



# REBUILD RURAL

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## WATER

Across the country, U.S. water utilities provide us with safe, clean drinking water and wastewater facilities. And most are very small, with 94 percent of drinking water suppliers serving communities with a population less than 10,000.

As with many utilities, sparsely populated counties and municipalities with low tax bases often face challenges with financing. Funding through a combination of federal direct loans, loan guarantees and grants, as well as private financing, remains vital to meet the large and growing demands of rural communities. With a combined \$60 billion in water infrastructure improvements needed, much of which would help rural water systems comply with federal clean water and drinking water standards, it's time to Rebuild Rural.

The U.S. Department of Agriculture's (USDA) Water and Waste Disposal Loan and Grant Program provides much of the federal support for rural water projects. It specifically serves rural areas and communities with fewer than 10,000 residents. Demand for the program remains strong and applications consistently outpace available resources. Despite USDA investing more than \$55 billion in rural communities since 1940, the backlog exceeds \$2 billion dollars.

Legislation pending before Congress would provide USDA Rural Development additional funding and new affordable financing and servicing tools. These would allow rural utilities to provide sustainable, uninterrupted, affordable services to their rural customers.

The process of approving and funding projects needs streamlining, too. The longer a project experiences a delay,

the more the costs grow. Federal programs that provide on-site technical assistance and capacity building would help local governments improve their water systems, too. Amending current law (and Office of Management and Budget policies) allowing USDA to guarantee tax-exempt financing for many different types of water and waste disposal projects in rural areas would help municipal sponsors accept USDA loan guarantees without risking their authority to issue tax-exempt bonds for the project.

The Department of Interior Bureau of Reclamation's Rural Water Supply Program requires funding. With six projects authorized and the nearby communities awaiting the certainty of safe drinking water, Congress must appropriate the funds. And a new commitment to the Bureau's Rural Water Supply Program would extend potable water supplies and enhanced economic opportunity in many rural communities, including tribes, throughout the 17 western states.

Wastewater treatment systems face challenges, too. The Environmental Protection Agency (EPA) estimates that 10 to 20 percent of on-site wastewater treatment systems are failing. More than 15 million households – approximately 15 percent of Americans – rely on private water wells for drinking water. One quarter of the population are served by septic systems or other on-site/decentralized wastewater technology, and nearly 500,000 households still lack complete indoor plumbing. Increased funding for EPA's Clean Water State Revolving Fund and the USDA's Household Water Well Systems Grant Program would 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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