



# Rural Utilities Service Water and Environmental Programs

## 2024 Onsite Wastewater Mega Conference

## Disclaimer:

The information in this presentation are those of the USDA, presenter and not of NOWRA or the Mega-Conference sponsors.

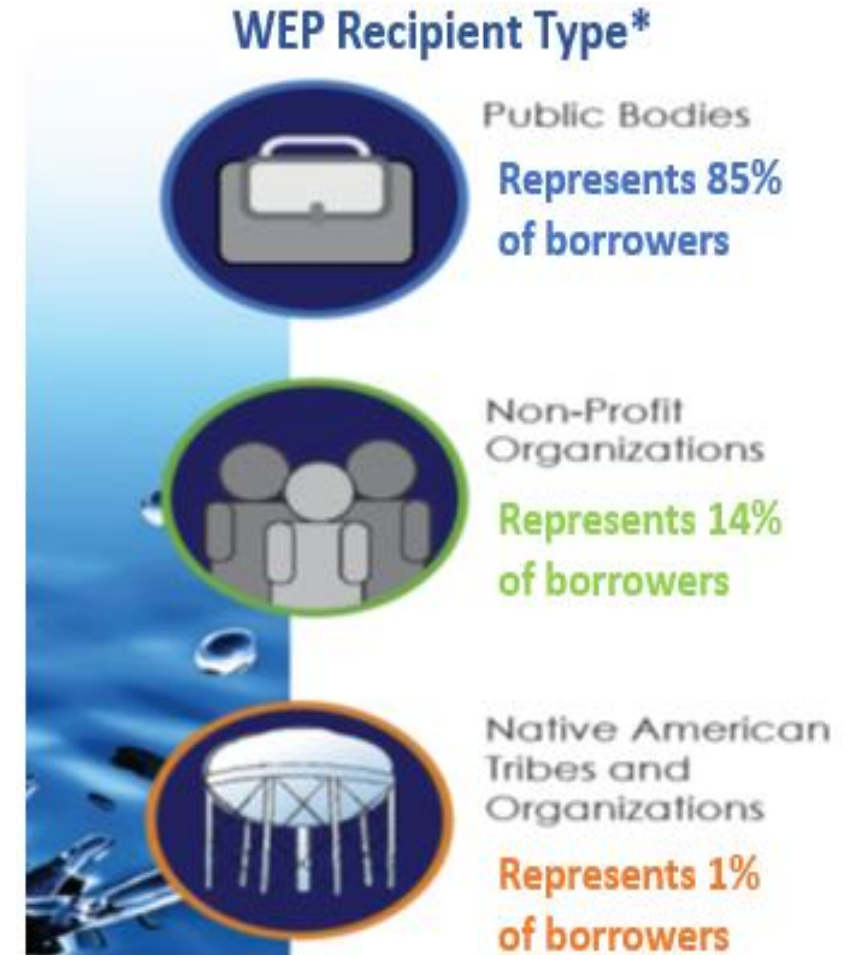


# General Overview

# Water and Environmental Programs (WEP) Program Overview

## Water and Waste Disposal Programs

- WEP finances water, sewer and solid waste utilities to provide affordable services to rural communities with populations of 50,000 or less. WEP invested \$1.7 billion\* in rural communities in FY 2023 to impact 1.1 million rural residents\*\*. (\*Technical assistance not included. \*\*Construction programs only.)
- WEP can finance the acquisition, construction or improvement of:
  - Drinking water sourcing, treatment, storage and distribution
  - Sewer collection, transmission, treatment and disposal
  - Solid waste collection, disposal and closure
  - Storm water collection, conveyance and disposal
- WEP is administered in partnership with 47 State Offices and hundreds of field offices throughout rural America.



