



United States Department of Agriculture

USDA Rural Development

# Water and Environmental Programs (WEP)

October 3rd, 2018



# Eligibility

## Municipal Entities



- **Rural areas of  $\leq 10,000$**  – water, wastewater, stormwater, and solid waste utilities
- New interpretation expands eligibility

## Private-Non-Profits



- **Private, non-profit water utilities, Coops** – water and wastewater utilities located in a town  $\leq 10,000$

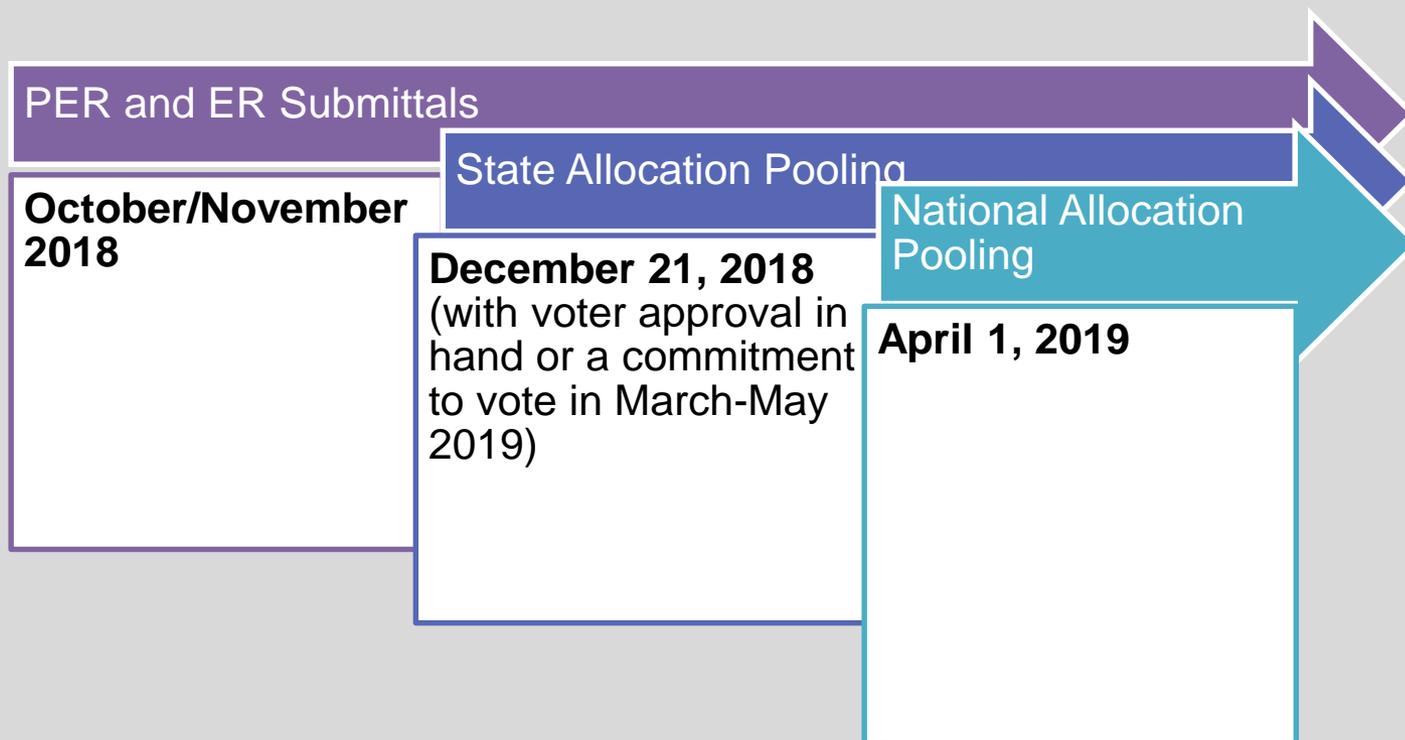


# Community Program Allocations

*(Anticipated FY 2019)*

Water Environmental	
Vermont	\$8M Grant + <i>REAP</i> \$38M Loan
<b>New Hampshire</b>	<b>\$7M Grant, \$40M Loan</b>

# 2019 Funding Cycle (**Tentative**)





# Readiness-to-Proceed

- ❑ In order to apply, a municipality (or private non-profit) must have:
  - ❑ A draft preliminary engineering report
  - ❑ A draft environmental report (**note – new environmental regulations in place as of April 1, 2016, check for requirements**)
  - ❑ Voter approval in hand or a commitment to do so in March-May 2019, depending on the pooling application deadline.
- ❑ Approved PERs, ERs, and passed voter approvals ***define readiness-to-proceed and secure limited grant reserves.***



# Loan Terms

through 12/31/18

- Market Rate** (MHI at or above NH non-metro MHI) **4.000%**
- Intermediate Rate** (MHI below NH non-metro MHI) **3.250%**
- Poverty Rate** (MHI below 80% of NH non-metro MHI) **2.375% and**  
**Health or Sanitary Qualified**
- Up to **30 yrs.** or the expected useful life of the new infrastructure,  
whichever is less
- Fixed interest rate with no prepayment penalties
- Delayed repayment start date (6 mths. after incurring the full loan value)



