

#	SRF	Topic	Question	Answer	Date Q&A Added
1.1	CW	2% CWSRF TA reserve	Are the CWSRF 2% technical assistance funds subject to cash draw proportionality rules?	The 2% technical assistance funds are an eligible type of CWSRF assistance. When any funds are drawn from a CWSRF capitalization grant (including funds for this purpose), the CWSRF proportionality rules, as provided in the regulations, apply.	3/21/2022
1.2	CW	2% CWSRF TA reserve	Must CWSRF technical assistance result in a future CWSRF-funded project?	No. Technical assistance provided through the CWSRF does not need to result in a future CWSRF-funded project, but must meet the requirements of section 603(k) of the Clean Water Act.	3/21/2022
1.3	CW	2% CWSRF TA reserve	What size system is eligible to receive support from the CWSRF 2% technical assistance funds?	Per Section 603(k) of the Clean Water Act, the 2% technical assistance funds may be used for nonprofit organizations or State, regional, interstate, or municipal entities to provide technical assistance to "rural, small, and tribal publicly owned treatment works." For the purposes of these funds, rural and small wastewater treatment systems are systems that treat up to 1 million gallons per day (MGD) of wastewater or serve a population of less than 10,000 persons and may also serve operations including, but not limited to, hospitals, schools, and restaurants. Most wastewater systems in the nation serve populations of less than 10,000 persons. Tribal systems serve populations of federally recognized tribes, Alaska Native Villages, and tribes on former reservations in Oklahoma (as defined by the U.S. Bureau of Indian Affairs).	7/13/2022
1.4	CW	2% CWSRF TA reserve	Must the 2% technical assistance funds made available by the BIL CWSRF emerging contaminants grant be used for technical assistance related to emerging contaminants?	No. Technical assistance funds are made available under Section 603(k) of the CWA based on 2% of all grant awards received by a state CWSRF after November 15, 2021. Technical assistance funds do not have to be used for technical assistance related to emerging contaminants unless the state chooses to draw those funds from the CWSRF emerging contaminants grant. Funds drawn from the emerging contaminants grant may only be used for technical assistance related to emerging contaminants.	11/8/2023
1.5	CW	2% CWSRF TA reserve	Do inter-SRF transfers impact the calculation of the CWSRF 2% technical assistance authority?	No. The amount of CWSRF funding that may be used to provide technical assistance consistent with Section 603(k) of the CWA is an amount equal to 2% of all grant awards received annually by a state CWSRF after November 15, 2021. Transfers do not impact this calculation.	11/8/2023
1.6	CW	2% CWSRF TA reserve	Can the CWSRF 2% technical assistance funds be used by a state to contract with technical assistance providers (e.g., engineering consultants)?	Yes. States may use the 2% technical assistance funds to contract with public, private, or nonprofit entities to provide technical assistance to rural, small, or tribal POTWs. Examples of such assistance include, but are not limited to, retaining circuit riders to provide technical assistance; contracting with engineering firms directly to help develop projects; retaining certified public accountants or financial institutions to help recipients complete the financial portions of SRF application packages; and retaining entities to assist with Davis-Bacon and Related Acts and/or AIS/BABA compliance for recipients.	11/8/2023
1.7	CW	2% CWSRF TA reserve	Can the CWSRF 2% technical assistance funds be provided to a community that currently has decentralized wastewater treatment to construct a small POTW?	Yes, the 2% technical assistance funds may be used to provide technical assistance to a community with decentralized wastewater treatment so that the community may construct a small POTW. Section 603(k) of the CWA states that these funds can be used to provide "technical assistance to rural, small, and tribal publicly owned treatment works (within the meaning of section 1254(b)(8)(B) of this title)" (emphasis added). Section 104(b)(8)(B) of the CWA, refers to a separate grant authority that authorizes the provision of technical assistance "for rural, small, and tribal publicly owned treatment works and decentralized wastewater treatment systems to enable such treatment works and systems to protect water quality and achieve and maintain compliance with the requirements of this chapter" (emphasis added).	11/8/2023
1.8	CW	2% CWSRF TA reserve	Can the CWSRF 2% technical assistance funds be provided to benefit a POTW that serves fewer than 10,000 people for a consolidation project that would increase the population served to over 10,000?	Yes, provided that the CWSRF 2% technical assistance funds are being used for technical assistance to benefit the POTW serving fewer than 10,000 people.	11/8/2023
2.1	Both	Additional Subsidization	Do the additional subsidy mandates made permanent in the BIL (12% floor for the DWSRF and 10% for the CWSRF) apply to supplemental appropriations in the BIL?	No. BIL provides specific percentages of required additional subsidization under each BIL supplemental funding pot. For the CWSRF General, DWSRF General, and DWSRF LSLR pots, Congress specifically overrode (via the "notwithstanding" language) the statutory percentages contained in CWA section 603(i)(3)(B) and SDWA section 1452(d)(2) to require different percentages of additional subsidy from those three appropriations. This directs states to use the percentages of additional subsidy in BIL for those CWA 603(i) and SDWA 1452(d) purposes, instead of the percentages in the underlying laws.	3/21/2022
2.2	Both	Additional Subsidization	What is the time frame for meeting the BIL additional subsidy requirement?	States must make commitments (i.e., they must sign assistance agreements, such as loans or grants, with eligible recipients), including additional subsidization funds, within one year after the receipt of each capitalization grant payment from EPA. The additional subsidy requirement for a given year's appropriation is considered to be met when the amount of subsidy funds specified in the appropriation have been disbursed. If the required amount of subsidy is not disbursed once construction is completed on all projects, the state must allocate the remaining subsidy to another eligible project.	3/21/2022
2.3	DW	Additional Subsidization	Can the DWSRF set-asides for the BIL DWSRF General and LSLR funds be taken out of the 49% additional subsidy portion (rather than the repayable portion)?	States must use 49% of the capitalization grant award as additional subsidy under the BIL DWSRF General and LSLR pots. States may use up to approximately 31% of those capitalization grant awards for set-asides. If states take the full set-asides, that leaves approximately 20% of funds for the states to use as repayable financing. Both percentages are based upon the capitalization grant award amount received by the state.	3/21/2022
2.4	Both	Additional Subsidization	Can a state apply for only the 49% additional subsidy dollars without taking the 51% loan funds?	No, the BIL statute does not allow this. The additional subsidy percentage is based upon the capitalization grant amount received by the state.	3/21/2022
2.5	Both	Additional Subsidization	Is the BIL CWSRF General, BIL DWSRF General, and BIL DWSRF LSLR additional subsidy requirement (49%) an exact amount, or a floor or ceiling?	The BIL requires states to provide an exact amount of additional subsidy. States must give exactly 49% of the capitalization grant award to eligible entities as principal forgiveness or grants (or any combination of these). However, states may take DWSRF set-asides from the remaining 51% of funds, and some of these DWSRF set-aside funds may be used for LSL inventories and LSLR-related technical assistance.	3/21/2022

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2.6	Both	Additional Subsidization	Can additional subsidy from the 5 BIL SRF funding pots be used by states to forgive SRF-eligible debt with an SRF-eligible assistance recipient for debt incurred in the past?	Yes, but only where such debt was incurred after November 15, 2021, the date of the BIL's enactment, the recipient is otherwise eligible for additional subsidy, and if all applicable cross-cutters were followed. The BIL authorizes additional subsidy under the 5 BIL SRF funding pots exclusively in the forms of forgiveness of principal and grants. The law does not explicitly authorize additional subsidy in formats that allow for prior-incurred debt reductions or eliminations (i.e., write-offs), unlike the authorization Congress created under the base SRF programs (see Question 2.7 below). Given the language in the BIL appropriation, EPA looked to the Congressional intent of the BIL supplemental funds and concluded that the BIL, also known as the Infrastructure Investment and Jobs Act, is fundamentally an infrastructure construction and jobs creation law. Reducing or eliminating prior-incurred debt does not spur infrastructure construction nor does it create jobs. However, EPA encouraged communities to expeditiously begin SRF-eligible work after the BIL was signed into law on November 15, 2021. To do so, some communities may have taken out short-term, non-SRF financing (such as a "bridge loan") to spur this early construction work before BIL SRF funding was made available to them. Consistent with EPA's regulatory interpretation on pre-award costs for grants generally, which allows some costs that are incurred prior to the award of a grant to be charged to the grant, EPA is allowing an extended period, in this case, for SRF pre-award costs incurred after November 15, 2021. This will allow state SRF programs sufficient flexibility to work with those communities that have incurred costs prior to the date of a loan to pay off a portion or all of that short-term funding by rolling it into a longer term SRF loan. [Note that EPA clarified this answer from the 7/13/2022 version.]	7/13/2022; Updated 9/27/2022
2.7	Both	Additional Subsidization	Can additional subsidy from base (not BIL) funding, as authorized by the CWA 603(i)(3)(B) and SDWA 1452(d)(2), be used by states to forgive SRF-eligible debt with an SRF-eligible assistance recipient for debt incurred before the date of the appropriations law enactment?	Yes, as long as the project met all of the applicable SRF requirements. The CWA 603(i)(3)(B) and SDWA 1452(d)(2) explicitly authorize states to provide additional subsidy under the base program in the forms of forgiveness of principal, grants, negative interest loans, other loan forgiveness, and through buying, refinancing, or restructuring debt.	7/13/2022
2.8	CW	Additional Subsidization	Are decentralized systems eligible to receive additional subsidy from the CWSRF BIL general supplemental appropriation?	Yes. Per section 603(i)(1), additional subsidy may be provided to any CWSRF-eligible entity to implement a process, material, technique, or technology to address water-efficiency goals; to address energy-efficiency goals; to mitigate stormwater runoff; or to encourage sustainable project planning, design, and construction. Decentralized wastewater treatment projects may qualify under the sustainable project planning, design, and construction criteria. Sustainable planning, design and construction means projects that are sited, sized, and designed to meet the design specifications over the life of the system and furthermore that maintenance considerations are factored into the design based on the application of the technology selected. States may deem a sustainable decentralized wastewater treatment project eligible and should document this determination in the project file in the same manner as a determination would be documented for other approvable projects that are eligible for SRF assistance. A variety of treatment and collection options are available when implementing decentralized wastewater systems, such as a conventional septic tank and drainfield with soil-based treatment, drip distribution, mound, aerobic treatment unit, recirculating sand filter, evapotranspiration, constructed wetland, etc. Many of these systems can be either single or clustered/community decentralized wastewater treatment systems. Additional examples of decentralized wastewater treatment projects that could qualify include, but are not limited to, the following: -Decommissioning of a cesspool and replacement with a sustainable decentralized wastewater treatment system alternative -Installation of a sustainable decentralized wastewater treatment system where wastewater is discharged with no treatment into surface waters or into or onto the ground -Cost-effective soil-based treatment alternatives As always, if eligibility questions arise, states can reach out to EPA and confer.	7/13/2022
2.9	DW	Additional Subsidization	May states use different disadvantaged community criteria in the DWSRF for different BIL and base capitalization grants? For example, can a state DWSRF have different disadvantaged community criteria for the BIL DWSRF LSLR funds?	Yes, as long as the distinction is clearly explained in the state's Intended Use Plan and the criteria meet all statutory requirements.	7/13/2022
2.10	DW	Additional Subsidization	For states using the inter-SRF transfer authority to transfer BIL Emerging Contaminant funds between the CW and DW SRFs, how is the statutorily-required 25% minimum DWSRF additional subsidy to disadvantaged communities or to public water systems serving fewer than 25,000 persons calculated?	Consistent with Section 1452(a)(2)(G)(i) of SDWA, the minimum additional subsidy amount is calculated based upon the post-transfer amount in the DWSRF. For example, if a state's original BIL Emerging Contaminant allotments are \$50M for DWSRF and \$20M for CWSRF, and the state chooses to transfer \$10M from the CWSRF EC grant to the DWSRF EC grant, then the post-transfer capitalization grant amounts will be \$60M for DWSRF and \$10M for CWSRF. The state must calculate the 25% DWSRF additional subsidy requirement using the post-transfer \$60M DWSRF amount, which would be \$15M.	11/8/2023
2.11	Both	Additional Subsidization	Must states track additional subsidy usage against the requirements of specific capitalization grants?	Yes, states must attribute additional subsidy to the requirements of particular capitalization grants and must report the use in the SRF data system and in the Annual/Biennial Report. This is a required data field.	11/8/2023
3.1	CW	Allotments	Will the state CWSRF allocations change following results of the Clean Watersheds Needs Survey (CWNS)?	No. The CWSRF state allocations are strictly defined by the Clean Water Act (CWA) and barring a statutory change by Congress, EPA cannot update the CWA allotment formula to reflect the results of the latest Clean Watersheds Needs Survey.	3/21/2022

