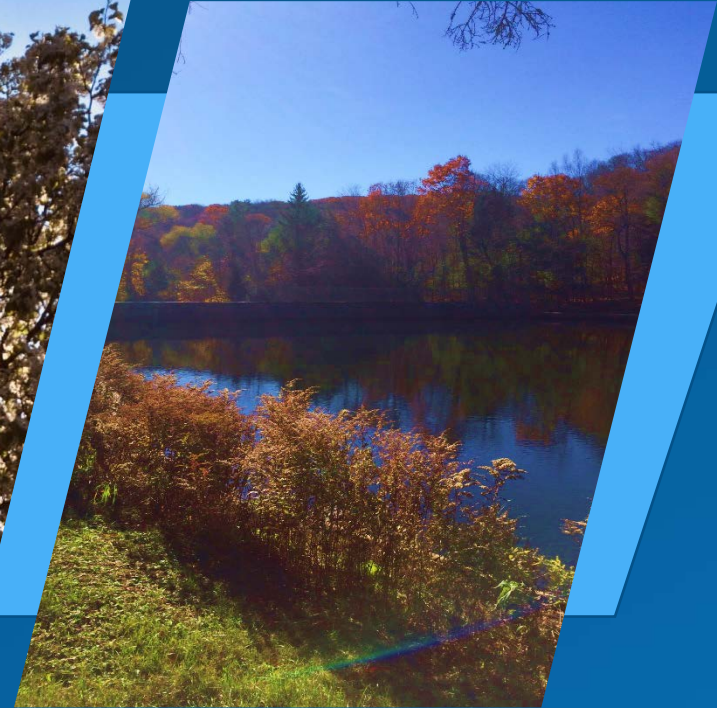


Environmental Health and Drinking Water Branch



Drinking Water State Revolving Fund

Revised Disadvantaged Community Assistance Program

Agenda

The agenda will cover the 4 qualifying affordability criteria for CT's Disadvantaged Community Assistance Program

1. Distressed Municipality designation
2. Median Household Income
3. Income Surveys for Small Systems
4. Private Wells

CT's Distressed Municipalities

- C.G.S. Section 32-9p, a distressed municipality should be based on “high unemployment and poverty, aging housing stock and low or declining rates of growth in job creation, population, and per capita income.”
- DECD additionally included 1) Level of Per Capita Income, 2) % of population with high school degree and higher and 3) Per Capita Adjusted Equalized Net Grand List to arrive at its ranking.
- Updated annually, the Distressed Municipalities list identifies the 25 most fiscally and economically distressed municipalities and are used by state agencies to target discretionary funding.
- DWSRF applicants qualify for disadvantaged subsidy if their project benefits one or more distressed municipalities
- Disadvantaged designation is good for 5 years if the municipality is removed from the annual DECD list

Median Household Income (MHI)

