



United States
Department of
Agriculture

Rural Development



Cyndy Hines, CP Specialist – Harrisonburg, VA

Water & Wastewater Infrastructure

January 31, 2018

Rural Utilities Service Water & Environmental Program (WEP)



USDA, Rural Development

Our Mission:

- **Increase economic opportunity and improve the quality of life in rural America.**

Our Motto:

- **We can build a community from the ground up.**

What We Do

Provide funding for clean and reliable drinking water systems, sanitary sewage disposal, solid waste disposal, and storm water drainage to households and businesses in rural areas, cities and towns with a population of 10,000 or less.









United States
Department of
Agriculture

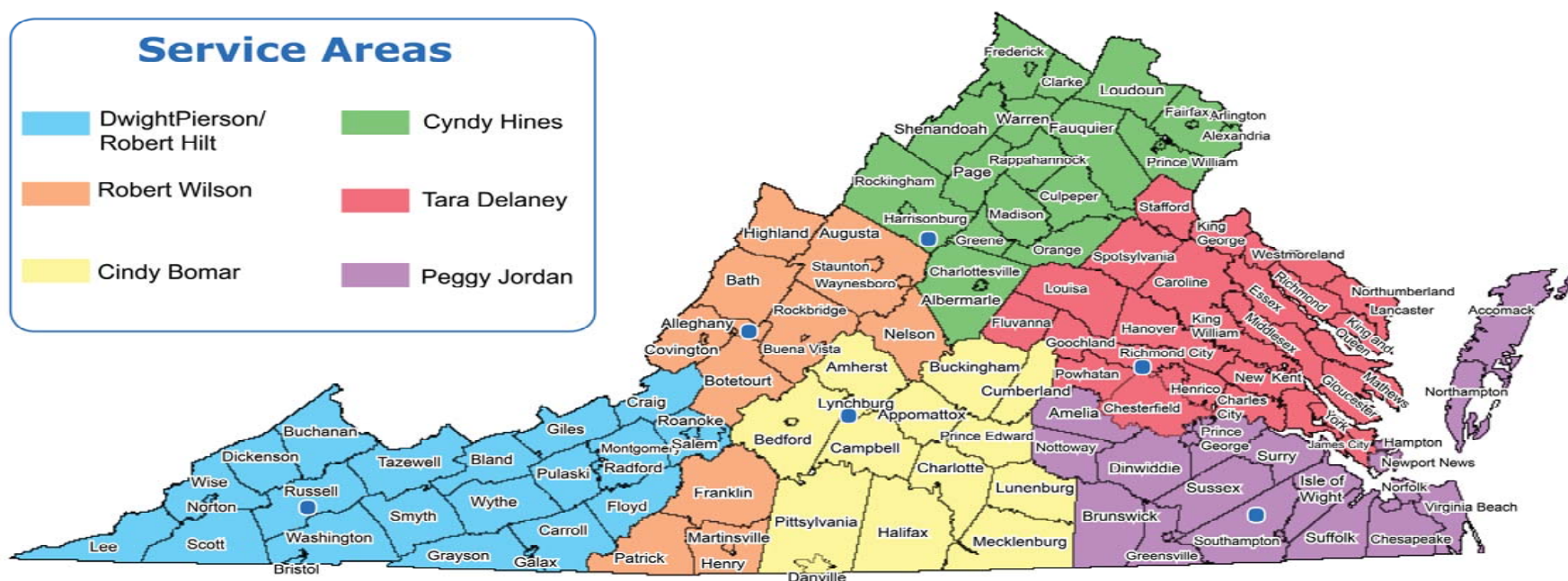
Rural Development



Community Programs Specialists Service Areas

Service Areas

	Dwight Pierson/ Robert Hilt		Cyndy Hines
	Robert Wilson		Tara Delaney
	Cindy Bomar		Peggy Jordan



Dwight Pierson and Robert Hilt
140 Highland Drive, Suite 5
Lebanon, VA 24266-4632
Phone: 276-889-4650
Fax: (855) 636-4613
Dwight.Pierson@va.usda.gov
Robert.Hilt@va.usda.gov

Robert Wilson
650 N Lee Highway, S3
Lexington, VA 24450-3579
Phone: 540-463-7124 ext. 117
Fax: (855) 636-4613
Robert.Wilson@va.usda.gov

Cindy Bomar
20311-A Timberlake Rd
Lynchburg, VA 24502-0337
Phone: 434-439-3589
Fax: (855) 636-4613
Cindy.Bomar@va.usda.gov

Cyndy Hines
1934 Deyerle Ave, SD
Harrisonburg, VA 22801
Phone: 540-433-9126 ext. 132
Fax: (855) 636-4613
Cynthia.Hines@va.usda.gov

Tara Delaney
1606 Santa Rosa Road, S239
Richmond, VA 23229
Phone: 804-287-1599
Fax: (855) 636-4613
Tara.Delaney@va.usda.gov

Peggy Jordan
22329 Main St,
Southampton Office Bldg 2
Courtland, VA 23837-1026
Phone: 757-653-2532 ext. 125
Fax: (855) 636-4613
Peggy.Jordan@va.usda.gov

