



Drinking Water State Revolving Fund

A federal-state partnership providing financial support to water systems and state drinking water programs

PROTECTING AMERICA'S PUBLIC HEALTH

The Nation's public water systems make significant investments to install, upgrade, or replace infrastructure to ensure the provision of safe drinking water to nearly 300 million customers. Building new treatment facilities can improve the quality of drinking water by improving compliance with national primary drinking water standards and protecting public health. Improvements are also needed to help water systems ensure that distribution and transmission systems can reliably deliver safe water to homes, schools, and businesses. Water systems can protect their infrastructure investments cost-effectively through sustainable water system management.

THE DWSRF

The 1996 Amendments to the Safe Drinking Water Act (SDWA) created the Drinking Water State Revolving Fund (DWSRF) to help communities finance infrastructure improvements that are needed to protect public health and ensure compliance with drinking water standards. Each of the 50 states and Puerto Rico operates its own DWSRF program. They receive annual capitalization grants from the EPA, which provide low-interest loans and other types of assistance to public water systems. The DWSRF programs are managed or co-managed by state agencies that oversee drinking water systems and therefore can effectively prioritize infrastructure needs for funding. The EPA oversees each state's DWSRF program.

DETERMINING FUNDING PRIORITIES

States develop a priority ranking system for projects based on three criteria from the SDWA. States then offer financial assistance to water systems based on the ranking order of their projects. Priority is given to those eligible projects that:

- 1) address the most serious risk to human health;
- 2) are necessary to ensure compliance with the requirements of the Safe Drinking Water Act; and,
- 3) assist systems most in need, on a per household basis, according to State-determined affordability criteria.

ELIGIBLE SYSTEMS AND PROJECTS

Both publicly and privately-owned community water systems and nonprofit non-community water systems are eligible for funding under the DWSRF program. Eligible projects include the installation, upgrade, or replacement of treatment facilities, finished water storage facilities, and transmission and distribution systems. Other projects, such as water system consolidation, may also be eligible. Eligibility guidelines are posted at:

DWSRF Eligibility Handbook:
<https://www.epa.gov/drinkingwatersrf/dwsrf-eligibilities>

FINANCIAL ASSISTANCE TYPES

- **Planning and design loans**
- **Construction loans** at or below market interest rate terms. Loans are typically 30-year terms for most communities (*up to 40 years for disadvantaged communities*) and may be offered with principal forgiveness or negative interest rates.
- **Purchasing or refinancing debt obligations**
- **Insurance or guarantee for local debt**



SET-ASIDES

Not all drinking water compliance problems can be solved through infrastructure improvements. With that in mind, Congress gave states the option to take a portion of their federal capitalization grants as “set-asides.” Set-asides can be used to administer state drinking water programs, provide technical assistance and training for water systems, and fund other activities that support achieving the public health protection objectives of the SDWA. The programs and activities supported by set-asides include DWSRF administration, water system capacity development, operator certification, small system technical assistance, source water protection, and support for the state Public Water System Supervision (PWSS) program. Each state has the flexibility to determine the appropriate balance between water infrastructure projects and set-asides for its specific circumstances.

Over the DWSRF's first **20 years**,
states funded nearly **14,000 projects**
worth over **\$35 billion**.

APPLYING FOR FUNDING

Water systems receive DWSRF assistance directly from state agencies. Each state has its own application procedure. Contact information for each state is posted at <https://www.epa.gov/drinkingwatersrf/state-dwsrf-website-and-contacts>.



For more information, visit: [epa.gov/drinkingwatersrf](https://www.epa.gov/drinkingwatersrf)