WRITTEN STATEMENT FOR THE RECORD

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Introduction

Chairman Johnson, Ranking Member Davis, Representative Finstad, and Members of the Subcommittee, thank you for the opportunity to submit this statement on the importance of USDA Rural Development programs and the partnerships that help those programs reach rural communities.

My name is Lori Blair, and I serve as Executive Director of the Minnesota Rural Water Association. MRWA works directly with rural water and wastewater systems throughout Minnesota through on-site technical assistance, operator training, emergency response, workforce development and support for the local officials and utility professionals responsible for protecting public health every day. Currently, MRWA represents over 705 rural water and wastewater utilities within Minnesota, however we provide service to any eligible utility that seeks assistance. Additionally, MRWA provides over 3,089 on-site technical assistance visits and hosts 79 training sessions per year. I also want to thank the USDA Rural Development state office staff in Minnesota for their partnership with MRWA and their dedication to the communities we serve together in a shared mission.

It was a pleasure to see Chairman Johnson and Representative Finstad at the rural roundtable in Minnesota last month. That conversation reflected something Minnesotans understand well: federal rural policy works best when it is informed by the people who operate systems, govern small communities, and solve practical problems on the ground.

My central message today is straightforward: USDA Rural Development partnerships magnify public investment because they combine federal financing and expertise with trusted local delivery. For rural water and wastewater systems, that partnership model helps communities move from identifying a problem, to developing an affordable project, to operating and maintaining the system successfully for decades. In short, I ask the Subcommittee to sustain USDA Rural Development's field presence, protect its core water financing, and invest in the technical assistance that helps communities put that financing to work.

Rural Water Infrastructure Supports the Entire Rural Economy

Reliable water and wastewater service is not a stand-alone public works issue. It is the foundation for homes, farms, schools, health care facilities, main-street businesses, food processing, emergency services, and future economic growth. A community cannot retain

families, attract employers, expand housing, or protect its natural resources without dependable utility service.

Minnesota illustrates both the importance and the difficulty of that work. Our rural systems include small cities and townships, lake communities with large seasonal swings in demand, tribal communities, manufactured-home communities, schools and other noncommunity systems, and regional systems serving customers across wide geographic areas. Some communities must maintain miles of pipe with only a few hundred ratepayers. Others are managing aging wells, treatment plants, water towers, collection systems, and lagoons while also preparing for lead service line requirements, emerging contaminants, and cyber and extreme-weather threats. In winter, a frozen main or water tower, failed pump, or loss of pressure can quickly become a public health emergency. In each case, the community must keep service running while trying to plan and finance the permanent solution.

Many small systems rely on one certified operator, a part-time employee, or volunteer board members. They must meet the same public health and environmental responsibilities as large utilities, but often without in-house engineering, financial, compliance, cybersecurity, or asset-management staff. USDA Rural Development and its partners help close that capacity gap.

The Partnership Model Makes Federal Investment Work

USDA Rural Development is more than a source of grants and loans. It is a rural-focused delivery system that combines financing, field expertise, technical assistance, and long-term relationships. That structure matters because small communities rarely need only one transaction. They need help evaluating alternatives, setting sustainable rates, preparing an application, coordinating funding, overseeing a project, training operators, and maintaining the resulting asset.

Through the USDA-supported Circuit Rider program and related technical assistance, MRWA specialists work side by side with utility personnel and local officials. Assistance may include operations and maintenance, regulatory compliance, water treatment, budgeting, rate studies, board training, leak detection, emergency response, system management, source water protection, water quality requirements, and long-term capital planning. This hands-on support helps prevent small problems from becoming expensive failures and protects the public investment after construction is complete.

This is the multiplier effect of partnership. USDA provides the rural mission, financing tools, and national framework. State rural water associations bring trusted relationships, technical expertise, and the ability to reach systems quickly. State agencies, engineers, local governments, lenders, and other partners contribute additional tools. The community remains responsible for local decisions, but it does not have to navigate every challenge alone.

