

Funding Sources for Developing Service Line Inventories

Introduction

The U.S. Environmental Protection Agency (EPA) developed this document to help communities identify potential funding sources for conducting service line inventories. The Lead and Copper Rule Revisions require all water systems to develop a publicly available inventory of all publicly and privately-owned service lines in the distribution system, which must be submitted by October 16, 2024. On August 4, 2022, EPA released their [Guidance for Developing and Maintaining a Service Line Inventory](#) to support water systems with their efforts to develop inventories.

Exposure to lead in the environment continues to be a [public health concern](#), especially for vulnerable populations such as children and pregnant women. Sources of lead exposure may include lead-based paint, drinking water, and soil contaminated by historical sources. Lead and copper enter drinking water mainly from the corrosion of service lines and plumbing materials containing lead and copper. For more information about lead, visit [EPA's Lead in Drinking Water webpage](#).

Communities may need funding to support developing service line inventories, particularly for identifying the material type of service lines on private property. This document lists some of the potential funding resources to support communities with their efforts to develop service line inventories.

To navigate to a particular funding source, click on a box below:



EPA's free Water Technical Assistance (WaterTA) supports communities to identify water challenges, develop plans, build capacity, and develop application materials to access water infrastructure funding. WaterTA may be able to help your water system identify and apply for funding for service line inventories.

[Learn more about WaterTA](#)

[Drinking Water State Revolving Fund \(DWSRF\) Program](#)

[Environmental Justice Government-to-Government \(EJG2G\) Program](#)

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Drinking Water State Revolving Fund (DWSRF) Program

The DWSRF is a financial assistance program established by the 1996 amendments to the Safe Drinking Water Act (SDWA). It is structured as a federal-state partnership (with a program in all 50 states and Puerto Rico) that provides technical and financial support to water systems to achieve the SDWA's public health objectives, which include protecting communities from the risks of lead exposure. The state DWSRF programs can provide water systems resources, including loans with favorable conditions (e.g., interest rates at or below market rate) and free technical assistance, to support developing service line inventories and replacing lead service lines. States are required to provide additional subsidization to disadvantaged communities each year.

How the DWSRF is Funded

Congress appropriates funding to EPA for the DWSRF. EPA then awards a capitalization grant to each state DWSRF. States provide a 20 percent match to the federal funding for base DWSRF funds. States may also take set-asides to help fund its programs and a variety of activities to ensure its communities have safe drinking water. Set-asides can be used to fund the development and maintenance of service line inventories and for the planning and design of lead service line replacement projects. Set-aside funds available to water systems for service line inventories do not need to be paid back.

State DWSRF programs provide low interest loans for eligible water infrastructure projects. As water system loans are repaid, the repayments and interest from the loans are placed back into the dedicated revolving loan fund, and these funds are used to provide additional loans for new recipients. States work with their partners, including drinking water systems, to decide how set-aside funds will be used.

In 2021, the Bipartisan Infrastructure Law (BIL) added \$15 billion in dedicated funding through the DWSRF for lead service line identification and replacement, and \$11.7 billion in DWSRF General Supplemental Funding. Both BIL funding and the base DWSRF program funding can be used for the development of service line inventories and replacement of lead service lines. Projects funded with the BIL appropriation must replace the entire lead service line unless a portion of the line has already been replaced. The state match for BIL general supplemental funding is reduced. No state match is required for the BIL lead service line replacement funding.

DWSRF can customize water system loan terms to reflect small and disadvantaged community needs. States are required by the SDWA to define disadvantaged communities that can receive additional subsidization in the form of principal forgiveness, negative interest rate loans, or grants. The BIL mandates that 49 percent of funds provided through DWSRF lead service line replacement and general supplemental funding must be provided as grants and forgivable loans to disadvantaged communities.

Resource: 

<https://www.epa.gov/dwsrf>

Contact: 

<https://www.epa.gov/dwsrf/state-dwsrf-website-and-contacts>

Funding Cycle and Amount

Funding is available annually but may be available more often in some states. DWSRF funding amounts per state are determined annually.

Applicant Eligibility

States can provide DWSRF assistance to:

1. Existing privately and publicly owned community water systems (CWSs) and non-profit non-CWSs.
2. New CWSs with cost-effective solutions to existing public health issues with serious risks due to:
 - Unsafe drinking water from individual wells or surface water sources, within the specific geographic service area affected by contamination.
 - Technical, managerial, and financial difficulties that consolidation into a new regional CWS can address, with the scope of the service area limited to the systems involved.

