

**UNITED STATES DEPARTMENT OF AGRICULTURE
RURAL UTILITIES SERVICE
RUS BULLETIN 1780-12
Rural Development-GD-2026-4**

SUBJECT: Water and Environmental Programs Grant Agreements

TO: Rural Development State Directors, Water and Environmental Program Directors, and Community Program Directors

EFFECTIVE DATE: Date of approval

EXPIRATION DATE: 40 years from Date of Approval.

OFFICE OF PRIMARY INTEREST: Program Operations Branch, Water and Environmental Programs (WEP), under the Rural Utilities Service (RUS), a part of Rural Development (RD), an Agency within the United States Department of Agriculture (USDA)

INSTRUCTIONS: This Bulletin replaces RUS Bulletin 1780-12 dated 2014.

AVAILABILITY: This Bulletin, as well as any instructions, regulations, or forms referenced in this Bulletin are available at USDA State Offices. The State Office staff is familiar with the use of the documents in their states and can answer specific questions on Agency requirements.

This Bulletin is available on the website:

<https://www.rd.usda.gov/resources/regulations/bulletins>

PURPOSE: This Bulletin is issued to provide the grant agreements to be used for Water and Waste Systems Grants including Predevelopment Planning Grants, Special Evaluation Assistance for Rural Communities and Households Grant, Emergency Community Water Assistance Grants and Grants authorized by a specific appropriation to establish conditions, Exhibit A, and for Rural Alaska Village Grants, Exhibit B

MICHELE BROOKS
Assistant Administrator
Water and Environmental Programs

Date

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Water and Waste System Grant Agreement
United States Department of Agriculture
Rural Utilities Service

THIS AGREEMENT dated _____, _____, between

_____ a public corporation organized and operating under

_____ (Authorizing Statute)

herein called "Grantee," Unique Entity Identifier Number _____, and the United States of America acting through the Rural Utilities Service, Department of Agriculture, herein called "Grantor," WITNESSETH:

WHEREAS

Grantee has determined to undertake a project of acquisition, construction, enlargement, or capital improvement of a (water) (waste) system to serve the area under its jurisdiction at an estimated cost of \$ _____ and has duly authorized the undertaking of such project.

Grantee is able to finance not more than \$ _____ of the development costs through revenues, charges, taxes or assessments, or funds otherwise available to Grantee resulting in a reasonable user charge.

Said sum of \$ _____ has been committed to and by Grantee for such project development costs.

Grantor has agreed to grant the Grantee a sum, Unique Federal Award Identification Number (FAIN) _____ not to exceed \$ _____ or _____ percent of said project development costs, whichever is the lesser, subject to the terms and conditions established by the Grantor. Provided, however, that the proportionate share of any grant funds actually advanced and not needed for grant purposes shall be returned immediately to the Grantor. The Grantor may terminate the grant in whole, or in part, at any time before the date of completion, whenever it is determined that the Grantee has failed to comply with the Conditions of the grant.

As a condition of this grant agreement, the Grantee assures and certifies that it is in compliance with and will comply in the course of the agreement with all applicable laws, regulations, Executive orders and other generally applicable requirements, including those set out in 2 CFR § 200, and the USDA General Terms and Conditions, effective as of December 31, 2025 <https://www.usda.gov/sites/default/files/documents/usda-general-terms-conditions-2025.pdf> which hereby are incorporated into this agreement by reference, and such other statutory provisions as are specifically set forth herein.

NOW, THEREFORE, In consideration of said grant by Grantor to Grantee, to be made pursuant to _____ (Section 306(a) of The Consolidated Farm and Rural Development Act – Regular, ECWAG, CPF/CDS; *specific appropriation title – Disaster, other*), Assistance Listings Number and Title

(10.759 – SEARCH – Special Evaluation Assistance for Rural Communities and Households Program; 10.760 – Water and Waste Disposal Systems for Rural Communities; 10.763 – ECWAG – Emergency Community Water Assistance Grants; 10.770 – Water and Waste Disposal Loans and Grants to alleviate Health Risks for Colonias and Tribal Lands) for the purpose only of defraying a part not to exceed _____ percent of the project development

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costs, as defined by applicable Rural Utilities Service instructions.