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4.1	Both	Cash Draws	May a state SRF provide advance payments to a SRF assistance recipient (e.g., a water or wastewater system)?	No. Per regulation at 40 CFR §35.3155(d)(2) and 40 CFR §35.3565(a)(1), SRF assistance recipients (an eligible recipient such as a water or wastewater system) <i>must first incur a cost</i> associated with an executed assistance agreement for the state SRF to have the authority to draw capitalization grant funds from the Treasury and disburse those funds to the assistance recipient. The assistance recipient need <i>not</i> have paid for the cost with their own funds first; instead, the assistance recipient can immediately forward the (unpaid) invoice to the state SRF for prompt review and disbursement of funds. Therefore, there is no need for SRF assistance recipients to pay for the invoices with their own funds first.	3/21/2022
4.2	Both	Cash Draws	Are SRF assistance recipients (e.g., water or wastewater systems) required to pay invoices with their own funds first before submitting the invoice to the state SRF program for payment?	No, the assistance recipient need not have paid for the eligible cost with their own funds first; instead, the assistance recipient can immediately forward the (unpaid) invoice to the state SRF for prompt review and disbursement of funds.	11/8/2023
5.1	DW	DWSRF Set-asides	What happens to the reserved set-aside authority after the end of new BIL appropriations and when all BIL funds are expended?	To use reserved BIL set-aside authority in future years, states may use funds from both BIL and base DWSRF capitalization grants. In other words, the use of reserved BIL set-aside fund <i>authority</i> is not limited to actual BIL funds. For example, a state DWSRF may reserve set-asides authority under the FY 2022 BIL DWSRF LSLR capitalization grant and make use of that reserved authority under the FY 2024 BIL DWSRF LSLR capitalization grant, or out of the FY 2024 base capitalization grant (for BIL DWSRF LSLR set-asides eligible activities).	3/21/2022
5.2	DW	DWSRF Set-asides	How do state DWSRF programs calculate the ceiling they may take for the Administrative and Technical Assistance set-aside as authorized under SDWA 1452(g)(2)(A)?	The maximum annual amount of DWSRF money (not including any fees collected) that may be used to cover the reasonable costs for administration and technical assistance (as authorized under SDWA section 1452(g)(2)(A)) is the greatest of the following: an amount equal to 4% of all grant awards to the fund received by a state DWSRF for the fiscal year; \$400,000; or 1/5th percent of the current valuation of the fund. Per the SDWA, states make this calculation once per year, taking into account all federal capitalization grants received that year. States must calculate the ceiling for that year and document it in the Intended Use Plan. Funds for this set-aside may be reserved in any amount from zero up to that ceiling.	7/13/2022
6.1	DW	Eligibilities	Is bottled or trucked-in water an eligible DWSRF expense, from either the revolving loan fund or the set-asides?	No. The purchase of bottled or trucked-in water is not an eligible use of funds under the DWSRF. By law (SDWA 1452(a)(2)(B)), DWSRF funds can only be used to “facilitate compliance with national primary drinking water regulations (NPDWRs) applicable to the system.” EPA regulations at 40 CFR 35.3520(b) describe the types of projects eligible for DWSRF funding, and all involve infrastructure. Bottled or trucked-in water is not a capital investment nor does it help drinking water systems achieve or maintain SDWA compliance, the central purpose of the DWSRF. Given that bottled or trucked-in water does not help build the technical, managerial, nor financial capacity of water systems, it is also not an eligible expense under the DWSRF set-asides. State DWSRFs <u>may</u> fund limited infrastructure (from the revolving loan fund) that may be necessary for trucked-in water (i.e., storage, piping or tap stands) during a “do not drink” order or other emergency situation, as long as the public water system will own that infrastructure and takes out the assistance agreement with the state DWSRF for the infrastructure.	3/21/2022
6.2	DW	Eligibilities	Are owners of private wells and capital work at private wells (e.g., repair or installation of a private well) eligible for DWSRF assistance?	No. This is not an eligible use of funds under the DWSRF. By law (SDWA 1452(a)(2)(B)), DWSRF funds can only go to public water systems, and public water systems can only use DWSRF funds to “facilitate compliance with national primary drinking water regulations (NPDWRs) applicable to the system.” Work on a private well – which is by definition not part of a public water system – does not help a public water system meet the NPDWRs standards. Private wells are not connected to public water systems, nor are private well owner customers of public water systems. Further, private wells are not regulated under the SDWA and are thus not subject to the NPDWRs. However, public water systems <u>may</u> get DWSRF financing to extend service to those who were previously on private wells. DWSRF assistance is also available to create <i>new</i> public water systems (i.e., a new public water system composed of customers who were previously on private wells).	3/21/2022
6.3	DW	Eligibilities	Is water sampling an eligible DWSRF expense?	Sometimes. States may use the DWSRF set-asides to conduct special (non-routine) monitoring to establish a baseline understanding of a contaminant of concern (e.g., PFAS). Note that routine compliance monitoring and operations and maintenance expenses are statutorily prohibited (see SDWA 1452(a)(2)).	3/21/2022
6.4	DW	Eligibilities	Is sampling at a private well an eligible DWSRF expense?	Sometimes. States <u>cannot</u> provide funds to private well owners for sampling. However, states may offer public water systems funding under the DWSRF set-asides for non-routine, not-compliance-related sampling at private wells to determine potential sources of contamination of the public water system's source water. The public water system may share the sampling results with the private well owners. Note that routine compliance monitoring and operations and maintenance expenses are statutorily prohibited (see SDWA 1452(a)(2)).	3/21/2022
6.5	DW	Eligibilities	Can states use the IIJA DWSRF Emerging Contaminant pot for projects for which the primary purpose is to address a contaminant with an established national primary drinking water regulation (NPDWR) maximum contaminant level (MCL) in situations where the state has a more stringent (i.e., lower) MCL?	No. For a project or activity to be eligible for funding under the IIJA DWSRF Emerging Contaminant appropriation, it must be otherwise DWSRF eligible, and the primary purpose must be to address emerging contaminants in drinking water with a focus on perfluoroalkyl and polyfluoroalkyl substances (PFAS). Emerging contaminants are contaminants that are 1) listed on the EPA's Contaminant Candidate Lists and 2) do not have an NPDWR (excluding PFAS NPDWR). States may use the BIL DWSRF General or DWSRF base program funding for projects that address regulated contaminants where the state has set a more stringent MCL.	3/21/2022; Updated 10/27/2025

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6.6	DW	Eligibilities	Is premise plumbing eligible for BIL or base DWSRF funding?	No, replacement of premise piping is not eligible for BIL or base DWSRF funding. SDWA 1452(a)(2)(B) says, “Financial assistance under this section may be used by a public water system only for expenditures (including expenditures for planning, design, siting, and associated preconstruction activities, or for replacing or rehabilitating aging treatment, storage, or distribution facilities of public water systems, but not including monitoring, operation, and maintenance expenditures) of a type or category which the Administrator has determined, through guidance, will facilitate compliance with national primary drinking water regulations applicable to the system under section 300g–1 of this title or otherwise significantly further the health protection objectives of this subchapter.” Premise plumbing is not part of a public water system. It is not owned, maintained, or controlled by the public water system. Therefore, the DWSRF generally cannot fund anything beyond the service line (<i>Note: in some limited cases, replacement fixtures are eligible expenses if the primary purpose is for water conservation</i>) . However, there are instances in which entities such as schools themselves are public water systems. This may happen when the entity (e.g., a school) is a non-profit, noncommunity water system. In those cases, the entity owns all of its premise plumbing and that plumbing is part of its system. In those cases, replacement of that plumbing is DWSRF-eligible. [Note that EPA clarified this answer from the 3/21/2022 version.]	3/21/2022; Updated 7/13/2022
6.7	Both	Eligibilities	Can asbestos cement (A/C) pipe be replaced via pipe bursting or pipe breaking?	Pipe replacement projects involving A/C pipe are subject to the requirements of the Asbestos National Emission Standard for Hazardous Air Pollutants (NESHAP), 40 CFR Part 61, subpart M. The Asbestos NESHAP is a collection of work practice standards intended to minimize the release of asbestos fibers during activities involving the handling of asbestos. In order to be eligible under the SRF programs and in compliance with federal crosscutters, an A/C pipe replacement project must comply with the Asbestos NESHAP. Neither pipe breaking nor pipe bursting activities comply with the Asbestos NESHAP. There are currently only three options for replacing A/C pipe that comply with the Asbestos NESHAP: open trenching, abandonment in place, and close tolerance pipe slurrification (CTPS). Open trenching involves excavating the entire A/C pipe, wet-cutting the pipe into sections using a snap cutter or similar tool, wrapping the pipe for containment, and removing the pipe for disposal. In lieu of open trenching, A/C pipe may be abandoned in place, with the new pipeline laid in a separate area without acting upon the existing A/C pipe. In addition, in 2019, EPA approved CTPS as an alternative work practice. The CTPS alternative work practice is a form of trenchless technology that provides an alternative to open trench for A/C pipe replacement that meets the requirements of the Asbestos NESHAP. Unlike pipe bursting and pipe breaking, CTPS does not leave friable asbestos (defined in the Asbestos NESHAP) in the ground. EPA has not approved an alternative work practice for other trenchless technologies such as pipe bursting, pipe breaking, or other similar methods. Forces such as those required for pipe bursting or pipe breaking of A/C pipe create friable asbestos. Leaving friable asbestos in the ground does not comply with the requirements of the Asbestos NESHAP. For general information about the Asbestos NESHAP, visit: https://www.epa.gov/asbestos/overview-asbestos-national-emission-standards-hazardous-air-pollutants-neshap. For information about CTPS, visit https://www.epa.gov/stationary-sources-air-pollution/notice-final-approval-alternative-work-practice-standard-asbestos.	3/21/2022
6.8	DW	Eligibilities	Must there be evidence that emerging contaminants exist in the water to receive the funds from the BIL DWSRF emerging contaminants pot? For example, if a water system wants to add PFAS treatment as a preventative measure, is this eligible?	Prevention-focused projects are eligible under DWSRF emerging contaminants funding. However, these projects should rank lower on Project Priority Lists than those projects addressing present contamination. [This question was revised from a previous version to make it DWSRF-only. The CWSRF-specific question is now at 6.29.]	3/21/2022; Updated 10/1/2024
6.9	DW	Eligibilities	Are PFAS buy-back programs eligible under the DWSRF? E.g., could a state DWSRF provide a loan to a water utility to buy back firefighting foam that contains PFAS? If not a loan, what about as a source water protection project with set asides?	No, such programs are not eligible under the DWSRF.	7/13/2022
6.10	DW	Eligibilities	Could a public water system use DWSRF funds (either BIL or base) to clean up a contaminated plume that threatens a public water system’s supply?	No. Addressing groundwater contamination is a cleanup activity usually authorized under other environmental statutes, such as the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA), and not SDWA. Remediation of groundwater contamination tends to require highly specialized technical, legal, engineering, and risk management and communication capabilities that do not align with DWSRF programs and project types. Existing DWSRF eligibilities—including treatment installation, new source development, and water system consolidation—can be implemented far more readily and effectively than remediation if the goal is to reduce contaminants in drinking water supplies and more quickly protect communities.	7/13/2022

