



Lead Service Line Replacement Eligibilities Under the Drinking Water State Revolving Fund and Bipartisan Infrastructure Law

Drinking Water State Revolving Fund: Overview

What is the DWSRF?

- The Drinking Water State Revolving Fund (DWSRF) is a federal-state partnership that provides funding and financing to public water systems for wide range of drinking water infrastructure projects and activities.
- Has both infrastructure and non-infrastructure components
 - Provides access to credit and permanent source of funding for water infrastructure (loan fund).
 - Provides non-infrastructure support to states and communities (set-asides), such as technical assistance.

Drinking Water State Revolving Fund: Overview

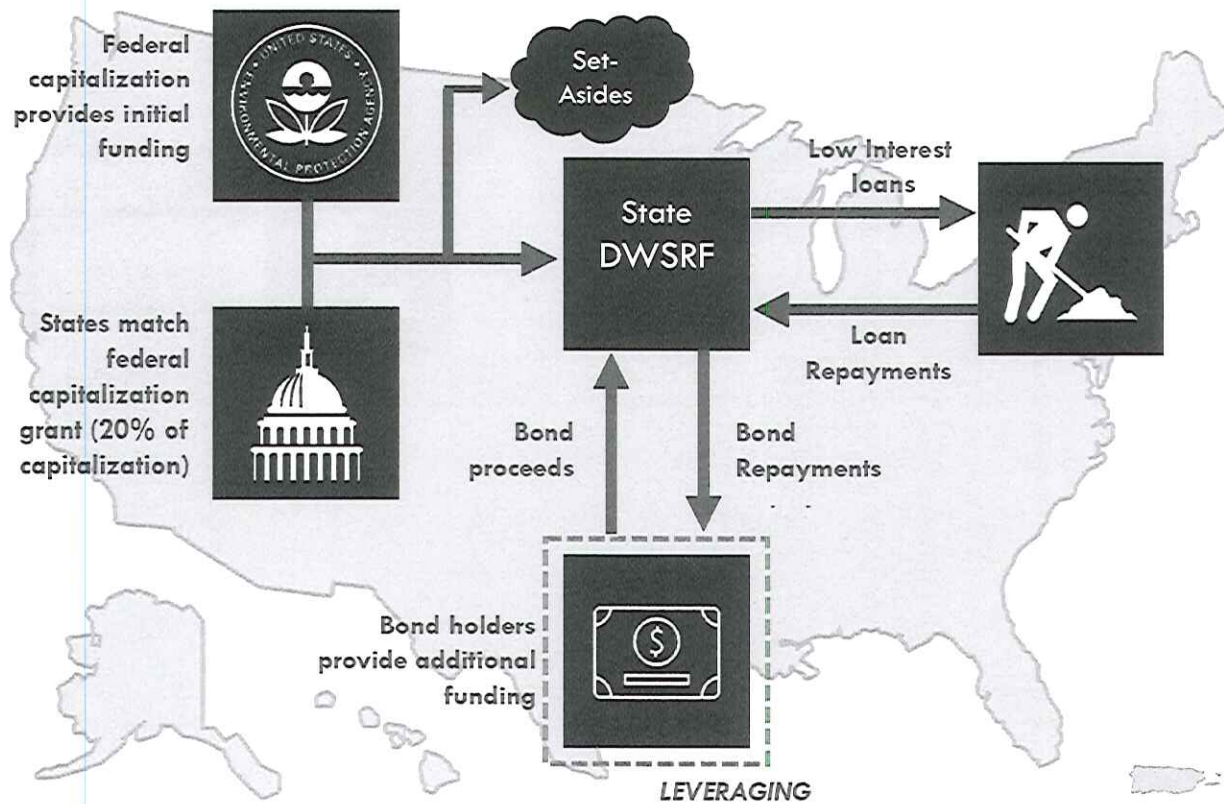
How does the DWSRF work?

- Congress appropriates funding to EPA for the DWSRF program. EPA then awards capitalization grants (i.e., seed money) to each state.
- States may take part of their capitalization grant as set-aside funds, if desired.
- For most appropriations, each state provides a 20 percent match to those capitalization grants.
- Public water systems apply for project funding from their state's DWSRF.

Drinking Water State Revolving Fund: Overview

How does the DWSRF work?

