

# USDA Rural Development Offers Assistance with Loans and Grants – and Supports Technical Assistance Programs

**S**ometimes it's good to step back and try to figure out why any organization or group is where it is and in some cases to recall how situations came about. I'm referring to work that Kansas Rural Water Association is known and respected for by cities, rural water districts, wastewater systems, associate members, state and federal legislative offices, and agencies. I add agencies because it is because of the partnership that KRWA has had with many agencies that water and wastewater systems receive help from KRWA.

I remember Jack Burris, who served as the director of the Kansas Department of Health and Environment's Bureau of Water, attending a KRWA board meeting and expressing that agency's appreciation for KRWA's efforts in supporting financing programs that would make loan and grant funds available to improve public water and wastewater systems. Mr. Burris commented that he did not see KRWA as an "entity / organization" – but instead that KRWA was an "organization that because of its nature, represented a broad constituency of the citizens of the state of Kansas. KRWA's representation of that constituency is even more profound today than it was in 1976 as nearly 800 of the 910 or so public water systems in Kansas support KRWA through membership dues, which by all standards are modest.

It was in 1976 that KRWA joined with six other states and moved forward to charter the National Rural Water Association. The Safe Drinking Water Act had only recently been implemented. KRWA held many training sessions with KDHE staff presenting information about the new regulations and what the requirements would mean to public water systems. I remember well the day that KDHE announced to 95 or so water system



KRWA staff and USDA Rural Development agency staff met recently to discuss operation of various programs and to review projects. Shown above are KRWA staff members Greg Metz, Rita Clary and Pat McCool. USDA officials who called the meeting were Shane' Hastings, Director of Community Programs, Randy Stone, USDA engineer, and Dan Fischer, Loan Specialist.

officials at a meeting we held in Iola, KS how the agency was going to embark on an "operator certification program". KRWA was there and was supportive of that effort, mainly to help ensure that inexperienced personnel might better appreciate the responsibilities associated with making sure the systems were operated as appropriately as possible. It wasn't about supporting additional regulations onto the systems – it was about helping the system personnel learn the operation and maintenance procedures.

After formation, the NRWA began an initiative to provide on-site technical assistance to small communities to help with water service, operations and maintenance and compliance. NRWA identified three essential elements that make technical assistance work. The most important was to have accountability to local communities.

First, for the assistance to be most helpful, it had to be designed by the communities that needed the assistance and it had to work only on behalf of their own best interest. Local communities want and expect and

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need reasonable assistance and that needs to be presented in a way they understand.

Second, on-site assistance must be available in the community that focuses on that community's particular problem. This means that when someone contacts KRWA, they receive an answer and help.

Third, the assistance needs to be delivered by "peer experts". Communities need to know "how" to comply – versus that they "must comply" to operate their water utilities. Technical assistants (sometimes called Circuit Riders), need to have technical experience in operating

water and wastewater utilities and be peers of the people with whom they are working. KRWA staff have that capacity and the confidence of thousands of operators, administrators and elected officials across Kansas.

Until 2011, Congress mandated that technical assistance be consistent with the three principles mentioned. The recent trend however, has been to provide EPA with more discretion on how to use technical assistance funding and this has resulted in more web-based training. An example is the recently held webinar provided by the Environmental Finance Network that focused on funding.

## USDA Search Grants Pay for Project Development Costs

USDA Rural Development began accepting applications in October 2010 for "**Special Evaluation Assistance for Rural Communities and Households**" better known as the **SEARCH GRANT**. What is the purpose of the Search Grant? It is to make pre-development planning grants for feasibility studies, design assistance, and technical assistance to financially distressed communities in rural areas with populations of 2,500 or fewer inhabitants for water and waste disposal projects.

Available funding for the SEARCH Grant consists of up to 100 percent of the eligible costs of the preliminary engineering report not exceed \$30,000.

### Eligible grant purposes

The grant recipient must use the grant funds for feasibility studies, design assistance, and technical assistance.

- **Feasibility Study:** Documentation associated with an objective analysis of project-related technical engineering or environmental impact analyses required to support applications for funding water or waste disposal projects through USDA, Rural Utilities Service or other agencies.
- **Preliminary design assistance**
- **Technical Assistance:** Supervision, oversight, or training by an organization for the development of an application for financial assistance.