# Water and Environmental Direct Programs Fiscal Year 2023 Program Performance (ROI)

WEP Non-Technical Assistance Awards	\$1.7B
Technical Assistance Awards	\$47.3M
Population Served**	1.1M
New Connections Only**	28,326
Miles of Line Repaired, Replaced, Installed**	17,738
Projects Alleviating Health or Sanitary Issues**	308 of 419 (73.5%)
Leveraged Non-Federal Dollars (34.14%)*	\$584.31M
Leveraging Federal Funds (2.34%)*	\$39.98M
Total Federal and Non-Federal Leveraged Funds (36.48%)*	\$624.29M

\*Technical assistance not included.

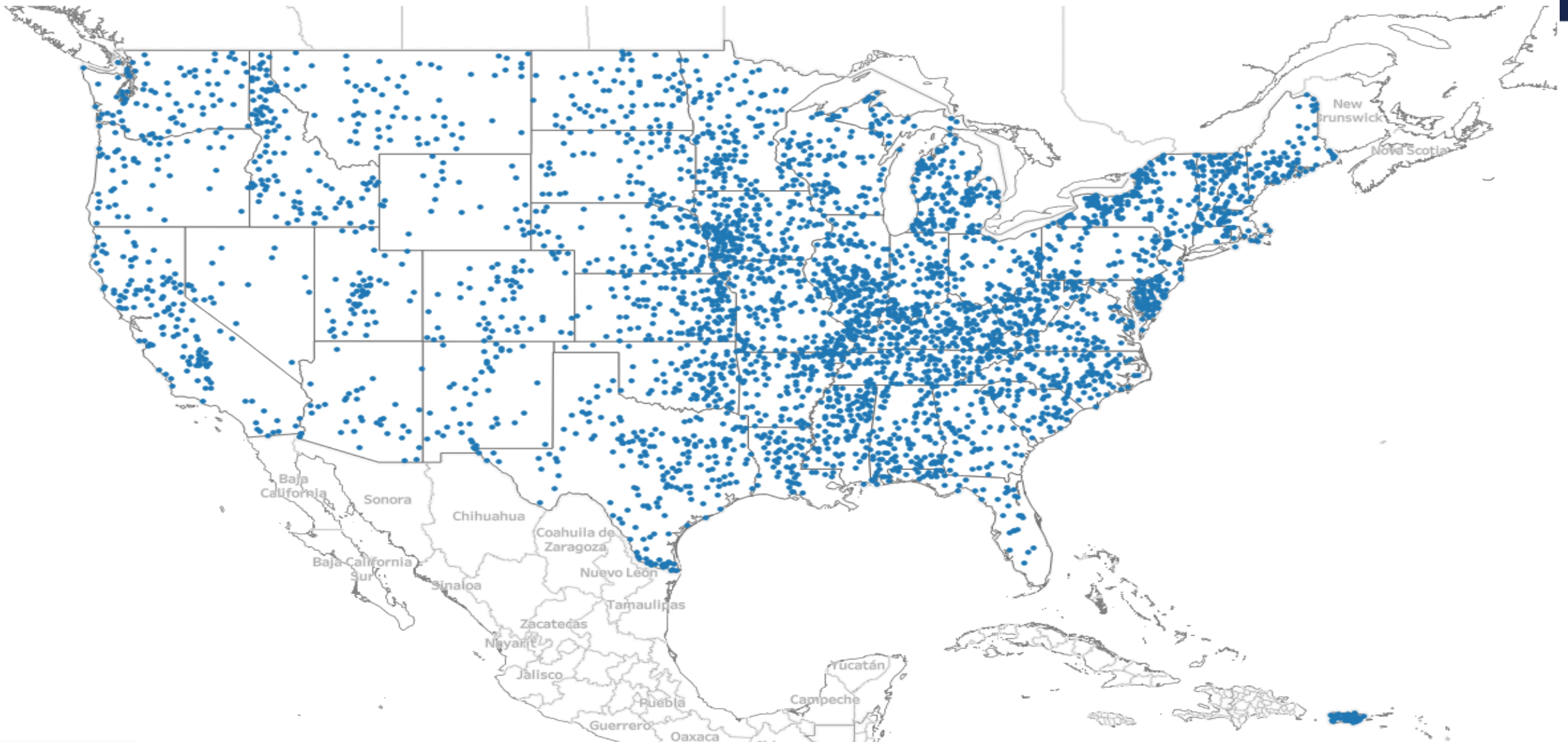
\*\* Construction programs only.

