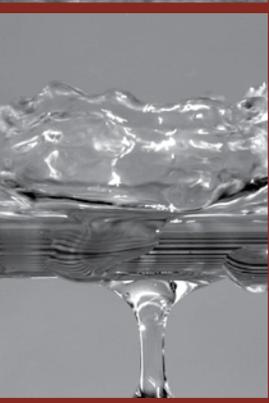


# *Small Water System Infrastructure Funding Guide*



*presented by*

**North Dakota Rural Water  
Systems Association and the  
North Dakota Department of Health**

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*Although the current oil boom in western North Dakota has provided the state with funding resources to complete a significant amount of water supply projects, the need for water infrastructure improvements continues to be in high demand. Water supply project needs alone are estimated to surpass a billion dollars leading into the next decade. Small water systems throughout the state will also be responsible for meeting the upcoming demands that new rules and tighter regulations place on these systems.*

*Meeting the demands of repairing and replacing aging infrastructure is taking a toll on many small utilities. Many public water systems, particularly small systems, have difficulty obtaining affordable financing for infrastructure improvements. Capital costs for new construction and upgrades can be immense. Replacing obsolete service lines, upgrading or replacement of treatment facilities, or extending service to new areas requires careful planning and a thorough consideration of potential funding opportunities.*

*Recognizing that acquiring funding for needed infrastructure is time consuming and complex, the North Dakota Department of Health in conjunction with the North Dakota Rural Water Systems Association, compiled the information in this booklet to help small systems meet the challenge of obtaining the necessary funding to complete projects.*

*This booklet will help the reader understand the following:*

- 1. The various funding sources available.*
- 2. The rules, regulations, and application processes of funding sources.*
- 3. How to get on the project priority list for construction.*
- 4. Interest rates and programs available for disadvantaged communities.*
- 5. How the various funding entities are working together to put affordable projects together for small and rural communities.*

# Bureau of Reclamation

Established in 1902, the Bureau of Reclamation is best known for the dams, power plants, and canals it constructed in the 17 western states. These water projects led to homesteading and promoted the economic development of the West. Reclamation has constructed more than 600 dams and reservoirs including Hoover Dam on the Colorado River and Grand Coulee on the Columbia River.

Today, Reclamation is a contemporary water management agency with a Strategic Plan outlining numerous programs, initiatives and activities that will help the Western States, Native American Tribes and others meet new water needs and balance the multitude of competing uses of water in the West. Their mission is to assist in meeting the increasing water demands of the West while protecting the environment and the public's investment in these structures. They place great emphasis on fulfilling their water delivery obligations, water conservation, water recycling and reuse, and developing partnerships with their customers, states, and Native American Tribes, and in finding ways to bring together the variety of interests to address the competing needs for our limited water resources.

## **WaterSMART**

Through the WaterSMART (Sustain and Manage America's Resources for Tomorrow) Grants Reclamation, 50/50 cost share funding is provided to irrigation and water districts, Tribes, states and other entities with water or power delivery authority. Projects should seek to conserve and use water more efficiently, increase the use of renewable energy, protect endangered species, or facilitate water markets. Projects are selected through a competitive process and the focus is on projects that can be completed within 24 months that will help sustainable water supplies in the western United States. More information on grant opportunities through the WaterSMART Program is available at <http://www.usbr.gov/WaterSMART/weeg/index.html>.

## **Water Conservation Program**

In 1996, Reclamation created the Water Conservation Field Services Program (WCFSP). The WCFSP is designed to encourage water conservation, to assist water agencies with developing and implementing effective water management and conservation plans, to coordinate with state and other local conservation program efforts, and generally to foster improved water management on a regional, statewide and watershed basis. The WCFSP is designed to be flexible, allowing area offices and regions to implement the program to fit local needs and to compliment and support other federal, state, tribal, and local water conservation efforts. Assistance can be provided in the form of technical advice or financial incentives.

Areas of emphasis for the WCFSP are:

- Water management planning.
- Demonstration of innovative technologies.
- Implementation of conservation measures.
  - ~ Provide funds for implementation through cost-sharing activities, typically supplied on a 50/50 share level.

### **For More Information, Contact:**

*Coordinator: James Weigel*

*Phone: 701.221.1289*

*Email: [jweigel@usbr.gov](mailto:jweigel@usbr.gov)*

*Fax: 701.250.4326*

*Mail: PO Box 1017*

*Bismarck, ND 58502*

*[www.usbr.gov](http://www.usbr.gov)*



# Community Development Block Grant (CDBG)

The CDBG program provides financial assistance to eligible units of local governments in the form of grants and loans for public facilities, housing rehabilitation, and economic development projects. The primary beneficiaries of these projects must be very low and low income individuals. Examples of projects funded by CDBG in the respective emphasis areas are:

- Housing - housing rehabilitation of very low and low income homeowner units and rental units within a particular area.
- Public facilities - water and sewer projects, removal of architectural barriers, fire halls, ambulances, etc.
- Economic development - cities and counties receive funds to loan/grant to businesses that create jobs for low income individuals.

