Georgia</u> - The group addresses funding for projects that have consent orders. This is a relatively new effort.
<u>Arizona</u> - Project meetings are held in rural areas where informal group discussions with utility managers and agencies representatives occur.

Table 2 – Activities of Statewide Support Groups (Cont'd)
<u>Project Coordination (External)</u>
<u>Indiana</u> - The opportunity for communities to meet with all of the potential funders and technical assistance providers at one informal meeting occurs and is a great benefit. The communities also have the opportunity to request the presence of the primacy agency or the state health department. It is understood the purpose of the group is not compliance negotiation. Communities need not have their preliminary plans in place to meet with the group. This group meets with communities with basic needs and demographic information, with or without hired engineering firms. Communities also have begun requesting the audience of funders to discuss economic development funding strategy.
<u>Ohio</u> - The Finance Committee of the group meets in Columbus 6 times a year with representatives of the community and with the community consulting engineer. The group assists small communities to identify the most appropriate resources to help them resolve their problems. Approximately 300 communities have been served in the past 20 years. Almost all local officials and engineers are very satisfied with the advice that is obtained and many projects have been developed and constructed.
<u>Pennsylvania</u> - Invites multiple funding entities to planning consultation meetings in order to determine the best path for an applicant to pursue. This is effective as it sets projects on the best funding path from the beginning. The group meets with other funding entities as specific issues or large projects present themselves. This is effective as resources can be focused where needed.
<u>Montana</u> - Provides technical assistance to communities.
<u>Washington</u> - Coordinates technical assistance and communication.

Statewide Support Groups are in different stages of development. Some have been in existence for more than 20 years; others are just getting started. What has been reported as major for one group such as “identify participants in water resources and share funding opportunities now, or to be considered in the future” has been accomplished for more than a decade by others. Where another seeks to explore “opportunities to collaborate more on processes (e.g. online application processing, or publicity) than on individual construction projects”, others have held funding forums for years. It therefore should not be assumed that the absence of reporting by a particular state on one or more of the major activities noted above is an indication that other activities are not occurring in that state. While 15 states have web sites, only two mentioned them as a major activity and one because “the site needs to be substantially reconfigured and designed around what has been learned”.

It is to be noted that among the major activities that are encompassed within “facilitate coordination, encourage cooperation and provide information” are:

The promotion of coordination among agency services/processes and addressing issues that have overarching impact on public water supply systems;

Coordination of funding options, procedures and forms among federal, state and local funding sources;

Discussions of general policy issues and program status;

Discussion of any program changes or new conditions; and

Interagency communication through monthly meetings.

All Statewide Support Groups continue to be in a state of development. Spending cuts have had effects on some of them which have limited what they can achieve, but each continues to evolve in its way at its own pace. Some states that do not have Statewide Support Groups do not see this as a deficit to be overcome. More than one state has had a representative from the state report that “a group is not needed, we know each other and we talk with each other regularly. If there is a problem, we get on the phone and discuss it”.

Types of Statewide Support Groups

Based on the survey results, Statewide Support Groups can be categorized (as shown in Table 3) in the following manner:

Formal: Established by the state legislature or executive order and required to meet regularly.

Quasi Formal: Established on a voluntary basis, has given itself a name, and has created a unique website and representatives of participating agencies may meet regularly.

Informal: Established on a voluntary basis, has given itself a name and representatives of participating agencies may meet regularly.

Very Informal: Established on a voluntary basis, has not given itself a name and representatives of participating agencies may meet regularly.

Table 3 – Names and Characteristics of Statewide Support Groups				
State Group Name	Formality of Group	Regular Meeting	Meetings per Year	Focus of Group
Arizona -- Rural Water Infrastructure Committee (RWIC)	Quasi Formal	Yes	4	W/WW
Arkansas -- Water/Wastewater Advisory Group	Formal	Yes	12	W/WW
California -- California Financing Coordinating Committee	Quasi Formal	Yes	4	ALL
Colorado -- Colorado Water and Sewer Funding Coordination Committee	Quasi Formal	No	6	W/WW

Table 3 – Names and Characteristics of Statewide Support Groups (Cont'd)				
State Group Name	Formality of Group	Regular Meeting	Meetings per Year	Focus of Group
Delaware -- Water Infrastructure Advisory Council (WIAC)	Formal	Yes	6	W/WW
Florida -- Florida Funders	Informal	Yes	3	W/WW
Georgia -- Georgia Funders Forum	Quasi Formal	Yes	3	W/WW
Hawaii -- (no official name)	Informal	Yes	4	W/WW
Idaho -- Advantage Group	Informal	Yes	4	W/WW
Illinois -- State Funding Agencies	Informal	Yes	3	W/WW
Indiana -- Environmental Infra-structure Working Group (EIWG)	Quasi Formal	Yes	12	W/WW
Iowa -- InterAgency / Funding Partners Group	Informal	Yes	6	W/WW
Kansas -- Public Water Supply Coordinating Committee	Informal	Yes	4-8	W/WW
Kentucky -- Sewer and Water Infrastructure Group	Informal	Yes	4	W/WW
Louisiana -- Louisiana Water and Wastewater Joint Funding Committee	Informal	Yes	10	W/WW
Maine -- Maine Funders Group	Informal	Yes	Min. 1 per yr.	W/WW
Maryland -- Maryland Water and Sewer Infrastructure Financing	Informal	No	<i>No response</i>	W/WW
Michigan -- (no official name)	Very Informal	Yes	3-4	W/WW
Minnesota -- Who's Hot - Who's Not	Informal	No	1-2 mtgs/yr., plus weekly phone & e-mail contact	W/WW
Mississippi -- Local Governments & Rural Water Systems Improvement Board	Formal	Yes	12	W
Missouri -- Missouri Water and Wastewater Review Committee (MWWRC)	Informal	Yes	12	W/WW
Montana -- Water, Wastewater, and Solid Waste Action Coordination Team	Quasi Formal	Yes	6	W/WW/S W
Nebraska -- Water and Wastewater Advisory Committee	Informal	Yes	12	W/WW
Nevada -- Infrastructure for Nevada Committee (INC)	Quasi Formal	Yes	4	W/WW

Table 3 – Names and Characteristics of Statewide Support Groups (Cont'd)

