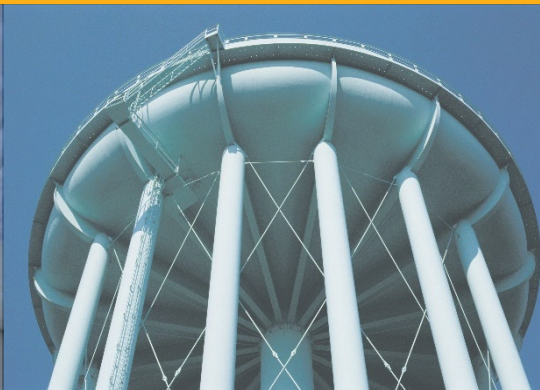




# Water System Partnerships

Getting Started Guide





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## Introduction

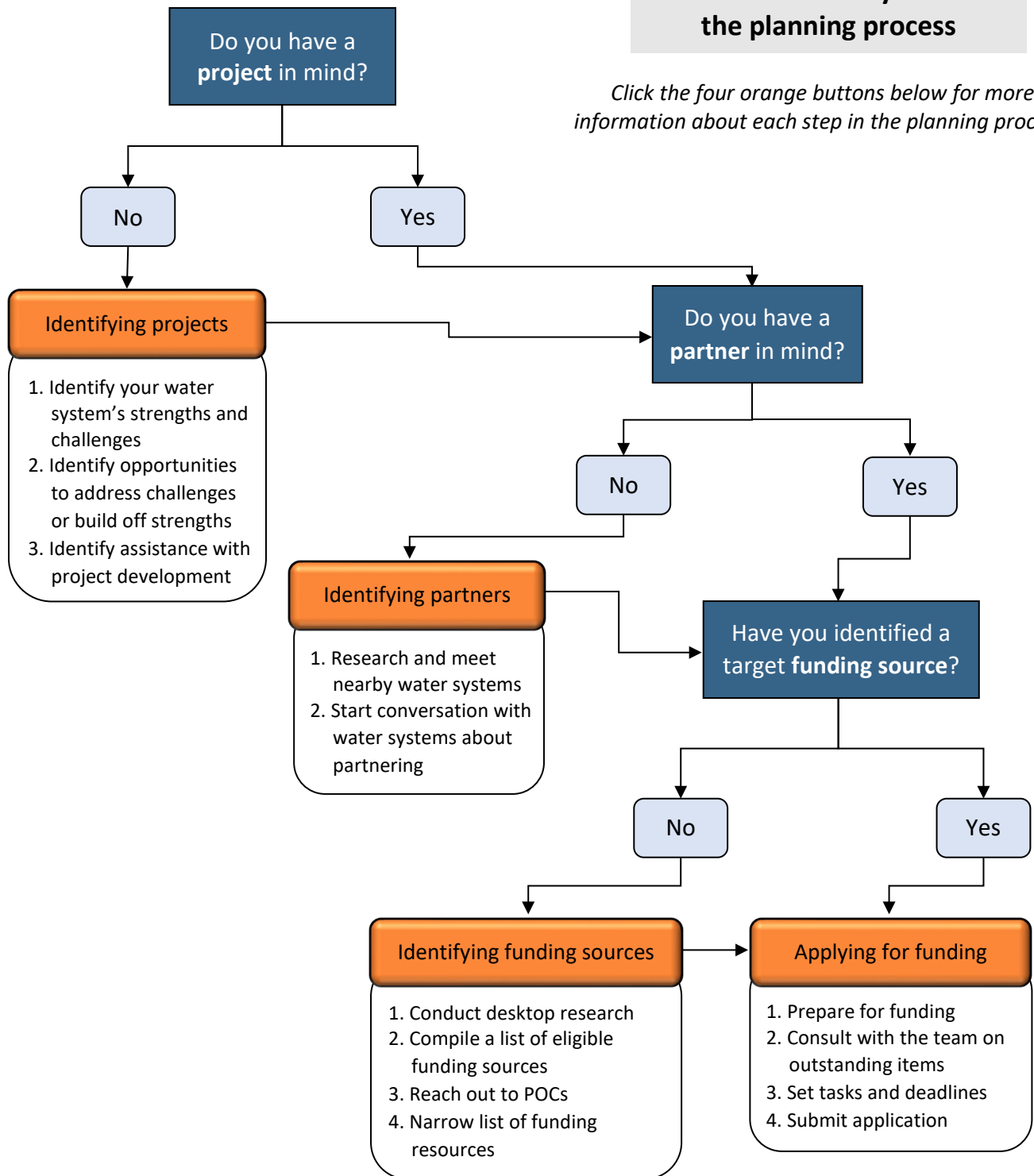
As a follow-up resource to EPA’s Water System Partnerships Workshop and as a companion to [Water System Partnerships Funding Resources](#), this document provides a general approach for water systems to assess their current stage in the water system partnerships planning process, understand their next steps, be prepared for funding, and learn how to apply for funding. The steps listed below are provided to help a water system get started in the planning process and are not all encompassing. Water systems may want to consider taking additional actions, before getting started, to gain a more complete understanding of their specific needs or regional issues that water system partnerships could help solve. These actions could include meeting with leaders at their water system to discuss their water system’s strengths and challenges, and meeting with neighboring water systems to compare strengths and challenges. Refer to [EPA’s Water System Partnerships Handbook](#) for more information on identifying problems and partners.

