



USING WIFIA AND SRF PROGRAMS TO FINANCE WATER INFRASTRUCTURE PROJECTS





WIFIA PROGRAM

SUPPORTING COMMUNITIES NATIONWIDE TO IMPLEMENT WATER INFRASTRUCTURE PROJECTS

- 149 closed loans
- **\$23 billion** in WIFIA financing to support **\$50 billion** in water infrastructure projects
- **167,000** jobs created
- Nearly **\$8 billion** in borrower savings
- **67 million** people served



PROGRAM FEATURES

\$20
MIL

Minimum project size for large communities

5
YEARS

Maximum time that repayment may be deferred after substantial completion of the project

\$5
MIL

Minimum project size for small communities (population of 25,000 or less)



Interest rate will be equal to or greater than the U.S. Treasury rate of a similar maturity

49%

Maximum portion of eligible project costs that WIFIA can fund



Broad eligibility allows for wide variety of borrowers and projects, plus special program for SRF borrowers (SWIFIA)

35
YEARS

Maximum final maturity date from substantial completion



NEPA, Davis-Bacon, American Iron and Steel, Build America, Buy America, and all federal cross-cutter provisions apply

ELIGIBILITY

- WIFIA offers broad eligibility and can provide financing to a variety of credit-worthy borrowers, including local and tribal governments, state infrastructure financing authorities, and public-private partnerships, among others
- WIFIA can fund water infrastructure projects that support clean and safe water access and help communities address a variety of challenges, including regulatory compliance, water quality issues, drought or flooding, and aging infrastructure needs
- Eligible activities include project planning, design, development, and construction, land or equipment acquisition, a variety of carrying costs during construction, and financing-related costs



BORROWER CHALLENGES - WIFIA SOLUTIONS



Minimizing Impacts on Ratepayers

- Sculpted repayment schedule
- Wrap WIFIA loan around other debt
- Interest rate reset

- Legal structure flexibility
- Expanded project costs percentage
- Project bundling options

Needing to Address Regional Challenges



Completing a “Once-in-a-Generation” Project

- Sculpted repayment schedule
- Lock in funding early
- Master agreements

- Secure other funding post-close
- Draw funds as needed
- No-penalty prepayment

Waiting for Grant Funding



Managing Rising Costs

- Locked-in interest rate
- Adjust amortization and draw schedule post-closing
- Interest rate reset

- Variety of co-funding options
- Adjust amortization and draw schedule post-closing
- Secure other funding post-close

Combining Multiple Funding Sources



Navigating the Funding Process

- Dedicated loan management team
- Coordination with other funders
- Streamlined reporting

- Expeditious loan closing
- Planning and design-only loans
- 15-day reimbursement

Moving Quickly



For more information, visit the [WIFIA Solutions webpage](#).

LOAN PROCESS

WIFIA review process is divided into 3 stages and the program strives for efficiency and responsiveness in each

- ✓ **Letters of interest reviewed based on transparent, published criteria**
- ✓ **Opportunities for pre-application support and technical assistance**
- ✓ **Dedicated loan management team responsive to borrower needs**
- ✓ **Efficient post-close processes, including 15-day turnaround for disbursements**



FUNDING READINESS – WIFIA PROGRAM

Technical Readiness

- Technical documentation supports project development and/or construction
- Ready to proceed within 2 years
- More certainty in project costs

Financial Readiness

- Know your security and lien position
- Have or can obtain approval to issue debt
- Have or can obtain a credit rating

FINANCING AVAILABLE

Each year, Congress appropriates funds to WIFIA

- This allows the WIFIA program to have money available on an ongoing basis
- WIFIA can finance up to 49% of the anticipated project costs **and is offering up to a maximum of 80% of anticipated project costs for small communities**



PROJECT SELECTION

WIFIA and SWIFIA Letters of Interest (LOI) may be submitted at any time!

- Rolling selection provides:
 - ✓ Year-round access to WIFIA funding
 - ✓ Accelerated selection decisions allows for real-time financial decision-making by prospective borrowers
 - ✓ WIFIA LOI submission can be timed with cycles of other funding sources
 - ✓ WIFIA can provide technical assistance to prospective borrowers that need feedback on LOI package

Submission of an LOI is easy via EPA's SharePoint site!

- To request access, simply contact WIFIA@EPA.GOV

LEARN MORE

Meet with us!

