

Equal Access to State Funding Strengthens Compliance, Lowers Costs and Protects Public Health



BACKGROUND:

State Revolving Fund (SRF) programs are the nation's largest sources of low-cost financing for water and wastewater infrastructure, supported by federal grants and state matching funds. The Infrastructure Investment and Jobs Act dramatically expanded SRF resources, including:

- **\$11.7 billion** for the Drinking Water State Revolving Fund (DWSRF).
- **\$15 billion** dedicated to lead service line (LSL) replacement.
- **\$5 billion** to address emerging contaminants, such as PFAS.

PROBLEM:

These historic investments only achieve maximum public health impact when all community water systems—public and private—can participate. Under federal law, privately owned community water systems are fully eligible borrowers in the DWSRF. But in practice, access hinges on state-level policies and each state's Intended Use Plan.

Since SRF programs are funded by taxpayers, communities should not be excluded from access to these benefits simply because of where they live. Equal access ensures that all customers – of public and private water utilities alike – receive equal consideration for the infrastructure financing their tax dollars support.



POLICY BARRIERS:

- Millions of customers are served by privately owned community systems, yet some states limit, de-prioritize or exclude regulated private water providers from state revolving fund loan access, reducing the pace of critical upgrades for PFAS treatment and LSL replacement.
- Equitable eligibility lowers lifecycle costs by providing private utilities access to below-market loans (national average DWSRF rate reported around 1.47% in 2023), compared with typical municipal market rates, improving affordability across customers.
- Restrictions on principal forgiveness for customers of regulated, private water and wastewater providers.

SOLUTIONS:

Unlock Full and Fair Access to SRF Funding for All Community Water Systems

Affirm eligibility in
state DWSRF/CWSRF
programs

Apply disadvantaged
community criteria
consistently

Publicly report
SRF grantee
project milestones

References

Environmental Protection Agency. "2023 Drinking Water State Revolving Fund annual report." October 2024

Environmental Protection Agency. "Bipartisan infrastructure law: A historic investment in water." Fact sheet, November 2021.

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