State Group Name	Formality of Group	Regular Meeting	Meetings per Year	Focus of Group
New Hampshire -- Funding Partners	Informal	Yes	2	W/WW
New Jersey -- Community Programs Seminar	Informal	Do not meet	<i>No response</i>	W/WW
New York -- NYS Water and Sewer Infrastructure Co-Funding Initiative	Formal	Yes	12	W/WW
North Carolina -- North Carolina Water Infrastructure Funders Forum	Informal	Yes	4	W/WW
North Dakota -- (no official name)	Very Informal	No	2-3	W/WW
Ohio -- Small Community Environmental Infra-structure Group (SCEIG)	Quasi Formal	Yes	15	W/WW
Oklahoma -- Funding Agency Coordinating Team (FACT)	Informal	Yes	4	W/WW
Oregon--Inter-Entity Working Group	Informal	Yes	2-3	W/WW
Pennsylvania -- Pennsylvania Informal Collaborative Work Group	Informal	No	<i>No response</i>	W/WW
Rhode Island -- RI Statewide Support Group for Water Infrastructure	Informal	Yes	New group, to be determined	W
South Carolina -- Infrastructure Funders Coordinating Committee	Informal	Yes	6	W/WW
South Dakota -- (no official name)	Very Informal	No	1	W/WW
Texas -- Texas Water Infrastructure Coordination Committee (TWICC)	Quasi Formal	Yes	6	W/WW
Utah -- Water Development Coordinating Council	Formal	No	3-4	W/WW
Vermont -- (no official name)	Informal	Yes	4	W/WW
Virginia -- (no official name)	Very Informal	No	2	W/WW
Washington -- Infrastructure Assistance Coordinating Council	Quasi Formal	Yes	14	ALL
West Virginia -- West Virginia Infrastructure and Jobs Development Council	Formal	Yes	12	ALL
Wisconsin -- Funding Sources Group	Informal	No	4	W/WW

Key to Focus Column Abbreviations:

- W -- Water
- W/WW -- Water and Wastewater
- W/WW/SW -- Water, Wastewater and Solid Waste
- ALL -- All Infrastructure

For the remaining states that do not have a Statewide Support Group⁴, there are two other categories. There are those states that have a communication network among the appropriate agencies and there are those states that do not. *(This survey did not assess the informal working relationship among the appropriate agencies in those states that do not have a Statewide Support Group. Anecdotal evidence suggests that this exists in several of the states that do not have a Statewide Support Group.)*

Most Statewide Support Groups primarily focus on rural, economically depressed communities that generally require a percentage of grant monies to make a project affordable to the population of the community. To provide comprehensive service to the communities of their states, the groups tend not to quantify such measurements as community size and household income in determining community eligibility to receive the benefits provided by the group.

In three states, California, Washington and West Virginia, the focus is on all types of Infrastructure projects in all communities. Two other state groups, Mississippi and Rhode Island, are dedicated exclusively to all drinking water projects. Montana focuses on solid waste as well as water and wastewater. Arkansas addresses all drinking water and clean water projects.

Five Statewide Support Groups from Arkansas, Delaware, Mississippi, Utah, and West Virginia were created by state statute or rule. New York's group was formalized and is driven by an inter-agency Memorandum of Understanding. Participation in the other 37 is voluntary; however the following should be noted for the specific state:

Iowa – The annual application process for communities seeking CDBG funding for water and wastewater projects requires the collaboration that comes from meeting together;

Minnesota – The state's statute mandates coordination with USDA – RD for one specific program; all other participation is voluntary; and

West Virginia – some members serve in a non-voting advisory capacity.

Frequency of Meetings

For the six groups that have been established by the legislative or executive process, four are required to hold 12 meetings each year and one 6 times. The other meets 3-4 times; although it is not required to meet (see Table 3). Twenty-six other states reported that regular meetings are scheduled. Including any related sub-group meeting, the frequency of these meetings varies greatly. Nine groups meet 4 times a year, 10 meet more than 4 times and 7 meet less than 4 times a year. One group has yet to determine the frequency of their meetings. Three did not respond. The seven groups

⁴The following states do not have support groups: Alabama, Connecticut, Massachusetts, New Mexico, Tennessee, and Wyoming.

that reported no regularly scheduled meetings indicated a frequency of meetings similar to those that held regularly scheduled meetings.

Websites of Statewide Support Groups

The 15 states that have web sites are shown in Table 4. The websites that are shown are designed for the Statewide Support Group. That is, the website is not the domain of another public or non-profit agency. When one enters any of these websites, access to information on all funding programs in the state and technical assistance is easily available. It is clear from these websites that all members of the Statewide Support Group are working together and the sites encourages the user to consider all funding and technical assistance that is available. The website for some of the groups, however, is located within the website of one of its members.

Table 4 – Websites for Statewide Support Groups	
Arizona	www.rwic.net
Arkansas	http://anrc.ark.org/divisions/water-resources-development/community-development-block-grants/the-water-wastewater-advisory-committee
California	http://www.cfcc.ca.gov/
Colorado	http://www.colorado.gov/cs/Satellite/DOLA-Main/CBON/1251599801854
Delaware	http://www.dnrec.delaware.gov/CWAC/Pages/CWAC.aspx
Florida	http://www.frwa.net/funding.html
Georgia	http://efc.sog.unc.edu/project/gff
Indiana	http://www.inh2o.org/?page_id=4936php
Montana	http://dnrc.mt.gov/cardd/ResourceDevelopment/wasact/Default.asp
Nevada	http://ndep.nv.gov/bffwp/nwwpa.htm
New York	Under reconstruction
Ohio	http://www.sceig.org/sceig0001.asp?pagename=home
Texas	http://www.twicc.org/
Washington	http://www.infracfunding.wa.gov/
West Virginia	http://www.wvinfrastructure.com/

Additional Statewide Support Groups within a State

For all but one (North Dakota), the Statewide Support Group is the primary water group for that state. In North Dakota, the primary group is the North Dakota Water Coalition (<http://www.ndwater.com/programs/north-dakota-water-coalition>). The North Dakota Water Users Association provides leadership and support for the North Dakota Water Coalition, established to complete North Dakota's water infrastructure for economic growth and quality of life. The Water Coalition brings together all water interests to reach consensus and unity on water funding issues.

Two other states, Indiana and Texas, have an additional Statewide Support Group, but it is not the primary group. The additional groups are the Indiana Rural Wastewater Taskforce and the Texas Colonia Interagency Infrastructure Coordination Work Group under the Texas Secretary of State. The focus of the Indiana Rural Wastewater Taskforce is to bring together a wider range of wastewater professional than the Environmental Infrastructure Working Group to share information about wastewater activities. The focus of the Texas Colonia Interagency Infrastructure Coordination Work Group is to address the residential area along the Texas-Mexico border that lack some of the most basic living necessities, including potable water and sewer systems.

Participants in Statewide Support Groups

Representatives of a Statewide Support Group generally will come from the following agencies/organizations:

- Clean Water SRF program;
- Drinking Water SRF program;
- USDA RD Program;
- CDBG Program;
- US Department of Commerce Economic Development Administration (EDA);
- Rural Water Association (RWA); and
- Rural Community Assistance Program (RCAP).

