

Heber Public Utility District

Report to the Board of Directors

MEETING DATE: June 18, 2020

FROM: Laura Fischer, General Manager

SUBJECT: Authorize staff to prepare and submit grant and loan applications to USDA for Community Facilities and Water and Sewer Projects and Equipment Funding.

ISSUE:

Shall the Heber Public Utility Board of Directors authorize staff to prepare and submit grant and loan applications to USDA for Community Facilities and Water and Sewer Projects and Equipment Funding?

GENERAL MANAGER RECOMMENDATION:

Authorize staff to prepare and submit grant and loan applications to USDA for Community Facilities and Water and Sewer Projects and Equipment Funding.

FISCAL IMPACT:

25% match may be required.

BACKGROUND:

USDA has several grant and low interest loans available for community facilities, telecommunication, and water and wastewater projects. I have attached the information flyers to this report for your review.

DISCUSSION:

The HPUD capital improvement plan has several projects that are not funded or fully funded that may qualify for USDA grant/loan funds. Some of the equipment outlay included in the FY 20-21 budget are eligible for grant funds such as the furniture, shelving, tables, chairs, etc.

In the water and wastewater treatment plants have equipment outlay that may qualify. We also will work to put together a water project in the Colonia area.

All grant applications will be brought back to the HPUD Board for approval prior to submitting the project. Here is a list of grant project ideas.

- 1) Recreation Center – Furniture, equipment, electronic equipment, etc.
- 2) Wastewater Treatment Plant and Collection System – pumps and equipment.
- 3) Water Distribution System – We are planning a project that replaces water lines due to frequent repairs, water line and fire hydrant placement concerns.

RECOMMENDATION:

After reviewing the criteria for this grant loan program, staff feels that the HPUD has a good chance of receiving funding for the Community Facilities Funds and Water and Sewer Funds. We held a conference call with USDA local offices and they assured us

that Heber qualifies for grant funds and that they will assist us with the applications. Staff recommends authorizing the preparation and submittal of grant applications.

ALTERNATIVES:

- 1) Do not authorize the submittal of a grant application to USDA Loan/Grant program fund.
- 2) Provide alternate direction to staff.

Respectfully Submitted,

Laura Fischer, General Manager

Attachment: Backup Material regarding USDA grant/loan programs.



Distance Learning & Telemedicine Grants

What does this program do?

This grant program helps rural communities acquire the technology and training necessary to connect educational and medical professionals with the teachers and medical providers who serve rural residents at the local level.

Who may apply for this program?

Eligible applicants, which are providing education or healthcare services through telecommunication facilities, include:

- State and local governmental entities
- Nonprofit organizations
- Consortia of eligible entities
- Federally recognized Tribes
- For-profit businesses

What is an eligible area?

The intent of the DLT program is to benefit rural areas with populations of 20,000 or less.

How may funds be used?

Grant funds may be used for:

- Audio, video and interactive video equipment
- Broadband facilities that support distant learning or telemedicine
- Computer hardware, network components and software
- Acquisition of instructional programming
- Acquisition of technical assistance and instruction for using eligible equipment

What kinds of funding are available?

Grant funds are awarded through a nationally competitive process. Funding is not currently available for DLT loans or loan / grant combinations.

What are some grant requirements?

- Awards can range from \$50,000 to \$500,000
- A minimum 15 percent match is required and cannot be from another federal source.

How do we get started?

- Application windows for this program are announced through the national office on a periodic basis.
- Program Resources are available online at www.rd.usda.gov (includes forms, guidance, certifications, etc.)

Who can answer questions?

Contact a General Field Representative that serves your area, call (202) 720-0800 or email dlinfo@wdc.usda.gov.

What governs this program?

- Code of Federal Regulation: 7 CFR Part 1734

Why does USDA Rural Development do this?

The DLT program helps rural residents tap into the enormous potential of modern telecommunications and the Internet for education and healthcare, two of the keys to economic and community development.

NOTE: Because citations and other information may be subject to change please always consult the program instructions listed in the section above titled "What Governs this Program?" You may also contact your [General Field Representative](#) for assistance. You will find additional forms, resources, and program information at www.rd.usda.gov. *USDA is an equal opportunity provider, employer, and lender.*



Water & Waste Disposal Loan & Grant Program

What does this program do?

This program provides funding for clean and reliable drinking water systems, sanitary sewage disposal, sanitary solid waste disposal, and storm water drainage to households and businesses in eligible rural areas.

Who may apply?

This program assists qualified applicants who are not otherwise able to obtain commercial credit on reasonable terms. Eligible applicants include:

- Most state and local governmental entities
- Private nonprofits
- Federally-recognized tribes

What is an eligible area?

Areas that may be served include:

- Rural areas and towns with populations of 10,000 or less - [check eligible addresses](#)
- Tribal lands in rural areas
- Colonias

What kinds of funding are available?

Long-term, low-interest loans. If funds are available, a grant may be combined with a loan if necessary to keep user costs reasonable.

How may the funds be used?

Funds may be used to finance the acquisition, construction or improvement of:

- 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

In some cases, funding may also be available for related activities such as:

- Legal and engineering fees
- Land acquisition, water and land rights, permits and equipment

- Start-up operations and maintenance
- Interest incurred during construction
- Purchase of facilities to improve service or prevent loss of service
- Other costs determined to be necessary for completion of the project
- See [7 CFR Part 1780.7 and 1780.9](#) for a complete list

What is the loan term and rate?

The loan term is up to 40-year payback period, based on the useful life of the facilities financed with a fixed interest rate. The interest rate is based on the need for the project and the median household income of the area to be served.

[Contact us](#) for details and current interest rates applicable for your project.

Are there additional requirements?

- Borrowers must have the legal authority to construct, operate and maintain the proposed services or facilities.
- All facilities receiving federal financing must be used for a public purpose.
- Partnerships with other federal, state, local, private and nonprofit entities that offer financial assistance are encouraged.
- Projects must be financially sustainable.

Water & Waste Disposal Loan & Grant Program

How do we get started?

Applications are accepted year round and may be filed electronically using **RD Apply**. The RD Apply Customer Help Guide is provided to help you get started and work through the application process. Applications are also accepted through your **local RD office**. Program resources are available online (i.e., forms, guidance, certifications, etc.).

Who can answer questions?

Contact the local representative who serves your area. Participating nonprofits in your area may also offer assistance and training.

What governs this program?

- Basic Program – [7 CFR, Part 1780](#)
- Loan Servicing – [7 CFR, Part 1782](#)
- Section 306 of the Consolidated Farm and Rural Development Act

Why does USDA Rural Development do this?

This program helps very small, financially distressed rural communities extend and improve water and waste treatment facilities that serve local households and businesses. Good practices can save tax dollars, improve the natural environment, and help manufacturers and businesses to locate or expand operations.

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