The Division of Community Services contracts with the Regional Planning & Development Councils in the distribution of funds. To apply for funding, applicants must contact the Regional Council in their area for the appropriate project pre-application forms, low-income verification requirements, matching provisions, and other technical information needed. Project applications are accepted once a year for housing and public facilities. Economic development is open throughout the year. Cities and counties may submit more than one application per year.

Matching requirements for each type of project will vary from region to region. Some types of projects may rank higher than others due to priorities set forth by the Regional Ranking Committee.

## Regional Planning & Development Councils

### Region I

Tri County Regional Development Assoc.  
22 East Broadway, 2nd Floor  
PO Box 697, Williston, ND 58802-0697  
701.577.1358 Phone  
701.577.1363 Fax  
sandrah@ci.williston.nd.us

### Region II

Souris Basin Planning Council  
PO Box 2024, 925 20th Ave. SW  
Minot, ND 58702-2024  
701.839.6641 Phone  
701.838.8955 Fax  
info@sourisbasin.org

### Region III

North Central Planning Council  
Memorial Building  
PO Box 651, Devils Lake, ND 58301  
701.662.8131 Phone  
701.662.8132 Fax  
rickncpc@gondtc.com

### Region IV

Red River Regional Council  
Chase Building  
516 Cooper Avenue, Suite 101  
Grafton, ND 58237  
701.352.3550 Phone  
701.352.3015 Fax  
rrc@nd.gov

### Region V

Lake Agassiz Regional Council  
417 Main Avenue  
Fargo, ND 58103  
701.235.1197 Phone  
701.235.6706 Fax  
info@lakeagassiz.com  
www.lakeagassiz.com

### Region VI

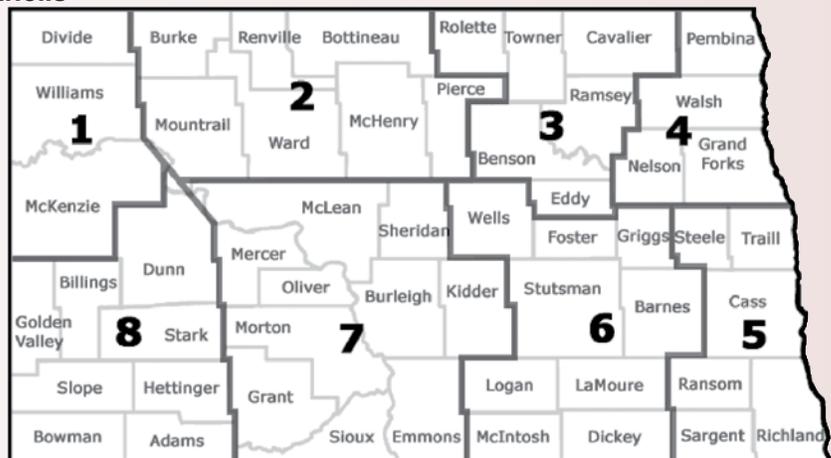
South Central Dakota Regional Council  
120 2nd Street SE  
PO Box 903, Jamestown, ND 58402-0903  
701.952.8060 Phone  
701.952.4930 Fax  
scdrc@daktel.com

### Region VII

Lewis and Clark Regional Development Council  
200 1st Ave. SW  
Mandan, ND 58554  
701.667.7620 Phone  
701.667.7630 Fax  
lcrdc@lewisandclarkrdc.org  
www.lewisandclarkrdc.org

### Region VIII

Roosevelt-Custer Regional Council  
300 13th Ave. W, Suite 3  
Pulver Hall 6th Floor, Dickinson, ND 58601  
701.483.1241 Phone  
701.483.1243 Fax  
info@rooseveltcuster.com



**For More Information, Contact:**  
*The Region Planning and Development Council serving your area or the North Dakota Division of Community Services:*  
**Century Center**  
1600 East Century Ave., Suite 2  
PO Box 2057, Bismarck, ND 58502-2057  
Phone: 701.328.5300  
Fax: 701.328.5320  
dcs@nd.gov  
[www.communityservices.nd.gov/community/block-grant](http://www.communityservices.nd.gov/community/block-grant)

# Community Water Facility Revolving Loan Fund (Bank of ND)

The Community Water Facility Revolving Loan Fund was established by the North Dakota Legislature in 1978. Monies transferred to this fund are used primarily for supplementary financing in conjunction with the USDA Rural Development (RD) - formerly FmHA/FSA - for community water projects.

The program was established to provide financing for community water projects when the project is above the maximum loan limits set by RD. It is also the intent of this program to provide supplemental financing for federal loan programs associated with community water projects. Loans from this fund are made in accordance with N.D.C.C. Chapter 6-09.5.

