



United States Department of Agriculture

USDA Rural Development

# Water and Environmental Programs (WEP)

June 20, 2019



# Eligibility and Goals

## Municipal Entities



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

## Private-Non-Profits



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

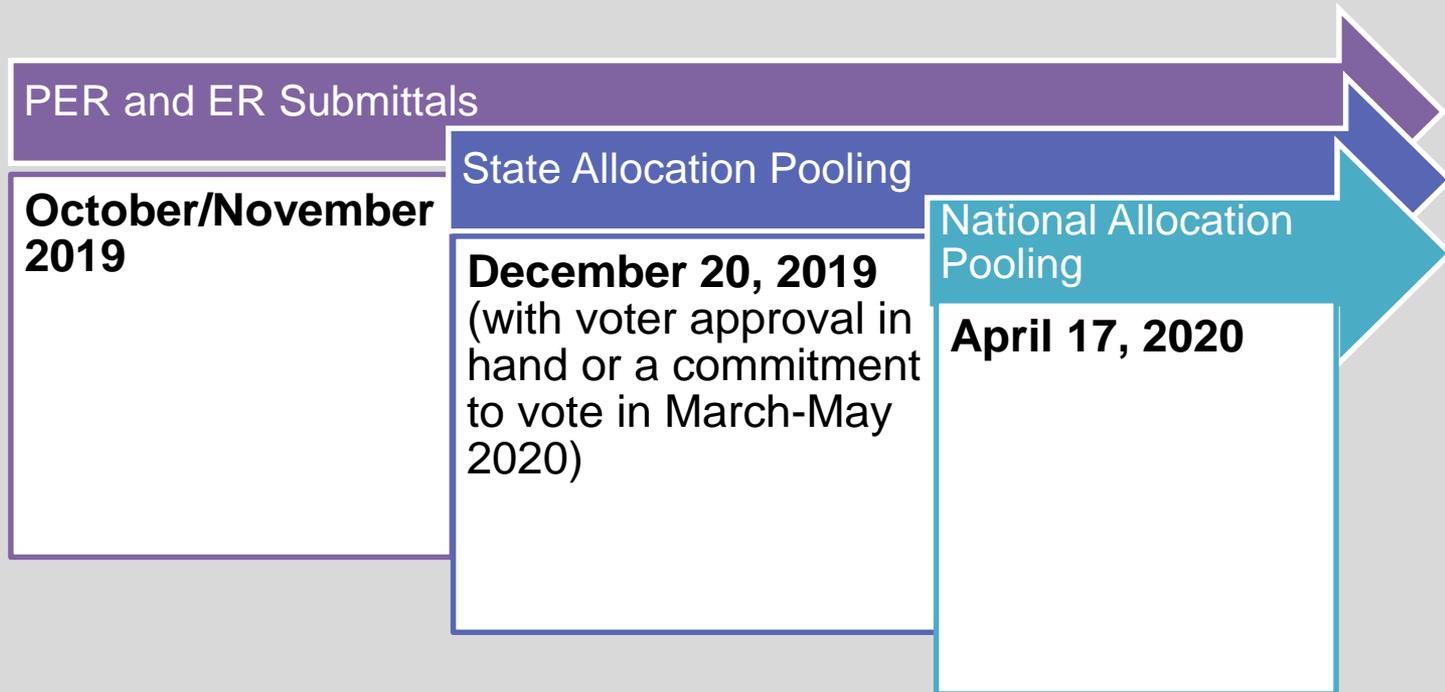


# Community Program Allocations

*(Anticipated FY 2019)*

Community Facilities		Water Environmental	
Vermont	\$679K Grant, \$14.1M Loan	Vermont	\$3.4M Grant + REAP \$11.4M Loan
New Hampshire	\$294K Grant, \$16.4M Loan	New Hampshire	\$3.7M Grant, \$12.5M Loan

# 2020 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 2020, depending on the pooling application deadline.
- ❑ Approved PERs, ERs, and passed voter approvals ***define readiness-to-proceed and secure limited grant reserves.***



