

	<p>Division of Water Infrastructure Funding Program Highlights</p> <p><i>Last updated: February 2026</i></p>	<p>Spring 2026</p>
---	---	-------------------------------

Application deadline is 5:00 p.m. on Thursday, April 30, 2026. Applications may be submitted at:

<https://edocs.deq.nc.gov/Forms/NCDWIFundingApplication>

Community Development Block Grant-Infrastructure (CDBG-I)

What types of projects can this program fund?

CDBG-I is a U.S. Department of Housing and Urban Development (HUD) federally funded program. This program is designed to help communities create healthy living environments through financing public water and sewer infrastructure; and mitigate public and environmental health problems in areas where the percentage of low-to-moderate-income (LMI) persons is at least 51% LMI, a national objective.

Who can apply for this funding?

Only non-entitlement* units of general local governments (UGLG), with a project that meets the national objective of benefiting at least 51% LMI, can apply to the program. *HUD definition: Cities with populations smaller than 50,000 and counties with populations smaller than 200,000.* Single-purpose units of government (i.e., water/sewer authorities) must work with their UGLG as a subrecipient. If a UGLG is served by a single purpose unit of government, they may apply for a grant to replace, repair, or up-grade or extend infrastructure owned by a single purpose unit of government.

How much funding is available in this round?

Division staff anticipate having approximately \$10 million available.

What types of targeted funding are available?

All CDBG-I funds are 100% grant with no local match requirement. However, local funds may be required to cover cost overruns; therefore, it is critical to define the scope of project and easement requirements. All recipients must comply with federal grant conditions. If an applicant considers co-funding a CDBG-I Grant with other funding programs, the CDBG-I federal conditions will apply to the entire project.

What are the interest rates related to the CDBG-I program?

None - this is a federal grant program.

What are the funding limits for my town, city, or county?

The maximum CDBG-I award per UGLG is \$3.0 million every three years (three-year period starts at State Water Infrastructure Authority award date). There is no minimum grant amount. If submitting multiple applications (outside of combined water and sewer applications), only one application will be awarded to an UGLG during each funding round.

*See CDBG-I Application Guidance for list of Non-Entitlement Units

	<p>Division of Water Infrastructure Funding Program Highlights</p> <p><i>Last updated: February 2026</i></p>	<p>Spring 2026</p>
---	---	-------------------------------

Application deadline is 5:00 p.m. on Thursday, April 30, 2026. Applications may be submitted at:

<https://edocs.deq.nc.gov/Forms/NCDWIFundingApplication>

Clean Water State Revolving Fund (CWSRF)

What types of projects can this program fund?

This program can fund construction projects related to wastewater treatment, wastewater collection, reclaimed water, stormwater control measures (SCMs), stream restoration, and energy efficiency projects. These projects may be funded by low-interest loans or Principal Forgiveness (PF).

Who can apply for this funding?

Any local government unit (LGU) may apply for this funding. LGUs include counties, cities, towns, sanitary districts, water and sewer authorities, etc.

How much funding is available this round?

Division staff anticipate having approximately \$90 million available, including \$13 million in PF.

What types of targeted funding are available?

The Division offers PF based upon the grant/PF percentage calculated by the Affordability Criteria (see Affordability Calculator under the Application Forms tab of the website), or if a project documents that it provides a direct benefit to a disadvantaged area. The PF portion of a SRF loan does not have to be repaid.

What are the interest rates related to the CWSRF?

Interest rates are ½ market rate of the 20-year Bond Index. At this time, the base interest rate is approximately 2%. The interest rate will be set when the Local Government Commission approves the loan and will be the lower of the interest rates determined at either the application due date, or at the time of LGC approval.

For projects that are eligible for 75% or 100% PF, any repayable portion of the loan will have a 0% interest rate. For loans that are eligible for 50% or 25% PF, any repayable portion of the loan will have an interest rate of 1% less than the half-market rate (e.g., approximately 1%).

All projects funded under the CWSRF Green Project Reserve will have an interest rate of 1% less than the half-market rate (e.g., approximately 1%).