- States then provide below-market rate loans and other authorized assistance to eligible public water systems for water infrastructure projects.
- States disburse DWSRF funds to those eligible assistance recipients on construction costs that are incurred.
- Assistance recipients repay their loans back into the state's DWSRF typically over 20-40 years.
- The state DWSRF programs use these “recycled” funds to make additional loans, and the “revolving” cycle continues.



Who is Eligible to Use the DWSRF?

- **Public or private* community water systems**
 - A water 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**
 - Some examples may include schools, publicly-owned campgrounds, parks, and churches that are not part of a community water system.

**Some states do not fund private systems.*

What Type of Projects Can Be Funded by the DWSRF?

- **Treatment:** Projects to install or upgrade facilities to improve drinking water quality to comply with drinking water regulations
- **Transmission and distribution:** Rehabilitation, replacement, or installation of pipes to improve water pressure to safe levels or to prevent contamination caused by leaky or broken pipes, including lead service line replacement
- **Source:** Rehabilitation of wells or development of eligible sources to replace contaminated sources
- **Storage:** Installation or upgrade of finished water storage tanks to prevent microbiological contamination from entering the distribution system
- **Consolidation:** Interconnecting two or more water systems
- **Creation of new systems:** Construct a new system to serve homes with contaminated individual wells or consolidate existing systems into a new regional water system
- **Planning and design:** For all project types listed above.
- **Technical Assistance**

https://www.epa.gov/sites/default/files/2019-10/documents/dwsrf_eligibility_handbook_june_13_2017_updated_508_version1.pdf



DWSRF Lead Service Line Eligibilities

LSL-Related Eligibilities Under the DWSRF

• Loan Fund

- Complete removal and replacement of lead service lines (public and privately owned portion) or service lines made of galvanized iron or galvanized steel (that are currently or have previously been downstream of lead components)
- Removal and replacement of lead or galvanized goosenecks, pigtails, and connectors
- LSL inventories*
- Planning and design for LSLR construction projects*
- Temporary pitcher filters or point-of-use (POU) devices certified by an American National Standards Institute accredited certifier to reduce lead during or for a short time period after LSLR projects

• Set-asides

- Planning and design for LSLR construction projects*
- LSL inventories*
- LSL public outreach, education and training
- Non-routine lead sampling (if not for compliance purposes)

**Eligible under both the loan fund and set-asides.*

What Lead-Related Activities Are Not Eligible Under the DWSRF?

- Installation or replacement of premise plumbing
 - Premise plumbing = the pipes inside the house
- Routine, compliance-related sampling/testing of lead in drinking water
- Testing lead levels in blood
- Bottled water/trucked-in water
- Partial LSL replacement (unless other portion previously or concurrently replaced)



Bipartisan Infrastructure Law

Bipartisan Infrastructure Law (BIL)

- Also known as the Infrastructure Investments and Jobs Act (IIJA).
- 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 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 \$30 billion of this funding through the existing DWSRF programs.

BIL Implementation Key Priorities

- Increase investment in disadvantaged communities
- Make rapid progress on lead service line replacement
- Address PFAS and emerging contaminants
- Resilience, climate, One Water innovation
- Support American workers and renew the water workforce
- Cultivate domestic manufacturing

