



NEWS RELEASE

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USDA RURAL DEVELOPMENT ANNOUNCES FUNDING FOR OLMITO WATER SUPPLY CORPORATION

OLMITO, TEXAS, March 23, 2006-- Bryan Daniel, State Director, Texas USDA Rural Development announced today Olmito Water Supply Corporation has been selected to receive a 306C Colonia Grant for the amount of \$2,171,000 and a \$1,827,000 Water and Waste Disposal Loan. The funds will be used to make improvements to their existing water facilities.

“One of the goals of USDA Rural Development is to help provide rural areas with safe, dependable water and modern sewage systems,” said Daniel. “We are proud to be part of a project that will ensure this community remains a safe and healthy place to live.”

In Fiscal Year 2005, \$10.7 million of grant assistance was infused into the Texas USDA Rural Development Colonia Grant Program. The purpose of this grant program is to bring fresh, clean drinking water and sanitary, environmentally sound sewage facilities to colonias’ throughout Texas. The state currently hosts 2,294 colonias, primarily along the 1,248 mile border with Mexico, in which approximately 400,000 Texans live. USDA Rural Development defines a colonia eligible for funding as a state or county identified community, with a population of 10,000 inhabitants or less, that is lacking basic living necessities and located within 150 miles of the Texas/Mexico border.

During 2005, \$48.9 million of Water and Waste Disposal Loan assistance was distributed throughout rural Texas. USDA Rural Development’s Water and Waste Disposal Program is designed to bring fresh, clean drinking water and sanitary, environmentally sound sewage facilities to rural America’s 53 million residents. Loans and grants are available to rural communities with fewer than 10,000 residents. Public bodies, corporations operating on a non-profit basis, and Indian tribes, that are unable to obtain credit from other sources at reasonable rates and terms, are eligible for assistance.

USDA Rural Development strives to see that rural citizens can participate fully in the global economy by providing technical assistance, funding, and other programs that help rural Americans build strong economies to improve their quality of life. For further information regarding USDA Rural Development Programs, contact the San Benito Local Office at (956) 399-1551, Extension 4, or visit our website at <http://rurdev.usda.gov/tx/>.

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