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Today's Presenters

- Kiri Anderer, Dallas Shattuck
 - US EPA
- Leslie Coté
 - Pennsylvania Infrastructure Investment Authority
- Shannon Fisher
 - North Dakota Department of Environmental Quality

Drinking Water State Revolving Fund, the Bipartisan Infrastructure Law, and Disadvantaged Community Definitions

Kiri Anderer
Dallas Shattuck

November 29, 2022



OFFICE OF GROUND WATER
AND DRINKING WATER

What is the DWSRF?



- **Public health protection program**
 - A federal/state partnership designed to create, in each state, a perpetual source of financing for drinking water infrastructure.
- **Has both infrastructure and non-infrastructure components**
 - Provides access to credit and permanent source of funding for water infrastructure (loan fund).
 - Provides non-infrastructure support to states and communities (set-asides).
 - Administrative (4%)
 - Small Systems Technical Assistance (2%)
 - State Program Management (10%)
 - Local Assistance (15%)

DWSRF Infrastructure Model



- 51 state-level “infrastructure banks” make loans with water systems for drinking water projects.
 - Water systems apply for funding with their respective state DWSRF program.
- States craft their DWSRF program to meet the needs of their state.
 - Each of the 51 programs are unique.
 - They operate within the federal framework but may target funding more narrowly.

How Does the DWSRF Assist Disadvantaged Communities?



- Household affordability is one of the three statutory priorities.
- State DWSRF programs required to define “disadvantaged community” (DAC).
- Below-market interest rate loans
 - 1.1% average DWSRF interest rate vs. 2.2% market interest rate in 2021
- Additional subsidy (“grant-like dollars”)
 - 12-35% of each federal capitalization grant to DAC*
- Loan terms of up to 40 years (or design life, whichever is less)
- Technical assistance through the “set-asides”

Repayment and Savings Comparison of \$2 Million Loan

Interest rate	1.5%	2.5%	3.5%
Repayment for 20 Year Loan	\$2,316,218	\$2,543,534	\$2,783,807
Savings Using a 1.5% Rate	_____	\$227,316	\$467,589

**base program*

State-Defined Disadvantaged Communities

- Each of the 51 DWSRF programs have their own definitions of disadvantaged community.
 - SDWA 1452(d)(3)...“ the term ‘disadvantaged community’ means the service area of a public water system that meets affordability criteria established after public review and comment by the State in which the public water system is located.”
- These definitions are important because they will determine eligibility for additional subsidy.
- DWSRF programs have the flexibility to craft their definitions to meet priorities and needs of water systems across their state.
- DAC definitions are central to ensuring the DWSRF program is available to all communities in the state. States should revisit their definition on an annual basis and update it to ensure they are still meeting the needs of the state.
- States should widely advertise the comment period and ensure accessibility.

The Bipartisan Infrastructure Law (BIL)

- Signed by President Biden on November 15, 2021.
- Historic investment in key programs and initiatives implemented by the U.S. Environmental Protection Agency to build safer, healthier, cleaner communities.
- Includes \$50 billion to the EPA to strengthen the nation's drinking water and wastewater systems – the single largest investment in water that the federal government has ever made.
- More than \$30 billion of this funding through the DWSRF.
- Approximately half of this funding is required to be provided as additional subsidy to DACs.

Available DWSRF Funding in the BIL



Appropriation	FY 2022 (\$)	FY 2023 (\$)	FY 2024 (\$)	FY 2025 (\$)	FY 2026 (\$)	Five Year Total (\$)
DWSRF General Supplemental	1,902,000,000	2,202,000,000	2,403,000,000	2,603,000,000	2,603,000,000	11,713,000,000
DWSRF Emerging Contaminants	800,000,000	800,000,000	800,000,000	800,000,000	800,000,000	4,000,000,000
DWSRF Lead Service Line Replacement	3,000,000,000	3,000,000,000	3,000,000,000	3,000,000,000	3,000,000,000	15,000,000,000

SRF BIL Implementation Memo



- SRF BIL Implementation Memo released in March 2022.
- EPA outlined expectations for States to evaluate and revise, as needed, their DAC definitions.
- EPA provided examples of factors that states may consider in updating their disadvantaged community definition.
- Memo emphasizes that state DAC definitions can include a large public water system where a particular project within the water system addresses a subset of the service area that meets the DAC definition.

SRF BIL Implementation Memo, cont.



Examples of criteria within affordability and disadvantaged community definitions that can be barriers:

- Definitions solely based or contingent upon an “unaffordable” rate. Some state rate considerations serve to assist in affordability determinations, but others do so in a way that can be a barrier to systems with low capacity and a poor rate structure.
- Definitions that include a low cap on additional subsidy (e.g., 30%) are a barrier to communities that need a higher amount of additional subsidization to be able to take the loan.
- Definitions based solely on population or definitions that include population as a determining factor.

SRF BIL Implementation Memo, cont.



- Examples of potential DAC Definition criteria in the SRF BIL implementation memo:
 - Communities with census tracts that have [X poverty indicator] are eligible for lead service line additional subsidy if the recipient uses those funds for the direct benefit of those residents
 - Community MHI is less than 80% of State MHI
 - Communities with $\geq 30.9\%$ Population Living Under 200% of Poverty Level
 - Community with census tracts that have a poverty rate greater than or equal to 20%
 - Communities with $\geq 12.1\%$ Vacant Households
 - Combined sewer and drinking water costs are greater than 2% of the 20th percentile household income (i.e., the Lowest Quintile of Income for the Service Area)
 - Communities with $\geq 11.7\%$ Population Receiving Food Stamps/SNAP Benefits

Title VI of the Civil Rights Act



- Title VI of the Civil Rights Act of 1964 (Title VI) prohibits discrimination on the basis of race, color, or national origin in any program or activity that receives Federal funds or other Federal financial assistance.
- Because the SRFs receive Federal capitalization grants annually, states must ensure their administration of the SRF programs and activities do not discriminate or have the effect of subjecting individuals to discrimination because of their race, color, or national origin.