NOTE: WEP has no restrictions on whether WEP grants can be used as match for other Federal Grant Programs. However, WEP grants are limited to statutory authority or a determination of financial need, whichever is less. Grants cannot be used in conjunction with guaranteed loans.

**CONACT, Section 306 (16)** states: Grants under paragraph (2) of this subsection may be used to pay the local share requirements of another Federal grant-in-aid program to the extent permitted under law providing for such grant-in-aid program. Federal funds include EPA, HUD, IHS, etc.

# USDA WEP Program Borrowers FY 2014 – FY 2023

Alaska, Hawaii, American Samoa and Marshall Islands data not included on map but can be provided upon request.



# WEP Water and Waste Disposal Direct Programs' Impact FY 2014 – FY 2023

- **1,998** counties served in all 50 states and 6 territories\*
- **20,340,319** rural residents received new or improved water and waste disposal service\*\*
- Rural communities served\*\*:
  - 83% 5,000 or less population
  - 68% 2,500 or less population
  - 54% 1,500 or less population
  - 43% 1,000 or less population
- **7,533,451** households and businesses benefited by improved service\*\*
- **Average** annual household income of population served = **\$36,933\***
- **\$17.72 billion invested to build new or improved infrastructure\***
  - 66% loan; 34% grant
  - 23.7% (\$4.20 billion) leveraged with other non-federal funding sources
    - \$146.03 million in Guaranteed Loans with private lenders (.8%)
    - \$367.99 million in Applicant Contribution (2.1%)
    - \$355 million in Project Tap Fees (2.0%)
    - \$3.33 billion in Other Non-USDA Funding (18.8%)
- **\$356 million in technical assistance funds provided to rural communities**
  - 515,316 technical assistance visits

\*Technical assistance not included. \*\* Construction programs only

# Water and Waste Disposal Direct Program

- Funding also covers activities including soft costs that are related to the construction or improvements including:
  - Engineering, environmental, and legal fees
  - Land acquisition, water and land rights, permits and equipment
  - Other costs determined to be necessary for completion of the project
- Loan funds can also be used for:
  - Interest incurred during construction
  - Start-up operations and maintenance
  - Purchase of facilities to improve service or prevent loss of service
  - Refinancing of non-Agency debt in some situations, when it is a secondary part of the loan.





# Other WEP Programs Overview



# One Percent Loan Program

- Funding available to help you build, expand, and repair your community's drinking water, wastewater, storm water drainage, and sanitary solid waste disposal systems.
- What is an eligible area?
  - Population of 10,000 or less based on the 2020 Decennial Census.
  - The area served must not have a median household income that is more than 80% of the statewide non-metropolitan median household income.
  - Primary purpose is to upgrade existing facilities or construct new facilities required to meet applicable health or sanitary standards.
  - Must serve a Distressed Community. A Distressed Community is determined by the Agency by using the Economic Innovation Group's Distressed Communities Index.
- Who can apply?
  - public bodies, nonprofit organizations, and federally recognized Tribes.



# Water and Waste Guaranteed Loans

Helps private lenders provide affordable financing to qualified borrowers to improve access to clean, reliable water and waste disposal systems for households and businesses in rural areas.

- **What are eligible uses of funds?**  
Construct, enlarge, otherwise improve, or purchase and install equipment to operate, maintain, or protect facilities.
- **What is in an eligible area?**  
Populations of 50,000 residents or less, based on the latest decennial census and not in the urbanized area contiguous to that city or town.
- **What is the maximum amount of a loan guarantee?**  
The WEP loan guarantee percentage for Fiscal Year 2023 is 80%.
- **What are the loan terms?**  
The lender, with Agency concurrence, will establish and justify the guaranteed loan term. The loan term will not exceed 40 years.
- **What are the interest rates?**  
Interest rates are negotiated between the lender and borrower. May be fixed or variable. Variable rates may not be adjusted more often than quarterly.