Available State Revolving Fund (SRF) Funding in the BIL

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



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14

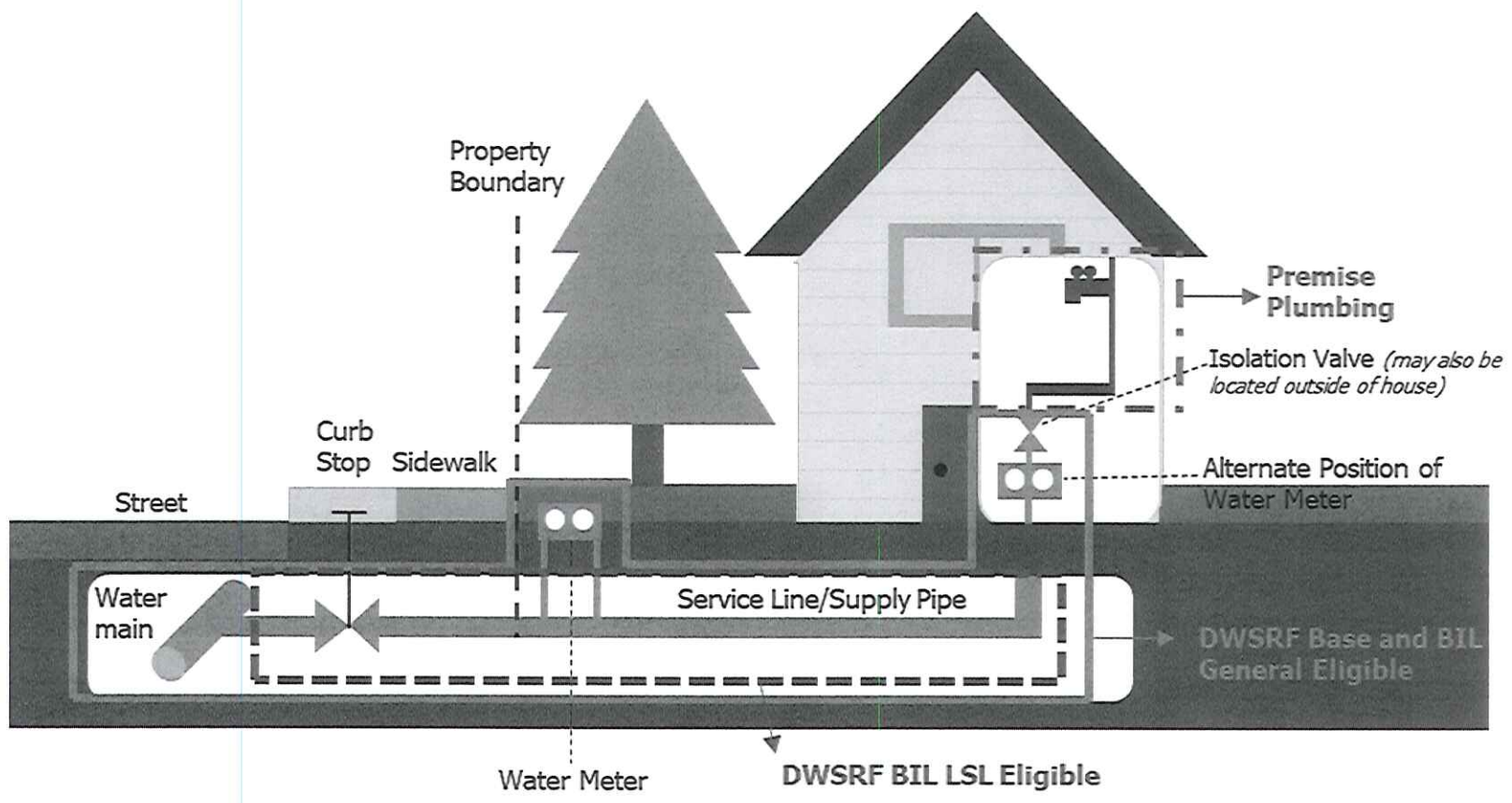
DWSRF Funding in the BIL: Overview

- EPA is making \$30,713,000,000 in **additional** capitalization grants (i.e., seed funding) available to the state DWSRF programs 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 as grants). This is called “additional subsidy.”

DWSRF BIL Fund Eligibilities

LSL Replacement Funds

- \$15 billion over 5 years. 49% of the funds that states receive from EPA must be provided as “additional subsidy.”
- Eligible: lead service line inventories; removal and replacement of lead service lines and galvanized service lines (currently or previously downstream of lead components or unknown material), 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 or is concurrently being replaced with another funding source.
 - *Note: corrosion control studies, corrosion control infrastructure, water mains, and water meters are not eligible under the BIL LSL funding.*



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How Do I Apply for SRF funding?

- Develop your plans and identify needs.
 - Develop a capital improvement plan.
 - State SRF programs may provide planning and development assistance.
- Engage with your state SRF program.
 - Each state has their own 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 your state's SRF staff.
 - BIL funds are over FY 2022-2026.
 - Base SRF programs are ongoing.

SRF and BIL Information

- **DWSRF:** <https://www.epa.gov/dwsrf>
 - [State DWSRF contacts](#)
- **Main BIL site:** <https://www.epa.gov/infrastructure>
- **DWSRF BIL site:** <https://www.epa.gov/dwsrf/bipartisan-infrastructure-law-srf-memorandum>