Grantee Agrees That Grantee Will:

- A. Cause said project to be constructed within the total sums available to it, including said grant, in accordance with the project plans and specifications and any modifications thereof prepared by Grantee and approved by Grantor.
- B. Permit periodic inspection of the construction by a representative of Grantor during construction.
- C. Manage, operate and maintain the system, including this project if less than the whole of said system, continuously in an efficient and economical manner.
- D. Make the services of said system available within its capacity to all persons in Grantee's service area without discrimination as to race, color, religion, sex, national origin, age, marital status, or physical or mental handicap (possess capacity to enter into legal contract for services) at reasonable charges, including assessments, taxes, or fees in accordance with a schedule of such charges, whether for one or more classes of service, adopted by resolution dated _____, _____, as may be modified from time to time by Grantee. The initial rate schedule must be approved by Grantor. Thereafter, Grantee may make such modifications to the rate system as long as the rate schedule remains reasonable and nondiscriminatory.
- E. Adjust its operating costs and service charges from time to time to provide for adequate operation and maintenance, emergency repair reserves, obsolescence reserves, debt service and debt service reserves.
- F. Expand its system from time to time to meet reasonably anticipated growth or service requirements in the area within its jurisdiction.
- G. Provide Grantor with such periodic reports as it may require and permit periodic inspection of its operations by a representative of the Grantor.
- H. To execute any agreements required by Grantor which Grantee is legally authorized to execute. If any such agreement has been executed by Grantee as a result of a loan being made to Grantee by Grantor contemporaneously with the making of this grant, another agreement of the same type need not be executed in connection with this grant.
- I. Upon any default under its representations or agreements set forth in this instrument, Grantee, at the option and demand of Grantor, will repay to Grantor forthwith the original principal amount of the grant stated herein above with the interest at the rate of 5 percent per annum from the date of the default. Default by the Grantee will constitute termination of the grant thereby causing cancellation of Federal assistance under the grant. The provisions of this Grant Agreement may be enforced by Grantor, at its option and without regard to prior waivers by it previous defaults of Grantee, by judicial proceedings to require specific performance of the terms of this Grant Agreement or by such other proceedings in law or equity, in either Federal or State courts, as may be deemed necessary by Grantor to assure compliance with the provisions of this Grant Agreement and the laws and regulations under which this grant is made.
- J. Return immediately to Grantor, as required by the regulations of Grantor, any grant funds actually advanced and not needed by Grantee for approved purposes. The Applicant will ensure grant activities are implemented in a timely, efficient, and economical manner. Grant funds not expended within _____ (five (5) – regular; two (2) – ECWAG; and three (3) - Disaster) years of obligation will be cancelled.
- K. Use the real property including land, land improvements, structures, and appurtenances thereto, for authorized purposes of the grant as long as needed in accordance with 2 CFR § 200.311.

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This Grant Agreement covers the following described real property (use continuation sheets as necessary).

- L. Abide by the following conditions pertaining to equipment which is furnished by the Grantor or acquired wholly or in part with grant funds. Equipment means tangible, non-expendable, personal property having a useful life of more than one year, and an acquisition cost meeting the applicable Federal capitalization threshold, as defined in 2 CFR § 200.313.

This Grant Agreement covers the following equipment described (use continuation sheets as necessary).

- M. Provide Financial Management Systems in accordance with 2 CFR § 200.302
- N. Retain financial records, supporting documents, statistical records, and all other records pertinent to the grant in accordance with 2 CFR §200.334 .
- O. Provide information as requested by the Grantor to determine the need for and complete any necessary Environmental Impact Statements.
- P. Provide an audit report prepared in accordance with Grantor regulations to allow the Grantor to determine that funds have been used in compliance with the proposal, any applicable laws and regulations and this Agreement in accordance with 2 CFR § 200.501.
- Q. Agree to account for and to return to Grantor interest earned on grant funds pending their disbursement for program purposes when the Grantee is a unit of local government in accordance with 2 CFR § 200.305. States and agencies or instrumentalities of states shall not be held accountable for interest earned on grant funds pending their disbursement.
- R. Not encumber, transfer or dispose of the property or any part thereof, furnished by the Grantor or acquired wholly or in part with Grantor funds without the written consent of the Grantor except as provided in item K above.
- S. To include in all contracts for construction or repair a provision for compliance with the Copeland "Anti-Kick Back" Act (18 U.S.C. 874) as supplemented in Department of Labor regulations (29 CFR, Part 3). The Grantee shall report all suspected or reported violations to the Grantor.
- T. To include in all contracts and subgrants in excess of \$150,000 a provision that requires the contractor to agree to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act (42 U.S.C. 7401-7671q) and the Federal Water Pollution Control Act as amended (33 U.S.C. 1251-1387). Violations must be reported to the Federal awarding agency and the Regional Office of the Environmental Protection Agency (EPA).