The eligible grant purposes must be related to a proposed project that meets the following requirements:

1. To construct, enlarge, extend, or otherwise improve rural water, sanitary sewage, solid waste disposal, and storm wastewater disposal facilities.
2. To construct or relocate public buildings, roads, bridges, fences, or utilities, and to make other public improvements necessary for the successful operation or protection of facilities.
3. To relocate private buildings, roads, bridges, fences, or utilities, and other private improvements necessary for the successful operation or protection of facilities.

### Who is an eligible applicant?

- Public or quasi-public agencies (cities and rural water districts)
- Not-for-profit organizations

- Indian tribes on Federal and State reservations and other federally recognized Indian tribes
- Eligible entities for the SEARCH grants will be the same entities eligible to obtain a loan, grant, or loan guarantee from the Rural Utilities Service Water and Waste Disposal and Wastewater loan and grant programs. The rural area is specified as the population must be 2,500 or less.

### How to apply

To file an application, the following information should be submitted:

1. Standard Form 424, "Application for Federal Assistance (For Non-Construction)."
2. Standard Form 424A and B, "Budget Information: Non-Construction Programs."
3. Supporting documentation necessary to make an eligibility determination such as financial statements, audits, organizational documents, or existing debt instruments. The Processing Official will advise applicants regarding the required documents. Applicants that are indebted to RUS will not need to submit documents already on file with the Processing Official as long as such documents are current and valid.
4. Project narrative detailing the project to be financed with the SEARCH grant funds. The narrative will also provide details on the activities or tasks to be accomplished, objectives, timetables for task completion, and anticipated results.
5. The application is to be filed with the local USDA Rural Development Office. Applicants are encouraged to contact the State Office or the Processing Official to find out how to file electronically. The application and supporting documentation must be sent or delivered to the Processing Official, unless it is filed electronically. USDA Rural Development application forms can be found at [www.grants.gov](http://www.grants.gov).

### Kansas systems

The following systems taking advantage of the SEARCH grant program are these water system applicants: Greenwood RWD No. 1, city of Howard, city of Severy and the city of Delia.

## Loan Rates through USDA Rural Development

USDA Rural Development provides funding at three different rates. Cities with a Median Household Income (MHI) more than \$51,623 are considered Market. Cities with an MHI between \$51,623 and \$41,298 are considered Intermediate. Those below \$41,298 are considered Poverty.

Interest rates are subject to change quarterly. As of June 15 the rates are as follows:

- ✓ **Market:** 3.50% (not eligible for grant assistance from USDA)
- ✓ **Intermediate:** 2.75 percent (eligible for maximum grant of 45 percent from USDA)
- ✓ **Poverty:** 2.125 percent (eligible for maximum grant of 75 percent from USDA provided a health or safety issue is being corrected, if not then back to the 45 percent maximum)

**...KRWA has a staff that has more than 410 years of first-hand experience in the operation, maintenance and regulation of utilities.**

KRWA will continue to provide quality technical assistance. KRWA can guarantee that because KRWA staff has more than 410 years of first-hand experience in the operation, maintenance and regulation of utilities.

One of the partners that KRWA has worked with for nearly 50 years is the USDA Rural Development agency. Originally known as the Farmers Home Administration, that agency funded with very few exceptions all of the rural water districts in Kansas. The first project funded by the agency in the very early 1950's was the Chicopee Water Coop near Pittsburg, KS. Chicopee was also the first in the nation to pay off their loan in full.

Today USDA Rural Development continues to make loans and grants to public water and wastewater systems. In federal fiscal years 2013 and 2014, the Kansas office obligated \$70,824,600 in loans and \$33,140,600 in grants. State offices are limited to a portion of the national appropriation. In fiscal year 2015, the agency had approximately \$16 million in loan and \$4.4 million in grant. However, the Kansas office is often able to acquire additional dollars because of pooling unused funds from other states.

KRWA operates several programs that are funded through USDA Rural Development and administered by the National Rural Water Association. In Kansas, that now means three technical assistants (Jon Steele, Rita Clary and Greg Metz) and Wastewater Tech Charlie Schwindamann.

When your system receives help from KRWA and delivered by any of the staff mentioned, consider that they are available mainly thanks to federal dollars through USDA Rural Development.

*Elmer Ronnebaum is KRWA General Manager; he has been employed by KRWA since 1983. He served seven years on the KRWA board of directors prior to that. He also helped develop a large RWD and served for fourteen years on a water district board of directors.*



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