



Infrastructure for Rural America

USDA Rural Development – Virginia

Water & Environmental Programs (WEP)

Water and Environmental Programs (WEP)

- WEP supports infrastructure through loans, grants, and loan guarantees for drinking water, sanitary sewer, solid waste, and storm drainage facilities in rural areas.
- Eligible projects include the Construction, Repair, Modification, Expansion or Improvement of:
 - Drinking water sourcing, treatment, storage tanks and distribution/pumping stations.
 - Sewer collection, transmission, treatment and disposal.
 - Solid waste collection, disposal and closure.
 - Storm water collection, transmission and disposal.

Water and Environmental Programs (WEP)

- **An applicant must be:**
 - A public body – Town, City, County, District, or Authority
 - A not-for-profit (non-profit) organization – Association, cooperative, or private corporation, but must be controlled by a local public body(ies), or have broad-based ownership by, or membership of people of the local community.
 - Native American tribe or Federal or State reservation or other Federally recognized tribes.
- Projects must serve a rural area.
 - **Direct Loans**
 - Must be in a rural areas with populations of **10,000** or less.
 - **Guaranteed Loans**
 - Must be in a rural area with a population of **50,000** or less.

Water and Environmental Programs (WEP)

- Must have legal capacity to borrow and repay loans, pledge security for the loans and maintain the facilities.
- Applicant is unable to finance the project from their own resources or through commercial credit at reasonable rates and terms. Direct program only.
- Existing operations must be sustainable.

WEP - Direct Loan Terms

- Fixed interest rates with no prepayment penalty and up to 100% financing.
- Loan repayment shall not exceed the useful life of the facility or 40 years, whichever is less.
- Unable to finance the proposed project from its own resources or through commercial credit at reasonable rates and terms.
- Interim financing required for all loans over \$500,000. After the interim loan funds have been disbursed, Rural Development closes on long-term financing which allows the municipality to retire the interim financing.
- Loans must be adequately secured by a General Obligation Bond, a Revenue Bond, or combination of both. Rural Development must take the best security available.

WEP Direct Interest Rates as of October 1, 2022

- **Poverty Rate** **2.125%**
 - To qualify – 2010 MHI must be less than \$42,794 and the primary purpose of the loan is to alleviate a documented health or sanitary problem of the facility being financed. Grant may be possible.
- **Intermediate Rate** **2.75%**
 - To qualify – 2010 MHI of the service area is less than \$53,493. Grant may be possible.
- **Market Rate** **3.5%**
 - To qualify – 2010 MHI is \$53,493 or above. No grant funding is available for market rate projects.
- Rates are evaluated and changed quarterly – January, April, July, & October

WEP Funding

- Funding may be used for:
 - Construction costs
 - Purchase of existing facilities to improve or prevent loss of service
 - Legal fees
 - Engineering fees
 - Land acquisition
 - Water and land rights
 - Permits
 - Equipment
 - Capitalized Interest

- Note: Application preparation is not an eligible project expense.

WEP Grants

- May be provided to reduce user costs to a reasonable level as compared to similar systems.
- Grants are based on the MHI of the service area, the applicant's financial situation, available allocation, similar systems and rates being charged.

Emergency Community Water Assistance Grants (ECWAG)

- Helps eligible communities (of 10,000 or less) prepare and/or recover from an emergency that threatens the availability of safe, reliable drinking water. The objective is to assist residents of rural areas that have experienced a significant decline in quantity or quality of water, or such a decline is considered imminent, due to drought, flood, earthquake, tornado, hurricane, disease outbreak, chemical spill, or other similar event. Federal disaster declaration not required.
- Eligible applicants to include:
 - Local Government entities
 - Non-profit corporations
 - Federally recognized tribes

Emergency Community Water Assistance Grants (ECWAG)

- Grants made for:
 - Construction of new waterlines, wells, reservoirs, transmission lines, treatment plants, and other sources of water.
 - Repairs or significant maintenance to an existing system; waterline extensions
 - Equipment replacement
 - 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.
 - Any eligible expenses incurred within 6 months of application.
- June 30th is the deadline each year.
- Grants cannot exceed \$1,000,000 for new water source and \$150,000 for repairs.

Preliminary Planning Grant (PPG) & Special Evaluation Assistance for Rural Communities (SEARCH) Program

- **PPG Program**

- This program assists low-income communities with initial planning and development of applications for USDA Rural Development Water and Waste Disposal direct loan/grant and loan guarantee programs.
- For communities with a population of 10,000 or less.

- **SEARCH Program**

- This program helps very small, financially distressed rural communities with predevelopment feasibility studies, design and technical assistance on proposed water and waste disposal projects.
- For communities with a population of 2,500 or less.

Preliminary Planning Grant (PPG) & Special Evaluation Assistance for Rural Communities (SEARCH) Program

- **PPG Program**

- Eligible areas include rural towns/cities/villages with a population of 10,000 or less.
- Eligible Entities include: Public Bodies, Not for profit organizations, and Federally Recognized Tribes that have a 2010 MHI less than \$42,794.
- Maximum grant amount is \$30,000 or 75% of predevelopment planning costs.

