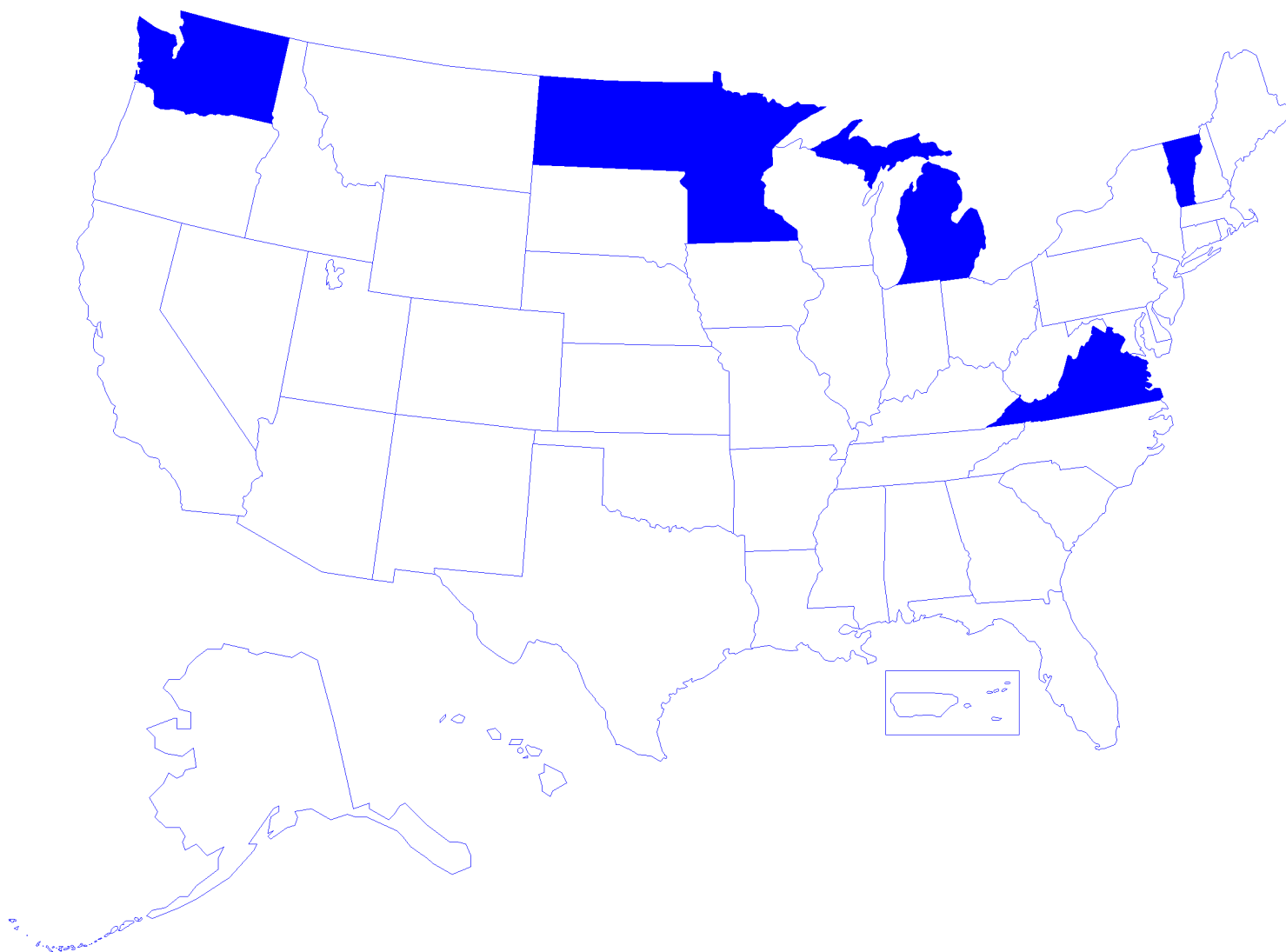




The Drinking Water State Revolving Fund Program

Case Studies in Implementation I. Public Participation



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Public participation is that part of the decision-making process through which responsible officials become aware of public attitudes by providing ample opportunity for interested and affected parties to communicate their views. Public participation includes providing access to the decision-making process, seeking input from and conducting dialogue with the public, assimilating public viewpoints and preferences, and demonstrating that those viewpoints and preferences have been considered by the decision-making official. (40 CFR 25.3)

“We believe putting information into the hands of the American people is one of the best ways to protect public health and the environment. Give people the facts and they can make intelligent, informed decisions about how to protect themselves, their families, and their communities.”

— EPA Administrator Carol Browner

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I. Introduction

One goal of the 1996 Safe Drinking Water Act (SDWA) Amendments is to provide better information to the general public on the quality of drinking water. The Amendments emphasize public participation and consumer right-to-know to ensure that states' choices concerning drinking water program implementation are responsive to public need. Several provisions of the SDWA Amendments specify that the public is to be provided with data and analyses or given the opportunity to review and comment on drinking water program implementation, regulations, strategies, and procedures.

One such requirement appears in SDWA §1452 concerning Revolving Loan Funds for drinking water infrastructure projects. As part of the annual Drinking Water State Revolving Fund (DWSRF¹) capitalization grant application, a state must prepare an Intended Use Plan (IUP). The IUP provides information on a state's DWSRF program and describes how it intends to use DWSRF funds to meet the objectives of the Act and further its public health protection goals. SDWA §1452(b) requires a state to provide for public review and comment on its IUP. EPA's Final DWSRF Program Guidelines [EPA 816-R-97-005] require a state to seek "meaningful public review and comment on its funding decisions in the IUP." A state must also describe the public review and comment procedures and explain how major comments and concerns were addressed. The IUP may be amended throughout the year in accordance with provisions established in the IUP, provided that any changes go through a public review process. EPA hopes that this provision will work in concert with the public involvement requirements for other provisions of the SDWA Amendments to increase public awareness and enhance public health.

