



"Improving the quality of life in rural communities"

Testimony to the US Senate Committee on Environment and Public Works

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About RCAP

Thank you, Chairman Carper, Ranking Member Capito, and members of the committee, for this opportunity to address the needs of water systems in small rural and tribal communities.

My name is Nathan Ohle, and I am the CEO of the Rural Community Assistance Partnership. RCAP is a national network of non-profit partners working to provide technical assistance, training, and resources to rural and tribal communities in every state, territory and on tribal lands. Through our regional partners, more than 300 technical assistance providers build capacity that leads to sustainable and resilient water and wastewater systems. Our approach is grounded in long-term, trusted relationships with thousands of rural and tribal communities across the country.

Last year, RCAP served more than 3.4 million rural and tribal residents in more than 2,000 of the smallest, most distressed communities.

The average population of the communities we served was 1,500, with a Median Household Income of half the national average. We served more than 40 percent of America's persistent poverty counties, and almost 300,000 individuals from indigenous communities. In addition, with people of color representing 21 percent of the rural population, and 83 percent of rural population growth, we support a rural America that is increasingly diverse.

RCAP Covid Survey Results

The talent, innovation, and resiliency of America's rural areas will play a central role in the future of the U.S. economy.

Water is a driving factor for economic growth. Of the approximately 150,000 public water systems across the country, 97 percent serve communities of 10,000 or less, and 72 percent serve communities of 500 or less.

COVID-19 has further exacerbated the challenges rural communities face, as they had not yet fully recovered from the 2008 recession.

To better understand the pandemic's impact on rural and tribal systems, RCAP conducted a survey in May 2020. The responses we received were startling. More than 31 percent of systems estimated they would not be able to continue to cover all costs for more than six months, due to an estimated revenue loss of between \$3.6-5.5 billion for small systems.

Perhaps even more alarming, more than 43 percent of systems surveyed said they rely on one full-time operator or less, leaving many communities at risk if their operator fell ill.

With these mounting financial losses, many communities were forced to defer infrastructure projects, adding to the more than \$1 trillion in needed updates for the water sector over the next 25 years according to EPA.

This burden largely falls on communities—federal funding for water infrastructure is a paltry 3.5% of annual investment in the sector, down from 63 percent 50 years ago.

Committee's Recent Activity:

Funding is incredibly important, but in small communities, it is not enough. Technical Assistance (TA) is needed to build and strengthen local capacity to take on these challenges. The recent work of the Committee has been extremely beneficial to the communities we serve. Last Congress, EPW produced two drinking water and wastewater infrastructure bills, DWIA 2020 and AWIA 2020, which included several important policies.

DWIA 2020 reauthorized a program that allows for up to 2 percent of the Drinking Water SRF for TA and extended TA to EPA's Small and Disadvantaged Communities Grant Program.

DWIA 2020 also extended the EPA's National Priority Area TA Program to communities that are facing an imminent threat to public health and allowed nonprofits like RCAP to provide TA to schools and childcare facilities to ensure that water is safe for every child.

One major unexpected emergency can leave small utilities financially distressed. With a small base of ratepayers, loans may not work for these communities. DWIA 2020 requires states to use 20 percent of the Drinking Water SRFs for grants, negative interest loans, or to refinance debt.

AWIA 2020 also included several TA provisions, creating circuit rider programs to assist small systems, and a grant program to improve efficiencies at small utilities.

Some people in rural communities are not connected to any wastewater system, resulting in raw sewage in yards and waterways, contaminated drinking water for residents, and chronic debilitating diseases like hookworm. Challenges like this can trap people in a vicious cycle of poverty. I want to thank Senators Capito, Booker, and former Senator Jones for the introduction of a bill that would create a grant program to address these challenges, and I commend the committee for including it in AWIA 2020.

Key Priority for Rural Communities:

Finally, one priority for rural communities did not make it into DWIA or AWIA, the creation of a low-income water customer assistance program. According to the most recent estimates, the nonmetro poverty rate was 16.1 percent, much higher than in metro areas. Further, counties experiencing long-term poverty are almost exclusively rural.

We have assistance programs for low-income Americans for food, shelter, heat, and health care. There is no such program for water. I thank Senators Cardin and Wicker for introducing bipartisan and bicameral legislation last Congress that would pilot such a program and urge the committee to create a program to solve this problem once and for all.

RCAP works with communities and partners across the country to advocate for and generate economic opportunities for rural areas. The services provided through these programs deliver critical assistance in the small and disadvantaged communities where it is most needed. I thank

the committee for inviting me to testify today, and I look forward to working with you and your colleagues to ensure these important priorities are passed into law.