



**Testimony to the
Committee on Environment and Public Works**

United States Senate

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**Northeastern
& Caribbean
RCAP**

Serving all six New England states, New York, New Jersey, Pennsylvania, Puerto Rico and the U.S. Virgin Islands.



**Southeastern
RCAP**

Serving Delaware, Maryland, Virginia, North Carolina, South Carolina, Georgia, and Florida.



**Great Lakes
RCAP**

Serving Illinois, Indiana, Kentucky, Michigan, Ohio, West Virginia, and Wisconsin.



**Southern
RCAP**

Serving Arkansas, Mississippi, Tennessee, Texas, Oklahoma, Louisiana and Alabama.



**Midwest
RCAP**

Serving Iowa, Kansas, Minnesota, Missouri, Nebraska, Montana, Wyoming, North Dakota and South Dakota.



**Western
RCAP**

Serving Alaska, Arizona, California, Colorado, Hawaii, Idaho, Nevada, New Mexico, Oregon, Utah, and Washington.

Introduction & About RCAP

Thank you, Chairman Carper, Ranking Member Capito, and members of the committee for this opportunity to discuss the importance of small, rural, disadvantaged, and underserved communities' ability to access federal financing for clean water infrastructure. Safe, reliable, and affordable water infrastructure is the foundation of economic development and public health in every community regardless of size, and investment in this infrastructure is especially important to ensure that rural areas remain great places to live and thrive. I want to thank the committee for your previous and continued work on this important issue.

My name is Olga Morales-Pate, and I am the CEO of the Rural Community Assistance Partnership (RCAP). RCAP is a national network of non-profit partners working to provide technical assistance (TA), training, and resources to rural and Tribal communities in every state and territory, and on Tribal lands and Colonias. Through our regional partners, more than 350 technical assistance providers build capacity that leads to sustainable and resilient infrastructure and strengthens rural economies. Our approach is grounded in long-term, trusted relationships with thousands of rural and Tribal communities across the country.

RCAP assists rural communities with funding applications and every phase of the project planning and development process, as well as providing training and technical assistance. We help communities understand how to properly manage and operate their infrastructure in a fiscally sustainable manner and ensure that federal borrowers meet the terms of their loans.

Last year, RCAP served more than 3.3 million rural and Tribal residents in more than 1,650 of the smallest, most distressed communities. The average population of the communities we served was 1,525, with a Median Household Income (MHI) of less than two-thirds the national MHI. We served almost 300,000 individuals from Indigenous communities and we served more than 1 million people of color. Additionally, RCAP conducted 639 training sessions, serving more than 6,600 systems, and reaching more than 13,000 attendees. The RCAP network is the sum of six regional partners across the U.S. that collectively cover every state and territory, as well as Tribal lands and Colonias:

- **Communities Unlimited (CU) – The Southern RCAP**
 - Serving Alabama, Arkansas, Louisiana, Mississippi, Oklahoma, Tennessee, and, Texas.
- **Great Lakes Community Action Partnership (GLCAP) – The Great Lakes RCAP**
 - Serving Illinois, Indiana, Kentucky, Michigan, Ohio, West Virginia, and Wisconsin.
- **Midwest Assistance Program (MAP) – The Midwest RCAP**
 - Serving Iowa, Kansas, Minnesota, Missouri, Montana, Nebraska, North Dakota, South Dakota, and Wyoming.
- **Rural Community Assistance Corporation (RCAC) – The Western RCAP**
 - Serving Alaska, Arizona, California, Colorado, Hawaii, Idaho, Nevada, New Mexico, Oregon, Utah, and Washington.
- **RCAP Solutions (RSOL) – The Northeastern and Caribbean RCAP**

- Serving all six New England States, New York, New Jersey, Pennsylvania, Puerto Rico, and the U.S. Virgin Islands
- Southeast Rural Community Assistance Project (SERCAP) – The Southeastern RCAP
 - Serving Delaware, Florida, Georgia, Maryland, North Carolina, South Carolina, and Virginia.

For 50 years, the RCAP network has partnered with multiple federal agencies including the Environmental Protection Agency (EPA) to bridge the gap between federal programs and the communities they serve. In many of these communities, water systems are often run by volunteers or one or two full time staff members. Our assistance and the availability of federal resources provide the only pathway to completing critical infrastructure projects and ensuring the continued reliability of utility services for their community.

This committee has been extremely busy in the last decade, authorizing new programs as well as increasing the authorizations of existing programs at EPA.

