



Connecting Rural America
Rural Utilities Service

Water & Environmental Programs

ANNUAL ACTIVITY REPORT

FISCAL YEAR 2003

Rural Development
U.S. Department of Agriculture



**From the Desk of Administrator
Hilda Gay Legg**

Providing clean safe drinking water and sanitary waste disposal in rural America has been the mantra of RUS' Water and Environmental Programs for many years. But as times change so does our awareness of and appreciation for the meaning of safe. In addition to meeting the demands of health standards utilities are faced with the need to shore up

their security – as in Homeland Security. Even though, in many cases, this will increase the burden on already financially strapped systems, we believe it is the right thing to do. And, we at RUS are prepared to make our technical and financial resources available to assist our borrowers and applicants.

Although we report on projects financed and on the loans and grants we make, these are just numbers. The true measure of our success is the people, the families receiving new or improved utility service. In the bigger rural development picture, the utility service our borrowers provide builds the foundation that makes rural America a vibrant, desirable, and safe place where kids don't have to leave home for the future they deserve.

Rural America has tremendous resources in both its people and its environment. Through their programs RUS and its partners in Rural Development – Rural Housing Service, Rural Business / Cooperative Service and State Offices – provide the tools for leveraging and protecting these resources. Together with community leaders we can create the opportunities for growth and prosperity.

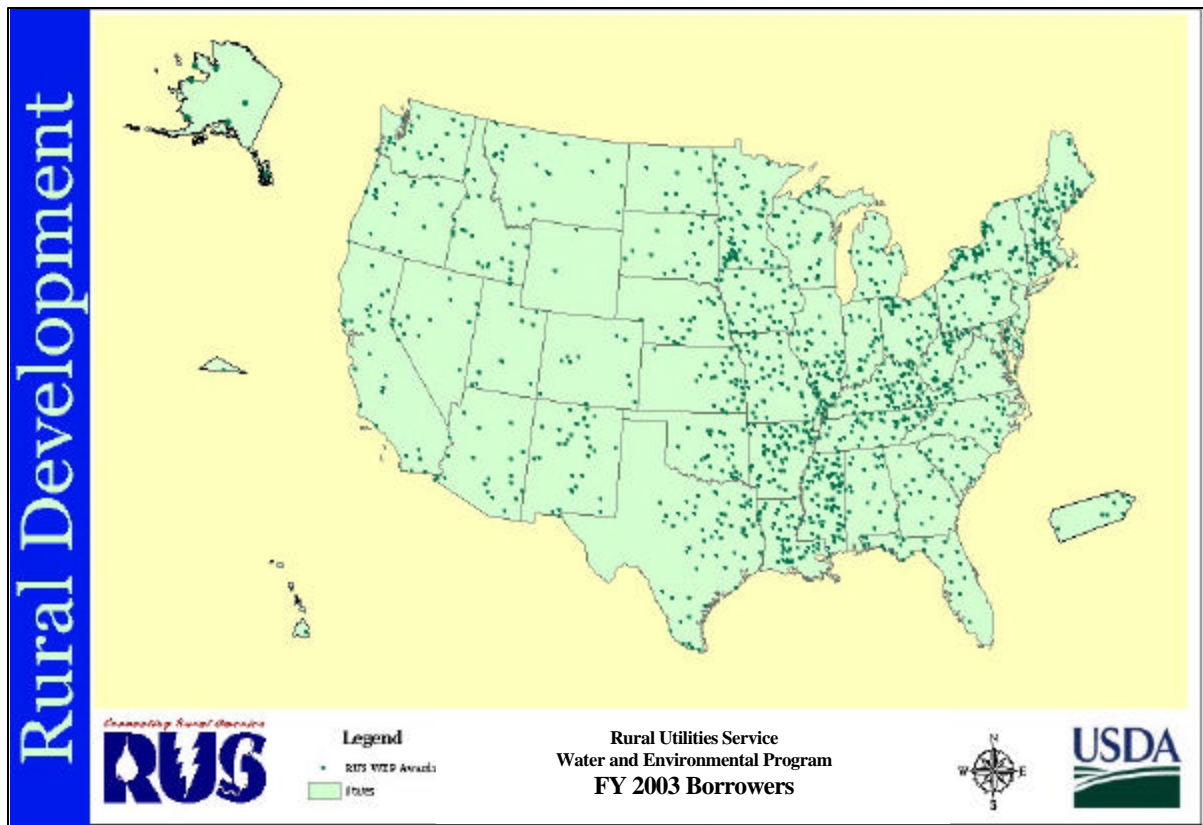
The people of RUS, including myself, take tremendous pride in the services we provide to the people of rural America. Our accomplishments speak for themselves, but we cannot rest on our laurels. We must face the future with the same commitment and dedication that has sustained us over the years. And for the future - my vision for RUS is that it will be a catalyst for rural economic development, providing technical and financial support for infrastructure and emphasizing local responsibility.

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Water and Environmental Programs

Through Rural Utilities Service's (RUS) Water and Environmental Programs (WEP), rural communities obtain the technical assistance and financing necessary to develop drinking water and waste disposal systems. Safe drinking water and sanitary waste disposal systems are vital not only to public health, but also to the economic vitality of rural America. WEP is a leader in helping rural America improve the quality of life and increase the economic opportunities for rural people.



The Water and Waste Disposal (WWD) Program is administered through a WEP National office staff in Washington, DC, and a network of field staff. The network of 47 Rural Development State offices, supported by area and local offices, delivers the WWD Program in the states and U.S. territories. WEP staff provides technical assistance such as reviewing projects for engineering, environmental, and financial feasibility. The staff works closely with program participants, their project engineers, and state regulatory agencies to ensure that projects are reasonable, affordable, and based on commonly accepted engineering practices. WEP staff also helps communities explore project funding options and technical assistance through the WWD Program.