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Grantor Agrees That It:

A. Will make available to Grantee for the purpose of this Agreement not to exceed \$ _____ which it will advance to Grantee to meet not to exceed _____ percent of the project development costs of the project in accordance with the actual needs of Grantee as determined by Grantor.

B. Will assist Grantee, within available appropriations, with such technical assistance as Grantor deems appropriate in planning the project and coordinating the plan with local official comprehensive plans for sewer and water and with any State or area plans for the area in which the project is located.

C. At its sole discretion and at any time may give any consent, deferment, subordination, release, satisfaction, or termination of any or all of Grantee's grant obligations, with or without valuable consideration, upon such terms and conditions as Grantor may determine to be (1) advisable to further the purpose of the grant or to protect Grantor's financial interest therein and (2) consistent with both the statutory purposes of the grant and the limitations of the statutory authority under which it is made.

Termination of This Agreement

This Agreement may be terminated for cause in accordance with 2 CFR §200.340 in the event of default on the part of the Grantee as provided in paragraph I above or for convenience of the Grantor and Grantee prior to the date of completion of the grant purpose. Termination for convenience will occur when both the Grantee and Grantor agree that the continuation of the project will not produce beneficial results commensurate with the further expenditure of funds.

In witness whereof Grantee on the date first above written has caused this agreement to be executed by its duly authorized

attested and its corporate seal affixed by its duly authorized

Attest:

By _____

(Title) _____

By _____

(Title) _____

UNITED STATES OF AMERICA

RURAL UTILITIES SERVICE

By _____

(Title) _____

**Grant Agreement
United States Department of Agriculture
Rural Utilities Service
Rural Alaska Village Grants Program**

THIS AGREEMENT dated _____, _____, between the _____, the rural or Native Alaskan village benefiting from this Agreement, herein called "Grantee," Unique Entity Identifier Number _____, and the United States of America acting through the Rural Utilities Service, Department of Agriculture, herein called "Grantor," WITNESSETH:

WHEREAS

Grantee has determined to undertake a project of acquisition, construction, enlargement, or capital improvement of a water and wastewater system to serve the area under its jurisdiction at an estimated cost of \$ _____ and has duly authorized the undertaking of such project.

The scope of work for the project is outlined below:

The

_____ (Alaska Native Tribal Health Consortium (ANTHC) will administer the project and associated funding, on behalf of the grantee, as part of its corporate mission pursuant to Pub. L. 105-83, Sec. 325.); (State of Alaska, Department of Environmental Conservation (SOA-DEC) will administer the project and associated funding, on behalf of the grantee, as part of its efforts to carry out the Village Safe Water Program under AS 46.07) _____ (ANTHC's; SOA-DEC's) authority to carry out this specific project is authorized by the Cooperative Project Agreement between the Grantee and _____ (ANTHC; SOA-DEC). The grantor has agreed to provide a sum, Unique Federal Award Identification Number (FAIN) _____ not to exceed \$ _____ or 75 percent of said project development costs, subject to the terms and conditions established in the Rural Utilities Service letter of conditions to the _____ (ANTHC; SOA-DEC) and this Grant Agreement.

Said sum of \$ _____ or 25 percent has been committed by the State of Alaska Department of Environmental Conservation (SOA DEC) for such project development costs.

Provided, however, that the proportionate share of any grant funds actually advanced and not needed for grant purposes shall be returned immediately to the Grantor. The Grantor may terminate the grant in whole, or in part, at any time before the date of completion, whenever it is determined that the Grantee has failed to comply with the conditions of the grant, subject to Grantee's appeal rights under applicable law and regulations.