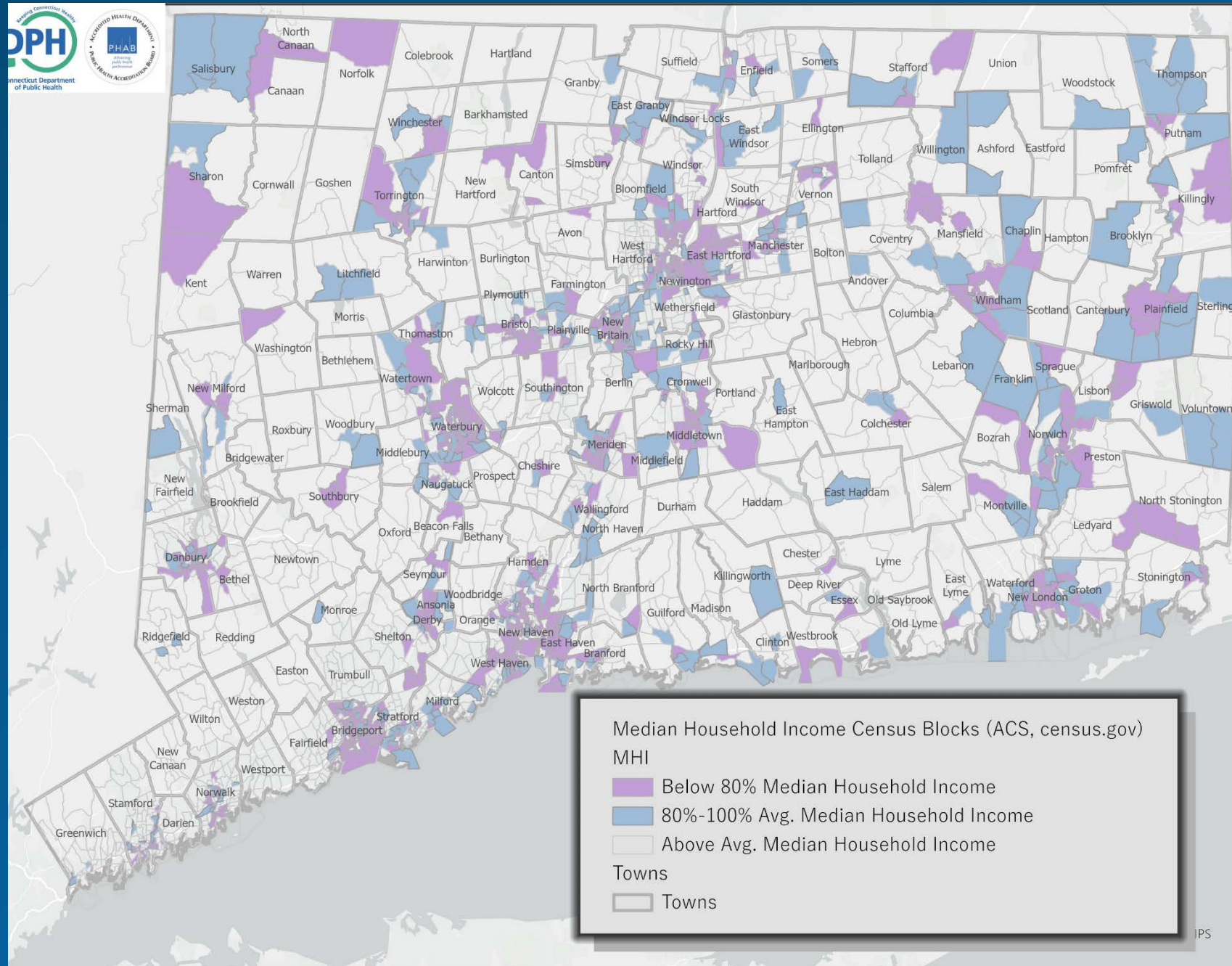
- Wanted additional methods of capturing rural areas of the State with affordability challenges and small systems
- U.S. EPA published [DWSRF Disadvantaged Community Definitions: A Reference for States](#) in October 2022. Within that report:
- States typically use MHI to establish a community's income relative to the rest of the state. Of states that use this approach:
 - 14 States set a threshold at or below state MHI (100 percent or less of state MHI)
 - 10 States set the threshold at 80 percent or below state MHI.
 - 3 States set the threshold at an amount greater than state MHI
 - 5 States states establish tiers of MHI that serve as thresholds for providing different levels of assistance.