FY 2003 Funding and Accomplishments

Area	Program	Funds	No. of Projects
Special Initiatives	Alaska	\$29,208,900	32
	Colonias	\$24,178,776	27
	Native American	\$15,884,880	30
	EZ/EC/REAP	\$39,339,150	26
	PPG	\$932,485	85
	Subtotal		\$109,544,191
Other Agencies	ARC	\$9,038,371	30
	EDA	\$3,233,093	3
	Subtotal		\$12,271,464
Emergency	ECWAG	\$16,637,260	60
	ECWAG –DIS	\$29,522	2
	Emergency	\$216,560	1
	Subtotal		\$16,883,342
Technical Assistance	SWM	\$3,644,145	43
	TAT	\$18,304,236	17
	Circuit Rider	\$9,512,640	11
	Subtotal		\$31,461,021
Regular Program	Direct	\$1,259,860,841	1,013
	Guaranteed	\$3,625,000	4
	Subtotal		\$1,263,485,841
Total		\$1,433,645,859	1,384

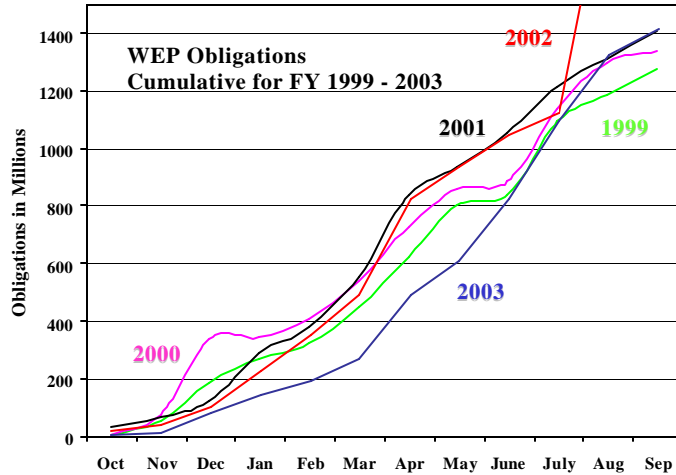
FY 2003 Funding Activity Highlights

In FY 2003 WEP invested \$1.4 billion in direct and guaranteed loans and grants to help rural communities develop 1,384 water and waste disposal facilities. Funding activities included:

- ❖ \$1.3 billion in WWD direct loans and grants made to develop 1,013 facilities
- ❖ \$110 million assisted 200 projects in disadvantaged communities
- ❖ \$17 million funded 63 projects in communities qualifying for emergency assistance
- ❖ \$31 million funded 71 grants to technical assistance providers
- ❖ 48,000 technical assistance calls were completed by Circuit Riders
- ❖ \$39 million funded 26 projects in EZ/EC/REAP areas
- ❖ \$1 million in Colonias Grants made to 275 individuals and families for home improvements
- ❖ 93 percent of direct loans approved at below-market interest rates
- ❖ \$19 million for Native American projects leveraged with \$3 million in funds from other sources
- ❖ 33 projects administered for partner organizations
- ❖ 76 percent of WEP applicants are public bodies
- ❖ 81 percent grant is average for Native American projects
- ❖ Over \$930,000 for 85 Predevelopment Planning Grants to assist in preparing applications for WEP funds

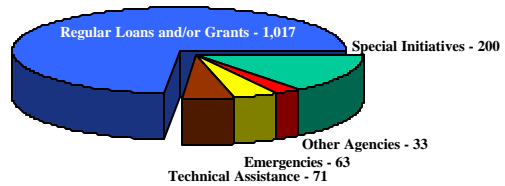
Overview of Projects Funded in FY 2003

WEP processes loans and grants on an ongoing basis throughout the fiscal year. As shown in the chart, the obligation of funds remains fairly constant during the year. This makes maximum use of limited staff resources and assures the delivery of the WEP allocation of funds.



In FY 2003, WEP funded 1,384 projects for \$1.4 billion. The majority (73 percent) of the projects was funded from the WEP regular loan and grant program. The balance of the projects was funded through several special programs and initiatives.

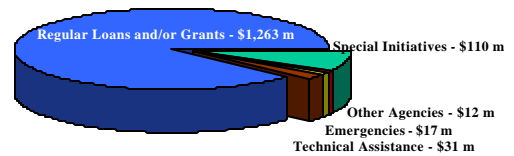
WEP FY 2003 Projects



Total Projects = 1,384

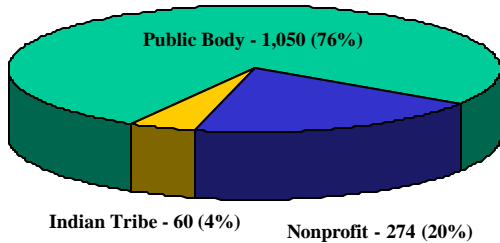
Technical Assistance and Training grants and Solid Waste Management grants were made to 71 grantees. Sixty-three applicants received funds set aside to assist water systems with emergency conditions. Through agreements with the Appalachian Regional Commission and the Economic Development Administration, WEP provided funding for and/or administered 33 projects. And through special initiatives such as Alaska Native Villages, Colonias, Native American, and Empowerment Zones, 200 projects received set aside funds.

WEP FY 2003 Funds



Total Funds = \$1,433 m

**WEP Projects - FY 2003
by Type**



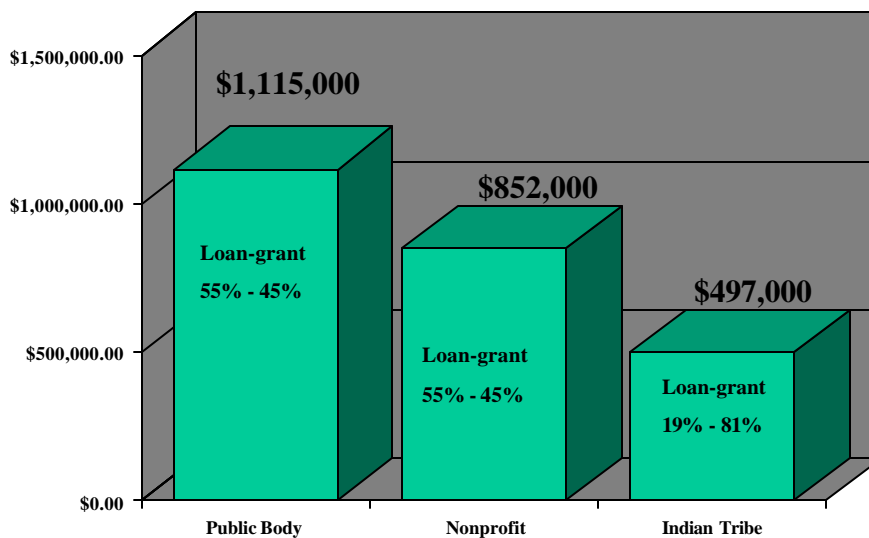
The three categories of eligible applicants are public body, Indian tribe and nonprofit organization. Public bodies made up the largest portions of FY 2003 borrowers at 76 percent. Nonprofit organizations accounted for 20 percent of the borrowers and the balance of 4 percent was Indian tribes.

Public body projects tend to be about 24 percent larger than nonprofit. Two possible reasons are the increased demand for fire protection in public body water systems and more wastewater systems for public bodies.

These wastewater systems usually are more costly than drinking water systems on a per user basis.

Indian tribe projects were significantly smaller than public body or nonprofit, and they also used a much higher percentage of grant funds than other projects – 81 percent compared to 45 percent. This is most likely due to tribal projects being sparsely settled with very low incomes.