## Qualifying Requirements

**Borrower** - Eligible applicants are cities, associations, cooperatives and corporations operated on a nonprofit basis who have the legal authority to construct, operate and maintain water facilities. These entities should also show the ability to repay the loan in accordance with the RD requirements. BND shall cooperate with the Rural Development in considering applications to comply with 7 U.S. Code 1926 and 1927, and the rules and regulations relating to community water facilities.

**Service Area** - A borrower selects the most efficient and economically feasible methods of planning a community water facility project. In addition to central water systems, the community water facilities may provide service for individual usage or for small clusters of users within the central system service area, but who are beyond the physical or economic limits of the central system.

**Use of Proceeds** - The maximum lending limit is 50 percent of the total project cost or the remaining available funds in the revolving account. The fundable project cost shall be established by RD in accordance with their review procedures.

This program may be used for community water projects including:

- Loans for locating, conserving, controlling, treating and distributing water (these include reservoirs, dams, canals, wells, pumps, treatment plants, mains, pipelines, and other associated features necessary to supply water).
- Loans for necessary services prior to RD approval.
- Loans to cover operating expenses of projects when the borrower is unable to pay such expenses.

**Collateral** - These loans are secured by a real estate mortgage or by revenue bonds or warrants.

## Application Process

An application may be made either directly to the state Office of Rural Development. Applications approved by RD are forwarded to BND for review and approval.

## Interest Rate

The interest rate on a loan from this fund is 3 percent.

## Repayment Terms

The maximum term of a loan may not exceed 40 years. BND may defer interest and principal for up to three years to give a project time to become self-supporting. Thereafter, BND will establish a simple amortization schedule for the remaining term of the loan.

### For More Information, Contact:

*Bank of North Dakota  
1200 Memorial Hwy  
PO Box 5509  
Bismarck, ND 58502-5509  
701.328.5786  
1.800.472.2166 ext. 5786  
TDD (Telephone Device for the Deaf) 800.643.3916  
[http://banknd.nd.gov/lending\\_services/community\\_water\\_facility\\_and\\_health\\_information\\_technology\\_funds/community\\_water\\_facility\\_revolving\\_loan\\_fund.html](http://banknd.nd.gov/lending_services/community_water_facility_and_health_information_technology_funds/community_water_facility_revolving_loan_fund.html)*



# Convenient and Affordable Financing Helping Rural Water & Waste Disposal Systems

## Capable Lender

CoBank has a long-term commitment to water and waste disposal systems that serve rural areas, and the bank continues to add resources to serve this important and growing market.

CoBank specializes in providing financing for rural water and waste disposal systems – communities with less than 20,000 residents are eligible – owned by cooperatives, not-for-profit corporations, for-profit companies and, in some cases, public bodies.

More than 100 rural water and waste disposal companies across the U.S. work with CoBank, representing over \$1.0 billion in outstanding loans and leases.

## Products

CoBank offers a broad range of flexible loan programs with a variety of interest rate alternatives, including fixed and variable rates. They provide short-term financing for working capital and project construction. Intermediate and long-term loans are available to construct new facilities, remodel or expand existing facilities, purchase land or equipment, finance long-term assets, and refinance existing debt.

## Knowledge and Capacity

Their relationship managers are knowledgeable and will work to design a loan structure that fits your system's needs. CoBank stands ready to assist organizations that are interested in less red tape, faster turnaround and added value for you.

Meeting the financing needs of a growing water and waste disposal industry can be challenging – capacity is critical. CoBank has the capacity to finance projects of all sizes and the ability to tap the lending power of the Farm Credit System.

## Cooperative Advantage

CoBank's cooperative structure provides a special advantage for their customer-owners, who benefit directly from the bank's financial success. In 2011, CoBank paid \$284.5 million in patronage; representing a 19.8 percent return on average invested capital for customer-owners.

## Working With Your Industry

CoBank works with and supports the water and waste disposal industry through numerous trade organizations, including the National Rural Water Association (NRWA) and National Association of Water Companies (NAWC).

CoBank participates with the USDA Rural Development Water and Waste Disposal Loan and Grant Program, State Clean Water Revolving Loan Programs, State Safe Drinking Water Revolving Loan Programs and other rural lenders to meet the water and waste disposal financing needs of rural America.

## About CoBank

CoBank is a \$85 billion cooperative bank serving vital industries across rural America. The bank provides loans, leases, export financing and other financial services to agribusinesses and rural power, water and communications providers in all 50 states.

CoBank is a member of the Farm Credit System, a nationwide network of banks and retail lending associations chartered to support the borrowing needs of U.S. agriculture and the nation's rural economy. In addition to serving its direct retail borrowers, the bank also provides wholesale loans and other financial services to affiliated Farm Credit associations and other partners across the country.

Headquartered outside Denver, Colorado, CoBank serves customers from regional banking centers across the U.S. and also maintains an international representative office in Singapore.

