SUMMARY:

The Rural Utilities Service (RUS or Agency), an agency of the United States Department of Agriculture (USDA) announces its Rural Decentralized Water System (DWS) Program application window for Fiscal Year (FY) 2022. Grant funding will be awarded to qualified applicants to create a revolving fund to finance the costs of household water wells and individually owned decentralized wastewater systems.

SUPPLEMENTARY INFORMATION:

Federal Awarding Agency Name: United States Department of Agriculture, Rural Utilities Service

Funding Opportunity Title: Rural Decentralized Water Systems Program (DWS)

Announcement Type: Funding Opportunity Announcement

Funding Opportunity Number: RDRUS-22-DWS

Catalog of Federal Domestic Assistance (CFDA) Number: 10.862

DATES: Completed applications must be submitted between June 21, 2022 and timestamped or received no later than 11:59 p.m. Eastern Standard Time on July 31, 2022. Applications will only be accepted via https://www.grants.gov/ (Grants.gov) to be eligible for FY 2022 grant funding. No applications or supporting documentation submitted via courier, U.S. mail, fax, or electronic mail will be accepted. Late or incomplete applications will not be accepted.

ADDRESSES: Entities wishing to apply for assistance may download the application documents and requirements delineated in this notice from: https://www.rd.usda.gov/programs-
services/water-environmental-programs/rural-decentralized-water-systems-grant-program.

Application information for electronic submissions may be found at http://www.Grants.gov.

FOR FURTHER INFORMATION CONTACT: Lola Maratita, Community Programs Specialist, Water and Environmental Programs, Rural Utilities Service, U.S. Department of Agriculture, at Water-RD@usda.gov or (615) 714-8883.

ADMINISTRATIVE: The Agency encourages applicants to consider projects that will advance the following key priorities (more details available at https://www.rd.usda.gov/priority-points):

- Assisting rural communities recover economically from the impacts of the COVID-19 pandemic, particularly disadvantaged communities;
- Ensuring all rural residents have equitable access to Rural Development (RD) programs and benefits from RD funded projects; and
- Reducing climate pollution and increasing resilience to the impacts of climate change through economic support to rural communities.

Discretionary Points: At Administrator's discretion, points will be awarded for proposals addressing these key priorities as further described in Section E.

A. Program Description

Access to safe and reliable water and wastewater systems are vital to both human health and economic development. Due to a variety of factors, it is not always feasible to have public water or wastewater services run to each residence. In those instances, individual well water and septic
systems may be the most technical and financially feasible means of providing access to safe and reliable water and wastewater services. The Rural Decentralized Water System (DWS) Program was established to help individuals with low to moderate incomes finance the costs of household water wells and individually owned decentralized wastewater systems that they own or will own. The DWS Program is authorized under Section 306E of the Consolidated Farm and Rural Development Act (CONACT), 7 USC 1926e.

Through the DWS Program, private non-profit organizations will receive grant funds to establish lending programs that will provide water well and septic system loans and sub-grants to individuals. The individuals, as loan or grant recipients, may use the funds to construct, refurbish, and service their household well or decentralized wastewater systems up to the point of entry to the residence. In certain circumstances whereby there is documented ground well water contamination, funding may be used to complete work beyond the point of entry to the residence. A loan may not exceed $15,000 and will have a term up to 20 years at a one percent annual interest rate. Where necessary, up to 25 percent of the awarded funds may be used as grant. The regulation for the DWS Grant Program can be found at 7 CFR 1776.

B. Federal Award Information

The Agency will make grant awards, and the successful applicants will be required to execute documents appropriate to the project, before funding will be advanced. Prior Household Water Well (HWWS) or DWS grants cannot be renewed; however, existing HWWS or DWS awardees can submit applications for new projects which will be evaluated as new applications. Grant applications must be submitted during the application window.
Type of Awards: Grant

Available Funds: FY 2022 Appropriations provided $5,000,000. Additional funding through carryover and recoveries may become available.

Award Amounts: There is no stated minimum or maximum amount.

Due Date of Application: June 21, 2022

Anticipated Award Date: September 30, 2022

Performance Period: October 1, 2022 to September 30, 2023

C. Eligibility Information

1) Eligible Grant Recipient. To be considered an eligible organization to receive a grant, applicants must meet the eligibility requirements of 7 CFR 1776.5, Eligibility to receive a DWS grant. All submitted proposals must meet the intent outlined in 7 CFR 1776.1, Purpose, 1776.12, Use of DWS Grant proceeds, and be in conformance with 1776.13, Administrative Expenses, and 1776, Subpart C. Applicants proposing to serve households on tribal lands must submit a tribal resolution of support with their application from the Tribe, or Tribes, that have jurisdiction over those lands.