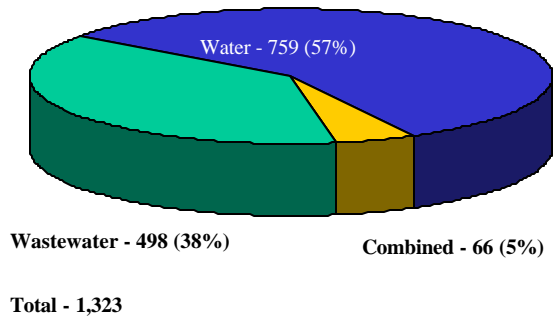
WEP Average Project Data



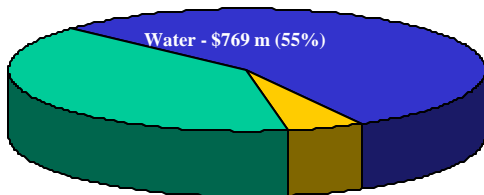
Water and sewer projects make up the bulk of WEP infrastructure funding. The ratio of water to sewer projects has remained fairly constant over the past few years along a 60/40 split.

The 759 water projects represented 57 percent while the 498 wastewater systems accounted for 38 percent. The balance of the projects made improvements to both water and sewer systems.

**WEP Projects - FY 2003
by Type**



**WEP Projects - FY 2003
by Funds**



Wastewater - \$551 m (40%) Combined - \$73 m (5%)

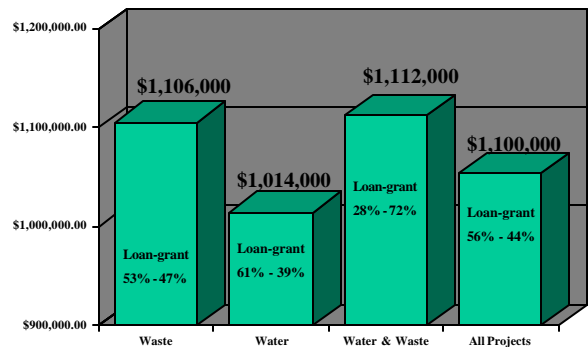
Total - \$1.4 billion

We also see the same general 60/40 split when looking at the funds for water and sewer systems. Water projects used \$769 million or 55 percent of WEP funds. Wastewater used \$551 million or 40 percent of WEP funds.

As expected, wastewater projects are more costly than water projects. Wastewater projects cost about 8 percent more than water projects.

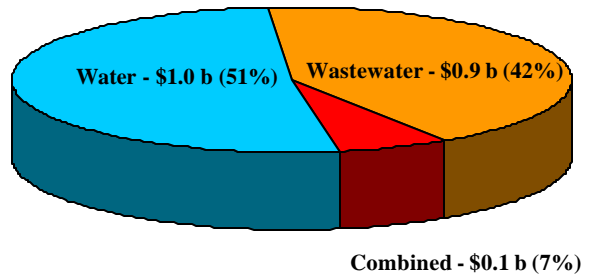
For all projects the average WEP funds were \$1.1 million with the loan/grant split at 56/44 percent.

WEP Average Project Data



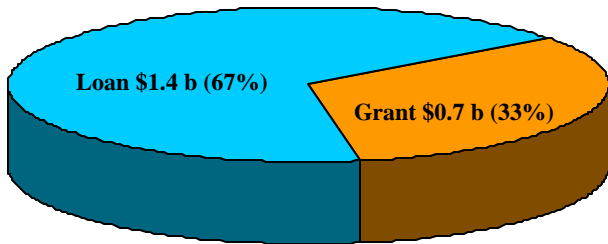
The next series of charts describe the WEP backlog as of September 30, 2003. At the end of FY 2003 there were 850 applications for \$2.1 billion. The backlog has remained at about this level for several years.

**WEP Backlog - FY 2003
Amount of Applications on Hand
by Type**



Total - \$2.1 billion as of September 30, 2003

**WEP Backlog - FY 2003
Amount of Applications on Hand
by Funds**



Total - \$2.1 billion as of September 30, 2003

Backlog data from our management information systems indicates a continuing need for water and waste disposal infrastructure in rural areas. Water projects make up the majority of the demand, in both numbers and dollars. Again, there is very close to a 60/40 split with wastewater projects.

Guaranteed Loans

RUS works with local lenders to guarantee loans to build or improve water and waste disposal facilities in rural areas and in cities and towns with a population of 10,000 or less. Loan guarantees are often the solution when a lender is interested in financing a project but feels that a reduction in the risk is necessary. The loan guarantee is 90 percent of the total loan amount.

Interest rates are negotiated between the lender and the borrower. They may be either fixed or variable rates, but must be in line with those rates customarily charged to borrowers in similar circumstances in the ordinary course of business.

Eligible lenders include:

- ◆ Commercial Banks
- ◆ Thrift Institutions
- ◆ Mortgage Companies
- ◆ National Rural Utilities Cooperative Finance Corporation
- ◆ Co-Bank
- ◆ Farm Credit System banks

The lender is charged a one-time guarantee fee of 1 percent of the guaranteed loan amount. This fee may be passed on to the borrower. The lender may sell the guaranteed loans on the secondary market, but must retain a minimum of 5 percent of the unguaranteed portion of the total loan.

In FY 2003, four guaranteed loans were made for a total of \$3,625,000.

Direct Loans and Grants

Eligible applicants are public entities, such as municipalities, counties, special-purpose districts, Indian tribes, and corporations operated on a not-for-profit basis. Eligible projects are to develop drinking water and waste disposal systems, including solid waste disposal, and for storm drainage. The most common uses are to restore deteriorating water supplies or to improve, enlarge, or modify inadequate water or waste facilities. Funds are directed to rural areas and cities and towns with a population of 10,000 or less. Applicants must be unable to obtain sufficient credit from commercial sources at reasonable rates and terms.

Loans may be made at one of three interest rates -- the poverty rate, intermediate rate, and market rate -- the latter two rates are subject to adjustment each quarter. The rate applied to the loan depends on the need to meet applicable health or sanitary standards and the median household income (MHI) of the service area. Once the loan rate is established, it remains fixed for the life of the loan.

Priority is given to public entities, in areas with less than 5,500 people, to restore a deteriorating water supply, or to improve, enlarge, or modify a water facility or an inadequate waste facility. Also, preference is given to requests that involve the merging of small facilities and those serving low-income communities.