There are no specific requirements in the Final DWSRF Guidelines regarding what constitutes "meaningful public review" of the IUP. As a guide, states should consider the objectives set forth in 40 CFR 25.3(c), which address public participation for programs under the Resource Conservation and Recovery Act, the Clean Water Act, and the SDWA. The seven objectives are:

1. To assure that the public has the opportunity to understand official programs and proposed actions, and that the government fully considers the public's concerns;
2. To assure that the government does not make any significant decision on any activity covered by this part without consulting interested and affected segments of the public;
3. To assure that government action is as responsive as possible to public concerns;
4. To encourage public involvement in implementing environmental laws;
5. To keep the public informed about significant issues and proposed project or program changes as they arise;
6. To foster a spirit of openness and mutual trust among EPA, states, substate agencies and the public; and
7. To use all feasible means to create opportunities for public participation, and to stimulate and support participation.



Due to the variation among states in resources and in social and political climates, no single approach will work under all conditions. Therefore, any state process that solicits input from a variety of inter-

ested parties, allows adequate time for the public to comment, and allows time for the state to address major comments meets SDWA's public participation requirements for the IUP. Public meetings are encouraged as one method for soliciting input, but are not required. At a minimum, states should make an effort to include interested parties, such as environmental and public health groups, that extend beyond those on existing mailing lists when seeking meaningful public review.

This paper is intended to serve as a tool for states in identifying new approaches to meet the public involvement requirements for the DWSRF program. It highlights the approaches that six states² (Michigan, Minnesota, North Dakota, Vermont, Virginia, and Washington) have used to obtain input from the public in the development and review of their IUPs and provides examples of additional roles for the public, such as the development of and revisions to state DWSRF programs, which includes decisions regarding the use of set-asides. Each state summary identifies some of the marketing tools and tech-

niques used to spread awareness of and solicit participation in the state's program. Appendix A presents examples of states' meeting notices, documentation of comments, and responses to comments prepared to satisfy EPA's Final DWSRF Guidelines. The appendix also presents newsletters and other solicitation materials which, while not required by the final guidelines, were developed by some states.³

End Notes

¹For consistency, the acronym DWSRF is used throughout the paper even though some states use another acronym to refer to their program.

²The states reviewed in this report were selected based on recommendations from EPA Regional DWSRF Coordinators.

³Please note that these are selected examples only and they do not represent all of the materials developed by the states discussed in this report.



II. State Summaries

Michigan

Michigan's Drinking Water Revolving Fund is jointly administered by the Michigan Department of Environmental Quality (DEQ) and the Michigan Municipal Bond Authority (MMBA). Two DEQ divisions (the Environmental Assistance Division [EAD] and the Drinking Water and Radiological Protection Division [DWRPD]) are responsible for program administration, including development of the IUP. The DWRPD is responsible for performing the technical review of project plans and specifications, assessing the cost-effectiveness of the proposed project, issuing permits, and managing set-aside funds. In addition, the DWRPD computes project priority points to enable the EAD (specifically, the Municipal Facilities Section) to prepare the project priority list (PPL) and IUP. The processing of loans and distribution of funds from the DWSRF to qualified water suppliers is directed by MMBA.

How Does Michigan Involve the Public?

During the first year of its program, Michigan DEQ established a stakeholders group to provide input on its DWSRF program including the use of set-asides. The group included representatives from the Michigan Section of the American Water Works Association (AWWA), the Consulting Engineers Council, the Michigan Municipal League (which represents some 500 cities and villages accounting for more than 98 percent of Michigan's urban population), the Michigan Rural Water Association, and state environmental groups. In addition to providing input to DEQ and MMBA on the program, the stakeholders group members contributed to the publicity of the DWSRF program through their respective newsletters and through the pooling of their mailing lists to create a comprehensive master list for the program. DWRPD is required by statute to "annually invite stakeholders including, but not limited to, representatives of water utilities, local units of government, agricultural interests, industry, public health organiza-

tions, medical, environmental, and consumer organizations, and drinking water consumers who are not affiliated with any of the other represented interests, to one or more public meetings to provide recommendations for the development of the annual intended use plan as it relates to the set-asides allowed under the federal safe drinking water act." [Part 54, 324.5417(1)]

To introduce the DWSRF program to the general public, DEQ conducted a series of informational workshops in Marquette, Gaylord, Grand Rapids, and Detroit. The workshops, attended by approximately 400 people, were designed to solicit participation in the DWSRF program and to educate people about its requirements. Notice for the workshops appeared in the *Loan Arranger*, Michigan Water Works News (a quarterly publication of the Michigan Section of the AWWA), and major newspapers around the state.

To ensure that each project applicant provides proper notice of the proposed project to the affected community, Michigan state law (part 54, 1994 PA 451) requires each utility to solicit and respond to local public comment prior to applying for funding. (*Loan Arranger*, Winter 1998)

Following development of the PPL and draft IUP, a public hearing was convened. Announcements of public hearings were sent to each utility and published in newspapers throughout the state 30 days in advance. Notice of the August 1998 public hearing for the FY 1999 grant application appeared in three newspapers, the *Detroit Legal News*, the *Lansing State Journal*, and the *Marquette Mining Journal*. Information about the DWSRF program, application deadlines, and public hearing notification also appeared in stakeholder publications such as Michigan's AWWA section newsletter, *Michigan Water Works News*.



Program development is ongoing in Michigan. After the program's first funding cycle, staff from MFS and DWRPD met to examine the success of the DWSRF and to discuss possible improvements to its operation, inter-divisional communication, and customer relations. The meeting provided an opportunity for participants to discuss program communication, scheduling, and reporting. A small group format was used to brainstorm ideas on how to improve communication on project plan reviews, the process for reviewing plans and specifications, the coordination of scheduled milestones, and how to refine the PPL to make it more user-friendly. (*Loan Arranger*, Fall 1998)

Marketing Tools and Techniques



Identification of Target Audiences.