# Set-Asides and Other Funding

In addition to the Direct and the Guaranteed Programs, WEP has set-aside grants and special emphasis programs, such as:

- **Capital Infrastructure Set-Asides:**

- Colonia Grants
- CY22 Disaster Water Grants
- Emergency Community Water Assistance Grants (ECWAG)
- Native American Grants
- Rural and Native Alaskan Villages
- Rural Economic Area Partnership Grants (REAP)
- Special Evaluation Assistance for Rural Communities and Households (SEARCH)
- Strategic and Economic Community Development Loans and Grants (SECD)
- Water & Waste Disposal Predevelopment Planning Grants (PPG)

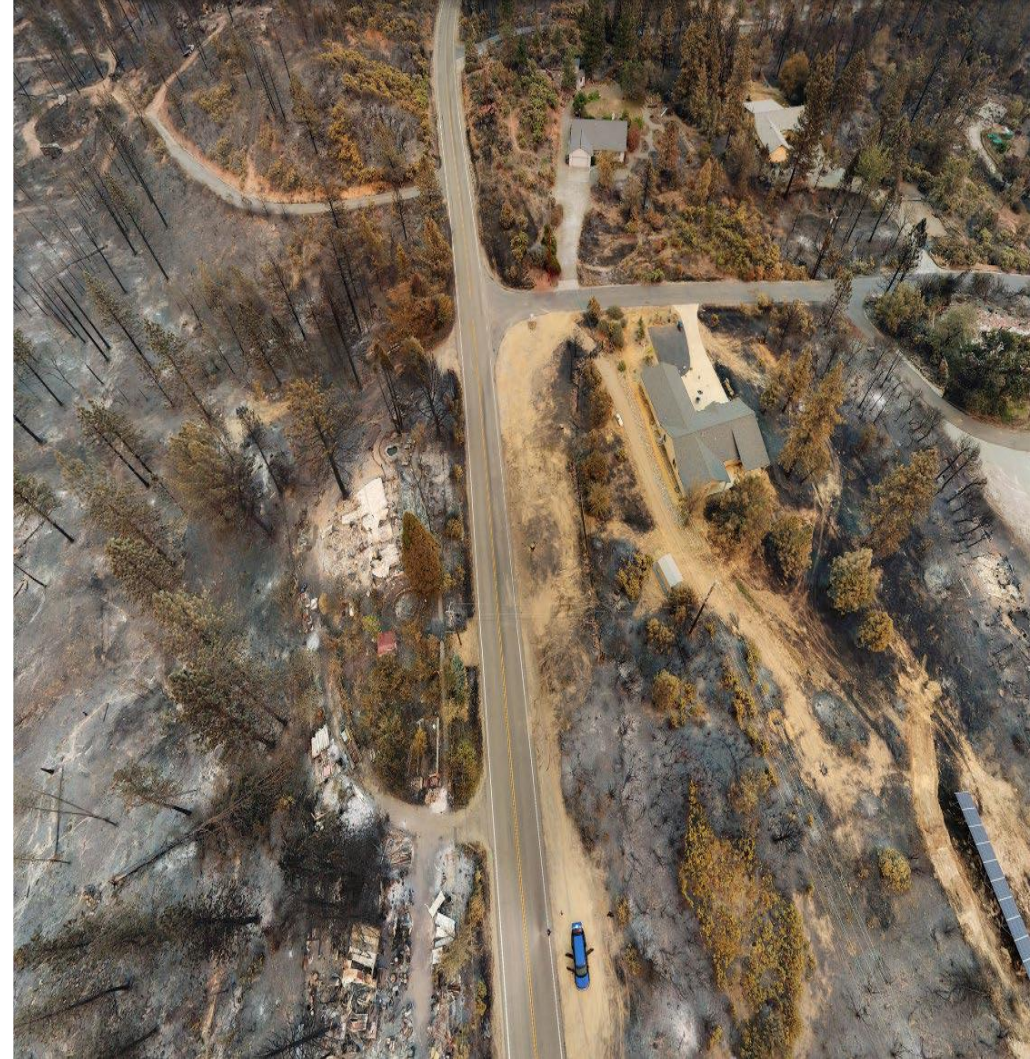
- **Technical Assistance Programs:**

- CY22 Disaster Circuit Rider Technical Assistance Grant
- Revolving Funds Program Grants (RFP)
- **Rural Decentralized Water System Grants (DWS)**
- Solid Waste Management Grants (SWMG)
- Technical Assistance and Training Grants (TAT)



# Emergency and Imminent Community Water Assistance Grants (ECWAG)

- Emergencies and events such as drought, flood, earthquake, tornado, hurricane, disease outbreak, chemical spill, leak, seepage, and/or other disasters.
  - Program allows for PFAS/PFOS remediation.
- Water transmission line grants up to \$150,000 to construct waterline extensions, repair breaks or leaks in existing water distribution lines, and address related maintenance necessary to replenish the water supply
- Water source grants up to \$1,000,000 to construct a water source, intake or treatment facility
- Funding Levels
  - Funded through multiple accounts and can add monies based upon need.
    - FY 2023- \$30,000,000



# Colonia and Native American Grants

- Provides low-income communities, which face significant health risks, access to safe, reliable drinking water and waste disposal facilities and services.
- **Residents of the area to be served must face significant health risks due to a lack of access to, or use of adequate, affordable water or waste disposal.**
- **What may the funds be used for?**
  - Construction of basic drinking water and waste disposal systems, including storm drainage
- **Are matching funds required?**
  - Partnerships with other federal, state and local entities are encouraged; however, 100% grant may be offered in some circumstances if funds are available.
- Funding Levels - FY 2023- \$43,000,000