Minnesota Examples: Affordability, Workforce, and Continuity of Service

For many Minnesota communities, project affordability is the threshold issue. USDA Rural Development's Water and Waste Disposal Loan and Grant Program provides the long-term, affordable financing that small communities cannot obtain on reasonable terms elsewhere, and in Minnesota it can be paired with the Public Facilities Authority's Water Infrastructure Fund and other state resources. That coordination matters when a few hundred households must spread the

cost of a treatment upgrade, water-tower replacement, new well, sewer rehabilitation, or failing mains. A grant component, affordable loan terms, and a realistic rate structure allow these projects to move forward at a cost residents can sustain. In practice, a city may work with USDA on the loan and grant package, the Public Facilities Authority on state funding, and MRWA on rate analysis and board preparation, so each partner's contribution fits into one affordable plan. MRWA also helps communities understand their operational needs and remains engaged after construction so the new asset is properly operated and maintained.

Workforce is an equally urgent concern. Many Minnesota utilities depend on one licensed operator who may also read meters, repair streets, maintain equipment, respond after hours, and explain rate increases to the city council. When that operator retires or leaves, the community may lose decades of institutional knowledge at once. MRWA's water and wastewater apprenticeship program, which was awarded through the Water and Waste Disposal Technical Assistance and Training program, gives utilities a structured way to recruit locally, provide supervised on-the-job learning, and prepare the next generation for certification. For a small town, apprenticeship is not simply a workforce program. It is a continuity-of-service strategy that protects public health and the federal investment in the system. In a typical case, an apprentice learns treatment, distribution, and recordkeeping alongside a veteran operator, so the community has a certified successor in place before the retirement occurs rather than after. USDA-supported technical assistance complements that work by helping new and experienced operators troubleshoot treatment, improve preventive maintenance, document procedures, and build the management capacity needed to keep the utility stable.

Minnesota systems also face immediate operational challenges that arise alongside, and often before, a capital project. A community may be losing treated water through aging mains but lack the staff or equipment to isolate the leak. Another may be paying to treat rainwater and groundwater entering an old collection system. A noncommunity system may need help correcting a monitoring or treatment problem before it becomes a larger compliance issue. A utility may need a cybersecurity assessment, an emergency response plan, or mutual-aid connections before an incident occurs. A Circuit Rider who already understands small-system operations can get on site, help identify the cause, stabilize service, work with local officials and agency partners, and translate the immediate problem into a practical capital and management plan. In Minnesota's winters, that may mean responding to a frozen main or water tower in the middle of the night and then helping the city plan for line replacement the following construction season. That trusted relationship, built with USDA Rural Development and other partners, is especially valuable when a community is under stress and does not know which program or partner to call first.

Why USDA Rural Development Is the Right Federal Partner

Rural communities experience infrastructure needs as interconnected, and USDA Rural Development's mission and portfolio reflect that reality. Water, housing, health care, broadband, community facilities, energy, and business development depend on one another. A town cannot support new housing without utility capacity. A clinic, school, or employer cannot operate without reliable water and wastewater service. Broadband and business development cannot substitute for basic infrastructure, but together these investments can create durable rural growth.

USDA Rural Development is uniquely positioned to understand these connections because its mission is to enhance the quality of life in rural America. For many small communities, Rural Development is both the first opportunity for affordable financing and the lender of last resort when credit is not available on reasonable terms elsewhere. Its field structure and program knowledge allow staff to work with communities over time, not only at the moment an award is made. Because Rural Development is a direct lender on most of its programs, a community or utility works with the same staff from planning through completion. The partnerships highlighted at this hearing build on that federal foundation and benefit from USDA's long-standing local relationships.

Recommendations to Strengthen Rural Development Partnerships

I commend the Subcommittee for its work to complete a Farm Bill, which offers an important opportunity to strengthen the tools available to rural water and wastewater systems. A new Farm Bill would give these systems what they need to keep water safe, sustainable and affordable: continued support for the Rural Water and Wastewater Circuit Rider Program, a new Cybersecurity Circuit Rider Program, and a new Emergency Preparedness, Response, and Recovery Technical Assistance Program. The legislation would also assist financially distressed rural areas, with explicit protection for voluntary participation so that no community is forced into regionalization or consolidation.

