



United States
Department of
Agriculture

Rural Development



*Rural Development
Water and Environmental Programs (WEP)
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RURAL DEVELOPMENT

Rural Utilities Service (RUS)

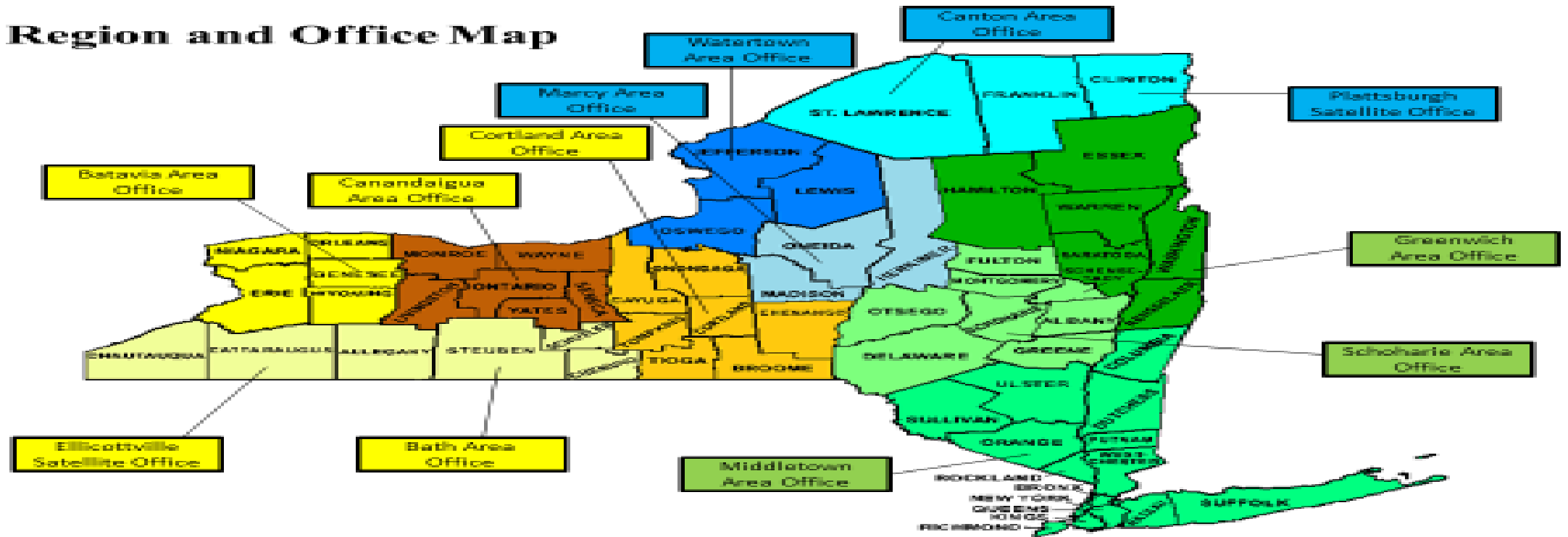
- Water & Environmental Programs (WEP)
- Broadband
- Electrical

Rural Housing Service (RHS)

- Single Family Housing (SFH)
- Multi Family Housing (MFH)
- Community Facilities (CF)

Rural Business Service (RBS)

Region and Office Map



WATER AND ENVIRONMENTAL PROGRAM (WEP)

Facilities include:

- Water / Wastewater Treatment Facilities
- Water / Sewer Pipeline
- Pumping Stations
- Water Storage Tanks
- Solid Waste Disposal
- Storm Water Facilities

ELIGIBILITY - WEP

An applicant must be:

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

Rural areas with population of 10,000 or less

Projects must serve a rural area

Other Credit – Applicant unable to finance the project from their own resources or through commercial credit at reasonable rates and terms.

INTEREST RATES – WEP

Based on Median Household Income (MHI) - American Community Survey (ACS) - 5 year estimate for period 2006-2010.

Three Interest Rate Levels:

- Poverty - The MHI of the service area is **below \$45,506**; Project must be necessary to alleviate a health and sanitary problem. Poverty Rate this quarter **2.125%**
- Intermediate - Does not have H&S problem to qualify for poverty rate; MHI between **\$45,506 and \$56,882**. Intermediate Rate this quarter is **2.75%**.
- Market – MHI above \$56,882. No grant funds for Market Rate. Market Rate this quarter is **3.5%**

Rates change every quarter (next change April 1st)

WEP Loan Terms

- Loan repayment shall not exceed the useful life of the facility or 40 years from the date of the note or bond in accordance with local finance laws. In New York, we use 38 years as the project is typically on a BAN for 2 years prior to loan closing.
- Applicant responsible for short term financing, typically a Bond Anticipation Note (BAN) during the construction period for the loan portion/funds. After the loan funds have been disbursed through interim financing, RD closes on long term financing which allows the municipality to retire the interim financing (BAN). RD only funds long term financing.

