



September 22, 2020

The Honorable Jeanne Shaheen
United States Senate
Washington, D.C. 20515

The Honorable Thom Tillis
United States Senate
Washington, D.C. 20515

Dear Senators, Shaheen and Tillis:

On behalf of the Rural Community Assistance Partnership (RCAP), I would like to express our strong support and thank you for introducing the *Emergency Assistance for Rural Water Systems Act* (S. 4633). We are very encouraged by this bipartisan legislation that would establish an emergency grant and loan program for directly aiding water and wastewater utilities that have experienced revenue losses and debt accrual as a direct result of the COVID-19 crisis.

RCAP is a national network of six regional non-profit organizations working to ensure that rural and small communities throughout the country have access to safe drinking water and sanitary wastewater disposal. RCAP provides a variety of programs to accomplish this goal, including direct training and on the ground technical assistance to thousands of small communities each year.

As you are aware, many industry representatives have conducted surveys to provide estimates of the current and potential financial impact of the COVID-19 emergency, though it is currently not possible to precisely determine the total impact and duration of the economic repercussions. The impact of the pandemic also varies within regions, states, and local areas. Some areas have experienced little or no financial impact while others have already seen significant losses. Below is a summary of the survey conducted by RCAP on COVID-19 financial impacts in rural America's water and wastewater utilities.

According to a recent survey of small water utilities, more than 31 percent of systems surveyed who were able to estimate their financial outlook indicated they would not be able to continue to cover all costs for more than six months under these current conditions. More than 43 percent of systems surveyed said they rely on one full-time operator or less to operate their system (many rely on part-time staff, operators or volunteers), and many respondents indicated a concern over

the health of their operators in the maintenance of the system. Based on the 1,100 unique responses from systems in 49 states and Puerto Rico, estimated revenue loss across the country for small water systems (serving populations of 10,000 residents or fewer) lies between \$3.6 to \$5.58 billion

The Emergency Assistance for Rural Water Systems Act would create grants and affordable lines of credit ranging from zero to one percent interest with the purpose to forgive or refinance the term, principal, or interest on an outstanding loan. We believe this proposal, if enacted, would enhance the Rural Water Utilities Service's financial stability necessary for the impacted rural utilities to continue to offer continuity of essential services by mitigating debt accrued due to the impacts of the COVID-19 crisis.

RCAP is supportive of this legislation and believe these tools and resources will help directly address many of the financial and continuity concerns that the rural utilities are currently experiencing and will face in the future as they continue to provide uninterrupted essential services.

Sincerely,



Nathan Ohle
Chief Executive Officer
Rural Community Assistance Partnership (RCAP),