- WIFIA program staff is happy to meet with all prospective borrowers interested in discussing the program prior to submission of a letter of interest. Email wifia@epa.gov to schedule a meeting.

Look for upcoming webinars and office hours!

- <https://www.epa.gov/wifia/connect-wifia-program>



STATE REVOLVING FUND PROGRAMS

SRF OVERVIEW

What are the SRFs?

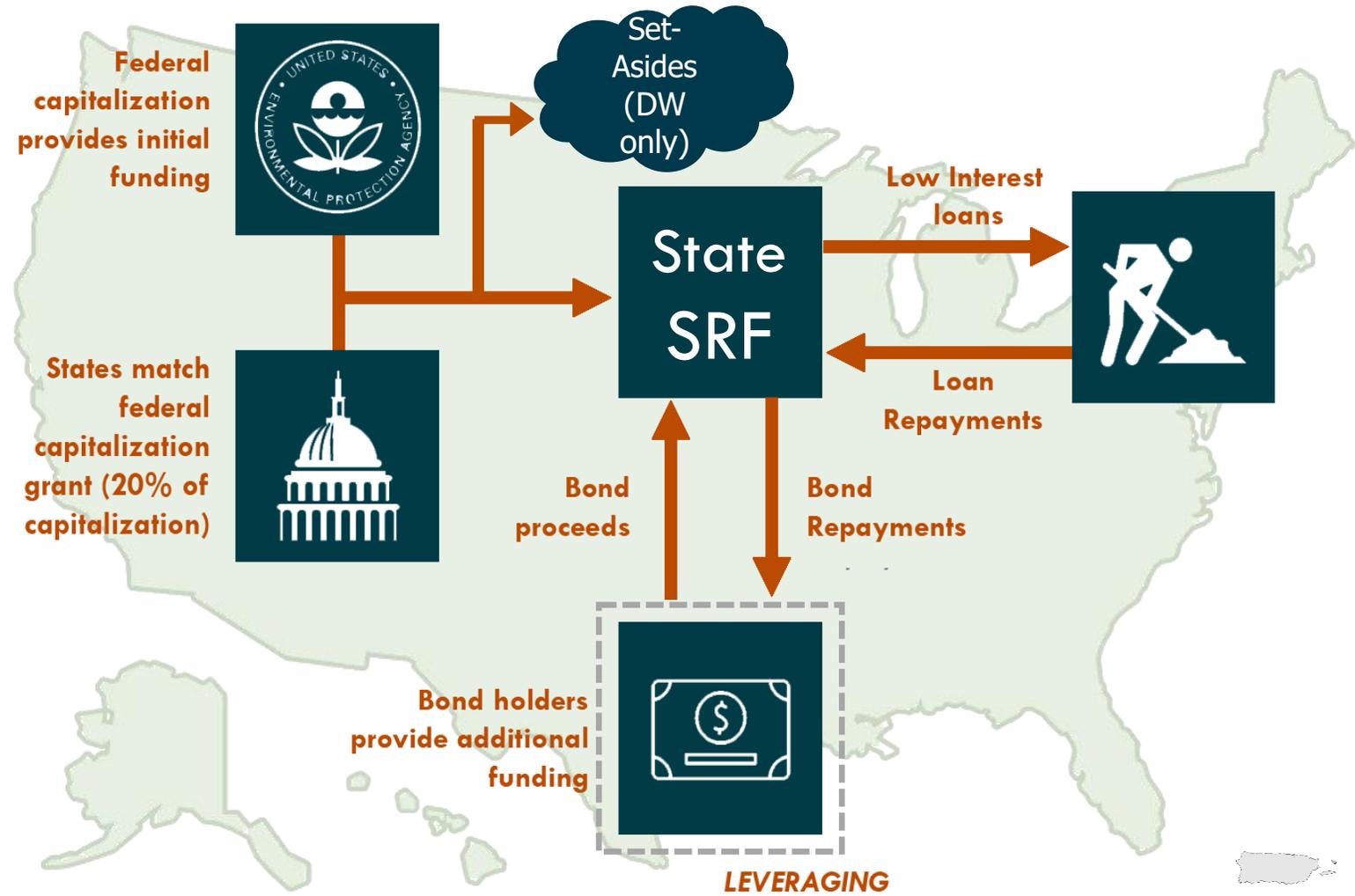
- The Drinking Water State Revolving Fund (DWSRF) is a federal-state program that provides funding and financing to public water systems for wide range of drinking water infrastructure projects and activities.
- The Clean Water State Revolving Fund (CWSRF) is a federal-state program that provides funding and financing to eligible recipients like wastewater and storm water systems for a wide range of water quality projects.

