



Drinking Water State Revolving Fund Fact Sheet

Key Takeaways

- The Drinking Water State Revolving Fund (DWSRF) is one of the largest federal funding programs for drinking water infrastructure projects, such as improving drinking water treatment, maintaining and improving pipes and storage facilities to ensure continuous access for households, schools, and other drinking water users, and many other projects that promote access to clean and safe drinking water.
- Under the Bipartisan Infrastructure Law (BIL), the DWSRF received \$11.7 billion in supplemental funding over the next five years to address many infrastructure needs across the country. The law includes a separate, \$15 billion dedicated for lead service line replacements.
- Through BIL, 49% of DWSRF funds must be provided as additional subsidization to disadvantaged communities (DACs).
- Advocates can get involved by:
 - Working with local communities and water utilities to identify eligible projects and ensure they are prepared to apply for SRF funds
 - Participating in the Intended Use Plan (IUP) public engagement process, ensuring that the list of prioritized projects include funding for communities most in need and that the state definition of DACs uses the most effective metrics for identifying those communities
 - Advocating for their state to improve their public engagement opportunities, including making IUP process more transparent and accessible for public review

SRF Basics: The Drinking Water SRF

The Drinking Water State Revolving Fund (DWSRF) was created by Congress in 1996 through amendments to the Safe Drinking Water Act. Administered by the US Environmental Protection Agency (US EPA), funds from the DWSRF are delivered as capitalization grants from US EPA to states. Together with the [Clean Water State Revolving Fund](#) (CWSRF), these two programs make up the largest source of federal funding for water infrastructure and are critical to protecting and preserving safe and affordable water from source to tap.

For more information, go to www.srfadvocatesforum.org

The DWSRF provides critical funding for drinking water infrastructure projects across the country, ensuring water systems maintain compliance with Safe Drinking Water Act standards and provide clean and safe drinking water to customers. [Eligible projects](#) include:

1. Drinking water treatment improvement
2. Transmission and distribution
3. Developing or rehabilitating water sources
4. Storage tank replacement or construction
5. Connecting water systems
6. Creating new water systems
7. Other infrastructure projects needed to protect public health

Entities Eligible for DWSRF Resources Include:

1. Publicly owned community water systems
2. Privately owned community water systems
3. Non-profit, non-community water systems (such as schools and publicly owned campgrounds)



How it Works

EPA provides grants to states for the revolving loan funds based on assessments of overall need in each state. These grants are known as “capitalization grants” and states must provide their own funding (20 percent of the grant amount) from other, non-federal revenue streams. However, BIL reduced the state matching requirement to 10 percent in fiscal years 2022 and 2023.

States utilize these grants to maintain a “revolving” loan fund that provides low interest loans for eligible clean water infrastructure projects. When recipients repay their loan to the state, the state uses these funds to provide loans for future projects – thereby enabling a revolving loan fund as money flows in and out with each project repaid and new projects funded.

Each state determines its own timeline for receiving and prioritizing clean water infrastructure project applications. Once applications are received and priority projects are identified, the state creates their annual Intended Use Plan (IUP) and often an accompanying Project Priority List (PPL). The **IUP** describes the state’s process for ranking projects for selection, how they have defined and prioritized affordability criteria, and a list of all projects seeking funding in the next fiscal year. The **PPL** is a short list of projects that the state intends to fund. Once each of these documents are released, the state is legally obligated to provide a public comment window.

Bipartisan Infrastructure Law SRF Funding Details

| SRF Funding Program | Total Funding | State Match | Additional Subsidy | Eligibility for Additional Subsidy |
|--|-------------------------|---|--------------------|---|
| Clean Water SRF Supplemental | \$11.713 BILLION | 10% in 2022-2023, 20% in 2024-2026 | 49% | Recipients that meet state's affordability criteria or specific project types |
| Clean Water Emerging Contaminants | \$1 BILLION | 0% | 100% | No specific eligibility |
| Drinking Water SRF Supplemental | \$11.713 BILLION | 10% in 2022-2023, 20% in 2024-2026 | 49% | Recipients that meet state's definition of disadvantaged community |
| Drinking Water Emerging Contaminants | \$4 BILLION | 0% | 100% | 25% for disadvantaged communities or public water systems serving fewer than 25,000 people |
| Drinking Water Lead Service Line Inventorying and Replacement | \$15 BILLION | 0% | 49% | Recipients that meet state's definition of disadvantaged community |

Advocacy for the DWSRF

Advocates can get involved by:

1. Working with local communities and water utilities to identify eligible projects and ensure they are prepared to apply for SRF funds.
2. Participating in the Intended Use Plan (IUP) public engagement process, ensuring that the list of prioritized projects include funding for communities most in need and the state definition of DAC uses the most effective metrics for identifying those communities.
3. Providing comments and feedback for changes related to the ranking process to increase the weight of certain components.
4. Advocating for their state to improve their public engagement opportunities, including making the IUP process more transparent and accessible for public review.