

THE RURAL MINNESOTAN



Committed to the future of rural communities.

Official Newsletter of USDA Rural Development in MN Northwestern Minnesota Edition

Addressing water and wastewater issues

BYRON — The city of Stewartville, Minn., is located about 15 miles south of Rochester. Like many communities that USDA Rural Development works with, Stewartville is growing.

“It’s a slower and steadier growth,” said Bill Schimmell, Stewartville’s city administrator. “But we’re definitely growing.”

A problem that many growing rural communities face is how to deal with wastewater and water treatment issues. Often, these problems can be overwhelming and intimidating.

USDA Rural Development, along with several valuable partners, are trying to help rural communities confront these issues before they become problems by



Terry Louwagie of Rural Development presents at the Byron session.

conducting a series of training sessions. The sessions educate city officials about the importance of proper water and wastewater treatment, assessing what a community needs, where to go for funding and technical assistance, how to hire an engineer, different types of systems for treatment, and system operations. The sessions are free and have been a major success thus far.

“The nuts and bolts of each session is to edu-

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From the desk of State Director Steve Wenzel

ST. PAUL — Welcome to the new official newsletter of USDA Rural Development in Minnesota. One of my goals as State Director was to improve awareness

and communication with our customers and rural Minnesotans about Rural Development programs and our activity throughout rural Minnesota. We have made tremendous strides in this area, but were lacking a consistent, state-wide newsletter. It is with great pride that I introduce the Rural Minnesotan,

the official newsletter of USDA Rural Development in Minnesota. Each issue will have a lead story that we will feature statewide, information tailored to each specific region of the state where we have office locations and a column from yours truly. These areas include northwest, northeast, west central, east central, southwest, and southeast Minnesota.

Secretary of Agriculture Mike Johanns announced the President’s and department’s proposals for the new 2007 U.S. Farm Bill on Jan. 31. The proposals have been debated and discussed for the past couple of months, but there is one thing I can say with certainty: The Secretary’s proposals are a giant step in providing for an even greater impact by USDA Rural Development on the future of rural America. The plan includes three significant funding initiatives that will impact rural communities:

*Over **\$1.6 billion** in renewable energy funding

*Over **\$1.6 billion** in guaranteed loans to rehab the nation’s 1,200 Critical Access Hospitals.

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cate communities before entering into a project,” said Jeff Dale of the Minnesota Rural Water Association at a session in Byron, Minn., on March 20. “There’s never a one-size-fits-all option.”



Schimmel said that Stewartville has begun looking into building a new wastewater plant and upgrading its water infrastructure. The city is seeing a lot of new residential development as it becomes a “suburb” of Rochester. He thought the training session

was extremely beneficial.

“It was a good refresher,” Schimmel said. “It was nice to hear about current trends and revenue sources. We also got to the root of what is working and what isn’t.”

Ten workshops will be completed by the end of April. The first was conducted in 2005. Bill Slininger, Community Programs Director for Rural Development, hopes to conduct six workshops each year as long as there is a need. The locations of each session will vary.

“To my knowledge no other state has done this,” Slininger said. “The Rural Development model is 1-on-1 mentoring and training. These sessions are perfect for that.”

It’s also a way for rural communities to get to know the groups out there to assist with water and wastewater projects.

“All of this is free of charge, but people usually take a day off of work to come here,” Dale said. “We make sure that we get everyone familiar with who’s out there for technical assistance and really make this worthwhile for people.”

The next education and training session will be in Windom on April 24. For more information, contact Bill Slininger at (651) 602-7810.



The crowd at the Byron session listens to a presentation from Paul Evenson, Rural Development engineer.

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*Over **\$500 million** to address a backlog of rural infrastructure projects such as water and wastewater systems.

On top of these key funding initiatives, the Farm Bill would continue to address housing, business, emergency response, high-speed Internet access, and other infrastructure needs that are vital to our rural communities.

Some of you may be asking how Secretary Johanns and the Bush Administration came up with the proposed 2007 Farm Bill. The Secretary and other USDA officials conducted 52 Farm Bill listening sessions last year. These sessions gave farmers and rural citizens a chance to voice their opinions on what they wanted the 2007 Farm Bill to look like. Secretary Johanns reported that Rural Development programs received unanimous support at each and every listening session he conducted.