SRF OVERVIEW

How do the SRFs work?

- Congress appropriates funding to EPA for the SRF programs. EPA then awards capitalization grants (i.e., seed money) to each state.
- For most appropriations, state provides a 20 percent match to those capitalization grants.
- States then provide below-market rate loans and other authorized assistance to eligible recipients (e.g., water and wastewater systems) for water infrastructure projects. Loan terms are typically 20-40 years.
- States disburse SRF funds to those eligible recipients on construction costs that are incurred.
- Recipients repay their loans back into the state's SRF.
- The state SRFs use these “recycled” funds to make additional loans, and the “revolving” cycle continues.

SRF Flow of Funds



SRF BENEFITS

- **Very low-cost financing**
 - Interest is typically charged at half the market rate, saving communities hundreds of thousands of dollars
 - Potential availability of “**additional subsidy,**” which are *grant-like funds*
- **Extended loan terms**
 - Can go up to 30 years (or 40 years for DWSRF for state-defined disadvantaged community (DAC) or for the purchase of municipal debt obligations)
 - Repayments begin up to 12 months (or 18 months for DWSRF) after construction completion
- Serves diversity of communities of all sizes and socioeconomic status
- Wide range of project dollar sizes
- Availability of technical assistance
- Funding can be paired with other sources, including **WIFIA, OSG, USDA-Rural Development** and **FEMA**

General SRF Application Process

States have developed processes for potential borrowers/projects to apply for SRF funding - please consult your state program to learn more.



LOW-COST FINANCING FOR WATER QUALITY INFRASTRUCTURE SINCE 1988

- \$12.8 billion in FY25
- \$3.3 billion federal allotment FY25
- 1.7% national CWRP interest rate in FY25
- In 2025, the smallest loan was just \$9k. The largest loan was \$640m.
- \$194 billion since 1988
- Over 53,000 projects since 1988

WHO IS ELIGIBLE TO USE CWSRF?

- Municipalities, intermunicipal, interstate or state agencies
- Nonprofit entities*
- Private, for-profit entities*
- Watershed groups*
- Community groups*
- Homeowner's Associations*
- Individuals*

**Some states do not fund private systems/private entities.*

WHAT TYPES OF PROJECTS ARE ELIGIBLE FOR CWSRF?

- **Construction of publicly owned treatment works:** Projects include, primary and secondary treatment, advanced treatment, sewer system repair and replacement, CSO correction, resiliency, and security.
- **Nonpoint source projects:** Projects that implement a state's nonpoint source management plan, such as agricultural best management practices, streambank restoration, etc.
- **National estuary program projects:** Projects that implement a National Estuary Program Comprehensive Conservation and Management Plan, such as wetlands restoration and living shorelines.
- **Decentralized wastewater treatment systems:** Repair, replacement, or upgrade of decentralized wastewater treatment systems (i.e., septic tanks).
- **Stormwater:** Gray and green infrastructure to address water quality impacts of stormwater runoff.
- **Water conservation and efficiency:** Projects that reduce the demand for publicly owned treatment works' (POTW) capacity through reduced water consumption

WHAT TYPES OF PROJECTS ARE ELIGIBLE FOR CWSRF?

- **Watershed pilot projects:** Projects that implement watershed pilot projects related to watershed management of wet weather discharges, stormwater best management practices, watershed partnerships, integrated water resource planning, municipality-wide stormwater management planning, and increased resilience of treatment works.
- **Energy efficiency:** Projects that reduce the amount of thermoelectric energy used by a POTW, either through reduced energy consumption or use of renewable energy sources.
- **Water reuse:** Reclamation of wastewater, stormwater, or subsurface drainage water for potable or nonpotable reuse.
- **Security Measures at POTWs:** Physical security (e.g., Fencing, Security cameras) and cybersecurity measures to protect POTWs.
- **Planning:** Planning activities that have a reasonable prospect of resulting in a capital project are eligible.
- **Technical assistance:** Technical assistance for small, medium, and tribal publicly owned treatment works.