Justice40

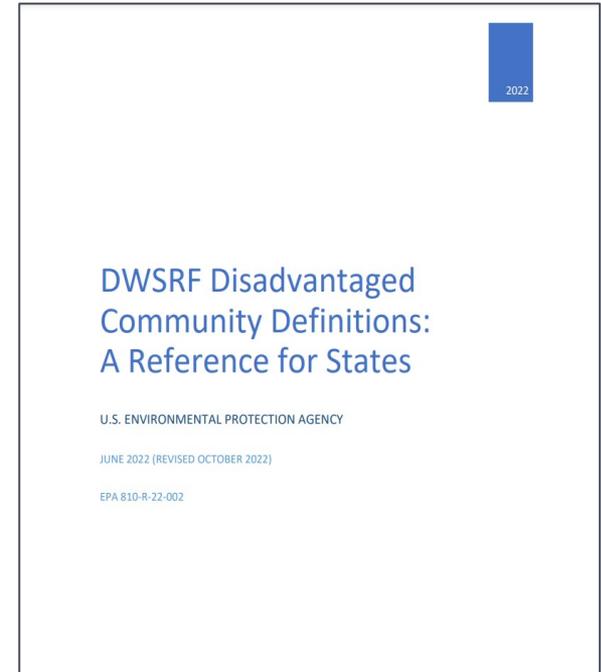


- The DWSRF is a “pilot program” under the Justice40 Initiative.
 - Sets a goal that 40 percent of the overall benefits of certain federal investments flow to disadvantaged communities (DACs).
- Over the past year, the DWSRF worked on Justice40 engagement, implementation, and baseline metrics.
- Assistance to DACs is a high priority for the Agency.
- The new Bipartisan Infrastructure Law requires a significant portion of the funding be provided as additional subsidy to DACs.
 - This funding will be an important tool to further the goals of Justice40.

DWSRF Disadvantaged Community Definition Analysis



- In June 2022, EPA released a report that compiled and analyzed the DAC definitions for all 51 DWSRF programs.
 - Utilized “intended use plans”, state law, state agency rules and regulations, contacting states.
 - The data for this report was pulled in early 2021 (“pre-BIL”).
- While there are similar indicators used (e.g., MHI, water rates), there are 51 different DAC definitions.
- Summarizes strengths and limitations of using various indicators and analyzes historical additional subsidy distribution.
- Appendix includes a list of all 51 pre-BIL DWSRF DAC definitions.



DWSRF Disadvantaged Community Definition Analysis, cont.



- Overall, states mainly used a combination of socioeconomic, demographic, and financial indicators in their DAC definitions.
 - Almost all states used MHI as an indicator.
 - Approximately half used water rates as an indicator.
 - Most states used a combination of factors.

Type of Indicator	Indicators	Number of States Using Indicator
Socioeconomic	Median Household Income ^a	49
	Unemployment Rate	10
	Poverty Rate	8
	Percentage of Population Receiving Government Assistance ^b	1
	Labor Force Participation Rate	1
Demographic	Population Trends	7
	Age Composition	2
Financial	Water Rates	27
	Water System Size (Population Served or Number Connections)	16
	Water System Debt	7
	Municipal Bond Rating	2
	Proposed Loan Amount	1
	Property Value	3
Public Health	Human Health-related Factors	2
EJ	EJ Community or Similar Designation	2
Defined Categories	Specifically defined and identified category or group	3

a. Includes two states that do not use median household income but do use adjusted gross income or per capita income as indicators.

b. Government assistance includes Social Security, Supplemental Security Income, cash assistance, or Supplemental Nutrition Assistance Program (SNAP).

Disadvantaged Community Definition Indicator

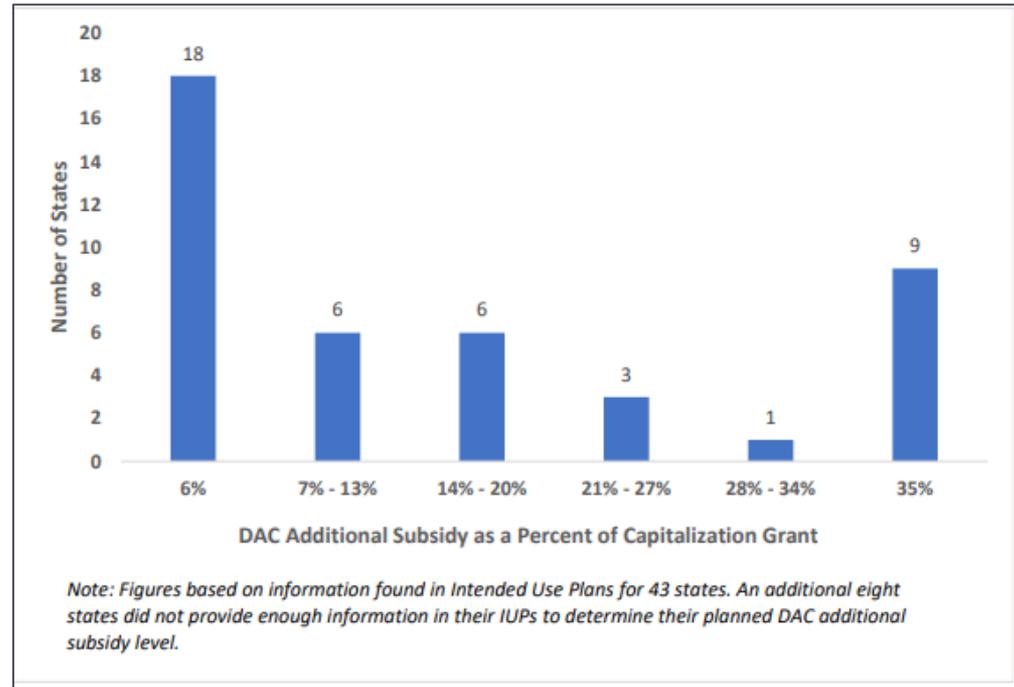
“Strengths and Limitations”

Indicator	Strengths	Limitations
Median Household Income	<ul style="list-style-type: none"> • Strong correlation with presence of households with income below state/national median income. • Straightforward and easy-to-use proxy for household ability to pay. • Readily accessible data from the U.S. Census Bureau. 	<ul style="list-style-type: none"> • Does not show presence of households in poverty (with very low incomes). • May not accurately capture what the poorest households can afford. • Service area of systems may not align with the geography of the area reported by the U.S. Census Bureau, especially in rural areas. • Does not address actual water costs borne by ratepayers.
Water Rates	<ul style="list-style-type: none"> • Provides a measure of actual costs to users. • When used in combination with other measures such as MHI, can identify communities that do not appear to face financial hardship based on income alone, but for whom the relative cost of water is high. 	<ul style="list-style-type: none"> • Current rates are not always set at a level high enough to sustain the water system over the long term. • Definitions that use a specific dollar amount (e.g., \$300 for 5,000 gal) as a threshold for affordability require regular updating, can be challenging to set, and may still be too high for very low-income households to afford.
Water System Size	<ul style="list-style-type: none"> • Addresses challenges faced by small systems, such as high fixed costs, 	<ul style="list-style-type: none"> • Small size alone does not determine affordability. Some small systems

- Can assist States in evaluating new indicators and/or considering whether to combine certain indicators
- Full table of strengths/limitations for common indicators can be found in the report.

