

# Logistics

At the top right corner of your screen:

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All phones/microphones are muted for the duration of the webinar.

Toggle between full screen/window screen view



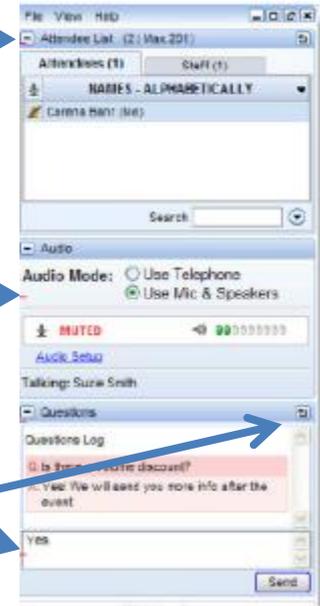
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## Control Panel:

Attendee List

Audio: please choose between speakers and telephone. If you do not hear audio right now, please check your speaker volume or enter #[audio pin]# if using phone.

Submit questions in the Questions box at any time, and press [Send]. To undock and increase the size of the box, click on top right corner icon.





Smart Management for  
Small Water Systems

# WEBINAR: Navigating Funding Options for Water Infrastructure

Wednesday, June 1, 2016  
2:00 – 3:00 PM EST

This program is made possible under a cooperative agreement with EPA.



UNC  
ENVIRONMENTAL  
FINANCE CENTER



Environmental  
Finance  
Center  

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Syracuse University



Registrants of  
this webinar





## About the Environmental Finance Center Network (EFCN)

The Environmental Finance Center Network (EFCN) is a university-based organization creating innovative solutions to the difficult how-to-pay issues of environmental protection and improvement. The EFCN works with the public and private sectors to promote sustainable environmental solutions while bolstering efforts to manage costs.

## The Smart Management for Small Water Systems Program

This program is offered free of charge to all who are interested. The Project Team will conduct activities in every state, territory, and the Navajo Nation. All small drinking water systems are eligible to receive free training and technical assistance.

### What We Offer

Individualized technical assistance, workshops, small group support, webinars, eLearning, online tools & resources



- **Environmental Finance Center at University of North Carolina at Chapel Hill**
- Southwest Environmental Finance Center
- **Syracuse University Environmental Finance Center**
- Environmental Finance Center at Wichita State University
- EFC West
- Environmental Finance Center at University of Louisville
- Great Lakes Environmental Finance Center at Cleveland State University
- New England Environmental Finance Center at University of Southern Maine
- American Water Works Association





## Areas of Expertise

- Asset Management
- Energy Management
- Meeting Regulatory Compliance
- Fiscal Planning and Rate Setting
- **Multi-funding Coordination**
- Communications and Decision-making
- Water Loss Reduction
- Working with Other Water Systems
- Financing
- **Funding Programs**
- Managing Small Utilities in Drought



# Speakers for Today's Webinar

- **Laura Flagg**, Program Assistant, Syracuse University Environmental Finance Center
- **Stacey Isaac Berahzer**, Senior Project Director, UNC Environmental Finance Center
- **Ben Shuman**, Senior Engineer, USDA, Rural Utilities Service, Water and Environmental Programs



# UNC ENVIRONMENTAL FINANCE CENTER



UNC SCHOOL of GOVERNMENT

*Dedicated to enhancing the ability of governments and other organizations to provide environmental programs and services in fair, effective, and financially sustainable ways through:*

- Applied Research
- Teaching and Outreach
- Program Design and Evaluation



*How you pay for it matters*



UNC  
ENVIRONMENTAL FINANCE CENTER

<http://efc.sog.unc.edu>

 @EFCatUNC



# Navigating Funding Options for Water Infrastructure - **Objectives**

- Learn about the variety of financing options for water infrastructure needs, and where to access these different financing programs
- Compare and contrast grants vs loans and other more sustainable funding sources
- Learn about the recent efforts to streamline funding applications, including the template for the Preliminary Engineering Report and the online application option available through the USDA – “RDApply”



# Agenda for Today's Webinar

## Topic

Introduction, and the variety of financing options for water infrastructure needs, and where to access these different financing programs (Stacey Isaac Berahzer & Laura Flagg)

Compare and contrast grants vs loans and other more sustainable funding sources. *(Stacey)*

Recent USDA efforts to streamline funding applications:  
The template for the Preliminary Engineering Report and  
The online application option - "RDApply." *(Ben Shuman)*

Question & Answer Session and Wrap-Up  
*All*



# Polling Question 1

What size drinking water system does your utility operate (by number of people served)? *(choose one)*

- Very Small (500 or fewer people served)
- Small (501 to 3,300 people served)
- Medium (3,301 to 10,000 people served)
- Large or Very Large (10,001 or more people served)
- Not a Drinking Water Utility



# Polling Question 2

Does your water system currently have any debt?