Through the establishment of a stakeholders group, DEQ ensured that potential loan recipients and potential technical assistance providers were well informed of the DWSRF program and had an opportunity to provide input during its development. Representatives from the Michigan Section of AWWA, the Consulting Engineers Council, the Michigan Municipal League, the Michigan Rural Water Association, and state environmental groups participated in the group. All DEQ mailings and newsletters, such as the *Loan Arranger*, were sent to government officials, applicants for DWSRF funding, all public water systems on record that could be eligible for funding, and other interested parties.

In cooperation with its stakeholders, DEQ and MMBA developed a variety of promotional materials for the program. Materials were sent to all recipients on the combined mailing list.



Newsletters. Published three times per year by DEQ, *The Loan Arranger* communicates information about Michigan's DWSRF program and the federal DWSRF program (See Appendix A). DEQ also has a quarterly newsletter, called *Water Works News*, which occasionally contains information on the DWSRF program.



DWSRF Pamphlet. This document includes the DWSRF program history and purpose, as well as information regarding qualifying water suppliers and types of projects. Basic information regarding the process of applying for and receiving a loan is also provided.



Website. The IUP and most of the informational documents listed above are available online (www.deq.state.mi.us/ead/mfsect). A Power Point presentation created to assist staff in presenting information about this new program is available on the DEQ website.



Guidance Documents. To facilitate participation in the program, DEQ developed three guidance documents (available on the website) to help water suppliers determine whether their project is eligible and whether they qualify as disadvantaged, and to help them complete the required project plan for loan consideration.



Handouts. Three supplementary planning handouts are available upon request: Regional Planning Agency Addresses, National Natural Landmarks in Michigan, and Michigan's Natural and Wild & Scenic Rivers. The Project Plan Preparation Guidance directs applicants to request any of these items, if needed, to complete the project plan.

Three additional handouts pertaining to federal project planning cross-cutters and state requirements are also available upon request: a list of cross-cutters and the applicable statutes, the environmental contacts list, and a document detailing

For More Information

Additional information is available from Thomas Kamppinen of the Michigan Department of Environmental Quality, Municipal Facilities Section. He can be reached at (517) 373-4718.

federal requirements related to project planning.



Focus on Set-Asides. DWRPD is statutorily required to hold at least one annual stakeholders meeting to obtain recommendations for the IUP as it relates to the set-asides. In addition, an article titled *DWRF Set-Asides - A New Way to Do Business* was published in the *Loan Arranger* (Winter 1998). It provided information on the additional responsibilities of the state as a result of the 1996 SDWA Amendments (i.e., source water protection, operator certification, and capacity development), explained the various set-asides, and offered a justification for taking money away from the already under-funded infrastructure fund.



Workshops and Information Sessions. Michigan has conducted a series of informational workshops on the program and participated in various panel discussions and meetings. For example, representatives of DEQ and MMBA participated in an annual meeting of the Michigan Townships Association in Detroit. This provided more than 100 township officials the opportunity to ask questions about the DWSRF program.

Minnesota

Minnesota's DWSRF program is jointly administered by the Minnesota Department of Health (MDH) and the Minnesota Department of Trade and Economic Development (DTED) Public Facilities Authority (PFA). As set forth under "Roles and Responsibilities" in Minnesota's March 1998 Operating Agreement, MDH prepares and maintains a comprehensive PPL and provides it and any other program information to the PFA for development of the IUP. The PFA also manages all DWSRF funds including state match and loan repayments.

How Does Minnesota Involve the Public?

To assist in developing its program, Minnesota formed an advisory committee consisting of representatives from small, medium, and large water systems, the Consulting Engineers Council, the Minnesota Rural Water Association, the League of

Cities, the Manufactured Housing Association, and the PFA. Upon completion of draft rules, a notice announcing the availability of the proposed rules was mailed to approximately 5,000 people. The mailing list was composed of businesses, communities, counties, individuals, churches, schools, libraries, government agencies, elected officials, water systems, and the news media. The notice solicited review and comment on the rules.

MDH conducted a series of open information sessions and delivered presentations in various stakeholder forums (e.g., MN Rural Water Workshops and local AWWA conferences) to ensure an understanding of the program.

To begin the annual process of developing the IUP, MDH solicits proposals for the PPL. Solicitation letters are sent to all eligible water systems and engineering firms. All systems that have projects on the priority list receive a second letter soliciting comments on the IUP. In addition to written comments, verbal input on the IUP may be provided at the public meeting. Every individual who has expressed interest in the program or requested placement of a project on the priority list is notified of the public meeting via a letter or memorandum. Notice of the public meeting also appears in MDH's quarterly newsletter and in the newsletters of cooperating stakeholder organizations such as MN AWWA and MN Rural Water Association.

In the IUP, which is subject to public comment, Minnesota lists the percentage the state will take for each set-aside.

Marketing Tools and Techniques



Identification of Target Audiences. An advisory committee of representatives from water systems, the Consulting Engineers Council, the Minnesota Rural Water Association, the League of Cities, the Manufactured Housing Association, and the PFA ensured awareness and participation by targeted stakeholder groups. The draft program rules were mailed to businesses, communities, counties, individuals, churches, schools, libraries, government agencies, elected officials, water systems, and the news media.





Mailings. To ensure public awareness of the DWSRF program, MDH announced the availability of the proposed rules for the program in a notice distributed to approximately 5,000 people. MDH also solicits proposals for the PPL in letters sent annually to all community water systems, nontransient noncommunity water systems, and engineering firms. Following formal approval of the IUP, PFA mails application materials to all cities and other public water systems that have projects in the fundable range of the IUP.