- Priority Applications**
- Public body or Indian Tribe**
 - Small systems**
 - Low income**
 - Correct a health issue**
 - Merge small facilities**
 - Funds from other sources**
 - Agency targeted area**

Grants are made in combination with direct loans or with funding from other sources. Grants may be up to 75 percent of eligible project costs but are limited to the amount necessary to enable the residents to be charged reasonable user rates. In addition, the MHI of the service area

must be below the State non-metropolitan MHI level to receive any grant, and generally below the National poverty level or 80 percent of the State figure to be eligible for the maximum grant level.

Other Programs

Through the **Emergency Community Water Assistance Grant (ECWAG) Program**, WEP assisted the residents of rural areas that experienced a significant decline in quantity or quality of their drinking water.

ECWAG grants were made to public bodies, private nonprofit corporations, and Indian tribes serving rural areas and cities or towns with a population not in excess of 10,000 and a median household income of 100 percent of a State's non-metropolitan median household income. Grants may be made for 100 percent of project costs. The maximum grant is \$500,000 when a significant decline in quantity or quality of water occurred within 2 years, or \$150,000 to make emergency repairs and replacement of existing facilities.

Technical Assistance and Training Grants (TAT) are used to identify and evaluate solutions to water and waste disposal problems in rural areas, assist applicants in preparing applications for water and waste grants, and improve the operation and maintenance of existing water and waste disposal facilities in rural areas.

Projects funded through the **Solid Waste Management (SWM) Grant Program** reduce or eliminate pollution of water resources and improve planning and management of solid waste disposal facilities in rural areas.

RUS loans and grants for water systems represent a large national investment in water and waste disposal infrastructure.

This investment is protected through unique programs of on-site technical assistance. WEP's **Circuit Rider Technical Assistance**

Program and Technical Assistance Providers have helped thousands of rural communities with their water systems. The Circuit Riders, provided through a contract with the National Rural Water Association, completed over 48,000 technical assistance calls in rural communities during RUS fiscal year 2003. The Technical Assistance Providers, through a Technical Assistance and Training Grant to Rural Community Assistance Program (RCAP), completed over 118,560 hours committed to assisting small rural communities during RUS fiscal year 2003.

Circuit riders work alongside the rural system officials and operators to show them how to solve their own problems. They typically have many years of experience in the actual operation and/or management of a public water supply system and have an understanding of rural and small water system problems and how they can be resolved. Technical assistance can include on-site advice on water usage problems, establishing sound management and operating procedures, advising new systems on construction, water quality issues, and security. Circuit riders provide a valuable service by assisting small water systems in meeting Federal Safe Drinking Water Act standards.

Because of their local acceptance and usage of the Circuit Riders, rural communities and small municipalities don't have to borrow as much for repairs. Instead, they concentrate on needed expansions and updating their water systems.

The USDA **Empowerment Zones/Enterprise Communities (EZ/EC) and Rural Economic Area**

Partnership (REAP) Program are important steps in rebuilding America's poverty-stricken rural communities. These programs are designed to empower people and communities to improve living conditions in their communities, and create jobs and opportunities all across this Nation by inspiring Americans to work together.

The REAP initiative was established to address critical issues related to constraints in economic activity and growth, low density settlement patterns, stagnant or declining employment, and isolation that have led to disconnection from markets, suppliers, and centers of information and finance.

Fifty-seven rural areas have been designated as EZ/EC and an additional five REAP zones have been selected. These communities meet certain poverty and distress criteria and have prepared creative strategic plans for revitalization. The Federal government will focus special attention on working cooperatively with designated communities to overcome regulatory impediments, to permit flexible use of existing Federal funds, and to assist these communities in meeting essential mandates.

Colonias is a term used to describe subdivisions that exist outside incorporated areas located along the United States-Mexico border. Colonias are generally characterized as small communities with inadequate drinking water, poor sanitary waste disposal facilities, and substandard housing.

Water or waste disposal systems can obtain up to 100 percent grants to construct basic drinking water, sanitary sewer, solid waste disposal and storm drainage to serve residents of Colonias. Also, the systems can obtain funds to provide grant assistance directly to individuals to install necessary indoor

plumbing like bathrooms and pay other costs of connecting to the system.

Since FY 1995 funds have been set aside specifically for eligible projects that benefit members of federally-recognized **Native American** tribes. Applications are processed in accordance with all eligibility and other requirements of 7 C.F.R. 1777, Section 306C WWD Loans and Grants. These funds cannot be used for projects that are eligible for funding under any other RUS set-aside.

The use of RUS loan funds, as well as funds from other sources, in conjunction with the grant funds, is strongly encouraged whenever feasible to maximize the investment in Indian country. Generally, applicants are expected to borrow as much as they can afford to repay, as in the WWD regular loan and grant program.

The Appalachian Regional Development Act authorizes economic development programs and projects to assist the Appalachian Region to meet its special problems. It provides authority for Federal assistance grants to supplement grant assistance under other Federal grant-in-aid programs. Under a Memorandum of Understanding, this program is administered by WEP for water and sewer projects in rural areas.

Loan Portfolio

The total portfolio of Water and Environmental Programs as of September 30, 2003, included 8,055 borrowers, 17,138 loans, and \$7,530,277,417 in unpaid principal. Credit advice and assistance is provided to the applicants and borrowers

riders. Additional service to applicants and borrowers is provided under a grant to the Rural Community Assistance Program (RCAP) and a grant to West Virginia University Research Foundation for the National Drinking Water Clearinghouse.

WEP PORTFOLIO AS OF SEPTEMBER 2003

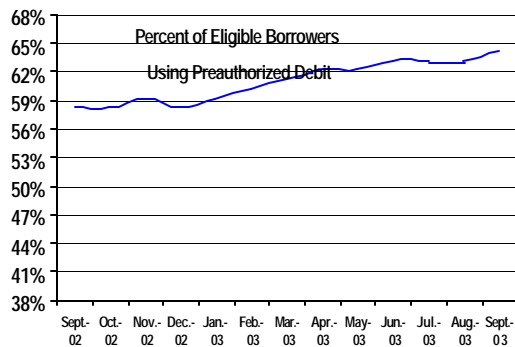
Type of Borrower	Borrowers	Loans	Unpaid Principal
Water	5,766	12,095	\$5,058,124,000
Sanitary Sewer	3,099	4,650	\$2,328,396,000
Solid Waste	97	117	\$74,233,000
Storm Drainage	23	33	\$12,175,000
RC&D	26	31	\$1,136,000
Watershed and Flood Prevention	92	156	\$25,949,000
Guaranteed	45	56	\$30,264,417
TOTAL	* 8,055	17,138	\$7,530,277,417

* The numbers in the borrower column do not total as a borrower may have loans in multiple categories.

throughout the loan making, construction, and system management and maintenance processes. For many rural systems, the projects financed through RUS may be the first experience board members or town councils have with financing and managing a public utility. In recent years, supervised credit assistance has been expanded through the use of service providers. A contract with the National Rural Water Association provides rural water circuit

Loans written off since the inception of the program are approximately 1 tenth of 1 percent. Over the history of the Water Programs, 50 loans have been written off at a loss to the Government in the amount of \$21,706,178. This figure is extremely small in comparison to the total principal loaned since inception of the program of \$19.9 billion.

