

Rural Decentralized Water Systems Program

**Fiscal Year 2026, First Opportunity
Notice of Funding Opportunity (NOFO)**

Funding Opportunity Number: RDRUS-26-DWS

Publication Date: October 1, 2025.

Application Due Date: 11:59 PM Eastern Time on December 1, 2025.

KARL

ELMSHAEUSER

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ELMSHAEUSER

Date: 2025.09.26
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Karl Elmshaeuser

Administrator

Rural Utilities Service

PROGRAM SOLICITATION INFORMATION

Funding Opportunity Title: Rural Decentralized Water Systems Program

Funding Opportunity Number: RDRUS-26-DWS

Announcement Type: Notice of Funding Opportunity (NOFO or Notice)

Assistance Listing Number: 10.862

Dates: The Agency will start accepting DWS program applications on October 1, 2025. Completed electronic applications must be submitted through www.grants.gov by 11:59 p.m. Eastern Time (ET) on December 1, 2025. Late or incomplete applications will not be accepted.

Executive Summary: The Rural Utilities Service (RUS or Agency), a Rural Development (RD) mission area of the United States Department of Agriculture (USDA), announces acceptance of applications under the Rural Decentralized Water Systems (DWS) program for Fiscal Year (FY) 2026. These grant funds will be awarded to qualified applicants to create a revolving fund and to issue sub-grants to finance the costs of household water well systems and individually owned decentralized wastewater systems. This program is anticipated to have approximately \$6,000,000 available through this funding announcement prior to application. Of that amount, \$1,000,000 will be available for applications directly supporting individually owned household decentralized wastewater system subgrants. All funds are subject to the availability of funding. All applicants are responsible for any expenses incurred in developing their application.

TIPS FOR APPLICANTS

- To do business with the Federal Government and to submit your application electronically using Grants.gov, you must—
 - Have a Unique Entity Identifier (UEI) and a Taxpayer Identification Number (TIN);
 - Be registered in SAM.gov (System for Award Management), the Government's primary registrant database;
 - Provide your UEI number and TIN on your application; and
 - Maintain an active SAM registration with current information throughout the application and, if a recipient, the active award.
- Register and submit applications early. **DO NOT WAIT UNTIL THE DAY OF THE APPLICATION DEADLINE.**
- Thoroughly read this NOFO and follow all the instructions.
- Thoroughly review the guidelines and policies as outlined in this Notice to ensure the application is received and eligible for consideration, and to understand allowable and unallowable costs.
- Apply for the correct grant program
 - Assistance Listing number “**10.862**” and Funding Opportunity Number “RDRUS-26-DWS”

- Make sure you have the most recent copy of Adobe Reader installed on your computer and that it is compatible with Grants.gov software. Grants.gov supports Adobe Reader version 9.0.0 and higher.
- Limit Application File Name Characters (50 or less).
- When uploading attachments, click the “Add Attachments” button (do NOT use the “paperclip” icon in Adobe Reader). Acceptable file types include .doc, .docx, .pdf, .jpg, .jpeg, .png, .gif, .xls, .xlsx, .txt, .ppt, and .pptx. If you would like to submit another file type, please contact the program office first for approval.
- Do not password-protect your documents and make sure all tracked-changes are “accepted”.
- Avoid Special Characters in File Names (\$, %, &, *, Spanish "ñ", etc.).
- Input the correct UEI number on the SF-424 cover page.
- Review the Grants.gov Applicant User and Registration Guides:
- <https://www.grants.gov/applicants/applicant-faqs>
- <https://www.grants.gov/applicants/workspace-overview>

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1.0 PROGRAM DESCRIPTION

1.1 Administrative Points

To be considered for administrative points, the applicant's work plan must include a separate section titled, "Administrative Points and provide information outlined in [7 CFR 1776.9\(b\)\(7\)](#)."

1.2 Purpose of the Program

Access to safe and reliable water and wastewater systems is 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 DWS program was established to help individuals with low to moderate incomes finance the costs of household water well systems and individually owned decentralized wastewater systems that they own or will own.

Through the DWS program, private non-profit organizations will receive grant funds to establish lending programs that will provide water well and wastewater 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 water well or decentralized wastewater systems up to the point of entry to the residence. In certain circumstances where ground well water contamination is documented, 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 50 percent of the awarded funds may be used for sub-grant. Sub-grants can be used to help reduce the cost to construct, refurbish, rehabilitate or replace individually owned decentralized water well and wastewater systems. Of the available funding, \$1,000,000 will be used to provide subgrants to eligible individuals for the construction, refurbishing, and servicing of individually owned household decentralized wastewater systems.

