RCAP
Rural Community Assistance Partnership

April 9, 2015

Mr. Nick Abraham
Legislative Clerk
Committee of Energy and Commerce
2125 Rayburn House Office Building
Washington, DC 20515

Dear Mr. Abraham:

Thank-you for the opportunity to respond to additional questions from the Subcommittee on Environment and the Economy regarding the hearing on February 27, 2015 entitled "The Needs of Drinking Water Systems in Rural and Smaller Communities". My answers to Chairman Shimkus' questions are contained in the attached document.

Thank-you again for the opportunity to participate in this hearing and to provide additional information in response to these questions. Please let me know if there is anything else that I may be able to help with.

Sincerely,

[redacted]

Robert Stewart
Executive Director

Additional Questions for the Record from The Honorable John Shimkus

1. **You mention the need for "robust" training programs for operators, managers and community leaders.**
    a. **What do you believe constitutes the elements of a "robust" program?** Such training programs must be designed to meet the full need for financial, technical and managerial training for operators, managers and community leaders and therefore must use a variety of approaches. Operators need training sessions to obtain and retain their licenses (required by every state) and to advance their expertise in areas necessary in order to achieve higher levels of certifications. Training sessions must be delivered in a variety of manners in order to meet operators' needs; three in particular come to mind. First, traditional class-room style trainings will continue to be necessary in that these sessions can take advantage of experienced instructors teaching multiple students on a given subject. This type of instruction allows for interactive learning between the instructor and student, facilitates responses to individual questions, can take advantage of differing presentation styles and can use equipment for "hands-on" or experiential training. For class-room style trainings, the disadvantages for small communities is the cost involved, the need to travel to the training location and the hardship of losing perhaps the only operator that community employs for one or more days while he/she attends the training. A second type of training is on-site (at the water utility) training for one system or ideally for multiple systems within a small geographic area that operate similar systems, for instance within a single county. This type of training brings the instruction to the utility's site, allows for instruction on the equipment actually in use by the utility or utilities, eliminates travel time and the burden of being away from the systems, and allows for more concentrated one-on-one training. This type of training can be somewhat more costly per operator depending on the number of operators and utilities that are able to participate. My experience has shown that these can be a very effective means of training and developing long-term capacity with the least burden on the small utility. Finally, there are several types of training that can use electronic platforms. These benefit from allowing the attendee to access the training at their location and not have to travel or leave their place of work. Web-based trainings are cost effective in that they can delivery trainings to large numbers of utility staff simultaneously. These trainings can use a variety of sophisticated audio/visual means to describe the material and show pictures, graphs, diagrams and videos of various activities and processes. These trainings should be offered both on a synchronous (live) and asynchronous (recorded) basis to capture the most number of attendees. Synchronous training allows for more inter-action by being able to respond to attendees' questions in real time, as the training progresses. Asynchronous training allows the attendee to attend the

training at any time that is convenient and not just at a set, scheduled time. The potential disadvantages of trainings based on electronic platforms include a decreased personal interaction between the instructor and attendees, the difficulty in providing hands-on experiences, and slow internet connections in rural areas. While small system managers do not have licensing requirements to meet, their training is just as critical especially in the areas of utility finance and management. Small utility managers and community leaders/governing boards are also faced with the expense and time demands of off-site trainings. Management, finance and governance trainings are best held at the utility or within a smaller geographic area and should be directed at the needs of the particular system(s). Technical assistance providers and trainers from RCAP often provide these types of training as part of monthly utility board meetings. At other times RCAP conducts "over-the-shoulder" trainings for managers, working with them providing advice, instruction and counsel as they conduct their usual duties. Our goal is not to do anything for the utility when we can train the utility to operate and manage their affairs using their own personnel and resources. Finally, RCAP feels it is important for small utility governing bodies to understand the critical role that operations and management training plays in the success and sustainability of the utility and ensure that some provision is made to support such training when drafting annual budgets.

b. Is your vision of this "robust" program viable in the current climate?
Yes it is viable. Without effective training programs small systems cannot operate properly leading to rule violations and potential compromises to public health. Not investing in training, by federal and state agencies as well as from the utility itself, leads to more costly issues in the future should violations occur. As mentioned, all utilities, even among the smallest, should budget yearly for training expenses just as they budget for other personnel costs, for electricity, for chemicals, for laboratory costs and for the many other essentials in the operation of a utility. If small utilities do not invest in trainings, there is a real chance of losing their operators to larger utilities that provide for training opportunities. What is the point of investing in new capital assets if the operator and manager do not know how to properly operate, manage and sustain these assets? Costs for trainings are long-term investments that will pay dividends for years. For small systems, programs supported by the federal government that provide lower cost training are critical.

