

Funding Resources for Service Line Inventories and Replacement

Introduction

The U.S. Environmental Protection Agency (EPA) developed this document to help communities identify potential funding sources for conducting service line inventories. The Lead and Copper Rule Revisions require all water systems to develop a publicly available inventory of all publicly and privately-owned service lines in the distribution system, which must be submitted by October 16, 2024 (40 CFR 141.84). Resources from EPA to support water systems with their inventory and replacement efforts can be found [here](#).

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

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

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



EPA's Real Water Technical Assistance (RealWaterTA) provides direct, free technical assistance to water and wastewater systems that addresses the water quality and infrastructure concerns of Americans and their communities.

[Learn more about RealWaterTA](#)

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

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Drinking Water State Revolving Fund (DWSRF) Program

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

How the DWSRF is Funded

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

State DWSRF programs provide low interest loans for eligible water infrastructure projects. As water system loans are repaid, the repayments and interest from the loans are placed back into the dedicated revolving loan fund, and these funds are used to provide additional loans for new recipients.

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

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

Resource: 

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

Contact: 

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

Funding Cycle and Amount

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

Applicant Eligibility

States can provide DWSRF assistance to:

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

Application Process

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

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

EPA sets aside a portion of the national DWSRF appropriation for grants to improve Tribal drinking water system infrastructure. This program can fund the development and implementation of projects eligible for the DWSRF, including service line inventories.

In 2021, the Infrastructure Investment and Jobs Act (IIJA) added a projected \$300 million in DWIG-TSA lead service line replacement funding. Projects funded with the IIJA appropriation must replace the entire lead service line unless a portion of the line has already been replaced. IIJA Lead Service Line Replacement funds under the DWIG-TSA can be used for the development of service line inventories and for lead service line replacement. DWIG-TSA funds are administered by EPA's Regional Offices, which award funds for eligible projects as direct grants to Tribes or via interagency agreements with the Indian Health Service (IHS).

Applicant Eligibility

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

Application Process

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

Resource: 

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

Contact: 

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

Funding Cycle and Amount

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

Resource: 

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

Contact: 

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

Funding Cycle and Amount

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

Reducing Lead in Drinking Water Grant Program

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

Applicant Eligibility

Eligible applicants include:

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

Application Process

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

Small, Rural, and Tribal (SmaRT) Grant Program

The SmaRT Grant Program is administered by EPA. This noncompetitive, grant program helps underserved, small and disadvantaged communities improve their drinking water. Grant funding can be used on projects that help communities meet and comply with SDWA regulations. Eligible projects include infrastructure work, technical, managerial, and financial capacity building activities, or activities necessary for a state to respond to a contaminant. The funds can be used for lead service line inventories and replacements.

Applicant Eligibility

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

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

EPA sets aside a portion of appropriated funds for the [Tribal SmaRT program](#), through which EPA provides funding for improvements to water systems serving Tribes. This is administered separately by EPA Regional Offices.

Application Process

EPA allocates appropriated funds among states and territories. Contact your respective [state program](#) or [Tribal grant coordinator](#) for information on how to apply.

Resource: 

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

Contact: 

WIINDrinkingWaterGrants@epa.gov

Funding Cycle and Amount

Funding is available annually. Over \$35 million was awarded to projects in January 2026.

Resource: 

<https://www.epa.gov/dwcapacity/small-rural-and-tribal-drinking-water-assistance-grant-program>

Contact: 

WIINDrinkingWaterGrants@epa.gov

Funding Cycle and Amount

EPA has allotted over \$25 million for FY 2026. Funding is awarded to the states, Tribes, and territories who are responsible for administering the grant funds and ensuring that the funds efficiently and effectively reach communities that need assistance with local water infrastructure upgrades or Safe Drinking Water Act compliance.

Water Infrastructure Finance and Innovation Act (WIFIA) Program

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

Applicant Eligibility

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

Application Process

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

USDA Water & Waste Disposal Loan & Grant Program

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

Applicant Eligibility

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

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

Application Process

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

Resource: 

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

Contact: 

wifia@epa.gov

Funding Cycle and Amount

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

Resource: 

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

Contact: 

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

Funding Cycle and Amount

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

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

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

Applicant Eligibility

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

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

Application Process

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

Public Works and Economic Adjustment Assistance Program (PWEAA)

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

Applicant Eligibility

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

Application Process

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

Resource: 

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

Contact: 

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

Funding Cycle and Amount

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

Resource: 

www.eda.gov/funding/funding-opportunities

Contact: 

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

Funding Cycle and Amount

Applications are accepted on an ongoing basis until a new PWEAA Notice of Funding Opportunity (NOFO) is published, the PWEAA NOFO is cancelled, or all funds are expended. Generally, awards can range from \$200,000 to \$20 million+.

