



DISADVANTAGED – PORTION OF A SERVICE AREA PROCEDURE

OFFICE: PROGRAM ADMINISTRATION & REPORTING
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<p>PURPOSE</p>	<p>This is an internal procedure for Water Supply and Infrastructure (WSI) staff to utilize in determining the eligibility and types of projects that qualify as a Disadvantaged Community for portions of a service area utilizing loan funding and/or receiving principal forgiveness through the Drinking Water State Revolving Fund (DWSRF) or Clean Water State Revolving Fund (CWSRF) programs.</p> <p>Portions of a service area will be considered a Disadvantaged Community in accordance with adopted rules and through the detailed procedures listed below. The types of projects eligible for funding are those providing new service to existing residents in unserved areas. Eligible project areas include portions within existing service areas or areas located outside the boundaries of a political subdivision.</p>
<p>PROCEDURES</p>	<p>To determine the eligibility of the portion of a service area:</p> <ol style="list-style-type: none"> 1. Confirm whether the scope of the proposed project benefits specifically the defined portion of a service area. 2. Confirm the adjusted median household income of the project area (portion of service area) using available U.S. Census block group(s) information or a socioeconomic survey, as approved by WSI staff. 3. Calculate the Household Cost Factor (HCF) for the proposed project as follows: $\frac{\text{Water Rate} + \text{Sewer Rate} + \text{Annual loan cost per customer}}{\text{Adjusted Annual Median Household Income for the portion of the service area}}$ <ul style="list-style-type: none"> + Unemployment Rate for the portion of the service area compared to the State's Unemployment Rate + Decline in Population for the portion of the service area. <p style="text-align: center;">where "Water Rate" is the average annual water bill and "Sewer Rate" is the average annual sewer bill</p>

	<ul style="list-style-type: none">a. Projects to extend service to unserved areas may include capital costs for service extensions as applied under the applicant's service policies. Capital costs to be financed with the requested CWSRF or DWSRF funding will be included in the annual loan cost per customer calculation.b. Any costs of service extension not included in the CWSRF or DWSRF funding request may be considered through "Other Charges" used to subsidize the system (see Disadvantaged Community Worksheet).c. Annual loan cost per customer is calculated using the total household service connections in the full service area (not the portion).
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