## For More Information, Contact:

5500 South Quebec Street  
Greenwood Village, CO 80111  
800.542.8072  
[www.cobank.com](http://www.cobank.com)

## Relationship Managers:

David Dornbierer: 303.694.5848  
Bryan Ervin: 303.740.4377  
Jim Maras: 303.793.2168  
Jake Good: 303.793.2226  
Julia McCusker: 303.694.5858



# Municipal Rural & Industrial (MR&I) Water Supply Program

In 1986, the federal government authorized the Municipal, Rural and Industrial (MR&I) water supply program, funded partially by a \$200 million federal grant, which has helped many North Dakota water systems obtain a clean, reliable supply of water for residences, farms, schools, hospitals and industries. In spite of the work completed with the almost exhausted \$200 million federal grant, many water systems need assistance. In 2006, the total federal appropriations reached the \$200 million level promised in the 1986 MR&I funding. An additional \$200 million has been authorized in the Dakota Water Resources Act of 2000 (DWRA) to help further meet statewide water requirements. The Bureau of Reclamation is the federal agency handling DWRA components. The State Water Commission and the Garrison Diversion Conservancy District administer the state MR&I program.

## New Funding

After the funding authorized in DWRA is received by the state, the MR&I program will be able to fund additional projects. Funding for the program varies each year and comes from annual appropriations by Congress contained in the Bureau of Reclamation budget. Project eligibility and the application process will follow the guidelines of the existing program.

## Eligible MR&I Projects

Water supply projects and associated costs are eligible for financial assistance from program funds. Many aspects of the design and construction of water supply projects can be funded, including:

1. New groundwater wells including mechanical and electrical components.
2. Pipelines from water sources to public water systems and principal supply works for rural water systems. Booster pumping plants for supply lines.
3. Intake works and pumping plants for new surface water source.
4. New or enlarged storage facilities.
5. New rural water systems or expansions of rural water systems.
6. New regional water systems or enlargements or extensions of regional water systems.

The design and construction of water treatment projects are also eligible. These projects can be new water treatment plants or modifications and upgrades of existing water treatment plants.

Program funds may be used for engineering, legal, and right-of-way costs, excluding the purchase of easements, and costs incurred in conducting environmental reviews or cultural resources investigations associated with the planning and design and construction. Program funds are not available for costs associated with operation, maintenance, and replacement of water supply or treatment systems or with the preparation of the preliminary engineering report.

## How to Apply for State MR&I Funding

An applicant must submit an application for program funds to the State Engineer. A copy must also be sent to the Garrison Diversion Conservancy District. The application must include the following:

1. Information explaining the need for the proposal, including its objectives and benefits. The area to be served by the proposal.
2. Maps, diagrams, or other illustrated documentation if these will make the proposal more understandable. The approximate cost of carrying out the proposal, if available.
3. The amount of funding sought from program funds and the amount the applicant intends to contribute to carry out the proposal.
4. Efforts made, and the results, to secure funds from sources other than the MR&I program. If available, provide the current rate schedule for the water supply and treatment system.
5. Other information the applicant believes pertinent or requested by the State Engineer.

## For More Information, Contact:

ND State Water Commission  
900 East Boulevard Ave.  
Bismarck, ND 58505-0850  
Phone: 701.328.2750  
[www.swc.state.nd.us](http://www.swc.state.nd.us)

Garrison Diversion  
PO Box 140, Carrington, ND 58421  
Toll Free: 800.532.0074  
Local: 701.652.3194  
Fax: 701.652.3195  
[gdcd@daktel.com](mailto:gdcd@daktel.com)  
[www.garrisondiv.org](http://www.garrisondiv.org)



# National Rural Water Association in conjunction with USDA Rural Development Revolving Loan Fund

The National Rural Water Association (NRWA) Revolving Loan Fund (RLF) was established under a grant from USDA/RUS to provide financing to eligible utilities for pre-development costs associated with proposed water and wastewater projects. Revolving Loan Funds can also be used with existing water/wastewater systems and the short-term costs incurred for replacement equipment, small-scale extension of services or other small capital projects that are not a part of regular operations and maintenance.

Systems applying must be public entities. This includes municipalities, counties, special purpose districts, Native American Tribes and corporations not operated for profit, including cooperatives, with up to 10,000 population and rural areas with no population limits.

## **Loan Amounts and Terms:**

Loan amounts may not exceed \$100,000 or 75 percent of the total project cost, whichever is less. Applicants will be given credit for documented project costs prior to receiving the RLF loan.

The law authorizing the program allows a maximum repayment period of 10 years. Additional ranking points are awarded in the selection process for applicants that propose a quicker repayment of the loan. The repayment period cannot exceed the useful life of the facilities or financed item.

Five year, interest only, pre-development loans will also be available.

## **Interest Rate:**

Loans will be made at the lower of the poverty or market interest rate as published by RUS, with a minimum of 3 percent at the time of closing. The most current rates are available on the RUS Water and Environmental Programs Home Page at [www.rurdev.usda.gov/UWEP\\_HomePage.html](http://www.rurdev.usda.gov/UWEP_HomePage.html).

