

**U.S. Department of Agriculture
Rural Development, Rural Utilities Service**

Water and Environmental Programs

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Committed to the future of rural communities.

- The United States has over 53,000 small and rural water systems around the nation serving their local communities.



- 90 percent of community water systems in the United States serve populations of less than 10,000.

Water and Environmental Programs

- Part of the Rural Utilities Service (RUS)
- Electric and Telecommunications are the other programs of the RUS
- Water Programs (WP) and Environmental Programs make up WEP

Water and Environmental Programs

- Water and Waste Disposal (WWD) Direct Loans
- WWD Guaranteed Loans
- WWD Grants
- Emergency Community Water Assistance Grants
- Technical Assistance and Training Grants
- Solid Waste Management Grants
- Other Grant set-asides



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WEP Portfolio

- Number of Loans 17,993
- Outstanding Principle \$10,637,914,000
- Delinquency Rate
 - > 30 days 0.66%
 - > 1 year 0.2%

Applicant Eligibility

- Rural areas with any population
- Non Profits and Native American Tribes
- Cities and Towns under 10,000 population
- Unable to obtain commercial credit at reasonable rates and terms



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Loan/Grant Purposes

- Drinking Water
- Sanitary Sewer
- Solid Waste Disposal
- Storm Drainage

Interest Rates

- Poverty: 60% of Market; max of 4.5%
- Intermediate: 80% of Market
- Market: 11 GO Bond Index

- Current Rates (effective till June 30)
 - Poverty 2.5%
 - Intermediate 3.25%
 - Market 4.125%

Loan Terms

- Useful life, or
- State law limitation, or
- 40 years,
- whichever is shorter

Grants

- Limited to low-income communities
- Achieve reasonable user rates
- May not exceed 75 percent or 45 percent, depending on income
- Priority to smallest, most needy communities
- Priority to help communities with Health and compliance issues

Typical Projects

- New Rural Water System
- Rural Water Extensions
- Rural Water Improvements
- Small town water-sewer system
- Small town water-sewer improvement
- Landfill
- Trash trucks
- Transfer station
- Storm drainage
- Separate storm and sanitary sewers

FY 2010 Available Funding

(program level)

- Direct Loans \$1.022 billion
- Grants \$ 350.7 million
- Guaranteed Loans \$ 75 million



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2009 Program Obligations

Total for all WEP Programs

\$2,513,616,802

- Program Highlights:

- \$2.365 billion in ARRA, regular direct and guaranteed loans for 960 new water and waste projects.
- \$53.3 million assisted 153 projects in disadvantaged communities
- \$38 million funded 46 projects in communities qualifying for emergency assistance
- \$40.7 million funded 46 grants to technical assistance providers, including additional support related to ARRA implementation.
 - 106,559 technical assistance calls completed by Drinking Water and Wastewater Circuit Riders



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FY 2010 Available Funding

(program level)

- Circuit Rider \$ 15 million
- TAT/SWM Grants \$ 22 million
- 306 C Native American Grants \$ 16 million
- Colonias Grant \$ 24.4 million
- Alaskan Village Grants \$ 24.5 million
- ECWAG \$ 13 million



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Recovery Act



- Funding: \$1.38 billion (BA) that will result in \$3.26 billion in loans and grants.
- \$2.57 billion approved for 695 projects in 49 states and Guam.
- ARRA Technical Assistance for Rural Communities
 - Circuit Rider Contract (\$14.2 million over two years)
 - ARRA TAT Grant (\$5 million)
- Davis Bacon and Buy American and Reporting Requirement
 - 2 Buy American Waivers
 - Limited impact on projects

ARRA Project Impact



- **Extending Service to Underserved and Unserved Areas**

- *Ozark Mountain Regional Water Project, Arkansas - \$19.37 million loan and \$36.36 million grant to be used to construct an intake structure and water treatment plant on Bull Shoals Lake as well as 5 water storage tanks and over 100 miles of transmission line extending from northern Boone County to Newton and Searcy Counties in Arkansas. The new system will provide a dependable supply of quality water to 19 rural water systems of which many of the rural systems are facing water quality and/or quantity problems with existing wells.*
- *Yuma County, Arizona (Colonia) – \$2 million loan; \$12.5 million grant to connect 1,000 home with failing septic systems and homemade cesspools to a municipal system.*

- **Creating Jobs**

- *Berlin, Maryland – \$5.9 loan and \$5.9 grant to upgrade and expand the wastewater treatment system to comply with more stringent environmental regulations and to prepare the Town for expected growth and development. Award of the project allows Bearing Construction and Cain Masonry to hire/re-employ 75 workers, including Mike Hale.*

- **Replacing Aging and Failing Infrastructure**

- *Flathead County, Montana -The Happy Valley Water District Improvement received a \$700,000 loan to upgrade its water system with a new well, new booster pumps and a new water main. The current system, initially constructed in 1964 is unable to meet the demands of the 483 residents it serves, causing it to shut down during parts of the summer.*
- *St. Johnsbury, Vermont - The town received \$15,000,000 in loans and grants to separate and upgrade its 75-year old water and sewer lines. The Town of St. Johnsbury is under a State order to separate the storm water from the sewer lines as raw sewerage overflows into three rivers during rain events. Due to the age of the system, the town loses 759,000 gallons per day of water, more than it provides to customers. The modernization of the system will provide clean and safe water and sewer services and protect the environment.*



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Looking Ahead

- FY 2011 Funding
- Construction of Recovery Act Projects
 - Projects must be completed by September 30, 2015
- SEARCH Grants
 - Authorized in 2008 Farm Bill
 - Financially distressed Communities of 2500 or fewer
 - feasibility studies, design assistance, and development of an application for financial assistance
 - Maximum \$30,000



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Thank You!



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