And where appropriate from:

- Public financial institutions;
- Governor's office liaison;
- The state agency administering the Appalachia Regional Commission Programs;
- The Bureau of Indian Affairs; and
- Any other agency/organization that someone in the state felt should be included.

Forty-one of the Statewide Support Groups, including two that are exclusively devoted to drinking water, have representatives from the Clean Water SRF, the Drinking Water SRF and RD (as shown in Table 5)⁵. Rhode Island and Hawaii are the only states that do not have a representative from the Clean Water SRF Program on the group. Utah is the only state that does not have a representative from RD on the group.

⁵ The "1" denoted in both Tables 5 and 6 indicates that at least one member of the agency/organization is a participant in the Statewide Support Group. No determination was made in this study if there were multiple people from an agency/organization participating on the support group.

Table 5 – Frequent Participants in Statewide Support Groups

State	CWSRF	DWSRF	USDA/ RD	CDBG	RCAP	NRWA	State Financing Agency
Arizona	1	1	1	1	1	1	1
Arkansas	1	1	1	1	1		
California	1	1	1	1	1	1	1
Colorado	1	1	1	1	1	1	1
Delaware	1	1	1			1	
Florida	1	1	1	1		1	
Georgia	1	1	1	1			1
Hawaii		1	1		1	1	
Idaho	1	1	1	1			1
Illinois	1	1	1	1	1	1	
Indiana	1	1	1	1	1	1	
Iowa	1	1	1	1			1
Kansas	1	1	1	1		1	
Kentucky	1	1	1	1	1	1	1
Louisiana	1	1	1	1	1		
Maine	1	1	1	1			1
Maryland	1	1	1	1			
Michigan	1	1	1		1		
Minnesota	1	1	1	1			
Mississippi	1	1	1	1			1
Missouri	1	1	1	1			
Montana	1	1	1	1	1	1	
Nebraska	1	1	1	1			
Nevada	1	1	1	1		1	
New Hampshire	1	1	1	1	1	1	1
New Jersey	1	1	1		1	1	
New York	1	1	1	1			1
North Carolina	1	1	1	1	1		1
North Dakota	1	1	1			1	
Ohio	1	1	1	1	1	1	1
Oklahoma	1	1	1	1	1	1	
Oregon	1	1	1	1	1	1	

Table 5 – Frequent Participants in Statewide Support Groups (Cont'd)							
State	CWSRF	DWSRF	USDA / RD	CDBG	RCAP	NRWA	State Financing Agency
Pennsylvania	1	1	1	1	1	1	
Rhode Island		1	1	1			
South Carolina	1	1	1	1			
South Dakota	1	1	1	1	1	1	
Texas	1	1	1	1	1	1	1
Utah	1	1		1			1
Vermont	1	1	1		1	1	
Virginia	1	1	1	1			
Washington	1	1	1	1	1	1	
West Virginia	1	1	1	1	1	1	
Wisconsin	1	1	1	1	1	1	
Totals:	41	43	42	37	24	25	15
Key to Chart Heading Abbreviations:							
CWSRF -- Clean Water State Revolving Fund							
DWSRF -- Drinking Water State Revolving Fund							
USDA/RD -- United States Department of Agriculture/Rural Development							
CDBG -- Community Development Block Grants							
RCAP -- Rural Community Assistance Partnership							
NRWA -- National Rural Water Association							

Thirty-seven of the Statewide Support Groups have representatives from the state's CDBG Program. The CDBG Programs in Delaware, Hawaii, Michigan, New Jersey, North Dakota, and Vermont do not have a representative.

RCAP and NRWA provide a wide range of technical assistance to rural water and wastewater systems on a state-by-state basis. Twenty Statewide Support Groups have representatives from both RCAP and the state affiliated NRWA. In four states there is a representative only from RCAP and in five other states only from the state affiliated NRWA. There is no representative from either organization on fourteen statewide groups. Fifteen have representatives from state financial institutions.

Twenty-six Statewide Support Groups have representatives from other public agencies and non-profit and private organizations in addition to those mentioned above (see Table 6). At the federal level, the Army Corps of Engineers has seven representatives, the Indian Health Services has three and representatives from federal agencies (USEPA, Bureau of Reclamation) participate in four states. A representative from the Federal Government's EDA participates with nine of the Statewide Support

Groups. Among its many responsibilities, EDA awards grants to water and wastewater systems in economically disadvantaged communities.

At the state level, 15 have representatives from state financing agencies, 8 have representatives from their Departments of Agriculture, 7 from their environmental regulatory agencies (in addition to those administering the SRF Program), 3 from their Public Utility Commissions and 3 from the state agency administering the Appalachian Regional Commission Program. (There are a total of 13 states administering the ARC Program.) Fourteen states have representatives from regional and/or local agencies, 6 from local government trade associations, 4 from Environmental Finance Centers and 3 from engineering consultant trade associations.

Table 6 – Other Participants in Statewide Support Groups

State	State Ag Dept	State PUCO	State Env Reg Agcy	State ARC	State Historic Presv Ofc	State Commerce Dept	Reg/ Local Gov't Org	Local Gov't Trade Assoc	Eng Cons	EFC	ACE	USEPA	DOI	Private Foundation	InHS	EDA
Arizona	1		1				1						1			
Arkansas							1									
California ⁶	1											1	1			
Delaware							1									
Florida																1
Georgia	1						1			1	1					1
Idaho ⁷											1					1
Indiana							1				1					1
Iowa	1		1													
Kansas	1						1			1						
Kentucky		1						1			1					
Maine																1
Mississippi								1	1							
Montana	1						1	1	1							1
Nevada		1					1									
New York							1									
North Carolina				1		1				1				1		
North Dakota							1						1			
Ohio			1	1			1	1	1		1					1

⁶ State Water Board and State Department of Water Resources participate.

⁷ A Congressional staff member participates.

