

# Summary of State and Local Fiscal Recovery Fund Water and Wastewater Eligibilities



The Interim Final Rule for the State and Fiscal Recovery Funds aligns eligible water or wastewater projects with the types or categories of projects that would be eligible under the Clean Water State Revolving Fund (CWSRF) and the Drinking Water State Revolving Fund (DWSRF). This document is designed to summarize those categories. For more information, the Environmental Protection Agency has published handbooks covering the eligibilities of the [CWSRF](#) and [DWSRF](#) in greater detail. The lists of projects below are **not exclusive**. Projects **do not have to be approved under either fund**, but rather the funds are intended to help provide firm guidance.

## Clean Water State Revolving Fund

- To be eligible under the CWSRF, a project must meet the criteria of one out of eleven eligibilities below; the majority of the eleven eligibilities refer to measures that attain an objective, but others have additional criteria that must be considered:
  1. Construction of publicly owned treatment works (as defined in section 212)
    - Treatment works include any devices and systems used in the storage, treatment, recycling, and reclamation of municipal sewage or industrial wastes of a liquid nature
    - Publicly owned includes a municipality, intermunicipal, interstate, or state agency
    - Only capital projects (e.g., construction activities, equipment and land purchases) are eligible (**cannot fund ongoing operation and maintenance activities under this category**)
      - Includes upgrading, repairing, and installing headworks, screening systems, grit chambers, clarifiers, biological treatment systems, biosolids and residuals handling equipment, nutrient removal processes, filtration systems, disinfection processes, sewer pipes, pump stations, force mains, separate sanitary and storm sewers, and climate resiliency features
  2. Implementation of a nonpoint source management program (as defined in section 319)
    - [Projects](#) in South Dakota include Belle Fourche Watershed, Big Sioux River Watershed, Northeast Glacial Lakes Watershed, South Central Watershed, Upper Big Sioux Watershed, and South Dakota Nonpoint Source Information and Education
      - Includes implementing water conservation projects, stormwater projects (gray and green infrastructure), cropland and animal feeding operations management projects, decentralized wastewater treatment projects, habitat protection and restoration projects, surface water/groundwater restoration projects, and education/planning/assessment activities
      - Does not include concentrated animal feeding operations (more than 1000 animal units) management projects

3. Development and implementation of an estuary conservation and management plan (as defined in section 320)
  - No such national estuary projects are based in South Dakota
4. Construction, repair, or replacement of decentralized wastewater treatment systems
  - Decentralized treatment is the practice of placing water or wastewater treatment at the site of supply, demand, or ideally both
  - Include upgrading or repairing existing systems, construction of new systems, paying costs associated with the establishment of a responsible management entity, and supporting proper maintenance through pumper trucks and septage treatment works
5. Management, reduction, treatment, or recapture of stormwater or subsurface drainage water
  - Includes upgrading, repairing, and installing traditional storage and treatment systems, real-time control systems, sediment controls, rainwater harvesting collection systems, infiltration basins, permeable pavement, terraces, diversions, and riparian buffers
6. Reduction of the demand for publicly owned treatment works capacity through water conservation, efficiency, or reuse
  - Includes upgrading, repairing, and installing water meters, plumbing fixture retrofits, water efficient appliances, and water efficient irrigation equipment
7. Development and implementation of watershed pilot projects (as defined in section 122)
  - These types of projects may only be done by a municipality
    - A watershed pilot project must be related to one of six areas: 1) management of wet weather discharges, 2) stormwater best management practices, 3) watershed partnerships, 4) integrated water resource planning, 5) municipality-wide stormwater management planning, or 6) increased resilience of treatment works
8. Reduction of the energy consumption need for publicly owned treatment works
  - Includes purchasing energy efficient equipment, investing in on-site or off-site renewable energy sources (by covering a pro rata share of capital costs), and correcting inflow and infiltration of collection systems that result in reduced flow
9. Reuse or recycling of wastewater, stormwater, or subsurface drainage water
  - Includes upgrading, repairing, and installing collection and treatment systems, distribution lines to support water reuse, transmission lines, injection wells, green infrastructure infiltration systems for groundwater recharge, and equipment to reuse claimed water
10. Improvement in the security of publicly owned treatment works
  - Includes upgrading, repairing, and installing fencing, security cameras, security lighting, and motion detectors
11. Technical assistance to owners and operators of small and medium sized publicly owned treatment works
  - These types of projects may only be done by a qualified nonprofit
    - Includes planning, developing, and obtaining financing for eligible projects

## Drinking Water State Revolving Fund

- To be eligible under the DWSRF, a project must fall under one of six broad categories; unless a project is expressly prohibited by statute or regulation, it is likely eligible under the DWSRF as long as it addresses present or prevents future violations of health-based drinking water standards
  1. Installation or upgrade of facilities to improve drinking water quality
    - Includes installing, repairing, and upgrading mixers/flocculation/sedimentation, filtration, chemical addition systems, disinfection, filter backwash recycling, residuals handling, one-site generation of disinfectants, corrosion control
  2. Rehabilitation, replacement, or installation of pipes to improve water pressure to safe levels or to prevent contamination caused by leaky or broken pipes
    - Includes installing, repairing, and upgrading transmission mains, distribution mains, meters, appurtenances, and pump stations
  3. Rehabilitation of wells or development of eligible sources to replace contaminated sources
    - Includes developing raw water intakes, alternative supplies in case of emergency (interconnections, surface water intakes, ground water wells), aquifer storage and recovery systems for water storage, and riverbank filtration wells
  4. Installation or upgrade of finished water storage tanks
    - Includes installing, repairing, and upgrading storage tanks that prevent microbiological contamination from entering the distribution system or store reclaimed water to equalize water demands and reduce pressure fluctuations
  5. Interconnection of two or more water systems
    - Includes purchasing water systems and consolidating to prevent noncompliance with the Safe Water Drinking Act and reduce the overall per household cost of service
  6. Construction of a new system to serve homes with contaminated individual wells or consolidation of existing systems into a new regional water system
    - Includes creating a community water system to address existing public health problems with serious risks and eliminate systems with technical, managerial, and financial difficulties
- DWSRF funds can also be used for water security projects, energy efficiency projects, and large capital equipment purchases
- Ineligible uses include 1) construction or rehabilitation of dams, 2) purchase of water rights except for consolidation, 3) construction or rehabilitation of reservoirs (unless they are used as part of the treatment process), 4) implementation of fire protection projects, and 5) **implementation of projects designed to serve population growth**