

## Levels of Sharing

**Informal Cooperation** – Informal cooperation can involve two or more entities working together in a mutual aid arrangement, without contractual obligations. By sharing equipment, bulk supply purchases, backup operation and maintenance personnel, sampling and testing services, billing services, or similar items or services, the cooperating communities can reduce some of their individual expenses without the need for a formal agreement.

**Contractual Assistance** – Contractual assistance can be provided in various forms. An entity or group of entities can contract with a third party entity to provide bookkeeping services, operation and maintenance services, management, engineering, or other services. This type of contract is under each individual system's control, and does not necessarily involve cooperation between two systems. Alternatively, the contractual assistance can be between service suppliers. In this case, an entity could enter into one or more contracts with other similar entities for the provision of services and/or the purchasing of supplies and equipment.

**Agreement between Organizations** – Agreements between organizations, involve the creation of a new entity by several existing entities but allows each system to continue to exist as independent entities. This will most likely be in the form of a Joint Powers Agreement that can form a Joint Powers Authority (JPA). The JPA would provide one or more services for all participating entities; however the remaining services of each entity remain the responsibility of the individual system. For example, the JPA may provide shared system management structure, while each participating entity continues to operate its own system.

**Ownership Transfer (Full Consolidation)** – Ownership transfer involves full consolidation of two or more systems into one existing or newly created system. This solution also has various options, including: acquisition and physical interconnection between the systems; or acquisition and satellite management (no physical interconnection).

## Types of Consolidation

**Managerial Consolidation** – The participating entities merge their customer accounts, integrate their billing system, and bank accounts. Eliminate redundancy of multiple professional contracts, i.e., engineers, accountants, bookkeepers, attorneys, etc. If the utilities involved are managed by board members, this option gives the participating entities the ability to identify a primary and an alternate to represent them on the regional entity board/council. *(Level of Sharing: Contractual Assistance or Agreement between Organizations)*

**Operational Consolidation** – Systems integrate their operations but remain autonomous. This option helps utilities to increase their operating capacity, provide a reliable service and establish redundancy through standardizing equipment, operating standards, etc. creating resiliency. In some cases, utilities interconnect with each other but do not commingle their water. The systems interconnect strictly for the purpose of back up in the event of an emergency. They do however, share equipment, chemicals, parts, etc. *(Level of Sharing: Contractual Assistance or Agreement between Organizations)*

**Full Consolidation** – This option integrates assets, liabilities, personnel and all aspects of the participating entities into either an existing or newly formed entity. The founding entities have as the ultimate goal their complete and absolute dissolution as a result of a full integration into an umbrella entity. This is the highest level of regionalization, consolidation and collaboration. In this case, everything becomes one unit. *(Level of Sharing: Ownership Transfer)*

**Physical Consolidation** – In this option the systems are connected pipe to pipe. This can be done to establish better fire protection, better coverage, extending lines to underserved areas and to abandon surplus infrastructure. It can mean developing a new water source together or can simply be done to sell water to each other. *(Level of Sharing: Contractual Assistance or Ownership Transfer)*