2) Eligibility to receive a DWS loan or subgrant.

   (a) A loan or subgrant recipient must be an eligible individual as defined in §1776.3, Definitions, and §1776.14, Eligibility to receive a DWS loan.

   (b) An individual must be a member of a household of which the combined household income of all members does not exceed 60 percent of the median non-metropolitan household income for the State or territory in which the individual resides. Household income is the total income from all sources received by each adult household member for the most recent
12-month period for which the information is available. It does not include income earned or received by dependent children under 18 years old or other benefits that are excluded by Federal law. The non-metropolitan household income must be based on the 5-year income data from the American Community Survey or, if needed, other United States Bureau of the Census data. RUS publishes a list of income exclusions in 7 CFR 3550.54(b). Also, the Department of Housing and Urban Development published a list of income exclusions in the Federal Register on May 20, 2014, at 79 FR 28938 (see “Federally Mandated Exclusions”).

3) Required Matching Contributions. Grant applicants must provide written evidence of a matching contribution of at least 10 percent from sources other than the proceeds of a DWS grant. In-kind contributions will not be considered for the matching requirement. Please see 7 CFR 1776.9 for the requirement.

D. Application and Submission Information

The FY 2022 DWS Application Guide provides specific, detailed instructions for each item of a complete application. The Agency emphasizes the importance of including every item and strongly encourages applicants to follow the instructions carefully, using the examples and illustrations in the FY 2022 DWS Application Guide. Applicants should ensure they are using the most updated version of the Application Guide before submitting an application. Any updates to the Application Guide will be posted at https://www.rd.usda.gov/programs-services/water-environmental-programs/rural-decentralized-water-systems-grant-program. For requirements of completed grant applications, refer to 7 CFR part 1776.

Prior to official submission of applications, applicants may request technical assistance or other application guidance from the Agency, so long as such requests are made prior to the
application deadline. RUS contact information can be found in Section G of this document. The Agency will not solicit or consider extra scoring or eligibility information that is submitted after the application deadline. The Agency reserves the right to contact applicants to seek clarification on materials contained in the submitted application.

1) Location of DWS Grant Program Information. The FY 2022 DWS Application Guide, copies of necessary forms and samples, and the DWS Program regulation are available at https://www.grants.gov/ or https://www.rd.usda.gov/programs-services/water-environmental-programs/rural-decentralized-water-systems-grant-program;

2) Content and Form of Application Submission.

   (a) To be considered for funding, applicants must be an eligible entity and must submit a complete application by the deadline date. Applicants should consult the cost principles and general administrative requirements for grants pertaining to their organizational type in order to prepare the budget and complete other parts of the application. Applications should be prepared in conformance with 7 CFR part 1776, and departmental and other applicable regulations including 2 CFR parts 180, 182, 200, 400 and 421, or any successor regulations.

   (b) Carefully review this document, the FY 2022 DWS Application Guide, and 7 CFR part 1776, which detail all required items for a complete application.

   (c) Applicants are required to maintain a Unique Entity ID (UEI) and maintain an active registration in the System for Award Management (SAM) database. Renewal can be completed online at: http://sam.gov. This registration must be renewed and revalidated every 12 months for as long as there is an active loan, grant, or guaranteed loan with the Agency.

   To ensure the information is current, accurate and complete, and to prevent the SAM account expiration, the review and updates must be performed within 365 days of the activation
date, commonly referred to as the expiration date. The registration process may take up to 10 business days. (See 2 CFR Part 25 and the “Help” section at http://sam.gov).

3) Application Submittal.

(a) Applications must be submitted electronically. To file an electronic application over the internet, please visit https://www.Grants.gov. Applications and supporting material will not be accepted via courier, U.S. Mail, fax, or email.

(b) Applicants must be registered with Grants.gov before a grant application can be submitted. If you have not used Grants.gov before, you will need to register in SAM. SAM registers your organization and stores your organizational information, which allows Grants.gov to use it to verify your identity. The registration processes may take up to 10 business days to complete. Follow the instructions at Grants.gov for registering and submitting an electronic application. RUS may request original signatures on electronically submitted documents later. All electronic documents must be submitted in Excel, Word, or PDF format. If system errors or technical difficulties occur, use the customer support resources available at the Grants.gov website.

4) Submission Dates and Times.