During fiscal year 2003, Preauthorized Debit (PAD) proved to be one of the most effective direct payment processes for WWD borrowers. The system allows loan payments to be electronically withdrawn from borrowers' bank accounts on the day the payment is due. PAD has reduced the time required to process payments and allowed for more timely application of payments to the borrowers' accounts. It has helped reduce the number of delinquent loans significantly. It has also saved our borrowers time and money in processing payments. The number of borrowers participating continues to grow, and as of September 2003, the participation rate was over 64 percent.



borrowers are required to refinance only when they can maintain reasonable user rates. In fiscal year 2003, 500 loans graduated.

WEP loans generate a significant amount of income for the Government.

In FY 2003 WEP collected nearly \$878 million in principal and interest payments. This represents over 120 percent of the budget authority appropriated to WEP for funding in FY 2003.

WEP Collections in FY 2003	
Principal and Interest	
Loan Payments	\$566,763,057
Loans Fully Paid	\$311,150,233
Total	\$877,913,290

Borrowers are required to refinance (graduate) to other credit when they can obtain the needed funds from commercial sources at reasonable rates and terms. Borrowers are reviewed every other year after the initial loan is 6 years old to determine whether they can refinance with commercial credit sources. Those borrowers determined able to refinance are asked to work with other credit sources in acquiring loans at reasonable rates and terms to pay off their debt to the government. Generally,

Engineering and Environmental Staff Review

RUS has been working collaboratively with the Engineers Joint Contract Documents Committee since 1994 to provide the best quality documents possible for use by applicants and engineers. In 2003, the committee published its second edition of Funding Agency Edition documents. This most recent version is the culmination of efforts by consulting engineers, insurance industry representatives, general contractors, and owner's representatives such as RUS, Economic Development Administration, and American Public Works Association. The end result is a balanced set of documents that assist owners in developing successful projects.

In fiscal year 2003, work was initiated on a Programmatic Agreement (PA) with the Bureau of Indian Affairs, Arizona State Historic Preservation Officer, Arizona Department of Transportation, Tohono O'Odham Nation and the Advisory Council On Historic Preservation regarding installation of fiber optic cable undertakings on lands of the Tohono O'Odham Nation. A similar PA will be developed for fiber optic cable undertakings on lands on the San Carlos Apache Reservation. The purpose of the Programmatic Agreements is to ensure that potential impacts to cultural resources are taken into consideration prior to the beginning of project construction.

The Engineering and Environmental Staff (EES) initiated work on a Memorandum of Understanding (MOU) with the U.S. Fish and Wildlife Service

(USFWS) to define RUS' responsibilities to protect migratory birds. This MOU is intended to strengthen migratory bird conservation by identifying and implementing strategies that minimize the take of migratory birds through enhanced collaboration between RUS and the USFWS.

An MOU between RUS, Central Electric Power Cooperative (South Carolina), and the U.S. Forest Service was signed. This MOU sets forth the roles and responsibilities of RUS, the Forest Service, and Central Electric Power Cooperative in the preparation of an Environmental Assessment or an Environmental Impact Statement for a 115 kV transmission line that would cross a portion of the Francis Marion National Forest.

Technology is advancing in the water and waste treatment arena like it is in other more visible fields. Fiscal Year 2003 was a productive year in developing Rural Development's capabilities to utilize Geographic Information Systems (GIS) technologies for support of program delivery. In partnership with the Service Center Implementation Initiative's GIS Team, the Rural Development GIS Team is making steady progress in building the infrastructure necessary to be able to spatially enable the Rural Development Data Warehouse. Rural Development GIS accomplishments in 2003 include: purchasing a Global Positioning System (GPS) unit for each Service Center Office; deploying ESRI software in all State Offices; cosponsoring the first

National Service Center Agency (SCA) GIS Workshop; developing and delivering SCA specific introductory-level GIS software and GPS training; developing a national training effort titled - GIS Fundamentals for SCA Program Managers; and establishing SCA GIS website.

In support of environmental issues, RUS and RD identified a need to develop an automated expert or decision support system to enhance and standardize the quality of its proposal-related environmental impact analyses and compliance documentation, and to lower the time and cost preparation. Our vision is that the expert system will be a TurboTax[®]-like application for distribution to field staff and applicants on compact disks or electronic download. The application will assist applicants and RD field staff in effectively integrating environmental considerations into project planning and design in accordance with the National Environmental Policy Act, the Council on Environmental Quality, and RD regulations. The first phase of the application development was initiated and awarded to a contractor in FY03. A development team is being organized to ensure applicability with RD partner agencies.

In a continuing effort to use electronic training technologies for training large numbers of staff, EES added additional environmental compliance training titles to its catalog. Titles completed relate to environmental risk management issues for releases of hazardous substances and management of hazardous wastes. In addition, EES partnered with Natural Resource Conservation Service to

develop a training CD on the Farmland Protection Policy Act.

In January 2003, the development of one environmental regulation for the three Rural Development agencies was initiated. This is a collaborative effort between the RUS Engineering and Environmental Staff and Rural Housing Service/Rural Business Service Program Support Staff (PSS). Preliminary drafts of Subparts A through H were prepared. Finalized versions of the subparts will be distributed for review and comment to State Environmental Coordinators and the National Association of Credit Specialists prior to the rule-making process.

In fiscal year 2003, the Environmental Specialists ensured RUS compliance with environmental requirements as they completed the following:

- 507 environmental reviews for electric generation and transmission and distribution cooperatives in the electric program.
- 13 environmental assessments were completed for headquarters facilities, gas-fired generation facilities and major electric transmission lines.
- 120 environmental reviews for proposed facilities in the telecommunications program.
- National Environmental Policy reviews for the nine High Energy Cost Grant Projects that were selected for approval in 2003.
- 27 environmental audits on water and wastewater projects for states that did not have loan approval authority.

RUS has continued its partnership with the U.S. Fish and Wildlife Service, the

New Mexico Fish and Game, Hawks Aloft, New Mexico Falconers Association and the Public Service Company of New Mexico in providing information and guidance on solutions to prevent migratory bird mortality. The group is now called the New Mexico Avian Protection Working Group. A second workshop was held in February 2003 with 98 people in attendance. The third workshop to develop an avian protection plan for utilities in the state of New Mexico is currently planned for February 2004. Several cooperatives in Texas have expressed an interest in creating a similar group. A raptor electrocution workshop in Texas is being scheduled in early spring 2004. The staff is continuing to review Avian Protection Plans, as they are being developed and providing comments and suggestions on raptor electrocution prevention designs and solutions.