Historic DWSRF Additional Subsidy Distribution

- The amount of total additional subsidy provided in FY21 varied by state.
 - Overall, states tended to provide between the minimum—mid range of additional subsidy.
 - States must balance additional subsidy with perpetuity of their loan fund.
- *Note: this analysis was conducted before BIL was signed into law. At that time, the "floor" for DAC additional subsidy was 6 percent.*



DWSRF Disadvantaged Community Definition Updates/Revisions

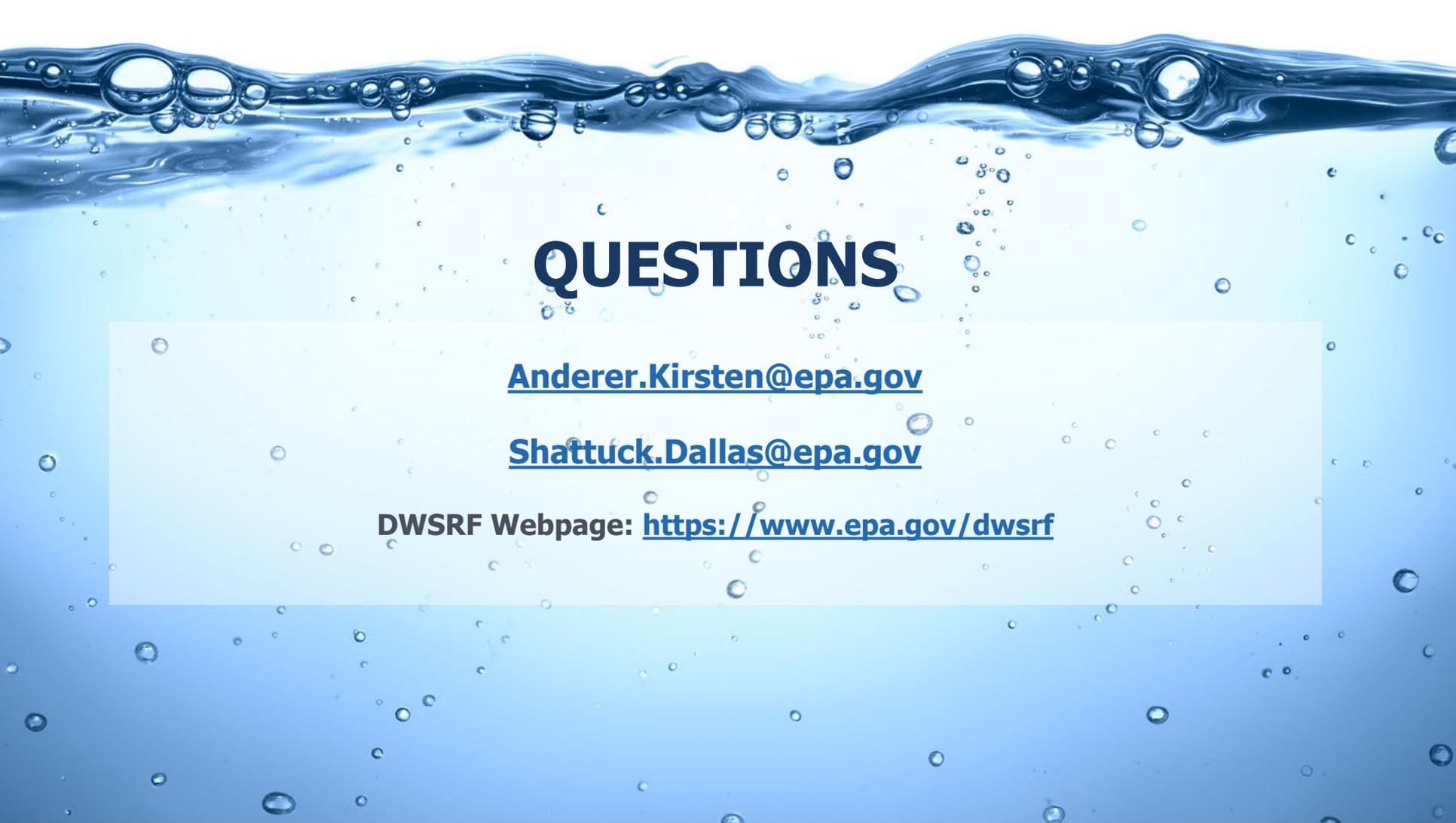


- Since the passing of BIL, many state DWSRF programs have revised or are in the process of evaluating their DAC definitions.
- Association of State Drinking Water Administrators (ASDWA) [Environmental Justice website](#) is a good resource.
 - ASDWA's website has a table with DWSRF DAC definitions, including any that have been revised or are open for public comment, and links to relevant state DWSRF websites and documents.
- EPA plans to update the DAC Definitions report in the future.
- EPA is also working on a document with various ways the set-asides (non-infrastructure support \$\$) can be used to assist DACs and state programs.

Resources



- [DWSRF Disadvantaged Community Definition Report](#)
- [Addressing Water Affordability with the DWSRF](#) (fact sheet)
- [Implementation of the Clean Water and Drinking Water State Revolving Fund Provisions of the Bipartisan Infrastructure Law](#) (memorandum)
- [EPA Bipartisan Infrastructure Law](#) (website)
- [Justice40 OMB interim guidance](#)
- [National EJ Community Engagement Call: J40 and the SRFs](#) (Oct 26, 2021, webinar recording)
- [State DWSRF contacts](#) (website)

The background features a dynamic water surface with large, clear bubbles at the top and smaller, more numerous bubbles scattered throughout the light blue water. A semi-transparent white rectangular box is centered on the page, containing the text.