Application Process

Contact the [DWSRF program in your state](#) for information on how to apply. Each state has different application and eligibility requirements.

Drinking Water Infrastructure Grants – Tribal Set-Aside (DWIG-TSA) Program

EPA sets aside up to 2 percent of the national DWSRF appropriation for grants to improve tribal drinking water system infrastructure. This program can fund the development and implementation of drinking water infrastructure projects, including service line inventories.

In 2021, the Bipartisan Infrastructure Law (BIL) added a projected \$300 million in DWIG-TSA lead service line replacement funding. Projects funded with the BIL appropriation must replace the entire lead service line unless a portion of the line has already been replaced. BIL funding under the DWIG-TSA can be used for the development of service line inventories and for lead service line replacement.

Applicant Eligibility

Federally recognized tribes served by CWSs and non-profit, non-CWSs are eligible. At the request of tribes and with Indian Health Service's (IHS's) agreement, EPA can enter into agreements with the IHS to administer the project.

Application Process

Contact your region's [EPA Regional Drinking Water Infrastructure Grant Tribal Set-Aside Coordinators](#) for information. EPA Regions work with the IHS and tribes to select projects to receive funding.

Resource: 

<https://www.epa.gov/dwsrf>

Contact: 

<https://www.epa.gov/dwsrf/state-dwsrf-website-and-contacts>

Funding Cycle and Amount

Funding is available annually but may be available more often in some states. DWSRF funding amounts per state are determined annually.

Resource: 

www.epa.gov/tribaldrinkingwater/drinking-water-infrastructure-grants-tribal-set-aside-program

Contact: 

<https://www.epa.gov/tribaldrinkingwater/regional-tribal-drinking-water-coordinators>

Funding Cycle and Amount

Funding is available annually. EPA uses a formula that provides annual allocations of the DWIG-TSA set-aside to each EPA Regional Office.

Reducing Lead in Drinking Water Grant Program

The Reducing Lead in Drinking Water grant program is administered by EPA under the Water Infrastructure Improvements for the Nation (WIIN) Act. This competitive program awards funding to disadvantaged communities to remove sources of lead in drinking water. Eligible lead reduction activities include infrastructure and water treatment improvements, remediation in schools and childcare facilities, and developing and maintaining service line inventories to understand the number of lead service lines.

Applicant Eligibility

Eligible applicants include:

- CWSs
- Water systems located in an area governed by an Indian Tribe
- Non-transient non-CWSs
- Qualified nonprofit organizations with experience in lead reduction servicing a public water system (e.g., schools or office buildings)
- Municipalities
- State, interstate, or intermunicipal agencies

Application Process

Apply on [grants.gov](https://www.epa.gov/grants) no later than 60 days post announcement. Applicants must demonstrate how they will contribute a minimum non-federal cost-share/match of 20 percent of the total project cost.

Resource: 

<https://www.epa.gov/dwcapacity/wiin-grant-reducing-lead-drinking-water>

Contact: 

WIINDrinkingWaterGrants@epa.gov

Funding Cycle and Amount

Funding is available annually. Over \$30 million in grant funding was awarded to projects during the FY 2022.

Small, Underserved, and Disadvantaged Communities (SUDC) Grant Program

The SUDC Grant Program is administered by EPA under the WIIN Act. This noncompetitive, voluntary program helps underserved, small and disadvantaged communities improve their drinking water. Grant funding must be used on projects that help communities meet and comply with SDWA regulations. Eligible projects include infrastructure work, technical, managerial, and financial capacity building activities, or activities necessary for a state to respond to a contaminant, such as developing service line inventories.

Applicant Eligibility

Grants may be awarded to the 50 states, District of Columbia, Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, the Northern Mariana Islands, and U.S. tribes to fund activities that benefit underserved communities that:

- The state determines to be disadvantaged under SDWA section 1452(d)(3) or may become disadvantaged as a result of carrying out a project or activity, or
- Have a population of fewer than 10,000 and lack the capacity to incur debt sufficient to finance a project to comply with the SDWA

Application Process

Once funding is provided to the states and territories, contact your respective [state program](#) or [tribal grant coordinator](#) for information on how to apply.