Newsletter. Articles discussing the program were published in the quarterly newsletter for community water systems. MDH extended this outreach by including similar articles in a separate newsletter that was distributed to noncommunity water systems. The newsletters and publications of stakeholder groups such as MN AWWA and MN Rural Water Association also served to market the program.



DWSRF Pamphlet. MDH, in cooperation with the PFA, prepared a pamphlet titled “Drinking Water Revolving Fund: What it Means to Minnesota Public Water Suppliers.” The pamphlet clearly and concisely lays out general information on the program and provides contact information for specific questions regarding eligibility, application procedures, etc. (See Appendix A).



Website. On its website, MDH provides a glossary of DWSRF terms (www.health.state.mn.us/divs/eh/dwp/pws/dwrf/glossary.html) and instructions for placing a project on the priority list

(www.health.state.mn.us/divs/eh/dwp/pws/dwrf/pplinstr.html).



Workshops and Information Sessions.

Five DWSRF information sessions were held in 1997, four in 1998, and two in 1999 in various locations across the state. Sessions were used to describe the program, eligibility, applications, changes, and other related matters. Due to increasing public familiarity with the program, MDH plans to hold approximately two sessions per year in the future. In addition, MDH has made presentations each year at operator continuing education training sessions, MN Rural Water workshops and conferences, and at local AWWA conferences.



Other Direct Contact. Meetings are held with community representatives to discuss potential DWSRF projects. MDH engineers and Rural Water circuit riders also provide information to water operators and promote the program on a system-by-system basis. This might involve a phone call or a visit to the system to answer questions.

North Dakota

North Dakota’s DWSRF program is administered by the North Dakota Department of Health (NDDH), Environmental Health Section, Division of Municipal Facilities.

How Does North Dakota Involve the Public?

To kick off North Dakota’s DWSRF program, the North Dakota Rural Water Systems Association sponsored a workshop in Bismarck. A brochure advertising the workshop (See Appendix A) was distributed to a target audience of approximately 500 recipients, including potential DWSRF loan recipients, city and consulting engineers, technical assistance providers, funding agencies, and other interested parties. The brochure highlighted ranking criteria and set-asides as two of four topics for discussion, and encouraged people to attend and provide input on both. Representatives from the NDDH were the primary speakers at the workshop. They presented an overview of the program and explained the process of developing an IUP. The

For More Information

Additional information is available from John Schnickel of the Minnesota Department of Health, Environmental Health Division, Section of Drinking Water Protection. He can be reached at (651) 215-0784.

workshop was attended by 42 people. Attendees were asked to complete questionnaires expressing preferences for priority ranking criteria, weighting of the criteria, and set-asides (see Appendix A). At the bottom of each questionnaire, or “ballot,” respondents were asked to indicate the type of entity they represented. These ballots facilitated the comment process by simplifying the work of the commentor in submitting comments and the work of the state in tallying responses and tracking commentors.

Based upon input received at the workshop, NDDH developed a draft priority ranking system and mailed it to the same target audience described above for further input and comments. Written comments were provided by 20 individuals: representatives of 15 public water systems, two government/funding agencies, one technical assistance provider, and one consulting engineer. The priority ranking system was revised based on these comments.

The workshop attendees supported set-asides for small system technical assistance and the delineation/assessment of source water protection areas. Most of the attendees expressed a strong preference for limiting set-asides to maximize the amount of funds available for project construction. Based upon this input, NDDH established proposed set-aside percentages of 16 percent for FY 1997 and six percent for FY 1998. These percentages reflect a combination of four percent for administration, two percent for small system technical assistance, and ten percent for source water delineations/assessments (FY 1997 only). In a subsequent mailing to the target audience described above, NDDH requested written comments on these proposed set-aside percentages. No one objected to the proposed set-aside percentages. Therefore, prior to drafting the FY 1997-1998 IUP, NDDH did not take additional steps to market the set-asides or seek further input from groups potentially interested in seeing them used.

For More Information

Additional information is available from Wayne Kern of the North Dakota Department of Health, Environmental Health Section. He can be reached at (701) 328-5225.

NDDH held public hearings in Bismarck and Fargo to solicit comment on the draft FY 1997-1998 IUP. Notice of the public hearings appeared in the *Bismarck Tribune*, *Grand Forks Herald*, *Forum* (Fargo), and *Minot Daily News* approximately 45 days prior to the meeting. A second notice was published approximately one week later. A separate, more detailed notice was sent to the target audience identified earlier. The Bismarck public hearing was attended by nine people: three representatives of public water systems, three people representing consulting firms, two from state agencies, and one technical assistance provider. The Fargo public hearing was attended by 40 people: 23 representatives of public water systems, 11 people from consulting firms, one representative from a federal agency, two from state agencies, and three representatives each from educational institutions, national citizens’ organizations, and water industry service organizations. NDDH prepared a detailed summary of comments and responses and included it as an attachment to the IUP.

Marketing Tools and Techniques



Identification of Target Audiences. All mailings were distributed to a target audience of approximately 500 recipients consisting of potential DWSRF loan recipients, city and consulting engineers, technical assistance providers, funding agencies, and other interested parties.



Mailings. Prior to drafting the FY 1997-1998 IUP, NDDH sent several mailings to the target audience. The mailings provided background information on the DWSRF program, solicited information concerning potential projects, and requested input on the proposed priority ranking system and use of set-asides. In addition, a separate and more detailed notice was sent to the target audience to inform them of the public hearings on the draft IUP.



Workshops and Information Sessions. At the Rural Water workshop, NDDH representatives provided an overview of the program and explained how the program could benefit eligible water systems and the public. The workshop was advertised in a brochure that was distributed to the target audiences.



Vermont

Vermont's DWSRF program is administered by the Water Supply Division (WSD) of the Department of Environmental Conservation (DEC) of the Agency of Natural Resources.

