

## Looking Back at Fiscal Year 2005

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**W**e are all amazed at how quickly time passes. As you read this article, Federal Fiscal Year (FY) 2005 will have passed with the onset of FY06 (October 1, 2005).

USDA Rural Development has experienced many changes this past fiscal year. You will immediately notice a change in the way that applications are developed with the initiation of our new computerized underwriting feature. USDA Rural Development will require more detailed project information sooner in the application process. During the past fiscal year our market interest rate decreased to 4-1/8%.

In addition to our regular loan and grant programs in water and wastewater, we have successfully utilized the Emergency Community Water Assistance Grant (ECWAG) Program obligating just less than \$2 million in grant funding for projects in the State. We have also obligated two Native American Set-Aside Grants for over \$600,000.

Additionally, as I write this article, we have for the first time obligated two Hurricane Tropical Storm (HTS) Grants for \$1,430,000.

However, even more importantly, we have obligated 29 grants and 36 loans for a total of over \$25 million, leveraging a New York State high of over 67%. These leveraged funds included Drinking Water (DWSRF) and Clean Water State Revolving Funds (CWSRF), the Governor's Office for Small Cities (GOSC) grant funds, Appalachian Regional Commission (ARC) grants, Member Item (STAG) grants as well as local funds.

This is important as we all realize that grants are decreasing while user costs are increasing. The coordination of project funding in conjunction with an educational component is critical.

The education outreach to users must illustrate the "real" unsubsidized cost (value) of the utility and how realistic rates will lead to sustainable and successful project development.

Looking ahead, the term "Asset Management" will be echoed by most all funding sources. Asset management is a structured or "holistic" approach to system management that is keyed to a system's physical assets, use, cost and condition. This approach will allow you to inventory, prioritize, and manage a system in an efficient cost-effective manner. Learn more about this approach as soon as possible, because it will help in developing better projects that your system requires.

The Rural Water Association has helped very much to strengthen our program outreach capability, and we expect that it will continue to assist your community in the future.

I look forward to working with each of your communities as we advance ahead and together meet the challenges this new Federal Year will impose upon us. We can and will assist in developing your projects to be efficient and affordable.

Good luck and best wishes in the new Fiscal Year. As always, if you have any questions, please call me at (315) 477-6427 or email me at [david.miller@ny.usda.gov](mailto:david.miller@ny.usda.gov). ♠