



# WATER FACT SHEET

Most U.S. water utilities are small in scale. In fact, more than 94 percent of our country's drinking water suppliers serve communities with a population less than 10,000. Many rural water systems struggle with compliance issues with federal clean water and drinking water standards. The estimated cost to provide improved rural drinking water facilities totals more than \$60 billion. Water/wastewater plant maintenance and upgrades are costly, and sparsely populated counties and municipalities with a low tax base often cannot afford commercial credit at the prevailing rates and terms. This is why rural water projects are often funded through a combination of federal direct loans, loan guarantees and grants, as well as private financing. All sources of funding are needed to meet the large and growing demands by rural communities.

Much of the federal support for rural water projects comes from the U.S. Department of Agriculture's (USDA) Water and Waste Disposal Loan and Grant Program, which serves rural areas and communities with fewer than 10,000 residents. Since 1940, this program has made 96,724 loans and grants to rural communities totaling \$54.6 billion. Demand for the program is high and applications consistently outpace available resources and administrative capacity. The current backlog is \$2.5 billion with 995 pending applications – a low estimate of true demand, since many applicants remove themselves from the process after years of delays. The RebuildRural Coalition supports increased funding for the Water and Waste Disposal Program to address the backlog, as well as efforts to speed up the process for approving and funding projects. The longer a project is delayed due to funding, the more costly the project becomes. The RebuildRural Coalition also supports federal programs that provide on-site technical assistance to help local governments and municipalities improve their water systems.

Current law and the Office of Management and Budget prohibits the USDA from guaranteeing tax-exempt financing for many different types of water and waste disposal projects in rural areas. Without specific authorization, tax rules make it difficult for municipal sponsors to accept USDA loan guarantees without risking their authority to issue tax-exempt bonds for the project. RebuildRural supports clarifying the existing tax rules to provide certainty for project sponsors to help lower project costs for rural communities and resolve the backlog of loan applications for small communities' essential water and wastewater projects.

More than 15 million households in the United States – approximately 15 percent of Americans – rely on private water wells for drinking water, and more than 85 million Americans, a quarter of the population, are served by septic tanks or other on-site/decentralized wastewater technology. Additionally, nearly 500,000 households lack complete indoor plumbing. Rural Americans with on-site or decentralized water and wastewater systems face the same challenges as centralized water and sewer authorities. The U.S. Environmental Protection Agency (EPA) estimates that 10 to 20 percent of the country's on-site wastewater treatment systems are failing. The RebuildRural Coalition supports increased funding for the EPA's Clean Water State Revolving Fund and the USDA's Household Water Well Systems Grant Program, which provide resources to capitalize loan funds for the construction, repair or replacement of decentralized wastewater treatment systems and household water well systems, respectively.



**REBUILD RURAL COALITION**

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