



\$8M Rural Wastewater Treatment System

USDA Community Facilities Direct Loan & Grant Program — Midwest

<p>\$8M</p> <p>TOTAL PROJECT COST FUNDED</p>	<p>100%</p> <p>PROJECT COST COVERED</p>	<p>USDA + CDBG</p> <p>DUAL FUNDING SOURCES</p>	<p>Rural Midwest</p> <p>COMMUNITY SERVED</p>
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⚠ Critical Infrastructure Failure Risk: Without intervention, the failing clay tile sewer system threatened to cause catastrophic flooding, street infrastructure collapse, and widespread residential property damage — placing the entire community at risk of irreversible harm.

THE CHALLENGE

A rural Midwestern municipality was facing a critical failure of its aging clay tile sewer system. Hairline fractures and cracks throughout the tile network were allowing groundwater to infiltrate the system — a problem dramatically amplified during rain events. This inflow and infiltration (I&I) overwhelmed the wastewater treatment facility, washing sand into the mechanical systems and pushing the plant far beyond its design capacity.

The consequences of inaction were severe: uncontrolled flooding, destruction of street and utility infrastructure, and significant damage to residential housing. The town lacked the financial resources to fund an \$8M infrastructure overhaul independently, making federal grant and loan financing the only viable path forward.

FUNDING STRUCTURE

USDA CF DIRECT GRANT	Community Facilities Direct Loan & Grant Program	Grant
USDA CF DIRECT LOAN	Community Facilities Direct Loan & Grant Program	Loan
CDBG ALLOCATION	Community Development Block Grant (HUD/State)	Grant
TOTAL SECURED	100% of project cost — no local capital required	\$8M

KEY DELIVERABLES

- ▶ Technical Needs Assessment & I&I Documentation**

Developed a rigorous technical narrative documenting the clay tile infiltration mechanism, groundwater inflow dynamics during rain events, and the cascading impact on treatment plant capacity — providing the engineering justification required by USDA reviewers.
- ▶ Dual-Source Financing Strategy (Grant + Loan)**

Structured a blended financing model combining a USDA Community Facilities Direct Grant with a USDA Direct Loan and CDBG allocation to cover 100% of the \$8M project cost — eliminating the need for any local capital contribution.
- ▶ Community Impact & Risk Mitigation Narrative**

Crafted a compelling narrative quantifying the threat to public health, housing stock, and street infrastructure — demonstrating urgent community need and aligning directly with USDA's rural development mission and CDBG's community benefit criteria.

OUTCOME

\$8M Secured — 100% of Project Cost Covered, Community Protected

The municipality received full funding through a blended USDA grant, USDA direct loan, and CDBG allocation — covering the entire \$8M project cost with no local capital required. The project eliminated the imminent threat of flooding, infrastructure collapse, and residential damage, preserving the long-term viability of the community.