



Message From WV State Director Rick E. Rice

I was appointed West Virginia USDA Rural Development State Director and have had the privilege of serving the public in that capacity now for a couple months. Although a challenge, it has already been quite rewarding—to see such dedicated employees, partnering, and program delivery techniques makes me quite proud to be a part of TEAM USDA Rural Development.

I would like to take the opportunity to tell you a little about myself. I live in Buckhannon, Upshur County, with my wife Lee Ann and have three children—Josh, Jason and Jenna.

I attended West Virginia Wesleyan College and West Virginia University.

I was a former Midwest Regional Manager for a major pharmaceutical chain, then I started an adver-



tising firm, and now own and operate a Stanley Steemer International retail franchise.

Public service is my passion and, therefore, I remain active in my efforts of advancing opportunities for the growth and economic development of West Virginia's communities.

I invite you to contact your local USDA Rural Development office or you may contact the State Office customer toll-free telephone line at 1-800-295-8228. Also, for further information

about our programs, please visit our State web site at www.rurdev.usda.gov/wv.

We offer over 40 programs, including: Single-Family Housing, Multi-Family Housing, Housing Preservation Grants, Broadband, Distance Learning & Telemedicine, Water & Wastewater, Business, Cooperative, Community Facilities, and technical assistance, to name a few.

There are a lot of changes on the horizon for Rural Development, and I plan to accept those challenges head on and do what I truly believe is best for the West Virginia citizens.

It is with great pleasure that we share this newsletter with you and we hope you not only enjoy it, but we also hope that it enlightens you about what we have to offer.

Inside this issue:

<i>Public Service Districts Across West Virginia Utilize Rural Development Programs</i>	2
<i>Rural Development Employees Commemorate Hispanic Heritage</i>	2
<i>Rural Development Employee Joins In Search For Autistic Hiker</i>	3
<i>Rural Development “Partners Up” To Make Dream Come True</i>	3
<i>Renewable Energy Systems and Energy Efficiency Improvements Program</i>	4
<i>Value-Added Producer Grants (VAPG)</i>	5
<i>Rural Development “Flies” To The Rescue</i>	6

Russian Academy Professor Visits Rural WV

Russian Academy of Sciences Professor Oleg G. Ovchinnikov contacted West Virginia USDA Rural Development State Director Rick Rice through Foreign Ag to request a research visit to The Mountain State to study issues of economic and social development in the United States rural areas.

Rural Development staff met with Ovchinnikov in the State Office (pictured 1 to 6 – Scott Mullin, Guaranteed Housing Specialist; Dianne Crysler, Housing Program Director; Rick Rice, State Director; Oleg Ovchinnikov; Cheryl Wolfe, Business and Cooperative Program Director; and Richard Satterfield, Business and Cooperative Specialist). In addition to those present at this meeting, Community Programs Specialist Steve Collins also accommodated Oleg in his research endeavor.

Prior to the meetings conducted at the State Office in Morgantown, Housing Program Director Dianne Crysler and Rural Development Manager Joe McMillion accompanied Oleg to a board meeting of the Upper Kanawha Valley Enterprise Community (UKVEC). Dr. Anne Cavalier, President of the Board, presented Oleg with a lapel pin and made him an honorary member of the UKVEC during this meeting. After the board meeting, Oleg was given ample opportunity to discuss issues with board members of the UKVEC.

Following the hospitable experience received at UKVEC, the three traveled to Montgomery, WV, where they met with Dr. John David, Director of Southern Appalachian Labor School (SALS), and SALS Housing Director Brenda Winter, who graciously accommodated Oleg's research inquiries. During this part of the

visit, Oleg also had the opportunity to visit WV Institute of Technology and listen to Cecil Roberts, President of the United Mine Workers of America (UMWA), give a brief history of the UMWA and discuss various issues and obstacles coal miners are facing today.

“It was The Mountain State's opportunity to showcase their commitment to the future of its rural communities, and the Rural Development staff certainly took advantage of that with this international visitor,” stated Rice. “Oleg's research visit to WV was insightful in allowing us to see that two countries so different were so much alike in respect to facing rural development issues.”