USDA is an equal opportunity provider, employer and lender.

rd.usda.gov/va

Virginia Water and Waste Investments - Historical

	<u>Loan</u>	<u>Grant</u>	<u>Projects</u>
• FY 2013	\$26,481,000	\$9,322,000	14
• FY 2014	\$7,858,000	\$5,487,000	21
• FY 2015	\$24,034,000	\$11,482,700	22
• FY 2016	\$40,955,000	\$10,336,000	27
• FY 2017	\$30,983,000	\$13,986,300	15

Project types

New construction, expansion, and improvements to include, but not limited to:

- Drinking water sourcing, treatment, storage and distribution
- Sewer collection, transmission, treatment and disposal
- Solid waste collection, disposal and closure
- Storm water collection, transmission and disposal

We also can also include refinancing of other existing debt (not RD debt) as long as the amount refinanced does not exceed the total amount needed for the new proposed project.

General Eligibility Criteria

- Public bodies, non-profit organizations, and federally-recognized Indian Tribes may qualify for assistance.
- Must have the legal authority to construct, operate and maintain the proposed facility or services
- All facilities receiving federal financing must be used for a public purpose
- Projects must be financially sustainable
- Partnerships with other federal, state, local, private and nonprofit entities that offer financial assistance are encouraged

Loans and Grants

- Fixed interest rate
- No prepayment penalty
- Maximum term of 40 years
- Up to 100% financing (may require applicant contribution if operating budget appears very healthy)
- Interim Financing for loans over \$500,000 during construction phase. Once project is substantially complete, we close our permanent financing and take out the bank
- Bidding phase - Publicly advertise to ensure maximum open and free competition
- Davis-Bacon not required

Interest Rates and Grant Eligibility

Interest rates and grant eligibility are based on Median Household Income (MHI) for the area to be served (per the 2010 census data):

<u>Interest Rate Tier</u>	<u>Interest Rate</u>	<u>Grant Eligibility</u>
MARKET (MHI at or above \$53,493)	3.50%	None
INTERMEDIATE (MHI at or above \$42,795)	2.75%	up to 45%
*POVERTY (MHI below \$42,795)	2.125%	up to 75%

*If the project is correcting a health or sanitary standard. If not, then next tier up

Eligible Costs

- Construction
- Land & Rights – Easement acquisition and purchase of land
- Engineering – PER, Basic, Inspection, and Additional Services
- Environmental – Preparation of environmental assessment and any related fees
- Legal and Bond Counsel Fees
- Interest
- Contingency – 10% of construction cost initially; then reduced to 5% after bid award

Ineligible costs: Administration, O&M expenses, and LMI connections from home to street

Grant Eligibility

- User Rates - EDU average monthly rate must be approximately 1.5% of the MHI of the service area before we can inject grant dollars. Proposed rates can be adopted and increased over 1 to 5 year period as long as the new rates are in affect by the time project is complete and operational
- Grants can be further limited based on similar systems costs
- Depending on Virginia's fiscal year allocation, grant funds may be combined with a loan if necessary to keep user costs affordable and reasonable
- Loan to grant ratio is typically 70% Loan : 30% Grant

Additional Grant Programs

Eligibility Criteria

PPG

SEARCH

Population

Less than 10,000

Less than 2,500

Income

Less than \$42,794

Less than \$42,794

Maximum Grant

\$30,000 or 75% of
eligible costs, whichever
is less with 25% match

\$30,000 with no match

Uses – Feasibility Studies, Preliminary Engineering Reports, and Environmental Assessments, and other eligible costs associated with the development of an application package.

Timeframe and Typical Milestones

- PER and ER Review – 10 – 30 days
- Application for Federal Assistance – 1 day
- Letter of Conditions (Loan Commitment) – 10 to 30 days
- Engineering Design – 120 to 180 days
- Obtain Interim Financing, adopt resolutions, etc. – 30 days
- Advertise for Bids – 30 days
- Bid Opening & Contract Award – 10 days
- Final Contract Documents – 15 days
- Close Interim Financing – 15 days
- Preconstruction Conference/Begin Construction – 1 day
- Construction Period – Varies
- Close RD Permanent Financing

Getting Started

- ✓ Let's talk! We will help guide you through the application process
- ✓ Procure Engineer
 - Prepare Preliminary Engineering Report (PER)
 - Prepare Environmental Assessment
- ✓ Prepare application
 - Applications accepted year-round and funded on first come, first-served basis (as long as adequate funding is available)
 - Application package consists of Application for Federal Assistance, PER, Environmental Assessment, Prior FY audited financials, and a few other forms



United States
Department of
Agriculture

Rural Development



For program information, regulations, and forms
please visit our website: www.rd.usda.gov

USDA is an equal opportunity provider, employer, and lender.

Cyndy Hines
Community Programs Specialist
1934 Deyerle Avenue, Suite D
Harrisonburg, VA 22801
540-433-9126, Ext. 132
Cynthia.Hines@va.usda.gov