Mutual Aid

Communities Work To Help Each Other

It is one of the most beautiful compensations of life, that no man can sincerely try to help another without helping himself.

Ralph Waldo Emerson

By Mark Kemp-Rye
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The Rural Community Assistance Corporation (RCAC) defines mutual aid as “a concept based on the idea of communities helping each other in times of need. Mutual aid occurs when two or more communities make a decision to share resources without giving up their individual identities.”

These arrangements span from highly structured to those with no apparent structure at all. They can involve paperwork and documentation or can be as simple as “Hey, can we borrow your backhoe to dig a trench?” The most dramatic examples are, of course, when one community helps another after a natural disaster.

At their heart, mutual aid agreements seek to achieve results through cooperation and to avoid unnecessary duplication. Community leaders find that mutual aid is not only good for relations with neighboring communities but usually results in significant cost savings as well.
Although the ways that communities could collaborate and share are probably infinite, we’ll focus here on three general areas: sharing resources, sharing personnel, and sharing management.

**Mutual Aid is Sharing Resources**

Water systems have many of the same needs. One of the most obvious of these is supplies, and the cost of these supplies is often cheaper if purchased in bulk. Several communities going together to purchase certain items—chlorine, for example—can realize significant savings by purchasing large amounts and splitting the cost in some equitable manner (e.g., by the amount each uses).

The Red Rock, Minnesota, Rural Water System, which serves 800 customers in seven small towns, has found a unique way to meet another obvious need: equipment. John Baerg, Red Rock board member and Minnesota representative to the National Rural Water Association, reports that the water system shares equipment with the local electric cooperative. “We share an excavator, tools, and other small equipment,” he says. “Eventually, we hope to be able to share ‘on call’ people, too, so that fewer people would have to be available on weekends. We think that would be a good way to expand this idea.”

Elsewhere in the Midwest—in Jackson County, Kansas—a joint arrangement was forged to build a membrane filtration treatment plant. The city of Holton and Rural Water District #3 formed a public wholesale water district to make the plant a reality. Ordinarily, this technology might be out of financial reach of a rural community, but the combined arrangement allowed Jackson County to pursue this option.

“Construction on the new, two-million-gallons-a-day water treatment plant started in 2001 and the district began selling water in August of 2002,” says Brad Mears, Holton city administrator. “Project financing included assistance from the USDA Rural Development program with a combination of a loan and grant. The treatment process includes Claricones and the Koch Membrane System. The water district contracts with Holton for the operation of the facility. After a few glitches along the way, the plant is now operating at full capacity, providing water to both the city and the rural water district.”

Other mutual aid networks have found it useful to develop a master resource list, which itemizes the various equipment, supplies, and personnel (including areas of expertise) available in the participating communities. When items are used, the borrowing system reimburses that lending system for the materials or equipment employed.

With rising costs being an ever-present concern, mutual aid is a logical idea for small communities. “We have to do more of this type of arrangement,” says Baerg. “With the cost of equipment often being several thousands of dollars, it just makes sense.”

**Mutual Aid Is Sharing Personnel**

In the western-most part of Maryland, the Garrett County Sanitary District (GCSD) operates 10 small community drinking water and wastewater plants. By pooling the resources of several plants, the district is able to provide extra assistance and expertise than might normally be found in a small system.

“Each plant has its own certified operator,” says Dale Baker, laboratory director with the GCSD. “There’s really no getting around that. But we have one maintenance crew that travels from plant to plant and one lab that does testing for all the plants.” If an operator needs an electrician, for example, or a back-up operator so that he or she can take a vacation or attend training sessions, the GCSD provides it.

Without the maintenance crew and lab, each individual town would have its own staff, equipment, and facilities. Combining resources is a convenient way to keep operating costs...
down, and it also allows the district to set water rates for all systems under GCSD authority, thereby spreading the costs over a larger population. Baker says this arrangement “works very well and saves a bundle.”

