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Subject: Farm Bill Comments
Date Sent: 11/08/2005 03:13:45 CST
Date Received: 11/08/2005 03:18:48 CST

Secretary Johanns:

The original of the following letter has been mailed to you.

November 3, 2005

Secretary Mike Johanns
U.S. Department of Agriculture
Whitten Bldg ? Room 200-A
1400 Independence
Washington, DC 20250

Dear Secretary Johanns:

Thank you for the opportunity to comment on the 2007 Farm Bill and some of the programs directed through Rural Development to further rural economic growth.

The key to rural economic growth in our part of Missouri is providing infrastructure and comprehensive planning to our rural communities. The 8 counties and 29 cities served by the Meramec Regional Planning Commission have all benefited from Rural Development funding provided by

USDA.

Current projects include:

? Belgrade Water Project?The total project is \$2,362, 850. Rural Development?s portion is a \$714,200 grant. The project serves 326 families in Washington County.

? Doolittle Sewer Project?The total project is \$1,253,000. Rural Development?s portion is a \$303,000 grant. The project serves 116 families.

? St. James PWD #4?The total project is \$3.2 million. Rural Development?s portion is a \$675,000 grant and a \$775,000 loan. The project serves 235 families.

? Argyle Sewer?The total project is \$942,000. Rural Development?s portion is a \$318,320 grant and a \$303,680 loan. The project serves 65 families.

? Meta Sewer?The total project is \$1.45 million. Rural Development?s portion is a \$557,000 grant and a \$350,000 loan. The project serves 119 families.

The bottom line is that Rural Development?s investment of \$2,567,610 in grant funds and \$1,428,680 in loans makes possible projects totaling \$9,207,850, which serve 861 families.

In some of the above cases, the Missouri Department of Natural Resources

had obligated funding for projects that was later rescinded. Rural Development came back to the table and made up the difference in either loan or grant funds. Without Rural Development?s involvement, the

communities could not be completing these projects.

With the State's Water/Wastewater Review Committee Structure, projects are reviewed and communities are expected to inject as much of their own

resources as possible into the project. This process has also shown that

there is a real need for Rural Development funding because of the flexibility for a community to use either the grant or the loan or both,

if needed. This enables them to help themselves more if they are able to

pay back the loans to Rural Development.

Also, regarding Rural Development's RBOG/RBEG programs, in the past, we have used this funding for comprehensive planning for communities. There

is no other source of funding that finances this type of planning.

Planning activities are very critical for the communities in order to make the right choices for prioritizing needs and ensuring that any grant funds are well-spent. Keeping this funding available for planning activities and keeping the match requirements at a reasonable level is a

smart move for Rural Development.

Sincerely,

Richard A. Cavender
Executive director

RAC/rw