

Testimony to the
Subcommittee on Environment and the Economy
Committee on Energy and Commerce
United States House of Representatives

On

Technical Assistance for Rural Water Systems: S. 611,
The Grassroots Rural and Small Community
Water Systems Assistance Act

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Summary

Small and rural drinking water systems constitute nearly 85% of the 53,000 community water systems in America. With limited staffing and ongoing issues related to compliance with the Safe Drinking Water Act (SDWA), effective sustainable management and access to capital for improvements and repairs, these systems continue to have the highest violations of the Safe Drinking Water Act. Small water systems need increased levels of and access to training and technical assistance that allows them to protect public health and remain in compliance with the SDWA. Limited financial resources require that technical assistance be provided by non-profit organizations that can deliver the wide range of assistance required by small communities. Preference should be given to organizations that have staffing and existing supportive infrastructure in every state. The most effective technical assistance programs place an experienced professional at the utility to provide guidance and support on not only technical or operational issues but also on managerial and financial issues that directly impact operations and compliance. Robust training programs are also needed to educate operators, managers and the governing body concerning their responsibilities and how best to operate and manage a small utility under a regulatory environment. Trainings need to be on-site, or within a localized area for easy access by the utility. Training tools and operational programs must be developed in order that they can be easily assimilated by small systems.

Introduction

Thank you, Chairman Shimkus, Ranking Member Tonko, and members of the subcommittee, for this opportunity to address The “Grassroots Rural and Small Community Water Systems Assistance Act”. In my thirty years of work in the rural utility field, including twenty years in my home State of Texas, and now managing a nation-wide rural community development organization, I have experienced firsthand the efficacy of providing targeted and onsite technical assistance to small community water systems by trained professionals. Small community water systems typically lack the staff and resources needed to ensure that the water they deliver to their customers is adequate in both quantity and quality. Economies of scale work against these small communities requiring them to rely on various outside sources of technical assistance and training necessary to manage and operate water utilities that are vital to community health and economic prosperity. Any federal funding that is made available for the purpose of assisting rural and small communities must be targeted to meet the greatest needs and be delivered by trained professionals working within each state.

My name is Robert Stewart, and I am the Executive Director of the Rural Community Assistance Partnership (RCAP). RCAP is a non-profit national network of regional service providers that for over 40 years has helped small, low-income, rural communities address water, wastewater, and other community development needs in all 50 states, Puerto Rico, and the Virgin Islands. Our team of community assistance providers delivers onsite training and technical assistance to small water and wastewater systems to help them meet regulatory requirements, finance and manage capital

improvement projects and to develop and sustain technical, managerial, and financial capacities.

For many years, the RCAP network has worked with the Environmental Protection Agency and USDA's Rural Development as well as state primacy and infrastructure funding agencies to ensure that critical financing, technical assistance and comprehensive training opportunities are made available to small rural drinking water systems. RCAP not only assists rural communities with funding applications and every phase of the project planning and development process, but also provides training and technical assistance after construction is complete, helping communities understand how to properly manage and operate their system in a fiscally sustainable manner. Every year the RCAP network helps roughly 2,000 rural communities address their water and wastewater needs.

Providing these basic services is a challenge for many rural communities. Rural residents are three times more likely than their urban counterparts to lack water and sanitation; they also typically pay nearly three times the amount for water and sewer services. Due to their limited customer base, small utilities lack the economies of scale that reduce the costs of infrastructure construction, operation, and maintenance to levels that are affordable to low-income residents.

Technical Assistance and Training under Section 1442(e) of the 1996 Amendments to the Safe Drinking Water Act (SDWA)

The 1996 Amendments to the SDWA included Section 1442(e) as a means to assist small public water systems in meeting increased regulatory requirements. With no economies of scale, less access to capital, and fewer professional staff, small and rural water systems were at a distinct disadvantage in comparison to larger and more urbanized water systems. Operating a small utility under existing regulatory requirements was already difficult for these small communities prior to the 1996 Amendments. New drinking water quality standards placed additional compliance burdens on these systems. The technical assistance section provided a very modest amount of funding to provide some relief by creating a program that supported outreach efforts directed at compliance with national primary drinking water regulations.

Small water utilities needed this increased access to technical assistance resources and training programs to operate in accordance with regulatory requirements, to enable them to evaluate and obtain capital financing and to cost-effectively manage their utility. Small city council or water district directors are most often volunteers who lack professional staff and the resources to understand complex regulatory requirements and to find out what funding sources are available and the requirements for accessing loan and grant programs. Small and very small systems (depending on their size) typically employ a single certified water operator who is responsible for all operations, maintenance and repair of the utility's treatment plant and distribution system. These professionals are typically overworked and underpaid and the majority is nearing retirement age. My experience has been that these operators are extremely dedicated to

their work and will do everything possible to ensure that their customers receive uninterrupted water service that meets all requirements. However, new federal rules such as the Revised Total Chloroform Rule place additional demands on operators who must learn about this rule and apply it to their utility. On-site technical assistance provides these operators with the guidance and support they need to meet operational requirements and ensure public health. In almost all cases the only way this assistance is provided is through on-site assistance provided by RCAP's Technical Assistance Providers (TAPS) or by state rural water associations' Circuit Riders. On-site assistance is also needed to help the utility manage their business and financial affairs. Preparing budgets, conducting rate studies, developing Operation and Maintenance manuals, preparing customer service policies, and many other similar requirements are extremely difficult for these small utilities. TAPS and circuit riders provide the tools, the expertise, and the guidance to help small utilities with these programs.

The authorization for technical assistance funding under Section 1442(e) has long since expired and this present legislation will extend that authorization for an additional five years. The amount authorized in the 1996 Amendments, \$15 million a year, has never been included in the administration's budget requiring Congress to add an amount (\$12.7 million in recent years) in their appropriations. Once appropriated, EPA has used these funds over the last several years to create four separate competitive programs targeted at (1) Compliance, (2) Management and Financial Issues, (3) Small Community Wastewater and On-Site Systems and (4) a Private Water Well owners program. In RCAP's experience, this approach has over-emphasized improving operations to achieve compliance when in reality the underlying cause of compliance

failures is due to management and finance issues within the utility. Knowing how to treat for arsenic is well and good in and of itself but without the ability to access financing sources and manage construction projects that provide adequate treatment, a small utility will remain out of compliance. A lack of capacity to budget and set reasonable and equitable rates results, for instance, in an inability to hire certified operators and provide him/her with the equipment needed to properly operate, maintain and repair the system. All of the systems I have worked with or that my staff work with across this country are staffed with some of the most dedicated and hard-working people you will ever find. They are committed to providing the best service possible to their customers but they often lack the knowledge or expertise that can be developed through on-site assistance programs.

The legislation under consideration not only reauthorizes the technical assistance section of the SDWA it also directs the EPA Administrator to provide grants or cooperative agreements to appropriate nonprofit organizations. National nonprofit organizations such as RCAP and the National Rural Water Association are the most qualified in providing this type of assistance as both organizations have staff in every state that can deliver these needed services effectively and efficiently. When designing these programs EPA should be required not only to use their best judgment in determining priority needs of small systems but should also consult with state primacy agencies, existing technical assistance providers and circuit riders, water industry professionals and the small utilities themselves. RCAP typically works directly with approximately 2,000 small systems every year yet this expertise is infrequently used in the design of technical assistance outreach programs whether these programs are carried

out by non-profits, for-profits funded by EPA or by the Agency itself. Congressional attempts, such as this legislation, to direct limited technical assistance funding to the best qualified nonprofit organizations and for the purposes most in keeping with the goals of the SDWA are supported by RCAP.