



"Improving the quality of life in rural communities"

**Testimony to the
Subcommittee on Rural Development, Biotechnology, Specialty Crops, and
Foreign Agriculture
Committee on Agriculture
United States House of Representatives**

**Christina Fierros
Midwest Assistance Program (the Midwest RCAP)**

March 23, 2010

Thank you, Chairman McIntyre and Ranking Member Conaway, for the opportunity to address the committee. USDA Rural Development programs play a vital role in rural America, and we applaud your efforts to ensure that they are working as intended and having an impact, particularly in today's economically challenging times.

My name is Christina Fierros. I am the Chief Operations Officer of the Midwest Assistance Program (MAP), based in Minnesota and serving the states of Iowa, Kansas, Minnesota, Missouri, Montana, Nebraska, North Dakota, South Dakota, and Wyoming. MAP is part of the national RCAP network, whose regional service providers help small, typically low-income, rural communities address water, wastewater, and other community development needs. The RCAP network provides technical assistance and training that build the capacity and sustainability of small systems and assist them with the development of needed facilities. The RCAP network serves more than 800 communities every year with funding provided by USDA's Technical Assistance and Training Grant Program under its Water and Waste Disposal Program.



The RCAP regional partners also make use of other Rural Development programs to support comprehensive community development. As such, we work with Rural Development programs and staff on a daily basis.

The technical assistance that RCAP provides serves as a bridge between Rural Development and communities. RCAP assists not only with funding applications and every phase of the project development process, but also provides training and technical assistance after construction is complete, helping communities understand how to properly manage and operate their system in a financially sustainable manner.

One example is Laporte, Minnesota, a town of 150 people, where local officials discovered that septic systems were failing and contaminating individual water wells, and that some of their wells were also contaminated with petroleum. They faced two potentially expensive infrastructure projects simultaneously. The town contacted Midwest Assistance Program for assistance. MAP staff worked with them over a number of years to evaluate alternatives, find an engineer to design an affordable system, prepare funding applications and fulfill the related requirements, and follow the project to completion of new water and sewer systems.

Rural Infrastructure Needs

The infrastructure needs of rural America are staggering. The most recent needs surveys by EPA estimate small systems and rural areas need \$34 billion for drinking water and \$69 billion for wastewater over the next 20 years.

Nationwide, small systems constitute over 80 percent of all public drinking water systems and 75 percent of public wastewater facilities, though they account for a much smaller share of the total population served. Small utilities face distinct challenges in operating and improving their facilities; they have fewer customers among whom to spread costs – including fewer large volume users – making it difficult to achieve

economies of scale found in larger systems. As a result, customers in small systems pay, on average, three times more than their urban counterparts for water and wastewater services, according to EPA data.

RCAP is committed to educating local officials about the importance of sustainability and asset management – maintaining infrastructure investments, encouraging local responsibility, and ensuring that residents pay their fair share for services. RCAP provides training to utility boards and staff on topics such as budgeting, rate-setting, and system management. However, there is a point at which an infrastructure project is simply not affordable without federal assistance. Without grants and subsidized long-term loans, most projects in rural America – many of which are only marginally affordable even with these funds – are simply not feasible.

Consider the case of West Odessa, Texas, an unincorporated area outside Odessa where individual wells have extremely limited production combined with high levels of contaminant from oil field by-products. With the help of Community Resource Group, the Southern RCAP, residents formed a legal district to tackle the problem and developed a plan to construct a community system and purchase water from a nearby system. The West Odessa Water Supply Corporation secured funding from USDA, but construction bids came in more than double the estimated cost, so they have struggled to obtain additional funding and keep the project affordable for residents.

USDA Rural Development

USDA Rural Development, through the Water and Waste Disposal Loan and Grant Program, is the “lender of last resort” for rural water and sewer systems. The program enables communities to complete infrastructure projects that are critical to public health, the environment, and future development.

Rural Development staff on the ground do a tremendous job working with communities and unincorporated areas that have water or wastewater funding needs. They provide guidance on application and funding requirements, process applications, service loans, and steer communities to technical assistance providers such as RCAP, when needed. Together, these services provide crucial support to rural communities constrained by limited resources.