**Mutual Aid Is Sharing Management**

One of the more effective ways that small systems can save money is through shared management. This is a more complicated endeavor than borrowing a piece of equipment, but the payoffs can be significant.

Single-tariff pricing is one specific example of a shared management practice. Although a number of calculations are required to determine rate structures, the central premise of single-price tariffs is that by distributing costs across several systems, the overall cost for water users can be held down. Because they can take advantage of economies of scale not available to them individually, the idea of grouping together is particularly appealing to small systems.

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**Forming a Mutual Aid Network**

According to the Rural Community Assistance Corporation (RCAC—the Western Rural Community Assistance Program), there are eight steps involved in setting up a mutual aid network. These steps are:

1. Identify a leader,
2. Identify and recruit key people and supporters,
3. Contact an established mutual aid, civic, or nonprofit group,
4. Schedule the first meeting,
5. Select a facilitator,
6. Hold the first meeting,
7. Hold the second meeting, and
8. Officially form the organization.

Before starting on these eight steps, RCAC recommends that interested community members complete the following background work: identify potential team members, conduct a needs assessment, determine the willingness of the communities to undertake such an endeavor, and survey the available resources.
The Pennichuck, New Hampshire Water Works, Inc., operates 11 small water plants. Without rate consolidation through a single-priced tariff, customers in the smallest systems would face an annual water bill of nearly $1,200. (See Figure 1 on this page.) The New Hampshire Public Utilities Commission decided that adopting a single tariff had many benefits. “We do not believe it would be in the public interest to impose annual rates in the range of $800 to $1200, as would be the case here when a reasonable alternative is available,” the commission wrote in Order in Docket DR 97-058. “By consolidating the community systems with the core system their bill for ratemaking purposes, all customers would face a uniform tariff. For the average residential customer in the core system would increase less than one dollar per month, for a total of $8 per year, under the rate consolidation proposal which, in light of the alternative, we find to be acceptable. We consider a single tariff rate of approximately $253 per year for the core residential customer to be just and reasonable. A consolidated rate will ensure affordability and the continued viability of many of Pennichuck’s community systems. It will also enable Pennichuck to operate in a more administratively efficient manner by eliminating separate general ledgers for each system, thereby reducing administrative costs.”

Residents of the larger systems within Pennichuck Water Works saw an increase in their rates with this consolidation. It was, as the example shows, only $8 per year, while saving for customers in the smaller systems was upward of several hundred dollars a year.

Another management issue confronting small systems these days are the consumer confidence reports (CCRs). (See the Summer 1999 On Tap for an in-depth look at CCRs.) Mandated under the amendments to the Safe Drinking Water Act of 1996, these reports are required of all community water systems that have at least 15 service connections or that regularly serve at least 25 year-round residents. Back in Garrett County, Maryland, the GCSD has eliminated many headaches at individual plants by completing CCRs centrally for its 10 systems.

As with CCRs, small systems can benefit from central management of many routine tasks, such as bookkeeping, billing, and reporting to state and federal governments.

Mutual Aid Makes Sense for the Future

Forming a mutual aid network—be it a simple one to share resources or a more complicated one involving system consolidation—entails a certain amount of work. But, for many communities, it makes sense, and the benefits (especially the financial benefits) that can be derived often make it worth the effort.

As RCAC notes, increased federal and state environmental regulations will mean that “small communities have many new requirements to meet and additional costs to bear. Not only must they understand and meet the new requirements, they must keep consumer rates from dramatic increases.” Given these realities, the efficient use of dwindling resources becomes paramount for these communities. Mutual aid is one alternative for small systems to help keep their costs down.

This article originally appeared in the summer 1999 issue of Water Sense. Published by the National Drinking Water Clearinghouse between 1994 and 2000, Water Sense was a newsletter devoted to water system financial and management issues. Copies of the newsletter are available on the NDWC Web site at www.ndwc.wvu.edu.

![Figure 1 - Stand-Alone and Consolidated Rates for Pennichuck Water, New Hampshire](image)

Source: New Hampshire Public Utilities Commission