Resource: 

<https://www.epa.gov/dwcapacity/wiin-grant-small-underserved-and-disadvantaged-communities-grant-program-0>

Contact: 

WIINDrinkingWaterGrants@epa.gov

Funding Cycle and Amount

EPA allotted over \$50 million across FY 2022 and FY 2023. Funding is awarded to the states, tribes, and territories on a rolling basis as applications are received and is based on an allocation formula with criteria including the population below the poverty level, small water systems, underserved communities, and a 10 percent tribal allotment.

Water Infrastructure Finance and Innovation Act (WIFIA) Program

The WIFIA program is a government bank operated by US EPA headquarters that provides supplemental, flexible, low-cost credit assistance to public and private borrowers for all types of wastewater, drinking water, and stormwater projects. The WIFIA program can fund lead-related projects, including service line inventories and lead service line replacement.

Applicant Eligibility

- Local, state, tribal, and federal government entities
- Partnerships and joint ventures
- Corporations and trusts
- Clean Water and Drinking Water State Revolving Fund programs

Application Process

Submit a letter of interest to the WIFIA program. Like a bank, the WIFIA program has funding available on an ongoing basis. This allows prospective borrowers to request financing on their schedule. Rolling selection also allows for quicker selection decisions to prospective borrowers. EPA reviews the letters of interest and selects projects to continue the application process. EPA then reviews the proposed projects, negotiates terms, and finalizes the approval process.

Environmental Justice Government-to-Government (EJG2G) Program

The EJG2G program provides funding to projects that provide meaningful, measurable environmental or public health improvements to communities disproportionately burdened by environmental factors. Activities that address drinking water contamination, such as developing service line inventories and conducting lead remediation, are eligible under the EJG2G program.

Applicant Eligibility

Eligible applicants include:

- A state in partnership with a community-based nonprofit organization
- A Tribe in partnership with a community-based nonprofit organization
- A local government in partnership with a community-based nonprofit organization
- US Territories, Freely Associated States, and tribal governments in remote areas

Application Process

Applicants will apply on grants.gov once the funding opportunity is posted.

Resource: 

<https://www.epa.gov/wifia>

Contact: 

wifia@epa.gov

Funding Cycle and Amount

The WIFIA program has funding available on an ongoing basis. The minimum project cost is \$20 million for large communities and \$5 million for small communities (population of 25,000 or less). Multiple eligible projects can be combined into a single project to meet the minimum project cost requirement. WIFIA can fund up to 49 percent of the total project cost (80 percent for small communities). Many WIFIA borrowers co-finance with a state SRF program.

Resource: 

<https://www.epa.gov/environmentaljustice/environmental-justice-government-government-program>

Contact: 

Burrell.Omari@epa.gov

USDA Water & Waste Disposal Loan & Grant Program

The Water & Waste Disposal Loan & Grant Program provides funding for clean and reliable drinking water systems, sanitary sewage disposal, sanitary solid waste disposal, and stormwater drainage for households and businesses in rural areas. Reasonable fees and costs such as legal, engineering, administrative services, fiscal advisory, recording, environmental analyses and surveys or other mitigation measures and planning can be covered, including lead service line inventories.

Applicant Eligibility

Eligible applicants are those not otherwise able to obtain commercial credit on reasonable terms. They include most state and local governmental entities, private nonprofits, and federally recognized tribes. Applicants must be legally authorized to construct, operate, and maintain the proposed services or facilities.

Eligible areas include rural areas and towns with populations of 10,000 or fewer, tribal lands in rural areas, and colonias. Eligibility may be checked at <https://eligibility.sc.egov.usda.gov/eligibility/welcomeAction.do>.

Application Process

File applications through [RD Apply](#) or submit an application to your [local RD office](#).

Special Evaluation Assistance for Rural Communities and Households (SEARCH) Grant

The U.S. Department of Agriculture's (USDA's) SEARCH program provides small, financially distressed rural communities with funds to extend and improve water and waste treatment facilities serving local households and businesses. Funds may be used to pay predevelopment planning costs related to a proposed project involving improving rural water and could be applicable when inventories are considered part of the lead service line replacement planning process.

Applicant Eligibility

Eligible applicants include most state and local governmental entities, nonprofit organizations, and federally recognized tribes.

Eligible areas must be rural areas with a population of 2,500 or less and financially distressed. Financially distressed is defined as having a median household income below the poverty line as defined by the Office of Management and Budget or less than 80 percent of the statewide non-metropolitan median household income based on the latest Census data.