At any stage in the partnerships process, your state or local coordinators could be helpful resources. Reaching out to state or local regulatory drinking water program coordinators at this particular stage can be especially helpful to:

- Provide guidance on partnering
- Provide project support, including funding for technical assistance
- Be a neutral third party, helping to facilitate discussions and decision-making
- Help with planning and consideration of alternative options

**Determine where you are in the planning process**

Click the four orange buttons below for more information about each step in the planning process.

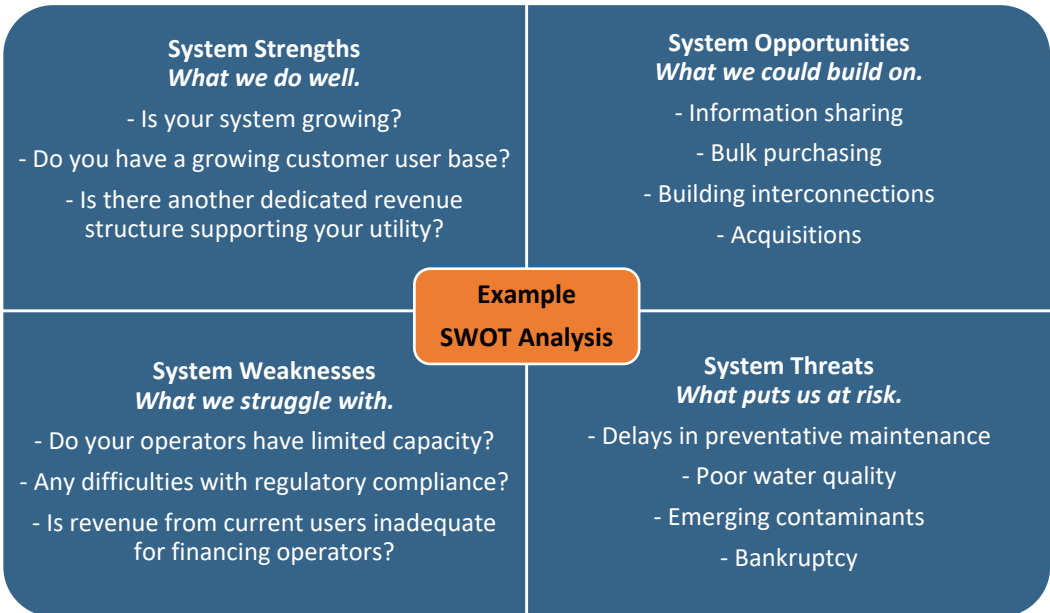


# Identifying Projects

An important first step to forming a successful water system partnership is identifying the appropriate project. If you’re interested in participating in a water system partnership, here are a few steps to help you identify a potential project.

