



Together, America Prospers

Infrastructure for Rural America

# How is Rural Development making an impact?

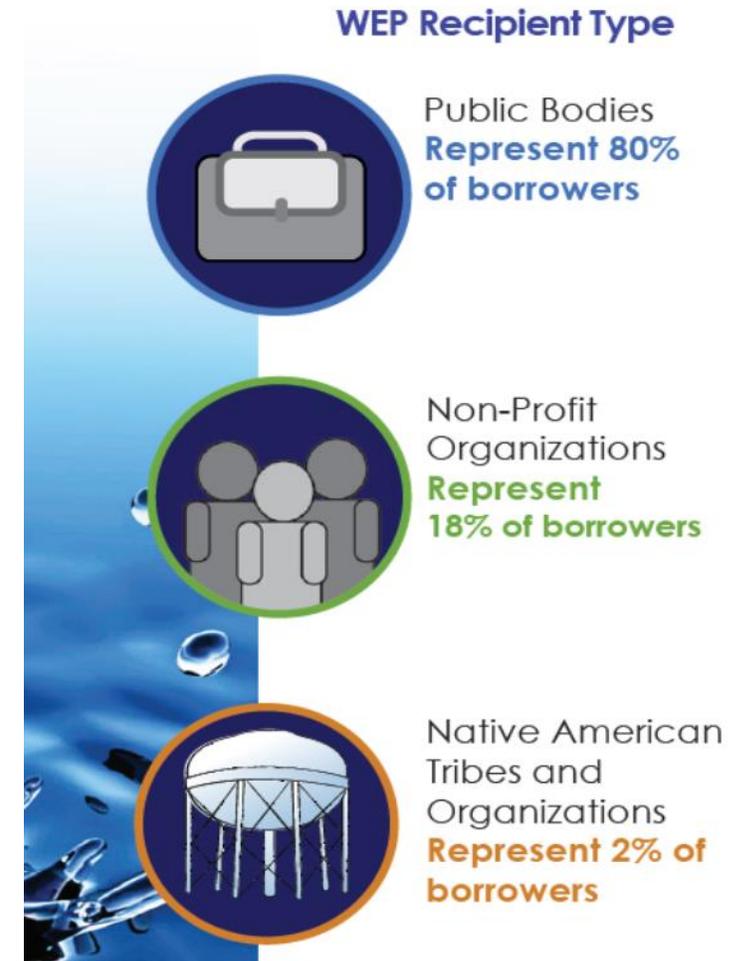
USDA Rural Development assists small towns and rural places with economic development by providing financing through loans and grants to build critical infrastructure like broadband, water systems, and hospitals. Our programs expand access to e-connectivity, water, electric and transportation infrastructure, as well as healthcare, education, and other community essentials.



# USDA Rural Development Water and Environmental Programs (WEP) Overview

Through Rural Utilities Service Water and Environmental Programs (WEP), rural communities obtain the technical assistance and financing necessary to develop drinking water and waste disposal systems. Safe drinking water and sanitary waste disposal systems are vital not only to public health, but also to the economic vitality of rural America.

Rural Development is a leader in helping rural America improve the quality of life and increase the economic opportunities for rural people.



# Water and Environmental Programs (WEP) Overview

- **WEP funds may be used to finance the acquisition, construction or improvement of:**
  - Drinking water sourcing, treatment, storage and distribution
  - Sewer collection, transmission, treatment and disposal
  - Solid waste collection, disposal and closure
  - Storm water collection, transmission and disposal
- **Eligible areas:** Rural cities or towns with populations of 10,000 or less; tribal lands in rural areas; Colonias
- **Eligible borrowers:** Most state and local governmental entities; private non-profits; and federally-recognized tribes
- **WEP Funding Portfolio:**
  - USDA has more than \$4 billion in direct loans available to use to partner with rural communities so they, too, can seize economic and workforce development opportunities that result from a strong foundation of modern, reliable infrastructure.