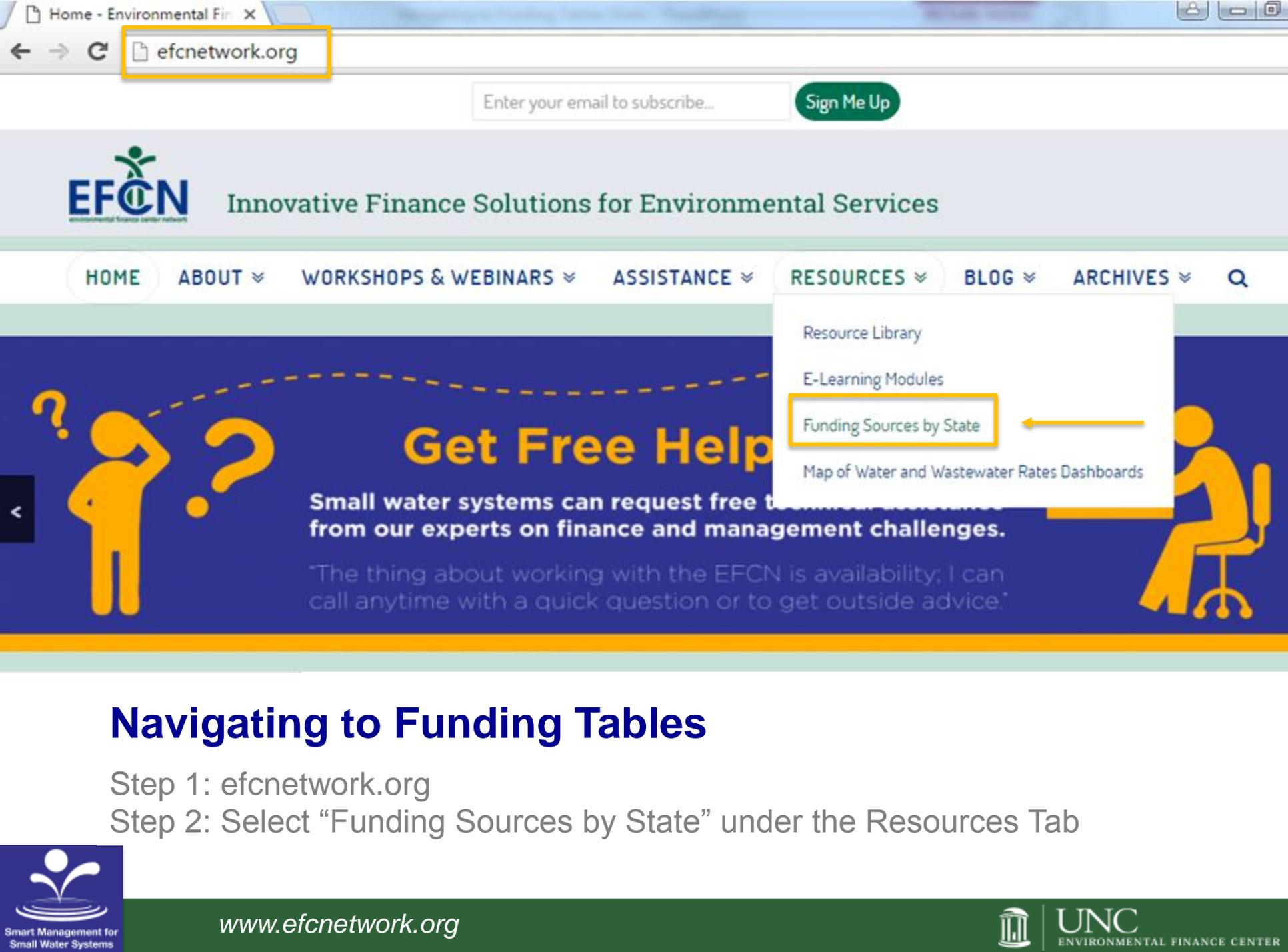
*(choose one)*

- Yes
- No
- don't know



# THE VARIETY OF FUNDING OPTIONS FOR INFRASTRUCTURE NEEDS





## Navigating to Funding Tables

Step 1: efcnetwork.org

Step 2: Select "Funding Sources by State" under the Resources Tab

# Funding Sources by State

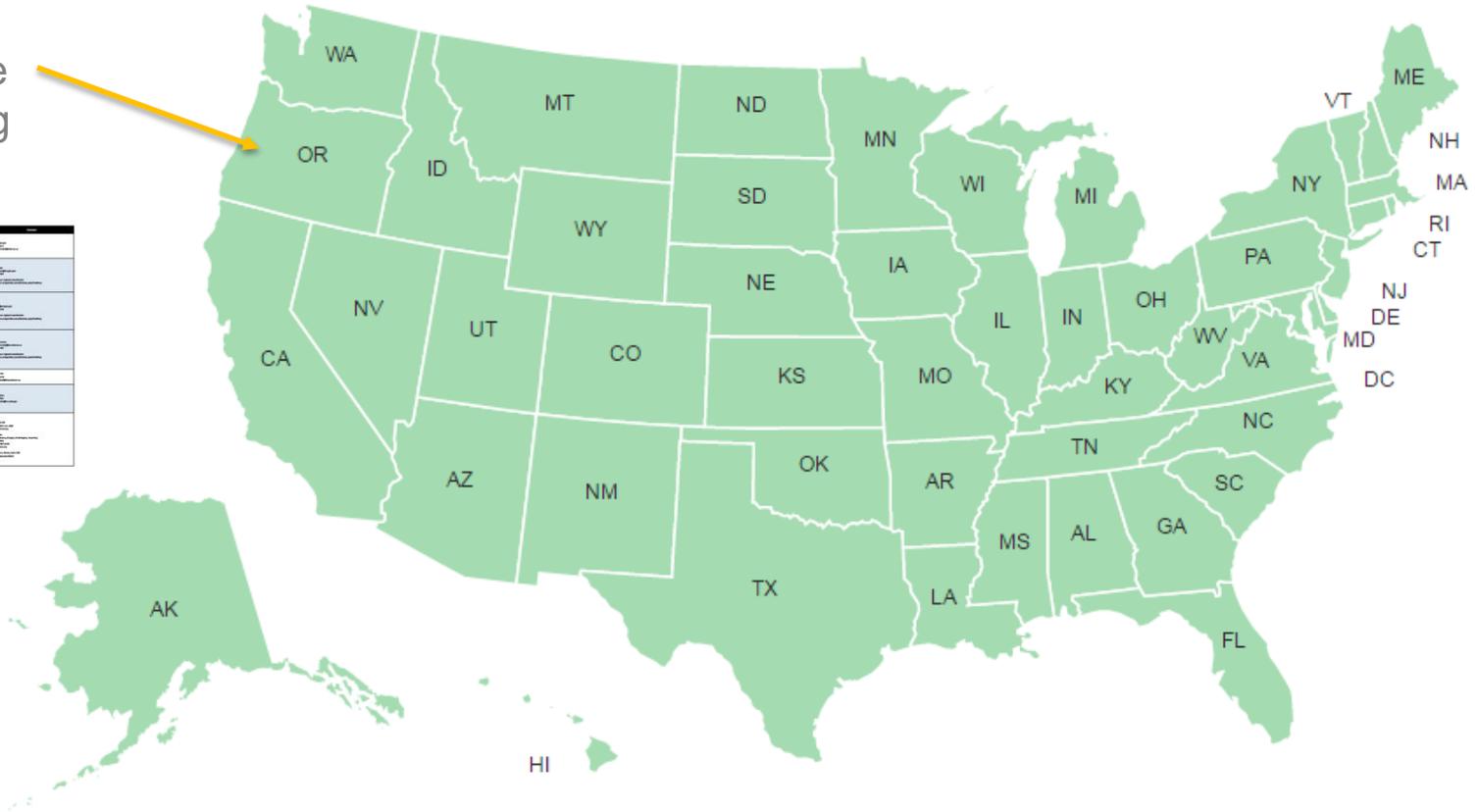
*Note: Some states may have additional resources listed below the map.*

Click on the map below to view funding sources for each state:

Click on an individual state to view funding table.



State	Funding Source	Link
AK	...	...
AL	...	...
AR	...	...
AZ	...	...
CA	...	...
CO	...	...
CT	...	...
DC	...	...
DE	...	...
FL	...	...
GA	...	...
IA	...	...
IL	...	...
IN	...	...
KS	...	...
KY	...	...
LA	...	...
MA	...	...
MD	...	...
ME	...	...
MI	...	...
MN	...	...
MO	...	...
MS	...	...
MT	...	...
NC	...	...
ND	...	...
NH	...	...
NJ	...	...
NM	...	...
NV	...	...
NY	...	...
OH	...	...
OK	...	...
OR	...	...
PA	...	...
RI	...	...
SC	...	...
SD	...	...
TN	...	...
TX	...	...
UT	...	...
VA	...	...
VT	...	...
WA	...	...
WI	...	...
WV	...	...
WY	...	...





# Background

**Good News:** There are **several** potential funding sources for water projects

## Challenges:

- It can be hard for small systems to navigate these different programs
- Applying for funding for one project from multiple programs can be complicated

**More Good News:** Some states have developed unified funding committees to help small water systems in navigating the process



# General Coordination Objectives

- *For Funders* - Support funding program goals and efforts
- *For applicants*- Improved customer service experience
- *For citizens* - Stretches public funding dollars



# NATIONAL EFFORTS AT COORDINATION





# EPA-USDA Memo of Agreement



**Memorandum of Agreement Between the  
United States Environmental Protection Agency and the  
United States Department of Agriculture – Rural Development Rural Utilities Service**

Signed in June 2011

A standard Preliminary Engineering Report is also currently being used in some states for EPA and USDA applications.