How Does Vermont Involve the Public?

As documented in its FY 1997 IUP, Vermont provided numerous opportunities for public participation in developing its DWSRF program and its first IUP. WSD targeted water suppliers to participate in the early planning stages of the program. Technical and non-technical meetings were held in each of four regions in Vermont to facilitate diversity (a total of eight meetings were held). Two additional meetings to discuss program development options were held specifically for drinking water consultants. Seventy-five hydrogeological and engineering consulting firms were sent letters notifying them of the two meetings and requesting their assistance in the development of the program. To ensure the awareness and participation of Vermont's neediest public water systems, state hydrologists and engineers contacted them directly by telephone.

Public meetings were held in Montpelier and Rutland to discuss the IUP and obtain public comments. More than 700 water suppliers and 200 stakeholders were sent notices of the meetings on bright orange postcards. Recipients included the Northeast Rural Water Association, the Vermont Groundwater Association, individual groups representing vulnerable populations, engineering and hydrology consultants, and regional planning commissions. Approximately one week later, a "follow-up" newsletter containing directions to the meeting locations and additional information on eligible infrastructure projects was distributed to the same group of suppliers and stakeholders. WSD also placed advertisements in the *Burlington Free Press*, the *Rutland Herald*, the *Bennington Banner*, the *Newport Daily Express*, and the *Caledonian Record* 20 days prior to the scheduled meeting dates. Ninety-one people attended the Montpelier meeting, and 38 attended the Rutland meeting. Attendees included consultants, town managers, nonprofit groups, water system owners and operators, and other governmental agencies. Audio tapes and written records were made of the discussions at both meetings.

WSD also provided detailed descriptions of the set-asides and the state's intended uses of them in the

IUP. Notices of public meetings and requests for comment on the IUP were sent to water systems and organizations with potential interest in the set-asides, such as technical assistance providers and conservation organizations. However, no special effort was made to attract people with a sole interest in the set-asides. The set-asides were discussed at all public meetings.

At the close of the public comment period, WSD prepared a "Responsiveness Summary" of the 110 oral and written comments received on the draft IUP through the public meetings, the Internet, fax, and mail, and attempted to incorporate suggested modifications into the IUP.

Based on the success of the approach for obtaining public comment on the FY 1997 IUP, Vermont followed a similar approach for its FY 1998 IUP. Once again, WSD, with the help of the Northeast Rural Water Association, solicited priority list applications from water suppliers through mailings and a series of phone calls to the neediest systems. Twenty-six of 100 invited consultants met in Waterbury to discuss the DWSRF Program Implementation and the draft IUP.

Upon completion of the PPL and development of the draft FY 1998 IUP, WSD held public meetings in Montpelier and Rutland to obtain input on the IUP and respond to questions about the DWSRF program. WSD announced the meetings in the same five newspapers and sent postcards to water suppliers and stakeholders 30 days prior to the meetings. The draft IUP was also made available for review via WSD's website. A total of 13 people attended the meetings, and just over 30 comments were reported in the Responsiveness Summary.

As a slight variation from the FY 1997 approach, WSD also delivered a presentation on the DWSRF program and the draft IUP to 58 water system

For More Information

Additional information is available from Thomas Bartholomew of the Vermont Agency of Natural Resources, Department of Environmental Conservation, Water Supply Division. He can be reached at (802) 241-3425.

owners, operators, and stakeholders at the Green Mountain Water Environmental Association Annual Meeting. The presentation was followed by an opportunity for comments from the public on the DWSRF program and the draft IUP. WSD believes that this additional opportunity may partly explain the low turnout at the Montpelier and Rutland meetings. In addition, minimal changes were made to the program after the first year.

Examples of Vermont's public meeting notices and documentation of their public involvement process are provided in Appendix A.

Marketing Tools and Techniques



Identification of Target Audiences. In addition to water suppliers, WSD targeted hydrogeological and engineering consulting firms, the Northeast Rural Water Association, the Vermont Groundwater Association, individual groups representing vulnerable populations, engineering and hydrology consultants, and regional planning commissions.



Targeted Outreach to High Priority Systems. For FY 1997-1998, staff from WSD and Northeast Rural Water Association telephoned water systems with the highest priority and greatest need to encourage them to apply for loans.



Mailings. Rather than requiring eligible entities to request an application, WSD sends DWSRF applications with instructions to more than 600 water systems and 70 stakeholders. In addition, brightly colored postcards announcing the public hearing on the IUP are mailed to all eligible water suppliers. The postcards also contain information such as the amount of money available and project examples.



Newsletter. A special one-time newsletter provided additional information on eligible infrastructure projects and notification of, and directions to, the public hearing.



Website. WSD's website (www.anr.state.vt.us/dec/watersup/dwsrf.

htm) provides access to the IUP and PPL for the current fiscal year.



Focus on Set-Asides. To promote involvement in the development of its first IUP, Vermont developed a mailing list that included conservation groups and other organizations that might be particularly concerned about the set-asides. WSD still uses this mailing list. Also, in its regular newsletter, Rural Water featured a special article on set-aside funding changes. As of the writing of this report, WSD is considering starting a newsletter that will include more information on set-asides and solicit more participation from groups with particular interest in the set-asides.



Workshops and Information Sessions. To introduce the program, WSD held eight technical and non-technical meetings in cities throughout the state.



Coordination with Stakeholder Groups. WSD delivered a presentation on the DWSRF program and the draft IUP to water system owners, operators, and stakeholders at the Green Mountain Water Environmental Association Annual Meeting. During the meeting, WSD staff distributed informational materials to water systems and stakeholders. Each public meeting also provided a forum for questions about the program.



Virginia

As the primacy agency, the Virginia Department of Health (VDH) applies for and administers capitalization grants for Virginia's DWSRF program.

How Does Virginia Involve the Public?

