

MEMORANDUM

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To: Mayors, Presidents of Boards of Supervisors, County Administrators, Presidents of Rural Water Associations, Consulting Engineers, and Other Interested Parties

From: James H. Craig, III, Acting Chairman  
Local Governments and Rural Water Systems Improvements Board

Subject: Drinking Water System Improvements Revolving Loan Fund Program  
Draft FY-06 Intended Use Plan Amendment #2  
FY-06 and FY-07 Interest Rate Reduction

Date: August 21, 2006

The Local Governments and Rural Water Systems Improvement Board (Board) has established a public comment period on the Draft FY-06 Intended Use Plan (IUP) Amendment #2 for the Drinking Water Systems Improvements Revolving Loan Fund (DWSIRLF) Program, through 9:00 a.m. on September 25, 2006. Written comments will be received until that time, at the address noted below.

The Board will hold a public hearing at 9:00 a.m., Monday, September 25, 2006, in Room U-234, in the offices of the Mississippi Department of Health (MDH), located at 2423 North State Street (Underwood Building) in Jackson, Mississippi, to receive written or verbal comments on the document. Regardless of how the comments are received, equal consideration will be given by the Board to all comments prior to adoption of the plan.

Among the various changes outlined on Page v., the Draft Amendment #2 to the FY-2006 IUP adds additional projects to the FY-2007 and After Planning List to allow funding of these projects during FY-2006 and revises various sections and appendixes to reflect the latest bond appropriations, small system technical assistance changes, requests for clarification from the US EPA, and **lowering of the FY-2006 interest rate from 2.5% to 1.95%.**

**Also note that the Board has voted to established the FY-2007 interest rate at 1.95%, and it is currently anticipated that approximately \$25.5 million will be available for FY-2007 funding.** The Board urges all applicants with projects on the FY-2006 Priority List, or the FY-2007 and After Planning List, and any eligible applicant seeking funding for other drinking water projects to proceed with these projects now, and take advantage of the new lower interest rate and available funds

If you did not receive a copy with this mailing, the Draft FY-2006 IUP Amendment #2 is available for viewing/downloading at [www.msdh.state.ms.us/dwsrf](http://www.msdh.state.ms.us/dwsrf), or you may obtain a hard copy by contacting Tony Caldwell or Bill Moody with MDH at 601-576-7518.