**Step 1. Identify your water system’s strengths and challenges**

Understanding your water system’s strengths and weaknesses will help you identify partnership opportunities that best address your needs and provide value to potential partners. One way to assess your water system is to conduct a strengths, weaknesses, opportunities, and threats (SWOT) analysis of your water system. See the figure below for example questions to consider when determining your water systems strengths and weaknesses (left side). Then, depending on your answers, consider the example opportunities and threats listed on the right. Identify opportunities for each of your strengths, and threats for each of your weaknesses.



**Step 2. Identify opportunities to address challenges or build off strengths**

Water system partnerships can be generally categorized into four types: informal cooperation, contractual assistance, joint power agency, and ownership transfer. There are many different variations of each water system partnership type. Table 1 below provides four example water system partnership opportunities to demonstrate typical activities to address water system challenges. Keep in mind that the partnership type, and the particular variation of the partnership type, will likely affect the funding sources for which the project needs and is eligible.

Table 1. Example water system partnership opportunities.

Weakness(es) Addressed	Opportunity / Variation	Water System Partnership Type to Consider	Water System Partnership Steps to Consider
<ul style="list-style-type: none"> <li>Limited knowledge base</li> </ul>	Information sharing	Informal Cooperation	<ul style="list-style-type: none"> <li>Start an information sharing group</li> <li>Based on needs, organize events (e.g., trainings, workshops)</li> </ul>
<ul style="list-style-type: none"> <li>Limited operators</li> <li>Operators lacking certification</li> </ul>	Operator sharing	Contractual Assistance	<ul style="list-style-type: none"> <li>Meet with water system managers</li> <li>Coordinate with board members</li> <li>Develop contracts with help of legal assistance</li> </ul>
<ul style="list-style-type: none"> <li>Multiple water systems struggling with similar water quality problems</li> </ul>	Interconnection of multiple water systems	Joint Power Agency	<ul style="list-style-type: none"> <li>Consider need for creating a single entity to serve multiple water systems</li> </ul>
<ul style="list-style-type: none"> <li>System is unable to operate independently to provide safe drinking water</li> </ul>	Acquisition	Ownership Transfer	<ul style="list-style-type: none"> <li>If you're considering selling, consider stakeholders and public support</li> <li>If you're considering acquiring, consider the added responsibility of meeting the water systems demands</li> </ul>

### Step 3. Identify assistance with project development

Finding and building support is critical for a successful partnership. Third party technical assistance providers can provide support in a variety of ways, including conducting an analysis of strengths and weaknesses, identifying projects or alternatives, identifying or applying for funding sources, and even supporting water systems with managing funds once awarded.

If you need help at *any* step, even with basic planning, you can contact state or regional coordinators for assistance (e.g., [AWWA section](#), [RCAP regional office](#)).

There are also funding sources (e.g., DWSRF set-asides) that can be used to assist the water system with evaluating the problem, determining alternative solutions, and assisting with applying for funding. Investing time during the planning phase can be beneficial in the long-run to ensure the partnership is successful.

## Identifying Partners

Once you have a project in mind, you need to enlist the right partners. Note that the steps below may be addressed in a different order than that listed, depending on the water system’s existing relationships and needs.