Public Service Districts Across West Virginia Utilize Rural Development Programs

The Marshall County Public Service District #4 is located in Marshall County in West Virginia's northern panhandle, bordering the States of Ohio and Pennsylvania. The Public Service District currently operates a water distribution system that serves approximately 1,200 customers in the county.

Rural Development has committed a loan in the amount of \$2,328,300 and a grant in the amount of \$1,446,700 to construct various size waterlines, fire hydrants, valves, and other appurtenances necessary to provide water service to approx-

imately 252 additional rural residents.

A transmission/distribution line will be built to the proposed Rocklick Tank, and from this point, water will be distributed by gravity along Route 250, Fork Ridge to Roberts and Bowman Ridges. This will allow the Bowman Ridge tank to supply the proposed extension areas of Middle Garage Creek and Cameron Ridge, as well as most of the PSD's existing customers. This loan and grant was closed on September 26, 2007, and the project is currently under construction.

Pictured (l to r): David White, Esq. (attorney for Marshall County PSD); George Lagos, Marshall County PSD General Manager; Donna Crawford, Marshall County PSD Board Member; Manning Frymier, P.O., Cerrone Associates (standing); David Glover, Marshall County PSD Chairman; Scott Hicks, Bel-O-Mar Regional Council (standing); Mark Fitzsimmons, Marshall County PSD Board Member; John Stump, Esq., Bond Counsel from Steptoe & Johnson; and Virginia McDonald, Rural Development Specialist, USDA Rural Development.



The Norton-Harding-Jimtown Public Service District has owned and operated a public water system since 1975. The PSD owns and operates a Class II water treatment plant treating protected ground water from two wells. The District currently serves 680 customers.

Residents living near Kingsville are in dire need of a source of clean, reliable, potable water.



Rural Development has committed a loan in the amount of \$657,000 and a grant in the amount of \$215,000 to extend water lines to serve approximately 31 new customers in the community of Kingsville and to the Leslie Equipment Company, as well as the construction of a new water storage tank and water lines that will enable the PSD to provide more reliable water service to the Tygart Val-



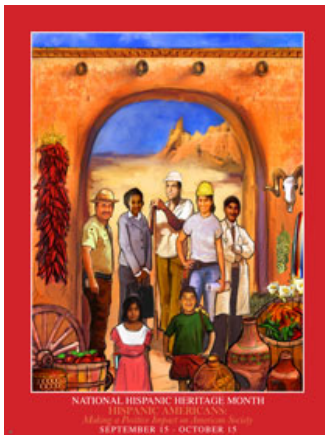
ley Regional Jail. This loan and grant was closed on September 26, 2007, and the project is currently under construction.

Rural Development has also committed a loan in the amount of \$2,249,000 and a grant in the amount of \$1,500,000 to construct waterlines that will provide water service to approximately 28 households in the Fairdale, Trap Hill, Glen Daniel,

Lilly Mountain, Metalton, Tolleys, Surveyor, Hoohoo, Crab Orchard, and MacArthur areas. The project includes the construction of two tanks for the Fairdale and Lilly Mountain areas to improve water storage facilities. This loan and grant was closed on September 26, 2007, and the project is currently under construction.



Rural Development Employees Commemorate Hispanic Heritage



The fourth annual Hispanic Heritage Festival was held at War Memorial Park in Martinsburg, Berkeley County, WV, the weekend of September 29, 2007.

This festival is a celebration of Hispanic culture, food and music. The event included everything from children dressed in traditional Columbian garb to high schoolers performing Salsa, Cumbia and Merengue dances, the sounds of Rudy Gonzales y Su Locura, and even a Chihuahua race.

Employees Ruth Ann Barron (Rural Development Manager) and Scott Mullin (Guaranteed Housing Specialist) attended the commemorative Festival on behalf of USDA Rural Development.

The USDA Rural Development display booth was set up and they handed out Section 502 Housing, Guaranteed Housing, and Self-Help Housing pamphlets that were in Spanish and talked to potential applicants.