# WEP Loan Terms

## WEP Direct Loan Terms

- Loan repayment shall not exceed the useful life of the facility or 40 years
- Applicant is responsible for short term financing during construction period

## WEP Guaranteed Loan Terms

- Term is negotiated between lender and applicant but cannot exceed 40 years.
- Loan made by a commercial lender
- Guarantee by the Government (up to 90)



# WEP Interest Rates

- **Poverty** 1.625%
- **Intermediate** 2.250%
- **Market** 2.750%

Rates change quarterly  
Jan, April, July & October



# Loan Security

**Loans must be adequately secured:**

- ❖ **General Obligation**
- ❖ **Revenue Bonds**
- ❖ **Assignment of Income**

# Water and Waste Disposal Loans and Grants (WEP)

## Water and Waste Disposal Loans and Grants

- ✓ Construction costs
- ✓ Purchasing existing facilities to improve service or prevent loss of service
- ✓ Legal and engineering fees
- ✓ Land acquisition, water and land rights, permits and equipment



# Water and Waste Disposal Grants

## Water and Waste Disposal Grants

- May be provided to reduce user costs to a reasonable level.
- A reasonable level is determined by comparison to similar systems.
- Keep in mind the annual appropriations gave USDA funding levels that equate to 80% loan and 20% grant. So just because the applicant may qualify for 75% grant or 45% most will not get grant at that level.
- The general average cost per EDU of 1.5% of the MHI before grant funding will be provided to reduce user costs.

# Water and Waste Disposal Grants Eligibility

Not to exceed 75% of eligible project costs

- Project to alleviate a documented health or sanitary problem.
- MHI of service area is below the higher of poverty line or 80% of the SNMHI (\$36,923).

Not to exceed 45% of eligible costs

- MHI of service area exceeds 80% (\$36,923) is less than the SNMHI but not more than 100% (\$46,154).

0% of eligible costs

- MHI of service area is greater than the SNMHI (\$46,154)

# Emergency Community Water Assistance Grants (ECWAG)



- Helps eligible communities prepare, or recover from, an emergency that threatens the availability of safe, reliable drinking water.
- Eligible applicants include: local governmental entities, non-profits and federally recognized tribes, serving rural areas 10k or less.
- Grants made for repairs, partial replacement, cannot exceed \$150,000. Grants not to exceed \$500,000 for new water source.

# Predevelopment Planning Grants (PPG)

## Special Evaluation Assistance for Rural Communities (SEARCH) Grants

- ✓ Assists low-income communities with initial planning and development of applications
- ✓ Predevelopment feasibility studies, design and engineering assistance, and technical assistance for funding applications

### PPG Program

- Eligible areas include rural towns/cities/villages (**10,000** or less), not for profit organizations and federally recognized tribes that have a 2010 MHI less **(\$36,923)**.
- Max. grant amount is **\$30,000** or 75% of predevelopment planning costs

