

## United States Department of Agriculture – Rural Utility Services

---

### **USDA - Rural Utility Services (RUS) - Water and Environmental Programs Division** (<http://www.usda.gov/rus/water/>)

The Water and Environmental Programs division of the RUS provides financial and technical assistance to cities and towns of population less than 10,000, and to rural communities of any size, in the form of grants, loans, loan guarantees and technical assistance, with the ultimate aim of improving the quality of life and promoting economic development in these areas. They provide assistance with drinking water services, sanitary sewers, and solid waste management and storm drainage facilities.

Public bodies such as municipalities, counties and special purpose districts, non-profit organizations, cooperatives and Indian tribes are eligible to apply for these grants and loans. Applicants for loans must be in good legal standing to borrow and repay loans, to pledge security for loans, and to operate and maintain the facilities. In addition non-profit organizations may apply for grants to provide technical assistance and training to assist rural communities with their water, wastewater, and solid waste problems.

They provide:

- Water and Waste Disposal Loans and Grants
- Emergency Community Water Assistance Grants
- Technical Assistance and Training Grants
- Solid Waste Management Grants
- Rural Water Circuit Rider Technical Assistance

### **Water and Waste Disposal Loans and Grants:** (<http://www.usda.gov/rus/water/program.htm>)

Direct loans are provided by RUS to those eligible applicants that cannot obtain the funds from other sources at reasonable rates (as shown on the RUS website or available at any USDA Rural Development field office), for the purpose of developing safe and affordable water and wastewater systems, including solid waste

disposal and storm drainage. Preference is given to public bodies serving areas with population less than 5500 people, for the restoration of deteriorating water supply systems or to improve or modify a water and waste management facility, and to those entities that merge small systems or those serving low-income communities. The maximum term of a direct loan is 40 years or the State statute for the useful life of the facility.

Guaranteed loans are available for the same purposes as direct loans, and may be acquired through lenders such as banks, savings, and loan associations. Guarantees are available for up to 90 percent on any loss of interest and principal on the loan, and lenders pay a 1 percent guarantee fee, which may be passed on to the loan recipient.

Grants are available for the same purposes as loans and also for the reduction in water and waste disposal costs to a reasonable level for users of the system. Grants may be made, in some instances, up to 75 percent of eligible project costs.

Direct loans and/or grants have also been set aside for communities along the U.S.-Mexico border designated as "Colonias"; areas designated as Empowerment Zones/Enterprise Communities and Rural Economic Area Partnership Zones; certain projects where at least 50 percent of the users of the facility/project are Native Americans; rural Alaskan villages; and water emergencies and disaster relief.

### **Emergency Community Water Assistance Grants:** (<http://www.usda.gov/rus/water/program.htm>)

The Emergency Community Water Assistance Grants are available to eligible applicants that have been affected by a flood, earthquake, or other disaster, or can show a significant decline in quantity or quality of drinking water from the time of filing the application. These grants may be made for 100 percent of project costs and can be used for works that extend, repair, or perform

significant maintenance on existing water systems; to construct new water lines, wells or other sources of water, reservoirs, and treatment plants; replace equipment; and pay costs associated with connection or tap fees; to pay related expenses such as legal and engineering fees and environmental impact analyses, or acquire rights associated with developing sources of, treating, storing, or distributing water; and to achieve federal water pollution control requirements or comply with the Safe Drinking Water Act's (<http://www.usda.gov/rus/water/docs/sdwa.pdf>) water quality standards.

### **Technical Assistance and Training (TAT) Grants:**

(<http://www.usda.gov/rus/water/tatg.htm>)

The Technical Assistance and Training grants are available to eligible private and non-profit organizations having a tax exempt status from the Internal Revenue Service, and which show a capability, capacity and legal authority in providing training and technical assistance to associations in small rural communities to identify and evaluate solutions to water and wastewater problems, improve facility operation and maintenance activities, and prepare funding applications for water or wastewater treatment facility construction projects. These grants may be made for up to 100 percent of eligible project costs and can be used to pay for expenses related to providing the technical assistance and/or training.

Examples of TAT grants are Rural Community Assistance Program, Inc. ([www.rcap.org](http://www.rcap.org)) and National Rural Water Association ([www.nrwa.org](http://www.nrwa.org)) that manage the Technical Training and Wastewater Technician programs respectively.

### **Solid Waste Management Grants:**

(<http://www.usda.gov/rus/water/SWMMG.htm>)

The Solid Waste Management grants are available to eligible private and non-profit organizations having a tax exempt status from the Internal Revenue Service, and which show a capability, capacity and legal authority in providing training and/or technical assistance to associations in small rural communities to reduce

or eliminate pollution of water resources by reducing and managing the solid waste stream, and improve planning and management of solid waste facilities. These grants may be made for up to 100 percent of eligible project costs and can be used to evaluate landfill conditions to determine threats to water resources; enhance operator skills in operation and maintenance of active landfills; and/or assist operators of landfills which are closed, or will be closed soon, with the development and implementation of the plans for closing and future land use.

### **Rural Water Circuit Rider Technical Assistance:**

(<http://www.usda.gov/rus/water/program.htm>)

RUS provides free on-site assistance to rural water systems for their daily operational, financial and management problems to ensure the cost effective operation of these water systems. RUS has contracted National Rural Water Association to provide this service through their NRWA state affiliates of rural water systems in each state for this service.

### **Useful links:**

List of funding notices under the RUS programs:  
<http://www.rurdev.usda.gov/rd/nofas/index.html>

List of regulations corresponding to the various grants under the RUS program:  
<http://www.usda.gov/rus/water/regs.htm>

List and links to forms under the Water and Environmental Programs:  
<http://www.usda.gov/rus/water/wwforms.htm>

Link to the description of the various grants, loans and guaranteed loans provided within the Water and Environmental Program of the RUS:

In pdf format -

<http://www.usda.gov/rus/water/docs/wwfact.pdf>

In pdf format -

<http://www.usda.gov/rus/water/docs/fact2.pdf>

In doc format -

<http://www.usda.gov/rus/water/docs/wwfact.doc>

In doc format -

<http://www.usda.gov/rus/water/docs/fact2.doc>

Link to the interest rates used by the RUS to give guaranteed loans:

<http://www.usda.gov/rus/water/docs/int-rate.txt>

Link to state USDA-Rural Development offices for local and regional assistance:

<http://www.usda.gov/rus/water/states/usatxt.htm>

Link to RUS federal and statewide allocations for the Fiscal Year 2003:

Federal: <http://www.usda.gov/rus/water/2003funding.htm>

State:

<http://www.usda.gov/rus/water/2003StateAllocations.htm>

**Rural Housing and Economic  
Development Gateway**  
U.S. Dept of Housing & Urban Development  
451 7th Street, S.W., Room 7137  
Washington, DC 20410  
1-877-RURAL-26 (1-877-787-2526)  
[www.hud.gov/ruralgateway/](http://www.hud.gov/ruralgateway/)