RCAP is extremely supportive of this committee's leading role in crafting and passage of the Infrastructure Investment and Jobs Act (IIJA), legislation that represented the largest investment in water infrastructure in the history of the United States. 49% of this funding is required to be dispersed as grants (or the equivalent) specifically for disadvantaged communities. This is crucial for small and disadvantaged communities because they lack the economies of scale to take out loans from the State Revolving Funds (SRFs) to support the extremely expensive projects required to keep their water safe and reliable.

However, for small, rural, disadvantaged, and underserved communities to be able to access this funding, they need to have access to TA. This is why RCAP is proud to have been selected as a National Environmental Finance Center (EFC) by the EPA this year to help ensure that this historic investment makes it to the communities that need it most.

RCAP also conducts TA for EPA under the Water Infrastructure Improvements for the Nation (WIIN) Act Grants to reduce lead in drinking water. While the crises in Flint, MI and Newark, NJ were some of the most high-profile instances of lead contamination of drinking water, at the time of the Flint Crisis in 2016 there were more than 2,000 communities – at least one in every state – that had elevated levels of lead in their drinking water. Many of these communities were small or disadvantaged and were unable to bring their own crisis to the nation's attention. The WIIN Act Grants made strides in addressing issues in all 2,000 communities, but again, TA was – and continues to be – needed to ensure small and disadvantaged communities have access to funding to remove this powerful neurotoxin from their water. RCAP is proud to be one of the organizations providing this technical assistance.

While TA is of course critical in ensuring small communities have access to federal funding, we need to increase federal funding itself – and particularly federal funding aimed at small, rural, and disadvantaged communities, which have different needs and concerns than larger communities. That is why RCAP wholeheartedly supported this committee's creation of the

assistance for small and disadvantaged communities grant program for drinking water in 2018, as well as the program's increased authorization in IJA.

Policy Priorities

In line with RCAP's mission to improve the quality of life in rural communities, below are some of RCAP's key recommendations for this committee's work this Congress.

Avoid IJA's Funding Cliff

EPA's most recent reports indicate that that public water systems need to invest \$473 billion and \$271 billion on drinking water and clean water infrastructure respectively, just to keep our water systems in a state of good repair. This estimate does not include the increased investments communities will need to protect themselves from increasingly common natural disasters, or emerging threats like cyberattacks and PFAS.

In recent years, federal funding sources for rural communities have grown, thanks in part to fresh injections of water infrastructure and economic development investment included in the landmark IJA legislation. However, within the next few years, this IJA funding will expire, leaving communities across the country facing a fiscal cliff that will directly threaten the safety and reliability of their water and risk squandering progress that the historic legislation has made. RCAP urges this committee to redouble its efforts to ensure that federal investment in water infrastructure is sustained at the levels authorized by this committee after IJA expires.

Fully Appropriate Water Infrastructure at Authorized Levels

Further, while IJA made the aforementioned historic gains in addressing our nation's water infrastructure needs, the programs authorized by this committee were not fully funded in the appropriations section of the bill. In fact, many programs have received *no funding* to date since IJA's passage, and the overall deficit between IJA authorizations and appropriations is projected to be roughly \$20 billion over the five years of IJA if current spending trends continue.

For example, the Technical Assistance and Grants for Emergencies Affecting Small Public Water Systems program was created and authorized at \$15 million per year and the Operational Sustainability of Small Public Water Systems program was created and authorized at \$50 million per year. Neither were funded in IJA, nor have they received regular annual appropriations in the fiscal years that have followed.

These programs and others like them are of critical importance to rural communities, particularly because small communities are challenged to access SRF loan financing, as they lack economies of scale needed to generate funding to repay loans and to compete for loans in the first place relative to midsize and large communities. Appropriating funding towards these targeted funding streams, including dedicated technical assistance authorities to help communities overcome project development challenges, will be key in ensuring small communities are not left behind by federal investments.

RCAP urges EPW committee members to work with the Senate Appropriations Committee to fully fund *all* the EPA water infrastructure programs that were authorized in IJA.

Create a Nationwide, Permanent Low-Income Assistance Program

The program that would perhaps be most transformative for small and rural communities, the Rural and Low-Income Water Assistance Pilot Program, was also not funded in IJA. This program would begin to address the one issue that virtually every community in America has in common: reliance on customers' increasingly precarious personal financial situations to pay for the vast majority of water infrastructure investment at water systems across the U.S.

Before IJA, the federal cost-share of overall water infrastructure investment fell below 5%, an all-time low. This is far lower than other types of infrastructure, even types this committee has jurisdiction over, such as roads, bridges, and ports. Because income inequality and the costs of keeping our water safe continue to grow, this puts small, rural communities that do not have the luxuries of economies of scale and a large customer base in an increasingly perilous position. Ultimately, it means that everyone, regardless of income level, will receive less safe and more unreliable water and wastewater services, unless something changes.