January 16, 2013

## INTERAGENCY MEMORANDUM

Attached is a document explaining recommended best practice for the development of Preliminary Engineering Reports in support of funding applications for development of drinking water, wastewater, stormwater, and solid waste systems.

The best practice document was developed cooperatively by:

- US Department of Agriculture, Rural Development, Rural Utilities Service, Water and Environmental Programs;
- US Environmental Protection Agency (EPA), Office of Water, Office of Ground Water and Drinking Water and Office of Wastewater Management;
- US Department of Housing and Urban Development (HUD), Office of Community Planning and Development;
- US Department of Health and Human Services, Indian Health Service (IHS);
- Small Communities Water Infrastructure Exchange;



# The Small Community Water Infrastructure Exchange (SCWIE)

- A network of water funding officials
- Under the auspices of the Council of Infrastructure Financing Authorities (CIFA)
- <http://www.scwie.org/>
- Lists “Contacts by State”

# The Small Community Water Infrastructure Exchange (SCWIE)



- List of existing coordination efforts

<http://www.scwie.org/statewide-support-groups>

State	Statewide Support Group	Name	Email	Telephone
ARIZONA	Rural Water Infrastructure Committee (RWIC)	Susan Craig	scraig@azwifa.gov	602.364.1236
ARKANSAS	Water & Wastewater Advisory Group	Dave Fenter	dave.fenter@arkansas.gov	501.682.0543
CALIFORNIA	California Financing Coordinating Committee	David Hartwell	dave.hartwell@ca.usda.gov	530.792.5817
COLORADO	Colorado Water & Sewer Funding Coordination Committee	Barry Cress	barry.cress@state.co.us	303.864.7736
DELAWARE	Water Infrastructure Advisory Council	Terry Deputy	terry.deputy@state.de.us	302.739.9941
FLORIDA	Florida Funders	Gary Williams	gary.williams@frwa.net	850.668.2746
GEORGIA	Georgia Funders Forum	Stacey Isaac Berahzer	berahzer@unc.edu	770.509.3887
HAWAII	Technical Assistance Providers (TAP)	Robin Pulkkinen	robin.pulkkinen@ni.usda.gov	808.933.8317
IDAHO	Advantage Group	Dennis Porter	dennis.porter@commerce.idaho.gov	208.287.0782
ILLINOIS	State Funding Agencies	Mike Wallace	michael.wallace@usda.gov	217.403.6209
INDIANA	Environmental Infrastructure Working Group (EIWG)	Jaime Palmer	jpalmer@upui.edu	317.261.3046
IOWA	No Official Name	Kate Sand	kate.sand@ia.usda.gov	515.284.4729
KANSAS	Kansas Public Water Supply Coordinating Committee	Debbie Beck	dbeck@kansascommerce.com	785.296.3004
KENTUCKY	No Official Name	Sandy Dunahoo	sandy.dunahoo@ky.gov	502.573.2382
LOUISIANA	Louisiana Water & Wastewater Joint Funding Committee	Chris Brunson	chris.brunson@communitietesu.org	318.466.9299
MAINE	Maine Funders Group	Normand R. Lamie, P.E.	norm.lamie@maine.gov	207.287.2647
MARYLAND	Maryland Water & Sewer Infrastructure Financing	Elaine Dietz	edietz@mdc.state.md.us	410.537.3908
MICHIGAN	No Official Name	Sonya Butler	butlers2@michigan.gov	517.373.2161
MINNESOTA	"Who's Hot - Who's Not"	Jeff Freeman	jeff.freeman@state.mn.us	651.259.7465
MISSISSIPPI	Local Governments & Rural Water Systems Improvement Board	Roger Gilbert	roger.gilbert@msdn.state.ms.us	601.576.7518
MISSOURI	No Official Name	Andy Papen	andy.papen@ded.mo.gov	573.751.3600
MONTANA	Water, Wastewater & Solid Waste Action Coordinating Team	Paul LaVigne	plavigne@mt.gov	406.444.5321
NEBRASKA	Water & Wastewater Advisory Committee (WWAC)	Steve McNulty	steve.mculty@netbraska.gov	402.471.1006
NEVADA	Infrastructure for Nevada Committee (INC)	Daralyn Dobson	ddobson@ndep.nv.gov	775.687.9489
NEW HAMPSHIRE	Funding Partners	Gregg MacPherson	gregg.macpherson@nh.usda.gov	603.223.6035
NEW JERSEY	Community Programs Seminar	Kenneth Drewes	Kenneth.Drewes@nj.usda.gov	856.787.7753
NEW MEXICO	No Official Name	Michaelene Kyrala	michaelene.kyrala@state.nm.us	505.412.0960
NEW YORK	NYS Water & Sewer Infrastructure Co-Funding Initiative	James C. "J.C." Smith	JC.Smith@efc.ny.gov	607.776.4978
NORTH CAROLINA	North Carolina Funders Forum	Kim Colson	kim.colson@ncdenr.gov	919.707.9177
NORTH DAKOTA	No Official Name	Mark J. Wax	mark.wax@nd.usda.gov	701.530.2029





