



Pacific Mountain Network News

Newsletter of Rural Community Assistance Corporation

Dedicated to assisting rural communities achieve their goals

Water Infrastructure Network advocates for large and small interests alike

By Ken Kirk, Water Infrastructure Network administrator
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When such a fundamental national interest as clean and safe water is at risk, it is important that all parties — from the representatives of the smallest to the largest drinking water and wastewater utilities and from the most metropolitan to the most rural utilities — come together to solve a problem of mutual concern. The problem of, and challenges posed by aging pipes and systems affect urban and rural communities alike. The difference is perhaps one of scale rather than of kind.

The Water Infrastructure Network (WIN) formed in 1999 to meet the growing need to recommit the federal government to solve the growing water and wastewater infrastructure funding shortfall faced by the nation's municipalities. WIN's objective is to form as broad a coalition of like-minded groups as possible.

WIN's goal is to obtain a long-term, sustainable funding source for water and wastewater infrastructure to benefit communities nationwide. Due in large part to the WIN's work and the breadth of interests represented by its member organizations, a consensus

now exists that there is a massive clean and safe water infrastructure shortfall that could be as high as \$1 trillion over the next 20 years. The U.S. Environmental Protection Agency's (EPA's) pivotal report,

The Clean Water and Drinking Water Infrastructure Gap Analysis, issued late last year, documents this startling water and wastewater infrastructure funding gap. The Congressional Budget Office and the General Accounting Office issued reports echoing the EPA figures. These reports

are available at www.win-water.org.

Now, the debate involves how to overcome the funding shortfall. It is important for urban and rural interests to join together to educate local and federal elected officials that a long-term, sustainable funding solution is the correct course of action. No matter what size the utility or where that utility is located, it is in everyone's interest to ensure that the federal government cease burying its collective head in the sand in the vain hope that the impending funding crisis will miraculously take care of itself.

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www.rcac.org

Visit "links: at www.rcac.org to access more than 100 links to information on rural development, Native American issues, nonprofit resources, agricultural workers, private resources and much more.

WIN organizes to address infrastructure funding shortfall

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As WIN moves forward to develop real solutions to overcome the funding gap, it is important to keep in mind WIN's principles as documented in its 2001 report titled *Water Infrastructure NOW*. The WIN report, available at www.win-water.org, states:

Needs are large and unprecedented; in many locations, local sources cannot be expected to meet this challenge alone; and because waters are shared across local and state boundaries, the benefits of federal help will accrue to the entire nation. Clean and safe water is no less a national priority than are national defense, an adequate system of interstate highways, or a safe and efficient aviation system. These latter infrastructure programs enjoy sustainable, long-term federal grant programs; under current policy, water and wastewater infrastructure do not. Equally compelling is the case for flexibility in the forms of federal investment including grants, loans, and other forms of assistance. Grants will be needed for many communities that simply cannot afford to meet public health, environmental, and/or service-level requirements.

As the above quote implies, WIN's analysis of, and recommendations to resolve the impending crisis in water and wastewater infrastructure financing, do not reflect just an urban perspective, but rather demand flexibility based on the unique needs of various communities. Groups such as the Rural Community Assistance Program, Inc. (RCAP) have provided both invaluable support to WIN as well as key insights on the unique challenges rural communities face.

According to RCAP, while rural communities are equally concerned about the capital dimensions of the water and wastewater crisis, rural water systems have additional concerns. Rural water systems are usually by their very nature small and lack the base of ratepayers to spread the cost of infrastructure maintenance, upgrades or expansions in an affordable manner.

Also, according to RCAP, rural communities often lack the knowledge and skills to access financial resources to support their efforts to enhance their communities' quality of life through improvements essential to their water and wastewater infrastructure. Rural communities often lack local expertise such as highly trained operators and utility staff. Advocates for small and rural communities have expressed a need for technical assistance to help develop the capacity of these communities at multiple stages of the infrastructure process, including organizing the community

to apply for loan or grant funding, reviewing proposals from engineers, building oversight capabilities of local boards for fiduciary responsibility of the finances, and operating a new or improved system once safely and securely installed.

Simply stated, the WIN initiative seeks to provide as comprehensive a solution to the nation's clean and safe water funding gap as possible, including recommendations for finance as well as technical assistance to address unique rural concerns in the context of a national effort. WIN looks forward to continuing to work closely with rural communities and their representative organizations toward a long-term, sustainable funding solution for clean and safe water.

RCAC provides gap financing for Arizona water system

By Shelly Haack, Neighborhood Housing Program manager, Portland Development Commission

With its closing date fast approaching, Manara Domestic Water Improvement District (MDWID) was troubled. U. S. Department of Agriculture Rural Development (USDA) financing for MDWID's project would not meet the scheduled closing date to purchase land for a new well. Additionally, the project engineer could no longer defer fee payment.

A Rural Community Assistance Corporation (RCAC) loan filled the financing gap, which allowed the project to proceed. With the land purchased, and the engineer's fee paid, the project is now on schedule to close on the USDA Rural Development financing package this spring.

MDWID, a designated colonia, is northwest of Tucson in south central Arizona. The system serves approximately 1,700 people in the Avra Valley, many of whom are low-income. MDWID was incorporated in April 1998 to acquire the assets of Marana Water Services, Inc. and I.M. Water Company, two public service corporations, each with long histories of poor operating performance.

The District's 30-year-old water system consists of three water systems which are operated separately. None of these systems currently meet Arizona Department of Environmental Quality's minimum requirements for water source and storage. The connection between the systems is undersized and does not allow common facilities to serve both systems adequately either in emergency or normal operation.

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