Rural Development Employee Joins In Search of Autistic Hiker

"I was there when they found Jacob; it was one of the most moving experiences that I have ever had," exclaimed David Cain, Multi-Family Housing Specialist. "Most rewarding was the look upon Jacob's family's faces when he was finally found."

David joined the search for Jacob on Thursday, October 18, 2007. Picture it...the search for an 18-year old autistic hiker missing in the woods—family and volunteers feverishly searching the Dolly Sods area near Canaan Valley for Jacob Allen. Jacob, who is from Morgantown, went missing Sunday, October 14, while hiking with his family.



Although a beautiful scenic area, you can see from the photos that David took, there was potentially dangerous ground to cover during the search.



Anyone lost in this vast area would potentially be in danger, but that problem heightens when it involves someone who is autistic.



Autism is a neurological disorder which affects a person's ability to communicate, to socialize with others and to make sound judgments. It is also a sensory disorder,

meaning those affected are easily distracted and might not know how much danger they could possibly be in.

The photo to the left is a small portion of the volunteers' vehicles that gives a sense of the urgency and the devotion of the volunteers to find this hiker.



The photo directly above shows the ambulance transporting Jacob out of the area once he was found.

Jacob had spent four cold, lonely nights in the wilderness before he was found and made many believe

in miracles. Cain admitted, "It was very scary to be out there searching for this young man...I have a 16-year old daughter and I can empathize with this family; it's scary to think your child could be out there in the cold, dark, dangerous wilderness and you cannot find them to help them."

As the picture is below, what a beautiful ending. Jacob Allen has been found, is reunited with his family, and one of USDA Rural Development employees had the opportunity to help and share in that experience.



Rural Development "Partners Up" To Make Dream Come True

Jeanne Lancaster (*pictured to the right in front of her new home*) first came to Rural Development hoping to gain assistance with the purchase of her very own home. She had searched the local housing market and knew that it would be a daunting task based on her limited Social Security Disability income.

Jeanne was certified eligible for a Section 502 Subsidized Loan from Rural Development and a Leveraged Forgivable Loan from West Virginia Housing Development Fund. The total funding package was just under \$50,000.

Jeanne really wanted to have a new home built, but at this time did not own any property and the cost of construction was estimated to be \$75 per square foot.

After weeks of searching for available land, Jeanne caught a break; an elderly lady in Ansted, WV, that she had helped care for years ago, had agreed to give her a small parcel of land if Jeanne would agree to build a house upon it within the first year of her ownership.

With the land acquisition under her belt, it was time to find a builder that would also contribute to the project by charging less than the customary fee for home construction in this area.

Negotiations began immediately with a contractor her family had

known for years and he agreed to build Jeanne a new home for less than \$65 per square foot.

A once-in-a-lifetime dream became a reality because the U.S. Government still cares about Rural Americans.



Without Rural Development subsidized loan funds and West Virginia Housing's forgivable loan funds, Jeanne's dreams of building a new home would have fallen by the wayside. Instead, she is a successful homeowner - all made possible by USDA Rural Development and its partners.

USDA Rural Development's Mission: To Increase Economic Opportunity and Improve The Quality of Life for All Rural Americans.

USDA Rural Development's Vision: A Rural America That Is A Healthy, Safe & Prosperous Place To Live and Work.

Renewable Energy Systems and Energy Efficiency Improvements Program

The [Farm Security and Rural Investment Act of 2002](#) (the Farm Bill) established the **Renewable Energy Systems and Energy Efficiency Improvements Program** under Title IX, Section 9006. This program currently funds grants and loan guarantees to agricultural producers and rural small business for assistance with purchasing renewable energy systems and making energy efficiency improvements.

Eligible Applicants

Farmers, ranchers, and rural small businesses with a demonstrated financial need, based on applicant's financial resources or the project's cash flow, are eligible for this program. Farmers and ranchers must directly engage in the production of agricultural products and obtain at least 50% of their gross income from their agriculture business.



Headquarters of the applicant may be in a rural or a non-rural location. Small businesses must meet the definition of a small business according to the SBA (Small Business Administration) standards. SBA small size standards can be found at <http://sba.gov/size/13cfr121.html>. The private entity may include a sole proprietorship, partnership, corporation, and a cooperative. However, non-profit organizations and public entities are not eligible for this program. Previous recipients must make satisfactory progress toward completion of previously funded projects before it/they will be considered for subsequent funding.