Table 6 – Other Participants in Statewide Support Groups (Cont'd)																
State	State Ag Dept.	State PUCO	State Env Reg Agcy	State ARC	State Historic Presv Ofc	State Commerce Dept	Reg/Local Gov't Org	Local Gov't Trade Assoc	Eng Cons	EFC	ACE	USEPA	DOI	Private Foundation	InHS	EDA
Oklahoma							1								1	
Oregon							1	1				1			1	1
Pennsylvania			1	1												
South Carolina																1
Texas ⁸	1	1	1								1					
Utah			1													
Washington	1		1		1		1	1		1	1				1	
Totals:	8	3	7	3	1	1	14	6	3	4	7	2	3	1	3	9

Key to Chart Heading Abbreviations:

State AG Dept -- State Agriculture Department
State PUCO -- State Public Utilities Commission
State Env Reg Agcy -- State Environmental Regulatory Agency other than those involved in the SRF Program
State ARC -- State Offices of the Appalachian Regional Commission
Eng Cons -- Engineering Consultants
EFC -- Environmental Finance Center
ACE -- Army Corp of Engineers
InHS -- Indian Health Services
EDA -- Economic Development Agency/vs. Department of Commerce
DOI -- US Department of Interior/Bureau of Reclamation

⁸ North American Development Bank, Border Environmental Cooperation Commission

Approximate Number of Projects Discussed by Statewide Support Groups

One of the major activities of Statewide Support Groups is to determine who will provide assistance to fund projects. Statewide Support Groups act to funnel projects to the “best fit” source of funding. There is a wide range of the number of projects that are discussed annually (either among group members or with leadership from communities) by Statewide Support Groups. The reason for such a range varies. Some states just fund more projects than others due to the demand for funding and available funding levels. Some states may discuss all of their projects, while others only discuss ones that will be jointly funded. Still other states discuss projects where a community has requested that a discussion occur.

Actions Being Taken To Strengthen Statewide Support Groups

As previously noted, each Statewide Support Group is at a different stage of development. An action that is currently being undertaken by one group may seem to be elementary to another. Table 7 shows actions that were being taken at the time of the 2012 survey as reported by the 22 states responding to this question.

Table 7 – Actions Being Taken To Strengthen Statewide Support Groups
<u>Arizona</u> developed a new website, resource matrix, information sheet and project information form, which provides a process for communities to request assistance from partners. Arizona also is holding regular quarterly meetings utilizing a new meeting format where small systems present their project needs and Executive Committee members discuss and follow-up with ways they can provide assistance.
<u>California</u> was to discuss at the next group meeting for planning this year’s Funding Fairs the need to focus the group and potentially limit the members to the more essential infrastructure services such as water, sewer, streets and community buildings, rather than brownfields, energy and bond financing for private sector projects.
<u>Colorado</u> is finalizing an annual work plan for the statewide support group that reflects annual funding program budgets, a procedure for identifying and addressing projects, and an annual reporting procedure, all of which are scheduled to be implemented in 2015.
<u>Georgia</u> recently developed a website that links to all the recently funded projects of the various funding programs. The group also is currently looking into collaborating on addressing consent orders.
<u>Idaho</u> formed a sub-committee to deal with environmental questions and identify the lead individual.
<u>Iowa</u> continues collaboration among funding agencies. The group meets on a monthly basis with the representatives from the USDA RD and the Iowa Department of Natural Resources to discuss programs and existing and potential projects.
<u>Kansas</u> is doing major presentations about once a month to any group willing to hear about the Statewide Support Group.

Table 7 – Actions Being Taken To Strengthen Statewide Support Groups (Cont'd)
<u>Missouri</u> continues to evaluate ways to streamline the proposal process, including additional direction on regulatory requirements and other relevant information needed in a proposal.
<u>Nebraska</u> is reviewing and updating its initial application submission and recommendation forms.
<u>Nevada</u> is considering an application that would encompass all programs within the group, making it more streamlined for applicants.
<u>New Hampshire</u> has regularly scheduled meetings with a focus on improving access to financial assistance.
<u>New York</u> may reconvene a stakeholders group to refresh the group's understanding of the original Memorandum of Understanding and set some priorities for program or interagency communications in the coming year.
<u>Ohio</u> is focusing with other funding agencies on efforts to encourage partnering and shared resources and strengthening its funding coordination efforts.
<u>Oregon</u> is conducting meetings in a way that respects participants' time (being efficient) and providing training and information opportunities for members of the group. The group also is encouraging field staff for each agency to work together in the field (team approach).
<u>Pennsylvania</u> continues to collaborate in order to maximize the value of limited resources.
<u>Rhode Island</u> is identifying additional groups which might support or strengthen the water resources collaboration.
<u>South Carolina</u> uses regular communication to strengthen the group and with a commitment to work together, the effectiveness within individual programs has been strengthened.
<u>Texas</u> is furthering the development of its finance subgroup for outreach to water and wastewater systems in need of technical and financial assistance.
<u>Vermont</u> is holding regular meetings with agendas.
<u>Washington</u> is doing the following: Developing and signing a Memorandum of Understanding by the directors of all the agencies and groups participating in IACC. Providing marketing, outreach and awareness to its state legislature, local communities, and its own organizations; Developing and distributing a brochure; Hosting its annual conference; and Working to have a presence at other conferences throughout the year.
<u>West Virginia</u> is completing the automation of its application process and the implementation of a statewide GIS database.
<u>Wisconsin</u> is developing a common entry point for prospective recipients to make a single inquiry through the Wisconsin Rural Water Association which is then distributed to the various funding sources for referrals back to the inquirer.

Additional Ideas to Strengthen Statewide Support Groups

Four states listed specific plans as steps to further strengthen their groups and several states had more general hopes. New York has a specific proposal to strengthen itself; to develop a stronger website (it already has a website) and to develop stronger technical guidance. Wisconsin wants to develop a better joint application review process to help target funding and leveraging on these projects, Nevada is considering an application that would encompass all programs within the group, making it more streamlined for applicants, and Mississippi wants to create a one-stop online application procedure process.

On a more abstract level, Pennsylvania would like to “provide for a more formal process and consistent policy”. Washington State would like to see “public involvement and support for water and sewer projects”. Two would like to see more involvement in the overall process, Kansas is looking for “more federal partners believing in the same process” and New Hampshire is looking for “more collaboration on funding initiatives to develop affordable solutions”. Mississippi would like to see a level playing field established for all money at the federal level. Finally three states implied that additional resources were needed so their groups could be strengthened.

CONCLUSION

A significant degree of coordination exists in many states. It is recognized on Page 15 that while some states do not have a Statewide Support Group, a communication network among key participants in those state that do have Statewide Support Groups exists. This level of coordination needs to be noted.

In light of the foregoing reported data, the author believes that Statewide Support Groups continue to evolve, experiment and grow. Many of the groups are independent of each other. More could be done to further a cross-pollination of their ideas and the activities of Statewide Support Groups across the nation. The level of awareness as indicated by the 2011 Memorandum of Agreement between USDA and USEPA, as well as the interest in learning about the amount of cooperation at the state level are encouraging steps toward future collaboration on a national level.

In preparation for a recent presentation by the author to USEPA and RD staff in Washington, the distinction between coordination and collaboration was revisited. The Merriam-Webster Dictionary defines:

Coordinate - to make arrangements so that two or more people or groups of people can work together properly and well; and

Collaborate - to work jointly with others or together especially in an intellectual endeavor.

In retrospect, a strong delineation between these two terms was not provided in the survey. Consequently, the responses and the findings of the survey focus more on coordination than collaboration. Where collaborative efforts are mentioned, they are more likely to be general in nature or process driven. Collaborating on processes such as strengthening websites, creating a common entry point for applicants or creating a common application can benefit the Statewide Support group participants as well as the communities who receive the services and funding that is to be provided.