What are the funding limits for my LGU?

Per application round, LGUs are limited to \$35 million.

Overall, any LGU may carry a total of approximately \$200 million in CWSRF debt.

	<p>Division of Water Infrastructure Funding Program Highlights</p> <p><i>Last updated: February 2026</i></p>	<p>Spring 2026</p>
---	---	-------------------------------

Application deadline is 5:00 p.m. on Thursday, April 30, 2026. Applications may be submitted at:

<https://edocs.deq.nc.gov/Forms/NCDWIFundingApplication>

Drinking Water State Revolving Fund (DWSRF)

What types of projects can this program fund?

This program can fund construction projects related to drinking water sources, drinking water treatment, and drinking water transmission, distribution, and storage. These projects may be funded by low-interest loans or Principal Forgiveness (PF).

Who can apply for this funding?

Any local government unit (LGU) may apply for this funding. LGUs include counties, cities, towns, sanitary districts, water and sewer authorities, etc. Non-profit Water Corporations and Investor-Owned Drinking Water Corporations may also apply.

How much funding is available this round?

Division staff anticipate having approximately \$50 million available, including \$18 million in PF.

What types of targeted funding are available?

The Division offers PF based upon the grant/PF percentage calculated by the Affordability Criteria (see Affordability Calculator under the Application Forms tab of the website), or if a project documents that it provides a direct benefit to a disadvantaged area. The PF portion of a SRF loan does not have to be repaid.

What are the interest rates related to the DWSRF?

Interest rates are ½ market rate of the 20-year Bond Index. At this time, the base interest rate is approximately 2%. The interest rate will be set when the Local Government Commission approves the loan and will be the lower of the interest rates determined at either the application due date, or at the date of LGC approval.

For projects that are eligible for 75% or 100% PF, any repayable portion of the loan will have a 0% interest rate. For loans that are eligible for 50% or 25% PF, any repayable portion of the loan will have an interest rate of 1% less than the half-market rate (e.g., approximately 1%).

What are the funding limits for my LGU?

Per application round, LGUs are limited to \$25 million.

Overall, any LGU may carry a total of approximately \$200 million in DWSRF debt.

	<p>Division of Water Infrastructure Funding Program Highlights</p> <p><i>Last updated: February 2026</i></p>	<p>Spring 2026</p>
---	---	-------------------------------

**Application deadline is 5:00 p.m. on Thursday, April 30, 2026. Applications may be submitted at:
<https://edocs.deq.nc.gov/Forms/NCDWIFundingApplication>**

**Infrastructure Investment and Jobs Act Emerging Contaminants Funds for Construction
(DWSRF-EC-C, CWSRF-EC-C)**

What types of projects can this program fund?

This program can fund construction projects addressing any Per and Polyfluoroalkyl Substances (PFAS) in water or wastewater systems.

Who can apply for this funding?

Any local government unit (LGU) may apply for this funding. LGUs include counties, cities, towns, sanitary districts, water and sewer authorities, etc. Non-profit Water Corporations and Investor-Owned Drinking Water Corporations may also apply for DWSRF-EC-C.

How much funding is available this round?

- Up to approximately \$10 million for DWSRF-EC-C construction projects
- Up to approximately \$4 million for CWSRF-EC-C construction projects

What about EC study grant funding?

DWSRF-EC-C and CWSRF-EC-C funds for EC planning studies are available on a rolling basis and use a rolling application form.

What are the interest rates related to the DWSRF and CWSRF?

All DWSRF-EC-C and CWSRF-EC-C funds will be 100% PF and will not have a repayable loan portion of the funds.

What are the funding limits for my LGU?

- \$5 million for DWSRF-EC-C construction projects per applicant
- No funding limits for CWSRF-EC-C construction projects per applicant

What other information should I know about the EC funds?

- Projects seeking DWSRF-EC-C and CWSRF-EC-C construction funds must use the same common application and applicable priority rating systems (DW/CW PRSs).
- Claim applicable SRF-EC-C eligible priority rating line items and all other eligible line items.
- EC-eligible projects will be considered for regular DWSRF and CWSRF funds.
- EC-C applications will have two prioritization scores (one score for EC funds only and another score for base funds).