The American Recovery and Reinvestment Act

USDA's ARRA funding has provided a vital boost to rural America to meet infrastructure needs. Over \$3 billion is being made available under the Water and Waste Disposal Program alone. Rural Development staff has worked diligently to process applications and award loans and grants, and as we enter the 2010 construction year, many rural communities will see the positive impact of that investment.

For example, Priest River, Idaho, with a population of about 2,000, was working to upgrade its water system, including new distribution lines, an elevated storage tank, and drilling a well to eventually replace a surface water source. However, the nearly \$6 million project would result in unaffordable user rates for residents unless federal assistance was provided. Rural Community Assistance Corporation, the Western RCAP, worked with local officials to establish water rates that would be reasonable, yet cover debt service for the project. As a result, USDA Rural Development awarded \$4.3 million in ARRA grant and loan funds and the State committed \$600,000 of CDBG monies to complete the project. When the new system is operational, Priest River will have adequate fire flows and water pressure, reduced operating costs (because ground water is cheaper to treat than surface water), and a distribution system that will serve them for decades.

Recommendations

Solving the problems facing rural communities requires a multi-pronged approach that includes adequate funding, along with steps to ensure that grant funding is available only to the neediest communities and that technical assistance is available to ensure that the funds are distributed where they are most needed. Specifically, RCAP offers the following recommendations:

1) **Increase annual appropriations for Rural Development programs.** Since 2003, funding has been reduced by 25% for the Water and Waste Disposal Program (excluding ARRA). While it may be unrealistic to annually fund programs at ARRA levels, funding should be restored to pre-2003 levels.

2) **Improve the grant-to-loan ratio in the Water and Waste Disposal Program.** Grant funding for water and sewer projects, as a percentage of the overall allocation, declined from 39% in 2003 to 26% as of 2006. As previously noted, grant funds are critical to help defray the enormous infrastructure costs for the smallest and lowest-income communities. The 2008 Farm Bill authorized lower interest rates, which helps make projects more affordable for communities. However, the additional loan subsidy further reduces available grant funding, and many low-income communities simply cannot develop feasible projects without grants. If the trend of reducing the grant-to-loan ratio continues, the program will cease to be a viable option for most small communities, especially those serving low-income populations.

3) **Increase technical assistance funding to allow RCAP and other providers to keep pace with growing demand.** There is far more demand for assistance than can be met with existing funding. These projects tend to be time and labor-intensive, as they are typically the smallest and, hence, the most difficult to fund, communities.

In addition, stagnant administrative budget levels in recent years have resulted in fewer Rural Development field staff. Though the agency has done an impressive job in compensating for these losses, it has done so, in part, by relying more heavily on technical assistance providers to work with applicants to complete the myriad paperwork and other funding requirements.

Thank you for considering my testimony on Rural Development water programs and the ARRA and thank you for your commitment to meeting the needs of rural America's communities.

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Midwest Assistance Program

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Profile

Ms. Fierros has over seventeen years of experience in assisting rural communities to solve their quality of life issues, including housing, infrastructure, and economic development. She has assisted commissions and boards in loan and grant procurement and management. She also has twelve years of experience with administrative and personnel responsibilities including supervision, customer service and personnel action resolutions.

Professional Experience

2008 to present: Chief Operations Officer, Midwest Assistance Program, Inc., Savannah, MO
Responsibilities include supervision of three Regional Directors, the Training Director and the Database Manager covering nine states to ensure compliance with federal and state funding agreements, review reporting requirements of agreements, assist with submission of new funding requests; ensure that assistance to rural communities is completed in a timely manner; review employee reports to ensure accuracy; assist with completion of grant applications; assist in conducting training classes to rural communities and staff; attend regional meetings with funders and regulatory agencies to ensure priorities are being addressed. In addition, assist with HR responsibilities, oversee contracts, participate in board meetings and serve as the regional representative for the Rural Community Assistance Partnership (RCAP) Board of Directors.