Virginia developed its DWSRF program with the support and feedback of several local organizations, including the Water Works Advisory Committee (WWAC), the VA Association of Planning District Commissions (PDCs), VA Association of Counties (VACO), the VA Rural Water Association (VRWA), the VA Municipal League (VML), and the VA section of the AWWA, the League of Women Voters, and the VA Society of Professional Engineers (VSPE). These groups have provided a

network for communication between public and private interest groups, and they have facilitated VDH's efforts to solicit public opinion. For example, VDH delivered a presentation on the DWSRF program at the Southeast RCAP conference. Examples of potential uses of the funds were provided and set-asides were emphasized.

For its FY 1998 capitalization grant, VDH sought public input throughout the development of the draft IUP. To begin, VDH mailed a letter in September 1997 to all public and private, community and nonprofit noncommunity water systems soliciting input on the 1998 draft IUP, particularly the uses of the set-aside funds. This mailing included a copy of the DWSRF program; a summary of the capitalization grant set-asides and special considerations under SDWA; the date, time, and location of the public meeting; and contact information to request a specially prepared information package on the program. Waterworks owners also received loan applications for the DWSRF program. Later that month, a similar request for feedback and a summary of information on the program was published in the Virginia Register of Regulations. Loan applications and general comments on the program and the proposed use of the set-asides were requested by mid-November. Using the applications that were submitted, VDH prepared the proposed PPL and completed the draft IUP. VDH mailed a second letter in early December, along with the draft IUP, to all system owners and other interested parties approximately one week before the public meeting to request comments on the draft IUP and invite them to the public meeting. VDH compiled and considered all public comments to prepare the final IUP for its FY 1998 capitalization grant application. Virginia will follow a similar strategy to develop future IUPs.

Marketing Tools and Techniques



Identification of Target Audiences. To develop and market its program, VDH

For More Information

Additional information is available from Tom Gray of the Virginia Department of Health. He can be reached at (804) 786-1768 or (804) 786-1087.

cultivated relationships with several local organizations/technical assistance providers, including the Water Works Advisory Committee (WWAC), the VA Association of Planning District Commissions (PDCs), VA Association of Counties (VAC), the VA Rural Water Association (VRWA), the VA Municipal League (VML), and the VA section of the AWWA.



Mailings. Rather than wait for individual systems to express interest, VDH mailed loan applications and copies of the DWSRF program to all eligible entities. Included in the mailing was a summary of the capitalization grant set-asides and special considerations under SDWA; contact information to request a specially prepared information package on the program; and logistical information for the public meeting on the IUP. The state also developed a fax-based information request form so water facility owners and other interested parties can request additional information on loan and set-aside programs (See Appendix A).



Website. The VDH Office of Water Programs' website provides descriptions of specific DWSRF loan and grant programs (e.g., planning and design and source water protection), applications for each of these funding opportunities, and the VDH's Program Design Manual, which describes the features of the program in more detail. The site (www.vdh.state.va.us/owp/water_supply.htm#SRF) also solicits input on the program for the next fiscal year's IUP and provides suggestion forms for future set-aside items (See Appendix A).



Focus on Set-Asides. In its initial mailing to system owners on the DWSRF program, VDH provided a detailed description of the set-asides and sought input on the state's use of them. Upon completion of the draft IUP, which included a detailed description of the four set-asides, VDH prepared a mailing for a broader audience (including potential technical assistance providers) to request comment on the draft IUP. In a separate mailing for

system owners and other interested parties, VDH explained the various uses of DWSRF funds. Enclosed was a one-page, fax-back, information request form listing specific examples of potential activities under each of the four set-asides and the different types of construction assistance (See Appendix A). Furthermore, VDH's relationships with its stakeholders provide a network to disseminate information to a variety of groups and individuals that may benefit directly from the DWSRF through a funded project or through assistance provided under a set-aside.



Coordination with Stakeholder

Groups. VDH works closely with several stakeholder groups listed previously (e.g., PDCs, VRWA, and AWWA). Through the newsletters and publications of each organization, Virginia's DWSRF program is marketed to a diverse audience of potential loan recipients. In addition, VDH staffed a booth at the VA Rural Water convention and provided information on the DWSRF program. VDH also has delivered presentations at annual meetings of some of these organizations.

Washington

Washington's program is jointly administered by the Department of Health (DOH) and the Public Works Board in partnership with the Board's fiscal agent, the Department of Community, Trade and Economic Development (CTED). As described in Washington's *Drinking Water State Revolving Fund Program - Legislative Report*, DOH is the lead agency for administering the program and determining capital project eligibility and priority for funding. The Board is responsible for determining loan eligibility and administering the loan contracts (DOH Pub #331-116, December 1997).

How Does Washington Involve the Public?

During the first year of its program, Washington took steps to ensure public awareness of the program and to solicit the involvement of interested parties. A Joint Advisory Committee comprised of representatives of the Public Works Board and the Department of Health, Division of Drinking Water's

Water Supply Advisory Committee (WSAC) was established to discuss program development and implementation. Members from the Board and WSAC represented a broad spectrum of interest groups, including publicly and privately owned water systems of various sizes, the environmental community, and the development community (e.g., construction companies). EPA also was represented on this advisory committee. Committee discussions centered around organizational issues, establishment of the loan program, and development of the work plan.

Public workshops held in Spokane, Everett, and Olympia provided information on the DWSRF program. (The state continues to conduct three workshops each year at various locations.) Two special editions of *Water Tap*, DOH's quarterly newsletter on drinking water topics, focused entirely on the DWSRF program. The first edition provided valuable background information on the new DWSRF program and identified contacts for additional information. The second special edition, February 1999, highlighted several success stories of projects funded under the DWSRF. This edition was particularly well-received because it showed potential clients that the program was helping a wide variety of systems finance a broad array of capital construction projects (See Appendix A). DOH surveyed all applicants to obtain input on the parts of the program that worked and areas for improvement. Based on this information, and the information obtained from staff in the field, DOH improved loan rates and terms, increased technical assistance to clients, and streamlined application processing.

