

Drinking Water State Revolving Fund

Drinking Water State Revolving Fund Facts (<http://www.epa.gov/safewater/dwsrf.html>)

The Drinking Water State Revolving Fund (DWSRF), which is administered by the United States Environmental Protection Agency (USEPA), was established by Congress as part of the 1996 Safe Drinking Water Act (SDWA) Amendments to provide states with a financing mechanism to create and maintain safe drinking water systems for the public. DWSRF was created in response to the fact that the 54,000 community water systems that provide water to more than 254 million people in the U.S. are in need of financial resources to install, upgrade, and replace safe drinking water infrastructure. In many communities, these upgrades are needed in order to comply with USEPA standards on drinking water quality.

Eligibility

States can use DWSRF resources to improve the infrastructure of publicly and privately owned and non-profit, non-community water systems. Funding comes in the form of zero interest or market level interest loans with a repayment period of up to 20 years. Emphasis is given to serving small and underserved communities and to prevention programs that ensure safe drinking water.

Capitalization Grant and Public Involvement

The amount of funding received by each State as a capitalization grant under the DWSRF program is based on the total eligible need determined for each State by the Drinking Water Infrastructure Needs Survey of the USEPA. Information about a State's intended programs and projects under this capitalization grant is required to be made available to the public in the form of an Intended Use Plan prior to receiving the annual grant from the USEPA.

Project Funding Priority

Projects requesting funds from the DWSRF are funded based on the following priority levels:

1. Projects that address the most serious health risks to humans.
2. Projects that are necessary to meet compliance standards under the SDWA.
3. Projects that assist water systems and are most in need, on a per-household basis according to State-determined affordability criteria.

Small Communities and Disadvantaged Communities

Since it is often difficult to secure loans with favorable interest rates for public water systems serving a population of fewer than 10,000, the SDWA amendments require States to provide a minimum of 15 percent of their DWSRF funds to small communities. The State can also provide up to 30 percent of their DWSRF resources to disadvantaged communities that find low-interest rate loans under the DWSRF to be unaffordable. This assistance can take the form of lower or negative interest rate loans or principal forgiveness loans with an extended repayment period of 30 years.

Tribal Regions

The EPA is authorized through the 1996 SDWA Amendments to directly set aside up to 1.5 percent of the total DWSRF amount annually for the Drinking Water Infrastructure Grants Tribal Set-Aside Program (DWIG TSA). The DWIG TSA program can be used to fund, either in full or in part, eligible projects that improve the infrastructure of community water systems and non-profit non-community water systems that serve a tribal population. Funds may also be used to conduct project feasibility studies, engineering design work, or project administration. All federally recognized Indian tribes can receive grants directly to self-administer the projects or they can choose to have the funds received by the Indian Health Services (IHS), if IHS is

requested and agrees to manage the project. The State of Alaska is also authorized to receive grants for projects that benefit Alaskan Native Villages, if the Tribe requests the State to administer the project.

Set-Asides for Program Management Purposes

States also have the flexibility to set aside a portion of their DWSRF allocations to develop programs focused on contamination prevention through source water protection and improved system operation through better water systems management. In addition, States can use up to 10 percent of their DWSRF grant (with a 1:1 dollar State match) to set aside funds to support its own drinking water program, or to develop and implement capacity development, source water protection and operator certification programs. Up to 2 percent of a State's DWSRF grant can be set aside to provide technical assistance to community water systems of populations fewer than 10,000, and up to 4 percent can be set aside for administrative costs for the State's DWSRF program. Further, up to 15 percent of the DWSRF grant can be made available for local assistance and other eligible activities aimed at source water protection, including loans for land acquisition and conservation easements, capacity development, and wellhead protection.

Links to more information on the DWSRF (All pdf files, need Acrobat pdf reader. For Acrobat reader click here –

http://ardownload.adobe.com/pub/adobe/reader/win/6.x/6.0/enu/AdobeRdr60_enu_full.exe)

Questions and answers regarding the DWSRF Program:

<http://www.epa.gov/safewater/dwsrf/qaset2.pdf>

Guidelines on the Drinking Water Infrastructure Grants Tribal Set-Aside Program:

http://www.epa.gov/safewater/tribal/pdfs/guidelines_tribal_dwsrf.pdf

State Grant Allotment for Fiscal Year 2004:

http://www.epa.gov/safewater/dwsrf/pdfs/dwsrf_state_grants04.pdf

DWSRF National Information Management System:

<http://www.epa.gov/safewater/dwsrf/dwnims.html>

State wise Listing of DWSRF Agencies and Contacts:

<http://www.epa.gov/safewater/dwsrf/nims/dwagency2.pdf>

USEPA Regional DWSRF Contact List:

http://www.epa.gov/safewater/dwsrf/pdfs/contacts_dwsrf_regional.pdf

Online Link to Local Drinking Water Information by State:

<http://www.epa.gov/safewater/dwinfo.htm>

Information about public participation in the DWSRF Program:

<http://www.epa.gov/safewater/dwsrf/publicfs.pdf>

Using DWSRF Set-Aside Funds to Assist Small Water Systems:

<http://www.epa.gov/safewater/dwsrf/techas.pdf>

Using DWSRF Set-Aside Funds for Source Water Protection:

<http://www.epa.gov/safewater/dwsrf/source.pdf>

Using the DWSRF for Source Water Protection Loans:

<http://www.epa.gov/safewater/dwsrf/landmanage.pdf>

Using DWSRF Set-Aside Funds for Operator Certification:

<http://www.epa.gov/safewater/dwsrf/opcert.pdf>

Using DWSRF Set-Aside Funds for Capacity Development:

<http://www.epa.gov/safewater/dwsrf/capdev.pdf>

Using the DWSRF to Implement Security Measures at Public Water Systems:

<http://www.epa.gov/safewater/dwsrf/securityfs.pdf>

Using DWSRF Funds to Comply with the New Arsenic Rule:

<http://www.epa.gov/safewater/dwsrf/fund-arsenic.pdf>

Using DWSRF Funds to Comply with the Filter Backwash Recycling Rule:

<http://www.epa.gov/safewater/dwsrf/fund-fbrr.pdf>

Using DWSRF Funds to Comply with the Long Term 1 Enhanced Surface Water Treatment Rule

<http://www.epa.gov/safewater/dwsrf/fund-lt1.pdf>

Using DWSRF Funds for Transmission and Distribution Needs:

<http://www.epa.gov/safewater/dwsrf/fund-td.pdf>

Funding Water Efficiency Through the State Revolving Fund Programs

http://www.epa.gov/safewater/dwsrf/pdfs/fact_dwsrf_water_efficiency03-09-02.pdf

SRF Fund Management Handbook:

<http://www.epa.gov/safewater/dwsrf/srf-fundmgt.pdf>

Link to Case Studies in DWSRF Implementation:

<http://www.epa.gov/safewater/dwsrf/case.html>

Drinking Water Infrastructure Grant Tribal Set-Aside Program:

<http://www.epa.gov/safewater/tribes.html>

**Rural Housing and Economic
Development Gateway**
U.S. Dept of Housing & Urban Development
451 7th Street, S.W., Room 7137
Washington, DC 20410
1-877-RURAL-26 (1-877-787-2526)
www.hud.gov/ruralgateway/