Community Development Block Grant (CDBG) Entitlement Program

The U.S. Department of Housing and Urban Development's (HUD's) CDBG Entitlement Program awards annual grants on a formula basis to states, cities, and counties to develop viable urban communities by providing decent housing and a suitable living environment, and by expanding economic opportunities, principally for low- and moderate-income persons. Activities must meet one of the program's national objectives. Eligible activities listed include activities necessary to develop a comprehensive community development plan, which can include the development of service line inventories.

Applicant Eligibility

Eligible applicants include:

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

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

Application Process

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

State CDBG Program

The HUD's State CDBG Program awards grants to smaller units of local government that develop affordable housing, provide services, and create jobs. This is one of the lines on HUD's website. Activities must meet one of the program's national objectives. Eligible activities listed include activities necessary to develop a comprehensive community development plan, which can include the development of service line inventories.

Applicant Eligibility

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

Application Process

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

Resource: 

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

Contact: 

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

Funding Cycle and Amount

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

Resource: 

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

Contact: 

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

Funding Cycle and Amount

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

USDA Rural Development Program: Single Family Housing Repair Loans & Grants (Section 504 Home Repair Plan) Program

Also known as the Section 504 Home Repair program, this U.S. Department of Agriculture (USDA) Rural Development program provides loans to very-low-income homeowners to repair, improve, or modernize their homes. It also provides grants to elderly, very-low-income homeowners to remove health and safety hazards.

Loans may be used to repair, improve, or modernize homes or remove health and safety hazards. Grants must be used to remove health and safety hazards.

Applicant Eligibility

Eligible applicants must:

- Be the homeowner and occupy the house,
- Be unable to obtain affordable credit elsewhere,
- Have a family income below 50 percent of the area median income.

To receive a grant, applicants must be age 62 or older and not be able to repay a repair loan.

Eligibility for this program can be checked at the [USDA Income and Property Eligibility Site](https://www.rd.usda.gov/contact-us/state-offices).

Application Process

Applicants should apply through the local [Rural Development Office](https://www.rd.usda.gov/contact-us/state-offices).

Resource: 

<https://www.rd.usda.gov/programs-services/single-family-housing-repair-loans-grants>

Contact: 

Local Rural Development Offices are listed here: <https://www.rd.usda.gov/contact-us/state-offices>.

Funding Cycle and Amount

Applications are accepted year-round. Loan and grant funding can be combined and maximum amounts of each vary annually.

USDA Rural Development Program: Housing Preservation Grant

The U.S. Department of Agriculture (USDA) Rural Development Fund Housing Preservation Grant Program provides grants to sponsoring organizations for the repair or rehabilitation of housing owned or occupied by low- and very-low-income rural citizens. Eligible expenses include:

- Repairing or replacing electrical wiring, foundations, roofs, insulation, heating systems, and water/waste disposal systems,
- Handicap accessibility features,
- Labor and materials,
- Administrative expenses.

Resource: 

<https://www.rd.usda.gov/programs-services/housing-preservation-grants>

Contact: 

Local Rural Development Offices are listed here: <https://www.rd.usda.gov/contact-us/state-offices>.

Funding Cycle and Amount

Funding is available annually. Allocation of funds to eligible entities varies annually.

Applicant Eligibility

Eligible areas served by applicants must be rural areas and towns with 20,000 or fewer people and federally-recognized Tribal lands. Applicants may be:

- Most state and local governmental entities,
- Nonprofit organizations,
- Federally-recognized Tribes.

Individual homeowners are not eligible, but rental property owners may also receive assistance if they agree to make units available to low- and very-low-income families.

Eligibility for this program can be checked online at <https://eligibility.sc.egov.usda.gov/eligibility/welcomeAction.do>.

Application Process

Applicants should apply through the Notice of Solicitation of Application (NOSA) on [grants.gov](https://www.grants.gov).

Resource: 

<https://www.rd.usda.gov/programs-services/housing-preservation-grants>

Contact: 

Local Rural Development Offices are listed here: <https://www.rd.usda.gov/contact-us/state-offices>.

Funding Cycle and Amount

Funding is available annually. Allocation of funds to eligible entities varies annually.