The Rural and Low-Income Water Assistance Pilot Program is the first step to addressing this problem. The intention of the program is to allow communities of all sizes to receive a grant to run a low-income assistance program in whatever way works best for their community, and report back on their experiences. This committee can then use those experiences to craft legislation that would create a nationwide, permanent low-income assistance program with the flexibility needed to support all communities.

RCAP urges this committee to work with the Senate Appropriations Committee to fully fund this program and begin to address this urgent issue.

Water System Regionalization

As noted, many of the unique challenges faced by small, rural water systems stem from their relatively small base of ratepayers, leading to difficulties achieving economies of scale and having funding on hand to complete capital infrastructure projects or regular operations and maintenance activities. One solution that has had a high rate of success for rural communities across the U.S. is collaboration between neighboring utilities, through measures ranging from simple partnerships to pool specific resources to full regionalization of entities under one combined system.

While regionalization has been an effective tool for struggling small systems, its implementation has been limited because of issues with regulatory compliance for utilities during the time they are forging a partnership and because there is no dedicated funding for regional entities to explore viable regional solutions – such as planning funds for regionalization studies. It is key for Congress and the administration to address this issue by creating incentives, not barriers, for more of these partnerships to be forged. RCAP is encouraged by

measures EPA is taking to promulgate a water system restructuring rulemaking in its implementation of America's Water Infrastructure Act (AWIA) of 2018, but additional policy solutions and dedicated funding are needed to expand the uptake of this beneficial practice, including dedicated funding for technical assistance for third-party entities to help facilitate regional solutions where regionalization makes financial, technical, and managerial sense.

New Funding Sources for Small Communities

Numerous studies have shown the dramatic increase in the financial costs of keeping our drinking water and wastewater systems safe and reliable. The committee has acknowledged this with the creation of the Assistance for Small and Disadvantaged Communities Grant Program for drinking water in 2018 and the increase in the program's authorization in IJA. RCAP hopes to work with this committee on a similar program for wastewater as well.

Rural community challenges are particularly significant for wastewater and are often overlooked when it comes to providing federal resources. The costs of dealing with increased flooding exacerbated by climate change, eliminating combined sewer overflows, and other capital improvements, on top of the increasing day-to-day costs of operations and maintenance, are many times too much of a financial burden for small communities to bear.

This is evidenced by difficult revenue decisions the utilities we work with must make, often 'robbing Peter to pay Paul,' so to speak, and having drinking water bill revenues subsidize costly wastewater upgrades and operations and maintenance activities. It would be an incredible lifeline for small systems to have greater access to flexible federal resources for wastewater through the creation of a new program, amongst other policies.

Improved federal resources for this purpose would also guarantee the sustainability of our drinking water sources for future generations. Across the country, there are millions of septic tanks, many of them failing and contaminating our drinking water sources, which eventually will effect public health.

Broader Flexibilities

As referenced throughout this testimony, another key barrier holding back rural water infrastructure improvements is a general lack of flexibility in how federal assistance is made available. If water stakeholders including the champion legislators that make up this committee are to adequately address the needs of underserved and unserved communities, a more comprehensive approach should be employed. We must ensure that funding is not restricted solely to carrying out capital upgrades for centralized systems, as is often the case. Centralized systems are often not a financially viable solution for small, rural communities. Regardless of system structure, if additional funding streams and flexibilities are not implemented, more drinking water sources will be compromised, particularly groundwater at risk of pollution from failing septic systems.

We will be far more effective in our mission to get assistance to those who need it most if a holistic approach is taken. These flexibilities include, but are not limited to, ensuring

communities on non-central systems are able to access funding, increasing eligibility of funding for operations and maintenance activities in disadvantaged communities, and of course prioritizing grant funding versus loan financing. RCAP's mission is centered around these 'gap-filling' activities, and Congress should pursue making them more readily available to ensure low-capacity communities are not left behind.

Access for All

Finally, all people should have access to safe, reliable, and affordable water infrastructure, but unfortunately this is not a reality for many. In fact, there are more than two million people in the U.S. who fall under the category of unserved, and do not have access to running water and a working toilet in their homes, and that number is growing. Not only does this deny millions of people the fundamental dignity of having access to modern sanitation, but a [recent report](#) found that this is costing the U.S. economy \$8.58 billion per year – nearly three times annual appropriations for water infrastructure. RCAP is grateful for this committee's efforts in the past to close the water access gap and looks forward to continuing to work with you on this important goal.