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6.11	CW	Eligibilities	What types of projects are eligible for CWSRF emerging contaminants funding?	Any project or activity that meets the criteria for any of the twelve CWSRF eligibilities outlined under section 603(c) of the CWA and addresses an identified emerging contaminant is eligible. Only capital costs (e.g., construction activities, equipment purchase) are eligible. The CWSRF cannot fund operation and maintenance activities, including monitoring/sampling, unless the monitoring/sampling is an integral part of the planning and design for a capital project. Planning and design for capital projects, as well as broader water quality planning where there is a reasonable expectation that the planning will result in an eligible capital project, are also eligible. States have the flexibility to craft single assistance agreements (e.g., loans or grants) that contain multiple types of construction components and activities and can charge eligible components of larger projects to this appropriation.	9/27/2022; Updated 3/12/2024; Updated 10/1/2024
6.12	CW	Eligibilities	What types of stormwater projects are eligible for CWSRF emerging contaminants funding?	In areas that are impaired or impacted by emerging contaminants based on previous monitoring efforts, projects that manage, reduce, treat, or recapture stormwater are eligible for CWSRF assistance if they demonstrate a water quality benefit. A treatment technology or other stormwater control measure that will remove or shows promise to remove the identified emerging contaminant(s) must be selected to be eligible. Monitoring during the startup period to assess project effectiveness is eligible, and the EPA encourages treatment effectiveness be part of the project. Some examples of eligible stormwater projects include: • Construction of structures at industrial facilities to cover PFAS-containing materials that would otherwise be exposed to and transported in stormwater. • Development of a stormwater plan to identify capital projects that address emerging contaminants. • Purchase and installation of sampling equipment for industrial and municipal stormwater. • Purchase and installation of mesh screens and containment systems designed to capture and remove microplastics from industrial and municipal stormwater. • Installation of stormwater controls designed to filter and remove microplastics from stormwater. • Purchase of a vacuum or vacuum-type system to pick up microplastics to prevent flushing into stormwater. • Installation of stormwater controls designed to collect and capture emerging contaminants like 6PPD-quinone in stormwater discharges.	9/27/2022; Updated 3/12/2024; Updated 10/1/2024
6.13	CW	Eligibilities	What types of nonpoint source projects are eligible for CWSRF emerging contaminants funding?	Eligible nonpoint source projects are capital projects that support the implementation of a current EPA-approved state nonpoint source (NPS) management program plan or nine-element watershed-based plan established under Section 319 of the Clean Water Act and may be publicly or privately owned. Any nonpoint source project or activity that addresses an identified emerging contaminants and meets the criteria for CWSRF eligibility outlined under section 603(c) of the CWA is eligible. This includes, but is not limited to: • Decentralized (i.e., Septic) Systems: CWSRF Emerging Contaminants funds can be used to replace cesspools or septic systems with a system that will treat or control an emerging contaminant(s). This could include installing an advanced onsite treatment system or connecting the home(s) to a POTW that can treat the emerging contaminant of interest. • Landfills: Eligible landfill projects could include landfill closure (e.g., capping) or landfill runoff and leachate collection and treatment that will reduce runoff contaminated with PFAS or other emerging contaminants. The modification/expansion of existing or construction of new publicly owned landfills (local and regional) primarily designed and permitted (per state and federal regulations) to accept POTW biosolids with emerging contaminants is also eligible. • Contaminated sites: Contaminated sites may include Brownfields, Superfund sites, and sites of current or former aboveground or underground storage tanks. Projects that address PFAS through capping, in-situ treatment, or removal of contaminated material as part of the implementation of a state nonpoint source management plan may be eligible. • Surface Water Protection and Restoration: Projects that address emerging contaminants in waterbodies include: • Equipment for the physical or chemical removal of HABs, for example, strategically placed aeration blowers to remove and control algal blooms or flocculant-based methods to facilitate algae removal. Additionally, localized methods to manage HABs may include on-waterbody controls such as floating treatment wetlands, bales, buffer strips, and sediment management. These and related waterbody-specific techniques may be applied to a waterbody experiencing, or highly likely to experience, a HAB. • Projects that can skim surface water to remove microplastics along with other plastic pollutants.	9/27/2022; Updated 10/27/2025

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6.14	CW	Eligibilities	What kinds of planning and assessment activities are eligible for CWSRF emerging contaminant funding?	Planning and design for capital projects, as well as broader water quality planning, are eligible provided there is a reasonable expectation that the planning will result in a capital project. For example, funding can be used for preconstruction activities to help prepare planning, preliminary engineering, and alternatives analysis documents. Funding may also be used to procure and install monitoring equipment (e.g., auto samplers). States may also lend to non-profits under section 603(c)(11) of the CWA to provide assistance to small and medium sized POTWs in planning, design, and associated preconstruction activities related to emerging contaminants.	9/27/2022
6.15	CW	Eligibilities	Can the CWSRF emerging contaminant funds be used to conduct monitoring?	While water quality monitoring activities (including monitoring of PFAS associated with NPDES permit or pretreatment requirements) at POTWs are generally not eligible, monitoring for the specific purpose of project development (planning, design, and construction) is eligible. Monitoring in this capacity, and within a reasonable timeframe, can be integral to the identification of the best solutions (through an alternatives analysis) for addressing emerging contaminants and characterizing discharge and point of disposal. Though ideally the planning and monitoring for project development would result in a CWSRF-eligible capital project, in some instances, the planning could lead to outcomes other than capital projects to address the emerging contaminants. For nonpoint source projects, funding may also be used to assess project effectiveness after construction. Examples of eligible planning and monitoring activities/costs could include: • Purchase of monitoring or laboratory analysis equipment. • Monitoring to characterize stormwater or wastewater to inform an engineering report and the identification and selection of the appropriate treatment technology/project alternatives. Wastewater characterization may already be a current requirement in some states for wastewater treatment system project planning. For example, the State of Washington Department of Ecology's Criteria for Sewage Works Design requires Engineering Reports to contain a statement of the present and expected future quantity and quality of wastewater, including any industrial wastes which may be present or expected in the sewer system. • Trunkline analysis to the influent of the publicly-owned treatment work to assess where the majority of emerging contaminant load is in order to place a treatment at that trunkline or divert the flow to a treatment system prior to it reaching the publicly-owned treatment work influent. • Monitoring of wastewater influent/effluent/sludge to determine the fate of PFAS, antimicrobial resistant bacteria, or other emerging contaminants, to inform the identification and selection of the appropriate treatment technology. When monitoring is approved as part of project development, a timeline should be established to ensure monitoring occurs when contaminants are most likely to be present and the presence of an emerging contaminant is confirmed. Monitoring should be limited to one year where feasible to allow timely development of the project.	9/27/2022; Updated 10/1/2024
6.16	CW	Eligibilities	What sources of funding may be used for emerging contaminant planning, monitoring, and assessment efforts?	• Infrastructure, Investment, and Job Act (IIJA): Under the IIJA, states have the flexibility to use up to an amount equal to 2 percent of their CWSRF capitalization grant for the purpose of hiring staff, nonprofit organizations, or regional, interstate, or municipal entities to assist rural, small, and tribal POTWs. The form of that assistance is flexible and could include, but is not limited to, community outreach, technical evaluation of wastewater solutions, preparation of applications, preliminary engineering reports, and financial documents necessary for receiving SRF assistance. For example, these funds could be used for a state staff position or eligible non-profit organization to assist rural, small, and tribal systems with emerging contaminant sampling and monitoring, including identification of emerging contaminant sources within the sewershed. This technical assistance could also include assisting the systems with understanding the monitoring results and identifying follow up actions, such as the need for capital projects to address the emerging contaminants. • Water Quality Management Planning Grants (604(b)): States can use all or a portion of the 604(b) grant funding from CWSRF base, supplemental, and emerging contaminants allotments to perform POTW influent emerging contaminant monitoring, sewershed monitoring (emerging contaminant source identification), including hiring state staff to perform monitoring. States must develop a workplan for EPA review and approval describing activities or projects to be funded. In addition, the workplan developed by the state must show how the state is working with and providing at least 40 percent of the 604(b) funds to Regional Public Comprehensive Planning Organizations and interstate organizations. The Governor can request a waiver with the appropriate justification if this requirement cannot be met. The 604 (b) workplan must also show how disadvantaged communities will benefit from the proposed activity. For more information, see EPA's Interim Implementation Guidelines for Clean Water Act Section 604(b) Water Quality Management Planning Grants for Fiscal Years 2022 through 2026. • Fees: States that charge SRF administrative fees can use nonprogram income to provide grants for monitoring to help build their project pipeline or pair with SRF funding where the SRF covers the eligible monitoring equipment. Fees may be used to pay for the lab analysis cost, staff, and other non-SRF eligible expenses.	9/27/2022; Updated 10/27/2025

