

# Rural Decentralized Water Systems Grant Program

## What does this program do?

**This program helps qualified nonprofits create a revolving loan fund and to issue subgrants to improve access to safe, reliable drinking water in rural areas. It also helps improve the sanitary conditions caused by inadequate or failing septic systems.**

## What is an eligible area?

**Rural areas and towns with populations of 50,000 or fewer, including tribal lands in rural areas and colonias.**

**A map of eligible addresses is available at this link:**

[tinyurl.com/WEPRuraleligibility](https://tinyurl.com/WEPRuraleligibility)



Rural Decentralized Water  
Systems Grant Program

## Who can apply?

Private nonprofits that have:

- Expertise and experience promoting the safe, productive use of individually-owned household water well systems or decentralized wastewater systems
- Legal authority to act as a lender
- Sufficient expertise and experience in conducting and managing lending activities
- Financial, technical, and managerial ability to comply with relevant federal and state laws and regulations

## How can grant funds be used?

Grant funds can be used to create a revolving loan fund or to issue subgrants. The sub-grants or loans may be used to build, refurbish, or service individually-owned household water well and decentralized wastewater systems such as a septic system.

When ground well water contamination is documented, funds may also be used to complete work within the residence to address the contamination.

Terms for a loan issued by the nonprofit must include a 1 percent, fixed interest rate over a maximum

20-year term, and a \$15,000 loan limit per household. The maximum amount per subgrant is \$15,000.

## Are matching funds required for the grant?

Yes. The nonprofit must contribute at least 10 percent. Matching funds can come from the nonprofit applicant or an eligible third party, but cannot be in-kind contributions.

## How do we get started?

Your local USDA Rural Development office can help. A list of offices is available at this link: [tinyurl.com/RDStateOffices](https://tinyurl.com/RDStateOffices).

Electronic applications can be submitted at this link: [grants.gov/](https://grants.gov/).

## Who can answer questions?

The grant manager for this program may be contacted at: [Water-RD@usda.gov](mailto:Water-RD@usda.gov)

## What governs this program?

- Code of Federal Regulations 7 CFR 1776 available at this link: [go.usa.gov/33UxT](https://go.usa.gov/33UxT)
- Section 306E of the Consolidated Farm and Rural Development Act, available at this link: [go.usa.gov/xMT4s](https://go.usa.gov/xMT4s)

**NOTE: Because information changes, always consult official program instructions or contact your local USDA Rural Development office for help. A list is available at this link: [tinyurl.com/RDStateOffices](https://tinyurl.com/RDStateOffices). You will find additional RD program resources at [rd.usda.gov](https://rd.usda.gov). Information about other USDA programs and services is available at this link: [ask.usda.gov/s/](https://ask.usda.gov/s/). USDA is an equal opportunity provider, employer, and lender.**