# Loan Terms

thru 6/30/2019

- Market Rate** (MHI at or above non-metro MHI) **4.25%**
- Intermediate Rate** (MHI below non-metro MHI) **3.375%**
- Poverty Rate** (MHI below 80% of non-metro MHI) **2.5% and Health or Sanitary Qualified**
- Up to **40 yrs for water** and **30 yrs for wastewater** 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
- ❑ 45% Eligible--MHI must be below the 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 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 Nuances

- 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

# 1<sup>st</sup> Step—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 VT's non-metro MHI
- ❑ \$150,000 and \$500,000 grants are available, depending on the nature of the emergency



# RD APPLY



- Home
- Notifications
- Admin
- Tutorials

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

You are logged in as: LAW, ERIC | [Logout](#)

- Interview
- Customer
- Facilities
- Volume/Flow
- Project Cost**
- Financial
- Service Area(s)
- Documents
- Summary/Submit

## Request Info

\*Proposed Start Date:

11/16/2015

\*Proposed End Date:

02/15/2016

Date Application made available to the Inter-governmental Review Process (if applicable):

08/05/2015

State Clearinghouse ID Number (if applicable):

## Project Cost

\*Cost Classification

Description

Cost

Action

Architectural, Engineering & Planning



Engineering and environmental serv

\$55,000.00

Contingencies



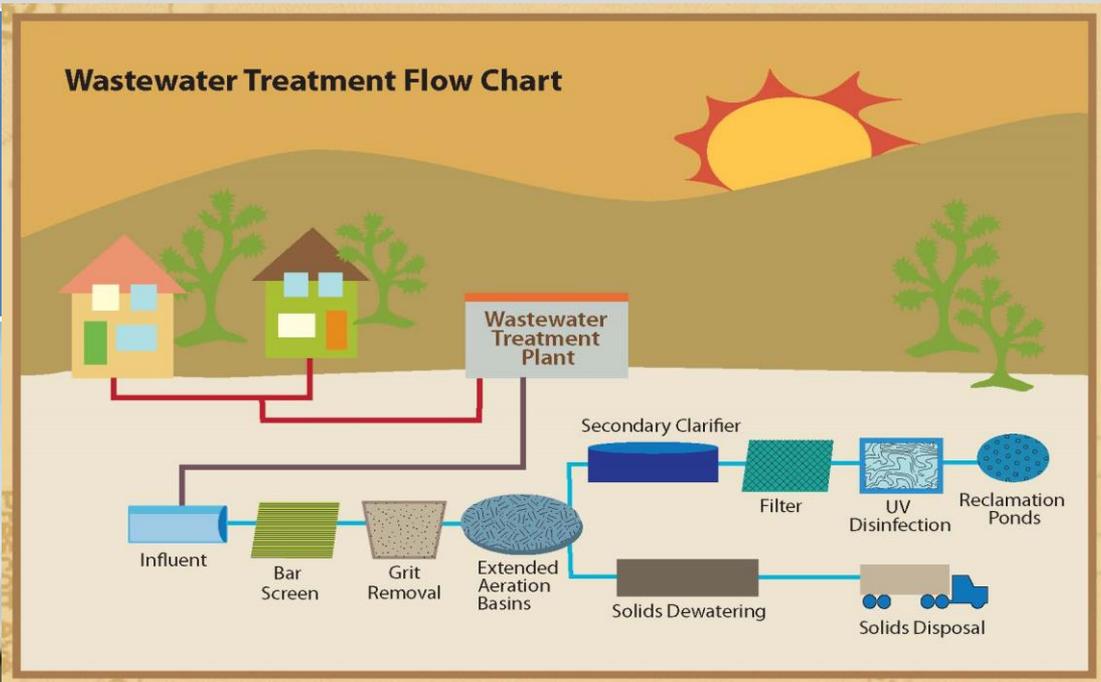
\$45,000.00



# RD Apply – Common Mistakes

- ❑ Review the RD Apply Customer Help Guide prior to applying. This will greatly assist you with the process. The Guide is available in RD Apply or on our VT WEP Website under the Program 101 Tab (scroll down).
- ❑ Make sure to complete and upload the supplemental documents found on our VT WEP Forms & Resources page: RD Apply Addendum, EDU Calculation Sheet, and Certificate of Organization (public bodies).
- ❑ RD Apply Current Balance Sheet Section usually needs more details, please account for all capital funds that are not being applied to this project.