Conclusion

In closing, RCAP is grateful for this committee's tireless work over the last decade to address the crises facing rural water infrastructure, culminating in IJJA's historic investments. As this committee well knows, our work is not done. The sustainability of every community begins and ends with horizontal infrastructure. If we don't build our rural communities' water and wastewater infrastructure, they will never be able to grow their economy, workforce, housing, and so many other services that make a community sustainable. RCAP looks forward to working with each of you to ensure communities have the tools they need to promote improved quality of life across rural America.

RCAP works with communities and partners across the country to advocate for and generate economic opportunities for rural areas. Safe, reliable, and affordable water is the foundation that economic growth relies on. The services provided through programs created by this committee deliver critical assistance to 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 all rural people and places have the resources they need to be successful.

Supplementing this testimony on the pages that follow is my bio information, as well as a case study example of RCAP's important work in a rural West Virginia community.



RCAP's Chief Executive Officer, Olga Morales-Pate, is an accomplished and experienced leader on environmental justice and rural community development issues, became CEO of RCAP in October 2022, after spending 19 years at the Rural Community Assistance Corp (RCAC), the western RCAP.

As RCAC's Assistant Director of Community and Environmental Programs, she led a team of 48 and managed an annual portfolio of nearly \$10 million in grants and contracts. Olga also developed and led RCAC's regionalization work and authored legislation that established the New Mexico Colonias Infrastructure Fund which has secured \$144.6 million for 263 infrastructure projects since 2011. She also served on the EPA's National Drinking Water Advisory Council (NDWAC) as an appointee of President George W. Bush, where she established strong working relationships with the agency while leading advisory efforts on issues such as climate change, hydraulic fracturing, carbon sequestration, and harmful algae blooms and cyanotoxins among others.

RCAP CASE STUDY

Mineral Wells Public Service District



Mineral Wells, West Virginia
Population: 5,674
Funding Program: EPA NPA 2022
System Information: Mineral Wells Public Service District, Wood County, WV

PROTECTING AGAINST CROSS CONNECTIONS

Mineral Wells Public Service District (PSD) is a small, rural drinking water system located in Wood County, West Virginia. The PSD serves a population of 5,674 in Wood, Wirt and Jackson Counties. In 2021, the district received a Corrective Action Plan from the West Virginia Department of Environmental Protection (WV DEP) to correct a significant deficiency. It needed to implement an active Cross-Connection Program.

The goal of a Cross Connection Control Program is to protect the public water supply by preventing the flow of non-potable water into the distribution system. In addition to public education and outreach, this generally involves inspecting the interior plumbing and connection to the public water of some customers each year to check for potential illegal cross connections. If these are found and

cannot be eliminated, or if risks for backflow are found, the customer may be required to install a backflow prevention device.

ECONOMIC CHALLENGE FOR COMPLIANCE

The PSD had contacted a backflow inspector contractor and was informed that it would cost \$20,000 to complete 128 inspections of facilities connected to their system for the presence of cross-connections, determine the degree of hazard each presented and make recommendations for the required backflow prevention assemblies or other actions needed. As all small rural water systems, the PSD did not have an extra \$20,000 on hand. The Office Manager contacted RCAP asking for help.

VALUABLE ASSISTANCE FROM WV RCAP

Several West Virginia RCAP staff are state certified Backflow Prevention & Assembly Inspector Testers. RCAP provided technical assistance by creating the inspection letters and then conducting the inspections. Following each inspection, they drafted a letter advising the facility of the results, and if the installation of a backflow prevention device was required.

“Thank you very much for your assistance. It is helpful to have someone with your experience to offer guidance and direction.”

- Linda Watson, Office Manager-Mineral Wells PSD

The technical assistance provided by WV RCAP delivered a home run for Mineral Wells PSD. The assistance provided saved the PSD \$20,000, improved public health by reducing the chance of contamination through cross-connections, and brought the system into compliance with state regulations. The board and staff of Mineral Wells PSD are dedicated to providing high quality

drinking water services to present and future customers and always seeking to improve the organization because the community deserves the best they can offer.

For more information about training and services from Great Lakes RCAP, including backflow prevention and cross connection control programs, please visit www.glcap.org/rcap.

West Virginia RCAP is a part of Great Lakes RCAP and the Rural Community Assistance Partnership, Inc. RCAP is a national network of regional nonprofit organizations that provide comprehensive, on-site technical assistance and training to help small, rural communities address their drinking water, wastewater, and other community development needs. Most services are provided at NO cost to the community

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