



United States Department of Agriculture
Rural Development
Hawaii State Office – Western Pacific Region

WATER AND WASTE DISPOSAL LOANS AND GRANTS FACT SHEET

The Rural Development mission area was created in 1994 as a result of the reorganization of the U.S. Department of Agriculture. Rural Development consists of three new services. Rural Business Cooperative Service (RBS), Rural Housing Service (RHS), and Rural Utilities Service (RUS). At the state and local levels, the programs of all three services are administered by Rural Development field offices.

The mission of RUS is to promote economic development in rural America by providing financial assistance for water and waste disposal facilities in rural areas and towns of up to 10,000 people.

WHO MAY RECEIVE ASSISTANCE?

Loans and grants are available to public entities such as municipalities, counties, special purpose districts, Indian Tribes and corporations not operated for profit. Priority will be given to public entities in areas smaller than 5,500 people to restore a deteriorating water supply or to improve, enlarge or modify a water facility or an inadequate waste facility. Preference will also be given to requests which involve the merging of small facilities and those servicing low-income communities. In addition, borrowers must:

1. Be unable to obtain needed funds from other sources at reasonable rates and terms,
2. Have legal capacity to borrow and repay loans, to pledge security for loans and to operate and maintain the facilities or services,
3. Be financially sound and able to manage the facility effectively, and
4. Have a financially sound facility based on taxes, assessments, revenues, fees or other satisfactory sources of income to pay all facility costs, including operation and maintenance, and to retire the indebtedness and maintain a reserve.

Water and Waste Disposal systems must be consistent with any development plans of State, multi-jurisdictional area, counties, or municipalities in which the proposed project is located. All facilities must comply with Federal, State and local laws, including those concerned with zoning regulations, health and sanitation standards and the control of water pollution.

HOW MAY FUNDS BE USED?

Loan and grant funds may be used to do the following:

1. Construct, repair, improve, expand or otherwise modify rural water supply and distribution facilities, including reservoirs, pipelines, wells and pumping stations.
2. Acquire a water supply or a water right
3. Construct, repair, improve, expand or otherwise modify waste collection, pumping, treatment or other disposal facilities. Facilities to be financed may include such items as sewer lines, treatment plants, including stabilization, ponds, storm wastewater facilities, sanitary landfills, incinerators and necessary equipment.

Room 311, Federal Building, 154 Waiianuenue Avenue, Hilo, Hawaii 96720, Tel: (808) 933-8380; FAX: (808) 933-8327; TDD: (808) 933-8321
Committed to the future of rural communities

To file a complaint of discrimination, write: USDA, Assistant Secretary for Civil Rights, Office of the Assistant Secretary for Civil Rights, 1400 Independence Ave., S.W., Stop 9410, Washington, DC 20250-9410 or call toll free at (866) 632-9992 (English) or (800) 877-8339 (TDD) or (866) 377-8642 (English Federal-Relay) or (800) 845-6136 (Spanish Federal-Relay).

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4. Pay necessary fees, such as legal and engineering, associated with the development of the facility, including the acquisition of rights-of-way and easements and the relocation of roads and utilities.
5. Finance facilities in conjunction with funds from other agencies or those provided by the applicant.

Interim commercial financing will normally be used during construction and RUS funds will be available when the project is completed. If interim financing is not available or if the project cost is less than \$50,000, multiple advances of RUS funds may be made as construction progresses.

WHAT ARE THE TERMS?

The maximum term on all loans is 40 years. However, no repayment period will exceed any statutory limitation on the organization’s borrowing authority nor the useful life of the improvement or facility to be financed.

WHAT IS THE INTEREST RATE?

Interest rates will be set periodically and be based on current market yields for municipal obligations. Certain loans may be made at a lower rate. The current rates may be obtained from any Rural Development office.

WHAT SECURITY IS REQUIRED?

All loans will be secured to adequately protect the interest of the Government. Bonds or notes pledging taxes, assessments or revenues may be expected as security if they meet statutory requirements. A mortgage may also be taken on the organization’s facilities when State laws permit.

GRANTS

Funds may be made available for up to 75 percent of eligible development costs. Such assistance may be made available for facilities serving the most financially needy communities to reduce user costs for eligible grant recipients to a reasonable level.

WHERE CAN ADDITIONAL INFORMATION BE OBTAINED?

The RUS will advise the applicant as to how to assemble information to determine engineering feasibility, economic soundness, cost estimates, organization, financial and management matters in connection with the proposed improvements. If financing is provided, the RUS will also make periodic inspections to monitor project construction.

Any Rural Development office can give information about the Water and Waste Disposal Loan and Grant Program. Applications for financial assistance will be accepted at the Hawaii State and Area Offices listed below:

<u>Hawaii State Office</u>	<u>Area I Office</u>	<u>Area II Office</u>	<u>Area III Office</u>
Room 311, Federal Building 154 Waianuenue Avenue Hilo, HI 96720 Timothy W. O’Connell (808) 933-8313	99-193 Aiea Heights Drive Suite 156 Aiea, HI 96701 Thao Khamoui (808) 483-8600 Ext. 124 Ivet Figueroa (808) 658-0201	70 East Sunset Boulevard Suite 280 Tiyan, Guam 96913 Joseph Diego (671) 300-8560 Bernadette Balajadia (671) 300-8561	Jem’s Building P.O. Box 396 Pohnpei, FM 96941 Gary Bloom Berley Araceley 691-320-2581 691-320-5583

For additional information, you may visit the Rural Utilities Service home page at <http://www.usda.gov/rus/>.