2006 to 2008: Program Director, Midwest Assistance Program, Inc., Savannah, MO
Responsibilities include supervision of three Regional Directors, the Database Manager and five field based employees covering nine states to ensure all assistance is in compliance with funding agreements with federal and state agencies, review of all reporting requirements with agreements, assist with the completion and submission of new funding requests; that assistance to rural communities is being completed in timely manner; review employee reports to ensure accuracy; assist with completion of grant applications for agency; assist with conducting training classes to rural communities and staff; attend regional meetings with funders and regulatory agencies to ensure priorities are being addressed.

2004 to 2006: Regional Director, Midwest Assistance Program, Inc., Savannah, MO
Responsibilities include supervision of nine field based employees in four states to ensure assistance to rural communities is being completed in timely manner; review employee reports to ensure accuracy; assist with completion of grant applications for agency; assist with conducting training classes to rural communities and staff; attend regional meetings with funders and regulatory agencies to ensure priorities are being addressed.

1997 to 2004: Rural Development Specialist, Midwest Assistance Program, Savannah, MO
Responsibilities include assisting rural communities with compliance issues of the regulatory agencies; assisting communities apply for loans and grants with various state and federal agencies; conducting training sessions for small systems, training system clerks, assisting community leaders and boards with rate structures, budgeting, and personnel issues and assisting operators with troubleshooting of systems.

1994 to 1997: Rural Development Assistant, USDA Rural Development, MO

Responsibilities included processing and eligibility determination for government loans and grants; clerical functions to include gathering loan information, conduct interviews with applicants and borrowers to determine current status and retrieve needed information; conduct housing inspections; maintain borrower files; service delinquent and problem loan cases; file procedure and regulations; compose letters; outreach programs; office payroll; benefits filing; and other personnel related duties.

1992 to 1994: Secretary, USDA, Rural Development Administration, MO

Responsibilities included all clerical functions for the Program Area staff of 20 personnel.

1991 to 2001: Personnel Specialist, Missouri Army National Guard

Responsibilities included the creation and maintenance of personnel records, annual reviews with personnel of all files to ensure records are maintained in accordance with appropriate regulations and policies; complete all clerical duties in a timely and accurate manner; ensuring all pay inquiries are completed in timely fashion to assure appropriate pay; reviews files for promotion of personnel.

1986 to 1991: Personnel Specialist, U.S. Army, Ft. Lewis, WA

Responsibilities included creation and maintenance of filing systems and personnel records for approximately 1000 personnel; developed and maintained all policies to ensure compliance with all higher commands and regulations; responsible for pay and personnel actions for all personnel assigned; performed inspections of subordinate commands; developed and maintained all rosters and reports to ensure appropriate use of personnel assigned; requisitioned, interviewed, and reviewed all files of new personnel assigned; and conducted training for subordinate employees.

Education

- B.S., Missouri Western State University; Accounting
- Water Plant Operations, Wastewater Course, at Crowder College
- Management Courses, Water Operator Courses, Army Institute for Professional Development.

Professional Development

Sessions on Safe Drinking Water Act, Organization Issues and Management Responsibilities of Utility Boards, Models for Financial Management and Rate Setting, Community Facilities Financing, Watershed Management, Vulnerability Training, Emergency Response Planning, Brownfields Development, Communications, Risk Management, Use of POU and POE Devices, Solid Waste Management, GASB 34, Non-Profit Accounting, Environmental Reports, Preparing a Wastewater Operations Manual, Getting the Right Help from Right Service Provider, Board/Council Training, Organization and Time Management, Construction Management, Disinfection and Disinfection Byproducts Rule Train the Trainer, Horizon Cluster Community Programs, Asset Management.

Professional Affiliations

- Member of the Missouri Rural Opportunities Council for Infrastructure
- Member of Water Environment Federation

Committee on Agriculture
U.S. House of Representatives
Required Witness Disclosure Form

House Rules* require nongovernmental witnesses to disclose the amount and source of Federal grants received since October 1, 2007.

