

Drinking Water State Revolving Funds: U.S. Environmental Protection Agency Releases 2023 Annual Report



Walter Wright, Jr.
wwright@mwlaw.com
(501) 688.8839

11/01/2024

The United States Environmental Protection Agency ("EPA") released on October 17th its:

2023 Drinking Water State Revolving Fund Annual Report ("Report").

The Report summarizes programmatic and financial information related to the Drinking Water State Revolving Fund ("DWSRF") such as:

- Amount of loans.
- Assistance provided to communities.
- Set-aside totals.
- Savings to the communities.

The information supplied is both from FY 2023 and historical data.

The DWSRF has been the primary federal financial assistance program for municipal water infrastructure since 1996. The program is authorized by the Safe Drinking Water Act. The current version of the DWSRF is intended to allow states the flexibility to operate in a manner to meet their specific needs.

It is intended to:

- Constitute a source of assistance for drinking water infrastructure projects.
- Support public health protection.
- Enhance project affordability.
- Serve as a perpetual source of financial assistance for projects.

EPA operates the DWSRF program through appropriations. The states then use these federal grants to capitalize on revolving loan funds. Subsidized loans are provided, but states can provide grants or a negative-interest-rate loans if they so choose.

The Arkansas Department of Agriculture and Natural Resource Conservation Service operates the DWSRF program in the State.

The October 2024 Report provides the following as highlights from FY 2023:

- \$1.49 billion to communities with populations of 10,000 or fewer.
- \$1.79 billion to state-defined disadvantaged communities.
- \$943 million in additional subsidy (principal forgiveness/grants/negative-interest loans).
- Average DWSRF loan interest rate was 1.47%.
- Range of loans sizes \$12,500.00 - \$126 million.

- People served – 92 million.
- Set-aside funding provided - \$604 million.
- Planning and design assistance - \$110 million.
- Total assistance provided - \$4.35 billion.

The Report also provides case studies discussing the impact of such fundings on both communities and the environment. The case studies address the following localities:

- Homer, Alaska (enhancements to sea wall).
- Benton Harbor, Michigan (lead service line replacement).
- Albuquerque, New Mexico (water main installation).
- Johnson Creek, Washington (small water system consolidation).

A copy of the Report can be downloaded [here](#).