# Wastewater Utility Model

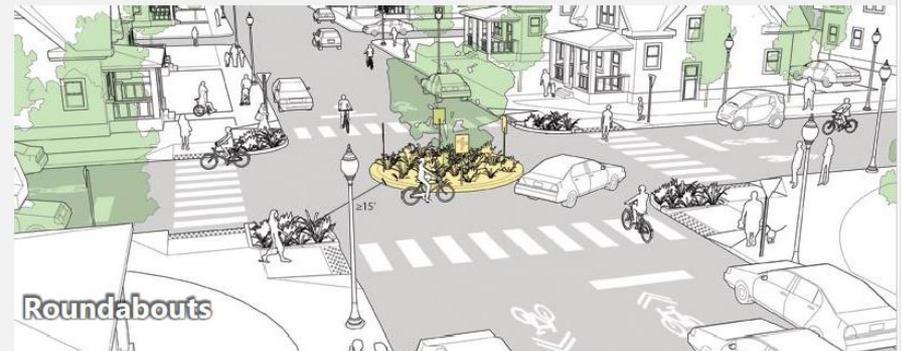
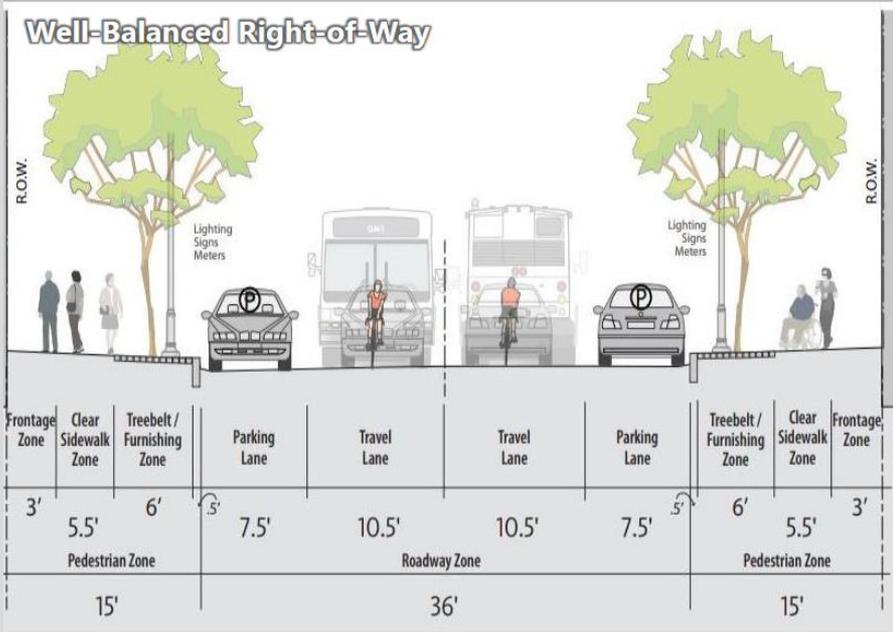


## On-Site Solar Panel Install---Example

- \$360,000 Total Cost
- \$360,000 WEP Loan

60% reduction in energy costs

# City of Winooski, Vermont





## Rural Development: Contact us

### **USDA Rural Development Vermont Website:**

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

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

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Counties Covered: Rutland, Windsor, Bennington,

Windham, Addison

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Counties Covered: Caledonia, Essex, Orleans, Lamoille, Washington

Franklin, Orange, Chittenden, Grand Isle