States are allowed to use a portion of their SRF capitalization grants to pay for trainings and should therefore be encouraged to allocate an appropriate amount to help provide trainings to those small communities in the greatest need. EPA should consider another attempt at providing more training on a national basis as was the intention of the Expense Reimbursement Grant Program, although strict oversight would be needed. On-line or web-based trainings will only be of greater importance

going forward (assuming wider access in rural areas to broadband connections in the future) given its cost-effectiveness and ability to use multi-media presentations reaching potentially large numbers of attendees. Utilities should take advantage of existing programs to train our veterans in water/wastewater operations as a means to provide them with stable, long-term employment prospects in a field that sorely needs additional, qualified employees. EPA should be mindful of avoiding duplication of effort in the preparation or funding of training materials and programs. Training and educational materials should be obtained through competitive awards and not by means of potentially exclusionary procurement processes. For instance, EPA is funding a contract to prepare materials (a "guidance" manual) for the Revised Total Coliform Rule. EPA has already developed a variety of materials on this subject, each state has its own unique requirements and the states are producing and providing materials on this subject. In addition both AWWA and RCAP have been working on training materials on this subject through a competitive grant that was awarded nearly a year ago. EPA must be judicious in the use of its resources to fund only those trainings and materials not being offered by others and should be mindful of what materials should be produced by EPA staff. EPA forgoes the ability to create expertise within its staff if it continually uses private consultants, who do not routinely work with small communities, to develop training and educational materials. Moreover, without the grounding in what is needed and what is usable by small communities, national consultants can develop materials that are simply not understandable by small town operators and managers. The informational guides, manuals and training materials produced by RCAP come from seasoned technical assistance providers who have worked within utilities, who have experience in providing training and technical assistance to small utilities, who know how to prepare materials that are understandable to small utilities and who have the ability to follow-up with these communities to provide additional support that cements understanding and promotes future sustainability.

c. **Can small and rural utilities sustain the items this training provides?**
Yes this is sustainable. They can sustain the use and application of training knowledge as long as it was properly delivered and reinforced by follow-up, on-site visits from training and technical assistance providers (TAPs). Such visits allow operators and managers an opportunity to ask additional questions and to demonstrate the application of the knowledge learned in an operational environment. On-line trainings can be saved for future reference should the operator need a refresher on any of the material presented. Often, on-site training assistance is also required in order to sustain the knowledge and practices learned through other means. Once put into place at the utility, skills and knowledge acquired through trainings are sustained through repeated use highlighting again the need for practical, utility-specific trainings delivered as close to the location of

the utility as possible. Sustainability is a prime objective of all of RCAP's training activities.

2. **You mention that training should be delivered electronically in order to reach a larger audience for lower costs.**
   a. **What types of those options exist right now?**
   As mentioned earlier, web-based trainings are becoming more common in the water utility industry. They can range from short (one or two hours) single topic presentations to multi-day courses that can be used for operator certification requirements. With one of our partners, RCAP has made available extensive on-line training courses for private well owners. We also post a variety of educational videos on our web site as well as a large number of educational manuals for water operators, managers and decision-makers. RCAP is also working with groups such as the AWWA to present topical presentations such as on the Revised Total Coliform Rule. There are endless possibilities for on-line training. The challenge from a small system standpoint is affordability (should there be a fee for the training), speed of connection (many rural areas do not have access to broadband), relevance to utility needs and the amount of time available by utility personnel to access these web-based trainings. However, care should be taken in moving to an increasing reliance on web-based trainings. Just making information available, regardless of the convenience associated with accessing such information, is not sufficient to ensure compliance from small utilities. EPA has for years made compliance information available in print and now electronic formats. While some small systems take advantage of these offerings it is RCAP's experience that person-to-person contact is often necessary. Ongoing compliance and movement towards sustainability typically only occurs when small communities can access on-site technical assistance and local, over the shoulder or hands-on training. Small utilities can be overwhelmed by the amount of information that is provided for them from multiple sources. Therefore an emphasis should be placed on those training approaches, including those delivered electronically, that can be reinforced by on-site technical assistance providers who can translate the theoretical to the practical.
   b. **Is RCAP partnering with information technology companies to expand the effective use of this medium?**
   With the current availability of easy to use software that facilitates web-based trainings, RCAP has been able to develop, produce and present these trainings with little outside assistance. Work is accomplished with IT providers in order to fully develop our web site and make training information easily available. RCAP also uses a variety of social media platforms for outreach purposes and has partnered with universities to expand our on-line outreach capabilities.

3. **Your testimony talks about the capital challenge of rural communities if their local economies are not strong. Is there an economic trend that is occurring in the communities that RCAP aids?**
   Rural economies can be as diverse as those found in urbanized areas but we typically encounter a great deal of economic hardship, poverty, substandard housing, struggling utilities and declining economies in rural areas. Often this is the result of reduced agricultural or mining activity or the departure of a major industry. In addition to our utility based assistance, RCAP works in many rural areas to strengthen and expand local business and commerce. Waiting for or trying to lure a major corporation into locating in your community is not a feasible alternative for most rural areas. Building capacity within existing local businesses while taking advantage of regional opportunities is one means for building rural economies. Regardless of the opportunities, economic growth can be stymied if local water and wastewater systems cannot support growth. Investment in infrastructure can create the foundation for long-term prosperity and ensure public health.

