

FUNDING
For
SMALL
SYSTEMS
USDA
Rural Development

USDA/Rural Development's Mission

- **To increase Economic Opportunity in Rural America**
- **To improve the Quality of Life in Rural America**

What Services Does Rural Development Provide for Rural Hawaii, American Samoa and Western Pacific?



- **Housing** – build and renovate homes, rental opportunities
- **Business** – Planning and assistance to businesses and cooperatives to include value added producer programs
- **Community Facilities** – fire stations, medical clinics, child care, assisted living, nursing homes, food banks, farmer’s markets, community gardens
- **Infrastructure** – water, electric, broadband, renewable energy, and telecommunications

INFRASTRUCTURE PROGRAMS



FY 2015 Estimates



- **Direct Loan \$8.6M**
- **Grant \$2.3 M**
- **Guaranteed (Nationwide)**
- **PPG (Nationwide) \$1M**
- **SEARCH (Nationwide) \$1M**

Water/Wastewater Funding

Loans/grants

•3 Eligibility Criteria

- Entities – Municipalities, Non-profits, Tribes**
- Location – Less Than 10,000 in population**
- Project – Water/Sewer/Solid Waste/Storm Drain**

Water/Wastewater Funding Loans/grants

What Purposes are Eligible:

- *Construction

- *Engineering

- *Environmental

- *Legal

- *Administrative

- *Purchase water rights

- *Purchase land rights

- *Surveys/ROWs

- *Construction loan interest

- *Refinancing under certain conditions

- *Purchase existing systems under certain conditions

Water/Wastewater Funding Loans/grants

Ineligible Purposes

- *Facilities not modest in size, design, and cost**
- *Loan or grant finder's fees**
- *Construction of any new combined storm and sanitary sewer facilities**
- *Any portion of a facility that does not serve a rural area**

Water/Wastewater Funding Loans/grants

Terms: 40 years or useful life of system

Interest Rates: (subject to change quarterly)

***Poverty Rate: 2.125% - MHI LT \$47,482
(2010 Census) & health or sanitary problem**

***Intermediate Rate: 2.875% - MHI \$47,482 - \$59,353**

***Market Rate: 3.625% - MHI > \$59,353**

Water/Wastewater Funding Loans/grants

Security:

Public Bodies:

GO Bond

Revenue Bond

Non-Profits:

Deed of Trust

Promissory Note

UCC filing

Security Agreement

Deposit Agreement

Water/Wastewater Funding Loans/grants

Other Requirements:

Public bidding of construction

Water Meters

Other Credit

Refinancing

No free service

Flood plain impact avoidance

Non-discrimination

Drug-Free workplace

Annual financial reporting

Water/Wastewater Funding Loans/grants

Process:

Pre-application Conference

Submission of Application

***PER**

***Environmental Report**

***Forms and Paperwork including**

Organizational Documents

Audit/Financial Report

Intergovernmental Review

Public Notice/Information

Resolution

Debt information

Preliminary Engineering Report (PER)

**Water and Waste Disposal Program
RUS Bulletin 1780-2**

http://www.rurdev.usda.gov/RDU_Bulletins_Water_and_Environment.html

Environmental Report (ER)

Must follow:

- *USDA Rural Development**
- *NEPA**
- *NHPA**



Infrastructure

GRANT OPPORTUNITIES

- **Special Evaluation Assistance for Rural Communities and Households (SEARCH)**
- **Predevelopment Planning Grants (PPG)**
- **Emergency & Imminent Community Water Assistance Grant (ECWAG)**

SEARCH

Purpose: To make predevelopment planning grants for feasibility studies, design assistance, and technical assistance

SEARCH (Con't)

- **7 CFR 1774 Regulation**
- **Up to 100% of costs - no more than \$30,000**
- **Entities – Municipalities, Non-Profits, Tribes**
- **Location – LT 2,500 in population**
- **Financially Distressed – MHI LT \$47,482**

SEARCH (Cont.)

- National Office has allocated \$1M nationwide, first come-first serve;
- PER/ER must be completed to RD requirements



PPG

- **Purpose: Same as SEARCH**
- **7 CFR 1780 Regulation**
- **Grant up to \$25,000 or 75% of cost**
- **Entities – Municipalities, Non-Profits, Tribes**
- **Location – LT 10,000 in population**
- **Financially Distressed – LT \$47,482 MHI**

ECWAGs

- **7 CFR 1778 Regulation**
- **Entities – Municipalities, Non-Profits, Tribes**
- **Project Type – Water ONLY**
- **Location – LT 10,000 in population**
- **LT \$59,353 MHI**
- **Abbreviated application process**

ECWAGs (Continued)

•Eligible Project Costs –

- (a) Waterline extensions from existing systems.
- (b) Construction of new waterlines.
- (c) Repairs to an existing system.
- (d) Significant maintenance to an existing system.
- (e) Construction of new wells, reservoirs, transmission lines, treatment plants, and other sources of water.
- (f) Equipment replacement.
- (g) Connection and/or tap fees.
- (h) Pay costs that were incurred within six months of the date an application was filed with the Agency to correct an emergency situation that would have been eligible for funding under this part.

ECWAGs (Continued)

•Eligible Project Costs –

- (i) Any other appropriate purpose such as legal fees, engineering fees, recording costs, environmental impact analyses, archaeological surveys, possible salvage or other mitigation measures, planning, establishing or acquiring rights associated with developing sources of, treating, storing, or distributing water.
- (j) Assist rural water systems to comply with the requirements of the Federal Water Pollution Control Act (33 U.S.C. 1251 *et seq.*) (FWPCA) or the SDWA when such failure to comply is directly related to a recent decline in quality of potable water. This would not apply to changes in the requirements of FWPCA or SDWA.
- (k) Provide potable water to communities through means other than those covered above for not to exceed 120 days when a more permanent solution is not feasible in a shorter time frame.

ECWAGs (Continued)

Grant Amounts:

\$500,000 - may be made to alleviate a significant decline in quantity or quality of water available to a rural area that occurred within two years of filing an application with the Agency, or to attempt to avoid a significant decline that is expected to occur during the twelve month period following the filing of an application

ECWAGs (Continued)

Grant Amounts:

\$150,000 - Grants made for repairs, partial replacement, or significant maintenance on an established system to remedy an acute shortage or significant decline in the quality or quantity of potable water, or an anticipated acute shortage or significant decline

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For more information on
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Questions?