



# Clean Water and Drinking Water State Revolving Funds and the Bipartisan Infrastructure Law

## Disclaimer

*EPA developed this presentation as a community-focused, high-level overview of the Clean Water and Drinking Water State Revolving Funds (SRFs) and eligibilities related to the Bipartisan Infrastructure Law (BIL) of 2021. Some content has been generalized for clarity. This is not guidance for EPA or state SRF managers or staff.*

# Bipartisan Infrastructure Law (BIL)

- Signed by President Biden on November 15, 2021.
- Historic investment in key programs and initiatives implemented by the U.S. Environmental Protection Agency to build safer, healthier, cleaner communities.
- Includes \$50 billion to the EPA to strengthen the nation's drinking water and wastewater systems – the single largest investment in water that the federal government has ever made.
- Approximately \$43.4B of this funding through the existing CWSRFs and DWSRFs.

# BIL Implementation Key Priorities

- Provide Flexibility to Meet Local Water Needs
- Increase Investment in Disadvantaged Communities
- Make Rapid Progress on Lead Service Line Replacement
- Address PFAS and Emerging Contaminants
- Support Resilience and One Water Innovation
- Support American Workers and Renew the Water Workforce
- Cultivate Domestic Manufacturing
- Fully Enforce Civil Rights
- Refine State SRFs to Build the Pipeline of Projects

# Available State Revolving Fund (SRF) Funding in the BIL

Appropriation	FY 2022 (\$)	FY 2023 (\$)	FY 2024 (\$)	FY 2025 (\$)	FY 2026 (\$)	Five Year Total (\$)
<b>CWSRF General Supplemental</b>	1,902,000,000	2,202,000,000	2,403,000,000	2,603,000,000	2,603,000,000	<b>11,713,000,000</b>
<b>CWSRF Emerging Contaminants</b>	100,000,000	225,000,000	225,000,000	225,000,000	225,000,000	<b>1,000,000,000</b>
<b>DWSRF General Supplemental</b>	1,902,000,000	2,202,000,000	2,403,000,000	2,603,000,000	2,603,000,000	<b>11,713,000,000</b>
<b>DWSRF Emerging Contaminants</b>	800,000,000	800,000,000	800,000,000	800,000,000	800,000,000	<b>4,000,000,000</b>
<b>DWSRF Lead Service Line Replacement</b>	3,000,000,000	3,000,000,000	3,000,000,000	3,000,000,000	3,000,000,000	<b>15,000,000,000</b>



# BIL Implementation Memo

## Cover Memo

### Attachment 1 – BIL Funding Implementation

- CWSRF General Supplemental Funding
- CWSRF Emerging Contaminants Funding
- DWSRF General Supplemental Funding
- DWSRF Emerging Contaminants Funding
- DWSRF Lead Service Line Replacement Funding

### Attachment 2 – CWSRF Base Program Implementation

The BIL amends the CWA to include new provisions applicable to the base CWSRF programs and unless otherwise directed, applicable to projects funded in whole or in part with funds made available by BIL.

### Attachment 3 – DWSRF Base Program Implementation

The BIL amends the SDWA to include new provisions applicable to the base DWSRF programs and unless otherwise directed, applicable to projects funded in whole or in part with funds made available by BIL.

# State Revolving Funds: Overview

## What are the SRFs?

- The Clean Water State Revolving Fund (CWSRF) is a federal-state program that provides funding and financing to wastewater and storm water systems for a wide range of infrastructure projects.
- The Drinking Water State Revolving Fund (DWSRF) is a federal-state program that provides funding and financing to public water systems for wide range of drinking water infrastructure projects and activities.



# Clean Water State Revolving Fund Overview



# CWSRF Funding in the BIL: Overview

- EPA is making \$12,713,000,000 in **additional** capitalization grants available to the state CWSRFs over the next five years.
- Most of this money may fund any project eligible under the CWSRF; some funding is targeted towards projects focused on “emerging contaminants.”
- **States have the authority to waive repayment on some of this new funding** (e.g., forgive some or all of the loan’s principal or provide grants).

<b>Clean Water for Communities</b>	<b>\$12.7 billion</b>
<b>General:</b> Clean Water State Revolving Funds	\$11.7 billion
<b>Addressing Emerging Contaminants:</b> Clean Water SRFs	\$1 billion

# CWSRF 2% Technical Assistance Reserve

- BIL created a new eligible use of the CWSRF.
- States may use up to 2% of this funding to nonprofit organizations or state, regional, interstate, or municipal entities to provide technical assistance to rural, small, and tribal publicly owned treatment works (POTWs).

# Who is Eligible to Use the CWSRF?

- Municipalities, intermunicipal, interstate, or state agencies.
- Nonprofit entities\*
- Private, for-profit entities\*
- Watershed groups\*
- Community groups\*
- Homeowner's associations\*
- Individuals\*

*\*Some states do not fund private systems/private entities.*

# What Type of Projects Can Be Funded by the CWSRF?

- Construction of publicly owned treatment works
- Nonpoint source projects
- National estuary program projects
- Decentralized wastewater treatment systems (i.e., septic systems and tanks)
- Stormwater projects (gray and green infrastructure)
- Water conservation and efficiency
- Watershed pilot projects
- Energy efficiency projects
- Water reuse projects
- Security measures at POTWs
- Planning
- Technical assistance

**For the CWSRF Emerging Contaminants Funding**

These types of projects can be funded if they address emerging contaminants – defined in the memo!



