

USDA



**Rural
Development**

Committed to the future of rural communities.



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Water and Environmental Programs (WEP) provides loans, grants and loan guarantees for drinking water, sanitary sewer, solid waste and storm drainage facilities in rural areas and cities and towns. The benefits of WEP include:

- **Clean, safe drinking water for rural communities**
- **Wastewater treatment to provide sanitary conditions**
- **Conservation of precious water resources through the use of reclaimed and stored water where appropriate**

WATER & WASTE WATER PROGRAMS



Funding to construct, enlarge, or improve water, wastewater and solid waste systems in rural areas. A “Rural Area” is defined as a city, town or service area with a population of less than 10,000.

WATER & WASTE WATER PROGRAMS

WHO IS ELIGIBLE TO RECEIVE ASSISTANCE?

Public entities such as:

- Municipalities
- Counties
- Special purpose districts
- Indian tribes
- Not for profit organizations



WATER & WASTE WATER PROGRAMS



Eligibility requirements:

- Be unable to obtain funds from other sources
- Have legal capacity to borrow
- Be able to pledge security for the loans
- Be financially sound and able to manage facility
- Have a financially sound system based on taxes, assessments, system revenues, fees or other sources of income to pay all operating and maintenance expenses and to retire the debt and reserve

WATER & WASTE WATER PROGRAMS

How may funds be used?

To construct, repair, improve, or expand a drinking water system

- Water wells
- Distributions systems
- Storage facilities
- Pressure systems
- Water treatment systems



WATER & WASTE WATER PROGRAMS

How may funds be used?

To construct, repair, or improve a waste water system

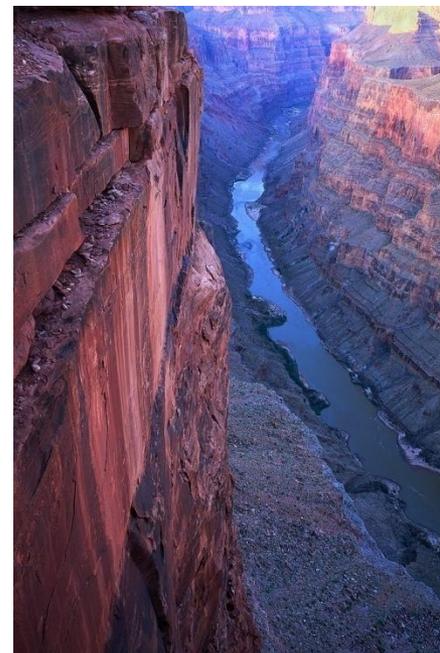
- Wastewater sewer collection lines
- Wastewater treatment facilities
- Sanitary landfills
- Transfer stations
- Garbage trucks
- Necessary equipment



WATER & WASTE WATER PROGRAMS

Other eligible project related costs:

- Legal expenses associated with project
- Engineering and planning costs
- Administrative costs
- Land acquisition costs
- Rights of ways and easements
- To supplement other sources of funds provided by the applicant
- Environmental cost
- Fiscal advisory cost



WATER & WASTE WATER PROGRAMS

Terms:

- Maximum loan term is 40 years
- May be limited by borrowing statute
- Estimated life of security

Interest rate:

- Market rate
- Intermediate rate
- Poverty rate (scope of project must be to remove an identified health or sanitary condition)



WATER & WASTE WATER PROGRAMS

Security Requirements:

- Bonds
- Promissory notes
- Secured by mortgages
- Leasehold interest
- Good faith and credit of the borrowing entity



WATER & WASTE WATER PROGRAMS



Grants:

Grants may be available to eligible applicants to subsidize loans to reduce rates to a reasonable level.

Grant funds are available for up to 45% of the project costs and up to 75% of the costs if the project will remove health and sanitary conditions and the income level is at or below the poverty level.

WATER & WASTE WATER PROGRAMS

Colonias Grants:

- Colonia located in a county within 150 miles of the Mexico border
- Up to 100% grant for eligible purposes, subject to the availability of grant and need for reasonable user costs
- Only portion of project serving a Colonia is eligible



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Native American Set-aside:

- Project must serve a federally recognized Indian Tribe
- Up to 100% grant for eligible purposes (\$1 million maximum and need for reasonable user cost)
- Projects must compete for funding with applications from other states



WATER & WASTE WATER PROGRAMS

The Application Process:

- Application to Rural Development
- Engineering report/Environmental assessment
- Loan and grant approval
- Design stage
- Bidding process
- Loan closing
- Construction



WATER & WASTE WATER PROGRAMS

Payson's Green Valley Park

This loan/grant project was to build a treated waste water recharge system. The treated water is pumped into ponds and percolates down to recharge the aquifer.



WATER & WASTE WATER PROGRAMS

When you're ready to plunge ahead, give us a call:



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