



E C O S

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All Members Call

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Arlington, Virginia

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Savannah, Georgia

As certified by
Ben Grumbles
Executive Director

SMALL COMMUNITY WATER CHALLENGES

WHEREAS, protecting public health is a major goal of the federal Clean Water Act (CWA) and Safe Drinking Water Act (SDWA); and

WHEREAS, existing federal environmental regulatory requirements for drinking water and wastewater continue to give rise to small system compliance challenges; and

WHEREAS, any new federal environmental regulatory requirements for drinking water and wastewater impose an increasing burden on the primacy agencies and the regulated systems for ensuring small community compliance; and

WHEREAS, the national conversation around infrastructure needs recognizes the hardships for different types of communities, and it is important to acknowledge the unique set of challenges facing small communities that may also be economically disadvantaged, confronting significant environmental issues, and rural; and

WHEREAS, economic development through expanding or relocating businesses requires adequate water quantity and quality, as well as adequate wastewater treatment capacity; and

WHEREAS, small communities have the responsibility to comply with federal regulations, but find it difficult to stay ahead of the federal requirements due to various challenges that may include a small tax

base, lack of adequate financing options, insufficient management skills, leadership turnover, under-trained personnel, and inadequate systems to manage environmental requirements; and

WHEREAS, aging wastewater treatment facility and conveyance infrastructures increasingly raise the likelihood of discharges that would adversely affect human health and the environment; and

WHEREAS, aging drinking water and wastewater infrastructure further compound problems being experienced by small communities; and

WHEREAS, small systems represent a large percentage of the wastewater facilities found in significant noncompliance (SNC); and

WHEREAS, many small communities are financially unable to obtain new or additional loans to address infrastructure deficiencies and new federal requirements; and

WHEREAS, small communities of populations of 5,000 or less are particularly impacted by these issues; and

WHEREAS, states, territories, and the District of Columbia, (hereinafter referred to as "states") have a strong commitment to providing compliance and technical assistance to these small communities, however, states often lack sufficient resources or flexibility to use funds to provide these services; and

WHEREAS, even if small communities obtain needed grants and loans to address water infrastructure needs, combining different federal funding sources is a challenge, and they continue to struggle with rate payer impacts, and the cost and technical aspects of operating the new facilities in perpetuity; and

WHEREAS, U.S. EPA continues to provide support through its Water Infrastructure and Resiliency Finance Center, an information and assistance center established in 2015 to help communities make informed decisions for drinking water, wastewater, and stormwater infrastructure to protect human health and the environment; and

WHEREAS, the Water Infrastructure Improvement for the Nation Act (WIIN Act) established two grant programs; one to assist drinking water systems that serve small or disadvantaged communities to develop and maintain adequate infrastructure; and one to assist eligible entities with lead reduction projects; and

WHEREAS, increased investments in water infrastructure through the Infrastructure Investment and Jobs Act (IIJA), commonly referred to as the Bipartisan Infrastructure Law, has improved progress toward meeting the goals of the CWA and SDWA through increased resources for the Clean Water State Revolving Fund (CWSRF) and Drinking Water State Revolving Fund (DWSRF) programs, the advancement of new water infrastructure programs, and dedicated funding for small communities, but additional supplemental funds are not expected beyond Fiscal Year 2026; and

WHEREAS, the Community Project Funding/Congressionally Directed Spending (otherwise known as "earmarks"), which provides infrastructure funding to specific communities, takes funding "off the top" which decreases the amount of CWSRF and DWSRF funding awarded to states for infrastructure investment, decreases the amount of funding that is revolving due to impacts on loan repayment revenues, and decreases funding to state programs that assist small communities; and

WHEREAS, U.S. EPA offers resources for technical assistance, including training for small systems; the Real Water Technical Assistance initiative established in 2026 to support drinking water and wastewater systems through services like engineering expertise, operational support, workforce development, and

financial management; and 17 Environmental Finance Centers (EFCs) that support community development of water infrastructure needs and access to federal funding for infrastructure projects, all offered to help small systems maintain compliance and build capacity to improve public health and environmental protection; and

WHEREAS, federal agencies must collaborate closely with states to effectively and efficiently spend IJA resources, including identifying community technical assistance needs.

NOW, THEREFORE, BE IT RESOLVED THAT THE ENVIRONMENTAL COUNCIL OF THE STATES:

Requests that U.S. EPA and the U.S. Congress work with states and local governments to continue to develop innovative strategies to address current and future small community drinking water and wastewater requirements, and share these strategies among state and local partners;

Encourages U.S. EPA to support the use of flexibility in existing federal funding for small communities to lessen the financial burden on already stressed systems, support the development of innovative financial arrangements, and coordinate with states on technical assistance to help communities access federal funding, including support for combining sources of funding from multiple federal agencies, like the U.S. Department of Agriculture Rural Development Grants, to continue to assist small communities in updating their aging infrastructure and meeting their regulatory requirements;

Encourages U.S. EPA to work closely with states in considering and discussing the full suite of available options for improving compliance rates at small systems including setting policy, issuing permits, implementing inspection and enforcement strategies, promoting compliance assistance and integrated planning, identifying resources and financing approaches to help communities make sustainable decisions including voluntary consolidation and regional partnerships, and highlighting agency success stories;

Encourages U.S. EPA and the U.S. Congress to work with states and local governments to explore financial assistance options to support small community infrastructure including expanded options to support operating and maintenance costs needed to sustain their infrastructure; and

Requests that all federal funding for small communities authorized as part of U.S. EPA's budget be directed to, or closely coordinated with, delegated or designated state agencies to provide to small communities the needed technical assistance and compliance resources including resuming state-led operational compliance assistance, establishing systems to improve management of environmental requirements, encouraging the implementation of alternative and less costly infrastructure technology and engineering techniques, and promoting the use of asset management.