#	SRF	Topic	Question	Answer	Date Q&A Added
6.17	Both	Eligibilities	How does a state determine whether particular components of projects are eligible for the BIL Emerging Contaminant pot of funding?	If the project component is integral to the emerging contaminant purpose of the project, then expenses related to that component may be drawn from the BIL EC pot of money. For example, if an existing water treatment plant is being upgraded to add PFAS treatment, but other components/upgrades are necessary at the plant or elsewhere to support this addition (in other words, the other upgrades are essential to the function or security of the PFAS treatment component being installed), then the additional components/upgrades are also eligible under the SRF BIL EC pot of funding. For example, if installing new testing equipment in a lab requires a new addition to the building to avoid sample contamination, the construction of the new room would be an eligible expense. [Note that EPA added an example to the 9/27/2022 version of this answer.]	9/27/2022; Updated 11/8/2023
6.18	DW	Eligibilities	May DWSRF funds be used for the purchase of lab or monitoring equipment?	Under the DWSRF infrastructure loan fund, the purchase of drinking water-related lab equipment is an eligible capital expense, whether as a standalone “project” or as part of a larger capital infrastructure project. The DWSRF assistance recipient must be an eligible public water system. With respect to the DWSRF set-asides, under the 10% State Program Management Set-Aside, states may purchase lab equipment for a state lab to conduct drinking water sample tests. States may also purchase equipment which they own, but ‘share’ or rotate around to water systems (i.e., not just equipment for state labs). Under the 15% Local Assistance Set-Aside, under the Capacity Development authority, these funds can be used by public water systems to obtain test kits or laboratory equipment for testing for contaminants in drinking water. Under this set-aside, states may also purchase equipment which they own, but ‘share’ or rotate around to public water systems.	11/8/2023
6.19	DW	Eligibilities	May DWSRF funds be used for testing or monitoring?	Routine compliance testing, monitoring, and sampling are not eligible under any part of the DWSRF, consistent with the statutory prohibition in Section 1452(a)(2)(B) of SDWA. Routine monitoring and sampling are part of a public water system’s responsibility to comply with the SDWA regulations. However, there are exceptions in cases of non-routine, not-compliance-related sampling. For the DWSRF infrastructure loan fund, eligible public water systems may conduct non-routine sampling (if not for compliance purposes) as part of a capital infrastructure project or as part of scoping, planning, and design for an eligible capital infrastructure project. Under the DWSRF set-asides, states may hire third parties to perform the non-routine sampling/monitoring, and they may also purchase equipment to use for their contract. This activity could be paid for out of any of the set-asides. Under the 2% Small System Tech Assistance, 4% Admin & Technical Assistance, and 15% Capacity Development Set-Asides, funds may be used to conduct initial, special (non-routine) monitoring to establish a baseline understanding of a contaminant of concern or operation of newly used technology (e.g., lead testing in schools that are a public water system or are served by a public water system). Under the 10% State Program Management set-aside, states may use these funds to conduct state-wide special (non-routine) water testing (e.g., lead testing in schools).	11/8/2023
6.20	Both	Eligibilities	Can BIL funds be used to purchase/refinance debt that was acquired before the law was enacted, November 15, 2021?	BIL funds can be used to purchase/refinance debt that was acquired before the law was enacted, provided that such assistance is not provided as additional subsidy. Such a “project” must meet all current SRF and BIL requirements, including Davis Bacon and AIS/BABA. A recipient may request an AIS or BABA waiver, but there is no guarantee of approval.	11/8/2023
6.21	DW	Eligibilities	Are schools eligible for DWSRF funding? In other words, can they directly apply for and receive funding from the DWSRF?	Sometimes a school may be eligible for DWSRF funding. Under SDWA 1452(a)(2)(A) and the DWSRF regulations at 40 CFR 35.3520, the only types of public water systems eligible to receive DWSRF funding are community water systems and non-profit noncommunity water systems. Most often, schools are <i>customers</i> of a community water system and are therefore not directly eligible to apply for and receive DWSRF funding. However, there are instances where schools are <i>not</i> customers of a community water system and instead own and maintain their own water system. In cases where schools are a non-profit noncommunity water system, they are eligible to directly apply for and receive DWSRF funding.	11/8/2023
6.22	DW	Eligibilities	Can a state use BIL EC set-aside funding to support a PFAS-containing Aqueous Film Forming Foams (AFFF) take-back program?	Yes, an AFFF take-back program is an eligible use of BIL EC set-aside funds, but a buy-back program is not eligible. States may use source water protection funding (under the 15% Local Assistance Set-Aside) to run a program where they collect and properly dispose of PFAS-containing products, but there are some caveats. First, they may not compensate the organizations or individuals who are bringing in the products in any way. States cannot reimburse or compensate any group that is disposing of PFAS-containing products for the transportation of those products to the take-back site. Second, only not-for-profit and local government-run organizations (e.g., fire stations) are allowed to bring in PFAS-containing products. For a take-back program to be eligible, any company that manufactures PFAS-containing products must be prohibited from participating in the program. Third, states need to follow all federal, state, and local laws regarding the proper handling and disposal of these materials and properly certify and document that they have done so.	11/8/2023

#	SRF	Topic	Question	Answer	Date Q&A Added
6.23	DW	Eligibilities	Will funding PFAS-focused projects still be eligible under the DWSRF BIL EC funds if and when a PFAS National Primary Drinking Water Regulation (NPDWR) goes into effect?	Yes, even if and when a PFAS NPDWR becomes effective, projects and set-aside programs related to PFAS will still be eligible under the DWSRF BIL EC funding. This is including, but not limited to, installing advanced treatment; conducting special, non-routine, non-compliance monitoring; and digging new source water wells.	11/8/2023
6.24	DW	Eligibilities	If an emerging contaminant is detected in drinking water, may BIL EC funding be used to provide consumers with point-of-use (POU) devices as a temporary solution until the permanent treatment is installed?	Yes, POU devices are eligible if their use is for an eligible emerging contaminant and if they are provided under certain circumstances: 1) if the use is for contaminants for which centralized treatment is not in place, is not effective, or has not yet become effective; and 2) if the use of the devices would significantly further the health protection objectives of the Safe Drinking Water Act and would significantly reduce risks from drinking water exposure. These POU devices are not considered a permanent solution. The public water system must own, control, and maintain the POU devices.	11/8/2023
6.25	DW	Eligibilities	Is the purchase of laboratory analysis equipment an eligible expense under BIL DWSRF EC funds?	Yes, if the equipment is being used to test for an eligible emerging contaminant. The 10% State Program Management Set-Aside may be used by states to purchase lab equipment for a state lab to conduct drinking water sample tests. The 15% Capacity Development funds under the Local Assistance Set-Aside funds can be used for public water systems to obtain laboratory equipment for testing for eligible emerging contaminants in drinking water. The BIL DWSRF EC loan funds can be used for the purchase of lab equipment if the assistance recipient is a public water system. If the equipment will be used for multiple purposes and some of the purposes are not eligible under BIL EC funding, the cost of the equipment must be appropriately prorated across different sources of funding by the amount of use estimated for each. These eligibilities will not change if and when a PFAS National Primary Drinking Water Regulation becomes effective and testing for PFAS is required to comply with the regulation.	11/8/2023
6.26	CW	Eligibilities	Are software projects related to water infrastructure CWSRF-eligible?	States may use CWSRF funds for the purchase and necessary upgrades of software for such uses as system controls, hydraulic analysis, geographic information systems, and customer billing projects. Projects, including these water infrastructure software purchases and upgrades, can help improve resilience through water loss management, pipe break prediction, optimal pipe and pump sizing, and pumping station energy reduction. Projects are not required to include construction to be eligible for CWSRF funds as long as they meet other SRF requirements.	11/8/2023
6.27	DW	Eligibilities	Are database infrastructure and software purchases related to water infrastructure DWSRF-eligible?	States may use DWSRF infrastructure funds for the initial purchase of database infrastructure and software for such uses as system controls, hydraulic analysis, geographic information systems, asset management systems, and customer billing projects. These can help improve system resilience through water loss control, pipe break prediction, optimal pipe and pump sizing, and pumping station energy reduction. These expenses can be stand-alone "projects" or part of a larger eligible capital improvement project. Under the DWSRF set-asides, states may use the funds to purchase software or train water system operators and personnel in the use of such software. Annual support contracts or other ongoing software maintenance are not eligible. See DWSRF Data Management Fact Sheet: https://www.epa.gov/sites/default/files/2019-10/documents/data_management_fact_sheet_and_case_studies_final_508.pdf	11/8/2023
6.28	DW	Eligibilities	After the finalization of the PFAS NPDWR, can states continue funding PFAS sampling using the 15% Local Assistance capacity development set-aside funds, or is that now considered compliance sampling?	Non-routine, non-compliance monitoring is an allowable set-aside expense, and PFAS monitoring that is non-routine and not for compliance purposes is an allowable cost for the BIL EC grant. Following the finalization of the PFAS NPDWR, the initial testing and monitoring that is required by the rule that is not considered compliance or routine can still be funded by SRF funds (including BIL EC). The PFAS NPDWR requires systems to collect either 2 or 4 samples before the rule compliance date (3 years after the publication date; or April 26, 2027), after which routine compliance monitoring is required. These 2 or 4 samples fall under the non-routine, initial testing that is allowed for BIL EC funds as is indicated in the March 2022 BIL Memo – Attachment 1 to Appendix C. This allowability for non-routine, initial testing is similar to what is described in the 2010 Long Term 2 Enhanced Surface Water Treatment Rule Memo which said set-asides could be used to conduct the initial testing that was required by that rule. Routine compliance monitoring required after the rule compliance date (3 years after the publication date; or April 26, 2027) is not an allowable cost.	10/1/2024
6.29	CW	Eligibilities	Must there be evidence that emerging contaminants exist in the water to receive the funds from the CWSRF emerging contaminant funds?	Yes, the emerging contaminant must be known to be present in the system or the waterbody itself, and the proposed capital project must address the identified emerging contaminant. For more information on CWSRF emerging contaminant identification, please see Q&A 6.30.	10/1/2024

#	SRF	Topic	Question	Answer	Date Q&A Added
6.30	CW	Eligibilities	To be eligible for CWSRF emerging contaminants funding, the emerging contaminant(s) to be addressed by the project must be identified. How can states identify emerging contaminants to demonstrate project eligibility?	For centralized infrastructure and point-source projects, identification of emerging contaminants can be done through: • Traditional sampling and analysis. • For PFAS, qualitative assessments that upstream presence of facilities known or suspected to discharge PFAS, e.g., confirmation of an active discharger falling within an ELG industry category that likely formulates PFAS. For non-point sources and stormwater, the emerging contaminant(s) must be identified within the drainage area or the management area. Identification can be a quantitative or qualitative assessment. Quantitative assessment is the traditional sampling and analysis from either the drainage area or the waterbody where discharge is collected. Qualitative assessment can include observation and identification of the emerging contaminant within the drainage area or management area. For example, contaminants can be identified using the identification techniques noted in question 1.2 above, as well as the following methods: • For PFAS, known air deposition or non-point runoff in the watershed (e.g., fire and wildfire fighting activities, active or legacy dischargers falling within an ELG industry category (pdf) (315 KB) that likely formulates PFAS) verifies PFAS deposition to the watershed. • For 6PPD, untreated runoff from a vehicle-trafficked paved road or infrastructure resulting in tire particle runoff (e.g., turf athletic fields) in the watershed verifies the presence of 6PPD. • For HABs, observation and identification within the drainage area or management area, or evidence that a HAB is highly likely to form on a waterbody, verifies the presence of a HAB. For example, HABs can be visually identified onsite; identified through sampling data, and/or identified through tools like the Cyanobacteria Assessment Network web application (CyAN App) or EPA and NOAA's HAB Forecasts tools. • For pharmaceuticals and personal care products (PPCPs), narrative confirmation that PPCPs are expected due to widespread household use verifies the presence of PPCPs.	10/1/2024; Updated 10/27/2025
6.31	CW	Eligibilities	Are pretreatment projects eligible for CWSRF emerging contaminants funding?	It depends on what is meant by the term, "pretreatment." Activities related to the implementation of an industrial pretreatment program, as described in 40 CFR 403.8, including source identification and control, are not eligible for CWSRF assistance. Industrial pretreatment program implementation is more closely aligned with the ongoing operation and maintenance of a publicly-owned treatment work than a CWSRF eligible capital project. Publicly-owned infrastructure, designed to pretreat wastewater or nonpoint sources of pollution entering a publicly-owned treatment work, or other publicly-owned facility, is CWSRF-eligible. These projects could be termed, "capital pretreatment projects." In some instances, planning, design, or construction of infrastructure to be used onsite at privately owned industrial facilities to pretreat industrial wastewater prior to discharge to the publicly-owned treatment work may be eligible. To further illustrate the types of capital pretreatment projects that are eligible for CWSRF assistance, here are a few examples: • Under CWA section 603(c)(1): Capital pretreatment projects, including planning and design, at a publicly-owned treatment work are eligible. Additionally, industrial pretreatment of wastewater from a publicly-owned industry is eligible. For example, if a publicly-owned treatment work is receiving concentrated backwash from a publicly-owned water system, pretreating this backwash prior to discharge to the publicly-owned treatment work would be eligible. Another example is industrial pretreatment of landfill runoff or leachate from a publicly-owned landfill. Collection and pretreatment of these waste streams prior to discharge to the publicly-owned treatment work would be eligible for CWSRF assistance. • Under CWA section 603(c)(3): Capital pretreatment projects that implement a National Estuary Comprehensive Conservation and Management Plan are eligible. This includes projects at publicly-owned treatment works and privately-owned industrial facilities. • Under CWA section 603(c)(8): Municipality or intermunicipal, interstate, or state agency projects to reduce the energy consumption needs of a publicly-owned treatment work are eligible. For example, capital pretreatment projects that reduce the flow rate of wastewater received at a publicly-owned treatment work or reduce pollutant constituents in indirect discharges that are received by a publicly-owned treatment work beyond pretreatment standards are eligible. • Per CWA section 603(c)(9), CWSRF assistance may be provided to any borrower for projects that reuse or recycle wastewater from an indirect discharge. CWSRF-eligible capital pretreatment projects that address identified emerging contaminants are eligible for CWSRF EC funds.	10/1/2024
6.32	Both	Eligibilities	What design life should state SRF programs use for stand-alone loans for service line inventories and other planning and design activities?	States can use best professional judgment within the limits of the CWA and SDWA.	10/1/2024