WWD Loan and Grant Program

State	FY 2002		FY 2003	
	Loan	Grant	Loan	Grant
ALABAMA	\$15,920,900	\$13,873,500	\$19,341,100	\$12,592,500
ALASKA	\$0	\$4,161,173	\$520,000	\$1,900,000
ARIZONA	\$6,136,291	\$4,171,160	\$9,157,387	\$5,967,757
ARKANSAS	\$35,548,230	\$32,543,220	\$11,306,530	\$11,452,499
CALIFORNIA	\$38,497,248	\$18,509,616	\$27,676,810	\$13,351,030
COLORADO	\$5,986,600	\$5,470,300	\$4,441,020	\$4,272,980
CONNECTICUT	\$4,174,305	\$6,750,595	\$2,409,652	\$3,962,548
DELAWARE	\$4,938,000	\$3,408,681	\$9,261,000	\$2,100,000
FLORIDA	\$28,437,565	\$16,737,935	\$22,232,515	\$11,289,000
GEORGIA	\$23,889,010	\$29,046,200	\$20,943,600	\$17,421,500
HAWAII	\$2,776,400	\$1,823,600	\$0	\$0
IDAHO	\$10,524,000	\$8,964,478	\$5,531,000	\$4,690,212
ILLINOIS	\$21,529,000	\$17,221,000	\$17,053,980	\$14,995,850
INDIANA	\$44,296,200	\$26,447,200	\$16,483,040	\$14,460,850
IOWA	\$55,068,500	\$29,179,550	\$15,510,200	\$8,077,900
KANSAS	\$26,484,706	\$18,491,300	\$7,936,350	\$5,656,250
KENTUCKY	\$90,420,600	\$21,484,300	\$28,960,300	\$17,576,400
LOUISIANA	\$40,308,500	\$28,056,348	\$20,594,600	\$13,275,000
MAINE	\$13,271,730	\$11,372,422	\$11,511,100	\$5,999,672
MARYLAND	\$24,947,055	\$6,601,101	\$1,942,500	\$4,227,600
MASSACHUSETTS	\$11,332,092	\$11,099,822	\$6,320,970	\$4,900,415
MICHIGAN	\$35,339,500	\$37,196,500	\$17,736,000	\$20,350,000
MINNESOTA	\$33,842,300	\$32,596,445	\$13,143,600	\$8,859,500
MISSISSIPPI	\$33,811,091	\$31,485,030	\$28,696,110	\$15,186,393
MISSOURI	\$20,301,845	\$14,444,637	\$17,068,970	\$13,415,816
MONTANA	\$10,158,300	\$7,100,500	\$8,129,550	\$4,313,750
NEBRASKA	\$10,264,200	\$5,017,100	\$6,333,430	\$2,824,615
NEVADA	\$1,723,196	\$2,438,705	\$3,162,566	\$3,244,735
NEW HAMPSHIRE	\$9,128,945	\$10,545,225	\$4,936,620	\$6,067,162
NEW JERSEY	\$8,172,825	\$6,081,835	\$7,337,500	\$5,266,000
NEW MEXICO	\$8,326,548	\$9,234,710	\$6,256,047	\$4,088,539
NEW YORK	\$29,117,100	\$21,885,805	\$27,285,467	\$18,108,990
NORTH CAROLINA	\$36,637,325	\$30,617,701	\$43,904,000	\$22,375,000
NORTH DAKOTA	\$13,638,440	\$6,866,410	\$6,194,200	\$3,378,500
OHIO	\$42,836,000	\$26,467,700	\$32,080,000	\$18,564,060
OKLAHOMA	\$16,360,805	\$12,749,870	\$14,562,000	\$8,748,205
OREGON	\$12,345,020	\$11,126,874	\$9,944,140	\$5,960,000
PENNSYLVANIA	\$48,844,150	\$37,488,100	\$21,012,500	\$21,493,200
PUERTO RICO	\$39,863,000	\$33,576,000	\$39,124,000	\$20,822,000
RHODE ISLAND	\$271,575	\$1,070,855	\$1,998,215	\$1,944,745
SOUTH CAROLINA	\$26,754,800	\$10,136,600	\$17,545,200	\$10,041,000
SOUTH DAKOTA	\$10,728,638	\$8,816,621	\$4,838,000	\$2,503,000
TENNESSEE	\$39,211,494	\$19,705,790	\$24,797,000	\$14,223,400
TEXAS	\$42,192,800	\$42,286,100	\$39,431,900	\$25,058,569
UTAH	\$5,081,700	\$5,919,920	\$8,020,270	\$4,248,000
VERMONT	\$7,984,800	\$6,525,100	\$10,493,800	\$3,817,000
VIRGIN ISLANDS	\$0	\$0	\$0	\$0
VIRGINIA	\$25,767,530	\$23,122,810	\$17,314,840	\$16,538,500
W. PACIFIC AREAS	\$578,000	\$2,183,000	\$690,500	\$2,575,000
WASHINGTON	\$15,967,580	\$13,185,823	\$8,943,000	\$6,845,330
WEST VIRGINIA	\$29,457,500	\$21,545,640	\$44,114,000	\$11,659,000
WISCONSIN	\$21,603,360	\$15,006,950	\$14,471,770	\$10,521,620
WYOMING	\$3,224,400	\$3,284,400	\$4,850,400	\$5,100,000
Totals	\$1,144,021,699	\$825,122,257	\$763,549,249	\$496,311,592

Guaranteed Water & Waste Loans

State	2002	2003
CONNECTICUT	\$235,000	\$0
FLORIDA	\$70,000	\$0
KANSAS	\$0	\$1,225,000
LOUISIANA	\$1,400,000	\$0
NEW HAMPSHIRE	\$0	\$2,400,000
OHIO	\$200,000	\$0
PENNSYLVANIA	\$127,700	\$0
WASHINGTON	\$235,000	\$0
TOTALS	\$2,267,700	\$3,625,000