QUESTIONS

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DWSRF Webpage: <https://www.epa.gov/dwsrf>

North Dakota's Disadvantaged Community Definition

Shannon Fisher, P.E.
DWSRF Program Manager

NORTH
Dakota Be Legendary.™

Environmental Quality | Public Finance Authority

About ND's DWSRF

- Program inception – 2016: no disadvantaged community additional subsidization
- 2009 – present: ND used its annual congressional additional subsidization authority to assist systems on an affordability basis
- 2017 – present: both sources of additional subsidy use the same definition

Past Definition

$$\text{Relative Future Water Cost Index} = \frac{\text{Annual Residential Water User Rates After Project}}{\text{Annual Median Household Income}}$$

2.0% or greater – eligible for up to 75% loan forgiveness

1.5% to 1.9% - eligible for up to 40% loan forgiveness

After-project residential water user rates are self-reported by the water system.

Annual median household income is gathered from American Community Survey data

Issues

- Project costs are very preliminary, so it introduces error into the calculation of the relative future water cost index
- Engineers, who primarily fill out the questionnaires for our priority list, can “game the system” by proposing a very costly project in order to be eligible for loan forgiveness. This was corrected in recent years by verifying loan forgiveness eligibility when the loan was applied for

Issues

- May provide loan forgiveness to systems with currently low rates that have not done any infrastructure projects for decades and now need to “catch up” by taking on large projects
- Large cities typically don’t qualify based on city-level data, when the project may take place in a particularly disadvantaged part of the city

Considerations

- EJ40 goals
- Use good quality data: consider using EJScreen or the Climate and Economic Justice Screening Tool
- Make the definition broad enough that BIL funds will be able to be used
- Review EPA-recommended criteria from the BIL guidance and other state definitions

EJScreen

- Easy to use
- Flexible: allows for areas defined by block group, tract, city, and county as well as for multiple areas to be selected
- Allows for printable reports
- No drinking water indices, one wastewater index

EJScreen

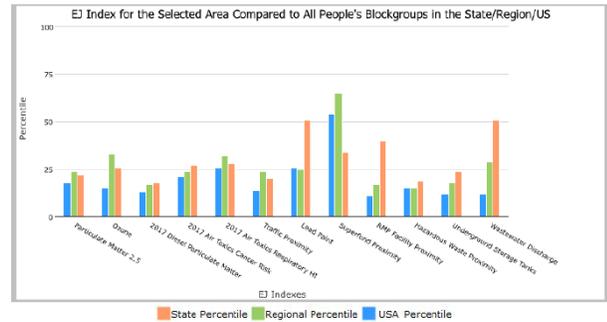


EJScreen Report (Version 2.0)

City: Bismarck, NORTH DAKOTA, EPA Region 8
 Approximate Population: 69,010
 Input Area (sq. miles): 31.99



Selected Variables	State Percentile	EPA Region Percentile	USA Percentile
Environmental Justice Indexes			
EJ Index for Particulate Matter 2.5	22	24	18
EJ Index for Ozone	26	33	15
EJ Index for 2017 Diesel Particulate Matter*	18	17	13
EJ Index for 2017 Air Toxics Cancer Risk*	27	24	21
EJ Index for 2017 Air Toxics Respiratory HI*	28	32	26
EJ Index for Traffic Proximity	20	24	14
EJ Index for Lead Paint	51	25	26
EJ Index for Superfund Proximity	34	65	54
EJ Index for RMP Facility Proximity	40	17	11
EJ Index for Hazardous Waste Proximity	19	15	15
EJ Index for Underground Storage Tanks	24	18	12
EJ Index for Wastewater Discharge	51	29	12



This report shows the values for environmental and demographic indicators and EJSCREEN indexes. It shows environmental and demographic raw data (e.g., the estimated concentration of ozone in the air), and also shows what percentile each raw data value represents. These percentiles provide perspective on how the selected block group or buffer area compares to the entire state, EPA region, or nation. For example, if a given location is at the 95th percentile nationwide, this means that only 5 percent of the US population has a higher block group value than the average person in the location being analyzed. The years for which the data are available, and the methods used, vary across these indicators. Important caveats and uncertainties apply to this screening-level information, so it is essential to understand the limitations on appropriate interpretations and applications of these indicators. Please see EJSCREEN documentation for discussion of these issues before using reports.

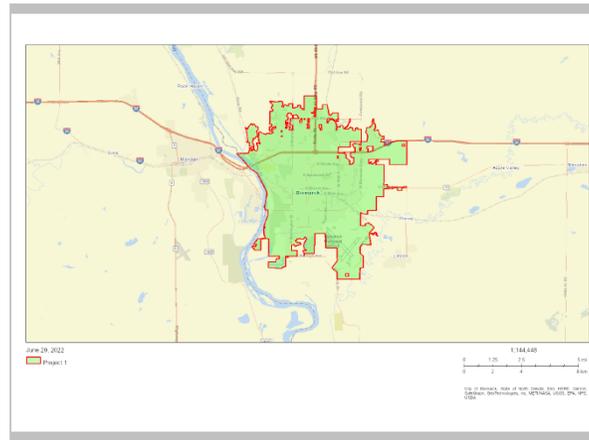
June 29, 2022

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EJScreen Report (Version 2.0)

City: Bismarck, NORTH DAKOTA, EPA Region 8
 Approximate Population: 69,010
 Input Area (sq. miles): 31.99



Sites reporting to EPA	
Superfund NPL	0
Hazardous Waste Treatment, Storage, and Disposal Facilities (TSDF)	3

June 29, 2022

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EJScreen Report (Version 2.0)

City: Bismarck, NORTH DAKOTA, EPA Region 8
 Approximate Population: 69,010
 Input Area (sq. miles): 31.99