#	SRF	Topic	Question	Answer	Date Q&A Added
6.33	DW	Eligibilities	If a water system sells water to another consecutive water system and its primary population (the population directly served) is less than 25,000, but its <i>secondary</i> population (the population that purchases water from this system) brings the total population over the 25,000 population threshold, would this system count as “small” under the BIL EC small system threshold?	To determine whether a system serves less than 25,000 people for purposes of the BIL EC small system threshold (per SDWA 1452(a)(2)(G)(ii)(I)), the population <i>benefiting</i> from the project must be considered. In the situation described in the question, this determination depends on what type of water is being supplied to the secondary population. For example, say there are two consecutive systems: System A and System B. System A directly serves a population of 20,000 and provides water to System B, which serves a population of 15,000. System A is seeking DWSRF BIL EC funding to install PFAS treatment. If System A is providing <u>raw</u> water (untreated water) to System B, then System A would be considered “small” for the purpose of the small system threshold for BIL EC funds (per SDWA 1452(a)(2)(G)(ii)(I)). In this example, the project will only impact and benefit the population of System A, which serves a population less than 25,000. However, if System A is providing <u>finished</u> water (treated or potable water) to System B, then the system would be serving more than 25,000 people for the purposes of the BIL EC-funded project because the benefiting population of this project would be 35,000 people.	10/1/2024
6.34	DW	Eligibilities	If a water system sells water to another consecutive water system and its primary population (the population directly served) is less than 25,000, but its secondary population (the population that purchases water from this system) brings the total population over the 25,000 population threshold, would this system count as “small” under the IIJA EC requirements?	When establishing whether or not a system has a population of less than 25,000 for purposes of IIJA Emerging Contaminant (EC) funding, the population benefiting from the project must be considered. In this situation, it depends on whether the water system provides raw or finished water to the secondary population. As an example, system A has a population of 20,000 and provides water to system B that has a population of 15,000. System A is seeking DWSRF BIL EC funding to install PFAS treatment. If system A is providing raw water (untreated water) to system B, then system A can be considered small for the purpose of IIJA EC funding requirements. Under this circumstance, the project will only affect the population of system A, which is less than 25,000. On the other hand, if system A is providing finished water (treated or potable water) to system B, then both primary and secondary populations benefit from the treatment (35,000 population) so the system would not be considered “small” under the IIJA EC funding requirements.	10/27/2025
6.35	DW	Eligibilities	Does a state have the flexibility to rank non-PFAS projects higher than PFAS projects?	Yes. States may actively solicit and prioritize PFAS-focused projects, as stated in SDWA and IIJA. However, states have the flexibility to use EC funds for projects addressing any eligible emerging contaminant. SDWA and IIJA provide a prioritization framework for DWSRF funding. Section 1452(b)(3)(A) of SDWA requires that Intended Use Plans prioritize the use of funds for projects that: 1) address the most serious risk to human health; 2) are necessary to ensure SDWA compliance; and 3) assist systems that are most in need based on state affordability criteria. The statute requires that states use these factors, to the maximum extent practicable, to prioritize the use of all DWSRF funds. IIJA states that the purpose of the IIJA Emerging Contaminant funds is “to address emerging contaminants in drinking water” with a “focus” on PFAS projects. However, the law did not limit the use of these funds exclusively to PFAS-focused projects. Consistent with Q 6.8, drinking water projects with known evidence that emerging contaminants exist should be ranked higher than projects with suspected emerging contaminants. EPA does not provide specific ranking criteria that work at a national level as states have the best information about the public health challenges they face.	10/27/2025
7.1	Both	Equivalency	If a state has a project that is large enough to equal at least the amount of the base and BIL general supplemental appropriations, can states use it as equivalency for both appropriations?	Yes, a single assistance agreement may be used to meet the equivalency requirements for both the BIL general supplemental and base capitalization grants. [Note that EPA clarified the question and significantly updated this answer from the 3/21/2022 and 7/13/2022 versions.]	3/21/2022; Updated 7/13/2022; Updated 11/8/2023
7.2	CW	Equivalency	Does the CWSRF A/E procurement equivalency requirement (CWA section 602(b)(14)) apply to design-build and Construction Manager At-Risk procurements?	EPA will adopt the Federal Transit Administration’s (FTA’s) procedures for handling design-build and Construction Manager At-Risk procurements. In Circular C 4220.1F: Third Party Contracting Guidance, FTA established a policy of requiring qualifications based selection procedures be followed for design-build procurements where design cost is predominant (51% or more of total cost) and construction contracting procedures (not applicable to CWSRF) where construction cost is predominant. Based on their Q&As, this policy extends to Construction Manager At-Risk procurements. Therefore, where the construction cost is predominant, Section 602(b)(14) does not apply to design-build or Construction Manager At-Risk procurements.	7/13/2022
7.3	Both	Equivalency	If a single assistance agreement for an equivalency project is funded with both BIL and base funds, must the entire assistance agreement comply with the equivalency requirements?	Yes. States cannot apply equivalency requirements to only a portion of an assistance agreement. In addition, BIL emerging contaminants and lead service line replacement appropriations are federal funds, and therefore, all equivalency requirements apply to projects funded by those appropriations. [Note that EPA significantly updated this answer from the 7/13/2022 version.]	7/13/2022; Updated 11/8/2023

#	SRF	Topic	Question	Answer	Date Q&A Added
7.4	Both	Equivalency	Can state <i>disburse</i> BIL CWSRF/DWSRF General Supplemental capitalization grant funds to CWSRF/DWSRF base program projects or vice versa?	Yes. Transparency and consistency are of the utmost importance to ensure that the BIL funds are being used effectively and efficiently. BIL equivalency projects must be designated as such on the states' BIL IUP and be reported in FFATA. Thereafter, these projects will be considered to be "federal projects." These projects must meet all BIL specific requirements as well as general SRF equivalency requirements. Consistent with long-standing successful practice in the SRFs, states may "cut the tie" when it comes to disbursements of actual dollars from the BIL CWSRF and DWSRF General Supplementals. In other words, a base program project could receive disbursements out of these capitalization grants. This is allowable because the BIL CWSRF and DWSRF General Supplementals have universal project eligibilities, i.e., these capitalization grants' eligibilities match the full suite of eligibilities under the base programs. For example, an upgrade of a publicly owned wastewater treatment plant. Note that this is not allowable under the BIL CWSRF and DWSRF Emerging Contaminants and BIL DWSRF Lead Service Line Replacement (LSLR) supplementals, given the narrower eligibilities under those capitalization grants. EPA continues to promote the use of first-in-first-out (FIFO) in the SRFs and encourages states to use FIFO within each of the 5 "tranches" of BIL SRF supplementals. For example, a state DWSRF is encouraged to disburse funds from its BIL DWSRF LSLR 2022 infrastructure funds first before drawing from its BIL DWSRF LSLR 2023 infrastructure funds. The FIFO practice is consistent with the "expeditious and timely use" directives of the Clean Water and Safe Drinking Water Acts.	7/13/2022
7.5	Both	Equivalency	Can a state apply equivalency to SRF BIL General Supplemental capitalization grants?	Yes, states can designate a group of SRF funded projects equal to the amount of the capitalization grant as federal projects. Such projects will need to comply with all equivalency requirements tied to federal SRF funding (e.g., federal crosscutters, FFATA, BABA, Single Audit Act, etc.). This is allowable because the BIL CWSRF and DWSRF General Supplementals have universal project eligibilities, i.e., these capitalization grants' eligibilities match the full suite of eligibilities under the base programs. States are not required to designate projects that received additional subsidy from the BIL General Supplemental capitalization grant as federal projects that must comply with equivalency requirements. However, states cannot use projects funded in prior years to meet the equivalency requirements of an SRF BIL General Supplemental capitalization grant. That is because many of these equivalency requirements are from other federal laws and Executive Orders. As a result, EPA does not have the authority to allow states to bank them.	7/13/2022
7.6	Both	Equivalency	Can a state apply equivalency to the SRF BIL Emerging Contaminants (EC) and Lead Service Line Removal (LSLR) capitalization grants?	No. Due to the narrower eligibilities tied to this funding, all federal requirements must apply to projects directly funded by these capitalization grants. As a result, states cannot apply equivalency to these grants and designate projects as federal.	7/13/2022
7.7	Both	Equivalency	For SRF programs, is BABA considered a federal cross-cutting authority (i.e., do "equivalency" rules apply)?	Yes, BABA is considered a federal cross-cutting requirement that applies to SRF assistance equivalent to the federal capitalization grant (i.e., "equivalency" projects). EPA's SRF regulations at 40 CFR 35.3145 and 35.3575 require states and recipients of SRF funds equivalent to the amount of the federal capitalization grant to comply with federal cross-cutting requirements. Section 70914 of the IIJA, which states when a Buy America preference applies, explains that "none of the funds made available for a Federal financial assistance program for infrastructure...may be obligated for a project unless all of the iron, steel, manufactured products, and construction materials used in the project are produced in the United States." Therefore, BABA only applies to projects funded in an amount equivalent to the federal capitalization grant and not to those projects receiving funds beyond the capitalization grant (i.e., "non-equivalency" projects). (Note: The American Iron and Steel (AIS) requirements in the Safe Drinking Water Act and the Clean Water Act continue to apply to all SRF projects, including non-equivalency projects.)	7/13/2022
8.1	Both	Grants Management	Will BIL capitalization grants have the same Catalog of Federal Domestic Assistance (CFDA) number, now referred to as "Assistance Listing," as the base CWSRF and DWSRF capitalization grants?	Yes.	3/21/2022
8.2	Both	Grants Management	When states submit capitalization grant applications to EPA, may states use the same Attorney General certification for each application (i.e., is only one state Attorney General certification is required per year)?	Yes. Only one Attorney General certification is required per year.	3/21/2022
8.3	Both	Grants Management	If a state has spent more in state match for base grants than required, can that excess amount(s) be applied to the match requirement for the BIL supplemental capitalization grants?	Yes. If the state provides a match in excess of the required amount, the excess balance may be banked toward subsequent match requirements, including BIL capitalization grants. See 40 CFR 35.3135(a)(4) and 40 CFR 35.3550(g)(5).	3/21/2022
8.4	Both	Grants Management	May states submit one application in grants.gov for all BIL appropriation funds (e.g., combine the two annual CWSRF BIL pots into one application, and/or combine the three annual DWSRF BIL pots into one application)?	No, states must apply for and EPA must award separate grants for each BIL appropriation and base appropriation. Congress appropriated 5 separate SRF capitalization grants per year via BIL that each have specific purposes. Separate applications and grants are consistent with grants regulations and reporting requirements and needs. Further, the federal government's grants management system does not allow multiple grant awards to be made from one application. To reduce administrative burden, states may use many of the same supporting materials within each application, or incorporate them by reference. For example, states may combine base and/or BIL pot(s) of funding into a single IUP and PPL, or split into separate documents.	3/21/2022