Program collaboration can be the next challenge Statewide Support Groups address. In a January 2013 Thomas Friedman column on collaboration, Alan Cohen, an expert on networks who has been involved in several successful start-ups notes the importance of “collaboration” both within and between firms in Silicon Valley. He states that in Silicon Valley “collaboration” is defined as something you do with another colleague or company to achieve greatness — something to be praised — as in: “They collaborated on that beautiful piece of software”.

In a discussion on collaboration in Wikipedia it is noted that “...*teams that work collaboratively can obtain greater resources, recognition and reward when facing competition for finite resources.* As participants in Statewide Support Groups meet to ensure that safe, clean water is available at a reasonable cost to all who live in small communities; conversations on how they can collaborate to achieve this goal could accomplish significant results.

Arizona Water Infrastructure Finance Authority
Colorado Department of Local Affairs
Council of State Community Development Agencies
Georgia Environmental Financing Authority
Idaho Department of Environmental Quality
Kentucky Infrastructure Authority
Maryland Department of the Environment
Montana Department of Natural Resource & Conservancy
New York Environmental Facilities Corporation
North Carolina Environmental Finance Center
North Carolina Department of Environment and Natural Resources
Ohio Environmental Protection Agency
Ohio Water Development Authority
Rhode Island Department of Health
Rural Community Assistance Program (National Office)
South Carolina Rural Infrastructure Authority
U.S. Department of Agriculture, Florida Office, USDA Rural Utilities Service
U.S. Department of Agriculture, USDA Rural Utilities Service
U.S. Department of Housing & Urban Development, State and Small Cities Division
U.S. Environmental Protection Agency Office of Wastewater Management State Revolving Fund Branch Office of Ground Water and Drinking Water Drinking Water State Revolving Fund Team
Washington Department of Health
Wisconsin Department of Natural Resources



**Memorandum of Agreement Between the
United States Environmental Protection Agency and the
United States Department of Agriculture – Rural Development Rural Utilities Service**

Promoting Sustainable Rural Water and Wastewater Systems

Objective

The U.S. Department of Agriculture-Rural Development Rural Utilities Service (USDA-RD-RUS) and the U.S. Environmental Protection Agency (EPA) support increasing the sustainability of drinking water and wastewater systems nationwide to ensure the protection of public health, water quality, and sustainable communities. To ensure that rural systems have a strong foundation to address 21st century challenges, USDA-RD-RUS and EPA are committed to work together to help these systems face the challenges of aging infrastructure, increased regulatory requirements, workforce shortages, increasing costs and declining rate bases. Together, EPA and USDA-RD-RUS can assist rural systems in implementing innovative strategies and tools to allow them to achieve short- and long-term sustainability.

Background

More than 97% of the nation's 160,000 public water systems serve fewer than 10,000 persons, and 78% of the nation's 15,000 wastewater treatment plants are less than one million gallons per day. These systems face unique challenges in providing affordable drinking water and wastewater services that meet federal and state regulations. Many of these systems lack financial resources and have difficulty obtaining financial assistance, have management limitations, lack long-term planning activities, have aging infrastructure, and lack the ability to attract qualified and certified operators. Reliable and affordable water and wastewater treatment can help rural areas improve the quality of life for rural residents. Investments in small system infrastructure support our long-term national goal of ensuring that rural communities have the basic infrastructure to become sustainable and protect the rural economy and public health.

EPA made a commitment via the 1996 Amendments of the Safe Drinking Water Act to assist small systems in achieving the technical, managerial and financial capacity needed to attain sustainability. These efforts are coordinated under the Capacity Development and Operator Certification Programs. Funding for both infrastructure improvements and technical assistance are provided through the Drinking Water State Revolving Fund (DWSRF). EPA provides annual capitalization grants to each state DWSRF program to promote safe and affordable drinking water as authorized by the Safe Drinking Water Act. States may also use a portion of their capitalization grants for other eligible activities that emphasize enhanced water system management and source water protection. EPA also provides annual capitalization grants to the states to be used for loans to municipalities under the Clean Water State Revolving Fund (CWSRF) for various wastewater projects authorized by the Clean Water Act. The CWSRF program allows states the flexibility to target resources to their particular environmental needs,

including contaminated runoff from urban and agricultural areas, wetlands restoration, groundwater protection, brownfields remediation, estuary management, and wastewater treatment. Additionally, EPA provides targeted assistance to federally recognized Indian tribes and native villages as well as communities along the U.S.-Mexico Border to support infrastructure development for drinking water and wastewater systems. EPA also provides technical assistance through grants to small system technical assistance providers.

USDA-RD-RUS, Water and Environmental Programs (WEP) assists eligible applicants in cities, towns and unincorporated areas that have a population of no more than 10,000 inhabitants with drinking water, sanitary sewer, solid waste disposal and stormwater facilities needs. Direct loans and grants and guaranteed loans may be provided to applicants who are unable to finance their needs through their own resources or with reasonable credit from other resources. USDA-RD-RUS also provides technical assistance through circuit riders and non-profit technical assistance providers to assist rural water systems with their infrastructure needs. This much needed assistance is critical to rural areas, particularly those in lower income or economically challenged areas that may not have the resources or expertise to prepare a project proposal, effectively identify funding resources, develop a governance structure and keep systems operating in compliance with federal regulations. These programs revitalize rural communities with a variety of infrastructure improvements and help create economically sustainable communities in rural America.

Actions

EPA and USDA-RD-RUS established a four-year agreement in 2002 to coordinate activities to provide assistance to small drinking water systems needing help complying with the new Arsenic standard. This new memorandum of agreement builds upon these partnership efforts and incorporates wastewater utilities in order to achieve more sustainable rural communities. EPA and USDA-RD-RUS will focus on coordinating activities and financial assistance resources on particular project areas to increase the technical, managerial and financial capacity of rural water and wastewater systems nationwide.

1. Sustainability of Rural Communities

Sustainable water and wastewater systems are critical to ensuring the sustainability of rural communities. Emphasis on promoting asset management planning, water and energy efficiency practices, and other sustainable utility management practices are important to ensuring long-term technical, managerial and financial capacity. EPA and USDA-RD-RUS will work together on the following activities:

- Encourage system-wide planning that takes into consideration sustainability goals, including asset management and the evaluation of green solutions such as green infrastructure, water reuse strategies, energy management and water conservation, to help ensure that projects and communities are sustainable.
- Share and distribute resources, tools and trainings that promote long-term sustainability. This includes tools such as EPA's Check Up Program for Small Systems (CUPSS), the Environmental Finance Centers Financial Dashboards and

other resources, energy audit tools, WaterSense partnerships and tools, water loss prevention tools, and rate setting tools to assist rural systems.