Selected Variables	Value	State Avg.	%ile in State	EPA Region Avg.	%ile in EPA Region	USA Avg.	%ile in USA
Pollution and Sources							
Particulate Matter 2.5 (ug/m ³)	6.91	6.57	61	7.07	43	8.74	11
Ozone (ppb)	40.5	38.9	75	52.5	10	42.6	34
2017 Diesel Particulate Matter* (ug/m ³)	0.273	0.177	75	0.211	60-70th	0.295	50-60th
2017 Air Toxics Cancer Risk* (lifetime risk per million)	20	21	89	22	60-70th	29	<50th
2017 Air Toxics Respiratory HI*	0.2	0.22	75	0.3	<50th	0.36	<50th
Traffic Proximity (daily traffic count/distance to road)	400	220	83	520	64	710	63
Lead Paint (% Pre-1960 Housing)	0.19	0.26	50	0.21	65	0.28	52
Superfund Proximity (site count/km distance)	0.0029	0.005	32	0.11	2	0.13	0
RMP Facility Proximity (facility count/km distance)	0.55	1	44	0.64	66	0.75	62
Hazardous Waste Proximity (facility count/km distance)	0.94	0.58	78	0.77	70	2.2	55
Underground Storage Tanks (count/km ²)	3.1	2	77	2.7	73	3.9	68
Wastewater Discharge (from permitted communities) (cfs/km ²)	0.015	0.1	36	3.5	64	17	72
Socioeconomic Indicators							
Demographic Index	17%	21%	52	26%	37	36%	24
People of Color	12%	16%	55	25%	32	40%	24
Low Income	22%	25%	48	27%	46	31%	39
Unemployment Rate	2%	3%	63	4%	40	5%	30
Linguistically Isolated	1%	1%	74	2%	64	5%	50
Less Than High School Education	6%	7%	51	8%	56	12%	38
Under Age 5	6%	7%	45	7%	51	6%	58
Over Age 64	18%	15%	63	14%	72	16%	65

ongoing, comprehensive evaluation of air toxics in the United States. This effort aims to prioritize air toxics, emission sources, and locations of interest for further study. It is important to remember that the air toxics data presented here provide broad estimates of health risks over geographic areas of the country, not definitive risks to specific individuals or locations. Cancer risks and hazard indices from the Air Toxics Data Update are reported to one significant figure and any additional significant figures here are due to rounding. More information on the Air Toxics Data Update can be found at: <https://www.epa.gov/haps/air-toxics-data-update>.

For additional information, see: www.epa.gov/environmentaljustice

EJScreen is a screening tool for pre-decisional use only. It can help identify areas that may warrant additional consideration, analysis, or outreach. It does not provide a basis for decision-making, but it may help identify potential areas of EJ concern. Users should keep in mind that screening tools are subject to substantial uncertainty in their demographic and environmental data, particularly when looking at small geographic areas. Important caveats and uncertainties apply to this screening-level information, so it is essential to understand the limitations on appropriate interpretations and applications of these indicators. Please see EJSCREEN documentation for discussion of these issues before using reports. This screening tool does not provide data on every environmental impact and demographic factor that may be relevant to a particular location. EJScreen outputs should be supplemented with additional information and local knowledge before taking any action to address potential EJ concerns.

June 29, 2022

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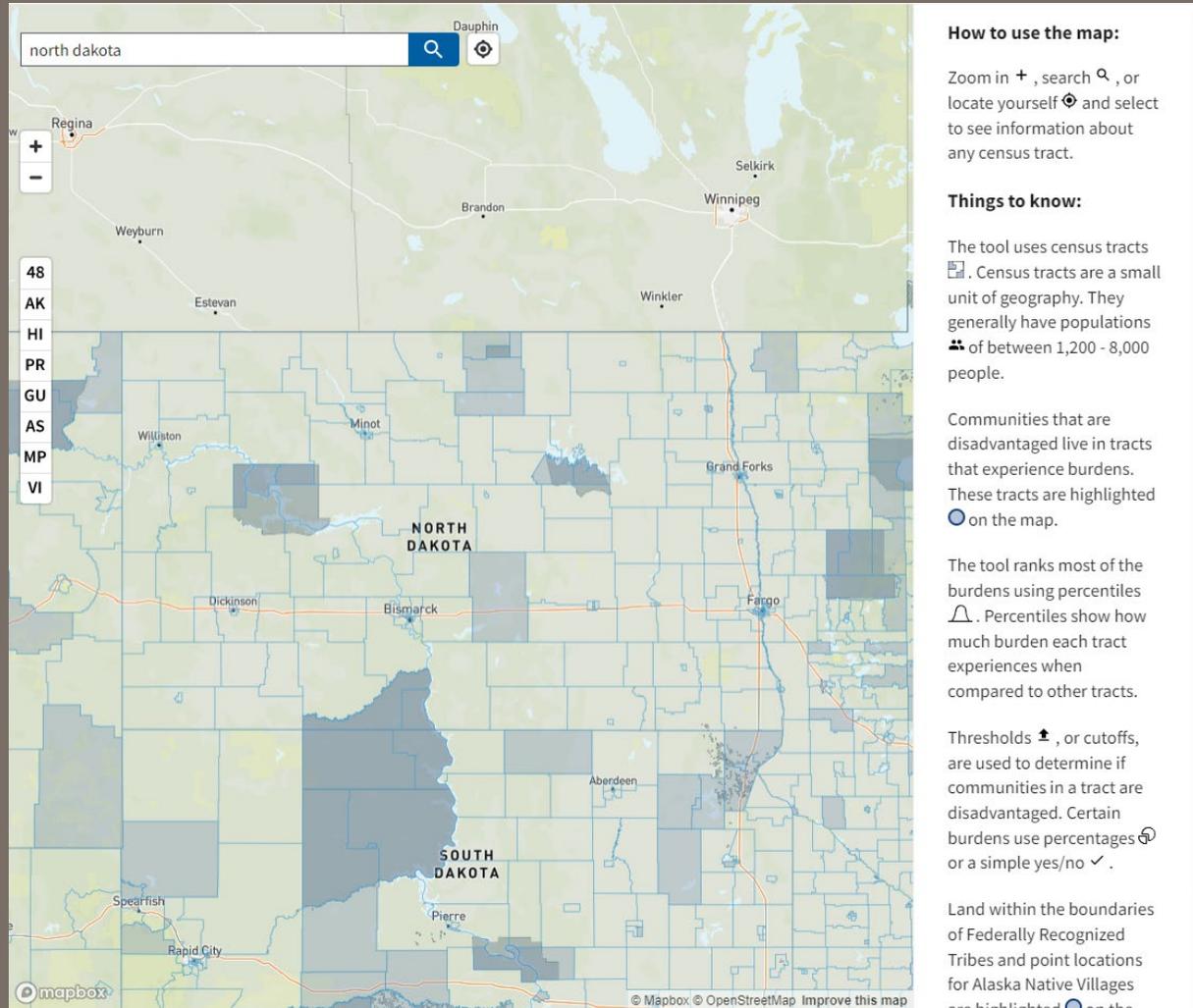
EJScreen