DOH has now completed two rounds of project loan application reviews, and the draft IUP for round three was out for public review as this report was being written. During each cycle, DOH headquarters staff, with support from field engineers, planners, and compliance staff, review and rank the applications and prepare a preliminary PPL. DWSRF staff and regional engineers from the Division of Drinking Water Assurance gather for a one-day meeting to finalize the PPL. The field staff's detailed knowledge of the operational history and compliance status of individual systems helps to assess the true public health significance of the proposed projects and ensure consistent scoring. The PPL is forwarded to the Public Works Board for financial review and published in the draft IUP, which is then released for a 30-day public comment



period. The draft IUP is made available through the Internet, the state library, public libraries, and DOH. In partnership with CTED and the Board, DOH convenes a public hearing, advertised in several major newspapers across the state. In 1999, notice of the public hearing appeared in six major newspapers. Information about the DWSRF, application deadlines, and public hearing notification also appeared in issues of the DOH's newsletter, *Water Tap*. All mailings were sent to government officials, applicants for DWSRF funding, all potential loan candidates and applicants, and other interested parties. The state then considered, responded to, and incorporated public comments before submitting the final IUP to EPA.

Despite extensive outreach efforts, Washington has found that response and comments during the IUP development process have been negligible (perhaps two or three comments per year). Because the state has consistently received many more positive than negative comments, DOH is not concerned that the lack of comments on the draft IUPs indicates a lack of support or interest in the program. Washington expects to receive more public input as the program evolves and projects begin to be turned down because they do not score high enough to receive funding. (As of the writing of this report, no eligible application has been denied funding.)

Washington's public involvement strategy initially focused on project loans. Therefore, outreach has been geared toward development of the IUP with no specific goal of obtaining input on the set-asides. However, DOH has obtained some input on the set-asides through the joint advisory committee, through staff interactions with technical advisory groups, and through comments on the IUP from groups, such as technical assistance providers, that could benefit from the set-asides. Occasionally, DOH hears from outside interest groups such as Evergreen Rural Water Association of Washington. Early on, Washington did not make a special effort to market the set-aside funds. As of the writing of this report,

however, program leaders were working to identify and solicit various third parties who could provide technical assistance and other benefits to public water systems using these funds. DOH and the Board recently developed a formal description of the set-asides that lays out the percentages that the state will take under each set-aside and describes how the money will be used. The state is trying to expand the focus of its public involvement strategy to incorporate the set-asides and target specific groups that may be interested in each one.

Marketing Tools and Techniques



Identification of Target Audiences.

DOH identified public water systems of various types and sizes (public, private, investor-owned, small, large, etc.), representatives of local governments, and other affected parties (e.g., construction companies) to form an advisory committee. In addition, notification of the availability of the draft IUP is provided to all potentially affected water systems. Although Washington's municipal systems are eligible for assistance from a Public Works Fund and other sources of financing, the small, privately owned systems that are the majority of the state's water systems have virtually no access to public funding assistance. For this reason, and because this group has a history of compliance problems, DOH has targeted this group in particular when developing the rates, terms, and marketing strategies for the DWSRF program.



Targeted Outreach to High Priority Systems. As a pilot project, DOH developed a list of systems that have compliance problems and appear to be good candidates for DWSRF assistance and contacted them. Systems that have expressed interest in the DWSRF are receiving direct technical and financial assistance from DOH and the Board.



Newsletter. *Water Tap*, DOH's quarterly newsletter on drinking water topics, provides information on the DWSRF program, application deadlines, and public hearing notification. To kick off Washington's program, a special issue



For More Information

Additional information is available from Richard Sarver of the Washington Department of Health, Division of Drinking Water. He can be reached at (360) 236-3093.

contained detailed information on the purpose of the program and eligibility requirements. In February 1999, after the first round of loans, DOH prepared another special issue which highlighted some of the program's "success stories" (See Appendix A). *Water Tap* is also available online at www.doh.wa.gov/ehp/dw/watertap.htm.



Website. Extensive information on Washington's program, including guidelines and application forms, is made available on the Public Works Board website (www.crab.wa.gov/pwtf/programs.htm). The DOH Division of Drinking Water site (www.doh.wa.gov/ehp/dw/) also provides information such as fact sheets, announcements, and a list of current events (i.e., meetings, workshops, etc.).



Coordination with Stakeholder Groups. The Infrastructure Assistance Coordinating Council (IACC) publishes an

annual guidebook that includes all available state grant and loan programs for capital construction projects. Every two years, the IACC holds a multi-day workshop to provide program information to interested parties. DOH and the Public Works Board provide information on the DWSRF for inclusion in the guidebook, and participate in the biennial workshop.



Workshops and Information Sessions. Each year, DOH hosts three educational workshops in separate locations in the state to present Washington's program and provide a forum for questions. DOH and the Public Works Board also participate in the biennial workshop held by IACC, as noted above.



Other Direct Contact. DOH and Public Works Board staff work with various potential clients throughout the year. These contacts provide direct marketing opportunities on a regular basis.



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III. Conclusion

In general, an effective public participation strategy involves a series of several steps or phases. States must consider the audience they are trying to reach, the media that will be most effective in reaching it, the amount of background information necessary, and the proper times to solicit input. Because budget and resources vary from state to state, they must also be factored into a state's strategy for involving the public (*Strategies for Effective Public Involvement*, League of Woman Voters Education Fund [1998]).

