



NEWS RELEASE

United States Department of Agriculture Rural Development
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\$2.6 MILLION VIA USDA RURAL DEVELOPMENT HELPS BRING QUALITY WATER TO ARAPAHOE AND HOLBROOK

Kearney, Neb., May 25, 2004--The U.S. Department of Agriculture (USDA) Rural Development awarded this month, nearly \$2.1 million in loan and grant funds to the City of Arapahoe and a grant near \$488,000 to the Village of Holbrook. The USDA monies leveraged with an additional \$548,500 from local and state sources will provide for the continuation of safe and dependable water services to the 1,028 rural residents of Arapahoe and 225 residents in Holbrook.

The USDA Rural Development \$1,587,200 loan and \$500,000 grant to Arapahoe will be used to develop a new well field approximately 6 miles north of town. The new well field will encompass 680 acres and initially contain three wells. A 12 inch water main will be installed between the new well field and the City of Arapahoe. Water meters will be replaced and water mains developed within the city. The well field will also supply the water needs for the Village of Holbrook. Holbrook will use its grant funds to cover the portion of the costs to purchase land for the new well field, well field development and for the transmission main to Arapahoe. USDA funding was provided through the Water and Waste Disposal Loan and Grant program and the Emergency Community Water Assistance Grant program. The loan term is 40 years at 4.375 percent interest.

"Arapahoe's present water source is not in compliance with the Safe Drinking Water Act contaminant levels for copper/lead, uranium, arsenic, and nitrate and is under the influence of surface water," stated Glen Gatz, rural development specialist for USDA Rural Development. "The community is currently under an Administrative Order for copper/lead levels and is required to bring this system back into compliance by 2005 or face penalties."

The Village of Holbrook, located along the Republican River corridor in South Central Nebraska has, as many communities along the corridor, historic levels above the present Safe Drinking Water Act levels for both arsenic and uranium and is faced with either treating their existing water sources or developing new water sources.

"It was imperative that Holbrook work with another community, such as Arapahoe, in developing another water source due to their size and limited economic capacity," stated Gatz. "If they had tried to develop a water source on their own, it is unlikely that the necessary grant funds that are keeping their user rates at a reasonable level would have been possible."



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Additional funding was provided by the Nebraska Department of Environmental Quality/Nebraska Department of Health and Human Services through a \$100,000 loan with loan forgiveness of equal value; Nebraska Department of Economic Development with \$250,000 in Community Development Block Grant funds; along with the City of Arapahoe providing \$98,500.

For additional information contact Glen Gatz at 4009 North 6th Avenue Kearney, Neb. 68848-0730 or phone (308) 237-3118, (402) 437-5093 (TDY). Visit <http://www.rurdev.usda.gov/ne/>.

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