Socioeconomic Indicators							
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Under Age 5	6%	7%	45	7%	51	6%	58
Over Age 64	18%	15%	63	14%	72	16%	65

CEJST

- Disadvantaged communities are defined by the tool. Definitions are complicated.
- For North Dakota, this would greatly restrict the areas for which additional subsidy could be provided – 22 tracts with 9% of the state's population are considered disadvantaged communities.
- No option to create reports
- Only has tract-level data
- No drinking water indices, one wastewater index

CEJST



How to use the map:

Zoom in + , search 🔍 , or locate yourself 📍 and select to see information about any census tract.

Things to know:

The tool uses census tracts 🗺️ . Census tracts are a small unit of geography. They generally have populations 🧑 of between 1,200 - 8,000 people.

Communities that are disadvantaged live in tracts that experience burdens. These tracts are highlighted 🟦 on the map.

The tool ranks most of the burdens using percentiles 📊 . Percentiles show how much burden each tract experiences when compared to other tracts.

Thresholds 📏 , or cutoffs, are used to determine if communities in a tract are disadvantaged. Certain burdens use percentages 📊 or a simple yes/no ✓ .

Land within the boundaries of Federally Recognized Tribes and point locations for Alaska Native Villages are highlighted 🟦 on the

Criteria

$$\text{Relative Present Water Cost Index} = \frac{\text{Annual Residential Water User Rates}}{\text{Annual Median Household Income}}$$

Self-reported

American Community Survey

Percentage of households at less than 200% of the federal poverty threshold

EJ Screen

Percentage unemployed

EJ Screen

Percentage with less than a high school education

EJ Screen

Updated Definition

- All criteria will be ranked from 1-5 points for a maximum of 20 points
- Systems with 5 or more points will qualify as a disadvantaged community
- City-level data will be used (or county-level data for rural water systems) unless the system presents a smaller census area for consideration. Only the users in that census area will be able to benefit from the additional subsidization

Updated Definition

Affordability (select all that apply, 20 points maximum)			
	Supplemental Pts.	Emerging Contaminants Pts.	Lead Pts.
A. Average annual residential water user charge as a percent of local or service area annual median household income (AMHI)			
>2.5%	<input type="checkbox"/> 5	<input type="checkbox"/> 5	<input type="checkbox"/> 5
2.0% to 2.5%	<input type="checkbox"/> 4	<input type="checkbox"/> 4	<input type="checkbox"/> 4
1.5% to 1.9%	<input type="checkbox"/> 3	<input type="checkbox"/> 3	<input type="checkbox"/> 3
1.0% to 1.4%	<input type="checkbox"/> 2	<input type="checkbox"/> 2	<input type="checkbox"/> 2
0.5% to 0.9%	<input type="checkbox"/> 1	<input type="checkbox"/> 1	<input type="checkbox"/> 1
B. Households with income less than 200% of the poverty threshold			
≥50%	<input type="checkbox"/> 5	<input type="checkbox"/> 5	<input type="checkbox"/> 5
40% to 49%	<input type="checkbox"/> 4	<input type="checkbox"/> 4	<input type="checkbox"/> 4
30% to 39%	<input type="checkbox"/> 3	<input type="checkbox"/> 3	<input type="checkbox"/> 3
20% to 29%	<input type="checkbox"/> 2	<input type="checkbox"/> 2	<input type="checkbox"/> 2
10% to 19%	<input type="checkbox"/> 1	<input type="checkbox"/> 1	<input type="checkbox"/> 1
C. Unemployment rate			
≥5.0%	<input type="checkbox"/> 5	<input type="checkbox"/> 5	<input type="checkbox"/> 5
4.0% to 4.9%	<input type="checkbox"/> 4	<input type="checkbox"/> 4	<input type="checkbox"/> 4

Updated Definition

3.0% to 3.9%	<input type="checkbox"/> 3	<input type="checkbox"/> 3	<input type="checkbox"/> 3
2.0% to 2.9%	<input type="checkbox"/> 2	<input type="checkbox"/> 2	<input type="checkbox"/> 2
1.0% to 1.9%	<input type="checkbox"/> 1	<input type="checkbox"/> 1	<input type="checkbox"/> 1
D. Residents with less than a high school education			
≥20%	<input type="checkbox"/> 5	<input type="checkbox"/> 5	<input type="checkbox"/> 5
16.0% to 19.9%	<input type="checkbox"/> 4	<input type="checkbox"/> 4	<input type="checkbox"/> 4
12.0% to 15.9%	<input type="checkbox"/> 3	<input type="checkbox"/> 3	<input type="checkbox"/> 3
8.0% to 11.9%	<input type="checkbox"/> 2	<input type="checkbox"/> 2	<input type="checkbox"/> 2
4.0% to 7.9%	<input type="checkbox"/> 1	<input type="checkbox"/> 1	<input type="checkbox"/> 1
Affordability Total		<input type="text"/>	<input type="text"/>

Questions?