As a condition of this grant agreement, the Grantee certifies that it is in compliance with and will comply in its performance of this agreement with all applicable laws, regulations, Executive orders and other generally applicable requirements, including those set out in 2 CFR § 200, and the USDA General Terms and Conditions effective as of December 31, 2025 <https://www.usda.gov/sites/default/files/documents/usda-general-terms-conditions-2025.pdf>, which hereby are incorporated into this agreement by reference, and such other statutory provisions as are specifically set forth herein.

NOW, THEREFORE, In consideration of said grant by Grantor to Grantee, to be made pursuant to Section 306(a) of The Consolidated Farm and Rural Development Act, Assistance Listings Number and Title 10.760 – Water and Waste Disposal Systems for Rural Communities for the purpose only of defraying a part not to exceed 75 percent of the project development costs, as defined by applicable Rural Utilities Service instructions.

Grantee Agrees That Grantee Will:

- A. Cause said project to be constructed within the total sums available to it, including said grant, in

accordance with the project plans and specifications and any modifications thereof prepared by Grantee and approved by Grantor.

- B. Permit periodic inspection of the construction by a representative of Grantor during construction.
- C. Own, manage, operate and maintain the system, including the project funded by this Agreement if less than the whole of said system, continuously in an efficient and economical manner.
- D. Make the services of said system available within its capacity to all persons in Grantee's service area without discrimination as to race, color, religion, sex, national origin, age, marital status, or physical or mental handicap (possess capacity to enter into legal contract for services) at reasonable charges, including assessments, taxes, or fees in accordance with a schedule of such charges, whether for one or more classes of service, may be modified from time to time by Grantee.
- E. The initial rate schedule must be approved by Grantor and be in accordance with an approved Business Plan for the system. Thereafter, Grantee may make such modifications to the rate system as long as the rate schedule remains reasonable and nondiscriminatory.
- F. Adjust its operating costs and service charges from time to time to provide for adequate operation and maintenance, short lived asset reserves, emergency repair reserves, and obsolescence reserves.
- G. Expand its system from time to time to meet reasonably anticipated growth or service requirements in the area within its jurisdiction.
- H. Provide Grantor with such periodic reports as it may require and permit periodic inspection of its operations by a representative of the Grantor.
- I. To execute any agreements required by Grantor which Grantee is legally authorized to execute.
- J. Upon any default under its representations or agreements set forth in this instrument, subject to an opportunity to cure within 30 days of notice of any such default, Grantee, at the option and demand of Grantor, will repay to Grantor forthwith the original principal amount of the grant stated herein above with the interest at the rate of 5 percent per annum from the date of the default. Default by the Grantee will constitute termination of the grant thereby causing cancellation of Federal assistance under the grant. The provisions of this Grant Agreement may be enforced by Grantor, at its option and without regard to prior waivers by it previous defaults of Grantee, by judicial proceedings to require specific performance of the terms of this Grant Agreement or by such other proceedings in law or equity, in either Federal or State courts, as may be deemed necessary by Grantor to assure compliance with the provisions of this Grant Agreement and the laws and regulations under which this grant is made. Grantee may contest or appeal the grounds for Grantor's determination of default as permitted under applicable law and regulations.
- K. Use the real property including land, land improvements, structures, and appurtenances thereto, for authorized purposes of the grant as long as needed in accordance with 2 CFR § 200.311.

This Grant Agreement covers the following described real property (use continuation sheets as necessary).

- L. Abide by the following conditions pertaining to equipment which is furnished by the Grantor or acquired wholly or in part with grant funds. Equipment means tangible, non-expendable, personal property having a useful life of more than one year and an acquisition cost meeting the applicable Federal capitalization threshold, as defined in 2 CFR § 200.313.

This Grant Agreement covers the following described equipment (use continuation sheets as necessary).

