



Oregon
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Founded in 1968, Oregon Environmental Council (OEC) is a statewide nonprofit dedicated to advancing innovative, collaborative, equitable solutions to Oregon's environmental challenges for today and future generations.

Clean Water for Rural Oregon

The Value of the USDA Rural Development Water & Waste Disposal Loan and Grant Program

USDA Rural Development Funds

A vital resource for rural communities and a good investment for America

Communities across Oregon face the challenge of aging or inadequate infrastructure to provide clean drinking water and meet the needs of growing communities and a changing economy. In rural Oregon, many towns don't have the population density to generate needed money for improvements, and many lack the cash flow to qualify for affordable private loans that are available to larger cities. This can lead to deferred repairs that turn into crises.

But programs like the USDA's Rural Development Water & Waste Disposal Loan and Grants are seen as **vital and affordable options for rural Oregonians to access and maintain clean water resources**. This program helps very small, financially distressed rural communities extend and improve water and waste treatment facilities that serve local households and businesses.

Reliable water and wastewater systems can save tax dollars, improve the natural environment, protect human health, and help manufacturers and businesses to locate or expand. These investments help rural communities achieve economic and financial stability across the state.

Water & Waste Disposal Loans and Grants Program Benefits:

- Long-term, low-interest loans with 40-year terms
- Strong loan portfolio with 0.43% delinquency rate
- Dedicated to rural areas and towns with populations of 10K or less, and tribal lands in rural areas
- Funds allow for local flexibility and creativity
- Better able to meet the needs of lower wealth communities than other funding options
- Vital last resort for rural areas without clean water

AT RISK

The USDA Water & Waste Disposal Loan and Grant Program is a critical lifeline for rural Americans. Despite great need, members of Congress are proposing to significantly reduce the program in the FY18 federal budget, threatening rural Americans' health and economy.

FY17 Appropriation	\$571.19 million
FY18 President's Proposal	Fund fully eliminated
FY18 House Proposal	\$98.49 million cut
FY18 Senate Proposal	\$20.81 million cut

CONGRESS: DON'T ABANDON RURAL COMMUNITIES' WATER NEEDS

Drinking Water in Rural Oregon

Smaller communities are being left behind

Reports in 2017 by the Natural Resources Defense Council and USA Today showed that **rural drinking water providers have less capacity and fewer resources** to test water quality regularly, stay up-to-date on current rules and best practices, and update treatment systems to 21st century standards. About 97 percent of the country's 157,000 water systems serve 10K or fewer people. The smallest, serving 500 or fewer people, accounted for **70 percent of drinking water violations** in 2015, and Oregon is no exception. The top 10 systems with health-based violations were: Bend, Brookings, Sandy, Crooked River Ranch, Lafayette, Nyssa, Hubbard, Grand Ronde, Columbia City, and Union. We cannot accept unequal protection for our drinking water.

Impact in Oregon: CASE STUDIES

1. Critical infrastructure for low-wealth communities

Newly incorporated in 2006, the **City of La Pine** has been working for the past decade to build the systems and services that residents of other Oregon cities take for granted. This small community is looking to the future by connecting 300 existing lots to **a safe municipal drinking water and sewer system, adding a second well source to ensure safe and reliable drinking water, and adding needed wastewater treatment** to prevent pollution from impacting the health of residents and rivers downstream.

Without the long-term, low-interest loans and grants offered by the USDA Rural Development Program, this critical step toward achieving the city's 20-year Master Plan would have been cost-prohibitive. Like many rural communities, La Pine's small population (1,815) limits its ability to generate money for improvements, and **increased water and sewer rates would have had a disproportionate impact on residents** whose median household income is \$33,566. Now the city will be better able to attract jobs and businesses while protecting clean water.

2. Responsible growth with environmental and community benefits

Communities across Central Oregon - like **Prineville** - are looking for ways to sustainably manage a development boom that started in the early 2000s. Over the next 30 years, Prineville is expected to grow from 9,500 to 23,000 people, and the increased wastewater output could have a huge impact on local infrastructure and rivers that are already suffering from warming temperatures. To meet clean water requirements, the city developed the Crooked River Wetlands Complex, a **multilevel system of 15 wetland ponds over 120 acres that double as a municipal wastewater-treatment facility**.

The availability and affordability of USDA Rural Development funds was key to implementing this complex project. The program also allows local jurisdictions the **flexibility to pursue creative solutions**, like environmentally-friendly wetlands, which cost a fraction of building a mechanical treatment plant and make waterways safer for everyone. Now residents have clean water, 5.5 new miles of walking trails and interpretive kiosks, and a sustainable plan for the future.

3. Essential services secured against natural disaster

The community of **Seal Rock on the Oregon Coast** is looking to strengthen the resiliency of its essential public services. Currently, the water district purchases its water from the City of Toledo and transfers it through a nine-mile pipe, constructed mostly of asbestos cement material, that is **vulnerable to landslides, flooding and major earthquakes** - events common or likely in the Coast Range. The existing pipeline has already experienced costly leaks and breaks from slides and ground movement.

Seal Rock Water District is looking to USDA's historically reliable Rural Development funds to help **update its aging infrastructure before a natural disaster leaves this community without a source of clean drinking water**.

The water district plans to develop a new and more stable primary water supply system from Beaver Creek, which is located within the District's service boundaries.

BY THE NUMBERS

Here's a national look at the impact of the USDA Rural Development Water & Waste Disposal Loan and Grant Program by the numbers:

Since 2009:

- 19.5 million people in rural areas benefited
- \$13.9 billion in funding distributed
- 5,825 water and wastewater projects built

In 2016:

- 77% of program funds distributed as loans
- Portfolio of 15,853 loans totaling over \$12 billion
- 0.43% delinquency rate

But the need is great. EPA projects spending on drinking water systems alone would have to increase nearly twelvefold, to \$384.2 billion, to cover the needs for the next 20 years.

"Without it, systems like ours face the potential of failing prematurely. USDA-RD is one of few funding sources available for small communities, especially on the Oregon Coast, where constant earth movement and natural hazards are a primary concern. USDA-RD funding makes it possible for Districts like ours to fund major capital improvements."

-Adam Denlinger, Seal Rock Water District General Manager

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