

USDA RURAL DEVELOPMENT
PREDEVELOPMENT & PLANNING GRANTS

Potential Grant Amount:
Applicant Specific

Predevelopment & Planning Grants (PPG) are designed to help communities overcome the challenges with meeting USDA Rural Development guidelines for funding. Often, the requirements of USDA Rural Development grants require additional engineering and planning over and above what other programs require. As a result, these grants can help offset up to \$30,000 in planning costs with a local match of 25 percent. The Median Household Income (MHI) requirements must be met with funding available each fiscal year as appropriated by Congress.

 **SOURCE**
US Department of Agriculture

 **LOCAL ADMINISTRATOR**
SD State Office of Rural Development (USDA).

- QUALIFICATIONS**
- Must have a **population of less than 10,000 citizens**.
 - Eligibility calculated based on median household income and user rates.

- REQUIREMENTS**
- The applicant must provide financial information to prove insufficient resources to pay predevelopment expenses on their own. Grants are limited to projects the Agency expects to fund soon after the application is submitted.
 - The applicant must meet certain eligibility requirements. The MHI of the proposed areas which will be served by the project must be either below the poverty line or below 80 percent of the statewide non-metropolitan MHI.
 - Costs associated with developing a grant application for a proposed project are covered by RD planning grants.
 - Funding contingent upon availability of funds.
 - Matching funds of at least 25% required.

More Information
www.rd.usda.gov/sd

ABOUT AE2S NEXUS



Bolstering Financial Stability and Sustainable Infrastructure Management

AE2S Nexus helps bridge that gap from concept to reality. We focus on creating solid plans, aggressively pursuing funding options, and assisting you with implementation to make sure your project is on solid ground.

PARTNERING
FOR A SUSTAINABLE
FINANCIAL
PLAN

SERVICES

- **Project Financing and Funding**
- **Municipal Financial Services**
- **Program Management Services**
- **Utility Financial Management**
- **Asset Management**

SOUTH DAKOTA FUNDING PROGRAM EXPERIENCE:

- Clean Water & Drinking Water Revolving Funds
- Community Development Block Grant
- FEMA Hazard Mitigation Grant Program
- USDA Rural Development
- Small Communities Planning Grants



AE2S Nexus is a Registered Municipal Advisor with the SEC (867-01516) & MSRB (K1086)

FINANCIAL PLANNING
AE2S Nexus Funding Resources

Working on their own, through the local regional Council of Governments, or together with AE2S Nexus, communities are able to access a variety of funding programs to help implement needed infrastructure. However, planning for sustainable communities doesn't stop there. Often, funding programs ask communities to identify appropriate local cost-shares, set aside for future repair and replacement, or determine how best to charge for repayment. AE2S Nexus can help you put together a comprehensive funding plan that includes these elements and provides the assurance your community is doing the right project in the most responsible way. By working collaboratively with you, we can provide the tools needed to move forward with projects and build a healthy, vibrant community.

Potential Areas of Study:

- Capital Improvement Timing
- Earmarked Funding Source
- Potential Grant Funding
- Prudent Rate Increases
- Long-Term Fiscal Sustainability of Your Community



WATER & WASTEWATER FUNDING OPTIONS

Water is an essential resource and an expensive utility to maintain. The State of South Dakota has made multiple funding sources available to communities in an effort to reduce this burden and assist in ensuring every resident of South Dakota has safe and reliable water. AE2S and AE2S Nexus were founded on water, wastewater, and water resources. We know how best to plan, design, and fund water projects. Our utility financial expertise is at your disposal to help you understand the long-term implications of your capital needs and how to help you build a sustainable utility.

CLEAN WATER REVOLVING LOAN FUND

**STATE OF SOUTH DAKOTA/
US ENVIRONMENTAL PROTECTION AGENCY**

Local Administrator:

SD Department of Environment & Natural Resources

 **2.0-2.5%**
RATE

 **10 YEAR**
(up to 30) TERM
LOAN

**GRANTS
(LOANS FORGIVENESS)/
AVAILABLE**

QUALIFICATIONS

Local Government with financing needs for all or a portion of wastewater (and stormwater) infrastructure projects

LOAN REQUIREMENTS

- Must be listed on the State Water Plan & Intended Use Plan
- Land costs are not allowed
- Financial capacity to repay the loan
- Facility plan complete & included in application



RURAL DEVELOPMENT LOAN AND GRANT PROGRAM


Applicant Specific
40 Year MAX
LOAN TERM

QUALIFICATIONS


**10K OR LESS
POPULATION**


**MEDIAN HOUSEHOLD
INCOME/USER RATES**

STATE OF SOUTH DAKOTA

Source: U.S. Department of Agriculture

Local Administrator:

SD Office of Rural Development (USDA)

LOAN REQUIREMENTS

- Loan recipient must keep reserve for short-lived assets as identified in a Preliminary Engineering Report.
- No Prepaid reserve account.
- Reserve is based on 110% coverage.
- Can be used in conjunction with other funding sources (TSEP, CDBG, SRF, and RRGL).
- Other terms and conditions may apply.
- Funding contingent upon availability of funds.

More Information: <https://www.rd.usda.gov/sd>

CONSOLIDATED WATER FACILITIES CONSTRUCTION PROGRAM


Applicant Specific

QUALIFICATIONS


**MINIMUM UTILITY
RATES**


**PRELIMINARY DESIGN
OR WATERSHED
ASSESSMENT
COMPLETED**

STATE OF SOUTH DAKOTA

Source: SD Department of Environment & Natural Resources

GRANT/LOAN REQUIREMENTS

- Local Government, Special Purpose District, State Agency, Federally Recognized Indian Tribe, or Nonprofit Corporation
- Must be listed on the State Water Plan

SPECIFIC APPLICATIONS FOR:

- **Project Cost ≤ \$250,000**
 - Small Water Facilities - Drinking water, wastewater, and stormwater infrastructure, or watershed restoration projects.
- **Project Cost > \$250,000**
 - Drinking Water Facilities Funding
 - Sanitary/Storm Sewer Facilities Funding
 - State Revolving Fund Interim Financing
 - Watershed Restoration Project Funding

More Information: <https://tinyurl.com/ycv5xdm4>

DRINKING WATER REVOLVING FUND

**STATE OF SOUTH DAKOTA/
US ENVIRONMENTAL PROTECTION AGENCY**

Local Administrator:

SD Department of Environment & Natural Resources

 **2.0-2.5%**
RATE

 **10 YEAR**
(up to 30) TERM
LOAN

**GRANTS
(LOANS FORGIVENESS)/
AVAILABLE**


QUALIFICATIONS

Local Government, Federally Recognized Indian Tribe, or Nonprofit Corporation with financing needs for all or a portion of water infrastructure projects

LOAN REQUIREMENTS

- Must be listed on the State Water Plan
- Projects that are primarily to serve growth are not eligible
- Financial capacity to repay the loan
- Facility plan complete & included in application

SMALL COMMUNITIES PLANNING GRANT


**80%
of Study Cost**
Water: ≤ \$8,000
Wastewater: ≤ \$10,000

QUALIFICATIONS


**2,500 OR LESS
POPULATION**

STATE OF SOUTH DAKOTA

Source: SD Department of Environment & Natural Resources

PURPOSE

Provide small communities with the funds to hire an engineering consultant to develop a project-specific engineering report for water or wastewater infrastructure.

QUALIFICATIONS

Local Government, Special Purpose District, or Community Water System

GRANT REQUIREMENTS

- Must not be listed on the State Water Plan

More Information: <https://tinyurl.com/y8yvlq2u>