EZ/EC/REAP Loans and Grants

State	FY 2002		FY 2003	
	Loan	Grant	Loan	Grant
ARKANSAS	\$49,400	\$147,200	\$164,100	\$120,900
CALIFORNIA	\$0	\$0	\$514,000	\$1,000,000
FLORIDA	\$0	\$0	\$3,366,200	\$3,000,000
ILLINOIS	\$1,380,000	\$3,032,000	\$57,500	\$172,500
KENTUCKY	\$590,000	\$650,000	\$1,511,000	\$1,815,000
MAINE	\$0	\$0	\$100,000	\$450,000
MICHIGAN	\$1,254,000	\$4,084,250	\$0	\$0
MISSISSIPPI	\$736,500	\$644,700	\$390,700	\$1,052,300
NEW MEXICO	\$12,500	\$37,500	\$120,750	\$362,250
NEW YORK	\$2,143,500	\$899,900	\$0	\$0
NORTH DAKOTA	\$4,663,000	\$2,550,000	\$5,127,900	\$1,948,000
OKLAHOMA	\$2,340,000	\$0	\$0	\$0
TENNESSEE	\$0	\$0	\$506,900	\$1,869,700
VERMONT	\$489,800	\$1,431,700	\$410,100	\$1,230,000
VIRGINIA	\$0	\$800,000	\$0	\$0
WEST VIRGINIA	\$550,000	\$3,000,000	\$3,170,000	\$10,879,350
WISCONSIN	\$0	\$900,000	\$0	\$0
TOTALS	\$14,208,700	\$18,177,250	\$15,386,707	\$23,900,000

Native American Grants

State	2002	2003
ARIZONA	\$143,950	\$0
CALIFORNIA	\$956,000	\$0
IDAHO	\$1,199,145	\$235,000
MAINE	\$650,000	\$1,225,000
MINNESOTA	\$1,000,000	\$0
MISSISSIPPI	\$1,000,000	\$1,000,000
MONTANA	\$1,000,000	\$2,258,000
NEBRASKA	\$796,100	\$143,100
NEVADA	\$0	\$671,172
NEW MEXICO	\$1,619,500	\$1,137,668
NEW YORK	\$1,154,598	\$1,000,000
NORTH DAKOTA	\$922,100	\$4,037,500
OREGON	\$712,580	\$400,000
SOUTH DAKOTA	\$1,534,100	\$1,983,800
UTAH	\$853,100	\$372,640
WASHINGTON	\$161,427	\$0
WISCONSIN	\$2,297,400	\$1,421,000
Total	\$16,000,000	\$15,884,880

Colonias Grants

State	2002	2003
ARIZONA	\$3,100,000	\$3,371,068
CALIFORNIA	\$2,300,000	\$4,290,400
NEW MEXICO	\$6,386,000	\$7,914,000
TEXAS	\$7,215,787	\$8,603,308
TOTAL	\$19,001,787	\$24,178,776

Alaskan Village Grants

State	2002	2003
ALASKA	\$23,664,957	\$29,208,900

Emergency Program

State	Emergency Direct WW Loans		Emergency Direct WW Grants		ECWAG Direct WW Grants		ECWAG-Designated Direct Grants	
	2002	2003	2002	2003	2002	2003	2002	2003
ALABAMA						\$173,000		
CALIFORNIA					\$500,000	\$1,504,550		
DELAWARE						\$67,300		
FLORIDA						\$396,050		
GEORGIA					\$500,000	\$0		
IDAHO						\$256,000		
IOWA						\$666,120		
LOUISIANA					\$1,000,000	\$57,307		
MAINE					\$195,000	\$708,000		
MISSISSIPPI						\$440,000		
MISSOURI						\$3,354,900		\$8,910
NEBRASKA		\$102,370		\$114,190		\$1,007,688		\$20,612
NEVADA						\$1,500,000		
NEW MEXICO						\$1,760,000		
NEW YORK						\$1,329,900		
NORTH CAROLINA						\$75,000		
RHODE ISLAND						\$500,000		
SOUTH DAKOTA						\$480,200		
TENNESSEE						\$75,000		
TEXAS						\$500,000		
UTAH						\$37,500		
VERMONT						\$150,000		
VIRGINIA						\$1,500,000		
WASHINGTON					\$685,000	\$0		
WEST VIRGINIA					\$75,000	\$28,745		
WISCONSIN						\$70,000		
TOTALS	\$0	\$102,370	\$0	\$114,190	\$2,955,000	\$16,637,260	\$0	\$29,522

Other Agencies

Appalachian Regional Commission Grants

State	2002	2003
ALABAMA	\$392,000	\$383,131
GEORGIA	\$232,200	\$600,000
KENTUCKY	\$7,340,919	\$4,148,000
MARYLAND	\$650,000	\$0
MISSISSIPPI	\$1,081,520	\$600,000
NEW YORK	\$752,000	\$585,125
NORTH CAROLINA	\$745,300	\$399,615
OHIO	\$600,000	\$500,000
PENNSYLVANIA	\$35,000	\$0
TENNESSEE	\$400,000	\$387,500
VIRGINIA	\$500,000	\$0
WEST VIRGINIA	\$1,539,000	\$1,435,000
TOTALS	\$14,267,939	\$9,038,371

Economic Development Administration Grants

State	2002	2003
ILLINOIS	\$1,868,000	\$0
MICHIGAN	\$1,471,000	\$0
MINNESOTA	\$1,500,000	\$0
NEW YORK	\$500,000	\$0
OHIO	\$0	\$2,453,093
SOUTH DAKOTA	\$275,000	\$780,000
TOTALS	\$5,614,000	\$3,233,093

Technical Assistance Programs

Solid Waste Management Grants

State	2002	2003
ALASKA	\$170,000	\$214,945
ARKANSAS	\$128,000	\$123,000
COLORADO	\$46,000	\$0
HAWAII	\$39,000	\$39,000
IDAHO	\$110,000	\$79,000
ILLINOIS	\$46,000	\$0
KENTUCKY	\$0	\$70,000
LOUISIANA	\$100,000	\$100,000
MAINE	\$282,999	\$283,000
MASSACHUSETTS	\$119,000	\$119,000
MISSOURI	\$204,000	\$131,000
MONTANA	\$0	\$92,000
NEVADA	\$90,000	\$90,000
NEW HAMPSHIRE	\$98,000	\$176,000
NEW MEXICO	\$115,000	\$90,000
NEW YORK	\$0	\$115,000
NORTH CAROLINA	\$95,000	\$95,000
NORTH DAKOTA	\$90,000	\$0
OHIO	\$528,975	\$433,000
OKLAHOMA	\$76,000	\$76,000
OREGON	\$93,000	\$0
PENNSYLVANIA	\$20,000	\$20,000
RHODE ISLAND	\$90,000	\$0
TENNESSEE	\$60,000	\$60,000
VERMONT	\$162,000	\$314,200
VIRGINIA	\$850,000	\$850,000
WISCONSIN	\$74,000	\$74,000
TOTALS	\$3,686,974	\$3,361,428