# CWSRF BIL Fund Eligibilities

## Emerging Contaminant Funds

- Eligible: CWSRF-eligible projects that address substances and microorganisms, including manufactured or naturally occurring physical, chemical, biological, radiological, or nuclear materials, which are known or anticipated in the environment, that may pose newly identified or re-emerging risks to human health, aquatic life, or the environment.
- Not Eligible: Projects that address contaminants with water quality criteria established by EPA under CWA section 304(a), except for PFAS.



# Drinking Water State Revolving Fund Overview

# DWSRF Funding in the BIL: Overview

- EPA is making \$30,713,000,000 in **additional** capitalization grants available to the state DWSRFs over the next five years.
- Some of this money may fund any project eligible under the DWSRF; some funding is targeted towards projects focused on PFAS and “emerging contaminants;” some funding is targeted towards the identification and replacement of lead service lines.
- **States have the authority to waive repayment on some of this new funding** (e.g., forgive some or all of the loan’s principal or provide grants).

<b>Safe Drinking Water</b>	<b>\$30.7 billion</b>
<b>Lead Service Line Replacement:</b> Drinking Water SRF	\$15 billion
<b>General:</b> Drinking Water SRF	\$11.7 billion
<b>Addressing Emerging Contaminants:</b> Drinking Water SRF	\$4 billion

# Who is Eligible to Use the DWSRF?

- Public or private\* community water systems
  - A system serving at least 15 service connections used by year-round residents, or regularly serves at least 25 year-round residents
- Nonprofit non-community water systems
  - Including schools, publicly-owned campgrounds, parks, churches

*\*Some states do not fund private systems/private entities.*



# What Type of Projects Can Be Funded by the DWSRF?

- Drinking water treatment projects
- Drinking water transmission and distribution projects
- Drinking water source projects
- Storage projects
- Consolidation of water systems
- Creation of new systems
- Planning and design projects
- Technical Assistance

## **For the DWSRF Emerging Contaminants Funding**

These types of projects can be funded if they address emerging contaminants – defined in the memo!

[https://www.epa.gov/sites/default/files/2019-10/documents/dwsrf\\_eligibility\\_handbook\\_june\\_13\\_2017\\_updated\\_508\\_versioni.pdf](https://www.epa.gov/sites/default/files/2019-10/documents/dwsrf_eligibility_handbook_june_13_2017_updated_508_versioni.pdf)

# DWSRF BIL Fund Eligibilities

## Emerging Contaminant/PFAS Funds

- Eligible: DWSRF-eligible projects for which the primary purpose is to address PFAS or contaminants on any of EPA's Contaminant Candidate Lists (CCL).
- Not Eligible: Projects for which the primary purpose is to address contaminant(s) with a [National Primary Drinking Water Regulation](#) (with PFAS exception).

# DWSRF BIL Fund Eligibilities

## Lead Service Line Replacement Funds

- Eligible: lead service line inventories; removal and replacement of lead service lines, galvanized service lines (currently or previously downstream of lead components), lead goosenecks, pigtails, and connectors; planning and design for those infrastructure projects.
  - Any project involving the replacement of a lead service line must replace the entire lead service line, not just a portion, unless a portion has already been replaced.

# Increasing Investment in Disadvantaged Communities

- **Use of Additional Subsidy (forgiveness of principal or grants)**
  - 49% must go to disadvantaged communities/address affordability (DWSRF + CWSRF Supplemental, DWSRF Lead Service Line Funding)
  - At least 25% must go to disadvantaged communities or public water systems serving less than 25,000 people (DWSRF Emerging Contaminants)
- **Disadvantaged Community Definition and Affordability Criteria**
  - Each state is responsible for setting the definition of disadvantaged community definition and affordability criteria
  - EPA provides recommendations for revising these definitions in the memo
- **Technical Assistance funding**
  - Utilize full 2% set-aside in DWSRF and CWSRF for TA





# What Next?



# How Can Communities Help Implement the BIL?

- Share ideas for **getting SRF funding to disadvantaged communities and environmental justice communities.**
- Provide recommendations for **what type of technical assistance is needed** to help communities prepare and apply for SRF assistance.
- Develop capital development plans to **address critical infrastructure needs.**
- Work early with your state to **get projects on the Intended Use Plan.**
- Participate in state public process for developing SRF Intended Use Plans.

# How Can Non-Profit Organizations Help Implement the BIL?

- Provide **community education and outreach** to identify, prioritize and solve water issues, especially to disadvantaged communities.
- Provide **technical assistance to communities** for project planning and design.
- Assist communities in the **application process** with state SRF programs.
- Work with states to **generate robust project pipelines**.
- **Connect communities** to various funding options.
- Assist in project implementation and **community engagement**.
- **Promote SRF program** benefits.

# How Do I Apply for SRF funding?

- **Develop your plans and identify needs.**
  - Develop a capital improvement plan.
  - State SRFs may provide planning and development assistance.
- **Engage with your state SRF program.**
  - Each state has a process and timeline for applications.
  - Discuss funding options (SRF base, SRF BIL, state funding, etc.) to build a plan for your community.
- **Build an ongoing relationship with the state SRF.**
  - BIL funds are over FY 2022-2026.
  - Base SRF programs are ongoing.

# SRF and BIL Information

- **CWSRF:** <https://www.epa.gov/cwsrf>
  - [State CWSRF contacts](#)
- **DWSRF:** <https://www.epa.gov/dwsrf>
  - [State DWSRF contacts](#)
- **BIL:** <https://www.epa.gov/infrastructure>
- More engagements, trainings, and webinars on this important funding source will be coming soon! Please check back for more information.