4. **Your testimony states that "[a]pproximately 96% of all health based violations occur at systems serving a population of less than 10,000 while less than a third of the SRF outlays are directed at these same small systems." Do spending requirements or conditions placed on SRF funds prevent smaller and rural communities from maximizing the full benefit of these monies?**
   It is important to note that while approximately one-third of the annual Drinking Water SRF funds go to communities with populations of under 10,000, only 20% of these funds go to communities of under 3,300, which is considered a "small" system by EPA and it is these small systems that have the vast majority of all drinking water violations. There are no spending requirements or conditions placed on SRF funds that prevent smaller and rural communities from maximizing the full benefit of these monies. The issue is not that the 1996 Amendments created any such requirements or conditions. Instead the issues that hinder small community access to the SRFs are: that small communities lack the capacity to submit applications to the SRF or even the information required to be placed on the Intended Use Plans (very few states fund outreach programs for this purpose); that many states prefer to make several larger loans to large systems rather than multiple loans to small systems; that while there is a provision for up to 30% of the capitalization grant to be used for loan subsidies to disadvantaged communities, not all of this set-aside is being used; and that without a loan subsidy very few small communities can afford the SRF loans. It is important to re-emphasize that larger communities can issue municipal bonds for water and wastewater infrastructure, an option that is not available to small communities. Therefore small communities rely almost exclusively on state and federal financing programs, such as the SRF and USDA's Water and Environmental Program. Currently the SDWA requires states to make available 15% of their annual allotment for loan assistance to systems that serve 10,000 or fewer persons, to the extent that funds can be obligated for eligible projects. This

minimum amount has typically been exceeded but our recommendation is that far more of the funds should be dedicated to small communities.

5. **You state that "common environmental review requirements … would be one area for improvement." Please detail for us some examples?**
All federal programs that provide for infrastructure funding require the preparation of an environmental assessment. These include the EPA's SRF program, USDA Rural Development's Water and Environmental Programs, HUD's Community Development Block Grants, and EDA's Public Works and Economic Adjustment Assistance Program. While all of these programs have somewhat similar requirements, what is actually required for submission by the community/applicant is not common among the programs. Furthermore, there is little or no technical assistance provided to small rural communities in meeting these requirements. Small communities find it difficult to fund these types of requirements prior to receipt of the federal loan/grant (if it is received at all). Small communities and the engineers that they employ would greatly benefit from standard informational submission requirements that are necessary for the completion of an environmental assessment. Rural Development and EPA have worked with the water utility community to develop a common Preliminary Engineering Report and this collaboration should be extended among all federal funding agencies in regards to environmental assessments.

6. **Your testimony calls for an increase in the total amount of Safe Drinking Water Act technical assistance grants. Considering the Federal government has increasingly fewer resources for greater worthwhile needs, can you identify potential places to redirect funds within the Safe Drinking Water Act to offset the increase in these technical assistance grants?**
The Administration has requested $1.186 Billion for the Drinking Water State Revolving Fund for FY 16. One of EPA's two Priority Goals to improve water quality, as stated in the FY 2016 "Justification of Appropriation Estimates for the Committee on Appropriations" is to "improve public health protection for persons served by small drinking water systems, which account for more than 97% of public water systems in the U.S., by strengthening the technical, managerial, and financial capacity of those systems." As provided through testimony at the recent hearing by the Subcommittee on the Environment and Economy by both RCAP and the National Rural Water Association, the most effective means of improving capacity of these systems that leads to improvements in compliance is through direct, on-site technical assistance and training. While EPA is authorized to requested appropriations under Section 1442(e) of the 1996 Amendments to the SDWA, the agency has never requested funding for this type of technical assistance. Rather Congress has had to take separate action to provide funding for this program. In FY 15 Congress authorized $12.7 million for this national program. A very small piece of the SRF appropriation could be re-directed at

augmenting this vital program that allows experienced technical assistance providers and trainers to work directly with small communities to increase capacity and compliance.

As stated in my written testimony the newly created WIFIA program, authorized under the Water Resource Reform and Development Act of 2014, will not offer any reasonable expectation of increased capital assistance to small communities. To date no funding has been provided to provide the capitalization of WIFIA. However, EPA received $2 million in FY 15 and is requesting $5 million in FY 16 to fund staff and consultants to create this program. Even with the funding authorized in the Act ($25 million for FY 16) only one or two loans can be made. RCAP would suggest that the amount to staff the WIFIA program prior to the receipt of any appropriations for capitalization is somewhat excessive as is the amount of money being requested for a program that will make only a relatively few loans during its five year "pilot" program. A portion of these funds could go to additional small community training and technical assistance.

In several sections of the aforementioned EPA "Justification of Appropriation" (pages 10, 28, 518 and others) it is stated that "the agency's budget includes $50 million in technical assistance, training, and other efforts to enhance the capacity of communities and states to plan and finance drinking water and wastewater infrastructure improvements". As none of this responds to Section 1442 (e) of the SDWA, and its purpose is not further specified, RCAP would suggest that a portion if not this entire amount be re-directed into the technical assistance program under Section 1442(e).

Anyone of these is a possibility for increasing the amount of technical assistance funding. However, other areas could be further identified if the committee desires additional suggestions from within the funding provided to support the Safe Drinking Water Act

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