



WATER FACT SHEET

Most U.S. water utilities are small in scale. In fact, more than 94 percent of our country's drinking water suppliers serve communities with a population less than 10,000. Many rural water systems struggle with compliance issues with federal clean water and drinking water standards. The estimated cost to provide improved rural drinking water facilities totals more than \$60 billion. Water/wastewater plant maintenance and upgrades are costly, and sparsely populated counties and municipalities with a low tax base often cannot afford commercial credit at the prevailing rates and terms. This is why rural water projects are often funded through a combination of federal direct loans, loan guarantees and grants, as well as private financing. All sources of funding are needed to meet the large and growing demands by rural communities.

Much of the federal support for rural water projects comes from the U.S. Department of Agriculture's (USDA) Water and Waste Disposal Loan and Grant Program, which serves rural areas and communities with fewer than 10,000 residents. Since 1940, this program has made 96,724 loans and grants to rural communities totaling \$54.6 billion. Demand for the program is high and applications consistently outpace available resources and administrative capacity. The current backlog is \$2.5 billion with 995 pending applications – a low estimate of true demand, since many applicants remove themselves from the process after years of delays. The RebuildRural Coalition supports increased funding for the Water and Waste Disposal Program to address the backlog, as well as efforts to speed up the process for approving and funding projects. The longer a project is delayed due to funding, the more costly the project becomes. The RebuildRural Coalition also supports federal programs that provide on-site technical assistance to help local governments and municipalities improve their water systems.

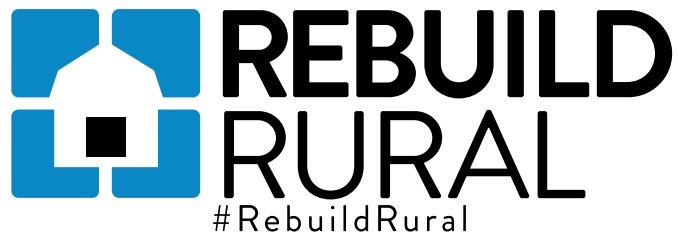
Current law and the Office of Management and Budget prohibits the USDA from guaranteeing tax-exempt financing for many different types of water and waste disposal projects in rural areas. Without specific authorization, tax rules make it difficult for municipal sponsors to accept USDA loan guarantees without risking their authority to issue tax-exempt bonds for the project. RebuildRural supports clarifying the existing tax rules to provide certainty for project sponsors to help lower project costs for rural communities and resolve the backlog of loan applications for small communities' essential water and wastewater projects.

More than 15 million households in the United States – approximately 15 percent of Americans – rely on private water wells for drinking water, and more than 85 million Americans, a quarter of the population, are served by septic tanks or other on-site/decentralized wastewater technology. Additionally, nearly 500,000 households lack complete indoor plumbing. Rural Americans with on-site or decentralized water and wastewater systems face the same challenges as centralized water and sewer authorities. The U.S. Environmental Protection Agency (EPA) estimates that 10 to 20 percent of the country's on-site wastewater treatment systems are failing. The RebuildRural Coalition supports increased funding for the EPA's Clean Water State Revolving Fund and the USDA's Household Water Well Systems Grant Program, which provide resources to capitalize loan funds for the construction, repair or replacement of decentralized wastewater treatment systems and household water well systems, respectively.



REBUILD RURAL COALITION

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OVERVIEW

The Rebuild Rural Infrastructure Coalition is comprised of more than 200 organizations from across the country focused on rural communities, U.S. agricultural producers, rural businesses, and rural families. The Rebuild Rural Coalition is dedicated to advocating for investment in rural America's infrastructure and understands that rural America's infrastructure needs are fundamentally different.

Past infrastructure initiatives often focused on urban and suburban areas while not adequately addressing the unique needs of rural communities. Rural communities have seen their infrastructure deteriorate, jeopardizing their jobs, their families' health and wellbeing and their competitiveness in both agricultural and other industries important to rural America.

American agriculture truly feeds the world and creates millions of jobs for U.S. workers. Our nation's ability to produce food and fiber and transport it efficiently across the globe is a critical factor in U.S. competitiveness internationally. Our deteriorating infrastructure threatens this leadership position and negatively impacts the ability of rural Americans to do their jobs.

Transportation infrastructure improvement to highways, bridges, railways, locks and dams, harbors and port facilities is the most obvious need in rural communities, but not the only need that must be addressed. In addition, critical needs exist in providing clean water for rural families, affordable housing options for rural residents, expanding broadband to connect rural communities to the outside world, updating Ag research facilities so the rural economy can stay competitive and enhancing the ability to supply affordable, reliable and secure power for the rural economy.

Federal investment in infrastructure plays a vital role in repairing and expanding our nation's infrastructure, however federal funds cannot fully meet the vast diversity of needs. This is why public-private partnerships and other creative solutions are necessary to meet the challenges of rural America. In order for infrastructure funding to be utilized to the highest degree, we must ease burdensome regulations and outdated statutory requirements, as well as fund projects in a way that ensures completion in a timely manner.

The Rebuild Rural Infrastructure Coalition looks forward to begin addressing the nation's infrastructure needs, and will stand as a resource for addressing the infrastructure needs of rural America.



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AG RESEARCH

- Federal government should continue its history of supporting agricultural research.
- Cutting-edge research is being conducted in outdated agriculture research infrastructure.
- \$8.4 billion in total deferred maintenance outstanding in Ag Research building and infrastructure.



HEALTHCARE

- 80 rural hospitals closed since 2010, 673 facilities are vulnerable, making up 1/3+ of facilities.
- Funding needed for 77% of rural counties in Primary Care Health Professional Shortage Areas.
- Telehealth, combined with broadband, facilitates early diagnosis & treatment in rural areas that can lead to lower health care costs.



BROADBAND

- Broadband is vital to economic development, education, agriculture, health care & public safety activities.
- The High-Cost Universal Service Fund lacks sufficient resources to reach rate/service parity for rural & urban areas.
- Less federal regulatory burden for permits & access to government lands would boost investment in rural broadband.



HOUSING

- Low income rural Americans depend on multifamily housing loans through USDA Rural Development.
- Need to modernize housing programs such as MPR and Sections 538 and Section 521.
- Rural communities need senior care facilities, higher proportion of population over 50 years old.



ENERGY

- RUS loan program helps modernize the grid, combat cyber threats & integrate renewable energy.
- RUS loans produce net income for the Treasury – approximately \$300 million in 2016.
- Reducing the regulatory burden on RUS loans & infrastructure siting would increase development.



TRANSPORTATION

- Most our locks and dams are dilapidated and have outlived their 50-year design lifespan.
- Waterways are critical corridors of commerce & supported \$128 billion in ag exports in 2015.
- Most of the US transportation system is rural: 74% of bridges and 73% of roads.



FINANCING

- Access to affordable and long-term financing options is critical for rural infrastructure projects.
- Rural infrastructure facilities often are smaller, don't attract major financial institutions.
- Federal funding often is limited for rural projects, private sector financing partners are needed.



WATER

- 94%+ of U.S. drinking water utilities supply communities with fewer than 10,000 persons.
- USDA Water and Waste Water program backlog is \$2.5 billion, with 995 pending applications.
- Aging & deteriorating systems beyond useful life/with have the greatest public health needs need priority.