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I attended the listening session at Farmfest in Redwood Falls on Aug. 3, 2005. Over 1,500 people crowded the tent to voice their opinion on the Farm Bill on a day when the temperature was 100-plus degrees. I witnessed the support of Rural Development programs first-hand that day. It was truly one of the most rewarding days I’ve had as State Director.

Rural Development programs make a positive impact in our rural communities. Minnesota’s rural communities have a unique quality of life and are a great place to live, work and raise a family. Our rural leaders and rural citizens work every day to maintain this unique quality of life. I feel honored to be part of an organization like USDA Rural Development that exists to work with these leaders and rural citizens in close partnership.

The coming months will be busy for USDA Rural Development. I am looking forward to the challenge.

Have an idea for the Rural Development newsletter? E-mail them to Adam Czech or Chris Swedzinski!
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A back yard where the kids can play

HAWLEY — Blair and Jodi Hill and children Miriam & Caleb now have their dream home in the small but thriving community of Hawley, Minn. They had been renting an apartment in Fargo, where Blair works, for about \$660 a month. As it turns out, with USDA Rural Development financing and some unique partnerships, they now have a home of their own with a back yard with a monthly mortgage and escrow payment that is less than what they used to pay for rent.

It was made possible by a partnership between the home buyer, Rural Development, and Ottertail-Wadena Community Action Council. Ottertail-Wadena was the developer and acquired an affordable lot and then used a State prisoner/labor program to construct the home. The MN Department of Corrections partners with non-profit and HRA organizations to build new housing stock while giving the inmates marketable skills they can use after their release.

Construction began in mid-summer of 2006 and the family was able to move in just days before Thanksgiving 2006. Another unique aspect of this project was the use of structural integrated panels which reduced the labor costs and construction time. This home promises to be even more energy efficient than most newly constructed homes while incorporating many low maintenance features.

In addition to the Rural Development financing that allowed them to afford the new home, the Hills are equally impressed with the level of technical assistance provided by Rural Development throughout the process of constructing a new house. The Hill family thinks of their new home as a blessing. It's an easy commute to Fargo for work while having the small town atmosphere for the family. All made affordable through the financing, technical assistance, and partnerships offered by USDA Rural Development.

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Wee-Care Children's Center thriving

BAGLEY — When Wee-Care Children's Center contacted Rural Development it was renting a building in the Clearwater County Fairgrounds. Its lease required that the center vacate the building for approximately three weeks each summer to allow for the County Fair. The building itself was not built for year-round use. Wee-Care adapted the inside for heating, but still had to rely on additional space heaters to heat the building. There were also issues with the electrical system since it was not designed for use as a commercial building.

Construction of a new facility began in May 2005 and was fully operational by October 2005. The new facility is 5,600 sq. ft. and contains three classroom areas, a gymnasium, kitchen and office area. Rural Development provided a loan of \$425,000 and a grant of \$50,000. An additional \$50,000 of grant funds was also provided to cover the cost of construction. The total project was \$520,229.00.

Wee-Care experienced a 45 percent increase in enrollment after its first month in the new facility and a 95 percent increase by the second month. Currently, the center is providing care to 34 children in its infant, toddler and preschool program and 20 children in its school-aged program.

Schmitt takes on new role

DETROIT LAKES — Laurie Schmitt recently assumed new duties as Area Specialist in the Northwest Area. Laurie began her Federal career at the Bemidji Rural Development Office in December, 2000 and is now based in Detroit Lakes. While in Bemidji, she



focused on the Single-Family Housing Program in Beltrami, Clearwater and Lake of the Woods County. Before employment with Rural Development, Laurie worked in banking and municipal government.

As an Area Specialist, she will cover a wider geographic area assisting in all Rural Development programs. Laurie enjoys public service and believes that the spirit and level of commitment of rural communities make them among the best places to live, work, and raise families. "I look forward to working with partners, lenders, and community leaders. I believe we have a similar objective to create economic opportunity and improve the quality of life in rural America."