1.3 Statutory and Regulatory Authority

The DWS program is authorized under Section 306E of the Consolidated Farm and Rural Development Act (CONACT), as amended (7 U.S.C. 1926e) and implemented by [7 CFR part 1776](#), including guidance established in [2 CFR part 200](#) and other relevant regulations and Executive Orders.

1.4 Definitions

The definitions applicable to this Notice are published at [7 CFR 1776.3](#).

1.5 Application of Awards

The Agency will review, evaluate, and score applications received in response to this Notice based on the provisions found in [7 CFR 1776.9](#) and as indicated in this Notice. Awards under the DWS program will be made on a competitive basis using specific selection criteria contained in [7 CFR 1776.9](#) and this Notice. The Agency advises all interested parties that the applicant bears the full burden in preparing and submitting an application in response to this Notice regardless of whether or not the applicant receives funding pursuant to the DWS program in FY 2026.

2.0 FEDERAL AWARD INFORMATION

Type of Awards: Grants.

Fiscal Year Funds: FY 2026.

Available Funds: It is anticipated that approximately \$6,000,000 will be available through this funding announcement, of which \$1,000,000 is available for applications directly supporting subgrants for individually owned household decentralized wastewater systems. All funds are subject to the availability of funding. RUS may at its discretion, increase the total level of funding available in this funding round from any available source provided the awards meet the requirements of the statute which made the funding available to the Agency.

Award Amounts: No minimum or maximum award amount.

Anticipated Award Date: December 31, 2025.

Performance Period: February 1, 2026, to January 31, 2026.

Renewal or Supplemental Awards: Prior DWS grants cannot be renewed. Existing 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 Assistance Instrument: Grant Agreement.

3.0 ELIGIBILITY INFORMATION

3.1 Eligible Applicants

Eligible applicants must meet the eligibility requirements of [7 CFR 1776.5](#).

3.2 Cost Sharing or Matching

Applicants must be able to comply with the applicant contribution requirements outlined in [7 CFR 1776.9\(b\)\(3\)](#). Cost share requirements only apply to revolving funds and not to sub-grant awards.

3.3 Other Eligibility Requirements

Applicants must be able to meet the intent outlined in [7 CFR 1776.1](#) and [1776.12](#) and be in conformance with [7 CFR 1776.13](#) and [7 CFR Part 1776, Subpart C](#). Non-tribal 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.

A loan or subgrant recipient must be an eligible individual as defined in [7 CFR 1776.3](#) and [1776.14](#). In determining eligibility, income does not include income earned or received by dependent children under 18 years old or other benefits that are excluded by Federal law. The Rural Housing Service (RHS) publishes a list of income exclusions in (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 From Income-Updated Listing”).

4.0 APPLICATION AND SUBMISSION INFORMATION

4.1 Address to Request Application Package

The FY 2026 DWS Application Guide, copies of necessary forms and samples, and the DWS program regulation are available at <http://www.rd.usda.gov/programs-services/water-environmental-programs/rural-decentralized-water-systems-grant-program>. Application information is available at www.rd.usda.gov/programs-services/water-environmental-programs/rural-decentralized-water-systems-grant-program.

4.2 Content and Form of Application Submission

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 to prepare the budget and complete other parts of the application.

Applicants should prepare their applications in accordance with the requirements of this Notice and . The Agency developed the FY 2026 DWS Application Guide for this program, which is available at . 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 application guide. Applicants should ensure they are using the most updated version of the application guide before submitting an application.

4.3 System for Award Management and Unique Entity Identifier

(a) At the time of application, each applicant must have an active registration in the System for Award Management (SAM) before submitting its application in accordance with [2 CFR part 25](#). To register in SAM, entities will be required to obtain a Unique Entity Identifier (UEI). Instructions for obtaining the UEI are available at www.sam.gov/content/entity-registration.

(b) Applicants must maintain an active SAM registration, with current, accurate and complete information, at all times during which it has an active Federal award or an application under consideration by a Federal awarding agency.

(c) Applicants must ensure they complete the Financial Assistance General Certifications and Representations in SAM.

(d) Applicants must provide a valid UEI in its application, unless determined exempt under the Agency developed the FY 2026 DWS Application Guide for this program, which is available at www.rd.usda.gov/programs-services/water-environmental-programs/rural-decentralized-water-systems-grant-program.