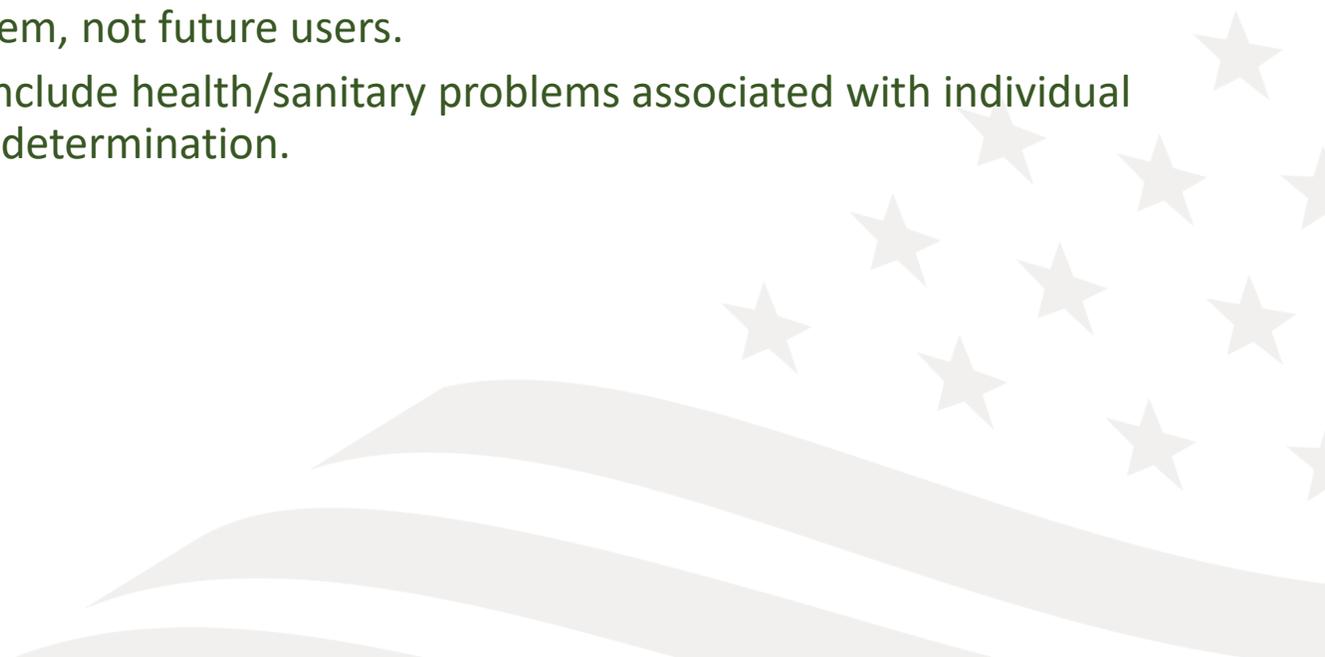
### SEARCH Program

- Eligible areas include rural towns/cities/villages (**2,500** or less), not for profit organizations and federally recognized tribes that have a 2010 MHI less **(\$36,923)**.
- Max. grant amount is **\$30,000** or **100%** of predevelopment planning costs

# Water & Waste Disposal Grants to Alleviate Health Risks on Tribal Lands and Colonias (Part 1777 Section 306C)

- Provides low-income communities with significant health risks access to safe, reliable drinking water and waste disposal facilities and services
- Funds may be used for construction of basic drinking water and waste disposal systems including storm drainage
  - NOTE: Utility districts may also be able to provide grants to individual households to install indoor plumbing and connect to the system. In 2018 this program had \$15 million available plus \$10 million for designated persistent poverty areas. \$2 million maximum funds per project
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- Eligible Entities: public bodies serving eligible areas, nonprofit organizations, utility districts serving Colonias, and Federally recognized tribes.
- Eligible Area: federally recognized tribal lands, areas recognized as Colonias before 10/1/89, rural areas with population under 10,000.
  - NOTE: Areas not located in a Colonia must meet per capita income (2018: not exceeding \$18,590) and unemployment rate (2018: not less than 5.125%) requirements.

# 1777 Section 306C Grants continued

- Residents of the area to be served must face significant health risks due to a lack of access to, or use of adequate, affordable water or waste disposal.
    - Documentation from 3<sup>rd</sup> party with experience in specifying the health/sanitary problem that exists.
    - Documentation must state specific health/sanitary problems existing.
    - Current users must be experiencing problem, not future users.
    - If no facility exists, documentation must include health/sanitary problems associated with individual facilities that warrant the health/sanitary determination.
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# RD Apply

- Safe and secure
- Convenient and available 24/7
- Faster processing with less paper