# Grant Reserves

- ❑ Only for Qualifying Communities (depends on availability)
- ❑ 45% Eligible--MHI must be below the NH non-metro MHI and projected user rates post-project higher than comparable systems and/or 1.5% of MHI (paired with intermediate rate)
- ❑ 75% Eligible--**Heath and Sanitary** projects where the MHI must be below 80% of NH non-metro MHI and projected user rates higher than comparable systems and/or 1.5% of MHI (paired with poverty rate)
- ❑ More demand than supply so it's a priority-based system (e.g., income, population, health risks, etc.)
- ❑ Cost overruns on projects are loan-only requests



# Other RD Requirements

- A reimbursable-based program, i.e., we pay off interim financing once the applicant incurs the full value of the RD loan
- EJCDC templates required for engineering agreements and bid documents
- Project must be “modest in size, design, and cost”
- No Davis Bacon
- American Iron and Steel requirements
- Monthly reimbursement
- Loan funds always spent first

# Planning Funds

- ❑ Two Planning RD grant possibilities, one purpose—project develop water, water quality, and solid waste infrastructure projects
  
- ❑ **PPGs**—for projects serving a town between 2,500 and 10,000 people and with an MHI below 80% of the SNMHI (up to \$30K; 25% match)
  
- ❑ **SEARCH**—for projects serving a town with less than 2,500 people (up to \$30K, no match);
  
- ❑ Approximately 4 are funded every year \*\*\*



# ECWAG

- ❑ Emergency Community Water Assistance Grants
- ❑ Helps eligible communities prepare for, or recover from, an emergency that threatens the availability of safe, reliable drinking water for households and businesses
- ❑ The area to be served must also have a MHI less than NH's non-metro MHI
- ❑ \$150,000 and \$500,000 grants are available, depending on the nature of the emergency



# Is the Project Necessary and Inevitable?

	<b>Total Cost</b>	<b>Interest</b>	<b>Construction Cost</b>
<b>Funding Scenario #1 – Now</b>	<b>\$929,590</b>	<b>\$229,000</b>	<b>\$700,000</b>
<b>Funding Scenario #2 – Waiting</b>	<b>\$1,039,478</b>	<b>\$289,477</b>	<b>\$750,000</b>



# RD APPLY



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Application Id: 3001245 | Borrower Name: Bandera River Ranch Water Supply Corporation

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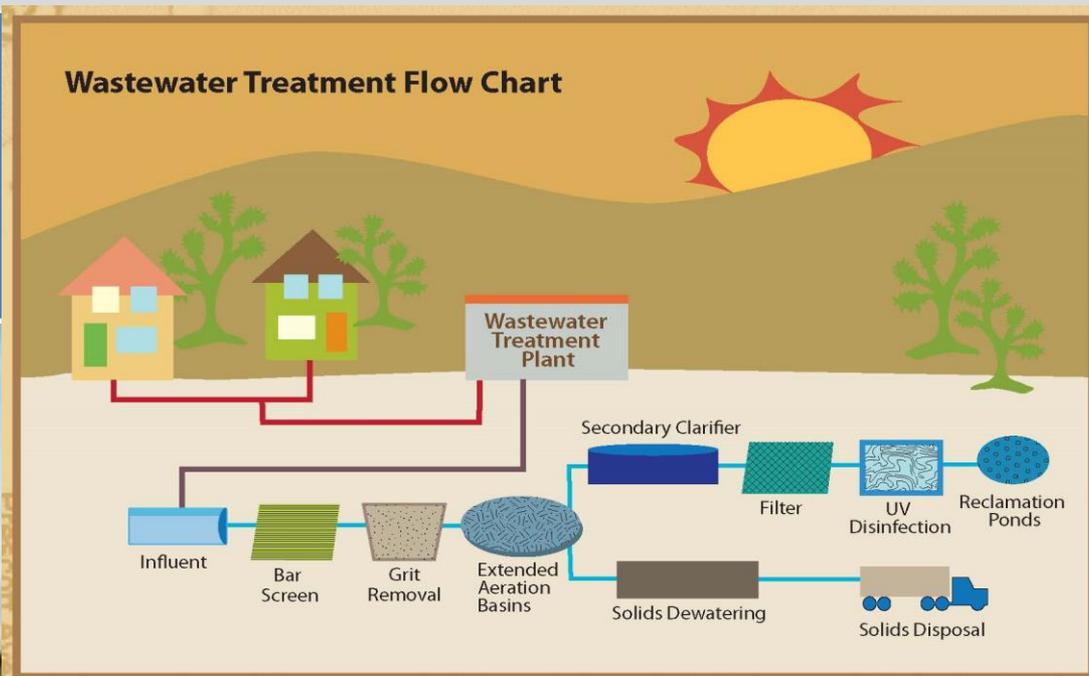
## Request Info

*Proposed Start Date:	<input type="text" value="11/16/2015"/>	*Proposed End Date:	<input type="text" value="02/15/2016"/>
Date Application made available to the Inter-governmental Review Process (if applicable):	<input type="text" value="08/05/2015"/>	State Clearinghouse ID Number (if applicable):	<input type="text"/>

## Project Cost

*Cost Classification	Description	Cost	Action
Architectural, Engineering & Planning <input type="button" value="v"/>	Engineering and environmental servic	\$55,000.00	
Contingencies <input type="button" value="v"/>		\$45,000.00	

# Wastewater Utility Model



## On-Site Solar Panel Install---Example

- \$360,000 Total Cost
- \$75,000 NH PUC Grant
- \$285,000 WEP Loan

60% reduction in energy costs



## Rural Development: Contact us

### **USDA Rural Development NH/VT Website:**

<http://www.rd.usda.gov/programs-services/water-waste-disposal-loan-grant-program/nh>

*Program Information / Forms & Resources / RD Apply Information*

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