Division of Water Infrastructure Funding Program Highlights

Spring 2026

Last updated: February 2026

The application deadline is a rolling deadline. Applications will be reviewed on a rolling basis by the State Water Infrastructure Authority (SWIA). Submit Applications at <https://edocs.deq.nc.gov/Forms/RollingApplication>

Infrastructure Investment and Jobs Act Emerging Contaminants Funds for Planning Studies (DWSRF-EC-S, CWSRF-EC-S)

What types of projects can this program fund?

This program can fund planning and study projects addressing any Per and Polyfluoroalkyl Substances (PFAS) in water or wastewater systems. Pre-construction activities, including planning, alternative analysis, design, and pilot or bench-scale testing of treatment alternatives are examples of projects eligible for funding.

Who can apply for this funding?

Any local government unit (LGU) may apply for this funding. LGUs include counties, cities, towns, sanitary districts, water and sewer authorities, etc. Non-profit Water Corporations and Investor-Owned Drinking Water Corporations may also apply for DWSRF-EC-S.

How much funding is available this year?

- Approximately \$10 million for DWSRF-EC planning and study projects during FY 2025-2026
- Approximately \$2 million for CWSRF-EC planning and study projects during FY 2025-2027

What about EC study grant funding?

DWSRF-EC-S and CWSRF-EC-S funds for planning studies are available on a rolling basis and use a rolling application form. Application due dates are available in the chart below.

Expected Funding Round DWSRF-LSLR and DWSRF-EC Study Grant, Spring and Summer 2026	
Application Due date	SWIA Meeting (Award date)
March 2, 2026	April 15-16, 2026
June 1, 2026	July 15, 2026
August 3, 2026	September 16, 2026

What are the interest rates related to the DWSRF and CWSRF?

All DWSRF-EC and CWSRF-EC planning and study funds will be 100% PF and will not have a repayable loan portion of the funds.

What are the funding limits for my LGU?

- \$500,000 for DWSRF-EC planning and study projects per applicant
- \$500,000 for CWSRF-EC planning and study projects per applicant

What other information should I know about the EC funds?

- Projects seeking DWSRF-EC-S and CWSRF-EC-S planning and study funds must use the same rolling application and applicable priority rating systems (DW/CW PRSs) available at the [Division's Application Forms and Additional Resources](#) page.



Division of Water Infrastructure Funding Program Highlights

Last updated: February 2026

Spring 2026

The application deadline is a rolling deadline. Applications will be reviewed on a rolling basis by the State Water Infrastructure Authority (SWIA). Submit applications at <https://edocs.deq.nc.gov/Forms/RollingApplication>

Infrastructure Investment and Jobs Act – Drinking Water State Revolving Fund Lead Service Line Replacement (DWSRF-LSLR)

What types of projects can this program fund?

This program can fund drinking water construction projects related to replacing lead service lines from the house to the water main on the street. Projects that can be funded include lead service line replacement projects, lead service line find-and-replace projects, and lead service line inventories, to comply with the Lead and Copper Rule Revisions (LCRR) and successive rule Improvements (LCRI).

Who can apply for this funding?

Any local government unit (LGU) may apply for this funding. LGUs include counties, cities, towns, sanitary districts, water and sewer authorities, etc. Non-profit Water Corporations and Investor-Owned Drinking Water Corporations may also apply.

When are applications due?

While Division of Water Infrastructure staff take applications for LSLR projects year-round, applications in-house at the due dates listed in the table below will go before the State Water Infrastructure Authority at the dates listed.

Expected Funding Round DWSRF-LSLR and DWSRF-EC Study Grant Spring and Summer 2026	
Application Due date	SWIA Meeting (Award date)
March 2, 2026	April 15-16, 2026
June 1, 2026	July 15, 2026
August 3, 2026	September 16, 2026

How much funding is available this round?