Technical Assistance and Training Grants

State	2002	2003
ALASKA	\$103,000	\$180,400
ARIZONA	\$0	\$100,000
MAINE	\$100,000	\$100,000
MONTANA	\$9,324	\$0
NEVADA	\$0	\$120,000
NEW MEXICO	\$154,500	\$157,500
NEW YORK	\$200,000	\$205,300
OKLAHOMA	\$8,881,000	\$9,077,836
VIRGINIA	\$6,149,300	\$6,467,200
WASHINGTON	\$0	\$50,000
WEST VIRGINIA	\$1,836,000	\$1,846,000
TOTALS	\$17,433,124	\$18,304,236

PREDEVELOPMENT PLANNING GRANTS

State	No. of Grants	Grant Amount
ARIZONA	1	\$8,600
COLORADO	3	\$15,000
CONNECTICUT	1	\$15,000
DELAWARE	1	\$15,000
IDAHO	3	\$30,000
INDIANA	1	\$15,000
IOWA	1	\$15,000
MAINE	4	\$48,675
MARYLAND	1	\$12,128
MASSACHUSETTS	1	\$15,000
MICHIGAN	4	\$52,500
MINNESOTA	3	\$32,232
MISSOURI	18	\$184,525
NEBRASKA	3	\$14,325
NEVADA	5	\$75,000
NEW HAMPSHIRE	1	\$15,000
NEW MEXICO	2	\$30,000
NEW YORK	7	\$36,625
NORTH CAROLINA	1	\$11,250
OREGON	2	\$25,125
PENNSYLVANIA	2	\$22,500
RHODE ISLAND	1	\$7,500
TENNESSEE	2	\$15,000
TEXAS	3	\$38,500
UTAH	1	\$15,000
VIRGINIA	8	\$111,000
WASHINGTON	1	\$15,000
WEST VIRGINIA	1	\$15,000
WISCONSIN	3	\$27,000
TOTAL	85	\$932,485

ALL WWD PROGRAMS – FY 2003

State	No. of Loans	Loan Amount	No. of Grants	Grant Amount
ALABAMA	11	\$19,341,100	14	\$13,148,631
ALASKA	2	\$520,000	9	\$31,504,245
ARIZONA	8	\$9,157,387	14	\$9,447,425
ARKANSAS	32	\$11,470,630	33	\$11,696,399
CALIFORNIA	19	\$28,190,810	24	\$20,145,980
COLORADO	8	\$4,441,020	12	\$4,287,980
CONNECTICUT	2	\$2,409,652	5	\$3,977,548
DELAWARE	2	\$9,261,000	3	\$2,182,300
FLORIDA	16	\$25,598,715	13	\$14,685,050
GEORGIA	7	\$20,943,600	7	\$18,021,500
HAWAII	0	\$0	1	\$39,000
IDAHO	13	\$5,531,000	20	\$5,290,212
ILLINOIS	28	\$17,111,480	22	\$15,168,350
INDIANA	14	\$16,483,040	11	\$14,475,850
IOWA	20	\$15,510,200	20	\$8,759,020
KANSAS	20	\$9,161,350	14	\$5,656,250
KENTUCKY	39	\$30,471,300	49	\$23,609,400
LOUISIANA	23	\$20,594,600	17	\$13,432,307
MAINE	17	\$11,611,100	29	\$8,814,347
MARYLAND	4	\$1,942,500	12	\$11,337,728
MASSACHUSETTS	10	\$6,320,970	14	\$5,034,415
MICHIGAN	23	\$17,736,000	22	\$20,402,500
MINNESOTA	23	\$13,143,600	15	\$8,891,732
MISSISSIPPI	48	\$29,086,810	38	\$18,278,693
MISSOURI	40	\$17,068,970	70	\$17,095,151
MONTANA	18	\$8,129,550	18	\$6,663,750
NEBRASKA	13	\$6,435,800	24	\$4,124,530
NEVADA	11	\$3,162,566	26	\$5,700,907
NEW HAMPSHIRE	10	\$7,336,620	12	\$6,258,162
NEW JERSEY	5	\$7,337,500	5	\$5,266,000
NEW MEXICO	12	\$6,376,797	38	\$15,539,957
NEW YORK	40	\$27,285,467	55	\$21,380,940
NORTH CAROLINA	20	\$43,904,000	18	\$22,955,865
NORTH DAKOTA	10	\$11,322,100	14	\$9,364,000
OHIO	21	\$32,080,000	34	\$21,950,153
OKLAHOMA	14	\$14,562,000	14	\$17,902,041
OREGON	13	\$9,944,140	13	\$6,385,125
PENNSYLVANIA	24	\$21,012,500	22	\$21,535,700
PUERTO RICO	21	\$39,124,000	13	\$20,822,000
RHODE ISLAND	4	\$1,998,215	5	\$2,452,245
SOUTH CAROLINA	19	\$17,545,200	13	\$10,041,000
SOUTH DAKOTA	14	\$4,838,000	13	\$5,747,000
TENNESSEE	33	\$25,303,900	38	\$16,630,600
TEXAS	44	\$39,431,900	38	\$34,200,377
UTAH	7	\$8,020,270	11	\$4,673,140
VERMONT	7	\$10,903,900	15	\$5,511,200
VIRGIN ISLANDS	0	\$0	0	\$0
VIRGINIA	20	\$17,314,840	30	\$18,368,700
WASHINGTON	9	\$8,943,000	11	\$6,910,330
WEST VIRGINIA	23	\$47,284,000	25	\$25,863,095
WISCONSIN	18	\$14,471,770	26	\$12,113,620
W. PACIFIC AREAS	1	\$690,500	1	\$2,575,000
WYOMING	3	\$4,850,400	5	\$5,100,000
TOTAL	863	\$782,715,769	1,025	\$641,417,450

How To Contact Us

For additional information, contact your local USDA Rural Development office, or contact the National office at:

**USDA Rural Utilities Service
Water and Environmental Programs
1400 Independence Avenue, S.W.
Washington, D.C. 20250-1548
Telephone (202) 690-2670, fax (202) 720-0718, or**

Visit the WEP website: <http://www.usda.gov/rus/water/>

Visitors will find timely information on:

- ❑ WEP program information and how to apply for assistance
- ❑ Links to processing forms, regulations, State regulatory agencies
- ❑ Technical assistance programs available
- ❑ Training tools and tips on preparing engineering, environmental, and financial feasibility reviews, success stories, etc.
- ❑ Engineering resources for applicants, engineers, consultants, employees
- ❑ Locations of Rural Development State offices and contact information
- ❑ Information on special initiatives and legislative matters
- ❑ Links to technical assistance providers that specialize in drinking water, wastewater, and solid waste management problems for small communities.