



United States  
Department of Agriculture

Rural  
Development



**NJDEP**

State of New Jersey  
Department of  
Environmental  
Protection



**WATER AND WASTEWATER  
FINANCING  
FOR  
SMALL COMMUNITIES**

## FOREWORD

The Rural Utilities Service through Rural Development, United States Department of Agriculture and the New Jersey Department of Environmental Protection have joined forces to conduct a number of activities to improve services to the small communities and rural areas of the State of New Jersey.

This directory of financial and technical assistance programs is one of these activities. This is the fourth edition of the directory which updates program descriptions and agency contact persons. Information included on non-federal and non-state agencies is provided as reference material.

We hope that this information will be helpful to municipal, county, and authority officials providing water and wastewater disposal services.

Sincerely yours,

ERNEST R. GRUNOW, JR.  
State Director  
USDA/Rural Development  
for the Rural Utilities Service, USDA

NICHOLAS G. BINDER, P.E., P.P.  
Assistant Director, Municipal  
Finance and Construction Element  
New Jersey Department of  
Environmental Protection

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United States Department of Agriculture

Rural Development

Rural Utilities Service

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## *Water and Waste Disposal Programs*

**PURPOSE:**

To develop water and wastewater systems, including solid waste disposal and storm drainage in rural areas and in cities and towns with a population of 10,000 or less.

**FORM OF FUNDING:**

Project grants, direct loans and loan guarantees. Water and Waste Disposal direct loans are currently available at three different interest rates.

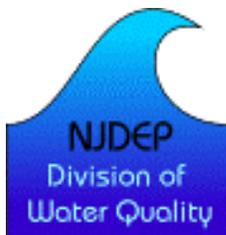
A 4.5% interest rate is available when the loan is required to meet health or sanitary standards and the median household income (MHI) of the service area is below \$36,532 or 80% of the NJ non-metropolitan MHI of \$45,665 based on the 1990 Census. Loans that do not qualify for 4.5% interest may be made at an intermediate rate, halfway between 4.5% and the market rate, if the MHI of the service area is not more than \$45,665. The market rate will apply for those loans that do not qualify for 4.5% or the intermediate rate. The market rate is established quarterly using the Bond Buyers Index. The rate awarded is a fixed rate in effect at the time a loan is approved. Loans are normally written over a 40 year term.

Grants are awarded for projects serving the most financially needy communities to reduce user costs to a reasonable level. The maximum grant that can be awarded is limited to 75% of grant eligible project costs for applicants whose service area has a MHI of less than \$36,532. The grant limit is reduced to 45% for applicants whose service area has a MHI of greater than \$36,532 and less than \$45,665. For communities with a MHI of greater than \$45,665, grant funds are not available.

ELIGIBLE APPLICANTS:	Public bodies such as municipalities, counties, districts, authorities, or other political subdivisions of a state; nonprofit organizations, cooperatives, and Indian tribal organizations.
REQUIREMENTS:	Applicants must be unable to obtain credit at reasonable rates and terms and must have the authority to borrow and repay the loan and operate, maintain, and manage the facility being financed.
ELIGIBLE ACTIVITIES:	Construct repair, improve, expand or otherwise modify water and waste disposal facilities. For water systems this includes supply, storage, treatment and distribution. For wastewater systems, collection and treatment. Solid waste includes collection sites, transfer stations, landfills, and composting facilities. Storm Drainage includes collection systems, pumping stations, and outfall lines. All necessary soft costs such as engineering, legal, other professional fees and services and capitalized interest are eligible for loan or grant.
APPLICATION DEADLINE:	There is no deadline. Applications can be accepted throughout the calendar year. Keep in mind that the Federal fiscal year begins October 1 and ends September 30. There is a funding cycle that follows the fiscal year and most funding awards are made soon after funds become available.
APPLICATION PROCEDURE:	Applicants should arrange for an application conference. Applicants wishing to first determine whether they are eligible or not may request a written eligibility determination before proceeding with a formal application.
FOR INFORMATION OR TO REQUEST AN APPLICATION, CONTACT:	USDA/Rural Development Attn. Community and Business Programs 790 Woodlane Road Mt. Holly, NJ 08060 TEL 609-265-3640 FAX 609-265-3651 TDD 609-265-3687 e-mail <a href="mailto:michael.kelsey@nj.usda.gov">michael.kelsey@nj.usda.gov</a>

WEBSITE:

<http://www.rurdev.usda.gov/>



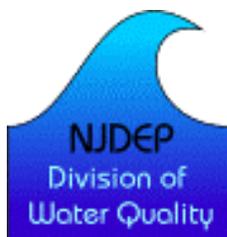
# Division of Water Quality

New Jersey Department of Environmental Protection

## New Jersey Clean Water State Revolving Fund Program

- PURPOSE OF FUNDING:** Funding is available for construction of a variety of projects including secondary and advanced wastewater facilities, infiltration and inflow correction, interceptors, pumping stations, force mains, major sewer system rehabilitation, new collection systems and correction of combined sewer overflows. Allowances for planning and design are also available. Also eligible are stormwater/nonpoint source management projects, including the construction of regional stormwater basins, the rehabilitation of existing stormwater sewer systems or existing basins, extending stormwater outfall pipes, repairing or replacing tide gates or pump stations, the purchase of stormwater system maintenance/nonpoint source management equipment and other related activities.
- SOURCE OF FUNDING:** Financing is provided from two sources, the New Jersey Wastewater Treatment Fund (the Fund) and the New Jersey Environmental Infrastructure Trust (the Trust). The Fund provides loans at 0% interest for approximately 20 years for up to one-half the allowable project costs. The Trust offers loans at about the market rate or less for the remaining allowable project costs, also for a 20 year term. Between these two funding sources, the rate on the loans is essentially half of the market rate. Approximately \$100-200 million is available per year. Limited grant funds are also available to small municipalities that are economically distressed.
- STATUTORY CITATION:** P.L. 1985, c. 329, N.J.S.A. 58: 1 1B-1 et seq., P.L. 1989, c. 181 and P.L. 1992, c. 88.

WHO IS ELIGIBLE?	Municipalities, counties, sewerage and utility authorities building new or improving existing wastewater treatment or stormwater management facilities.
QUALIFICATIONS REQUIRED FOR CONSIDERATION:	Eligibility is determined according to the ranking criteria of the Federal Priority System developed each year by the DEP. Each project is evaluated and point scores are assigned. Projects are certified for funding based on list rank, amount of available funds and compliance with requirements and deadlines for planning, design and application.
APPLICATION PROCEDURES:	Eligible entities must: (1) request placement on Project Priority List; (2) send in a commitment letter to satisfy planning, design and application deadlines and requirements prior to close of comment period on Proposed System/List and ; (3) satisfy the planning, design and application deadlines and requirements. "Second-chance" option may also be available, allowing fast-track processing if project sponsor is substantively through permitting approval process.
APPLICATION DEADLINE:	On or about March 1 annually. Notice of intent to file an application is required in advance of the actual application deadline in accordance with application procedures above.
NOTIFICATION DATE:	Early September of the same year.
FOR INFORMATION OR TO REQUEST AN APPLICATION, CONTACT:	Nicholas G. Binder, P.E., P.P., Assistant Director NJDEP-Municipal Finance and Construction Element P.O. Box 425 Trenton, NJ 08625-0425 Telephone (609) 292-8961 email nbinder1@dep.state.nj.us
WEBSITE:	<a href="http://www.state.nj.us/dep/dwq/wfp.htm">http://www.state.nj.us/dep/dwq/wfp.htm</a>



# Division of Water Quality

New Jersey Department of Environmental Protection

## Pinelands Infrastructure Trust Financing Program

PURPOSE OF FUNDING:	To provide funding for wastewater treatment facilities needed to accommodate existing and future needs in the 23 designated Pinelands Regional Growth Areas. Funding is available for the construction of new collection systems, interceptors and the expansion and/or upgrading of wastewater treatment facilities.
SOURCE OF FUNDING:	The Pinelands Infrastructure Bond Act of 1985 provided \$30 million as a source of funding for such projects. Projects certified generally receive a grant for 40% of the allowable project cost and a loan of 20% of the allowable project cost in accordance with project cost estimates contained in the Pinelands Infrastructure Master Plan. Planning and design costs are also eligible for funding under this program.
STATUTORY CITATION:	P.L. 1985, c.302.
WHO IS ELIGIBLE?	Local government units, including municipalities and regional sewerage or utility authorities, may be eligible for assistance.
QUALIFICATIONS REQUIRED FOR CONSIDERATION:	Eligibility to receive funding is determined according to the ranking criteria presented in the Pinelands Infrastructure Master Plan.
GRANT/LOAN LIMITATIONS:	Local unit must provide for ineligible cost and may be required to provide that portion (typically 40%) of the allowable cost which the grant/loan does not

cover. The NJ Environmental Infrastructure Trust may finance the remaining 40% as well.