# COMPARE AND CONTRAST GRANTS VS LOANS: SUSTAINABLE FUNDING SOURCES





# How the Payments are Made For Infrastructure Projects

- Save in advance and pay
- Pay as you go (current receipts)
- **Pay afterwards (someone loans you money)**
- **Grants**

# About Grants



**✉ FREE Grant Money For You - Message (HTML)**

File Edit View Insert Format Tools Actions Help

Reply Reply to All Forward Print Attachments Delete Undo Redo Help

From: Amy Cornett [suny@easypeasy.com]  
To: jezter@email.unc.edu  
Cc:  
Subject: FREE Grant Money For You

**Qualifying for a free cash grant is easy!**

- ***\$10,000 to over \$500,000 in FREE Grant Money is Available NOW!***
- ***Never Repay***
- ***No Credit Checks***
- ***No Interest Charge***

To see if you meet the requirements, please visit our web site: [CLICK HERE NOW!](#)

With best regards,

The Grant Giveaway Team

**← NOT a good way to find a grant!**



# Grants Aren't Completely Free Money

- Application for the grant can be expensive – staff time and money
- Applications can take months to process
- Often lots of strings attached
- Often require a percentage match
- Lots of competition
- Difficult to sustain



# In the Old Days...

- Water systems took advantage of the federal government's ambitious construction grants program of the 1970s and 1980s
- It seemed like “free” money



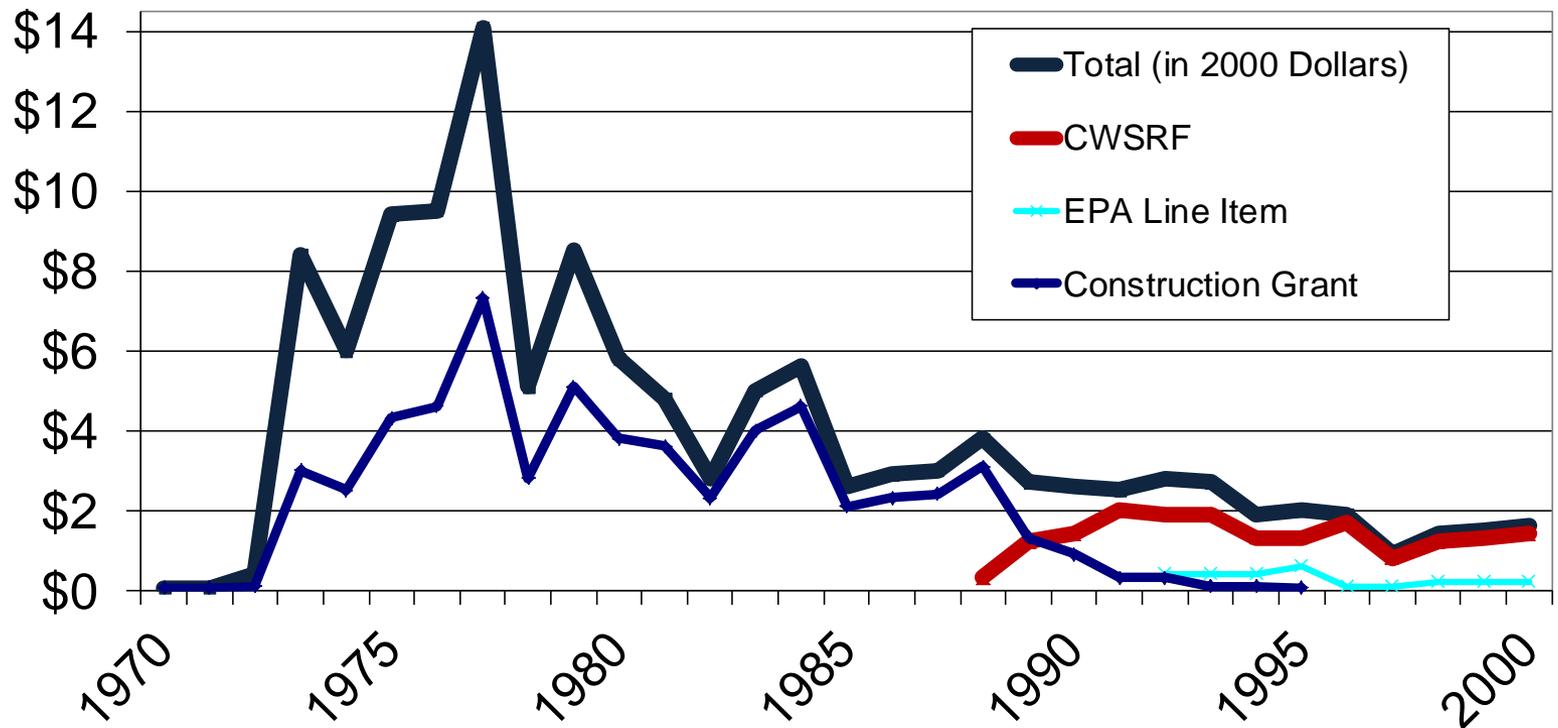
# Capital Finance Today

- The money never really was “free”—it came from tax dollars
- Today, the financial burden has been shifted away from federal and state tax dollars (grants) to funds raised by the water system itself (customer sales and loans). For example...