- M. Not encumber, transfer or dispose of the property or any part thereof, furnished by the Grantor or acquired wholly or in part with Grantor funds without the written consent of the Grantor except as provided in items J and K above.
- N. The grantee agrees to acquire and maintain the applicable types of insurance and bond coverage shown below. The use of deductibles may be allowed providing the grantee has the financial resources to cover potential claims requiring payment of the deductible.
- a. General Liability Insurance – Include vehicular coverage
 - b. Workers' Compensation - In accordance with appropriate State laws.
 - c. National Flood Insurance - If the project involves acquisition or construction in designated special flood or mudslide prone areas, you must purchase a flood insurance policy, if available. As required in 7 CFR Part 1780, applicants must obtain flood insurance for all insurable structures located in special flood hazard areas (SFHA) designated by the Federal Emergency Management Agency (FEMA) on your proposed Flood Insurance Rate maps.
 - d. Real Property Insurance – Fire and extended coverage will normally be maintained on all structures except reservoirs, pipelines and other structures if such structures are not normally insured and subsurface lift stations except for the value of electrical and pumping equipment.
- O. Comply with federal, state, and local statute requirements including but not limited to:
- a. Section 504 of the Rehabilitation Act of 1973 – Under section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. 794), no handicapped individual in the United States shall, solely by reason of their handicap, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving RD financial assistance.
 - b. Civil Rights Act of 1964 – All Grantees are subject to, and facilities must be operated in accordance with, title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.) and subpart E of part 1901 of this title, particularly as it relates to conducting and reporting of compliance reviews. Instruments of conveyance for loans and/or grants subject to the Act must contain the covenant required by paragraph 1901.202(e) of this title.
 - c. The Americans with Disabilities Act (ADA) of 1990 – This Act (42 U.S.C. 12101 et seq.) prohibits discrimination on the basis of disability in employment, State and local government services, public transportation, public accommodations, facilities, and telecommunications. Title II of the Act applies to facilities operated by State and local public entities which provides services, programs and activities. Title III of the Act applies to facilities owned, leased, or operated by private entities which accommodate the public.
 - d. Age Discrimination Act of 1975 – This Act (42 U.S.C. 6101 et seq.) provides that no person in the United States shall on the basis of age, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving federal financial assistance.
 - e. RD financial programs must be extended without regard to race, color, religion, sex, national origin, marital status, age, or physical or mental handicap.

Grantor Agrees That It:

- A. Will assist Grantee, within available appropriations, with such technical assistance as Grantor deems appropriate in planning the project and coordinating the plan with local official comprehensive plans for sewer and water and with any State or area plans for the area in which the project is located.
- B. At its sole discretion and at any time may give any consent, deferment, subordination, release, satisfaction, or termination of any or all of Grantee's grant obligations, with or without valuable consideration, upon such terms and conditions as Grantor may determine to be (1) advisable to further the purpose of the grant or to protect Grantor's financial interest therein and (2) consistent with both the statutory purposes of the grant and the limitations of the statutory authority under which it is made.

Termination of This Agreement

This Agreement may be terminated for cause in accordance with 2 CFR §200.340 in the event of default on the part of the Grantee, subject to Grantee's opportunity to cure within 30 days of notice from Grantor, as provided in paragraph I above or for convenience of the Grantor and Grantee prior to the date of completion of the grant purpose. Termination for convenience will occur when both the Grantee and Grantor agree that the continuation of the project will not produce beneficial results commensurate with the further expenditure of funds.

In witness whereof Grantee on the date first above written has caused this agreement to be executed by its duly authorized

attested and its corporate seal affixed by its duly authorized

Attest:

By _____

(Title) _____

By _____

(Title) _____

SOLELY FOR PURPOSES OF ACKNOWLEDGING THAT IT WILL RECEIVE AND ADMINISTER THE GRANT FUNDS PROVIDED BY GRANTOR IN ACCORDANCE WITH THE COOPERATIVE PROJECT AGREEMENT AND GRANTOR'S LETTER OF CONDITIONS, AND WITHOUT ASSUMPTION OF ANY OBLIGATION OR LIABILITY CONCERNING GRANTEE'S COVENANTS EXPRESSED HEREIN:

_____ (ALASKA NATIVE TRIBAL HEALTH CONSORTIUM; STATE of
ALASKA, DEPARTMENT of ENVIRONMENTAL CONSERVATION)

By _____
(Title)

UNITED STATES OF AMERICA

RURAL UTILITIES SERVICE

By _____
(Title)

TEMPPLATE