APPLICATION PROCEDURES:	Eligible entities should contact the Pinelands Commission in order to have a potential project included in the Master Plan. Provided the project is of high priority and funds are available, the applicant will then be required to satisfy the DEP-established requirements.
APPLICATION DEADLINE:	Varies from funding cycle to funding cycle.
NOTIFICATION DATE:	Varies.
FOR INFORMATION OR TO REQUEST AN APPLICATION, CONTACT:	Nicholas G. Binder, P.E., P.P., Assistant Director NJDEP-Municipal Finance and Construction Element P.O. Box 425 Trenton, NJ 08625-0425 Telephone (609) 292-8961 email nbinder1@dep.state.nj.us
WEBSITE:	<a href="http://www.state.nj.us/dep/dwq/mface.htm#pinelands">http://www.state.nj.us/dep/dwq/mface.htm#pinelands</a>



## BUREAU OF SAFE DRINKING WATER

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New Jersey Department of Environmental Protection

### New Jersey Drinking Water State Revolving Fund Program

The New Jersey Drinking Water State Revolving Fund program (DWSRF) assists publicly and privately owned community water systems and nonprofit noncommunity water systems to achieve or maintain compliance with the requirements established by the Safe Drinking Water Act, and to further the public health objectives of the Act.

Funding through the program is available for a variety of projects including construction, repair and upgrades of water treatment facilities, storage facilities, pump stations, transmission and distribution mains, water meters and wells. Allowances for administration, planning and design, and engineering costs are also available. The program also includes funding for “nonproject set asides” that are not construction related, e.g., administration, public water system supervision, technical assistance for small systems, operator certification, capacity development, wellhead protection and source water assessment and protection.

Financing is provided from two sources, the New Jersey Environmental Infrastructure Trust (Trust), formerly known as the New Jersey Wastewater Treatment Trust and the New Jersey Department of Environmental Protection (Department). The Department provides loans at 0% interest for approximately twenty years for one half of the allowable project costs. The Trust offers loans at about market rate or less for one half of allowable project costs, also for a twenty year term. Between these two funding sources, the rate on the loans is generally slightly less than half of the market rate.

Eligibility to receive funding is determined according to the ranking criteria of the Project Priority System which is developed each year by the Department. Each project is evaluated and point scores are assigned. Projects are certified for funding based on list rank, the amount of available funds, and compliance with the Department’s requirements and deadlines for planning, design and application.

**CONTACT:** For further information on this program contact:

Philip Royer, Section Chief  
Bureau of Safe Drinking Water  
P.O. Box 426  
Trenton, New Jersey 08625-0426  
Telephone (609) 292-5550  
Fax (609) 292-1654



## BUREAU OF SAFE DRINKING WATER

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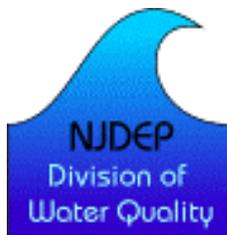
New Jersey Department of Environmental Protection

### Water Supply Replacement Loans

The Water Supply Replacement Loans are for the planning, design, and construction of water supply facilities to address contamination problems as identified by the Department of Environmental Protection, within the scope of the approved feasibility study, and are available to any publicly owned water supply system where the potable water service of at least three dwelling units are adversely affected by groundwater supply contamination problems. The maximum loan amount available is \$3,000,000.00. Loans are awarded subject to available funding on a priority basis considering the number of dwelling units that have confirmed levels of contaminants at or in excess of the Maximum Contaminant Level, financial hardship, the relative income levels of those affected and the number of people being served by the project. Those projects having a minimum of 130 points are considered exigent and will be processed for funding. The remaining projects will be held over for the next competitive ranking determination. The interest rate is specified at 2% per annum maximum for the entire loan maturity period. The standard maturity period is specified at twenty years.

**CONTACT:** For further information on this program contact:

Philip Royer, Section Chief  
Bureau of Safe Drinking Water  
P.O. Box 426  
Trenton, New Jersey 08625-0426  
Telephone (609) 292-5550  
Fax (609) 292-1654



# Division of Water Quality

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New Jersey Department of Environmental Protection

## OPERATIONS MANAGEMENT EVALUATIONS

Operations Management Evaluations (OME's) are conducted at small (generally under 1 mgd) publicly owned wastewater treatment facilities that are experiencing compliance problems. They are intended to identify the problems and to help local officials and operators resolve operation and maintenance (O&M) problems, and to ensure that communities meet their continuing compliance and OME responsibilities. OME's support implementation of the National Municipal Policy by helping bring minor facilities back into compliance at relatively small cost, adding a federal presence in small communities, and improving the agency's ability to oversee and assist State OME programs.