Preliminary Planning Grant (PPG) & Special Evaluation Assistance for Rural Communities (SEARCH) Program

- **SEARCH Program**

- Eligible areas include rural towns/cities/villages with a population of 2,500 or less.
- Eligible Entities include: Public Bodies, Not for profit organizations, and Federally Recognized Tribes that have a 2010 MHI less than \$42,794.
- Maximum grant amount is \$30,000 or 100% of predevelopment planning costs up to \$30,000.
- Uses: Feasibility Studies, Preliminary Engineering Reports, Environmental Reports, and other eligible costs associated with the development of an application for funding.

WEP Loan/Grant Summary – FY22

	<u>Loans/ Grants</u>	<u>Funding</u>
WEP Loans	5	\$6,834,000
WEP Grants	8	\$9,415,000

Examples of RD Funded WEP Projects:

TOWN OF ELKTON – WWTP/Sewer Line Rehab Project

- Total Project Cost: \$27 Million
- The proposed project is for the upgrade of the WWTP, sewer line replacement, and pump station upgrades

Rural Development Loan:	\$15,625,000
Rural Development Grant:	\$7,681,000
Other funding (DEQ):	\$3,696,593



NELSON COUNTY SERVICE AUTHORITY – Schuyler WWTP & Sewer Improvements

- Total Project Cost: \$5.2 Million
- This project includes the construction of a replacement package WWTP and rehab of 12,760 LF of gravity sewer system to reduce I&I.

Rural Development Loan: \$1,326,000

Rural Development Grant: \$3,876,700



TOWN OF EDINBURG – Wastewater Treatment Plant

- Total Project Cost: \$4.2 Million
- This project is for the construction of a new wastewater treatment plant to include (1) refurbishment of influent pumping station; (2) new influent flow meter; (3) new headworks facility to include mechanical screening; (4) two trains of new extended aeration tanks and blowers; (5) two new final clarifiers; (6) new disinfection facilities; (7) refurbishment of the Control Building; and (8) abandon existing primary clarifiers and rotating biological contractor facilities.

Rural Development Loan: \$2,997,000

Rural Development Grant: \$1,215,000



Questions Regarding RD Water & Environmental Programs?



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United States
Department of
Agriculture

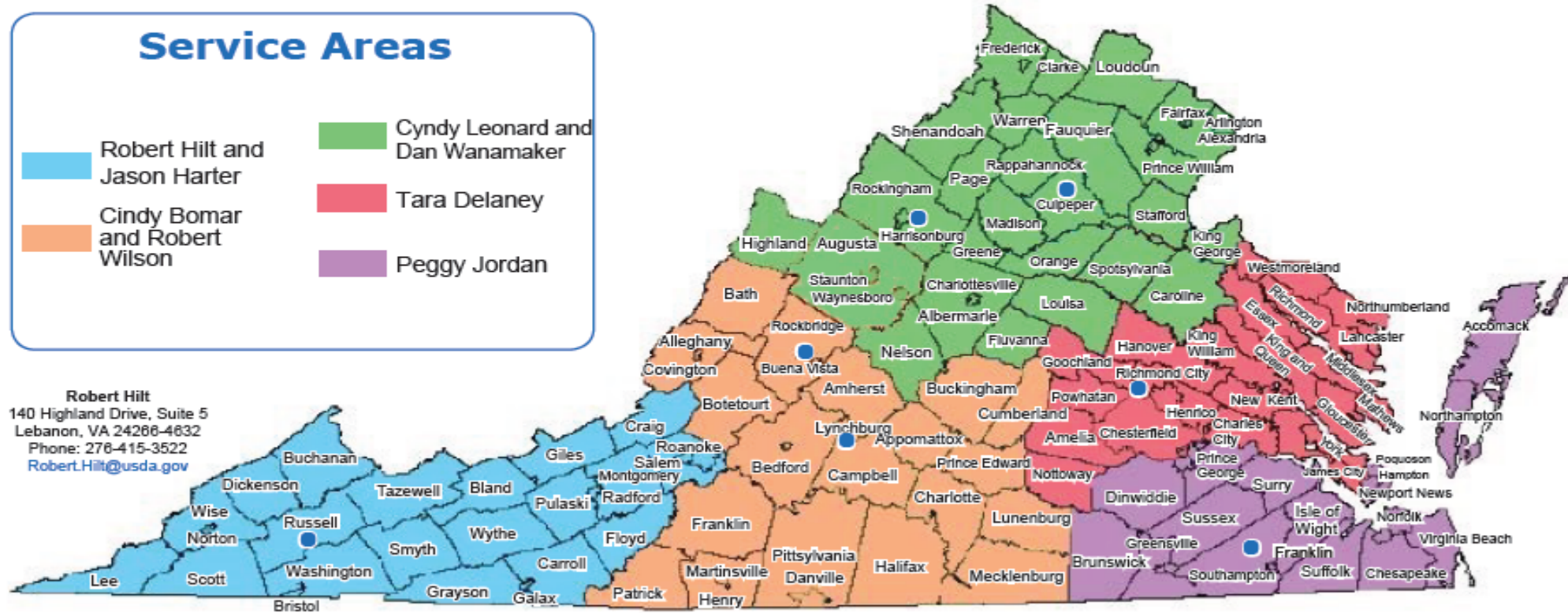
Rural Development



Community Programs Specialists' Service Areas As of October 1, 2022

Service Areas

-  Robert Hilt and Jason Harter
-  Cindy Bomar and Robert Wilson
-  Cyndy Leonard and Dan Wanamaker
-  Tara Delaney
-  Peggy Jordan



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