DWSRF: BY THE NUMBERS

- Total Assistance Agreements in 2025: 2,022
- Total Assistance provided in 2025: \$8.28 Billion
- Range of loan sizes in 2025: \$8,335-\$146 Million
- Average loan interest rate: 1.54%
- Since 1997, the DWSRF has provided:
 - \$71.4 Billion in assistance
 - 23,135 Assistance Agreements

WHO IS ELIGIBLE TO USE DWSRF?

- Public or private* community water systems
 - A system serving at least 15 service connections used by year-round residents, or regularly serves at least 25 year-round residents
- Nonprofit non-community water systems
 - Including schools, publicly-owned campgrounds, parks, churches

**Some states do not fund private systems/private entities.*

WHAT TYPES OF PROJECTS ARE ELIGIBLE FOR DWSRF?

- **Treatment:** Projects to install or upgrade facilities to improve drinking water quality to comply with drinking water regulations
- **Transmission and distribution:** Rehabilitation, replacement, or installation of pipes to improve water pressure to safe levels or to prevent contamination caused by leaky or broken pipes, including lead service line replacement (public and private side)
- **Source:** Rehabilitation of wells or development of eligible sources to replace contaminated sources
- **Storage:** Installation or upgrade of finished water storage tanks to prevent microbiological contamination from entering the distribution system
- **Consolidation:** Interconnecting two or more water systems
- **Creation of new systems:** Construct a new system to serve homes with contaminated individual wells or consolidate existing systems into a new regional water system
- **Planning and design:** For all project types listed above.
- **Technical Assistance**

HOW DO I APPLY FOR SRF FUNDING?

- Develop your plans and identify needs.
 - Develop a capital improvement plan.
 - State SRFs may provide planning and development assistance.
- Engage with your state SRF program.
 - Each state has a process and timeline for applications.
 - Discuss funding options to build a plan for your community.
- Work early with your state to get projects on the Intended Use Plan.
- Build an ongoing relationship with the state SRF.
 - IIJA funds are over FY 2022-2026.
 - Base SRF programs are ongoing.



**WIFIA AND SRF
CO-FUNDING,
COORDINATION**

WIFIA, SRF FACT SHEET RELEASED

- In 2024, the WIFIA and SRF teams co-authored and released a fact sheet describing the co-funding process and how to utilize both programs to finance water infrastructure needs.



Using WIFIA and SRF Programs to Finance Water Infrastructure Projects

The Water Infrastructure Finance and Innovation Act (WIFIA) program and the Clean Water and Drinking Water State Revolving Fund programs (CWSRF and DWSRF, respectively, or SRF programs collectively) provide financing solutions to help communities address their water infrastructure needs. Sustainable drinking water, wastewater, and stormwater infrastructure is crucial to protecting public health and water quality. Well-designed and maintained water infrastructure protects waterways and ensures safe drinking water for communities and municipalities. Communities across the country face the challenge of aging and inadequate water infrastructure, which can create costly long-term problems if not replaced or repaired. Water infrastructure projects often come with high costs, and affordability concerns can lead to delaying these critical projects.

Communities can use these EPA programs together to co-finance up to 100% of an eligible project. Co-funding with the WIFIA and SRF programs offers funding recipients efficiencies, cost savings, and other advantages.

State Revolving Fund Programs



The CWSRF and DWSRF programs provide low-cost financing for a wide range of drinking water, wastewater, and stormwater infrastructure projects. EPA provides capitalization grants to all 50 states and Puerto Rico, and states typically contribute an additional 20% to match the federal grants. States administer both programs, with EPA oversight, to provide below-market interest rate loans and other assistance to eligible entities. Each state has the flexibility to tailor the programs to their unique water infrastructure needs and priorities. States may provide several types of assistance, including loans; grants; refinancing, purchasing, or guaranteeing local debt; and purchasing bond insurance. The SRF programs also can provide additional subsidization, which may be in the form of forgiven loan principal or grants, to further reduce the cost of borrowing for some communities. Eligible assistance recipients under the CWSRF include municipalities, intermunicipal, interstate, or state agencies, as well as nonprofit, private, and for-profit entities, watershed and community groups. And, in some states, individuals may be eligible for CWSRF funding, as well. Eligible assistance recipients under the DWSRF are publicly or privately owned community water systems and nonprofit non-community water systems.



