



Water & Environmental Programs

An overview of USDA Rural Development's programs to assist rural water and wastewater utilities.

Rural America's Partner in Prosperity

USDA Rural Development is the lead Federal agency helping rural communities grow and prosper. We increase economic development and improve the quality of life in rural places and small towns.

With more than 40 programs to support rural America, we stand ready to be your partner in prosperity for rural America.

We provide loans, grants and technical assistance to build critical infrastructure like broadband, water systems, and hospitals. Our programs expand access to e-connectivity, electric, and transportation infrastructure, and support business growth, healthcare, education, housing, and other community essentials.

What USDA Rural Development programs are available to help rural water and wastewater utilities?

- Water and Wastewater Disposal loan and grants.
- Water and Wastewater Disposal loan guarantees.
- Predevelopment Planning Grants.
- Search Grants.
- Emergency Community Water Assistance Grant (ECWAG)
- Guaranteed Loans.
- Rural Decentralized Water Systems Grant Program

How can these USDA Rural Development programs help rural water utilities?

- Finance water and wastewater systems in rural Alabama.
- Public Bodies, Non-profits and Recognized Native American Tribes.
- Build, repair, extend and improve public water systems and waste collection and treatment systems and related cost.
- Rural areas and/or cities and towns with a population of up to 10,000. In rural areas there is not a population limit.
- Interest rates set quarterly.
- Terms of up to 40 years.
- Applications taken year-round.

What funding is available in FY 2022?

- Interest rates effective 1/1/2022 to 3/31/2022:
- Poverty rate – 1.25%
- Intermediate Rate – 1.75%
- Market Rate – 2.125%
- Loan terms up to 40 years.

USDA Rural Development Water and Waste Disposal Loan Guarantees

- Provide loan guarantees to lenders serving financially needy applicants.
- Same eligibility and uses as regular program except we can include rural communities with populations of 50,000 or less.
- Up to 80% guarantee on loan the lender they make and service.
- Applications taken year-round.

USDA Rural Development Predevelopment Planning Grants

- **Predevelopment Planning Grants:**
- To assist in paying cost associated with development of a complete application for a proposed project
- MHI of area served must be below the current poverty line or below 80% (\$33,882) of SNMHI (\$42,352).
- Must document that you do not have resources to pay predevelopment expenses.
- Grants will be limited to projects the Agency expects to fund soon after application.
- PPG cost are those necessary expenses to be incurred to develop a complete application and are limited to eligible grant purposes.
- State Director is authorized to make PPG up to \$30,000 or 75% of the project cost, whichever is less.
- The 25% not provided by PPG must be from applicant's own resources or other sources.
- Grant does not have to be repaid.

USDA Rural Development SEARCH (Special Evaluation Assistance for Rural Communities and Households) Grant

- Same as PPG except:
- Search grant is limited to financially distressed rural areas and communities with populations of 2,500 or fewer for water and wastewater.
- Up to 100% of eligible cost of the grant may be funded not to exceed \$30,000.

USDA Rural Development Emergency Community Water Assistance Grant (ECWAG)

- Droughts or Floods
- Earthquake
- Tornado or Hurricane
- Disease Outbreak
- Chemical spill, leak or seepage
- **Federal disaster declaration is not required**
- Must submit application within 6 months of event.
- Water transmission line grants up to \$150,000 to construct waterline extensions, repair breaks or leaks in existing water distribution lines, and address related maintenance necessary to replenish the water supply.
- Water source grants up to \$1,000,000 are to construct a water source, intake or treatment facility.

USDA Rural Development Rural Decentralized Water Systems Grant Program

- This program helps qualified nonprofits and tribes create a revolving loan fund to increase access to clean, reliable water and septic systems for households in eligible rural areas.
- Nonprofits may apply that have:
 - Expertise and experience promoting the safe, productive use of individually-owned household water wells systems
 - Legal authority to act as a lender
 - Sufficient expertise and experience in lending activities
 - Financial, technical, and managerial capacity to comply with relevant federal and state laws and regulations
- Grant funds may be used to help a nonprofit create a revolving loan fund for eligible individuals who own and occupy a home in an eligible rural area. The fund may be used to construct, refurbish, or service individually-owned household water well and septic systems. Terms for the loans include one percent fixed interest rate, 20-year maximum term, and an \$15,000 maximum loan per household.
- What is an eligible area?
 - Rural areas and towns with populations of 50,000 or less – check eligible addresses
 - Tribal lands in rural areas
 - Colonias
- Are matching funds required for the grant?
 - Yes. The nonprofit must contribute at least 10 percent. Matching funds may be from the nonprofit applicant or a third party and matching funds may not be in-kind.