# Grants Have Been Replaced by Loans

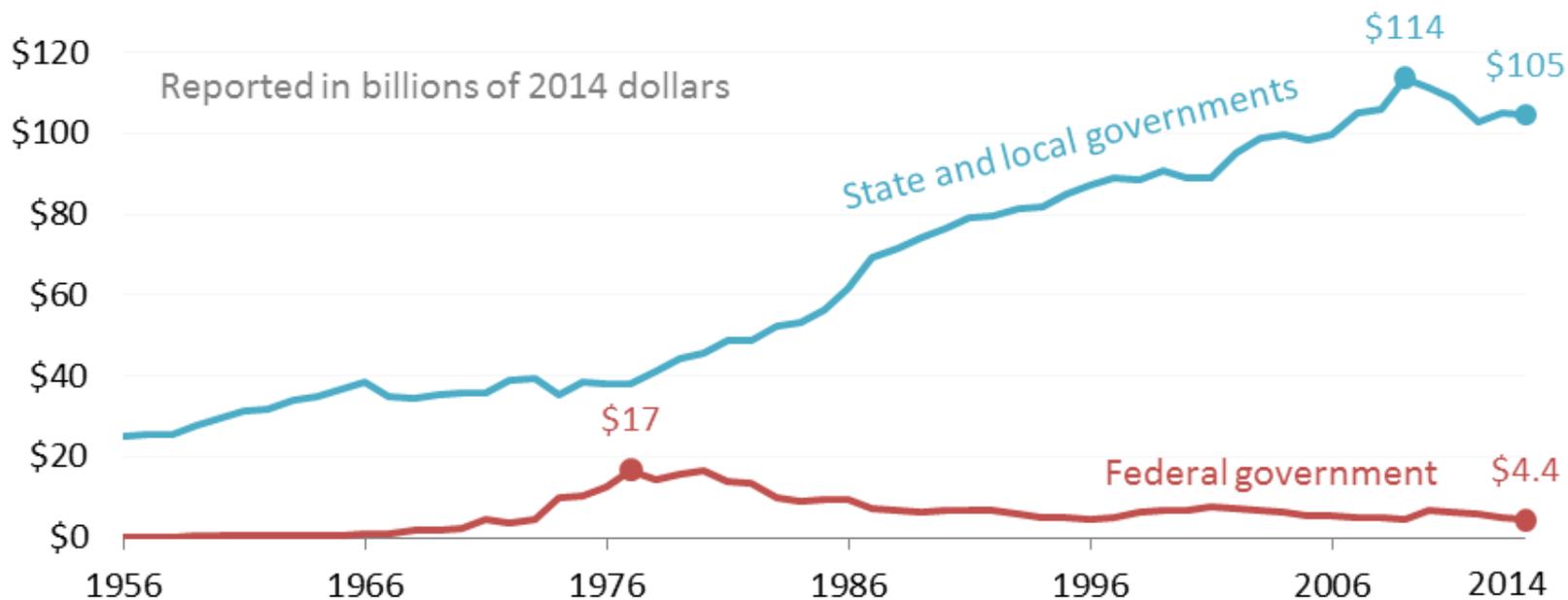
EPA Wastewater Spending by Type (billions of dollars)





## State and local government spending on water and wastewater utilities continued to grow while federal spending declined since the 1980s

State and local governments spent 24 times as much as the federal government in 2014



Graphed by the Environmental Finance Center at the University of North Carolina, Chapel Hill.

Source: Congressional Budget Office supplemental data for the *Public Spending on Transportation and Water Infrastructure, 1956 to 2014* report (March 2015). Displays public spending on supply systems for distributing potable water as well as wastewater and sewage treatment systems and plants. Real spending is shown after adjusting nominal spending to their 2014 dollar equivalent using infrastructure-specific price indexes.



# Loans

- Typically from a bank
- Can be from a government-sponsored program such as the Drinking Water State Revolving Fund



# The Debt Market

- Why Borrow?
- Water infrastructure has a long useful life. You may wish to amortize the loan over the life of the equipment so that the people who benefit from the system pay for it



# Bonds

- A written promise to repay borrowed money (on a definite schedule and usually at a fixed rate of interest for the life of the bond)
- Different types exist:
  - General Obligation (GO)
  - Revenue



Source: bettermondays.com



# When You Need Cash Now: The Debt Market

- Lenders will look at your creditworthiness, your ability to repay the debt, in determining whether to loan to you and your interest rate
- Certain best practices can increase your chances of funding



# Polling Question 3

From which of the following does your water system currently have the most financing?