Grants – WEP

Grants are determined based on affordability, which is determined by Similar Systems costs. Grant funds are limited and each project will be reviewed on a case by case basis to determine eligibility for grant assistance.

Similar Systems are other communities that have similar MHI, population, treatment systems, etc.

Example

Town, MHI \$40,000

Affordability = 1.5% MHI or \$600 per EDU per year

WEP Application Process

Applicant/Engineer/Fiscal Advisor submits application via RD Apply – the new online application process for Rural Development WEP Applications. <https://rdapply.usda.gov>

RD Apply is very convenient for its users with 24/7 access through any internet ready device. Through assigned roles each organization has the ability to control who can view and modify their application.

Faster processing cuts down on questions and ensures a complete application; it also better positions your organization for funding.

Need Level 2 eAuthentication (EAuth) Registration

WATER & ENVIRONMENTAL PROGRAM ADDITIONAL PROGRAMS

Pre-Development Planning Grants (PPG)

Special Evaluation Assistance for Rural Communities and Households Program (SEARCH) Grants

Emergency Community Water Assistance Grants (ECWAG)

PRE-DEVELOPMENT PLANNING GRANTS (PPG)

Eligibility – The applicant must be:

- (1) A public body, such as a municipality, county, district, authority, or other political subdivision or a State, territory or commonwealth, or
- (2) An organization operated on a not-for-profit basis, such as an association, cooperative, or private corporation. The organization must be an association controlled by a local public body or bodies, or have a broadly based ownership by or membership of people of the local community, or
- (3) Indian Tribes on Federal and State reservations and other Federally recognized Indian Tribes

PRE-DEVELOPMENT PLANNING GRANTS (PPG)

Median Household Income (MHI) – must be below \$45,506

Pre-development project costs – funds can be used to pay for costs associated with completion of the Rural Development Application. This includes the cost of the Preliminary Engineering Report (PER) and Environmental Report (ER).

Rural areas with population of 10,000 or less

Grants – 75% of project costs up to \$30,000 maximum

Special Evaluation Assistance for Rural Communities and Households Program (SEARCH) Grants

Eligibility – The applicant must be:

- (1) A public body, such as a municipality, county, district, authority, or other political subdivision or a State, territory or commonwealth, or
- (2) An organization operated on a not-for-profit basis, such as an association, cooperative, or private corporation. The organization must be an association controlled by a local public body or bodies, or have a broadly based ownership by or membership of people of the local community, or
- (3) Indian Tribes on Federal and State reservations and other Federally recognized Indian Tribes

Median Household Income (MHI) – must be below \$45,506

Population – rural city or town with a population of 2,500 or fewer

Grants – 100% of project costs up to \$30,000 maximum

Special Evaluation Assistance for Rural Communities and Households Program (SEARCH) Grants

Eligible predevelopment planning costs are feasibility studies, preliminary design assistance, and technical assistance as each is defined in §1774.2. The predevelopment planning costs must be related to a proposed project that meets the following requirements:

- (1) To construct, enlarge, extend, or otherwise improve rural water, sanitary sewage, solid waste disposal, and storm wastewater disposal facilities.
- (2) To construct or relocate public buildings, roads, bridges, fences, or utilities, and to make other public improvements necessary for the successful operation or protection of facilities authorized in paragraph (a)(1) of this section.
- (3) To relocate private buildings, roads, bridges, fences, or utilities, and other private improvements necessary for the successful operation or protection of facilities authorized in paragraph (a)(1) of this section.

EMERGENCY COMMUNITY WATER ASSISTANCE GRANTS (ECWAG)

Eligibility – Same as Direct Program

Experienced significant decline in quantity or quality of water as a result of an emergency

Grants

- \$500,000 – New water source projects
- \$150,000 – Repairs, replacement, maintenance of system

OVERVIEW OF WEP SUCCESS – Fiscal Year 2017

	<u>Loans/Grants</u>	<u>Funding</u>
WEP Direct Loans	25	\$37,340,000
WEP Direct Grants	24	\$16,205,000
Preliminary Planning Grants (PPG)	3	\$79,500
Emergency Community Water Assistance Grant (ECWAG)	2	\$588,500

FY2018 – no budget yet, government is operating under a continuing resolution that ends 3/23. We anticipate funding levels similar to last FY. Approx. \$30M loan and \$10M grant.



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QUESTIONS?

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USDA Rural Development is committed to the future of rural communities.