- Provide training and information to encourage the adoption and adaptation of effective utility management strategies as funding allows.

2. System Partnerships

To attain the necessary technical, managerial and financial capacity to provide clean and safe water in rural communities, small water systems may need to develop partnerships with other systems. These partnerships can provide opportunities to collaborate on compliance solutions, operations and maintenance activities and share costs with other nearby systems, thereby enabling them to become financially sustainable and provide safe and affordable water to their communities. EPA and USDA-RD-RUS will educate communities and utilities on the array of tools that are available and encourage struggling water systems to explore all options that may be available to increase sustainability. EPA and USDA-RD-RUS will work together to implement the following activities:

- Develop a common understanding of system partnerships and coordinate effectively when interacting with communities, utilities, and other stakeholders.
- Work with technical assistance providers to assist communities with system partnership options as well as identify funding opportunities available if collaboration is pursued.
- Coordinate funding, where appropriate and possible, to further system partnership activities, such as shared infrastructure or establishing shared management.
- Work together to further define barriers and refine approaches for encouraging system partnerships.

3. Water Sector Workforce

A well-trained and knowledgeable workforce is vital to the sustainability of water and wastewater systems. However, the report, *Succession Planning for a Vital Workforce in the Information Age (2005)*, published by the American Water Works Association (AWWA) and the Awwa Research Foundation, projected that 37% of water utility workers and 32% of wastewater utility workers will be eligible to retire in the next 10 years. In addition, the U.S. Department of Labor estimates that the demand for water and wastewater operators will increase by 20% from 2008-2018. EPA and USDA-RD-RUS will work together to promote careers in the water sector to attract a new generation of water professionals to rural systems. EPA and USDA-RD-RUS will work together to:

- Raise awareness of rural water sector careers through promotional initiatives.
- Work with other federal agencies, educational institutions and other associations to train new operators through initiatives targeted at specific audiences (e.g., veterans initiative, vocational / high school students).

- Develop strategies for overcoming challenges specific to recruitment and retention of rural utility operators.
- Promote the use of contract operators to fill workforce gaps in rural communities.

4. Compliance of Small Rural Public Water and Wastewater Systems with Drinking Water and Clean Water Regulations

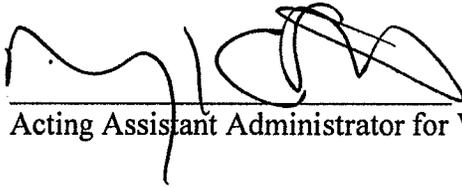
EPA and USDA-RD-RUS understand that many challenges face rural water systems just to maintain day-to-day operations. Partnering to ensure that regulation training is provided to public water and wastewater systems in rural areas in a timely manner is essential to systems' compliance. Further, as federal partners, it is important to address funding for projects that aid in the compliance of national drinking water and clean water regulations that protect the nation's public health. The Arsenic Rule, and recently promulgated rules such as the Ground Water Rule (GWR), the Long-Term 2 Enhanced Surface Water Treatment Rule (LT2), and the Stage 2 Disinfectants and Disinfection Byproducts Rule (Stage 2 DBPR) represent ongoing compliance challenges for many rural systems. Future modifications to wastewater regulations may also present challenges for rural systems. EPA and USDA-RD-RUS will work together to implement the following activities:

- Consider funding priority to projects needed for compliance with national drinking water regulations, including the Arsenic Rule, the Ground Water Rule, the Long-Term 2 Enhanced Surface Water Treatment Rule, and the Stage 2 Disinfectants and Disinfection Byproducts Rule.
- Develop and distribute materials to rural water systems that address specific water and wastewater rule requirements and the impact to rural systems.
- Coordinate with technical assistance providers to conduct rule training for rural water systems on specific water and wastewater rule requirements and potential solutions that pose a challenge to rural water systems.
- Share information relevant to rural water systems, including upcoming EPA regulatory actions and timeframes and information that USDA-RD-RUS may have for analyzing impacts, and develop strategies to minimize these impacts.

Expiration

This memorandum of agreement between EPA and USDA-RD-RUS will remain in effect for five years from the date hereof unless terminated earlier by either party.

United States Environmental Protection Agency

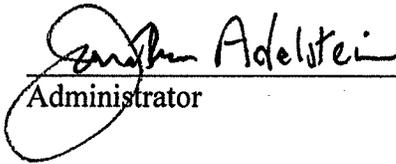


Acting Assistant Administrator for Water

5/27/11

Date

United States Department of Agriculture - Rural Utilities Service



Administrator

6/2/11

Date

Small Community Water Infrastructure Exchange SURVEY of STATE WIDE SUPPORT GROUPS

A **"State Wide Support Group"** is defined loosely as a group of representatives from funding agencies and technical assistance providers that collaborate (even informally) at least annually on the financing programs they provide to water and wastewater systems within a given state.

NAME of STATE WIDE SUPPORT GROUP: _____

Contact Person: _____ Title/Position: _____
E-mail Address: _____ Phone Number: _____

Does this Group have a website designed exclusively for it that is not the domain of another public or non-profit agency?

- YES The Group's website address is: _____
 NO Please list any websites related to the work of the State Wide Support Group:

The mission and/or goal(s) of our State Wide Support Group is/are:

Participation in our State Wide Support Group is:

- Voluntary
 Required by state statute or rule
 Other (Please describe): _____

There is more than one State Wide Support Group which addresses financing programs for water/ wastewater systems in our state.

- NO
 YES I consider our Group to be the Primary Group: YES NO
Please list the name(s) of the other Group(s) _____

Our State Wide Support Group has regularly scheduled meetings. YES NO
The approximate number of times our Group (and any related sub-groups) meets in one year: _____

The approximate number of distinct water/ wastewater projects discussed by our Group **annually** is: _____

The following offices, agencies, and programs regularly send representatives to our State Wide Support Group meetings:
(Please check all that apply)

- Clean Water State Revolving Fund (SRF) program
- Drinking Water SRF program
- U.S. Department of Agriculture Rural Development (RD) program
- Community Development Block Grant (CDBG) program
- Rural Water Association
- Rural Community Assistance Program (Partnership)
- U.S. Department of Commerce Economic Development Administration
- Local agencies/ utilities: Please specify: _____
- Other(s): Please specify: _____

Please describe, in no more than three paragraphs, the major activities of this State Wide Support Group. Please list these activities from the Most Effective to those that are Not As Effective and note why the activity is effective or not as effective.