*(choose one)*

- State Revolving Fund (SRF) loan
- USDA loan/grant
- Community Development Block Grant
- Bank
- Bonds
- NA



# RECENT USDA EFFORTS TO STREAMLINE FUNDING APPLICATIONS



# Recent USDA Efforts to Streamline Funding Applications

**U.S. Department of Agriculture  
Rural Development, Rural Utilities Service  
Water and Environmental Programs**



United States Department of Agriculture

# Addressing Rural Water and Waste Disposal Infrastructure Needs

- Rural areas rely on USDA, Rural Development's RUS to finance water and waste infrastructure improvements.
- Many programs to serve rural America
  - Water and Waste Disposal (WWD) Loans & Grants
  - Emergency Community Water Assistance Grants
  - Technical Assistance and Training Grants
  - Other programs



# Applicant Eligibility

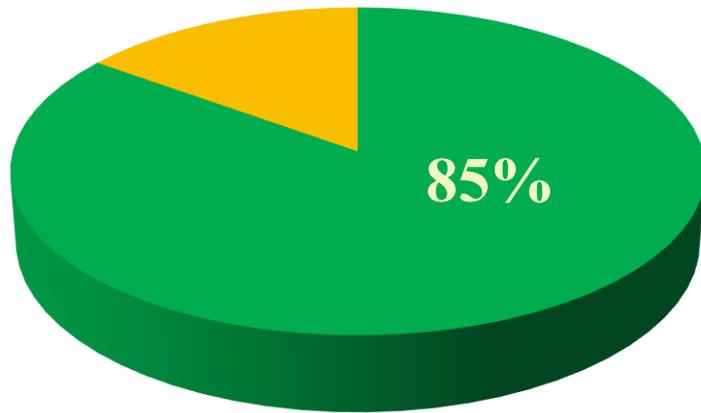
- Not for Profit Entities
- Native American Tribes
- Cities, Towns and rural areas under 10,000 population

*Unable to obtain commercial credit  
at reasonable rates and terms*

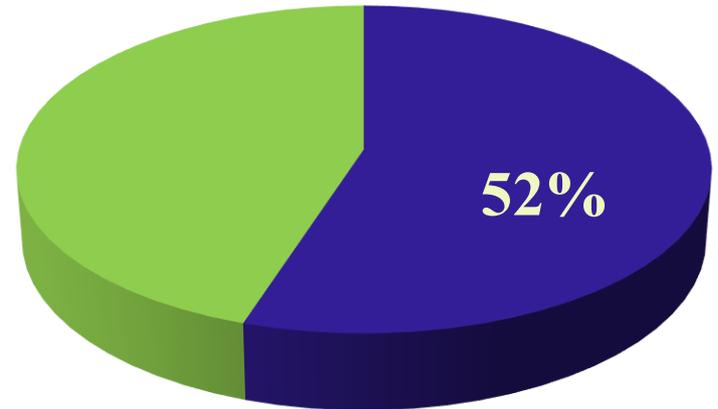


# Exclusively Rural Focus

*The majority of RUS projects funded serve populations well below 10,000.*



**5,000 or Fewer**



**1,500 or Fewer**



# Interest Rates

(adjusted quarterly)

- Current Rates (effective 4/1 - 6/30/2016)\*
  - Poverty 1.750%
  - Intermediate 2.250%
  - Market 2.875%
- Terms: 40 years, state law, or useful life

\*Not valid for loans approved but not closed on or before May 22, 2008.



# Application Requirements

- Preliminary Engineering Report (PER)
- Environmental Report
- Financial and other documentation



# Preliminary Engineering Reports

- Engineering analysis of need for the project, alternative solutions, and detailed description of the proposal
- Limited grant funds may be available to communities to assist in paying for PERs
  - Preliminary Planning Grants
  - SEARCH grants



# Recent Streamlining Efforts

- RDApply
- Interagency PER Template
- ePER – under development



# WHAT IS...

## RD APPLY?

- Online application intake system
  - Accepts applications and ensures completeness
- Loans and grants for Rural Utilities Service (RUS) Programs
  - Water and Waste Disposal
  - Electric
  - Telecommunications



# WHY USE... RD APPLY?

- **Convenience** - Access to information 24 / 7 from anywhere.
- **Identity Security** - Safe and secure... unique User ID and password...only authorized persons have access.
- **Faster Application Process** – Less delay due to “what is next step?”



# WHO USES... RD APPLY?

- Applicant's official with signature authority
- Other persons authorized by this official
  - Applicant representatives (e.g. City Clerk, System Manager, Board Chair)
  - Engineer
  - Accountant
- All users obtain e-Authentication which verifies identity



**WHEN** IS...  
RD APPLY  
AVAILABLE?

Right NOW!