RD Apply

- Secure online application intact application.
- RD staff and applicant participate in a conference once application is started in RDApply to insure application is correct first time.
- Allows RD staff to start underwriting early in process.
- Results in faster more efficient process.

ePER

- Secure, online platform used to develop and submit PERs.
- Can be downloaded into CPAP, our underwriting platform.
- Allows for better communication and interaction between RD staff and applicant and project engineer.

FY 2022 Funding

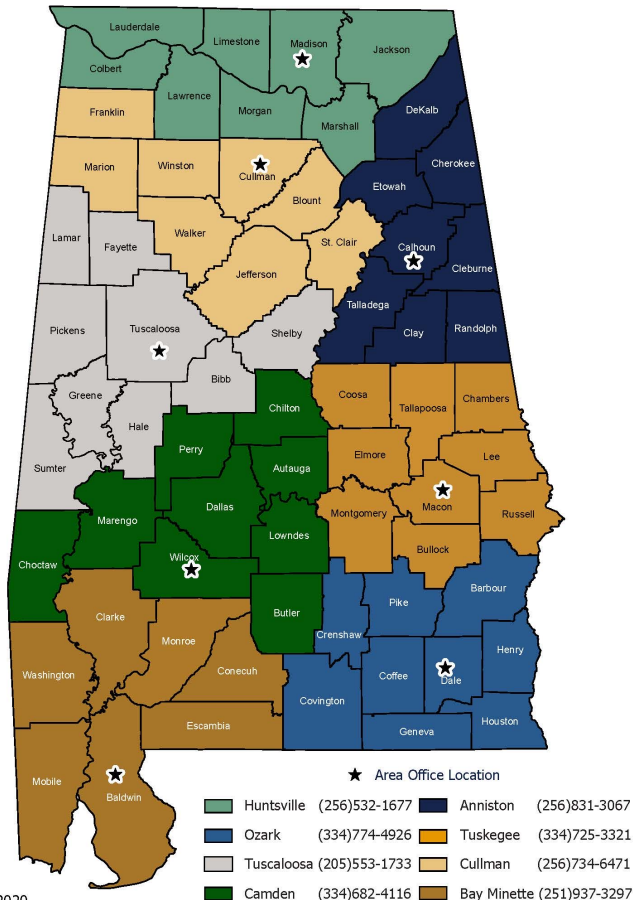
- If you are contemplating upgrades or expansions and need funding, get your application in as soon as possible.
- **FUNDS ARE AVAILABLE**
- Look to other sources of funding to supplement your funding needs, particularly grant funds.
- Other sources that we can partner with include: SRF, CDBG, ARWA, ARC, DRA, EPA and EDA

USDA Rural Development Community Facilities Programs

- USDA Rural Development Direct Loan and Grant Program or Guaranteed Loan programs can provide additional funding to assist rural water utilities.
- Funds can be used to finance or obtain office space, customer service equipment or facilities, vehicles, PPE, or other non-infrastructure type expenses for nonprofits or governmental entities.
- USDA Rural Development's Water and Environmental Programs (WEP) may have superior terms for repairs or upgrades to water or wastewater infrastructure.
- This program is best utilized by water utilities to help cover eligible expenses which are not covered under USDA's WEP programs.

USDA Rural Development Community Facilities Programs

Alabama Rural Development Area Offices



- Every county in Alabama is covered by an USDA Rural Development Alabama Area Office:
- Area 1 – Brian Yarbrough (Huntsville Area Director) 256-532-1677
- Area 2 – Richard Osborne (Ozark Area Director) 334-774-4926
- Area 3 – Teresa Long (Tuscaloosa Area Director) 205-553-1733
- Area 4 – Rose Norwood (Camden Area Group Specialist) 334-682-4116
- Area 5 – Brian Yarbrough (Acting Anniston Area Director) 256-831-3067
- Area 6 – Quinton Harris (Tuskegee Area Director) 334-725-3321
- Area 7 – Guadalupe Kirby (Cullman Area Director) 256-734-6471
- Area 8 – Allan Johnson (Bay Minette Area Director) 251-937-3297

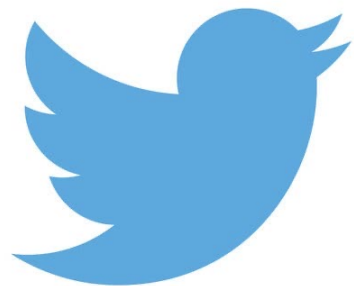
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- Much more specific information about Rural Development's programs can be found on our website:

rd.usda.gov/al

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- We are active on social media! Please help to spread the good news about our programs by following and sharing USDA Rural Development content on Twitter, both on your official and unofficial pages!



@RD_Alabama

USDA Rural Development is committed to helping improve the economy and quality of life in rural America.

Together, America Prospers.





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