- 1
 - 2
 - 3
-

The following actions are being taken to strengthen our State Wide Support Group:

Additional things I/we would like to see done to strengthen our State Wide Support Group:

Person completing this survey **IF DIFFERENT** from the Contact Person listed on the first page:

Name: _____ Title/Position: _____
E-mail Address _____ Phone Number: _____

Contact Person Filling Out the Survey for Statewide Support Groups

<u>STATE</u>	<u>NAME</u>	<u>EMAIL</u>	<u>TELEPHONE</u>
ARIZONA	Melanie Ford	mford@azwifa.gov	602.364.1321
ARKANSAS	Dave Fenter	dave.fenter@arkansas.gov	501.682.0543
CALIFORNIA	Roma Cristia-Plant	rcristia@ibank.ca.gov	916.324.8942
COLORADO	Barry Cress	barry.cress@state.co.us	303.866.2352
DELAWARE	Grep Pope	Greg.Pope@state.de.us	302.739.9941
FLORIDA	Gary Williams	gary.williams@frwa.net	850.668.2746
GEORGIA	Stacey Isaac Berahzer	berahzer@unc.edu	770.509.3887
HAWAII	Robin Pulkkinen	robin.pulkkinen@hi.usda.gov	803.933.8317
IDAHO	Dennis Porter	dennis.porter@commerce.idaho.gov	208.334.2650 ext. 2145
ILLINOIS	Mike Wallace	michael.wallace@il.usda.gov	217.403.6209
INDIANA	Jaime Palmer	jlpalmer@iupui.edu	317.261.3046
	Completed by: Rochelle Owen	rochelle.owen@in.usda.gov	317.295.5767
IOWA	Dan Narber	dan.narber@iowa.gov	515.725.3072
KANSAS	Debbie Beck	dbeck@kansascommerce.com	785.296.3004
KENTUCKY	Jerry Wuetcher	jwuetcher@ky.gov	502.564.3940
	Completed by: John E. Covington, III	John.covington@ky.gov	502.573.0260
LOUISIANA	Jerry Lary	jlary@crg.org	318.466.9299

Contact Person Filling Out the Survey for Statewide Support Groups

MAINE	Normand R. Lamie, P.E.	norm.lamie@maine.gov	207.287.2647
MARYLAND	Elaine Dietz	edietz@mde.state.md.us	410.537.3908
MICHIGAN	Sonya Butler	butlers2@michigan.gov	517.373.2161
MINNESOTA	Jeff Freeman	jeff.freeman@state.mn.us	651.259.7465
MISSISSIPPI	Roger Gilbert	roger.gilbert@msdh.state.ms.us	601.576.7518
	Completed by: William Moody	william.moody@msdh.state.ms.us	601.576.7518
MISSOURI	Elizabeth Roberts	elizabeth.roberts@ded.mo.gov	573.751.3600
	Completed by: Traci Newberry	traci.newberry@dnr.mo.gov	573.526.0940
MONTANA	Kate Miller	kmiller@mt.gov	406.841.2597
	Completed by: Todd Teegarden	tteegarden@mt.gov	406.444.5324
NEBRASKA	Steve McNulty	steve.mcnulty@nebraska.gov	402.471.1006
NEVADA	Daralyn Dobson	ddobson@ndep.nv.gov	775.687.9489
NEW HAMPSHIRE	Gregg MacPherson	gregg.macpherson@nh.usda.gov	603.223.6035
	Completed by: Adam Torrey	Adam.torrey@des.nh.gov	603.271.2950
NEW JERSEY	Kenneth Drewes	Kenneth.Drewes@nj.usda.gov	856.787.7753
NEW YORK	James C. "J.C." Smith	JC.Smith@efc.ny.gov	607.776.4978
NORTH CAROLINA	Kim Colson	kim.colson@ncdenr.gov	919.707.9177
NORTH DAKOTA	Mark J. Wax	mark.wax@nd.usda.gov	701.530.2029
	Completed by: Rodney Beck, P.E.	rod.beck@usda.gov	701.530.2069
OHIO	Steve Grossman	steve@owda.org	614.466.0152
OKLAHOMA	James Gammill	jpgammill@okruralwater.org	405.672.8925
	Completed by: Charles de Coune	cjdecoune@owrb.ok.gov	405.530.8825

Contact Person Filling Out the Survey for Statewide Support Groups

OREGON	Sam Goldstein	sam.goldstein@or.usda.gov	503.414.3362
PENNSYLVANIA	Brion Johnson	bjohnson@pa.us	717.783.6798
RHODE ISLAND	Gary K. Chobanian, P.E.	Gary.Chobanian@health.ri.gov	401.222.7768
(new contact)	Carlene Newman	carlene.newman@health.ri.gov	401.222.3436
SOUTH CAROLINA	Bonnie Ammons	bammons@ria.sc.gov	803.737.0390
TEXAS	Stacy Barna	stacy.barna@twdb.state.tx.gov	512.463.7870
UTAH	Michael Grange	mgrange@utah.gov	801.536.0069
VERMONT	Winslow Ladue	winslow.ladue@state.vt.us	802.498.7374
VIRGINIA	Janice Stroud-Bickes	Janice.Stroud-Bickes@va.usda.gov	804.287.1615
WASHINGTON	Tracey Hunter	Thunter@erwow.org	360.462.9287
Completed by:	Tammie McClure	tammie.mcclure@ecy.wa.gov	360.407.6410
WEST VIRGINIA	James W. Ellars, P.E.	jellars@wwda.org	304.414.6501
WISCONSIN	Brian Deaner	Brian.Deaner@wi.usda.gov	715.345.7615 ext. 141



JOINT MEMORANDUM

April 3, 1997

SUBJECT: Cooperation and Coordination on Jointly Financed
Water and Wastewater Activities

TO: USDA Rural Development State Directors
EPA Regional Offices
State Revolving Fund Administrators
HUD Field Office CPD Directors
State CDBG Grantees

FROM: **WALLY BEYER** /S/ Wally Beyer
Administrator
USDA - Rural Utilities Service

ROBERT PERCIASEPE /S/ Bob Perciasepe
Assistant Administrator
Office of Water
U. S. Environmental Protection Agency

KENNETH C. WILLIAMS /S/ Kenneth C. Williams
Deputy Assistant Secretary for Grant Programs
Office of Community Planning and Development
U.S. Department of Housing and Urban Development

The U.S. Department of Agriculture's (USDA) Rural Utilities Service (RUS), the U.S. Environmental Protection Agency (EPA), and the U.S. Department of Housing and Urban Development (HUD) have financial assistance programs that assist all communities, including small and rural communities to meet their water and wastewater needs. Applicants for these funds have indicated that the process of jointly funding projects could be more efficient. The purpose of this joint memorandum is to foster cooperation among the various organizations that administer these programs at the Federal, State, and local level, that in turn will encourage more efficient use of funds and reduce administrative inefficiencies.