The screenshot shows the USDA RD Apply web application interface. The browser address bar displays the URL: <https://rdapply.sc.egov.usda.gov/Intake/spring/AppHomeFlow?execution=e1s1>. The page features the USDA logo and the text "United States Department of Agriculture Rural Development" on the left, and "RD APPLY" with a wind turbine icon on the right. A navigation menu includes "RD Home", "Newsroom", "Contact Us", and "Help". Below the logo, a dark blue navigation bar contains "Home", "Notifications", "Admin", "Electric CWP", and "Tutorials". The main content area has three buttons: "+ Add New Application", "+ Authorized Representative Request", and "Select an existing application from below.". A green "Search Filters" bar is followed by a search input field labeled "Application Nbr". Below this is another green "Search Results" bar. An "Export to Excel" button is located in the bottom right corner of the search results area. The footer contains a list of links: "USDA.gov", "Site Map", "Policies and Links", "Our Performance", "Report Fraud on USDA Contracts", "Visit OIG", "FOIA", "Accessibility Statement", "Privacy Policy", "Non-Discrimination Statement", "Information Quality", "USA.gov", and "White House".

# Village of Maurice Sewer and Water System Improvements

*It's a Partnership*

- The Village of Maurice's water and sewer systems were built in the late 70's & early 80's for a population of 660. The systems periodically upgraded and expanded their facilities to keep up with steady population growth. In the aftermath of Hurricane Rita in 2005 the area's population shifted and Maurice grew exponentially. In response to the growth a new wastewater treatment plant was installed for the expected growth. The population continued to grow beyond expectations to the point that the Village had to place a moratorium on new construction. The Village worked with Rural Development and LA DHH to obtain the financing to develop a second wastewater treatment facility and to significantly upgrade the entire water system.

• USDA WEP Direct Loans	\$10,976,000
• LA Dept of Health & Hospitals grant	\$ 500,000
• Delta Regional Authority grant	\$ 256,500
• Maurice's contribution	<u>\$ 1,355,442</u>
• Total	\$13,087,942



# Community Facilities Programs

- USDA Rural Development offers Community Facility loans, loan guarantees, and a limited amount of grant funding to help develop essential community facilities for public use in rural areas up to 20,000 in population. Eligible applicants include public bodies, nonprofit corporations and federally recognized Native American tribes. Funding can be used for facility construction or renovation or for the purchase and installation of necessary equipment.



# Community Facilities

## Eligibility:

An applicant must be:

- A public body
- Not-for-profit organization
- Native American tribe on Federal or State reservations or other Federally recognized tribes

The facility must be located in a town/city/village with a population under 20,000.

## Eligible Projects:

- Purchase real estate
- Construction, expansion, or renovations
- Purchase vehicles and major equipment

# Eligible and Ineligible Loan and Grant Purposes

## **Eligible Loan and Grant Purposes**

- Construction Related Costs
- Technical Services- Architectural Fees
- Soft Costs

## **Ineligible Loan and Grant Purposes**

- Facilities to be used for recreational purposes – unless for educational purposes such as schools and libraries.
- Commercial enterprises
- Electric generation and transmission facilities or telephone systems.
- Loan and/or grant finder's fees/application preparation fees.
- Projects that are not modest in size, type, and design



Amite Area Office - Voice: (985) 748-8751, ext. 6  
Lafayette Area Office - Voice: (337) 262-6611, ext. 6  
Monroe Area Office - Voice: (318) 343-4467, ext. 6  
Natchitoches Area Office - Voice: (318) 352-7100, ext. 6

USDA Rural Development State Office Staff: [www.rd.usda.gov](http://www.rd.usda.gov)

Tony Matlock, Community Programs Director  
[tony.matlock@usda.gov](mailto:tony.matlock@usda.gov)  
Phone: 318-473-7940

Corey Young, Community Programs State Office Specialist  
[corey.young@usda.gov](mailto:corey.young@usda.gov)  
Phone: 318-473-7940

Karen Stelle, Community Programs State Office Specialist  
[karen.steele@usda.gov](mailto:karen.steele@usda.gov)  
Phone 318-473-7940

Morgan Washington, Community Programs State Office Specialist  
[morgan.washington@usda.gov](mailto:morgan.washington@usda.gov)  
318-473-7940

Chalice Honeycutt, State Office Community Programs Technician  
[chalice.honeycutt@usda.gov](mailto:chalice.honeycutt@usda.gov)  
318-473-7940



Rural Development

U.S. DEPARTMENT OF AGRICULTURE