Currently, \$15 million is available for funding LSLR projects, including \$3.3 million in Principal Forgiveness (PF), from the FY 2024 Capitalization Grant. Additional funds will be available from the FY 2025 cap grant to meet demand once all the FY 2024 funds are awarded. 50% of the available funds each round will be reserved for inventory projects.

(over)

What types of targeted funding are available?

The Division offers PF based upon the grant/PF percentage calculated by the Affordability Criteria (see Affordability Calculator under the Application Forms tab of the website), or if a project documents that it provides a direct benefit to a disadvantaged area. The PF portion of an SRF loan does not have to be repaid.

What are the interest rates related to the LSLR?

Interest rates are set at 0% for loans awarded from the LSLR program.

What are the funding limits for my LGU?

- \$5 million per round for replacing known LSLs
- \$2 million per round for verifying and replacing LSLs
 - Cap of \$1 million budgeted for inventory/verification of materials
- \$1 million per round for inventory/verification of materials

	<p>Division of Water Infrastructure Funding Program Highlights</p> <p><i>Last updated: February 2026</i></p>	<p>Spring 2026</p>
---	---	-------------------------------

Application deadline is 5:00 p.m. on Thursday, April 30, 2026. Applications may be submitted at:
<https://edocs.deq.nc.gov/Forms/NCDWIFundingApplication>

Viable Utility Reserve (VUR)

What types of projects can this program fund?

This program can fund construction projects as listed in G.S. 159G-32(d)(1), (2), (3), and (5). These include projects that:

- Interconnect water or wastewater systems
- Rehabilitate water or wastewater systems
- Decentralize water or wastewater systems
- Promote the viability of a local government unit (LGU) by other means

This program can fund the following planning grants:

- Asset inventory and assessments (AIA)
- Rate studies
- Merger/regionalization feasibility studies (MRF)

Who can apply for this funding?

Any local government unit (LGU) may apply for funding if they are:

1. Designated as distressed by the State Water Infrastructure Authority (SWIA) and Local Government Commission (LGC),
OR
2. Regionalizing with a distressed LGU.

A Council of Government (per G.S.160A, Article 20, Part 2) or a Regional Planning Commission (per G.S. 153A, Article 19) may apply if the Department (DEQ) and Local Government Commission (LGC) determine it is in the best interest of the LGU.

How much funding is available this round?

Division staff anticipate having approximately \$20 million available this round for both construction projects and planning grants with goals of \$18M for construction and \$2 million for planning.

All VUR grants are subject to a 1.5% Fee.

What types of funding are available?

All funding the Division offers through the VUR is grant funding.

What are the funding limits for my project?

For VUR asset inventories and assessments, rate studies, and merger/regionalization feasibility studies, the funding limit is \$400,000 per LGU during the funding round.

For construction projects, the funding limit is \$5 million per project during the funding round.

What are the funding limits for my LGU?

Per G.S. 159G-36(d)(1): The total maximum amount of VUR grant funding a single LGU may receive is \$15 million. When two or more LGUs are merging into a single utility, the total maximum amount of VUR grant funding they may receive is \$30 million.

Any American Rescue Plan Act VUR funds received count toward this amount. If you are unclear on the amount of funding you've received, please contact Victor D'Amato, the Viable Utility Unit Supervisor, at victor.damato@deq.nc.gov.

Where can I learn more about VUR funding?

- Viable Utility Unit website
<https://www.deq.nc.gov/about/divisions/water-infrastructure/viable-utilities>
- Construction
<https://www.deq.nc.gov/about/divisions/water-infrastructure/i-need-funding>
- Asset Inventory and Assessment (AIA)
<https://www.deq.nc.gov/about/divisions/water-infrastructure/i-need-funding/asset-inventory-and-assessment-grants>
- Merger/Regionalization Feasibility Studies (MRF)
<https://www.deq.nc.gov/about/divisions/water-infrastructure/i-need-funding/mergerregionalization-feasibility-grants>
- Rate Studies
<https://www.deq.nc.gov/about/divisions/water-infrastructure/viable-utilities#NewRateStudyGuidance-18200>