TO: NRWA Regulatory Committee  
FROM: Mike Keegan (keegan@ruralwater.org), Analyst  
DATE: December 1, 2012  
RE: The Water Infrastructure Finance and Innovations Act of 2012 (WIFIA)

The WIFIA bill (S. 3626) is intended to address the funding gap for large, regional, and nationally significant projects by making funds directly available. It would offer EPA loans (directly from EPA) in excess of $20 million for a variety of major water infrastructure projects that tend to be too large to receive assistance through existing federal funding mechanisms.

The WIFIA proposal includes none of the NRWA priorities and allows for federal subsidies to be available for more affluent communities, private water systems, and communities that have access to commercial sources of funding.

ASDWA is concerned that the legislation, if enacted, could compete for funding with the SRFs.

NRWA has consistently supported water funding policies and legislation that prioritize federal funding subsidies to the communities most in need (economically & environmentally). We have consistently advocated for our four priorities in any new water infrastructure legislation: (1) target funding to the communities with the greatest need, (2) provide a portion of funding for grants, (3) require a minimum set-aside for small communities, and (4) include funding for technical assistance to allow communities to access the funds. NRWA has testified, in support of these priorities, in Congress on a number of occasions: House Commerce Committee1, Senate Environment and Public Works Committee (20112, 20073, 20044, 20025), etc.

Additionally, NRWA has urged Congress to make the CWASRF more like the newer SDWASRF. Water infrastructure legislation (HR 5320, 112th Congress) supported by NRWA6 has made the most progress in Congress of any water infrastructure legislation since the passage of the SDWA in 1996. This legislation included all NRWA priorities.

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 3 http://epw.senate.gov/public/index.cfm?FuseAction=Files.View&FileStore_id=10e479ef-0c89-49b0-b4ac-c3acaa0dbcb  
 5 http://epw.senate.gov/107th/Ronnebaum_022802.htm  
Small & Rural Communities Praise Senator Inhofe (OK) for Passing Rural Water Infrastructure Amendment

(Washington, DC) The National Rural Water Association (NRWA), and its over 28,000 small and rural community members are praising Senator Inhofe (OK), and the U.S. Senate, for passage of the Inhofe Rural Water Infrastructure Amendment, which was accepted by the full Senate last evening.

Inhofe’s amendment to the Water Resources Development Act of 2013 requires that 10 percent of all funding for any new federal Water Infrastructure Finance and Innovative Authority to be dedicated for rural water infrastructure projects.

The Inhofe Amendment ensures that federal water subsidies will be targeted to the most needed and meritorious water projects. There is currently over $3 billion in backlog for rural and small communities’ water funding assistance.

Small and rural communities often have a more difficult time, due to their limited customer base, when it comes to providing safe water and compliance with federal standards. This is compounded by the fact that small and rural communities often have lower median household incomes and higher water rates compared to larger communities. As a result, the cost of compliance is often dramatically higher per household. The vast majority of U.S. water supplies are small, 94% or 47,495 of the 51,651 community water systems serve a population less than 10,000 people. EPA asserts, “Because small communities tend to be economically disadvantaged, underserved and resource-poor, they face significant barriers to building and maintaining effective water treatment.”

Small and rural communities sincerely appreciate Senator Inhofe’s support and assistance.
Policy Alert – Senate WIFIA Legislation

Support Senator Inhofe’s Rural Water Amendment to the Water Resources Development Act of 2013

The National Rural Water Association (NRWA) has over 28,000 small and rural community members with drinking water and/or wastewater supplies.

NRWA supports Senator Inhofe’s rural water infrastructure amendment (SA 796) to the Water Resources Development Act of 2013. The amendment would set-aside 10 percent of any WIFIA funding for rural water infrastructure projects (next page).

Small and rural communities often have a difficult time, due to their limited customer base, when it comes to providing safe water and compliance with federal standards. This is compounded by the fact that small and rural communities often have lower median household incomes and higher water rates compared to larger communities. As a result, the cost of compliance is often dramatically higher per household. The vast majority of U.S. water supplies are small, 94% or 47,495 of the 51,651 community water systems serve a population less than 10,000 people. EPA asserts, “Because small communities tend to be economically disadvantaged, under-served and resource-poor, they face significant barriers to building and maintaining effective water treatment.”

Drinking water quality and availability are two critical elements in a rural community’s environment and viability. Drinking water quality is one of the most pressing public health concerns in rural America and essential for long-term economic stability. If enacted, the Inhofe amendment will result in more solutions to the water problems facing rural America. Many rural communities need to upgrade, expand and construct water infrastructure to maintain rural economic development and public health protection.

Small and rural communities sincerely appreciate Senator Inhofe’s support and assistance.

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The National Rural Water Association (NRWA) is the largest community based environmental organization with over 28,000 small and rural community members. NRWA provides direct technical assistance and training to all small & rural communities to ensure safe drinking water, clean wastewater, compliance, security and source water protection.
SA 796. Mr. INHOFE (for himself, Mr. BAUCUS, Mr. CASEY, and Mr. TESTER) submitted an amendment intended to be proposed by him to the bill S. 601, to provide for the conservation and development of water and related resources, to authorize the Secretary of the Army to construct various projects for improvements to rivers and harbors of the United States, and for other purposes; which was ordered to lie on the table; as follows:

On page 548, between lines 16 and 17, insert the following:

(10) RURAL WATER INFRASTRUCTURE PROJECT.--The term ``rural water infrastructure project'' means a project that--

(A) is described in section 10007; and

(B) is located in a water system that serves not more than 25,000 individuals.

On page 556, strike lines 1 through 3, and insert the following:

(2) ELIGIBLE PROJECT COSTS.--

(A) IN GENERAL.--Subject to subparagraph (B), the eligible project costs of a project shall be reasonably anticipated to be not less than $20,000,000.

(B) RURAL WATER INFRASTRUCTURE PROJECTS.--For rural water infrastructure projects, the eligible project costs of a project shall be reasonably anticipated to be not less than $2,000,000.

On page 570, between lines 19 and 20, insert the following:

(b) Rural Water Infrastructure Projects.--

(1) IN GENERAL.--Of the amounts made available to carry out this title for each fiscal year, not more than 10 percent shall be set aside to carry out rural water infrastructure projects.

(2) APPLICABILITY.--Any amounts set aside under paragraph (1) that remain unobligated on June 1 of the fiscal year for which the amounts are set aside shall be made available to the Secretary or the Administrator, as applicable, for use in accordance with this title.