

# Hawai'i Rural Water Association

USDA Rural Development Funding Overview

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# USDA RURAL DEVELOPMENT WATER AND WASTE LOAN & GRANT PROGRAM

## Eligible applicants

- **Public Bodies (Town, City, County or District)**
- **Non-Profit organizations or**
- **Indian Tribes**
- **DHHL**



# Eligible Location

10,000 population limit (City or Town)

In Hawaii CDP's are used

Most of Rural Oahu



# Purpose

- Water
- Waste Water
- Storm Water
- Solid Waste projects



# Some Details

- 40 years or the useful life of the facility
- The interest rate is determined by the Median Household Income (MHI) (2010 Census)
- The interest rates are subject to change quarterly



# More Details

- Poverty Rate: Currently 2.25% MHI less than \$47,482 and the project is necessary to alleviate a health or sanitary problem (must be documented).
- Intermediate Rate: Currently 3.00%-MHI between \$47,482 and \$59,353 or does not qualify for the Poverty Rate because of lack of health or sanitary problem.
- Market Rate: Currently 3.75%-MHI above \$59,353. The interest rate is determined by the Median Household Income (MHI) (2010 Census)



# Grant Determination

- MHI of service area, needs to be less than Hawaii MHI, \$59,353
- Health or sanitary problem
- The amount of grant for a project is determined by the loan specialist at the time the loan is underwritten
- Can be up to 75%



# What Can You Do With The Funds?

- Construct, enlarge, extend or otherwise improve rural systems
- Buildings, fences, and roads necessary for successful operation/protection of system
- Pay reasonable fees and costs such as: legal, engineering, administrative services, environmental analyses and surveys, planning, establishing or acquiring rights, purchasing land, water rights, leases permits, rights-of-way.
- Pay interest incurred during construction, initial operating expenses, purchase existing facilities under certain conditions, refinance existing debt under certain conditions.



# More Fine Print

- Credit Elsewhere: Applicants must be unable to finance the proposed project from their own resources or through commercial sources at reasonable and terms.
- State revolving funds and DOH may be used in conjunction with RD funding
- Legal Authority: Applicant must have or will obtain the legal authority for owning, constructing, operating and maintaining the proposed facility or service and for obtaining, giving security for and repaying the proposed loan.



# Even More Fine Print

- Security: The loans will be secured by the best security position practicable to protect the interest of the RUS
- Economic Feasibility: The project must be based on taxes, assessments, income, fees or other satisfactory sources of revenues
- Reserve Requirement: 10% of the debt payment per year and a short-lived asset account.
- Service Area Requirements: All facilities shall be for public use.
- The proposed project must be modest in size, design and cost.
- Construction Projects- Public bidding of project,



# Emergency Community Water Assistance Grants

- Purpose: To assist rural communities that have experienced a significant decline in quantity or quality of drinking water due to an emergency
- Or in which such decline is considered imminent, to obtain or maintain adequate quantities of water
- This emergency is considered an occurrence of an incident such as, but not limited to, a drought, earthquake, flood, tornado , hurricane, disease outbreak or chemical spill, leakage or seepage



# Eligibility

- Public bodies
- non-profit corporations
- Indian tribes



# Location

- Areas to be served may not be located in cities or towns with a population in excess of 10,000
- Median household income of more than 100 percent of a State's non-metropolitan median household income.  
(\$59,353)



# Funding

- Grants may be made for 100 percent of project costs
- \$500,000 limit- Wells, reservoirs, transmission lines, treatment plants, and/or other sources of water
- \$150,000 limit- Distribution waterline extensions, breaks or repairs on distribution waterlines , and operation



# Requirements

- Abbreviated Preliminary Engineering Report
- Abbreviated Environmental Review
- Population and median household income of the area to be served
- description of project
- Nature of the emergency that caused the problem(s) being addressed by the project
- A disaster designation is not required



# Search Grant

- Predevelopment planning grants for feasibility studies , design assistance, and technical assistance
- Rural areas with populations of 2,500 or fewer inhabitants
- Financially distressed communities MHI \$47,482
- Water and Waste Disposal Projects
- Up to 100% of eligible costs but not to exceed \$30,000



# PPG Grant

- Predevelopment planning grants for feasibility studies , design assistance, and technical assistance
- Rural areas with populations of 10,000 or fewer inhabitants
- Water and Waste Disposal Projects
- Up to 75% of eligible costs but not to exceed \$25,000



# Solid Waste Management Grants

- This program helps reduce or eliminate pollution of water resources through funding for organizations that provide technical assistance or training to improve the planning and management of solid waste sites.

## **Who may apply?**

- Most State and local governmental entities
- Non-profits
- Federally Recognized Tribes
- Academic Institutions



# Rural Water Loan Fund

- Pre-development (planning) costs for infrastructure projects
- Replacement equipment, system upgrades, maintenance and small capital projects
- Energy efficiency projects to lower costs and improve system sustainability
- Disaster recovery or other emergency loans are available



# Key Points

- Reasonable, below market interest rate (currently 3%) and a maximum repayment period of 10 years
- Straightforward application process and quick turnaround time (just a few days if documents are in order)
- Loan amounts may not exceed \$100,000 or 75% of the total project cost, whichever is less
- Emergency loans are 90-day no interest, with immediate turn around on applications
- NRWA charges no administrative or processing fees
- Systems must be public entities (municipalities, counties, special purpose districts, Native American Tribes, nonprofit corporations and cooperatives) serving up to 10,000 persons, or in rural areas with no population limits



Thank You

