



Fact Sheet

Wastewater Grants - Clean Water State Revolving Fund (CWSRF) Program

Each state fiscal year (July – June) a new CWSRF Intended Use Plan (IUP) is adopted that describes the State Water Resources Control Board's (State Water Board's) plan for implanting the CWSRF and its complementary and supplementary funding sources. This fact sheet specifically summarizes details for small community wastewater (SCWW) projects that serve disadvantaged communities per the [2026-27 CWSRF IUP](#), adopted July 7, 2026.

HELPFUL DEFINITIONS:

- **Eligible Applicants:** Public agencies having jurisdiction over disposal of sewage, industrial wastes, or other wastes, or an Indian tribe or an authorized Indian tribal organization, or a designated and approved management agency under Section 1288 of title 33 of the United States Code.
- **Receiving System:** means the publicly-owned treatment works (POTW) that provides wastewater treatment and disposal service to a Subsumed System through a Regionalization or septic-to-sewer project.
- **Small Disadvantaged Community (Small DAC):** means a community with a population of less than 20,000 and either or both of the following conditions:
 - A median household income (MHI) of less than 80% of statewide MHI.
 - A sewer rate of more than 4% of the community's MHI.
- **Small Community Wastewater (SCWW):** grant/principal forgiveness (PF) and loan funding through the CWSRF program for projects benefiting small DACs.
- **Subsumed System:** means the POTW or, for septic-to-sewer projects, onsite sewage treatment system, consolidated into or receiving service from the Receiving System.

PLANNING GRANTS / PF:

- Grant/PF planning funds are available to Eligible Applicants per Table 1 below.
- Planning projects receiving 100% grant/PF may not require a complete financial security package (Authorizing Resolution is required). Rather, the financial package may be a required deliverable as part of a planning funding agreement.**

Table 1: SCWW Planning Grant/PF Eligibility Criteria for Priority Projects

Eligibility Criteria		Grant Amount	
Community Type	Project Type	Percent of Total Project Cost	Maximum Grant/PF Per Project ¹
Small DAC	Priority	100%	\$2.5 million
	Secondary		\$500,000 ²

¹ Projects are generally expected to be ≤10-20% of the estimated construction costs.

² SCWW planning grants for Secondary Priority projects are limited to a maximum of two for a community within a five-year period (one for collection system improvements and another for treatment plant improvements). Planning grants for Secondary priority



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projects will not include plans and specifications, but can include other necessary construction application documents such as a project report, environmental documents, rate studies, and financial information to apply for financing the eventual construction project.

CONSTRUCTION GRANTS / PF:

- Grant/PF construction funds are available to Eligible Applicants per Table 2 below.
- SCWW Priority Projects are projects that address violations of waste discharge requirements (WDR) or National Pollutant Discharge Elimination System (NPDES) permits, and projects that connect previously unsewered areas (Septic to Sewer) or join communities to regionalize (Regionalization) wastewater treatment works.
- SCWW Secondary Priority Projects are CWSRF eligible project types that do not meet the Priority Project definition.
- The maximum grant/PF for a project is based on the amount of CWSRF program grant/PF construction funding the community receives in a five-year period.

Table 2: SCWW Construction Grant/PF Eligibility Criteria

Community Type	Project Type	Percentage of Total Eligible Project Cost	Maximum Grant/PF Amount	Maximum Grant/PF Per Residential Connection
Small DAC	Addressing a Violation	100%	\$30 million	\$60,000
	Septic-to-Sewer or Regionalization			\$175,000 ¹
	Secondary Priorities	50%	\$7.5 million	\$30,000

¹ Deputy Director of DFA may approve up to \$200,000 for good cause.

- Most construction projects benefitting small DACs are not required to complete federal environmental cross-cutting documents (funding source dependent).**
- Regionalization and septic-to-sewer projects receiving 100% grant/PF generally will not require a complete financial security package.** However, a complete financial security package will be required if any of the following criteria are met:
 - Receiving System:
 - The number of connections will increase by more than 5% with the project or the allowable permitted number of connections or volumes will be exceeded with the project;
 - Other information readily available, including information submitted by the Receiving System to the Division of Financial Assistance (DFA) for other projects, or information from recent system inspections, indicates further review is warranted; and



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- The size of the Receiving System indicates further review is warranted (generally, for small systems a full financial review will be conducted).
- Subsumed System will operate and maintain components of the project (need financial security package from Subsumed System).

REGIONALIZATION INCENTIVES:

To encourage the regionalization of wastewater service, receiving systems (regardless of DAC status) may be eligible for a maximum of \$10 million in 0% interest rate financing per connecting community/wastewater system for planning or construction of an Incentive Project. An Incentive Project is an eligible capital project that solely benefits the receiving system, and it is separate than funding for a regionalization project. Please refer to the CWSRF Intended Use Plan for more information.

IMPORTANT DEADLINES:

- **Disbursements Year End Processing:** At the end of each state fiscal year (July – June), DFA will experience a brief delay in payment processing due to year-end closure activities. To ensure your disbursement request is processed and paid within the current fiscal year, please submit complete and clean disbursement requests by March 31st. DFA will continue to process disbursement requests after March 31st, staging them for payment after July 1st.
- **Complete Applications:** To be considered in the next Fundable List update, applications shall be complete by September 30th.
- **Amendment Requests:** Recommend submitting complete amendment requests by December 31st. Amendment Requests after this date might experience delays due to year-end closure activities.

HOW TO APPLY:

- Online via the Financial Assistance Application Submittal Tool (FAAST) at <https://faast.waterboards.ca.gov>
- For CWSRF application forms and to learn more about how to apply, visit the [CWSRF Forms and Instructions webpage](#).

ADDITIONAL DETAILS AVAILABLE:

- ****Contact your assigned DFA Project Manager for project specific information.****
- [CWSRF Policy](#)
- Please contact CleanWaterSRF@waterboards.ca.gov or (916) 327-9978 for any general questions or if you have not been assigned a DFA Project Manager.