

# TENNESSEE'S FEDERAL WATER FUNDING

February 2026



The EPA's Drinking Water and Clean Water State Revolving Funds (DWSRF and CWSRF) represent the nation's largest federal investment in drinking water and wastewater infrastructure, enabling states to better meet urgent water system needs in their communities. In recent years, \$727 million in SRF funds has helped Tennessee address a portion of its \$15.4 billion in infrastructure investment needs.

## \$727 million for drinking water and wastewater

Since 2022, Tennessee has been allotted **\$518 million** for the state's DWSRF, including **\$272 million** to replace lead pipelines, and **\$209 million** for the state's CWSRF. These funds have supported local projects including the replacement of 83,000 linear feet of aging waterlines in Fayetteville that will improve water pressure and efficiency, and Memphis's Sewer Assessment and Rehabilitation Program (SARP10), a decade-long initiative to upgrade neighborhoods system-by-system and improve the city's sanitary sewer infrastructure. Tennessee Department of Environment & Conservation is receiving an [estimated \\$12.4 million](#) set-aside to support program administration.

### Federal support for the SRFs has increased since 2022



An additional \$43 billion was appropriated for the SRFs by the Infrastructure Investment and Jobs Act (IIJA) and is being distributed annually between 2022 and 2026.

Source: [Water Program Portal's](#) Outcome Dashboard and EPA's State DWSRF and CWSRF Allotments (2022-2025).

## \$15.4 billion in future water infrastructure needs

Per the latest [Drinking Water Infrastructure Needs Survey and Assessment](#) and [Clean Watershed Needs Survey](#), Tennessee is anticipated to need **\$11.5 billion** in drinking water investments and **\$3.9 billion** in wastewater investments over the next two decades. The federal investments over the last four years help address **4.7 percent** of this gap, but further funding is required to maintain the state's water systems.