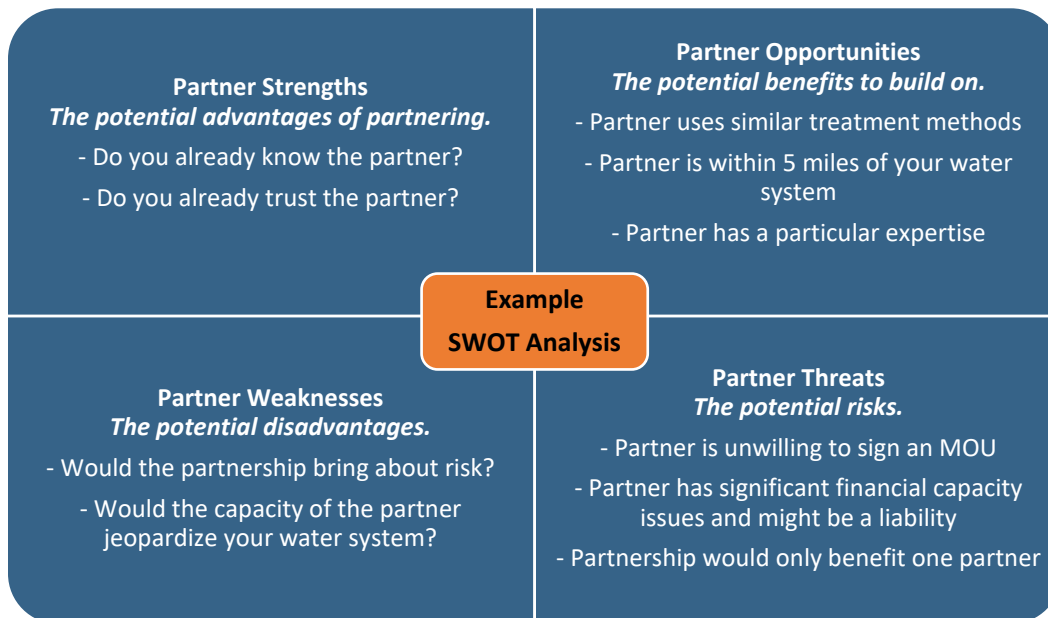


### Step 1. Research and meet nearby water systems

- Attend trainings, conferences, and workshops sponsored by local municipal water associations and by your state’s funding agency, join local organizations (e.g., NRWA, AWWA local chapter) to meet nearby water systems
- Consult with regional plans and the community to identify nearby water systems, particularly focusing on water systems within a 5-10 mile radius of your water system
- Consider the strengths and challenges of the nearby water systems and how they might be able to help you or how you might be able to help them

### Step 2. Start conversations with water systems about partnering

- Schedule an informal meeting with the water systems to begin discussions of water system strengths and challenges and how you might be able to help each other
- Complete a SWOT analysis for your potential partners





## Identifying Funding Sources

Funding sources may already have been obtained while completing the steps above, to support applicable project preparation. Once the project and partner(s) and applicable preparation have been solidified, the next step is to identify a potential funding source to support project implementation. When searching for funding sources, keep in mind that every source will have different limitations and legal implications. See the [Next Steps](#) section below for other items you will need to consider.

### *Step 1. Conduct desktop research*

- Visit the following sites to see a list of funding sources that may be applicable:
  - [EPA's Water System Partnerships Funding Resources](#)
  - [EPA's Water Finance Clearinghouse](#)
  - [Environmental Finance Center Network's Funding Sources by State or Territory map](#)
- Search using keywords to identify applicable funds.
  - General keywords may include: funding, financing, water system, support, grant, or loan.
  - Project-specific keywords may include: design, planning, compliance, rural, operator services, or merger.
  - Regional- or county-level specific keywords may include: northeast, southeast, southwest, northwest, homeowners association, or community development.



### *Step 2. Compile a list of eligible funding sources*

- Cross-check your project against the funding source's eligibility requirements.
- Determine which sources of funding can help with technical assistance to get your project ready for funding.

### *Step 3. Reach out to points of contact*

- As you compile your list, identify the points of contact (POC) on the funding resources' webpages.
- Contact the funding resource's POC to discuss your potential application, learn schedules to be mindful of, ask any questions, and express your enthusiasm and any urgency for the project.

### *Step 4. Narrow list of funding resources*

- Visit the funding resource's webpage to find "how to apply" to understand the scope of the application and your ability to apply.
- Narrow the list of funding resources to those you can feasibly apply to considering available resources and your project schedule.
- Some states have a single application, or single office, that reviews applications and will help select which funding program is best for your project.
- See if your state has a funding coordination group that can help you narrow down funding options.

**Reminder!** At any point, reach out to your state water program, a technical assistance provider, USDA field office, state funding coordination group, or others to help identify funding mechanisms for infrastructure projects or technical assistance.

For more information about state groups that support water infrastructure funding and technical assistance, visit the [Small Community Water Infrastructure Exchange's survey information](#).

