

Celebrating 25 Years

Hardship Grant Program

With the 1987 Amendments to the Clean Water Act (CWA), Congress ushered in a new era in clean water infrastructure financing by replacing the long-standing federal Construction Grants program with an innovative Clean Water State Revolving Fund (CWSRF) program. However, the CWSRF program requires extensive planning work to qualify for construction funding and many small communities lack the funds necessary to perform this work. Therefore, the Division of Water Quality instituted a Hardship Grant Program on June 1998 to provide planning and design advances to communities in need of assistance if the community demonstrates a financial hardship. The advances provide interim financial assistance for project planning and design until construction financing can be secured.

The Hardship Grant Program was creatively financed principally by charging Hardship Grant Assessments (HGA) in lieu of interest on CWSRF loans, supplemented by interest charged on State loans, and interest earnings in the State loan and hardship grant funds.

Since its inception, the Hardship Grant Program has provided \$3.7 million to 71 communities to prepare project plans, and \$9.9 million to 23 communities to perform project design. The Hardship Grant Program has also provided \$25.4 million in construction grants to 32 communities to make their projects affordable.

Recently, the role of the Hardship Grant Program expanded significantly when non-point source (NPS) projects became eligible for grants, with the program providing over \$7.4 million of direct grants to 97 NPS projects just within the last four years.



1991-2016



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