#	SRF	Topic	Question	Answer	Date Q&A Added
8.5	DW	Grants Management	Can the Water Infrastructure Investments for the Nation (WIIN) Small, Underserved, and Disadvantaged Community (SUDC) grant be deposited into a state's DWSRF?	No. EPA does not have the authority to combine funds from the DWSRF and the WIIN SUDC programs.	3/21/2022
8.6	DW	Grants Management	May states apply for conditional capitalization grants under the BIL DWSRF Lead Service Line Replacement fund?	Yes. Conditional awards are allowed under Grants Policy Issuance (GPI) 12-06:Timely Obligation, Award and Expenditure of EPA Grant Funds. Conditional capitalization grants may be useful when the state does not yet have enough eligible projects and/or activities listed on its IUP to apply for the full capitalization grant amount, but expects to have additional eligible projects and/or activities identified in the near future. With conditional awards, if the state and Region have completed negotiations for part of the work plan, the Region may conditionally approve the work plan and obligate the full amount of the capitalization grant award placing appropriate drawdown/payment term and condition restrictions for the portion of the work plan not yet approved. This does not prohibit work from beginning on approved activities. Such an arrangement would allow, for example, for states to begin LSL inventory work out of the DWSRF set-asides and to begin identified LSLR construction projects. Once additional LSLR construction projects are identified, the state must submit an updated IUP (including an updated Project Priority List) to include those newly-identified projects. EPA will then review and as appropriate, approve the updated workplan and amend the term and condition on the award.	7/13/2022
8.7	Both	Grants Management	Is the calculation of the 33% inter-SRF transfer authority based upon the amount of money allotted to the DWSRF, or upon the amount actually awarded to the DWSRF?	The calculation is based upon the amount of funds actually awarded to the state DWSRF. In cases where a state applies for a capitalization grant amount lower than its full allotment amount, the 33% calculation would be based upon what the state actually receives as an award from EPA. Per Section 302 of P.L. 104-182, codified at 42 U.S.C. § 300j-12 note, the DWSRF capitalization grant the state bases the transfer amount on must have been awarded prior to the transfer of any funds.	11/8/2023
8.8	Both	Grants Management	Do federal procurement requirements found in 2 CFR 200.317 through 2 CFR 200.327 apply to projects and activities funded by the SRFs?	When a state SRF provides a loan (with or without principal forgiveness) to an assistance recipient from its revolving loan fund, the federal procurement requirements in 2 CFR 200.317 through 2 CFR 200.327 do not apply. Only state and/or local procurement requirements, if any, apply to the project funded with that loan. Note that the requirements from 2 CFR Part 200, aside from procurement, that apply to an SRF loan are explained in 2 CFR 1500.3(b). If a state SRF provides additional subsidy to an assistance recipient in the form of a grant, that is considered a subaward under 2 CFR Part 200. Recipients of additional subsidy "grants" are "subgrantees" under federal grant regulations, such as 2 CFR Part 200 and 2 CFR Part 1500, and must comply with those requirements. In addition to other SRF requirements, as a subaward, entities receiving additional subsidy in the form of a grant and state programs providing the grant must comply with the federal procurement requirements in 2 CFR 200.317 through 2 CFR 200.327.	10/1/2024
8.9	Both	Grants Management	If a state prospectively reviews anticipated SRF project components and estimates that a certain percentage (e.g., 30%) is eligible for BIL EC funding and the remainder is only eligible with base or BIL General funding (i.e., the latter is not eligible under the BIL EC funding), could they lock that percentage in for every disbursement for that project? In that example, every disbursement for that project will be 30% BIL EC and 70% base or BIL General. Or must the state determine the split of funding of each individual disbursement based on what work was being covered by a particular invoice? A similar situation might occur with BIL LSLR funding (i.e., replace the BIL EC terminology with BIL LSLR terminology above, and the example stands).	The state must carefully review each submitted invoice to 1) determine the eligibility of costs listed in that invoice, and 2) to determine which SRF capitalization grants or SRF accounts are appropriate to draw for the invoice. For each draw a state makes from any capitalization grant or account, the state must have invoice(s) whose listed costs match the eligibility of that particular capitalization grant or account. For example, if a state draws \$100 out of the BIL DWSRF LSLR capitalization grant, then the related invoice(s) should be for an eligible cost under that grant, such as \$100 worth of new copper service line pipe that is replacing a lead service line. If such a draw is made from the BIL LSLR capitalization grant, the related invoice for that draw <u>cannot</u> be, for example, \$100 towards the construction of a new PFAS treatment plant. That would be an improper payment under the grant because the construction of a new PFAS treatment plant is not an eligible use of the BIL LSLR capitalization grant funding.	10/1/2024
8.10	Both	Grants Management	If a state funds planning and design for a project with multiple components (e.g., base/BIL general supplemental eligible, BIL EC eligible, BIL LSLR eligible) under one assistance agreement, how should the state determine which draws should be made from each capitalization grant or account?	If a planning and design project has multiple components under one assistance agreement funded by multiple capitalization grant types (e.g., base/BIL general supplemental, BIL EC, BIL LSLR), a state should allocate the appropriate costs to the respective capitalization grant based on the capitalization grant eligibilities and should document that determination. For example, if an assistance agreement includes the planning and design of new water mains <i>and</i> a new PFAS treatment facility, the state should work with the local project managers to document and appropriately allocate the resource level spent to plan and design those two major components. States can use that information to determine how much funding, if any, may be drawn from the EC or LSLR capitalization grants, which have more restrictive eligibilities, as opposed to the base/BIL general supplemental capitalization grants.	10/1/2024
9.1	DW	LSLR	Is there a limit to the amount of BIL DWSRF LSLR supplemental funds that can be used by states to fund LSL inventories?	No. There is no statutory minimum or maximum, but EPA expects IUPs to reflect appropriate statutory priorities.	3/21/2022

#	SRF	Topic	Question	Answer	Date Q&A Added
9.2	DW	LSLR	Are service lines of any material (e.g., copper) eligible for IIJA DWSRF funding or must they be made of lead to be eligible for IIJA funding?	To be eligible for replacement under the IIJA DWSRF LSLR, service lines must be made of lead, be galvanized pipe downstream from lead components (lead goosenecks, pigtails, or other components), or be a galvanized requiring replacement service line as defined in 40 CFR 141.2. To be eligible under the IIJA DWSRF General or the DWSRF base program funding, service lines may be made of any material.	3/21/2022; Updated 11/8/2023; Updated 10/1/2024; Updated 11/17/2025
9.3	DW	LSLR	If a state has constitutional, statutory, and/or regulatory prohibitions on the use of public money on private property (i.e., prohibitions against using public water system user revenue to replace the privately-owned portion of an LSL), how can states use the BIL DWSRF LSLR funds?	In this scenario, states may use the BIL LSLR appropriation for service line inventories while working towards eliminating those barriers to full LSLR. The EPA strongly encourages states to reassess, and if needed, eliminate state-imposed barriers to addressing the public health threat of lead in drinking water. States may use the DWSRF set-asides to provide technical assistance and other support to help communities experiencing those barriers.	3/21/2022; Updated 10/1/2024
9.4	DW	LSLR	If some customers (e.g., homeowners) refuse to allow the water utility access to replace the privately-owned portion of the lead service line, does this affect the project's DWSRF funding?	State DWSRF programs may still fund the overall project but are strongly encouraged to use technical assistance and other outreach methods to achieve the fullest possible participation. If the customer continues to refuse access, then the water system should leave the publicly-owned portion of the lead service line in place (so as to not create a partial replacement) and document this action. To be clear, partial service line replacements are not eligible for DWSRF funding (from any DWSRF funding source).	7/13/2022
9.5	DW	LSLR	Is the replacement of water mains eligible for funding under the IIJA DWSRF Lead Service Line Replacement funding pot?	The installation of new water mains and the replacement of water mains are eligible under the IIJA General Supplemental appropriation and base program funding. The replacement of water mains is not eligible for funding under the IIJA LSLR appropriation except under limited circumstances as determined by the state. Under the IIJA LSLR appropriation, Congress defined eligibility in this manner: "Provided further, That the funds provided under this paragraph in this Act shall be for lead service line replacement projects and associated activities directly connected to the identification, planning, design, and replacement of lead service lines." The SDWA defines a "lead service line" at 42 USC § 300j-19b(a)(4) (under the Reducing Lead in Drinking Water Grant Program) as: "a pipe and its fittings, which are not lead free (as defined in section 300g-6(d) of this title), that connect the drinking water main to the building inlet." Section 1452 of the SDWA authorizes the DWSRF program. In Section 1452(h)(2) of the SDWA, 42 USC § 300j-12(h)(2), Congress explicitly references that "lead service line" definition in Section 300j-19b(a)(4) to instruct EPA to include assessments of costs to replace all "lead service lines" in the quadrennial Drinking Water Infrastructure Needs Surveys. Water mains may be directly connected to the replacement of lead service lines, and water meters may be installed in a variety of locations including directly connected to a lead service line. The financing of replacement or installation of such components may also be directly connected to the ability of the community to replace the connected lead service lines. These integrated components may be eligible for IIJA DWSRF LSLR funding. Examples of integrated components include, but are not limited to, water mains and water meters directly connected to lead service lines. Integrated components would be eligible under the IIJA DWSRF LSLR appropriation only if they met all three circumstances listed below. 1. The state determines that integrated components are sufficiently financially integrated into the LSLR replacement project such that the project could not proceed without their replacement (in other words, funding/financing the replacement of the integrated components is directly connected to the community's ability to do LSLR), 2. Integrated components needing repair or replacement are directly connected to a lead service line, and 3. The integrated component is in a disadvantaged community as described in SDWA Section 1452(d)(3). DWSRF borrowers are strongly encouraged to plan for the replacement of unexpected lead service lines and lead connectors during water main	7/13/2022; Updated 10/1/2024; Updated 11/17/2025
9.6	DW	LSLR	May state DWSRF programs make loans directly with engineering firms, contractors, or other entities that are not public water systems to perform LSL inventories and/or LSLR construction?	No, the SDWA authorizes state DWSRF programs to issue loans and other assistance agreements from the infrastructure fund exclusively to public water systems. However, a public water system may partner with other public water systems to apply for DWSRF assistance. For example, a PWS may apply for a DWSRF loan on behalf of several PWSs to conduct LSL inventory work at multiple PWSs. Further, states may use the set-asides to directly contract with engineering firms and contractors to perform LSL inventory work.	7/13/2022

