

*As Prepared for Delivery*

**National Rural Water Association  
Louisville, Kentucky  
October 6, 2009**

## **Introduction**

Good morning everyone. Greetings from the Obama administration and the Department of Agriculture. Thanks for the introduction and opportunity to be here with you at the first H2O-XPO. This is a quite the event. What a great idea to combine forces with the International Construction Utility Equipment Expo.

## **Recognition**

To start, I'd like to take a moment and recognize some of my Rural Utilities staff that are here today and attending the conference. Please get to know them over the next few days.

- John Padalino, Rural Utilities Special Assistant;
- Jacki Ponti, Assistant Administrator for Water and Environmental Programs;
- Jim Maras, Deputy Assistant Administrator for Water and Environmental Programs;
- Sandi Boughton, Director of Water Programs;
- Steve Saulnier, Chief of our Operations Branch; and
- Jon Melhus, Senior engineer

Jon is with us back from Iraq where he's been on detail since October 2008 with the Foreign Agriculture Service. He has been assisting Iraqi citizens with installing water

systems and other agricultural related issues. He served in the Mayasan province, near the Iranian border working in what could be described as difficult conditions at best...living in a tent, sleeping on a cot, all while experiencing awful temperatures, an occasional mortar attack and dust storms. John – we can't thank you enough for your dedication to this mission.

I'd also like to recognize the Kentucky Acting State Director Vernon Brown and Program Directors from Mississippi, South Dakota, Wyoming, Hawaii and Tennessee who are here. I hope I haven't left anyone out.

And last, but certainly not least, Jonathan Adelstein, our Administrator for Rural Utilities, who will be speaking next about specifics on our Water and Waste programs.

### **Background – history – anecdotal story from SD rural water systems**

#### **Goals**

Since this is my first time before you, I'd like to start off by giving an overview of the administration's priorities and focus on rural issues. It's a commitment that starts at the top. When I started as Under Secretary, I was a bit worried Rural Development might not have the attention and funding we needed. Over the years I saw a decrease in resources and offices closing across the country. Well it was certainly refreshing when I walked in the doors of USDA and realized that just about every time the Secretary speaks, he's speaking about Rural Development. Secretary Vilsack calls us "the Every Day, Every

Way Department,” because we truly affect all aspects of rural America and I’ve laid out my agency’s seven strategies to do so:

1. Regional Food Systems
2. Alternative Energy
3. Capital Markets
4. Community Building
5. Broadband and Continuous Business Creation
6. Regional Collaboration
7. Strategic Partners

Regarding the last two strategies, Regional Collaboration and Strategic Partnerships, the Rural Utilities Service and Rural Water Associations have major roles to play. We have a challenge ahead of us. Our challenge is to build rural communities that can create wealth, are self-sustaining, repopulating and thriving economically. And I see the work you do, investments in infrastructure – water and wastewater projects - as a large part of meeting that challenge. Smart, sustainable investments are critical to the economic strength of rural America and lay the groundwork for business creation. I want you, the National Rural Water Association, to be a partner with us in that effort.

### **Regional collaboration**

A great example of our regional collaboration, which is already underway, is the Chesapeake Bay Protection and Restoration. The Executive Order was a call to action “to protect and restore the nation’s largest estuarine ecosystem.” This is an effort across the

agencies, including USDA, Environmental Protection Agency (EPA) and Interior for a 10 state watershed. Rural Utilities' is working regionally to reduce nitrates in the water system by lending money to the small rural water associations throughout the states.

### **Strategic partnerships**

Our work also includes a partnership we've formed to distribute Recovery Act funds.

We have nearly \$3.8 billion in loans and grants for water and waste infrastructure. As of September 25, about \$1.5 billion has been obligated.

### **Recovery Act**

We recently announced \$14.2 million under the Recovery Act for Rural Water through our existing Circuit Rider Program. These funds are important in two ways – first, they offer much needed assistance to small towns that may not have the resources or expertise to prepare a project proposal. Second, they will employ 86 new circuit riders across the country.

The economic situation in rural America exceeds the Recovery Act funding we've received, but we will need providers to help identify communities in need. We'll use our funds and our regular appropriations to support you, but we still have a lot of work to do, so I'm asking you to reach out to your state and local offices to see what opportunities there are in you communities.

### **ARRA Examples**

### **Loma County Sewer & Water District**

One of my favorite Recovery Act stories is one that I heard last month about Circuit Rider, Rory Schmidt. Rory was requested by the Loma County Sewer & Water District in Montana to help the District register for Federal Reporting Requirements online. The District had been recently awarded an ARRA Grant & Loan on their project, but to use the Federal Stimulus Dollars; they had to register for the first quarterly reporting requirements beginning October 1st.

However, like many Water and Sewer Districts in Montana; they didn't have a District Office or a full time meeting place. They also didn't have internet access. That's where Rory came in, with his "Can Do" attitude and his dedication to the project; he helped the Loma County Sewer & Water District meet the Recovery Act requirements and registered them using his laptop. They made an arrangement with the local wireless company and were able to get it for free. But it didn't stop there; they couldn't get a signal inside the metal water treatment building so they ran an extension cord out of the building. The District's Clerk will now receive emails on her newly created work email; which she can access on her home computer.

### **City of Ruleville**

In Mississippi, the Rural Water Association responded to a request from our office to assist the City of Ruleville in Sunflower County apply for a loan and/or grant. A group of approximately 80 households outside the city limits don't have access to public water, so the city decided to help them. The City of Ruleville's engineer was not familiar with

the application process, so Circuit Rider Ms. Charlie Joiner came in, helped the engineer through the environmental assessment and application process. It was submitted and the city is now on course to serve an additional 80 thirsty customers. Ms. Joiner saved the city approximately \$50,000 in fees for those services.

### **Conclusion - Leaders**

These are just two examples of the incredible work you all are doing every day. You will do whatever you can to get the job done. It's why you make such good partners and why you are able to make such an impact. We can combine your experiences with rural development to address the challenges facing your communities. You are leaders in your communities and I challenge you to consider the role that your organizations can play. We can grow access to new capital and credit funding. Together we can build rural economies through:

- mobilizing local leaders;
- capturing transfers of wealth; and
- encouraging entrepreneurship.

As I wrap up, I thank you again for the opportunity to be here. If there are three things you can take away - I believe it's the importance of building strategic partnerships, building leadership and building sound sustainable projects.

Jonathan, you're up.