Went live on **September 28, 2015**



Help Tab has documents and videos to help you through the application process.

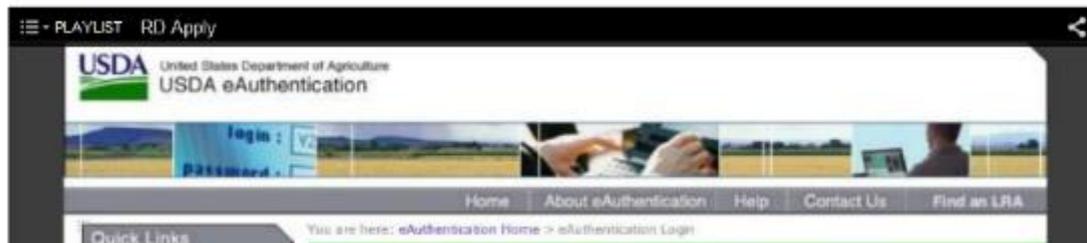


### Help Guides / Document Samples

File Name	Description	Document Type	Size
<a href="#">Telecommunications_Customer_User_Guide.pdf</a>	RD Apply – Application Intake - Telecommunications Customer User Guide	PDF	2.2 MB / 52 pages
<a href="#">Water_and_Environmental_Customer_User_Guide.pdf</a>	RD Apply – Application Intake - Water and Environmental Customer User Guide	PDF	2.1 MB / 42 pages
<a href="#">Electric_Customer_User_Guide.pdf</a>	RD Apply – Application Intake - Electric Customer User Guide	PDF	2.2 MB / 42 pages
<a href="#">Telecom-Board-Resolution-for-ARR-Sec-Cert.docx</a>	Sample Board Resolutions Template for the ARR - Secretary's Certificate (for corporations)	DOCX	29 KB / 2 pages
<a href="#">Telecom-Board-Resolution-for-ARR-LLC-Mem.docx</a>	Sample Board Resolutions Template for the ARR - LLC Member's Authorizations (for LLCs)	DOCX	29 KB / 2 pages

### Video Tutorials

Below is a playlist of video tutorials for RD Apply. To navigate to a particular video, click the triple bar icon  in the upper left hand corner of the player. You can also [click here](#) to open the video tutorials on YouTube.





RD Apply  
USDA Rural Development • 1/4 videos

- 1 Welcome to RD Apply  
USDA Rural Development
- 2 RD Apply - Introductory Interview  
USDA Rural Development
- 3 RD Apply - Working with Service Areas  
USDA Rural Development
- 4 RD Apply - Uploading and Signing Documents  
USDA Rural Development

Welcome to RD Apply

USDA RD Nevada - Mi casa en rural nevada : Estoy listo para la compra de una casa?

<https://www.youtube.com/watch?v=6qoRHjSk24s&list=P L8A3duvJykcKykSuvJ3o0b-Y3d7GDUToh&index=2>



# The PER Interagency Template

- When funds are needed from several agencies to make a project work, application requirements sometimes differ
- In 2013 USDA signed interagency memo with partner agencies for use of standard outline for PERs
  - Issued as RUS Bulletin 1780-2 available on our website at [www.rd.usda.gov](http://www.rd.usda.gov)



# ePER

- Interactive tool for engineer to develop a PER
- Asks for required information
- Enables upload of supporting material
- Creates an Adobe PDF of a PER



# Screen Shot of ePER



Home

ePER Testing Account

You are logged in as: Benjamin Shuman | [Logout](#)

[+ Add New PER](#) or [Register](#)

## Search Results

Show  entries

Search:

Report Number	Client	Lead Engineer	Firm Name	Date Initiated	Date Completed	Action
368		Benjamin Shuman		04/25/2016		<a href="#">Copy</a>

Showing 1 to 1 of 1 entries

Previous  Next



# ePER Advantages

- Utilizes RDApply framework
- Secure system
- Engineer makes professional recommendations (not USDA)
- Ensures reports are complete
- Will reduce agency review times



Benjamin Shuman, PE, PMP

Senior Engineer

[ben.shuman@wdc.usda.gov](mailto:ben.shuman@wdc.usda.gov)

[www.rd.usda.gov](http://www.rd.usda.gov)

(202) 720-1784





# Polling Question 4

Would you like to subscribe to the UNC Environmental Finance Center blog?  
*(choose one)*

- Yes
- No



# Polling Question 5 and Evaluation Survey Link

Are you interested in receiving in-depth technical assistance for your small water system? *(choose one)*

- Yes
- No
- Would Like More Information About This



# Thank You!

And please let us know if you have any questions.

Stacey Isaac Berahzer  
UNC Environmental Finance Center  
[berahzer@unc.edu](mailto:berahzer@unc.edu)

Laura Flagg  
Syracuse University Environmental Finance Center  
[lflagg@syr.edu](mailto:lflagg@syr.edu)