(e) The Agency will not make an award until the applicant has complied with all SAM requirements including providing the UEI. If an applicant has not fully complied with the requirements by the time the Agency is ready to make an award, the Agency may determine that the applicant is not qualified to receive a Federal award and use that determination as a basis for making a Federal award to another applicant.

4.4 Submission Dates and Times

DWS program will start accepting applications on (TBD, ASAP). Completed electronic applications must be submitted through www.grants.gov by 11:59 p.m., Eastern Time (ET) on December 1, 2025. Late or incomplete applications will not be accepted. If the submission deadline falls on Saturday, Sunday, or a federal holiday, the application is due the next business day.

The Agency will not solicit or consider new scoring or eligibility information that is submitted after the application deadline. RUS also reserves the right to ask applicants for clarifying information and additional verification of assertions in the application.

4.5 Intergovernmental Review

Executive Order (EO) 12372, “Intergovernmental Review of Federal Programs,” does not apply to this program.

4.6 Funding Restrictions

Applications must be for eligible uses outlined in [7 CFR 1776.12](#). Administrative expenses that may be funded are outlined in [7 CFR 1776.13](#).

4.7 Other Submission Requirements

(a) The Agency will only accept applications electronically through www.grants.gov. Applications will not be accepted via paper, fax, or electronic mail. 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.

(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 according to [Section 4.3](#) of this Notice. 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.

5.0 APPLICATION REVIEW INFORMATION

5.1 Criteria

All eligible and complete applications will be evaluated and scored competitively based on the scoring criteria in [7 CFR 1776.9](#) and this Notice. Failure to address any of the application criteria by the application deadline will result in the application being determined ineligible, and the application will not be considered for funding.

To be considered for administrative points, the applicant's work plan must include a separate section titled, "Administrative Points" and provide information outlined in 7 CFR 1776.9(b)(7). Applications may be awarded up to a total of 10 points.

5.2 Review Selection Processes

RUS will provide the applicant written acknowledgement of receipt of application. The following actions will 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.

(b) Complete, eligible applications will be evaluated competitively by a review team composed of at least three RUS employees selected from the Water and Environmental Programs. They will make overall recommendations based on criteria provided in [7 CFR 1776.9](#) and this Notice. Each application will receive a score based on the averages of the reviewers' scores and discretionary points awarded by the RUS Administrator. 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. The Agency reserves the right to offer the applicant less than the grant funding requested. At the discretion of RUS, low-scoring projects may not be awarded funding, even if funding remains available.

(c) Applications will be ranked, and grants awarded based upon the scoring results and funding availability. Regardless of the score an application receives, if RUS determines that the project is technically infeasible or otherwise ineligible, RUS will notify the applicant in writing with no further action.

6.0 FEDERAL AWARD ADMINISTRATION INFORMATION

6.1 Federal Award Notices

(a) Award 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:

- (1) Eligible and selected for funding,
- (2) Eligible but offered less funds than requested,
- (3) Eligible but not selected for funding due to ranking of all applications by score, or
- (4) Ineligible for the grant.

(b) Award Notices. RUS will notify applicants selected for funding by an award letter accompanied by a grant agreement, which outlines the terms and conditions for the grant. Successful applicants will be required to execute documents appropriate to the project before funding will be advanced. Award documents specify the term of each award.

(c) Payments and Reimbursements. Pursuant to the grant agreement, grant funds will 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. Funding requests may be submitted for allowable costs up to monthly and must include the appropriate supporting documentation. The grant agreement will also include reporting and outline actions containing pre-approval requirements consistent with [7 CFR part 1776](#) and [2 CFR part 200](#) which if not met, may result in a delay in reimbursement, disallowance of expense, or a suspension of the grant.

(d) Scope of Work. The approved scope of work will be attached to the executed grant agreement. The grantee is responsible for ensuring that all contractual, legal, and program requirements are met prior to starting work. Any change in the scope of the project, budget adjustments of more than ten (10) percent of the total budget, or any other significant change in the project must be reported to and approved prior to the change by the Agency approval official by written amendment to the grant agreement. Any change not approved may be cause for termination of the grant. The provisions under [2 CFR 200.308](#) require recipients to report deviations from budget or project scope and request prior approval from the Agency.

6.2 Administrative and National Policy Requirements

The following requirements apply:

(a) *Additional Requirements.* Applications should be prepared in conformance with departmental and other applicable regulations including 2 CFR parts, 415 subpart, and any successor regulations.