Gary improves wastewater treatment using Rural Development

GARY — The City of Gary has a population of 215 and a median household income of \$36,875 and needed to improve its wastewater treatment practices.

Before the project, residents were served by individual septic systems. Due to a very high water table many of the septic systems were unable to treat wastewater properly. Rural Development provided funding to the City in November 2001. At that time, the City proposed the construction of a large community mound as its treatment option. In 2003, the Minnesota Pollution Control Agency determined that the proposed treatment option would not meet the State of Minnesota permit standards.

A revised plan was developed by the project engineer and it was determined that municipal ponds



would serve the needs of the community. Construction was completed on the project in the fall of 2006. The total project cost was \$2,725,000.

To fund the project, the City reached out to several funding agencies including Rural Development. The City received \$857,000 in loan funds and \$634,000 in grant funds from Rural Development. Additional grant funds were also provided by the Minnesota Public Facilities Authority in the amount of \$634,000 and the Minnesota Small Cities Program provided \$600,000.

Ulen completes project

ULEN — The City of Ulen has a population of 532 and a Median Household Income of \$27,813. There were two issues that the City wanted to address with their water project.

First, a majority of the distribution system was installed during the 1940s and was determined to be either at or beyond its useful life. Another issue was high levels of arsenic in the municipal water source.

Arsenic levels were found to range between 32.7 to 55.0 ppb. The federal drinking water standard for arsenic has been set at a maximum level of 10 ppb. The project consisted of the installation of new water lines and a new water treatment plant. The wa-

ter lines were completed in December of 2005 and the water treatment plant was completed in April 2006. Since the treatment plant has been operating the City has been able to meet the federal drinking water standard.

The total project cost \$2,625,981. USDA Rural Development provided a loan of \$1,352,000.00 and a grant of \$607,000. The Minnesota Small Cities Development Block Grant Program provided a grant of \$600,000 and the City of Ulen provided \$66,981.



Application deadlines for Business Programs announced

ST. PAUL, Minn. — Notice of Funding Available (NOFAs) were recently published and application deadlines announced for many of Rural Development's business programs:

Section 9006 Renewable Energy and Energy Improvement Program — May 18 for grants; July 2 for guaranteed loans and loan/grant combinations.

Value-Added Producer Grants — Coming soon.

Rural Business Enterprise Grant — ASAP!

Intermediary Relending Program — Quarterly due dates. Remaining dates are June 20 and Sept. 28.

Rural Economic Development Loan & Grant — Same as Intermediary Relending Program.

Small Minority Grants — Coming soon.

Be an informed consumer

ST. PAUL, Minn. — Before investing valuable time and money searching for a magical grant to start your own business, look up Rural Development.

Too often, we see potential customers who have already spent hundreds or thousands of dollars on a seminar or Internet course that promises to deliver free money. If they had called or Googled USDA Rural Development, they would have saved themselves money and heartache.

Kathy Coyle, Business and Cooperative Specialist for Rural Development, recently assisted Amber Swanson, who wanted to open a retail store near her dairy farm.

“Unfortunately Amber sent nearly \$400 to a Texas company she found on the Internet, in return for what she thought would be quality leads on grants to start her business,” Coyle said. “If she had read our web site instead, she would have figured out on her own that she didn’t qualify for what she was applying for.”

Coyle and colleagues also pointed out through a web search that the company was fraudulent and no longer working out if its Houston office. Coyle also offered further advice to assist Swanson in starting her business.

“I told her she was lucky to not have lost more money because some people have paid \$1,000 for poor advice at workshops,” Coyle said.

Potential new business owners should write a business plan (a prototype is on www.sba.gov), visit one of the many business consultants the federal government supports, contact a commercial lender, and then consider gap financing from one of the many Intermediary Re-lending Programs (IRPs) that Rural Development supports.

Examples of business consultants supported with federal funds can be contacted at Small Business Development Centers or other economic development organizations in St. Cloud, Mankato, Brainerd, Moorhead, Willmar, Hutchinson, Ogema, Virginia, Duluth, Badger, and Cass County. A number of cities and counties also offer business assistance through their economic development offices.



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