## **Collateral Requirements:**

As a minimum, a promissory note or comparable document authorized by the governing body will be required. Additional security may be required by the RLF administrator or loan committee when deemed necessary as allowable under state law.

## **Apply:**

Applications, information and forms can be acquired via the internet at [www.nrwa.org/benefits/rlfapp.pdf](http://www.nrwa.org/benefits/rlfapp.pdf). Information can be e-mailed, if available electronically, to [david@nrwa.org](mailto:david@nrwa.org).

Applications and documents can also be sent by mail. Applicants can also contact their State Rural Water Association for assistance in acquiring, preparing and submitting the required documents.



## **For More Information, Contact:**

*Eric Volk, Executive Director  
North Dakota Rural Water Systems Association  
2718 Gateway Avenue, Suite #201  
Bismarck, ND 58503-0585  
800.349.6951  
[ericvolk@ndrw.org](mailto:ericvolk@ndrw.org)  
[www.ndrw.org](http://www.ndrw.org)*



*Rural Water Revolving Loan Fund  
2915 S. 13th Street  
Duncan, OK 73533  
800.332.8715*

# North Dakota Department of Health Division of Municipal Facilities Water Operator Expense Reimbursement Grant

The Water Operator Expense Reimbursement Grant's objective is to refund expenses to operators working for small water systems serving 3,300 people or less. Funding is available to help operators become certified and remain certified without placing a hardship on the small system.

## **Allowable Expenses:**

Registration Fee\*

Mileage (one round trip per event)

Miscellaneous\*

Exam fees

Certification renewal fees

Books, manuals, study materials (purchased from or approved by the department)

Per Diem

Meals

\$6.00 breakfast

\$9.00 noon

\$15.00 evening

(receipts are not needed for meals)\*\*

Motel\*

Up to \$69.30 plus tax per day (current state lodging per diem)

A reimbursement form must be submitted for each event.

Submit separate forms if the operator and public water system are requesting split payment for the same event.

Do not combine events on the same form.

Mileage is limited to one round trip per event at the current federal mileage rate (i.e., \$.565).

Per Diem will be reimbursed at the current state rate.

\* Receipts are required for registration fees, miscellaneous expenses and lodging.

\*\* If meals are included as part of the registration package, they can not be claimed as part of the per diem.

If you have not submitted an "Operator Verification" form, please do so with this request.

## **For More Information, Contact:**

*North Dakota Department of Health*

*Division of Municipal Facilities*

*918 East Divide Avenue, 3rd Floor*

*Bismarck, ND 58501-1947*

*Phone: 701.328.5211*

*Fax: 701.328.5200*

*<http://www.ndhealth.gov/mf>*



**NORTH DAKOTA**  
**DEPARTMENT of HEALTH**  
Municipal Facilities

# North Dakota Public Finance Authority

## **Capital Financing Program**

Under its Capital Financing Program (CFP), the Authority makes loans to political subdivisions for the purpose of financing projects or improvements for which political subdivisions are legally authorized to borrow money through the issuance of municipal securities. Subject to credit requirements and certain program requirements, financing is available in any dollar amount.

The interest rates payable by a political subdivision are market rates which are set through a competitive bid process when the Authority issues and sells its bonds to fund a loan. The interest rates paid by the Authority on its bonds are the same rates a political subdivision will pay on its municipal securities sold to the Authority.

The CFP has been assigned a rating of "A+" by Standard & Poor's Ratings Group.

## **State Revolving Fund Programs (SRF)**

The North Dakota Public Finance Authority and the North Dakota Department of Health jointly administer the SRF. For more information, please see the SRF section in this booklet.

### **For More Information, Contact:**

*1200 Memorial Highway*

*PO Box 5509*

*Bismarck, ND 58506-5509*

*phone: 701.328.7100*

*toll-free: 800.526.3509*

*fax: 701.328.7130*

*ndpfa@nd.gov*

*<http://www.nd.gov/pfa/cfp.html>*

**NDPublic Finance Authority**

# North Dakota Rural Water Finance Corporation Interim Financing Program for USDA-RD Loans

The North Dakota Rural Water Finance Corporation (NDRWFC) was created in December 1998 by the North Dakota Rural Water Systems Association (NDRWSA). In an effort to assist borrowers across the state of North Dakota with the overwhelming burden of financing capital construction projects, the NDRWFC, in conjunction with Morgan Keegan, have created the Interim Construction Loan Program to provide funding for communities which have received a permanent loan commitment from the USDA, Rural Development (RD). The program is structured to provide a mechanism for obtaining competitive fixed-rate loans for construction projects at a very low cost of borrowing.