#	SRF	Topic	Question	Answer	Date Q&A Added
9.7	DW	LSLR	Can the DWSRF be used to conduct water quality testing (or monitoring or sampling) for lead?	Under the DWSRF, routine compliance monitoring and sampling, including monitoring and sampling for lead, is not eligible. Routine monitoring and sampling is part of a public water system's responsibility to comply with the SDWA regulations, including the Lead and Copper Rule. State DWSRF programs may use the DWSRF set-asides to conduct non-routine, not-compliance-related lead sampling for investigatory purposes. Public water systems may also conduct non-routine lead sampling (if not for compliance purposes) as part of a lead service line replacement construction project out of the DWSRF infrastructure fund. As part of the IIJA DWSRF LSLR appropriation, non-routine, not-compliance-related lead sampling may be funded from this appropriation under the parameters explained above. There are similar eligibilities under the BIL DWSRF General funds and the DWSRF base program. Samples for a system self-assessment that are non-routine samples for the purposes of evaluating water quality parameters related to lead in drinking water are allowed under IIJA DWSRF LSLR set-asides. Routine compliance monitoring is not an allowable cost.	7/13/2022; Updated 11/17/2025
9.8	DW	LSLR	If a public water system is planning to replace lead goosenecks, pigtails, or other connectors with DWSRF funding, would such activity count as a partial replacement under the LCRR if they remove the lead connectors and leave behind downstream galvanized service lines?	Under the Lead and Copper Rule Revisions (LCRR) and the Lead and Copper Rule Improvements (LCRI), lead connectors such as goosenecks must be replaced when they are encountered by the water system. The definition of galvanized requiring replacement (in 40 CFR 141.2) does not include upstream lead goosenecks, pigtails, or other connectors. Therefore, removing the lead connectors and leaving a galvanized line in place would not be considered a partial replacement under the LCRI. Galvanized lines that are downstream of lead goosenecks, pigtails, or other connectors are eligible for funding under the IIJA DWSRF LSLR funding, as well as the DWSRF base program and IIJA General Supplemental funding.	11/8/2023; Updated 10/1/2024; Updated 11/17/2025
9.9	DW	LSLR	Is an environmental review required for service line inventories if the project is being funded from the DWSRF loan fund?	The state must follow its approved state environmental review process (SERP), as explained in 40 CFR 35.3580. Like other projects funded from the DWSRF loan fund, certain projects or activities may be categorically excluded by a state from environmental review. Service line inventory work may be excluded by a state from review via a categorical exclusion, consistent with that state's SERP.	11/8/2023
9.10	DW	LSLR	Is an environmental review required for service line inventories if the project is being funded from the DWSRF set-asides?	No. Per 40 CFR 35.3580(b), a state is not required to conduct environmental reviews of activities funded under the set-asides (with the exception of source water protection activities under 40 CFR 35.3535, unless the activities solely involve administration or technical assistance). As that section of the regulation says, activities excluded from environmental reviews remain subject to other applicable Federal cross-cutting authorities under 40 CFR 35.3575.	11/8/2023
9.11	DW	LSLR	Can an SRF environmental review cover both the inventory and replacement of lead pipes in the same project?	Yes. Consistent with a state's SERP, an environmental review may cover both the inventory and replacement of lead service lines part of the same project.	11/8/2023
9.12	DW	LSLR	Does potholing as part of a service line inventory completion project/activity require an environmental review?	This is either being done via the DWSRF loan fund or set-asides, so see answers to questions 9.9 or 9.10 above.	11/8/2023
9.13	DW	LSLR	Are lead service line inventories eligible for DWSRF funding?	Yes, inventories are eligible for funding from either the infrastructure fund or set-asides, regardless of whether lead service lines are found during the inventory.	10/1/2024
9.14	DW	LSLR	Does the DWSRF require full LSLR? What does that mean? Are there circumstances where partial replacement is allowed?	Given that there is no safe exposure to lead and that partial LSLR may temporarily elevate lead levels, full LSLR will ensure that DWSRF funds maximize public health benefits in accordance with the objectives of the SDWA. Certain exceptions are detailed in 9.15, 9.16 and 9.17. The DWSRF program interprets full LSLR as replacement of the pipe and its fittings that connect the drinking water main to the building inlet. The DWSRF program has typically described "building inlet" as the point at which the service line connects to premise plumbing. The location of the building inlet may vary and may be located inside or at the building structure. When conducting LSLR, state programs and PWSs should exercise their best professional judgment to determine the location of the building inlet. The EPA strongly cautions against any replacement approach that will leave in place a portion of a lead service line in place after replacement and/or that will result in short-term elevated lead levels and potential long term negligible reduction in lead levels in drinking water.	10/1/2024
9.15	DW	LSLR	What is eligible when conducting stand alone LSLR funded by the DWSRF?	Stand-alone LSLR projects refers to projects that are solely replacing lead service lines and are not conducting additional construction or activities that would disturb the service line, such as main replacement, meter replacement, or other planned infrastructure projects. All DWSRF-funded stand-alone LSLR projects must replace the full (i.e., the customer-owned and system-owned portions) service line unless a portion has already been replaced or is concurrently being replaced by another funding source. In other words, stand-alone partial LSLR is ineligible for DWSRF funding. Despite the best efforts of funding agencies and water systems, there may be situations where a water system cannot gain access to conduct a full LSLR in a specific instance because, for example, the customer (e.g., homeowner) refuses to grant access to replace the customer-owned portion of a lead service line. This does not render the entire project ineligible; state DWSRF programs may still fund the rest of the project.	10/1/2024

#	SRF	Topic	Question	Answer	Date Q&A Added
9.16	DW	LSLR	Are partial LSLRs eligible when conducting LSLR in conjunction with planned infrastructure projects funded by the DWSRF?	While full LSLR is the desired outcome of all DWSRF assistance for LSLR, the logistics involved with coordinating LSLR with planned infrastructure projects may dictate that partial replacement of a service line is necessary if disturbance to the service line is unavoidable and the water system cannot gain access to conduct a full lead service line replacement (e.g., a customer refuses to allow replacement of the customer-owned portion of the service line). For the purposes of oversight and confirming eligibility, state programs must require borrowers to document customer refusals, which could consist of any of the following: a refusal signed by the customer, documentation of a verbal statement refusing replacement, or documentation of no response after multiple attempts to reach the customer regarding full LSLR. State programs are required to report this information to EPA. A partial LSLR may only be funded by the SRF where the water system shows all of the following: that the partial LSLR is done in conjunction with planned infrastructure work, that disturbance to that service line is unavoidable because of the planned infrastructure work, and that the water system has documented customer refusal showing it cannot gain access to that property to conduct a full LSLR following multiple attempts.	10/1/2024
9.17	DW	LSLR	Are partial LSLRs eligible when conducting LSLR in conjunction with emergency infrastructure repair or replacement projects funding by the DWSRF?	Emergency repair and replacement of drinking water transmission and distribution infrastructure can necessitate unexpected replacement of lead service lines. Under such circumstances, DWSRF-funded PWSs must offer to replace the full lead service line. However, the borrower may use DWSRF funding to pay for emergency partial LSLR if full replacement is not possible due to a documented customer refusal. For the purposes of oversight and confirming eligibility, state programs must require borrowers to document customer refusals in a manner determined by the state. If available, additional subsidization can be used to cover the cost of LSLR on private property done in conjunction with emergency infrastructure repair or replacement. State DWSRF programs are strongly encouraged to prioritize available additional subsidization authority under LSLR appropriations for this purpose.	10/1/2024
9.18	DW	LSLR	Why is the DWSRF including exceptions that allow funding of less than full LSLR?	The EPA's goal is for all lead service lines to be replaced. Given that there is no safe exposure to lead and that partial LSLR may temporarily elevate lead levels, full LSLR will ensure that DWSRF funds maximize public health benefits in accordance with the objectives of the SDWA. All DWSRF-funded LSLR projects must replace the full service line with limited exceptions. These limited exceptions provide specific criteria that must be met to facilitate use of DWSRF funding and implementation of LSLR projects towards the goal of 100% removal. LSLR is often performed in conjunction with other projects, and the circumstances under which LSLR is performed can vary widely due to factors such as weather and building construction. These limited exceptions will allow more communities across the country to quickly take advantage of the unprecedented BIL funding and advance the goal of 100% lead service line replacement.	10/1/2024
9.19	DW	LSLR	Are connectors of any material (e.g., copper or brass) eligible for DWSRF funding under the IIJA?	In limited circumstances where the state determines that the replacement of non-lead connectors is directly connected to the ability to fund LSLR, non-lead connectors can be replaced as part of an LSLR project. Please refer to Q&A 9.5 for information on the circumstances when non-lead connectors would be eligible under IIJA DWSR LSLR. To be eligible for replacement under the BIL General Supplemental appropriation or base program funding, connectors may be made of any material.	10/1/2024
9.20	DW	LSLR	What are some best practices for risk mitigation when conducting a partial lead service line replacement?	Best practices for risk mitigation include, but are not limited to, provision of point-of-use filters or pitcher filters certified by an American National Standards Institute accredited certifier once the replacement starts until at least six months following completion of the replacement, provision of information and/or training to ensure that equipment is used properly, pipe-flushing recommendations, tap sampling between three and six months after replacement, and installation of dielectric coupling to minimize corrosion where partial replacements are necessary.	10/1/2024
9.21	DW	LSLR	What is the required time frame for full LSLR?	The entire length of each property's lead service line must be replaced at the same time except where it is impractical due to access constraints or local requirements that prevent the same organization from completing the full LSLR at the same time. The time between starting and completing full LSLR should be as short as possible and should not exceed three months. Extenuating circumstances may necessitate a longer replacement timeframe as determined by the state.	10/1/2024; Updated 11/17/2025
9.22	DW	LSLR	The March 2022 "Implementation of the CWSRF and DWSRF Provisions of the IIJA" Memorandum states that a galvanized service line is considered a lead service line if it ever was or is currently downstream of any lead service line or service line of unknown material. Why are galvanized lines downstream of an unknown line ineligible under the IIJA FY24 DWSRF LSLR appropriation?	The FY24 IIJA DWSRF LSLR terms and conditions will be amended at a state's request to remove the galvanized service line requirement. Please refer to Q&A 9.2 for additional information on eligibilities.	10/1/2024; Updated 11/17/2025
9.23	DW	LSLR	How can systems document whether galvanized service lines are downstream from lead service lines or components?	The FY24 IIJA DWSRF LSLR terms and conditions will be amended at a state's request to remove the galvanized service line requirement. Otherwise, documentation is at the state's discretion. Please refer to Q&A 9.2 for additional information on eligibilities.	10/1/2024; Updated 11/17/2025
9.24	DW	LSLR	What eligibilities apply to galvanized service lines if a project is co-funded between the Base or IIJA General Supplemental and the IIJA LSLR appropriations?	The FY24 IIJA DWSRF LSLR terms and conditions will be amended at a state's request to remove the galvanized service line requirement. Please refer to Q&A 9.2 for additional information on eligibilities.	10/1/2024; Updated 11/17/2025
9.25	DW	LSLR	Do the restricted eligibilities for galvanized service lines under the IIJA LSLR FY24 appropriation apply to projects paid for from the IIJA LSLR FY22 or FY23 appropriations?	The FY24 IIJA DWSRF LSLR terms and conditions will be amended at a state's request to remove the galvanized service line requirement. States must follow the specific terms and conditions associated with each capitalization grant.	10/1/2024; Updated 11/17/2025
9.26	DW	LSLR	Do states need to have completed their LSLR inventories to receive BIL LSLR funding?	No, inventories do not need to be complete to receive BIL LSLR funding, and inventories are an eligible use of BIL LSLR funding. Given the many benefits of LSLR, water systems should not wait until their inventories are complete to begin planning and replacement efforts.	10/1/2024