Application Process

Submit an application to your [local RD office](#).

Resource: 

www.rd.usda.gov/programs-services/water-environmental-programs/water-waste-disposal-loan-grant-program

Contact: 

Select a state on the program website to view the appropriate contact(s).

Funding Cycle and Amount

Applications are accepted year-round. The funding amount varies by state. Loans are long-term and low interest. If funds are available, a grant may be combined with a loan to keep costs reasonable.

Resource: 

www.rd.usda.gov/programs-services/water-environmental-programs/search-special-evaluation-assistance-rural-communities-and-households-grant

Contact: 

<https://www.rd.usda.gov/about-rd/state-offices>

Funding Cycle and Amount

Applications are accepted year-round. No grant amount is listed.

Public Works and Economic Adjustment Assistance Program (PWEAA)

The Economic Development Association's (EDA's) Public Works Program helps distressed communities revitalize, expand, and upgrade their physical infrastructure. The program seeks to provide investments that support construction, non-construction, planning, technical assistance, and revolving loan fund projects, and these projects can include the development of service line inventories.

Applicant Eligibility

- City or township governments, special district governments, state governments, county governments, federally recognized Native American tribal governments
- Nonprofits with a 501(c)(3) status with the IRS, other than institutions of higher education
- Private institutions of higher education
- Nonprofits without a 501(c)(3) status with the IRS, other than institutions of higher education
- Public and State controlled institutions of higher education
- Others (see "Additional Information on Eligibility" section on the website)

Application Process

Contact your [EDA Regional Office staff](#) for information on funding availability. Apply on grants.gov.

Community Development Block Grant (CDBG) Entitlement Program

The U.S. Department of Housing and Urban Development's (HUD's) CDBG Entitlement Program awards annual grants to entitled cities and counties for activities directed toward revitalizing neighborhoods, economic development, and improving community facilities and services. Activities must meet one of the program's national objectives. Eligible activities listed include activities necessary to develop a comprehensive community development plan, which can include the development of service line inventories.

Applicant Eligibility

Eligible applicants include:

- Principal cities of Metropolitan Statistical Areas (MSAs)
- Other metropolitan cities with populations of at least 50,000
- Qualified urban counties with populations of at least 200,000 (excluding the population of entitled cities)

Eligibility as an entitlement community is based on the U.S. Census Bureau's population data and the Office of Management and Budget's metropolitan area delineations.

Resource: 

<https://www.eda.gov/funding/funding-opportunities/fiscal-year-2023-public-works-and-economic-adjustment-assistance>

Contact: 

<https://www.eda.gov/about/contact?q=/contact/>

Funding Cycle and Amount

Applications are accepted on an ongoing basis until a new PWEAA Notice of Funding Opportunity (NOFO) is published, the PWEAA NOFO is cancelled, or all funds are expended. The expected number of awards is 3000, and the award ceiling and floor are \$30 million and \$100,000 respectively.

Resource: 

www.hudexchange.info/programs/cdbg-entitlement/

Contact: 

https://www.hud.gov/program_offices/field_policy_mgt/localoffices

Funding Cycle and Amount

Funding is available annually. HUD distributes funds to each state based on a statutory formula, which considers population, poverty, incidence of overcrowded housing, and age of housing.

Application Process

Local governments administer the CDBG program and select projects to receive funding. Contact your [local government officials](#) or the [HUD field office](#) for information on the application process.

State CDBG Program

The HUD's State CDBG Program awards annual grants to local governments to provide services to the most vulnerable in communities and to create and retain jobs. Activities must meet one of the program's national objectives. Eligible activities listed include activities necessary to develop a comprehensive community development plan, which can include the development of service line inventories.

Applicant Eligibility

Participating states award grants to non-entitlement Units of General Local Government (UGLG). Forty-nine States and Puerto Rico, and non-entitled counties in Hawaii (under a separate program) participate in the program.

Application Process

Contact a [State CDBG grantee](#) or the [HUD field office](#) for information on the application process.

Resource: 

https://www.hud.gov/program_offices/comm_planning/cdbg/state

Contact: 

https://www.hud.gov/program_offices/field_policy_mgt/localoffices

Funding Cycle and Amount

Funding is available annually. HUD distributes funds to each state based on a statutory formula, which considers population, poverty, the incidence of overcrowded housing, and the age of housing.