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701-328-5220

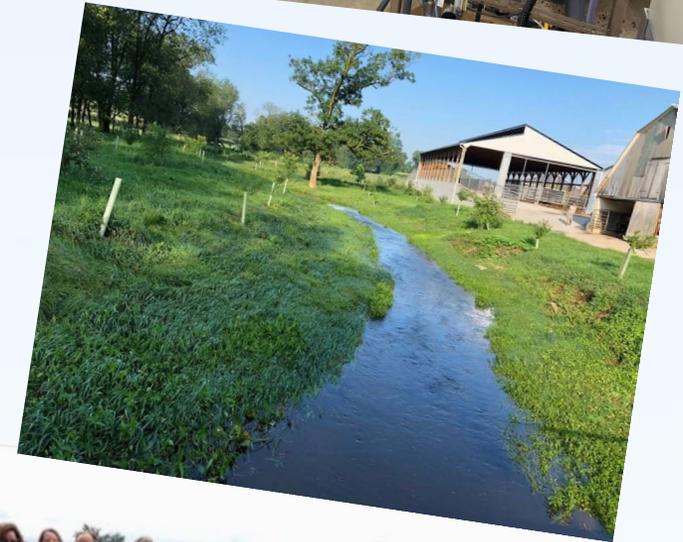
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PENNVEST

PENNSYLVANIA INFRASTRUCTURE INVESTMENT AUTHORITY

Financing Clean Water Projects!!



State Revolving Fund

PENNVEST manages the State Revolving Fund to finance clean water projects. The principal and subsidized interest repaid grows the fund to finance more projects!



How Can PENNVEST Help?

- **Drinking Water – Public/Private**
- **Wastewater – Public/Private**
- **Stormwater – Public/Private**
- **Non-Point Source**
 - **Ag BMPs – Public/Private**
 - **Acid Mine – Public/Private**
 - **Brownfield – Public/Private**
 - **Green Infrastructure – Public/Private**
 - **Onlot Systems – Principal Residence**
 - **Sewer Lateral Repair/First-Time Hookup – Principal Residence**
- **Lead Testing and Remediation – Schools and Childcare facilities**

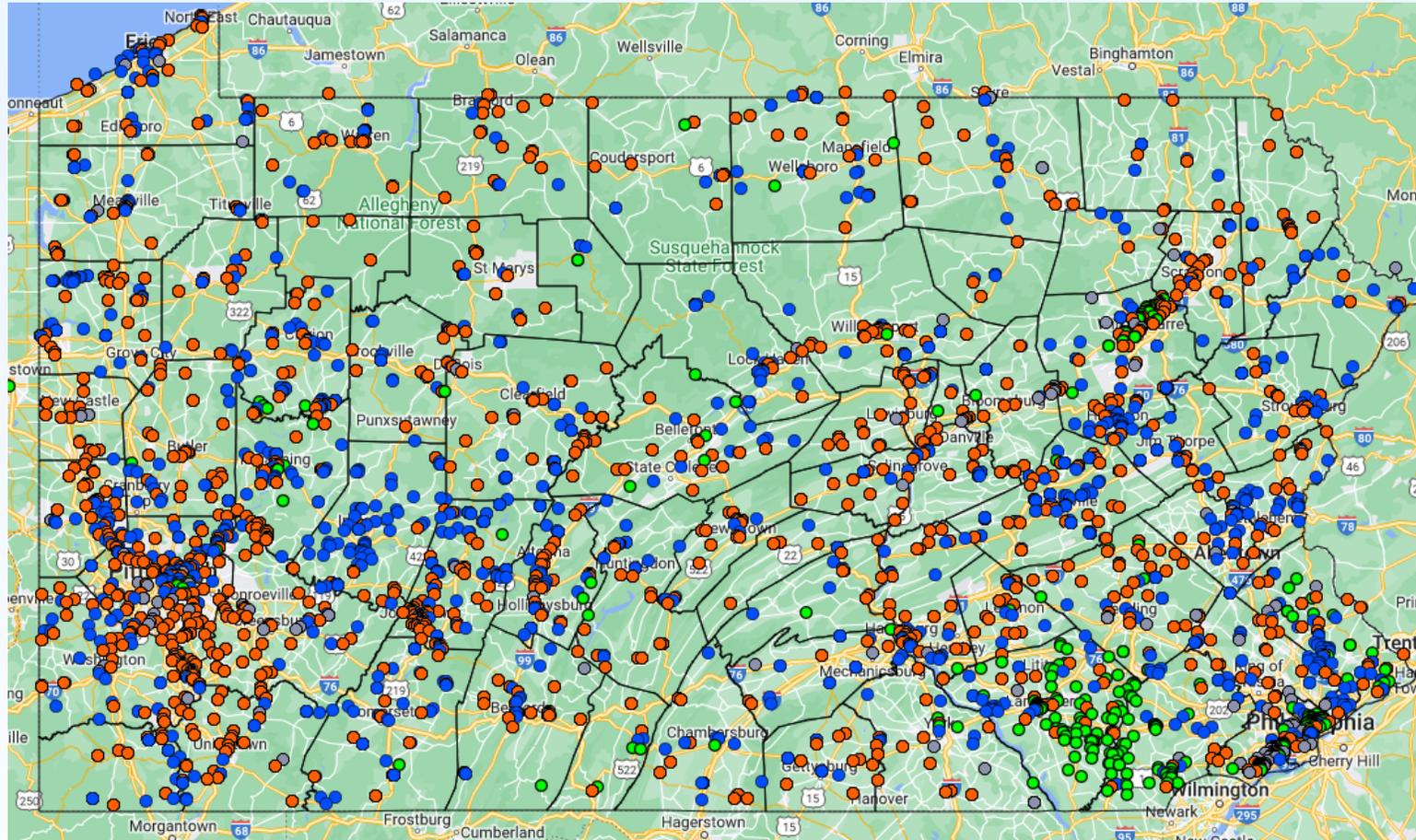
PENNVEST Financing

Projects Approved: 4,523 for a Total Funding of \$10.7 Billion

\$800 Million Budgeted for 2022-2023

- **1,162 Drinking Water**
- **1,736 Wastewater**
- **17 Brownfield**
- **185 Non-Point Source**
- **3 Acid Mine Drainage**
- **149 Stormwater**
- **1,019 Onlot Repairs**
- **24 Sewer Laterals Replaced**
- **228 New Sewer Connections**

PROJECTS DISTRIBUTION STATEWIDE



Assistance for Disadvantage Systems

How Does PENNVEST define Disadvantaged System?

- PENNVEST utilizes a financial capability analysis that compares various community specific demographic data to similarly situated communities across the Commonwealth to determine a percent of the community's adjusted median household income (MHI) that should be available to pay for water service.
- The amount that should be available to pay for water service by residential customers will range from 0.5 to 1.5 percent of the community's adjusted MHI dependent upon specific socio-economic factors for each community. This process aids in an equitable distribution of residential user rates.

