



Duck River Watershed Planning Partnership

Regionalization Opportunities Assessment Introduction and Approach

May 4th, 2026

Henry Horton State Park

WHO WE ARE

- 501(c)(3) nonprofit - Technical Assistance (TA) Provider
- Assist utility systems in:
 - Identifying infrastructure needs
 - Addressing noncompliance
 - Evaluating affordability & rate impacts
 - Developing financial strategy
 - Pursuing funding programs
 - Neutral third-party facilitator of regionalization strategies
- Funder and Financier
 - Pre-development Fund
 - Credit Enhancement Program
 - Coordinating investment vehicles



OUR WORK IN TENNESSEE

EPA Region 4 Environmental Finance Center

- No-cost technical assistance to small and disadvantaged communities to prepare for and access the State Revolving Fund (SRF) program.

Tennessee Board of Utility Regulation

- Supporting communities in addressing administrative compliance orders including:
 - Rate studies
 - Merger feasibility studies (Regionalization Opportunities Assessments)

Financing Tools

- Pre-Development/Bridge financing to cash flow projects

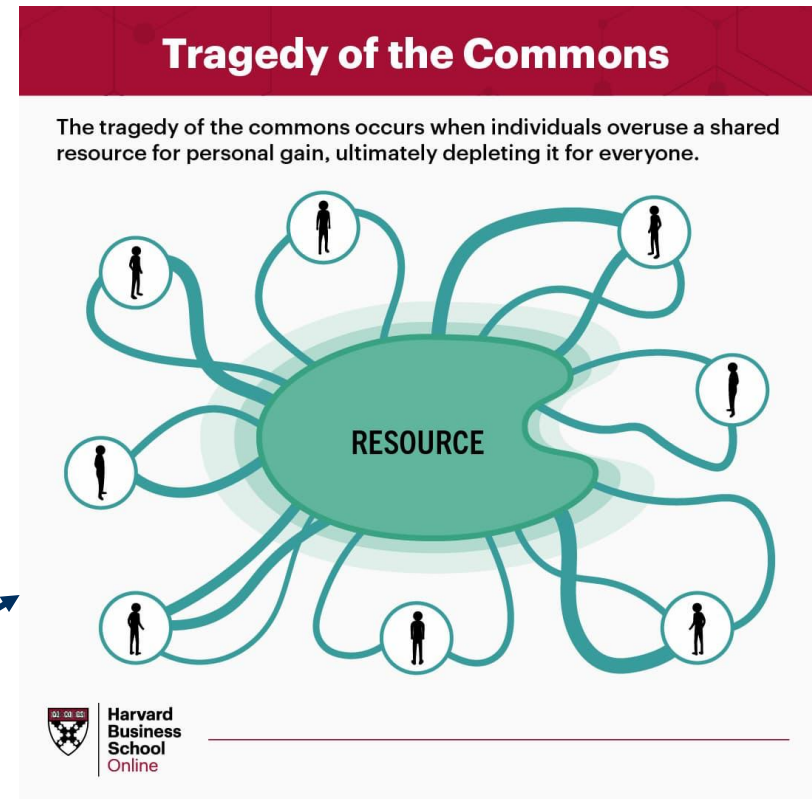
UTILITY REGIONALIZATION

What is Regionalization?

- “Collaborations or partnerships among geographically proximate local water systems”¹

Potential Benefits of Voluntary Regionalization

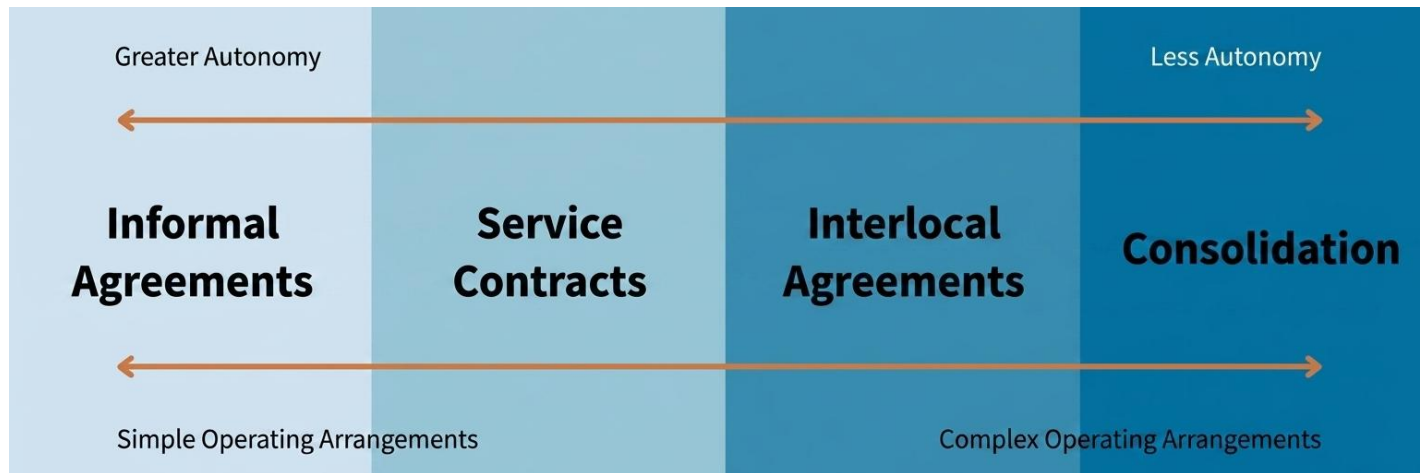
- Improved efficiency through economies of scale
 - Infrastructure
 - Management
- Greater financial capacity
 - Aggregating/Scaling capital investments
 - Revenue diversification
 - Credit worthiness
- Improved resource management
 - Prioritizing capital investments
 - Planning around aggregate demand



