

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

Water and Environmental Programs

Water and Wastewater Infrastructure

Funding Strategies

February 6, 2013

Chapel Hill, NC

USDA/Rural Development

- Rural Utilities Service
- Water & Environmental Programs



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WEP FY 2012 Funding

Loan - \$40,091,000

Grant - \$11,056,733

Total - \$51,147,733

Types of Eligible Projects

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



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Typical Drinking Water Projects

- **New Water Systems (Distribution and/or Treatment Facilities)**
- **Water Lines Extensions**
- **Improvements to Existing Distribution and/or Treatment Facilities**
- **Water Storage Facilities (Tanks and/or Reservoirs)**



Typical Sewer Projects

- **New Sewer Systems (Collection and/or Treatment Facilities)**
- **Sewer Line Extensions**
- **Improvements to Existing Collection and/or Treatment Facilities**

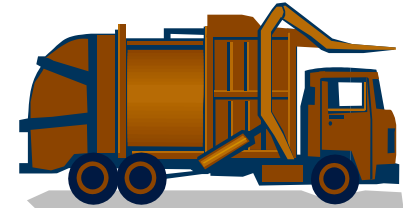


Typical Solid Waste Disposal Projects

➤ **New Landfills**



➤ **Purchase Trash Trucks**



➤ **Construct Transfer Stations**

➤ **Construct Convenience Centers**



Eligible Applicants

- Public Bodies:
 - Counties
 - Towns & Cities
 - Water & Sewer Districts
 - Water & Sewer Authorities
 - Metropolitan Sewerage Districts
 - Sanitary Districts



Eligibility Requirements

- **Must serve rural area - any area not in a city or town with a population in excess of 10,000 people according to 2000 US Census**
- **Must not be able to finance the proposed project from own resources and/or from commercial sources at reasonable rates and terms**
- **Must have the legal capacity and financial ability to borrow, give security, and repay any debt**



Eligibility Requirements Con't

- **Applicant must be financially sound and have a tax collection rate of 90% or greater**
- **Water and sewer facilities to be constructed must be consistent with appropriate State, County, and local development plans**
- **Applicant may arrange for a third party to operate, maintain, or manage the system/facility by a contract or management agreement**



Interest Rates

(subject to change Oct. 1, Dec. 1, Apr. 1 & July 1)

➤ **Poverty – 1.875%**

MHI below poverty or 80% of State non-metropolitan MHI and a health and sanitary problem exists

➤ **Intermediate - 2.500%**

MHI is 80-100% of State non-metropolitan MHI without any health issues

➤ **Market – 3.120%**

MHI exceeds 100% of State non-metropolitan MHI



Terms

- **Repayment period**
 - **40 years or useful life of facility**
 - **Principal payments may be deferred up to 2 years**



Debt Security

- Public Body
 - **General Obligation Bond (Pledge of taxes)**
 - **Revenue Bond (Pledge of Revenues)**
 - **Combined General Obligation and Revenue Bonds (Pledge of taxes and revenues)**
 - **Installment/Purchase (Only if loan amount is \$200,000 or less)**



For additional information about the USDA Water & Environmental Program

National Website:

<http://www.usda.gov/rus/water/index.htm>

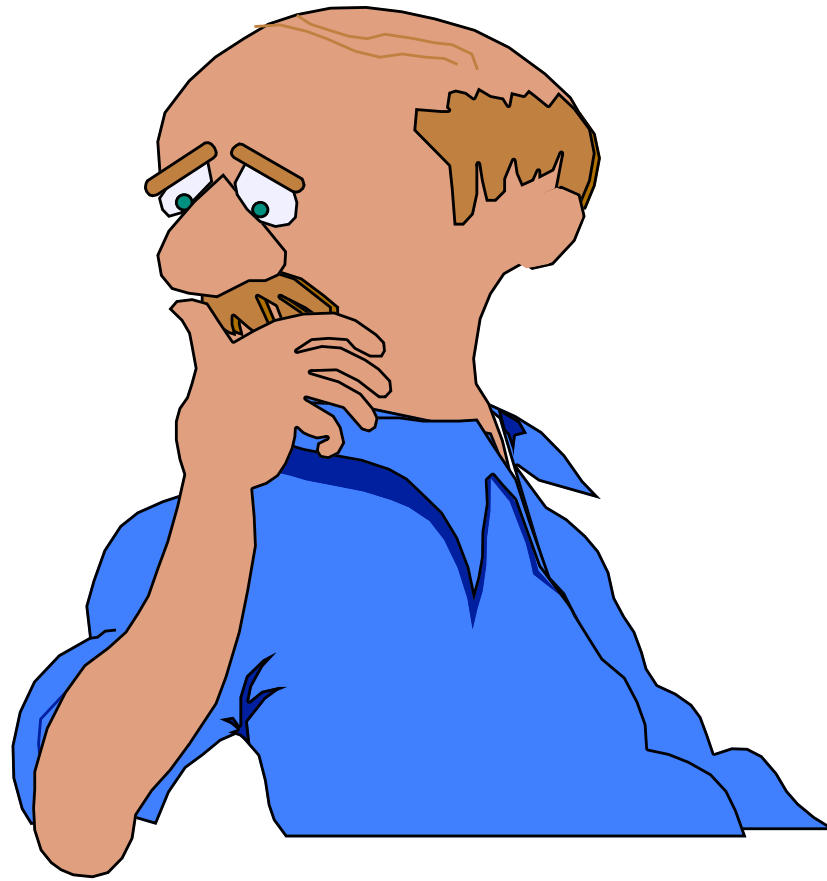
NC State Website:

<http://www.rurdev.usda.gov/nc/index.html>



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Questions????





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A 3D map of the state of North Carolina, rendered in a solid blue color. The map is shown from a perspective that gives it depth, with the top surface being a lighter shade of blue and the sides being a darker shade. The text "Thank You!" is centered on the top surface of the map.

Thank You!