USDA - RURAL UTILITIES SERVICE
U.S. ENVIRONMENTAL PROTECTION AGENCY
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Washington, D.C.

The RUS Water and Waste (WW) loan and grant programs assist eligible applicants in rural areas and cities and towns of up to 10,000 people. Drinking water, sanitary sewer, solid waste disposal and storm drainage facilities may be financed with direct and guaranteed loans and grants. Applicants must be unable to finance their needs through their own resources or with credit from commercial sources. About \$1.2 billion is available for loans and grants during fiscal year 1997. The programs are administered by State and local USDA Rural Development offices.

The EPA makes annual capitalization grants to the States to be used for loans to municipalities under the Clean Water State Revolving Fund (CWSRF) loan program for various wastewater projects authorized by the Clean Water Act. The CWSRF program can be used for traditional wastewater projects, agricultural and urban runoff, storm water, combined sewer overflows, and estuary management programs. A Drinking Water State Revolving Fund (DWSRF) has been recently authorized by the Safe Drinking Water Act to promote safe and more affordable drinking water across the nation. In addition to providing loans for infrastructure, a State may provide additional loan subsidies (including forgiveness of principle) for drinking water projects. A State may also elect to use a portion of the funds for other eligible activities that emphasize preventing contamination of drinking water supplies through source water protection and enhanced water system management. State agencies can administer both SRF's in accordance with their own laws and in compliance with the Federal requirements. While certain Federal laws and regulations apply to loans made from the Federal funds, loans made from State match and loan repayments have less stringent Federal requirements. EPA's two SRF programs provide approximately \$1.8 billion of financial assistance primarily in the form of loans to municipalities annually.

HUD makes block grants to States under its Community Development Block Grant (CDBG) program for smaller communities (those not eligible to receive CDBG funds directly from HUD). Grants in both the HUD-administered and State CDBG programs are distributed to units of general local government (which are generally cities that have a population of less than 50,000 and counties with a population of less than 200,000) which implement the approved activities. The CDBG program is part of HUD's consolidated planning process, which includes funding for the CDBG, HOME, Emergency Shelter Grant Program, and the Housing Opportunity for Persons With AIDS Program, and provides a holistic way of looking at a State's community development and housing needs. In FY 1997, HUD will provide almost \$1.3 billion for non-entitlement communities. Water and wastewater projects as well as individual hook-up's, planning and technical assistance are eligible uses of CDBG funds as long as they meet a national objective (usually primarily benefiting low-and-moderate-income persons). In the latest year for which data is available, States made about \$317 million available for these activities.

The RUS, the EPA, and HUD support improved coordination and cooperation among their water and wastewater infrastructure financing programs at the Headquarters, Regional, and State levels. There are many opportunities to cooperate, both at the program and project levels, and we urge our field programs to make the best of them. Since the need for water and wastewater facilities in rural areas far exceed the financial resources available, it is important that each Agency cooperates in the effort to maximize the benefits achieved. This memorandum is an effort to publicize and formalize these efforts. Therefore, the RUS, the EPA, and HUD agree to:

1. Encourage administrators of the State CDBG programs, the State SRF programs and the USDA Rural Development State Directors to cooperate in preparing the consolidated, operating, intended use, and strategic plans that are required under the three Agency's programs. We should endeavor to incorporate portions of each Agency's plan to minimize duplication of planning efforts. Headquarters offices will publish information on enhanced coordination efforts that have already been undertaken in selected States to provide models or examples for other State programs.
2. Create an environment that encourages cooperation among program managers at the State level to remove as many barriers as possible in program regulations or policy. For example, coordination of funding cycles and selection systems on a State-by-State basis or sharing common information submitted with applications are areas where State SRF, State CDBG, and USDA Rural Development State officials could work together. Headquarters programs will provide case studies which may assist other State program officials in improving their coordination of funding cycles and selection systems.
3. Cooperate on the preparation of environmental review documents on jointly funded projects. The goal is to have one environmental document per project that meets all three Agency's requirements. Whenever possible the agencies involved in a project should jointly complete the environmental document under the leadership of a lead Agency. We have chosen not to prescribe a formula for choosing the leader, because we believe that is best left up to the parties involved at the State and local level. We recognize that the environmental responsibility for the State CDBG program is with the unit of general local government (UGLG) that is administering the project. The UGLG is permitted to accept another Agency's environmental assessment as the basis for making its certifications under §104(g) of the Housing and Community Development Act of 1974, as amended. Other options include adopting other Agency's environmental reviews when permissible under Agency regulations, jointly gathering data, and utilizing each other's data to reduce the number of separate documents needed.

4. Cooperate on meeting/complying with Federal "cross-cutter" requirements on jointly funded projects. Cross-cutting authorities are the requirements of Federal laws and authorities (e.g. executive orders) that apply by their own terms in Federal financial assistance programs. The goal is to have one Federal cross-cutting document package per project that meets all three Agency's requirements. Whenever possible the agencies involved in a jointly funded project should complete the cross-cutting document package under the leadership of the lead Agency.
5. Continue to work together to improve the effectiveness of each Agency's programs for the residents of Rural America.
6. Encourage State program officials of the State CDBG program, State SRF program, and the USDA Rural Development State Directors to meet on a regular basis to cooperate in determining what projects will receive funding awards, to the extent permitted by law.
7. Jointly fund projects when applicants meet the requirements of all programs involved. We recognize that joint funding is not the objective -- making the most efficient use of resources is. For example, it may be more efficient for one Agency to fund a specific project, which would allow another Agency to separately fund another project.

To provide the staff necessary to increase cooperation between HUD, EPA, and RUS, we are appointing the following headquarters staff to provide national leadership:

Laurence G. Bowman
 Rural Utilities Service
 Water and Waste
 Telephone: 202-720-9589
 FAX: 202-690-0649
 E-mail: lbowman@rurdev.usda.gov

Richard Kuhlman
 Environmental Protection Agency
 Office of Water
 Telephone: 202-260-7366
 FAX: 202-260-1827
 E-mail: kuhlman.richard@epamail.epa.gov

Stephen M. Rhodesside
 Housing and Urban Development
 Office of Community Planning and Development
 Telephone: 202-708-1322
 FAX: 202-708-3363
 E-mail: stephen_rhodesside@hud.gov

James W. Bourne
 Environmental Protection Agency
 Office of Water
 Telephone: 202-260-5557
 FAX: 202-260-4656
 E-mail: bourne.james@epamail.epa.gov

It is our intention that this group will meet as needed on an informal basis to foster continued and increased cooperation between and among agencies involved in the financing of water and wastewater facilities in rural areas. The group will be available to field staff for consultation and advice. In addition, the group will be responsible for evaluating suggestions that have the potential for increasing cooperation.

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