The program is designed as tax-exempt pooled financing with the NDRWFC as the program administrator. The loan rate is fixed for generally one year at a time. Loan funds are disbursed on an invoice requisition basis. The effective rate of borrowing is based on the loan rate less an interest earnings credit on undisbursed construction proceeds. The effective rate of funds is estimated at approximately 1.25 percent to 2.25 percent. Depending on the success of the program, the potential for an interest rebate to the borrower does exist but is not guaranteed. Should excess funds exist after the closing of the program, an interest rebate will be made to program participants. Any potential rebate will lower the effective cost of funds to the borrower.

## Basic Qualifications:

1. Must be a political subdivision.
2. Must have Letter of Conditions and Commitment Letter from Rural Development (RD).

## Loan Terms:

1. Current Loan Rate: 2.50 percent
2. Estimated rate of borrowing after investment earnings credit and final rebate: 1.25% - 2.25%.
3. Loan limit: The only limit is the amount of loan dollars approved by RD in its Letter of Conditions.
4. Capitalized interest: All interest is capitalized per RD budget.
5. Payoff: Your loan is repaid when your project is complete and final closing for the long-term financing is completed by RD.

## For More Information, Contact:

*Eric Volk, Executive Director  
North Dakota Rural Water Systems Association  
2718 Gateway Avenue, Suite #201  
Bismarck, ND 58503-0585  
800.349.6951  
ericvolk@ndrw.org*



**Morgan Keegan**  
Morgan Keegan & Company, Inc.

# Rural Community Assistance Partnership in conjunction with USDA/Rural Development

The RCAP Water & Wastewater Revolving Loan Fund (RCAP-RLF) was established with the help of the U.S. Dept. of Agriculture's Rural Utility Service (USDA RUS) to provide short-term financing to eligible applicants for pre-development costs associated with proposed water and wastewater projects. RCAP-RLF funds can also be used with existing water or wastewater systems and the short-term costs incurred for replacement equipment, small scale extension of services, or other small capital projects that are not a part of regular operations and maintenance.

To be eligible to receive an RCAP-RLF loan, projects must serve rural areas that are not located within the boundaries of a municipality with a population of 10,000 or greater. Eligible applicants would include public bodies including towns, counties, districts, authorities, Native American tribes, and utilities that are operated by not-for-profit corporations such as water associations and water supply cooperatives.

## **Loan Amounts**

Loan amounts may not exceed \$100,000. Applicants will be given credit for documented project cost prior to receiving the RCAP-RLF loan.

## **Loan Terms and Priorities for Lending**

The law authorizing the program allows a maximum repayment period of 10 years. Priorities for loans include: needs to alleviate emergency situations; to enlarge, extend, or otherwise modify existing facilities to provide service to additional rural areas; to alleviate deficiencies that have resulted in non-compliance with federal or state regulations; merging of ownership, management, and operation of smaller facilities providing for more efficient management and economical service; and for those communities and areas that are economically disadvantaged and are identified as needing special assistance.

## **Interest Rate**

The current interest rate will vary from 4.0 percent to 4.5 percent, depending upon the term of the loan.



### **For More Information, Contact:**

*RCAP Revolving Loan Fund  
Holly Baker - Loan Officer  
Community Resources Group, Inc.  
3 East Colt Square Drive  
Fayetteville, AR 72703  
Phone: 800.709.4934  
email: [hbaker@crg.org](mailto:hbaker@crg.org)  
<http://www.rcap.org/rffi>*

# State Revolving Fund Programs

The State Revolving Fund Program (SRF) was established in 1990 to enable North Dakota to receive federal capitalization grants as authorized under the Clean Water Act. In 1998, the SRF was amended to enable the state to receive capitalization grants as authorize under the Safe Drinking Water Act (SDWA). The SRF grants, received from the United States Environmental Protection Agency, are to be used to make below-market interest rate loans to political subdivisions for the purpose of financing authorized projects, to establish reserve funds, and for other purposes allowed under the Clean Water and Safe Drinking Water Acts. Authorized projects under the SRF include wastewater treatment facilities, non-point source pollution control projects, and public water systems. The North Dakota Department of Health and the Public Finance Authority jointly administer the SRF.

The interest rates on SRF loans are set by the Department of Health in consultation with the Public Finance Authority. The interest rates are fixed for a term up to 20 years. Contact the Department of Health for current rate information.

## **Clean Water State Revolving Fund (CWSRF)**

CWSRFs have replaced the old Construction Grants Program as the major funding source for upgrading community wastewater systems. Under the CWSRF, however, project eligibilities have been expanded and federal requirements reduced. The following types of projects are eligible for CWSRF funding:

- Wastewater Treatment Plants
- Storm Water Control
- Sewer Rehabilitation
- Sludge Management
- Nonpoint Source Activities
- CSO Abatement
- Toxic Management
- Collection Systems (Existing Communities Only)

## **Drinking Water State Revolving Fund (DWSRF)**

The overall purpose of the DWSRF is to assist public water systems (PWSs) in financing the costs of drinking water infrastructure needed to achieve or maintain compliance with the SDWA, and to protect public health. PWSs eligible for DWSRF assistance include community water systems, both publicly- and privately-owned, and nonprofit noncommunity water systems. Federally-owned PWSs are not eligible to receive DWSRF assistance. Community water systems are PWSs which serve at least 15 service connections used by year-round residents or regularly serve at least 25 year-round residents. Noncommunity water systems are PWSs that primarily provide service to other than year-round residents. Examples of nonprofit noncommunity water systems that are eligible for DWSRF assistance include schools and publicly-owned campgrounds, parks, and rest areas.