MHI Options Evaluated

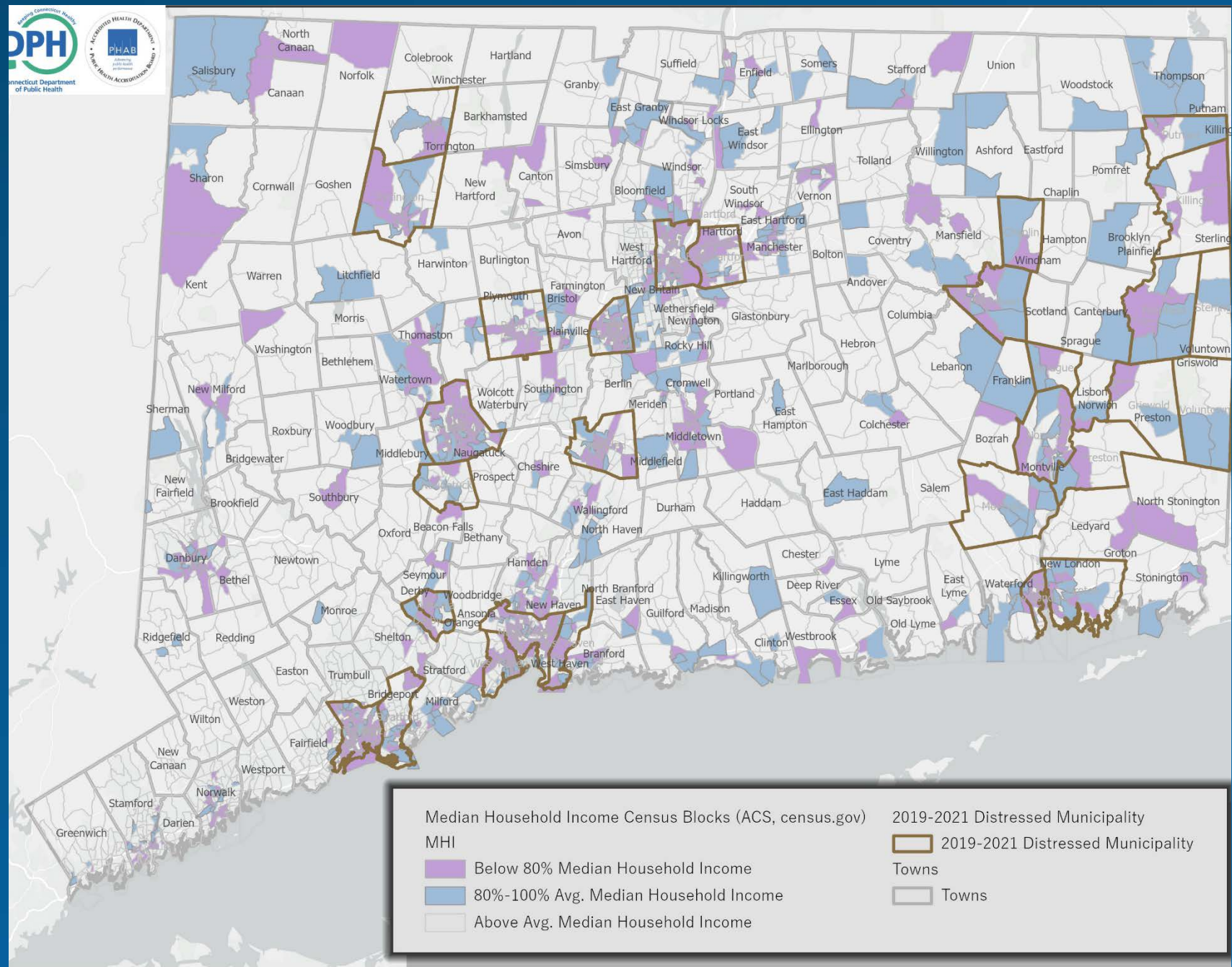
- 2 options were evaluated based on most frequently used MHI criteria among States
 1. Less than MHI
 2. Less than 80% of MHI



Both options were overlaid on a map to view statewide coverage with each option



Both MHI options were then compared with DECD's distressed municipalities lists (2019-2021)



MHI Results and Recommendation

- Using MHI less than the statewide average combined with DECD's Distressed Municipality List
 - Provides greater statewide coverage than using less than 80% MHI
 - Captures both rural and urban areas of the State
 - Covers 21.9% of the CT's land area
- Staff from DPH Policy, Planning and Analysis recommendations:
 - Use Census "tract" MHI data instead of using Census "blocks" for more complete statewide data
 - Use American Community Survey 5-year MHI data from 2015-2019 rather than the latest 2017 - 2021 data set due to concerns over anomalies with data gathered during COVID-19 pandemic
 - Use the median MHI value of all Census tracts that will receive "benefits" from a project rather than looking only at the project location

Income Survey for Small Systems

- Small PWS <1000 population may conduct an income survey to determine the median MHI value for their customers
- Project qualifies as “disadvantaged” if:
 - The median MHI is less than the statewide average MHI; or
 - The average annual residential rate payer’s water bill exceeds 1% of the median MHI for all residential rate payers; or
 - If sewerred, the average annual residential rate payer’s water and sewer bill exceeds 1.5% of the median MHI for all residential rate payers

Income Survey for Small Systems

- Small PWS <1000 population may conduct an income survey to determine the median MHI value for their customers
- Project qualifies as “disadvantaged” if:
 - The median MHI is less than the statewide average MHI; or
 - The average annual residential rate payer’s water bill exceeds 1% of the median MHI for all residential rate payers; or
 - If sewerred, the average annual residential rate payer’s water and sewer bill exceeds 1.5% of the median MHI for all residential rate payers

Private Well Contamination

- For projects involving water main extensions to residential properties experiencing contamination (Examples: PFAS, Sodium Chloride, etc.) income surveys may be conducted to determine the median MHI value of only the impacted private well owners
- Cost of the water main extension can be included in the water bill calculation
- Project qualifies as “disadvantaged” if:
 - The average annual residential rate payer’s water bill exceeds 1% of the median MHI for all residential rate payers; or
 - If sewerred, the average annual residential rate payer’s water and sewer bill exceeds 1.5% of the median MHI for all residential rate payers