Project Eligibility

The project must be for the purchase of a renewable energy system or to make energy efficiency improvements in a rural area. The project must be for a pre-commercial or commercially available and replicable technology. The applicant must be the owner of the project and control the revenues and expenses, including operation and maintenance. A third-party under contract to the owner may be used to control revenues and manage the operation and/or maintenance of the project. Sites must be controlled by the agricultural producer or small business for the financing term of any associated Federal loans or loan guarantees. Satisfactory sources of revenue in an amount sufficient to provide for the operation, management, maintenance, and debt service of the project must be available for the life of the project.

Renewable Energy Projects

Projects that fall under this category involve a process to produce renewable energy. Grants available may not be less than \$2,500 nor exceed \$500,000. The grant money may not exceed 25% of total project costs. The maximum guaranteed loan under this program is \$10,000,000 with a \$5,000 minimum. The combined grant and loan guarantee may not exceed 50% of total project costs. An energy audit is not required. Categories include: Biomass, Anaerobic Digester, Geothermal—electric generation, Geothermal—direct use, Hydrogen, Small and Large Wind,, and finally, Small and Large Solar. This includes solar projects that provide air heating or water heating without active storage.

An example of a Renewable Energy project is that of Redbud Farm in Berkeley County, West Virginia. Grant funds will be used to install a closed-loop hot water heating system via solar thermal collectors. Heat will be transferred from the collector to water, then stored and pumped through lines to provide root zone heating to facilitate the extension of the growing season for crops such as salad greens. By using a photovoltaic panel to produce direct current to operate the pumping system, the entire system will operate independently of the electrical grid.

Energy Efficiency Projects

Projects that fall under this category are improvements that reduce energy consumption. The minimum grant available is \$1,500 and the maximum is \$250,000. The grant money may not exceed 25% of total project costs. The maximum guaranteed loan under this program is \$10,000,000 with a \$5,000 minimum. The combined guaranteed loan and grant may not exceed 50% of total project costs. An energy audit is required. All projects must be verified by this energy audit or assessment.



Filing an Application

As of this writing, it is anticipated that the Notice of Solicitation for Applications (NOSA) for the grants will be published in the Federal Register in Spring 2008 with a 60-90 day application period.

Applications are filed with the West Virginia Rural Development State Office. Application forms can be obtained at the Rural Development State Office or online through the USDA at www.rurdev.usda.gov/rbs/farbill/9006form.html.

Funding of individual recipients will be contingent upon their meeting the conditions of the grant/loan guarantee agreement. A complete list of the selected recipients for Fiscal 2007 is posted on the USDA Rural Development web site at <http://www.rurdev.usda.gov>.

USDA Rural Development's mission is to deliver programs in a way that will support increasing economic opportunity and improve the quality of life of rural residents. As a venture capital entity, Rural Development provides equity and technical assistance to finance and foster growth in homeownership, business development, and critical community and technology infrastructure.

Further information on rural development programs is available at a local USDA Rural Development office or by visiting USDA's web site at <http://www.rurdev.usda.gov>.

Value-Added Producer Grants (VAPG)

How can we bring back Ag production as the economic engine of the rural economy? USDA Rural Development's Value-Added Producer Grant program may be the tool you're looking for.

The **Value-Added Producer Grant Program** was designed to help bring new uses to farm products and increase the agricultural producers' customer base. It is designed to help keep agriculture strong before it disappears from the rural economy. As producers of crops and livestock, American farmers receive only what the market pays for a raw commodity. But when they are able to perform further processing themselves, they can reap far greater rewards, thereby increasing farm income. The key to this new vision is generating economic activity, not from government programs, but from the marketplace.

The program was first authorized by the Agricultural Risk Protection Act of 2000 and was amended by the 2002 Farm Bill. Awards may be made for planning activities or for working capital expenses, but not for both. The maximum grant amount for a planning grant is \$100,000, and the maximum grant amount for a working capital grant is \$300,000.