# Pre-Development Grants

## (Pre-Development Planning Grants (PPG) and Special Evaluation and Assistance for Communities and Households)

- PPG: Assists financially distressed communities with a population of up to 10,000 with pre-development costs. Grants are up to \$60,000 with a 25% match.
- SEARCH: Assists financially distressed communities with a population of 2,500 or less with pre-development costs. Grants are up to \$30,000 and there is no match.
- Funds used to pay predevelopment planning costs, including:
  - Feasibility studies to support applications for funding water or waste disposal projects
  - Preliminary design and engineering analysis
  - Technical assistance for the development of an application for financial assistance



# RD Apply What is it?

RDApply is an application intake system that allows you to apply for loans and grants for Rural Utilities Services (RUS) Programs. With RDApply, you can create an application, upload attachments, sign certifications, and draw service areas. Includes a simplified application for certain grant only requests.

<https://rdapply.sc.egov.usda.gov/>





# Rural Decentralized Water Systems (DWS) Grant Program

## Program Overview

- Program is governed by 7 CFR 1776 and Section 306E of the Consolidated Farm and Rural Development Act
- Helps qualified non-profits and tribes establish a lending program for homeowners.
- Increases access to clean, reliable water and waste disposal services for households in eligible rural areas
- Provided funds that may be used to construct, refurbish, and service decentralized water and wastewater systems

# Rural Decentralized Water Systems (DWS) Grant Program

## Additional Information Regarding the DWS Program:

- One of the most searched programs on [www.rd.usda.gov](http://www.rd.usda.gov)
- Annual grant program
- Program is not designed for individual homeowner
  - ✓ Must work with the grant recipients
  - ✓ Applications can be found on [www.grants.gov](http://www.grants.gov) during grant application window

# Rural Decentralized Water Systems (DWS) Grant Program

## Who Can Apply?

### Nonprofits that have:

- Expertise and experience promoting the safe, productive use of individually-owned household water wells and decentralized systems
- Legal authority to act as a lender
- Sufficient expertise and experience in lending activities
- Financial, technical and managerial capacity to comply with relevant federal and state laws and regulations
- Has no delinquent debt to the Federal Government or no outstanding judgments to repay a Federal debt
- 10% matching funds is required