(a) Electronic grant applications must be received no later than 11:59 p.m., Eastern Standard Time, on July 31, 2022, to be eligible for FY 2022 funding. Late or incomplete applications will not be eligible for FY 2022 grant funding.

(b) Applications and supporting material will not be accepted via courier, U.S. mail, fax, or email.

(c) If the submission deadline falls on Saturday, Sunday, or a federal holiday, the application is due the next business day.
E. Application Review Information

1) Review Standards. Within 30 days of receiving an application, RUS will acknowledge
the receipt of the application via an email to the applicant. The application will be reviewed for
completeness to determine if all the required items were submitted. As a result of the review,
the following actions will then be taken:

(a) Incomplete or ineligible applications as of the deadline for submission will not
be considered. If an application is determined to be incomplete or ineligible, the applicant will
be notified in writing and the application will be returned.

(b) Complete, eligible applications will be evaluated competitively by a review
team, composed of at least two RUS employees selected from the Water and Environmental
Programs. They will make overall recommendations based on factors such as eligibility,
application completeness, and conformity to application requirements. They will score and rank
the applications based on criteria as described in the 7 CFR 1776, the Application Guide, and
below. RUS reserves the right to request additional information once an application is
determined to be complete to minimize the risk of duplication of other federal efforts.

(c) Regardless of the score an application receives, if RUS determines that the
project is technically infeasible, RUS will notify the applicant, in writing, and the application
will be returned with no further action.

2) Evaluation Criteria. All applications that are complete and eligible will be scored and
ranked competitively based upon the following scoring criteria:

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<th>Criteria No.</th>
<th>Criteria</th>
<th>Points</th>
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8
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<tr>
<th></th>
<th>Description</th>
<th>Points</th>
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<tr>
<td>1</td>
<td>Degree of expertise and experience in promoting the safe and productive use of individually owned decentralized water well systems or decentralized wastewater systems and ground water.</td>
<td>Up to 30 points</td>
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<td>2</td>
<td>Degree of expertise and successful experience in making and servicing loans to individuals.</td>
<td>Up to 20 points</td>
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<td>3</td>
<td>Percentage of applicant contributions. Points allowed under this paragraph will be based on written evidence of the availability of funds from sources other than the proceeds of a DWS grant to pay part of the cost of a loan recipient’s project. In-kind contributions will not be considered. Funds from other sources as a percentage of the DWS grant and points corresponding to such percentages are as follows:</td>
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<td>o 0 to 9 percent</td>
<td>ineligible</td>
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<td>o 10 to 25 percent</td>
<td>5 points</td>
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<td>o 26 to 30 percent</td>
<td>10 points</td>
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<td></td>
<td>o 31 to 50 percent</td>
<td>15 points</td>
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<td></td>
<td>o 51 percent or more</td>
<td>20 points</td>
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<td>4</td>
<td>Extent to which the work plan demonstrates a well thought out, comprehensive approach to accomplishing the objectives of this part, clearly defines who will be served by the project, and appears likely to be sustainable.</td>
<td>Up to 20 points</td>
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<td>5</td>
<td>Extent to which the goals and objectives are clearly defined, tied to the work plan, and measurable.</td>
<td>Up to 10 points</td>
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<td>6</td>
<td>Lowest ratio of projected administrative expenses to loans advanced.</td>
<td>Up to 10 points</td>
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<tr>
<td>7</td>
<td>*Administrator’s discretionary points. In order to be considered for these points, the applicant’s work plan must include a separate</td>
<td>Up to 10 points</td>
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section titled, “Administrative Points.” Applications may be awarded up to a total of 10 points for the following three priorities:

1. Assisting rural communities recover economically from the impacts of the COVID-19 pandemic, particularly disadvantaged communities. Proposals where the project is located in or serving one of the top 10% of counties or county equivalents based upon county risk score in the United States. Information on this priority may be found at: https://www.rd.usda.gov/priority-points.

2. Ensuring all rural residents have equitable access to RD programs and benefits from RD funded projects. Direct technical assistance to a project located in or serving a community with a score 0.75 or above on the CDC Social Vulnerability Index. Information on this priority may be found at: https://www.rd.usda.gov/priority-points.

3. Reduce climate pollution and increasing resilience to the impacts of climate change through economic support to rural communities. Direct technical assistance to a project addressing climate impacts shown as either quantitative or qualitative. Additional information on this priority may be found at: https://www.rd.usda.gov/priority-points.

