

## Case Study 5: Providing Water and/or Wastewater Services for Small Communities

### Community 005 and Regional Water System C

**Issue:** Regional Water System C had about 2,200 taps or customers. The system was a distribution system only, purchasing bulk water from Community 005 and redistributing that water to its customers. It was faced with the retirement of its manager. In addition, the system was landlocked and had no potential for growth. Costly legal battles from annexation and territorial disputes with surrounding communities had consumed the system for many years. The board of directors decided to seek alternative management solutions that would continue to provide water service to its rural customers but reduce its overall costs. Community 005 was a large regional water supplier serving more than 300,000 customers.

**Solution:** Regional Water System C determined the best course of action was to pursue a contract management for the short term while exploring the option of a complete sale to another public water supplier. Upon the retirement of its manager, the system signed a contract with Community 005 to provide management services. The board of directors of Regional Water System C also issued a request for proposals from Community 005 and other public water suppliers to purchase the system outright.

**Benefits:** The management contract with Community 005 provided time for Regional Water System C to solicit offers to buy the system and its customer base. The system intends to sell its assets, thereby reducing the cost of receiving water service for its current customers.