### **DWSRF Eligible Projects:**

Although there are some exclusions, there is considerable flexibility in the types of projects and project-related costs that are eligible for DWSRF assistance. A DWSRF program may provide assistance only for expenditures of a type or category which will facilitate compliance or otherwise significantly further health protection under the SDWA.

## **SRF Process**

Before a political subdivision can receive loan money, their proposed project must be identified on the Project Priority List and the Intended Use Plan. To be included on the lists, a community should notify the Department of Health of their intent as soon as possible. The Project Priority List and the Intended Use Plan are developed during the fall for the following construction season.

Application packets can be obtained from either the Department of Health, the Public Finance Authority, or online at <http://www.nd.gov/pfa/srf.html>.

A community will typically require the services of a consulting engineer and bond counsel. The engineer is responsible for preparing all required technical documents. The Public Finance Authority will work with the community's bond counsel to assure that all legal and financial requirements are met.

The typical SRF project consists of three steps: the facility plan, plans and specifications, and construction.



**For More Information, Contact:**

*North Dakota Department of Health*

*Division of Municipal Facilities*

*918 East Divide Avenue, 3rd Floor*

*Bismarck, ND 58501-1947*

*Phone: 701.328.5211*

*Fax: 701.328.5200*

*<http://www.ndhealth.gov/mf>*

# Tax Exempt Bond Financing

States and political subdivisions are generally allowed to finance their activities on a tax-exempt basis. The principal advantage of tax-exempt bond financing is a lower interest rate in comparison to the interest rate on conventional debt. Because investors in tax-exempt bonds do not pay federal or state income tax on interest payments received on bonds, the investors are willing to accept a lower interest rate – generally 2 percent to 3 percent below conventional rates. This difference in interest rates can amount to a substantial savings for qualifying borrowers, depending on the amount borrowed and the maturity of the loan.

Tax-exempt financing involves two steps: (1) meeting the requirements under federal tax law, and (2) finding specific authority under state law. In the state of North Dakota, specific authority for the issuance of revenue bonds is found in NDCC Chapter 61-35 for water districts and in NDCC Chapter 40-35 for municipalities. Authority for the issuance of special assessment bonds for municipalities is found in NDCC Chapters 40-22 to 40-27.

## Revenue Bonds

Revenue bonds are issued pursuant to an authorizing resolution prepared by bond counsel. The resolution will include certain covenants, including covenants to establish rates sufficient to pay operation and maintenance costs, fund required reserves and pay debt service on the bonds. The bonded amount will typically include an amount necessary to pay for the cost of the project, the cost of issuing the bonds, amounts to fund a reserve fund and any related costs.

## Special Assessment Bonds

In general, special assessment bonds or improvement bonds are issued in anticipation of the levy and collection of special assessments. The amount financed is assessed against the benefited property in proportion to the benefits accruing to the particular property. In addition to private property, any county, city or township property that is benefited must also be assessed. Improvement bonds may also be issued to pay for property taken by condemnation. Improvement bonds have a maximum maturity of 30 years.

You will be responsible for retaining bond counsel to represent you in these transactions and for negotiating the fees for that service. Here is a list of the North Dakota firms who are recognized bond counsel:

Arntson & Stewart Wegner PC  
51 Broadway, Suite 603  
Fargo, ND 58102  
701.280.0195

Ohnstad Twichell PC  
901 13th Avenue East  
West Fargo, ND 58078  
701.282.3249

Arntson Stewart Wegner PC  
3801 Lockport Street, Suite 1  
Bismarck, ND 58503  
701.255.1008

Steven L. Vogelpohl  
400 East Broadway, Suite 501  
Bismarck, ND 58501  
701.258.9847

# North Dakota Energy Infrastructure and Impact Grant Program

## Eligibility

The focus of the Energy Infrastructure and Impact Grant Program is to enhance or repair public infrastructure impacted by oil and gas development, particularly by entities that have limited sources of funds available to complete the project. Entities that are eligible to apply include cities, counties, emergency services, and political subdivisions with taxing authority. Entities that do not have taxing authority are not eligible to apply on their own. If the project being considered for an application shows a benefit to a taxing political subdivision, that political subdivision can compete and submit the grant application.

