

Combined Clean & Drinking Water State Revolving Funds (CW and DW SRF) Fact Sheet and Guide

Fact Sheet

Agency: U.S. Environmental Protection Agency (EPA)

Category: Environmental, Water

Eligible Applicants:

- **CWSRF:** Municipalities, inter-municipal, interstate, or state agencies, nonprofit entities, for-profit entities, watershed groups, community groups, homeowner's associations, and individuals. Eligibility varies by [state](#).
- **DWSRF:** Public or private water systems (not all states accept private systems) and nonprofit water systems, such as schools, parks, and churches ([EPA Guidebook](#)).

Total IJA Funding: [\\$12.7 billion](#) (CWSRF) and [\\$30.7 billion](#) (DWSRF)

Match Requirements: N/A

Key Dates: Application timelines vary by state for both programs.

Overview: CWSRF and DWSRF are partnerships between the federal government and states that provide low-interest loans to support critical water infrastructure. CWSRF supports wastewater and storm water projects, while DWSRF supports drinking water infrastructure projects. The IJA [authorized](#) states to use a portion of both CWSRF and DWSRF funds as forgivable loans or grants, particularly for projects serving disadvantaged communities. Both programs are designed to protect public health and the environment, while helping communities meet state and federal standards.

FY25 Grant Funding: [\\$4.46 billion](#) (CWSRF) and [\\$4.52 billion](#) (DWSRF)

Eligible Activities: Both programs are administered at the state level, and eligibility requirements may vary by state.

- The **CWSRF program** offers opportunities for funding across eleven categories, including the construction, repair, and replacement of publicly owned treatment works. Projects that enhance energy efficiency, water conservation, recycling, and stormwater management are prioritized. States have the flexibility to direct funding based on their unique environmental priorities.
- The **DWSRF program** supports the construction or retrofitting of drinking water treatment facilities, the replacement of contaminated sources, the consolidation or restructuring of

water systems, and the installation or replacement of distribution systems.

Opportunities for Underserved Communities: The IJA [mandates](#) that 49% of the general supplemental funding for both programs must be allocated to disadvantaged communities to tackle affordability and access. Each state is responsible for establishing its own definitions of disadvantaged communities and affordability.

Key Funding Criteria: Criteria for receiving funding may vary from state to state.

Additional Information: Program information is available on EPA's [Clean Water SRF website](#), the [Drinking Water SRF website](#), and the [DWSRF infographic](#). For state-specific information on funding, timelines, and eligible activities, contact your state agency administering the SRF programs ([CWSRF State Contact List](#) and [DWSRF State Contact List](#)).



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Comprehensive guide

The Local Infrastructure Hub has developed a [comprehensive guide](#) to help cities successfully navigate the **Clean Water and Drinking Water State Revolving Funds (CWSRF & DWSRF)**. These materials provide practical steps, examples, and tools to help cities determine project eligibility, align with federal and state priorities, structure financing, and move from project concept to successful loan implementation—supporting water quality improvements, public health protection, and long-term infrastructure resilience.

Topics Covered

Click the section titles below to view materials covering each topic:

1. **[Project Eligibility & State Requirements](#)**: Assess project eligibility, understand your state's rules, and prepare a complete and competitive application.
2. **[Federal & State Priorities](#)**: Learn how to align your project with key program goals and state funding criteria to strengthen competitiveness.
3. **[Loan Structure & Additional Subsidy](#)**: Understand SRF loan terms, repayment structures, and opportunities for principal forgiveness or other subsidies—and how these elements influence project planning.
4. **[Threshold Application Steps](#)**: Follow a clear roadmap of the application process, requirements, and key milestones to streamline submission and approval.
5. **[From Project Idea to Implementation](#)**: Review lessons from successful projects to move efficiently from concept to loan award and execution.
6. **[Key Takeaways, and Tools & Resources](#)**: Review core insights and access templates, data tools, and example materials to support each step of your SRF application process.

Explore more resources at <https://www.nlc.org/initiative/local-infrastructure-hub-initiative/>

The Local Infrastructure Hub was a US-focused, nationwide program that helped city leaders connect with resources and expert advice to access and implement federal infrastructure funding from July 2022 to March 2026. This resource was created in February 2026 and is intended to be used as a general guide to the Clean Water and Drinking Water State Revolving Funds (CWSRF & DWSRF); cities should consult their state SRF program guidance and Intended Use Plans (IUPs) for specific requirements.