## Applying for Funding

Once the funding source(s) have been identified, the next step is to apply.

### *Step 1. Prepare for funding*

There are a variety of steps to ensure you are ready to apply for funding and the specifics will depend on the type of project and the funding source, but typical activities include:

Typical Activities to Prepare for Funding	Notes
Ensure your financials are in order	<p>A few helpful resources to get started:</p> <ul style="list-style-type: none"> <li>• Rural Community Assistance Corporation’s 2006 <a href="#">Financial Planning: A Guide for Water and Wastewater Systems</a></li> <li>• EPA’s 2006 <a href="#">Setting Small Drinking Water System Rates for a Sustainable Future</a></li> <li>• Organization for Economic Cooperation and Development’s 2009 <a href="#">Strategic Financial Planning for Water Supply and Sanitation</a></li> </ul>
Evaluate all project options/alternatives	<ul style="list-style-type: none"> <li>• Contact your state agency point of contact to see if they can help you or refer to other points of contact.</li> <li>• Reach out to local or state planning organizations.</li> <li>• Note, some funding programs can be used to assist water systems in evaluating project options/alternatives.</li> </ul>
Build or consult any regional/community plans or business plans/action plans	<ul style="list-style-type: none"> <li>• Business plans are essential for planning purposes. Plans should provide details about the partnership including the organization structure, financial information, managerial operations, etc.</li> <li>• EPA’s <a href="#">Water System Partnership Workshop</a> includes a Module worksheet to help a system complete their own Action Plan.</li> </ul>
Pull together all engineering and design specifications	<ul style="list-style-type: none"> <li>• There may be available funding programs that will cover the cost to develop these.</li> <li>• These specifications should be handy throughout the process.</li> </ul>
Refer to state/local regulations, as well as federal requirements	<ul style="list-style-type: none"> <li>• This depends on the funding source.</li> <li>• This is to ensure the systems involved are following all legal requirements and to reduce complications further in the process.</li> </ul>
Identify and address other pre-requisites needed for funding program(s) selected	<ul style="list-style-type: none"> <li>• In some cases, an environmental review is needed.</li> <li>• Consult other team members to ensure all pre-requisites are met for the funding source.</li> <li>• Create a plan to address outstanding pre-requisites and assign it to a team member.</li> </ul>

### *Step 2. Consult with the team on outstanding items*

- Your team will likely include others at your water system and/or potential project champions, allies, stakeholders, and state technical assistance providers.
  - Consult with the team on the items that need to be address under Step 1 above.

### *Step 3. Set tasks and deadlines*

- Develop a timeline and delegate tasks to complete the funding application.
- Consider using free resources (e.g., Environmental Finance Centers, Rural Community Assistance Partnership Network, and DWSRF Program assistance) to help with grant writing or other parts of the funding application.
- Ensure application fully addresses each award criteria.

### *Step 4. Submit application*

- Consider more than one funding resource and submit in multiple funding cycles if needed.
- Obtain receipt or confirmation that the application has been received.
- Contact any stakeholders and/or team members who worked on the application to schedule a debrief meeting.

## Next Steps

After applying for funding, pay close attention to any expected timelines and follow-up procedures or requests. Once you receive a notification of approval, make sure to notify the project team and schedule a kickoff call.

Before you get started, your team will need to develop a plan for managing the funds that makes sure you are in compliance with any limitations of use, reporting requirements, or other stipulations of the funding. It is important to ensure proper management of the awarded funds. Every funding program will have specific requirements for how you and your funders go about managing the funds. For example, funders might distribute funds as reimbursements as opposed to up front allotments. Funders might also schedule check-ins to ensure compliance with grant or loan terms and applicable laws, to check on project progress, and to ensure success of the project. Proper reporting of the project as it progresses is another important element of fund management. This is required for most funding sources and the funder will likely require you to report specific elements through your scheduled period and retain records for a certain period of time after a project is completed. Review the funding terms and conditions for more specifics and consider acquiring contracting expertise if you need assistance at this stage.

**Congratulations! You are on your way to implementing water system partnership activities and improving technical, managerial, and financial (TMF) capacity in your community.**