¹ Brookings Institute: <https://www.brookings.edu/articles/rethinking-regionalization-water-utilities-as-economic-development-partners/>

TYPES OF REGIONALIZATION

- Hydraulic interconnection and wholesale purchase agreements
- Decentralized management
- Shared/Contract operations
- Shared/Contract administration, billing, customer service
- Mutual aid agreements
- Full consolidation



Adapted from the River Network: <https://www.rivernetwork.org/state-policy-hub/drinking-water/regionalization-and-consolidation/>

REGIONALIZATION ALREADY HAPPENING IN THE **DUCK RIVER**

In the Duck River

Duck River Utility Commission

Wholesale producer sells water serving 7 utilities and approximately 70,000 people

Shelbyville Water System & Flat Creek

Decentralized infrastructure, centralized management

Duck River Agency

Cooperative funding and planning for water resources management



Duck River Utility Commission, <https://druc.org/>



REGIONALIZATION - OPPORTUNITIES

Opportunities

- Optimizing efficiency of water use for **250,000+ customers**
 - Evaluating and remediating water loss
 - Coordination on distribution, imports, and exports
- Joint capital project planning and distributed costs
- Developing redundancies for supply resilience



EPA PWS boundary map; Polygons based on modeled boundaries

REGIONALIZATION - BARRIERS

Barriers

- Real or perceived loss of local control
 - Rate decisions
 - Representation
- Municipal budget impacts
- Rate harmonization
- Compliance and liability
- Capital requirements for systems with chronic underinvestment



EPA PWS boundary map; Polygons based on modeled boundaries

OUR APPROACH

Evaluate utility regionalization opportunities for systems in the watershed to identify strategies that can improve efficiency and cost-effectiveness to ensure sustainable Duck River watershed management.

The assessment will include:

- Inventory of existing assets, capital planning, hydraulic interconnections
- Compliance Summaries (Environmental and Administrative)
- Regional Governance and Organizational Alternatives
- Legal and Regulatory Review
- Funding, Financial Strategy and Cost Allocation
- Case Studies of Other State Approaches

OUR APPROACH - GUIDING QUESTIONS

Inventory of assets, capital planning, hydraulic interconnections

- What assets are near the end of their useful life, and where can capital improvements contribute to resource efficiency through regionalization?
- Where do water imports and exports already exist under current hydraulic interconnections and wholesale?

Compliance Summaries

- What, if any, are common trends and challenges in regulatory compliance and where might regionalization strategies contribute to improved utility compliance?
- Where do existing compliance challenges pose barriers to regionalization strategies that may benefit watershed management?

OUR APPROACH - GUIDING QUESTIONS

Regional Governance and Organizational Alternatives

- What regionalization and governance models are most feasible and how might they be deployed?

Legal and Regulatory Review

- What are the legal and/or regulatory barriers to executing proposed regionalization strategies, and how might they be addressed?

Funding, Financial Strategy, and Cost Allocation

- What is the financial position of utilities in the watershed today?
- How do the selected regionalization and governance models affect financial capacity, capital planning, and ratepayers?

OUR **TIMELINE**

1. Data Collection

- a) Asset Management Plans, Capital Improvement Plans, Compliance Histories, Financials
- b) Interviews with systems and stakeholders

2. Development of Feasible Alternatives for Detailed Analysis

- a) Regionalization and governance models, with associated financial, regulatory, and legal analysis

3. Preparation of Final Report

- a) August 2026

4. Availability for Additional Consultation

- a) Through December 2026

QUESTIONS?

Come talk to me about your ideas on regionalization!

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