Assistance for Disadvantage Systems

How does PENNVEST define a Disadvantaged System (cont.)?

- Should the estimated resulting residential user rates be higher than similar systems then these systems are considered “disadvantaged” and given hardship consideration.
- **Hardship considerations:**

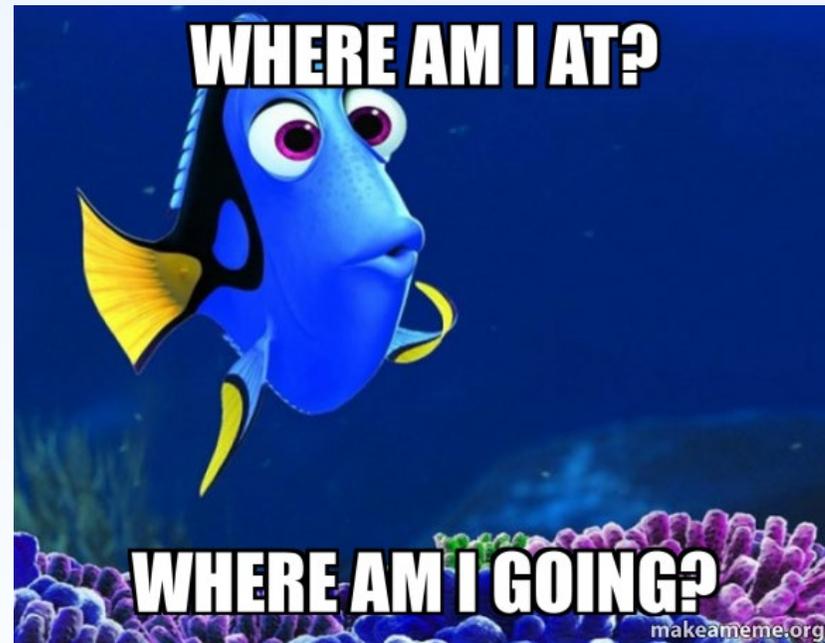
Reduced interest rate to 1.000% for full term

Principal Forgiveness funds – principal forgiveness is often prorated

Loan term extended up to 30 years

Changes to Disadvantaged System definition under the Infrastructure Investment and Jobs Act

Need to know where you're at before you can decide how to get to where you want to go!!!!



Changes to Disadvantaged System definition under the Infrastructure Investment and Jobs Act

- **Conducted an analysis of the impact of current Disadvantaged System definition.**
- **Results confirmed since 1989 42% of Loan dollars and 40% of Principal Forgiveness dollars were awarded to projects within Environmental Justice Areas as defined by Pennsylvania covering 28% of the state population.**
- **Environmental Justice Areas – Any census tract where 20% or more of individuals live at or below the federal poverty line, and/or 30 percent or more of the population identifies as a non-white minority, based on data from the U.S. Census Bureau and the federal guidelines for poverty.**

Changes to Disadvantaged System definition under the Infrastructure Investment and Jobs Act

- Changed the target rate in the financial capability analysis from 1%-2% to 0.5%-1.5% of adjusted MHI.
- Any community identified as disadvantaged using the Council on Environmental Quality (CEQ) Climate and Economic Justice Screening Tool or located in a Pennsylvania defined Environmental Justice Area will be considered a disadvantaged system for purposes of applications relating to design and engineering projects with the financial capability analysis being performed on the service area impacted by the proposed project instead of system wide.

Changes to Disadvantaged System definition under the Infrastructure Investment and Jobs Act

Each year we will evaluate the effectiveness of the modifications to the program and determine if additional adjustments are necessary.



Process Assistance for Disadvantage Communities

- **Competitive Terms, below market rates**
- **Four Board Meetings per year**
- **Electronic application system**
- **Regional Project Specialist**
- **RFP for Technical assistance with a focus on disadvantaged communities and Environmental Justice Areas to build capacity in communities to develop projects and act as a “driver” to bring projects to PENNVEST**



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Coronavirus Information ✕

SPOTLIGHT



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PRESS RELEASES



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Come join us at one of our information exchanges at a location nearest you!

COUNTY	DATE	TIME	LOCATION
11 th CLEARFIELD COUNTY	9:30-NOON	at the PennDOT Training Center OT Drive, Clearfield, PA, 16830	814-765-5825
12 th TIOGA COUNTY	9:30-NOON	at the Mansfield, PA, Microtel Inn Suites, 90 D nsfield, PA, 16933	570-662-9300
13 th CHESTER COUNTY	9:30-NOON	at the Trudyfrinn Township Building, Keen H ortral Road, Berwyn, PA, 19312	610-633-1400
14 th CAMBRIA COUNTY	9:30-NOON	at the PADEP Offices, 286 Industrial Park Road g, PA, 15931	814-472-1905
15 th WESTMORELAND COUNTY	1:00-3:30	at the PADEP Offices, 131 Broadview Ro ston, PA, 15672	724-925-5530
16 th CRAWFORD COUNTY	9:30-NOON	at the Meadville Holiday Inn Express, 18240 t Lake Road, Meadville, PA, 16335	814-724-6012
17 th LEHIGH COUNTY	9:30-NOON	at the offices of the Lehigh Valley Planning ion, 950 Marcon Boulevard, Allentown, PA, 18109	610-965-4544
18 th DAUPHIN COUNTY	9:30-NOON	at the offices of the Fish and Boat Commissio Avenue, Harrisburg, PA, 17110	717- 705-7900
19 th LACKAWANNA COUNTY	9:30-NOON	at the Lackawanna County Emergency C View Drive, Jessup, PA, 18434	570-307-7300
20 th BEDFORD COUNTY	9:30-NOON	at the Bedford County Courthouse, 200 S. Jull edford, PA, 15522	814-623-4807
21 st LUZERNE COUNTY	9:30-NOON	at the Top of the 80's Restaurant Meeting Room e 80's Road, Hazle Township, PA, 18202	570-454-8795

If interested in attending, register at:
<http://www.eventbrite.com/e/pennvest-information-sessions-tickets-55948>

Register soon to reserve your seat!

contact your regional Project Specialist with questions or concerns
ing the events.

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