## Grant Schedule

There will be a minimum of four grant rounds each fiscal year and each grant round will focus on one or more project types and different political subdivisions. A political subdivision's chances of receiving a grant will be greater if the application is submitted during the quarterly grant round that focuses on its type of grant. Please refer to the Energy Infrastructure and Impact webpage for current grant round priorities: <http://www.nd.gov/energyimpact>.

## Ranking Applicants

Applications will be ranked in part based on:

- Meeting the objective of the grant round (for example emergency services during the emergency services grant round).
- Project readiness (is the project ready to be executed should funds be provided).
- Impact being a direct result of energy development.
- Projects reflecting a health, welfare or safety component receive increased priority.
- Financial need including tax levy, available funds, debt, investment, etc., are considered.

Applications are available at the Energy Infrastructure and Impact website in PDF and Word formats.

### **For More Information, Contact:**

*Energy Infrastructure and Impact Office*

*1707 North 9th Street*

*PO Box 5523*

*Bismarck, ND 58506-5523*

*Email: [gcfisher@nd.gov](mailto:gcfisher@nd.gov)*

*Telephone: 701.328.2800*

*Fax: 701.328.3650*

# Ergonomic Initiative Program Overview (WSI)

Workforce Safety & Insurance (WSI) has seen a steady number of ergonomic-related injuries each year and is now focusing on preventative measures, rather than post-injury, to assist employers in controlling these costs. Cumulative trauma injuries (including strains) have accounted for approximately 35 percent of all reported claims in North Dakota over the past five years.

## Purpose

The purpose of the Ergonomic Initiative is to reduce or eliminate cumulative-type injuries at the workplace. What typically begins as minor aches or pains, if ignored, has potential to develop into costly claims. Through the Ergonomic Initiative Program, WSI will be offering the employers of North Dakota resources, as well as financial assistance, to address their ergonomic issues.

## Ergonomic Initiative and Ergonomic Grant Step-by-Step Process

1. Submit a complete Ergonomic Initiative Employer Application to WSI.
2. If approved, you will receive e-mail notification of approval. You will also be given a list of area providers to work with throughout the program.
3. Employer selects a provider.
4. After the final assessment from the provider has been completed, the employer is now eligible for the Ergonomic Initiative Grant Program.
5. If equipment has been recommended through the initiative process, the employer completes the Ergonomic Initiative Grant Application requesting these recommendations.
6. If grant application is approved, and after agreements have been signed by WSI and the employer, then the employer may order/purchase equipment.
7. After the equipment has arrived and payment has been made, the employer submits a reimbursement request.

## Three Main Components

### 1. Provider Network

WSI has developed a network of providers throughout North Dakota. This network is comprised of experienced health-care professionals, primarily occupational and physical therapists, well versed in the field of ergonomics. These providers are located throughout the state.

Employers initiate the process by submitting an Ergonomic Initiative Employer Application for consideration. WSI will analyze claims trends (types of injuries, as well as frequency & severity) to determine if the injuries are linked to ergonomic issues. Another factor for consideration is the employee's level of exposure to potential injuries. Upon WSI approval, the employer will select one of the providers listed in the established network.

### 2. Financial Assistance for Provider Services

Fees charged by vendors under this program are paid by WSI at a 3:1 ratio, meaning WSI pays for 75 percent of the project cost and the employer is responsible for the remaining 25 percent. The amount of work and type of services performed will vary with each employer, depending on their needs. Some of the factors that will be considered will be the number of employees, number of job classifications, type of work being performed, and claims history (frequency and severity).

On-site services may include:

- On-site ergonomic assessments in which potential or existing problems will be identified.
- Ergonomic recommendations and interventions.
- Assistance with the selection of appropriate ergo equipment.
- Employer and employee ergo training.

A key component of this program is on-site training for employers and employees. By providing the basic tools necessary to conduct ergonomic assessments, they will be able to address some of these issues early on, before they become claims.

### 3. Financial Assistance for Ergonomic Equipment Purchases

As part of the Ergonomic Initiative, a Grant Program is available for those employers who have participated in this program. If the assessments conducted during the ergo initiative warrant ergonomic equipment purchases, employers may be eligible for assistance with these purchases through the ergonomic initiative grant program.

#### **For More Information, Contact:**

*Randy Wegge*

*WSI Loss Control Ergonomic Coordinator*

*701.328.6006 telephone 800.777.5033 toll free*

*701.328.6028 fax*



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2718 Gateway Avenue, Suite #201

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701.258.9249 or 800.349.6951

Fax: 701.258.5002

email: [ndrw@ndrw.org](mailto:ndrw@ndrw.org)

<http://www.ndrw.org>



**NORTH DAKOTA**  
**DEPARTMENT of HEALTH**  
Municipal Facilities

**North Dakota Department of Health**  
**Environmental Health Section**

918 East Divide Avenue

Bismarck, ND 58501-1947

Phone: 701.328.5150

Fax: 701.328.5200

<http://www.ndhealth.gov>