Committed to the future of rural communities.
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 of 10,000 or less. Public bodies, not-for-profit organizations and recognized Indian tribes may qualify for assistance.
# Fiscal Year 2013/2014 WEP Levels of Funding

<table>
<thead>
<tr>
<th></th>
<th>2013 WI Allocation:</th>
<th>2014 WI Allocation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loan:</td>
<td>$21,059,000</td>
<td>$29,296,000</td>
</tr>
<tr>
<td>Grant:</td>
<td>$7,408,000</td>
<td>$8,103,000</td>
</tr>
</tbody>
</table>

Committed to the future of rural communities.
SNMHI for Wisconsin

Interest Rate Categories:

• Poverty Rate if MHI < $45,151 & Health or Sanitary problems exist
• Intermediate Rate if MHI = $45,152 to $56,439.
• Market Rate if MHI > $56,439.
Current Interest Rates
(1/1/2015 thru 4/1/2015)

Interest Rates may change quarterly:
Poverty: 2.25%
Intermediate: 3.00%
Market: 3.75%

Effective 5/22/2008, the Poverty Interest Rate was lowered!
Philosophies of Grant Determinations

1. RUS Loan Program with possible grant subsidy
2. Loan Repayment
   • Operating--User Rates and Other
   • Non-operating Income Sources
3. Owner Contribution
4. Build Owner’s financial capacity/sustainability
5. Modest in design, size, and cost
6. Priority to very-low income communities
7. Participate with other grant funding sources
8. Availability of Loan and Grant funds.
Grant Awards

Grants may not be made in excess of the following percentages:

- 75% of eligible project costs if MHI < $45,151 & Health or Sanitary problems exist
- 45% of project costs if MHI = $45152 to $56,439
- 0% of project costs if MHI > $56,439

* Total Federal Grant Funding CAN exceed 75% for WEP Program if another Funding Agency is involved. But, RD Grant Funds cannot exceed 75%.
Philosophies of Grant Determinations

The 2% MHI “Target” Range

The Average Annual EDU cost may be less than 2% for low grant usage projects!

- EDU cost of approx. 1.5% of MHI when Grant <10% of RUS funding.
- EDU cost of 2% of MHI when grant >50% of RUS funding.
- Supported by similar system cost analysis
Philosophies of Grant Determinations

The 2% MHI “Target” Range

- Higher EDU costs will be used for projects with significant “restoration” costs or significant ancillary project costs.
How to get started?

• Application Cycle (open).

• Set up an application meeting with Area Office Specialist

• Be prepared to discuss the project in some detail

• Don’t get too far in the process before meeting with RD!
Community Facilities

Public Improvements necessary for the orderly development of a community and services typically provided by public bodies.

20,000 population or less

Public Body, Not-for-Profit, Indian Tribes

Test For Credit

Own, Operate and Control Facility
Public Safety

- Fire & Rescue
- Police Facilities
- Rescue Boats
- Flight for Life
- Jails
- Emergency Broadcast systems
Public Services

• Child Day Care
• Adult Day Care
• City/Village/Town Halls
• Domestic Violence Shelter
• Adult Developmental Facilities
Rates and Terms

- Current rate 3.75% thru 4/1/2015
- Useful life of facility, or 40 years, or other limits by state statutes
- Can work with Community Development Authority
## Community Facility Allocation 2014/2015

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Guaranteed Loan</td>
<td>0</td>
<td>$0</td>
</tr>
<tr>
<td>Direct Loan</td>
<td>$41,600,000</td>
<td>$37,531,750</td>
</tr>
<tr>
<td>Grant</td>
<td>$409,300</td>
<td>$315,000</td>
</tr>
</tbody>
</table>
Community Program Activity
USDA GRANTS

Graph showing the percentage of total RD and WEP from 2007 to 2014.
Brian Deaner
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