The legislation would also expand financing options. It provides zero- and 1 percent low-interest loans and grants for rural water systems. Together, these provisions strengthen the partnership between USDA Rural Development and the state rural water associations that deliver this help on the ground. I encourage Congress to preserve them in the final bill. Once the Farm Bill is complete, I respectfully ask the Subcommittee to champion the following additional priorities, which build on that foundation and help ensure these new tools deliver lasting results for rural communities.

First, I ask the Subcommittee to help sustain USDA Rural Development's strong field presence and its state offices, including Water and Environmental Programs staff, so they can keep providing responsive project development and servicing. Small communities benefit from an identifiable person who understands rural utility finance and can remain involved from the preapplication meeting through construction, closeout, and long-term loan servicing. Online tools can complement that relationship and make it even more effective.

Second, I encourage the Subcommittee to protect the Water and Waste Disposal Loan and Grant Program as a core rural infrastructure program and maintain a meaningful grant component for communities where debt alone would produce unaffordable household rates. USDA's continued attention to total project affordability, including existing debt, median household income, population trends, and the cost of meeting health and environmental requirements, is essential to reaching the communities with the greatest needs. Capital authority should be paired with stable support for Circuit Riders, wastewater technical assistance, source water protection, and related programs. Capital and capacity must move together: financing builds the asset, while technical assistance helps the community plan, govern, operate, and maintain it.

Third, I encourage the Subcommittee to urge USDA to continue working with technical assistance providers, engineers, and local officials so that application tools and processes work well for small communities. Many small systems have no full-time clerk or consulting engineer, and they rely on trusted partners such as Circuit Riders to help them understand program requirements, assemble documentation, and move from an initial inquiry to a complete application. Continued coordination between USDA field staff and these partners helps communities use USDA's online tools with confidence.

Fourth, I ask the Subcommittee to recognize technical assistance, workforce development, cybersecurity, and emergency preparedness as essential components of infrastructure reliability. The new Cybersecurity Circuit Rider and Emergency Preparedness technical assistance programs in the Farm Bill are an important step in that direction, and they should be implemented in a way that complements the Circuit Rider support communities already rely on. Circuit Riders and other technical specialists should be able to assist before, during, and after a capital project, not only when a system is already in distress. The Subcommittee can also help by supporting operator apprenticeship and succession planning, practical cybersecurity assessments and incident response, source water protection, asset management, leak detection, and emergency mutual aid. These services protect federal assets, reduce preventable failures, and give small communities access to expertise they could not maintain on their own.

Finally, I encourage the Subcommittee to promote outcome measures that complement dollars obligated and help demonstrate the full value of USDA's investments. Useful measures include whether projects reached construction, whether household costs remained affordable, whether systems returned to or maintained compliance, whether water loss or emergency failures declined, and whether operators and governing boards received the training needed to sustain the investment. These measures would better reflect how partnerships magnify the value of federal funding in rural communities.

In sum, I ask the Subcommittee to sustain USDA Rural Development's field presence, protect the Water and Waste Disposal Loan and Grant Program, support coordination with technical assistance providers on application tools, invest in technical assistance, workforce, cybersecurity, and emergency preparedness, and measure outcomes beyond dollars obligated.

Conclusion

In Minnesota, the results of this partnership model are visible every day. Whether it is a lake community managing seasonal demand, a small city replacing aging mains, or a utility training its next operator, rural communities have safer drinking water, dependable wastewater treatment, trained operators, stronger emergency response, and better long-term plans because local leaders, USDA Rural Development staff, MRWA, state partners, and others all work together.

These partnerships do not diminish the federal role. They make federal investment more effective by ensuring that programs reach communities with the greatest capacity challenges and that financed infrastructure serves residents well into the future. From federal financing and field expertise to technical assistance on the ground, each link in this chain strengthens the next.

USDA Rural Development remains the federal government's premier rural-serving agency because it understands rural America, maintains lasting relationships there, and brings together

the financing, expertise, and partnerships needed to deliver results. Congress should continue to invest in that model, and I urge you to complete a Farm Bill that includes these Circuit Rider, cybersecurity, emergency preparedness, and financing provisions, so that no rural community is left behind.

Thank you for the opportunity to submit this testimony. I appreciate the Subcommittee's attention to rural communities and look forward to continuing this work with you.