Name: Christina Fierros
Address: PO Box 301, Savannah MO 64485
Telephone: 816-324-1701
Organization you represent (if any): Midwest Assistance Program

1. Please list any federal grants or contracts (including subgrants and subcontracts) you have received since October 1, 2007, as well as the source and the amount of each grant or contract. House Rules do NOT require disclosure of federal payments to individuals, such as Social Security or Medicare benefits, farm program payments, or assistance to agricultural producers:

Source: N/A Amount: _____

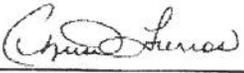
Source: _____ Amount: _____

2. If you are appearing on behalf of an organization, please list any federal grants or contracts (including subgrants and subcontracts) the organization has received since October 1, 2007, as well as the source and the amount of each grant or contract:

Source: See attached info Amount: _____

Source: _____ Amount: _____

Please check here if this form is NOT applicable to you: _____

Signature: 

* Rule XI, clause 2(g)(4) of the U.S. House of Representatives provides: *Each committee shall, to the greatest extent practicable, require witnesses who appear before it to submit in advance written statements of proposed testimony and to limit their initial presentations to the committee to brief summaries thereof. In the case of a witness appearing in a nongovernmental capacity, a written statement of proposed testimony shall include a curriculum vitae and a disclosure of the amount and source (by agency and program) of each Federal grant (or subgrant thereof) or contract (or subcontract thereof) received during the current fiscal year or either of the two previous fiscal years by the witness or by any entity represented by the witness.*

PLEASE ATTACH DISCLOSURE FORM TO EACH COPY OF TESTIMONY.

**Midwest Assistance Program
Schedule of Federal Awards
October 1, 2007 to Present**

Agency	Fund Name	Dates	Fiscal Year 2009	Contract Amount	CFDA #	Contract Number
USDA	Technitrain-Yr 21	9/1/08 - 8/31/09	\$774,541.58	\$853,500.00	10.761	24-025-237367-533-32
USDA	Technitrain - Yr 22	9/1/09 - 8/31/2010	\$97,780.21	\$1,080,000.00	10.761	
			<u>\$774,541.58</u>			
HHS	Office of Community Services	9/30/08 - 9/29/09	\$1,090,787.23	\$1,099,500.00	93.570	90EF0064/04
HHS	Office of Community Services	9/30/09 - 9/29/2010	\$3,499.42	\$1,435,344.00	93.57	90EF0064/05
			<u>\$1,094,286.65</u>			
EPA	EPA Waste Water (Rcap sub)	10/1/08 - 9/30/09	\$160,491.57	\$164,300.00	66.606	EM833399301-0
EPA	EPA Drinking Water (Rcap sub)	9/1/08 - 8/31/09	\$154,656.09	\$164,300.00	66.607	EM833399601-0
EPA	Smart Water - NETSC (Rcap sub)	5/1/08 - 04/30/09	\$145,907.51	\$165,000.00	66.424	X683379201-0
EPA	EPA Waste Water (Rcap sub)	10/1/09 - 9/30/10	\$6,210.58	\$165,000.00	66.606	
EPA	EPA Drinking Water (Rcap sub)	10/1/09 - 9/30/10	10,327.74	\$165,000.00	66.607	
USDA	Technitrain-Yr 20	9/1/07 thru 8/31/08	\$752,959.72	\$826,500.00	10.761	24025237367533
USDA	Technitrain-Yr 21	9/1/08 - 8/31/09	\$81,630.78	\$853,500.00	10.761	24-025-237367-533-32
			<u>\$834,590.50</u>			
HHS	Office of Community Services	9/30/07 thru 9/29/08	\$1,008,622.00	\$1,008,622.00	93.570	90EF0050/01
HHS	Office of Community Services	9/30/08 - 9/29/09	\$12,016.40	\$1,099,500.00	93.570	90EF0064/04
			<u>\$1,020,638.40</u>			
EPA	EPA Waste Water (Rcap sub)	10/1/08 - 9/30/09	\$0.00	\$164,300.00	66.606	EM833399301-0
EPA	EPA Drinking Water (Rcap sub)	9/1/08 - 8/31/09	\$9,643.91	\$164,300.00	66.607	EM833399601-0
EPA	Smart Water - NETSC (Rcap sub)	5/1/08 - 04/30/09	\$19,092.49	\$165,000.00	66.424	X683379201-0

NOTE: HHS is a direct award agreement; USDA and EPA awards are subagreements through RCAP