# Rural Decentralized Water Systems (DWS) Grant Program

- Loans to individual homeowners
- Maximum loan or grant is \$15,000 for water and wastewater
  - ✓ In addition, maximum subgrant is \$15,000 for water and wastewater
- 20-year maximum term
- 1% fixed interest rate
- Any project funded from proceeds of a DWS loan must:
  - ✓ be located in a rural area (less than 50,000 population)
  - ✓ have a household income less than 60% of the state median nonmetropolitan household income (SNMHI)



# Rural Decentralized Water Systems (DWS) Grant Program

## Heirs' Property alternative methods for ownership

- ✓ Clear title (first consideration)
- ✓ Deed or title
- ✓ Mortgage documentation
- ✓ Property tax receipt or bill
- ✓ Home purchase contracts or homeowners' insurance documentation
- ✓ Proof of payment for recent major repairs to the residence
- ✓ Last will and testament (with death certificate)

# Rural Decentralized Water Systems (DWS) Grant Program

## Heirs' Property alternative methods for occupancy

- ✓ Affidavits of residency or other court documentation
- ✓ Driver's license or state issued identification card
- ✓ Voter registration card
- ✓ Motor vehicle registration
- ✓ Pay stubs from a current employer
- ✓ Bank or credit card statements
- ✓ Medical provider's or utility bills
- ✓ Public official's statement
- ✓ Letter or mail delivered to the address from an employer, public official, social service organization, local school or school district.

# Rural Decentralized Water Systems (DWS) Grant Program

## DWS Grant Historic Program Levels

Fiscal Year	Funding Level
2019	\$2.3M
2020	\$6.4M
2021	\$6.0M
2022	\$7.2M
2023	\$9.2M

# Rural Decentralized Water Systems (DWS) Grant Program

## Grant Recipients

- Communities Unlimited (*7 states: AL, AR, LA, MS, OK, TN and TX*)
- The Foundation for Healthy Communities of Northeastern Utah (*UT*)
- Golden Triangle RC&D (*GA - Southwest*)
- Seven Rivers RC&D (*GA - Southeast*)
- Water Well Trust, Inc. (*Nationwide*)



# RD Priorities: <https://www.rd.usda.gov/priority-points>



## Rural Development Priorities

USDA Rural Development is incorporating key Biden-Harris Administration priorities into program scoring and associated funding announcements beginning with the fiscal year (FY) 2022 funding announcements. Many USDA Rural Development grant and technical assistance programs have the potential to support rural communities' economic development effort and maintain and improve a healthy rural population by leveraging funding assistance to key Administration priorities.

These priorities build upon RD's continuing commitment to serving traditionally underserved and economically challenged rural areas, such as Persistent Poverty Counties. Many RD programs will have a funding set-aside for areas of persistent poverty. These programs will be identified on the Priority Points Program Chart.

USDA Rural Development has identified three key priorities that will provide a pathway to facilitate economic growth for all rural Americans and is encouraging Applicants to consider projects that will advance the following three key priorities.

### What are Priority Points?

Priority Points, also referred to as discretionary points, are additional points added to an established scoring criterion that USDA Rural Development uses to help determine which projects qualify for funding. Awarding extra points (i.e. priority points) raises a project's score, which in turn improves the chances of a project being scored high enough to warrant a funding award. The flexibility related to these kinds of points varies, depending on regulations language.



# Contact Information

Lola Maratita  
DWS Grant Manager  
(615) 714-8883  
[Dolores.Maratita@usda.gov](mailto:Dolores.Maratita@usda.gov)

WEP Programs

<https://www.rd.usda.gov/programs-services/water-environmental-programs>

WEP is administered in partnership with 47 State Offices and hundreds of field offices

<https://www.rd.usda.gov/about-rd/state-offices>

Thank you for all you do to support rural America!





USDA is an equal opportunity provider, employer, and lender.