The WIFIA program offers borrowers financial flexibility to complete water infrastructure projects of varying sizes by providing long-term, low-cost loans. WIFIA loans are direct federal loans provided by EPA. The WIFIA program can provide loans to a variety of public and private entities, including local, state, and Tribal government entities; partnerships and joint ventures; corporations; trusts; and CWSRF and DWSRF programs. WIFIA loans can fund projects whose costs exceed \$5 million for small communities serving 25,000 or fewer people and \$20

<https://www.epa.gov/system/files/documents/2024-09/wifia-and-srf-programs-finance-water-infrastructure.pdf>

MAXIMIZE FUNDING

- When funding the maximum allowable percent of a project's cost with the WIFIA program (49 percent, in most instances), using a below-market interest rate SRF assistance agreement to finance the remaining costs can lead to substantial savings compared to financing with municipal bonds.
- The WIFIA program essentially offers borrowers an unlimited amount of funding that can be sculpted and backloaded around other sources of debt.
- Paired with low-interest loans and/or grant-like dollars from the SRF programs, communities can save significant money.

BORROWER SPOTLIGHT

- The **City of Sandy in Oregon** funded its Clean Waters Program with WIFIA, SRF co-funding. As a small community, the city was eligible to receive a WIFIA loan for up to 80 percent of total project cost. They are combining their WIFIA loan with funding from the Oregon SRF. This funding strategy helps keep the costs of implementing the project affordable.

ACCELERATE PROJECT IMPLEMENTATION

- The WIFIA program can help finance large CWSRF-eligible or DWSRF-eligible projects, allowing communities to finance much more of a project than could be funded solely by a SRF program.
- Combining SRF and WIFIA funding allows the community to secure project financing more quickly than piecing together several loans year after year to complete the project.

BORROWER SPOTLIGHTS

- The **City of Pflugerville in Texas** closed a Master Agreement for a suite of projects in their CIP. Co-funding for the master program will help accelerate high priority projects for its system.
- The **Springfield Water and Sewer Commission in Massachusetts** utilized a \$250 million WIFIA loan to fund 30 projects, and many were co-funded with SRF assistance. This allowed the Commission to accelerate water infrastructure improvements by 15 years.

UTILIZE FLEXIBILITIES

- The SRF and WIFIA programs offer repayment deferral periods after project completion – 12 months for CWSRF, 18 months for DWSRF, and 5 years for the WIFIA program.
- Borrowers can also take advantage of the WIFIA program’s longer loan terms and “wrap” the WIFIA loan around other debt.

BORROWER SPOTLIGHTS

- The **City of Sunnyvale, California**, received a \$220 million WIFIA loan and created a customized repayment schedule that wraps around a \$168 million SRF loan. Principal payments on the WIFIA loan do not begin until 30 years after project completion, when the SRF loan is repaid.

STREAMLINE COMPLIANCE

- The WIFIA and SRF programs work together to streamline and eliminate duplication of efforts in complying with funding requirements, such as:
 - American Iron and Steel requirements
 - Build America, Buy America Act
 - Environmental reviews, and
 - Davis-Bacon Related Acts prevailing wage requirements.

BORROWER SPOTLIGHT

- For example, with the **City of Morro Bay, California**, the WIFIA program led the required environmental consultations. The California SRF program was able to use the WIFIA program's environmental review documentation, reports, and consultations.

CONCLUSION

- Communities can use the WIFIA and SRF programs together to co-fund up to 100% of an eligible project.
- Co-funding between these programs offers funding recipients efficiencies, cost savings, and other advantages.



CONTACT US

Shattuck.dallas@epa.gov (WIFIA program)

Souders.alison@epa.gov (CWSRF)

Towe.john@epa.gov (DWSRF)

WIFIA

Website: www.epa.gov/wifia

Sign-up to receive announcements about the WIFIA program at <https://tinyurl.com/wifianews>

Contact us at wifia@epa.gov

SRFs

State CWSRF Contacts: [State CWSRF Program Contacts | US EPA](#)

State DWSRF Contacts: [State DWSRF website and contact\(s\) | US EPA](#)

CWSRF@epa.gov

CWSRF: www.epa.gov/cwsrf

DWSRF: www.epa.gov/dwsrf