Value-Added can mean one of the following:

- Changing the physical state of a commodity, e.g., soybeans into snacks.
- Differentiated production or marketing, as demonstrated in a business plan; e.g., organic tomatoes.
- Product segregation; e.g., identity preserved corn (having the capability of tracing the corn back to the field where it was grown).
- Production of farm-based renewable energy; e.g., electricity generated from an anaerobic lagoon.

Grants may be used for planning activities and for working capital for marketing value-added agricultural products and for farm-based renewable energy. Grant funds may not be used for the purchase of machinery and equipment or construction costs. This grant program has a matching funds requirement of at least 50%, meaning at least one dollar of match for every dollar of grant assistance. Eligible applicants are independent producers, farmer and rancher cooperatives, agricultural producer groups, and majority-controlled producer-based business ventures.

Planning grants can be used for feasibility studies, marketing and/or business plans. Grant funds can be used to pay consultants who guide producers through the development processes. The planning activities must be related to the marketing of a value-added product. Working capital grants can be used by new or existing businesses to pay the operating expenses of new ventures just starting out. If a business venture has been operating for more than a year, it does not qualify for a working capital grant.

Weatherbury Farm, Avella, PA, is an example of a farm-based, value-added business expanded with the help of a Value-Added Producer Grant. Weatherbury Farm is a bed and breakfast and working farm. It received a VAPG in 2006 to initiate a grassfed beef project with plans to market the product directly from the farm. This expansion incorporates agritourism, livestock production and sound resource management into an already diverse family-run farm business.

As of this writing, it is anticipated that the Notice of Solicitation of Applications will be published in the Federal Register in December/January and will include a 60-90 day application period.

Further information on this and other Rural Development programs is available at a local USDA Rural Development office or by visiting USDA's website at www.rurdev.usda.gov.





“Wild, Wonderful & Open For Business”

Federal Building, Suite 320
75 High Street
Morgantown, WV 26505-7500

Phone: 304-284-4860 OR 800-295-8228
Fax: 304-284-4893; TTY/TDD 304-284-4836
Gail.Bennett@wv.usda.gov

Almost Heaven WV
Mountain State Rural Express



Committed to the future of rural communities.

We're on the Web!

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



Please forward your request to receive this newsletter via e-mail to Gail Bennett, Editor, at Gail.Bennett@wv.usda.gov.

Rural Development “Flies” To The Rescue

Bruce Martin, Rural Development Manager, and Roger Waugh, Rural Development Assistant, do NOT have wings, but they “flew” to the rescue of the Maynard family in Wayne County, WV.

Gerald and Janice Maynard, located in Newcomb Creek, requested Section 504 Housing funds to replace the roof on their home, which they knew had been a home to a large colony of big brown bats and their pups for over ten years.

Before further action could be taken, bat species had to be identified to determine presence of any federally threatened and/or endangered species.

Martin contacted Mountain State Biosurveys, LLC (MSB), to assess steps and develop a bat exclusion plan to safely remove the bats from the Maynards’ residential attic.

Upon a site visit by MSB, an exit count of approximately 333 bats was observed during a 20-minute period. The

exclusion would have to be completed after maternity season (May 15—August 15) due to the possibility of bat pups being present within the structure; bat pups cannot fly initially.

MSB determined the bats were not endangered, so an ethical means was developed to remove the remaining bats prior to roof construction.

Because of the Maynards’ unique situation, MSB waived their professional exclusion fee for services. The Maynards are, however, responsible to pay for the device that will keep the bats out; the device allows bats to fly out, but not in.

With the bats no longer being an obstacle, the Maynards are further pursuing their endeavor to get a new roof on their home, where they have resided for over 20 years.

“The funds have been obligated, a contractor has been chosen by the family, and they should have a new roof (weather permitting) by mid-November,” stated Martin. “It has been a learning experience for me, and I am just glad that Rural Development could help out in this unique situation.”

Waugh added, “Helping folks is what we are here for. Although this situation took some extra partnering and time, the end result makes it all worth it.”



Bat found roosting on outside of structure