Technical assistance available includes:

1. diagnostic evaluations to determine the cause(s) of performance or compliance problems;
2. training/assistance program for performance improvement or compliance achievement;
3. on-site technical assistance and training to operators experiencing O&M problems; and
4. follow-up visits to monitor performance or compliance improvement and provide additional training and assistance.

Technical assistance is intended to identify both problems that can be solved with on-site help and training, and those that require upgrading. The program is without charge. Participation is voluntary and recommendations are not mandatory.

**Contact:** For further information on this program contact:

Chris Hoffman, P.E., Program Manager  
Bureau of Engineering South  
Municipal Finance & Construction Element  
Division of Water Quality, NJDEP  
P.O. Box 425  
Trenton, New Jersey 08625-0425  
Telephone: 609-984-6840

## New Jersey Rural Water Association

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### **About NJRWA:**

The New Jersey Rural Water Association (NJRWA) is a statewide, non-profit professional association of small water and wastewater utilities. The association specializes in providing training and assistance to utilities serving fewer than 10,000 customers. These services are provided on a no-fee basis to member and non-member utilities alike.

### **Training Programs:**

NJRWA has an extensive training program of half-day and one-day sessions. Seminars are conducted at locations throughout New Jersey for the convenience of participants. Seminars are performance based. NJRWA training covers a wide variety of subjects pertaining to the management, technical and financial skills necessary for the efficient operation of small utilities.

### **On-Site Assistance:**

On-site assistance can include hands-on technical assistance, personalized instruction, or help with regulatory or financial information. Some examples of on-site assistance include:

Leak Detection/Line Location	Sampling/Testing Assistance and Instruction
Regulatory Information	Field Meter Testing
Operator Certification Assistance	Help with Budgets and Water Rates
Curb Box Location	Lead and Copper Analyzing
Water Audits	Smoke Testing
Confined Space Atmospheric Monitoring	Backflow Testing
Well Level Indication	Loan and Grant Assistance
Treatment Troubleshooting	Public Relations
Safety Requirements	Consumer Confidence Reports

### **Source Water Protection:**

The association provides source water/wellhead protection services to qualified water purveyors. Services include public presentations, groundwater demonstrations, the distribution of training materials and the development of a protection plan using community input.

### **Reference Materials:**

NJRWA maintains an extensive library of water and wastewater books, training guides and videocassette training packages.

**For More Information, Please Contact:**

Rick Howlett  
New Jersey Rural Water Association  
110 W. Main Street, First Floor  
Tuckerton, NJ 08087-2220  
Phone: (609) 294-1000  
Fax: (609) 294-1122  
E-Mail: [njrwa@juno.com](mailto:njrwa@juno.com)

# The Northeast Rural Community Assistance Program

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## **BACKGROUND**

**Rural Housing Improvement (RHI), The Northeast Rural Community Assistance Program (RCAP)**, is a private, community-based nonprofit corporation established to help low income rural communities and people in New England, New York, Pennsylvania, New Jersey and Puerto Rico to achieve greater self-sufficiency and an improved quality of life. The Northeast RCAP helps communities to gain access to adequate and affordable drinking water supplies, wastewater treatment systems and solid waste management programs by providing technical assistance, training and other support activities.

## **COMMUNITY PROJECTS**

**FACILITIES DEVELOPMENT:** Technical assistance is provided to secure new facilities and/or major expansions or renovations of existing systems, including development and protection of water sources, transmission mains, collection and distribution system lines, storage tanks, and treatment facilities. RHI focuses on helping communities develop successful funding applications to make facilities development projects affordable.

**MANAGEMENT AND FINANCE:** Technical assistance and training is aimed at helping system administrators and owners improve the management, financial stability, and compliance status of their systems to ensure long-term viability, including rate-setting, bookkeeping, billing and reporting systems.

**OPERATION AND MAINTENANCE:** RHI's staff provides technical assistance to existing systems aimed at improving operations and maintenance. Specialists work in close coordination with system operators and other local officials to help develop specific action plans to address operation and maintenance problems and priorities.

**PROGRAM PLANNING:** Planning activities involving a specific community or communities focus on resource protection for existing facilities rather than construction of new facilities. Planning activities aimed at groundwater protection, watershed management and wellhead protection fall under this program objectives category.

**CONTACT:**           **New Jersey Branch Office:**  
Mark Hommer  
PO Box 7456  
North Brunswick, NJ 08902  
Phone: (732) 297-5050  
FAX: (732) 297-5088  
email [mhommer@rhipap.org](mailto:mhommer@rhipap.org)