#	SRF	Topic	Question	Answer	Date Q&A Added
9.27	DW	LSLR	Does BABA apply to the privately owned portion of a lead service line replacement?	Yes, in most cases. If the owner of the private portion of the lead service line being replaced is receiving any type of federal financial assistance (whether in the form of a loan, loan with principal forgiveness, grant, rebate, etc.) then the BABA requirements apply. The one exception is when the owner of the private portion of the lead service line is not receiving any financial assistance from the water system to replace their portion of the lead service line.	10/1/2024
9.28	DW	LSLR	Can the BIL LSLR appropriation replace drinking water fixtures in schools if there are lead pipes associated with those fountains/fixtures?	Funds from the BIL LSLR capitalization grants cannot be used for this purpose. These funds can only be used for activities directly related to the identification and replacement of lead service lines. The DWSRF can only provide assistance to public and privately owned community water systems and non-profit, non-community water systems. A school, if it is a non-profit non-community water system, would be an eligible recipient of DWSRF funding. The DWSRF program can fund a variety of lead related activities including, but not limited to the identification and replacement of lead service lines and the provision of pitcher filters or point-of-use devices to filter water during and after lead service line replacement projects. Additionally, the DWSRF can fund water testing for lead, provided such tests are not routine or for compliance purposes. Under the vast majority of circumstances, the DWSRF program cannot fund premise plumbing or fixtures. A school, if it is a non-profit non-community water system, is an exception to this, and premise plumbing or fixtures may be eligible for DWSRF funding from the base program or BIL General Supplemental. However, they would not be eligible for funds under the BIL LSLR appropriation.	10/1/2024
9.29	DW	LSLR	Is the purchase or rental of equipment such as a vehicle or computer that will be only used for LSL identification and replacement projects eligible under the IIJA DWSRF LSLR appropriation?	In general, the IIJA DWSRF LSLR loan funds can be used for the purchase of equipment if the assistance recipient is a public water system. Any equipment purchased using IIJA LSLR funds could only be used for LSL identification and replacement projects. If the equipment will be used for multiple purposes and some of the purposes are not eligible under IIJA LSLR funding, the cost of the equipment must be appropriately prorated across different sources of funding by the amount of use estimated for each. For example, if the eligible borrower purchased a vehicle or computer using some DWSRF IIJA LSLR funds, the cost should be reflective of the amount of time the borrower will use the items for LSL identification and replacement projects. Training for equipment operation is an eligible activity if it's included as a part of the construction contract or engineering services provided. Once the project is over, the truck and computer may be sold as long as the entity that purchased the truck and computer is not making a profit. Usually, that is not the case with cars or technology. However, if there is a profit, please follow grants rules about making a profit in the Uniform Grants Guidance (UGG). IIJA DWSRF LSLR loan funds can be used for the rental of equipment if the assistance recipient is a public water system and the equipment is only being used for LSL identification and replacement projects. The lease should match the duration of the construction of the LSL identification and replacement projects.	11/17/2025
10.1	DW	Small Systems	Does the SDWA 1452(a)(2)(F) 15% small system provision apply to the BIL funds?	SDWA 1452(a)(2)(F) requires that at least 15% of the amount credited to the Fund in any fiscal year be made available for assistance to small systems serving under 10,000 persons, to the extent funds can be obligated for eligible projects. Therefore, the percentage is based on all monies that a state expects to be available for loans as described in a state's IUP. This includes the capitalization grant, state match, bond proceeds, repayments, and interest earnings. In other words, the calculation is based on all monies the state plans to make available for assistance agreements as described in a state's IUP sources and uses table. The total "sources" dollar amount should be used for the calculation's denominator. For example, if a state projects \$50M in available "sources," the state should plan to fund at least \$7.5M of small system projects.	3/21/2022
11.1	Both	Cross-cutters	What are the federal requirements of additional subsidy assistance in the form of "grant" (that are different than requirements of a loan with principal forgiveness)?	Grant recipients are legally considered subrecipients for the purposes of OMB's grant regulations at 2 CFR Part 200 et. seq. In other words, assistance recipients receiving additional subsidy in the form of a grant are subject to additional federal requirements related to grants management that are not applicable to those receiving other forms of SRF additional subsidy. EPA's subaward policy (GPI 16-01) establishes the requirements and procedures for Grants Management Offices and Program Offices in making determinations regarding subrecipient eligibility, overseeing pass-through entity monitoring and management of subawards, and authorizing fixed amount subawards under 2 CFR 200.331, 200.332, and 200.333 ("the applicable regulations"). Additionally, procurement requirements at 2 CFR 200.317-2 CFR 200.327 apply to these subawardees. EPA provided a memorandum summarizing the requirements on July 13, 2022. Broadly, these include the needs for assessing and addressing subaward risk and ensuring fair and open competition for the utilization of contractors.	7/13/2022; Updated 11/8/2023
12.1	CW	CWSRF Administrative Funds	How do state CWSRF programs calculate the ceiling they may take for the Administrative funds as authorized under 33 USC 1383(d)(7)?	The maximum annual amount of CWSRF money (not including any fees collected) that may be used to cover the reasonable costs of administering the fund is the greatest of the following: an amount equal to 4% of all grant awards to the fund received by a state CWSRF from 1988 through the current fiscal year less any CWSRF amounts that have been used in previous years to cover administrative expenses; \$400,000; or 1/5th percent of the current valuation of the fund. Per the CWA, states make this calculation once per year, taking into account all federal capitalization grants received that year. States must calculate the ceiling for that year and document it in the Intended Use Plan. Admin can be drawn in any amount from zero up to that ceiling and, EPA encourages state CWSRF programs to draw admin funds from repayments where possible.	7/13/2022

#	SRF	Topic	Question	Answer	Date Q&A Added
13.1	Both	State Match	May states use American Rescue Plan Act (ARPA) (P.L. 117–2) Coronavirus State and Local Fiscal Recovery Funds (SLFRF) for state match for the CWSRF and DWSRF capitalization grants?	The ARPA SLFRF program has four categories of eligible uses, one of which is referred to as the revenue loss eligible use category. SLFRF funds available under the revenue loss eligible use category may be used to meet the non-federal cost-share or matching requirements of other federal programs, including the CWSRF and DWSRF programs. States may not use ARPA SLFRF funds available under the water and sewer infrastructure eligible use category for state match for the CWSRF or DWSRF. States using ARPA SLFRF funds available under the revenue loss eligible use category as state match for the CWSRF or DWSRF may consider funds expended (for the purposes of ARPA) at the point the state deposits the funds into the SRF. More information can be found in the U.S. Department of Treasury Q&A (#4.6, 4.9, and 6.2) at: https://home.treasury.gov/system/files/136/SLFRF-Final-Rule-FAQ.pdf	7/13/2022
13.2	Both	State Match	If states are using American Rescue Plan Act (ARPA) (P.L. 117–2) Coronavirus State and Local Fiscal Recovery Funds (SLFRF) for SRF state match, how does a state calculate the reduction in revenue due to the public health emergency?	Treasury Q&A #3.1 explains that recipients may determine revenue loss by electing the standard allowance or calculating revenue loss according to the formula outlined in the final rule. For recipients not electing the standard allowance, the Treasury Q&A #3.6 provides the formula, while Treasury Q&A #3.5 and 3.13 provide additional information for calculating revenue loss entity-wide.	7/13/2022
14.1	Both	BABA	Should SRF projects covered by the BABA SRF Projects Design Planning Adjustment Period Waiver follow the same procedures for demonstrating compliance as outlined for American Iron and Steel requirements?	Yes. The SRF Design Planning Adjustment Period waiver does not waive the iron and steel requirements under BABA. The SRF programs have existing domestic preference requirements for SRF projects under CWA Section 608 and SDWA Section 1452(a)(4) (AIS requirements) to use iron and steel products that are produced in the United States. Sections 70917(a) and (b) of BIL explain the application of BABA to existing domestic preference requirements. Specifically, the savings provision in Section 70917(b) states that existing domestic preference requirements that meet BABA requirements are not affected by BABA. The statutory AIS requirements were existing at the time BABA became law and satisfy the BABA iron and steel requirements. Therefore, the statutory AIS requirements that have previously applied to SRF-funded projects will continue to do so, and compliance with AIS requirements will satisfy the BABA iron and steel requirements. Demonstration of compliance for iron and steel products will follow the AIS implementation policies for projects subject to this waiver.	9/27/2022
15.1	Both	Signage	How does the state determine which of the signage term and conditions applies?	If the project is an equivalency project for a base SRF capitalization grant, then the base SRF signage term and condition applies. If the project is an equivalency project for a BIL general supplemental SRF grant, if the project is a BIL emerging contaminants or BIL lead service line project, and/or if the project receives additional subsidization (grants or forgivable loans) made available by a BIL capitalization grant, then the BIL signage term and condition applies.	11/8/2023
15.2	Both	Signage	If both the BIL and base signage terms and conditions apply to a single project (e.g., it is a base <i>and</i> BIL equivalency project), must the SRF assistance recipient have two signs for the project (i.e., a base and a BIL sign)?	If both signage terms and conditions apply to a single project, the project must have a physical BIL sign (so as to comply with the BIL signage term and condition). To concurrently meet the base SRF term and condition, in addition to the physical sign option, recipients may use one of the wide range of base signage options available, such as “online signage placed on a community website or social media outlet” or “a press release.” EPA strongly encourages that such projects consider these flexibilities.	11/8/2023
15.3	Both	Signage	For SRF construction projects that only span a few days (e.g., 1 to 3 days) and are very small (e.g., around \$25k), must these projects comply with the BIL signage requirement?	The BIL signage term and condition requires the signage costs to be “reasonable.” Further, OMB’s Controller Alert CA-23-6 “Enhancing Transparency Through Use of the Investing in America Emblem on Signs (UPDATED)” states that the signs “should not be produced or displayed if doing so results in unreasonable cost, expense, or recipient burden.” In situations similar to this, where the requirement would result in unreasonable cost, expense, or recipient burden, the project is not required to comply with the BIL signage requirement.	11/8/2023