- Quantitative: Project is located in or serving coal, oil and gas, and power plant communities whose economic well-being ranks in the most distressed tier of the Distressed Communities Index.
- Qualitative: Demonstrating how proposed climate-impact projects improve the livelihoods of community
residents and meet pollution mitigation or clean energy goals.

* The administrative points will be awarded solely on the aforementioned factors, up to a cumulative total of 10 points.

**F. Federal Award Administration Information**

1) *Application Outcomes.* There are four possible outcomes following the submission of an application under the DWS Program. RUS reserves the right to make no grant award if all applications are ineligible, incomplete, and/or do not meet the established program objectives and priorities. RUS may determine that the application is:

   (a) Eligible and selected for funding,

   (b) Eligible but offered less funds than requested,

   (c) Eligible but not selected for funding due to ranking of all applications, or

   (d) Ineligible for the grant

2) *Award Notices.* RUS will notify applicants selected for funding by an award letter accompanied by a grant agreement and multi-tier action environmental compliance agreement. The grant agreement will contain the terms and conditions for the grant; the multi-tier action environmental compliance agreement will detail the recipient’s responsibilities in meeting the Agency’s Environmental Policies and Procedures, 7 CFR part 1970, in particular §1970.55 which applies to multi-tier actions or relending actions. The multi-tier action environmental compliance agreement acknowledges that further “tiered” environmental review may be required
and coordinated by the recipient prior to approving subrecipient applications for re-lending purposes.

3) **Payments and Reimbursements.** Pursuant to the grant agreement, grant funds may be released over the course of the grant period in reimbursement for the performance of eligible, approved activities which do not duplicate similar federal efforts or tasks. The grant agreement may also include reporting and pre-approval requirements consistent with 7 CFR part 1776 and 2 CFR 200, which if not met, may result in a delay in reimbursement, disallowance of expense, or a suspension of the grant.

4) **Scope of Services.** Any change in the scope of the project, budget adjustments of more than 10 percent of the total budget, or any other significant change in the project must be reported to and approved by the approval official by written amendment to the grant agreement. Any change not approved may be cause for termination of the grant.

5) **Reporting.** Performance reporting, including applicable forms, narratives, and other documentation, are to be completed and submitted in accordance with the provisions of 2 CFR 170, 2 CFR 200 and 7 CFR 1776. Further, all grantees must submit an audit or financial information covering the defined period of performance as outlined in 2 CFR 200.

### G. Federal Awarding Agency Contacts


2) Telephone: Lola Maratita, 615-714-8883.

3) E-mail: Water-RD@usda.gov
4) Main point of contact: Lola Maratita, Community Programs Specialist, Water and Environmental Programs, Rural Utilities Service, U.S. Department of Agriculture.

H. Other Information

1) Paperwork Reduction Act: In accordance with the Paperwork Reduction Act of 1995, the information collection requirements associated with the programs, as covered in this notice, have been approved by the Office of Management and Budget (OMB) under OMB Control Number 0572-0139.

2) Non-Discrimination Statement: In accordance with Federal civil rights law and USDA civil rights regulations and policies, the USDA, its Mission Areas, agencies, staff offices, employees and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, religion, sex, gender identity, (including gender expression), sexual orientation, disability, age, marital status, family/parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded by USDA (not all bases apply to all programs). Remedies and complaint filing deadlines vary by program or incident.

Program information may be made available in languages other than English. Persons with disabilities who require alternative means of communication to obtain program information (e.g., Braille, large print, audiotape, American Sign Language, etc.) should contact the responsible Mission Area, agency or staff office, the USDA TARGET Center, at (202) 720-2600 (voice and TTY) or contact USDA through the Federal Relay Service, at (800) 877-8339.

To file a program discrimination complaint, a complainant should complete a Form AD-3027, USDA Program Discrimination Complaint Form, which can be obtained online at:
https://www.usda.gov/sites/default/files/documents/usda-program-discrimination-complaint-form.pdf, from any USDA office, by calling (866) 632-9992, or by writing a letter addressed to USDA. The letter must contain the complainant’s name, address, telephone number, and a written description of the alleged discriminatory action in sufficient detail to inform the Assistant Secretary for Civil Rights (ASCR) about the nature and date of an alleged civil rights violation.

The completed AD-3027 form or letter must be submitted to USDA by:

(a) Mail: United States Department of Agriculture

Office of the Assistant Secretary for Civil Rights

1400 Independence Avenue, SW.

Washington, D.C. 20250-9410;

(b) Fax: (833) 256-1665 or (202) 690-7442; or

(c) E-mail: program.intake@usda.gov

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Christopher A. McLean
Acting Administrator
Rural Utilities Service