In most of the states discussed in this report, the “public” that has been involved in providing input on the DWSRF program thus far primarily consists of stakeholders such as water system owners, association representatives, consulting engineers, and technical assistance providers (i.e., those with a vested interest). The “general public” (i.e., the consumer who is not engaged in managing or regulating a water supply) has not exhibited much interest in the process. However, states should continue to reach out to members of the general public and will be reviewed on their effort to include them. States that conduct some research and target their mailings and promotional materials to those with a vested interest (i.e., water suppliers, consulting engineers, etc.) in addition to broad-based solicitation (i.e., newspaper notices, Internet postings, collaboration with associations/organizations, etc.) will achieve the best results. A diverse advisory board or committee, such as Washington's, can also help to ensure the input of all critical sectors including the “general public.”

Working with partners is often effective in making information available to a wide range of people and groups. North Dakota worked with its stakeholders, primarily the North Dakota Rural Water Systems Association, to supplement its resources. North Dakota Rural Water sponsored a DWSRF work-

shop to provide general information on the program. In addition, the partnership with Rural Water gave the state access to the association's mailing list. This access facilitated the state's fulfillment of the public review requirements by maximizing responses from a knowledgeable public, and it served as a marketing tool for North Dakota's DWSRF program without extra effort and resources on the part of the state. Other states (e.g., Michigan, Vermont, and Virginia) have developed similar collaborative arrangements.

Multiple opportunities for public input and a variety of publicity vehicles to maximize participation help ensure a “meaningful” process. To avoid logistical problems and encourage participation from all sectors of the public, each of the six states reviewed in this report held multiple hearings and workshops in various locations and made their draft IUPs available for review by anyone unable to attend the hearings and workshops. For example, Vermont used a combination of targeted stakeholder discussions and public meetings to develop its annual IUP. Through various efforts to educate the public about the program and actively recruit applicants through mailings, telephone calls, etc., Vermont has obtained input from water system owners and operators, vulnerable populations, engineering and hydrology consultants, regional planning commissions, town managers, nonprofit groups, and other governmental agencies.

Virginia developed an information request form that enabled the state to provide information on its DWSRF program in an effective and efficient manner. The form served as an educational tool by providing examples of activities under each of the set-asides. It enabled VDH to personalize the information that it sent, thereby maximizing the effectiveness of the information. Resources were conserved because only requested materials were sent. The form also acted as a survey of the public's



interests, providing valuable information on the areas of greatest interest to particular groups. The information obtained from the form could be used by the state to help design general mailings for a broad-based audience and more specific pieces geared toward the group or groups of individuals that expressed the greatest interest on the form.

For a successful marketing campaign, it is important for states to research and identify their public and to target special promotional materials to them. Common marketing tools used by states include newsletters, information sessions/workshops, pamphlets and brochures on the program, direct mail, and Internet sites. North Dakota and Vermont also made telephone calls to some of the neediest systems that may be less likely to apply for a loan or attend a workshop.

While all six states provide good examples of meaningful public participation processes, Michigan requires an additional level of public involvement. State law (Part 54, 1994 PA 451) mandates detailed documentation of public involvement from each entity requesting loan assistance. This requirement provides an additional opportunity for the public to comment on the direct impact of the program at the local level. Michigan DEQ then holds a state-wide review of the entire draft IUP before submitting it to EPA.

All of the states discussed in this report have worked closely with potential technical assistance providers through stakeholders groups, advisory committees, etc., to develop their programs and obtain input on the IUP, including the use of set-asides. For example, Michigan established a stakeholders group that included representatives of AWWA, Rural Water, and consulting engineering firms. North Dakota identified technical assistance providers as a target audience for all mailings, and Virginia worked closely with several potential providers to establish a communication network which includes the League of Women Voters and a number of conservation groups. Although these states are reaching some of the groups that could be interested in set-asides (e.g., technical assistance providers, conservation organizations, environmental groups, and public interests groups), DWSRF promotional materials have not focused on set-asides in most states. Washington is trying to shift the focus of its public participation strategy toward the set-asides because the public has become more

familiar with the loan fund program. A contact in the state explained that Washington's first priority was to ensure public awareness and understanding of the loan fund; now it can devote more resources to promoting the set-asides.

While there is no model strategy for successful public participation, there are a number of examples from which states may glean ideas for their own strategy. To effectively serve the public interest, all institutions must consider the public's input at some point. This paper provides a few case studies specific to the DWSRF program, but there are hundreds of other programs that states can learn from as well. A couple of examples are provided in the Additional Sources of Information section below. Although the topics vary, many of the underlying principles for successful public participation are sociological—the entity that is soliciting external input on a particular issue must first learn what motivates people and how it can most effectively reach those people. To supplement the information that is provided in this report, EPA is developing a brochure on public participation in the DWSRF program.

Additional Sources of Information

The League of Women Voters (www.lwv.org) “encourages the informed and active participation of citizens in government, works to increase understanding of major public policy issues, and influences public policy through education and advocacy.” To that end, the League has developed a series of documents, videos, and other materials on topics ranging from drinking water to the workings of national, state, and local governments, including *Tools for Drinking Water Protection Community Outreach Kit* (1997) and *Strategies for Effective Public Involvement—Drinking Water Source Assessment and Protection* (1998).

The International Association for Public Participation (IAP2) seeks to promote public participation in activities related to governments and other institutions that serve the public interest. Additional information regarding the Association and its functions is available via the Internet at www.pin.org/. IAP2 publications include a quarterly newsletter titled *The Participation Quarterly*, which features interviews and news on public participation and short case studies. *Improving the Practice* supplements the newsletter, offering tips



and suggestions for improving public participation programs. *Interact* is the Association's semi-annual journal. It includes in-depth articles, case studies, and discussions of national and international trends and techniques for stimulating public involvement. The Association's website also has links to many other organizations seeking to improve public participation in government activities.

For more information about the DWSRF program, consult the EPA Office of Ground Water and Drinking Water website for the program at www.epa.gov/safewater/dwsrf.html.



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Appendix A

State Solicitation Materials and Sample Documentation