(b) *Geospatial Data*. Awardee, and any and all contracts entered into by the Awardee with respect to the Award, shall ensure that geospatial data required to be collected and provided to the agency, conforms with the requirements of USDA Department Regulation DR-3465-001 and the Geospatial Metadata Standards set forth in DM 3465-001, which can be obtained online at [usda.gov/directives/dr-3465-001](https://www.usda.gov/directives/dr-3465-001) and [usda.gov/directives/dm-3465-001](https://www.usda.gov/directives/dm-3465-001).

6.3 Reporting

Performance reporting, including applicable forms, narratives, and other documentation, are to be completed and submitted in accordance with the provisions of [7 CFR part 1776](#), [2 CFR part 170](#), and in [2 CFR part 200](#), as well as the grant agreement. It will be the grantee's responsibility to demonstrate how the costs are associated to the goals and objectives of the award. Further, all grantees must submit an audit or financial information covering the defined period of performance as outlined in [2 CFR part 200](#).

7.0 FEDERAL AWARD AGENCY CONTACTS

Sandra Alarcón, Community Programs Specialist, Water and Environmental Programs, RUS, USDA, by email at Sandra.Alarcon@usda.gov, Water-RD@usda.gov, or by phone at (202) 568-1119. Sandra Alarcón, Community Programs Specialist, Water and Environmental Programs, RUS, USDA, by email at Water-RD@usda.gov, or by phone at (202) 568-1119.

8.0 OTHER INFORMATION

8.1 Paperwork Reduction Act

In accordance with the Paperwork Reduction Act of 1995 (44 U.S.C. chapter 35), 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.

8.2 National Environmental Policy Act

In accordance with the National Environmental Policy Act of 1969, Public Law 91-190, this Notice has been reviewed in accordance with 7 CFR part 1b ("National Environmental Policy Act"). The Agency has determined that i) this action meets the criteria established in 7 CFR 1b.4(c)(31) and ii) no extraordinary circumstances exist. Therefore, the Agency has determined that the action does not have a significant effect on the human environment, and therefore neither an Environmental Assessment nor an Environmental Impact Statement is required.

8.3 Federal Funding Accountability and Transparency Act

All applicants, in accordance with , must be registered in SAM and have a UEI number as stated in Section D.3 of this Notice. All recipients of Federal financial assistance are required to report information about first-tier sub-awards and executive total compensation in accordance with [2 CFR part 170](#).

8.4 Civil Rights Act

All grants made under this notice are subject to applicable civil rights laws, which may include Title VI of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, Age Discrimination Act of 1975, Title VIII of the Civil Rights Act of 1968, Title IX of the Education Amendments Act of 1973, and the Equal Credit Opportunity Act of 1974.

8.5 Equal Opportunity for Religious Organizations

(a) Faith-based organizations may apply for this award on the same basis as any other organization, as set forth at, and subject to the protections and requirements of, this part and any applicable constitutional and statutory requirements, including 42 U.S.C. 2000bb et seq. USDA will not, in the selection of recipients, discriminate for or against an organization on the basis of the organization's religious character, motives, or affiliation, or lack thereof, or on the basis of conduct that would not be considered grounds to favor or disfavor a similarly situated secular organization.

(b) A faith-based organization that participates in this program will retain its independence from the Government and may continue to carry out its mission consistent with religious freedom and conscience protections in Federal law. Religious accommodations may also be sought under many of these religious freedom and conscience protection laws.

(c) A faith-based organization may not use direct Federal financial assistance from USDA to support or engage in any explicitly religious activities except when consistent with the Establishment Clause of the First Amendment and any other applicable requirements. An organization receiving Federal financial assistance also may not, in providing services funded by USDA, or in their outreach activities related to such services, discriminate against a program beneficiary or prospective program beneficiary on the basis of religion, a religious belief, a refusal to hold a religious belief, or a refusal to attend or participate in a religious practice.

8.6 Nondiscrimination Statement

In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, religion, sex, 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.

Persons with disabilities who require alternative means of communication for program information (e.g., Braille, large print, audiotape, American Sign Language, etc.) should contact the State or local Agency that administers the program or contact USDA through the Telecommunications Relay Service at 711 (voice and TTY). Additionally, program information may be made available in languages other than English.

To file a program discrimination complaint, complete the USDA Program Discrimination Complaint Form, AD-3027, found online at [How to File a Program Discrimination Complaint](#) and at any USDA office or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9992. Submit your completed form or letter to USDA by: (1) mail: U.S. Department of Agriculture, Office of the Assistant Secretary for Civil Rights, 1400 Independence Avenue, SW, Mail Stop 9410, Washington, D.C. 20250-9410; (2) fax: (202) 690-7442; or (3) email: program.intake@usda.gov.

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