



United States  
Department of  
Agriculture

Rural Development



**Our mission is to increase economic opportunity and improve the quality of life for all rural Americans.**



# USDA Rural Development

- Overview of water and wastewater funding programs administered through our Rural Utilities Programs



## Water and Environmental Programs

**Purpose** – to develop water & waste water disposal systems, including solid waste disposal and storm drainage in areas of population under 10,000.

**Funds can be used to** –

Construct, repair, improve and expand rural water supply, wells, pumping stations, pipelines etc.

Acquire a water supply or water right

Construct, repair, improve and expand waste collection, treatment, pumping, sewer lines, treatment plants, and lagoons.

Land, legal and engineering.

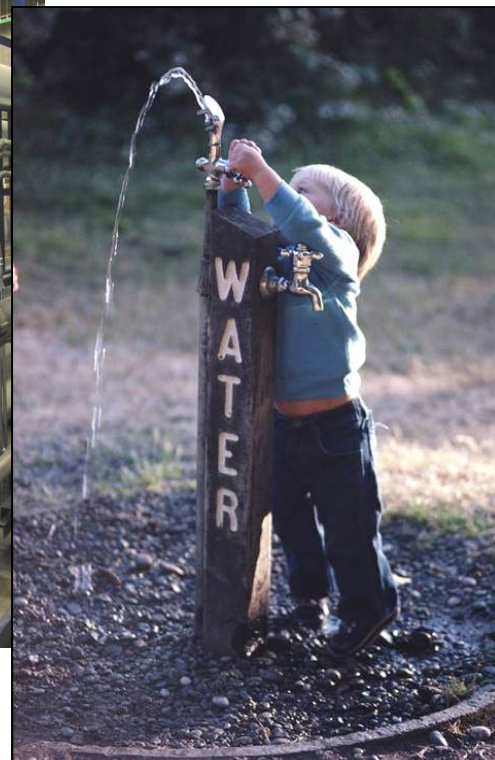






# Drinking Water Projects

- Reservoirs
- Distribution & Supply Lines
- Pump Houses and Telemetry
- Water Treatment Plants (Plant)
- Wells/Intakes (Source)





# Sanitary Sewer Projects

- Collection Lines
- Sewer System Extensions
- Wastewater Treatment Plant Improvement
- Lift Stations







# Solid Waste Disposal Projects



- Equipment
- Trash trucks
- Transfer stations
- Landfill



# Rates & Terms



- Interest rates are set quarterly
  - (1/01/19 – 3/31/19)
  - Poverty Line – 2.500%
  - Intermediate – 3.375%
  - Market – 4.250%

Median Household Income of the service area determines rate

- Maximum term is 40 years or useful life of the facility



## WEP Grant Funds

- Objective is to reduce water and waste disposal costs to a reasonable level for the users of the system.
  - Population and Median Household Income (MHI) are used to determine the maximum amount of grant eligibility.
  - Limited to the availability of funds
  - Underwriting will also determine grant eligibility
  - Neediest communities





# RUS Instruction §1780.2

- **PURPOSE** - “Provide loan and grant funds for water and waste projects serving the most financially needy communities. Financial assistance should result in reasonable user costs for rural residents, rural businesses, and other rural users.”



# RD Apply

RD Apply is the new online application system for Water and Waste Disposal Loans and Grants

<https://rdapply.usda.gov>



# Why use RD Apply System?

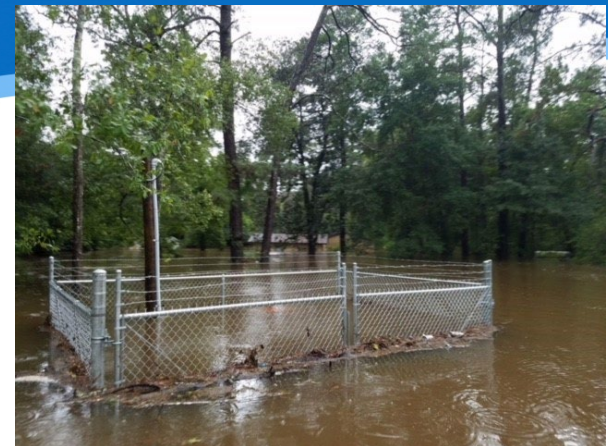
- Convenience
- Control
- Security
- Streamlined project development
- Service area mapping tools
- Faster Processing
- ePER





## SEARCH Grants

- Maximum is \$30,000 or 100% of Pre-Development Costs, whichever is less
- Applicant must have MHI below 80% of State Non-Metro MHI of \$54,591
- Applicant must also lack sufficient cash resources
- Rural areas and towns not to exceed 2,500 population
- Cannot pay for work previously performed



## Emergency Community Water Assistance Grant Program (ECWAG)

- Rural areas and towns of 10,000 or less
- Documents supporting FEMA and/or insurance coverage must be included in application
- ECWAG's can be awarded in the event of an emergency for obtaining or maintaining adequate quantities of safe water:
  - After a significant decline in the quantity or quality of water available from the water supplies of rural areas and small communities, or
  - When a decline is imminent; or
  - When repairs, partial replacement, or significant maintenance efforts on established water systems would remedy:
    - An acute, or imminent, shortage of quality of water; or
    - A significant decline, or imminent decline, in the quantity or quality of water that is available.



## Up to \$500,000

- Generally water source
  - Wells
  - Treatment Plant
  - Line extensions associated with water source
  - Water Tank (if damage impacts source/delivery)

## Up to \$150,000

- Repairs/Replacement
  - Distribution lines
  - Motors/Pumps
  - Meters (damaged by emergency event)
- Other equipment damaged as a result of the emergency event





## ***Eligibility***

- ECWAG applications where the need for additional direct loan or grant funding from USDA, Rural Utilities Service, to complete the proposed project must not be anticipated.
- If Water and Waste Disposal loan or grant funds are needed in combination with requested ECWAG funds to resolve the emergency, all applicable application requirements and a full underwriting pursuant to 7 CFR 1780 will be pursued.



# Simplified Application Process

## Simplified

Determination of Financial Need  
(SI-1778(d); page 7)

Simplified Engineering  
Report/Certification (SI 1778-1,  
Exhibit A)

Simplified Environmental Report  
(SI 1778-1, Exhibit B)

## Non-Simplified

CPAP Underwriting  
pursuant to 7 CFR 1780

Full PER pursuant to 1780

Environmental Report





## Interim Financing

- Required for RD loans over \$500,000
  - Provided it's at reasonable rates and terms
- Precludes the necessity for multiple advances of Agency loan funds.
- Provides for a full 40-year amortization of the USDA-RD loan, which results in a lower payment





# Guaranteed WEP Loans

- Commercial Lender makes the loan
- RD issues up to 90% Guarantee
- Interest rate is negotiated between lender and borrower
- We can now use Guarantees to refinance existing direct RD loans
- Applicant maintains 1926B protection, same as a direct loan
- Streamlined application processing



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