

ALL ABOUT WATER 2023 SPRING CONVENING

DISADVANTAGED COMMUNITIES + DWSRF

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What are disadvantaged communities (DACs)?

Disadvantaged communities (DACs) are definitions used to identify geographical communities that are "marginalized, underserved, and overburdened by pollution" - but DACs are defined differently at federal, state, and local level.



Recent federal legislation (IRA, ARPA, and BIL) is releasing **2 trillion dollars over five years** to state and local governments for infrastructure + environmental projects.

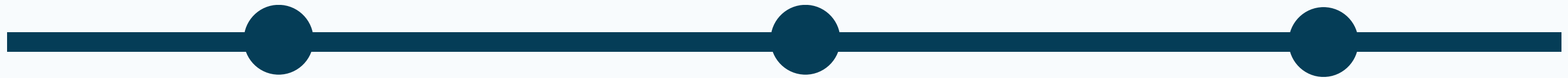
Why do scoring systems matter?

The DWSRF scoring system determines which projects will be prioritized and what communities will be funded



Each state has its own scoring system and prioritizes different kinds of projects such as projects in small communities, DACs, or regionalization projects.

Why does this matter?



Once in a lifetime
amount of
funding for water
infrastructure

77% decrease in
real water
infrastructure
dollars from the
federal
government
since the 1970's

We can ensure
these dollars go to
the communities
that need them
most



Has your community applied for DWSRF?

Yes: 17.8%

No: 22.2%

I don't know: 45.2 %



DWSRF in Your Communities

Has your community received DWSRF funding?

Yes: 23.6%

No: 14.1%

I don't know: 54.7%

WHAT MAKES GOOD DAC + DWSRF PROGRAMS



PRIORITIZES COMMUNITY INPUT + ACCESSIBILITY

Robust DWSRF programs take the input of their residents to improve their impact. Disadvantaged communities need to be able to apply for their projects to be prioritized.



HISTORIC INVESTMENTS GO TO DACs

DWSRF funds are mainly distributed in the form of long-term loans but some grants are issued. DACs must be prioritized for these grants (AKA principal forgiveness).



CONSIDERS ENVIRONMENTAL JUSTICE

Existing environmental hazards and low-income populations in the community impact the need for water quality and affordability. Environmental justice mapping tools can help.



Environmental Justice in the DWSRF

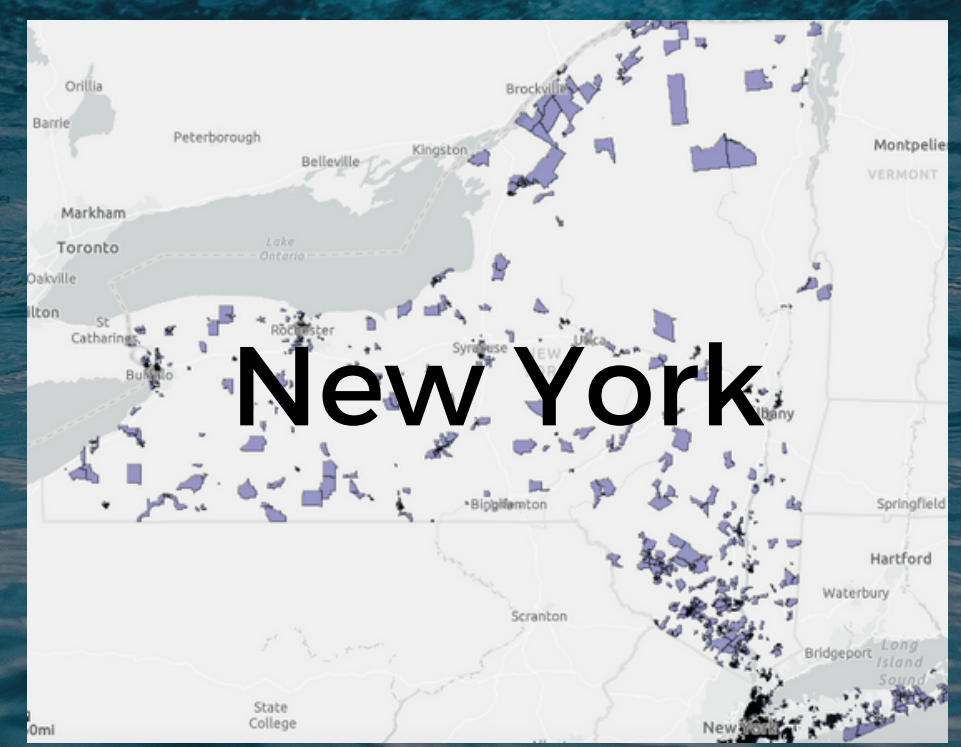
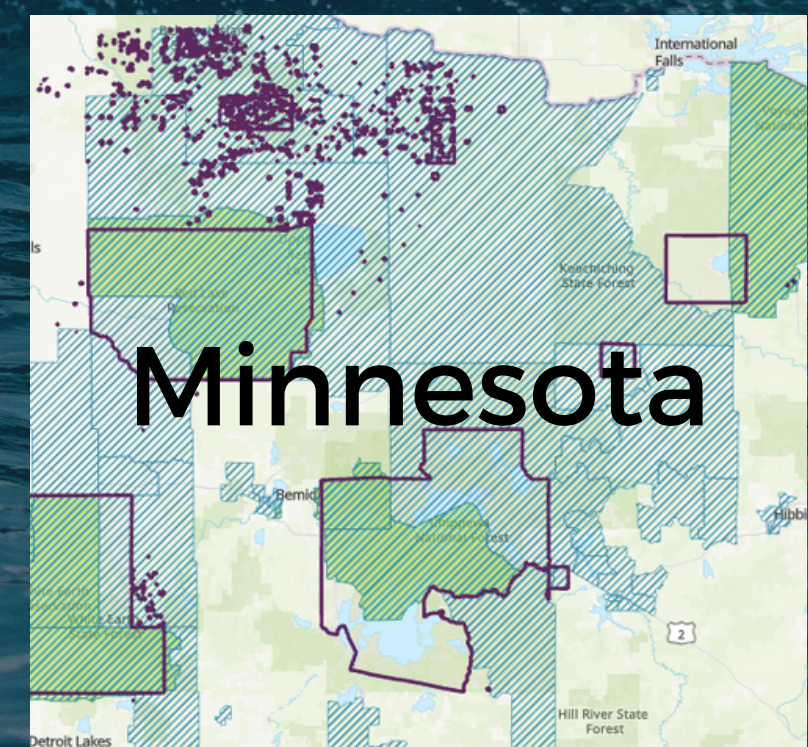
DWSRF programs in Great Lakes states are currently failing to account for environmental hazards already present in many disadvantaged communities.

What would it look like for DWSRF to prioritize environmental justice communities in your state?



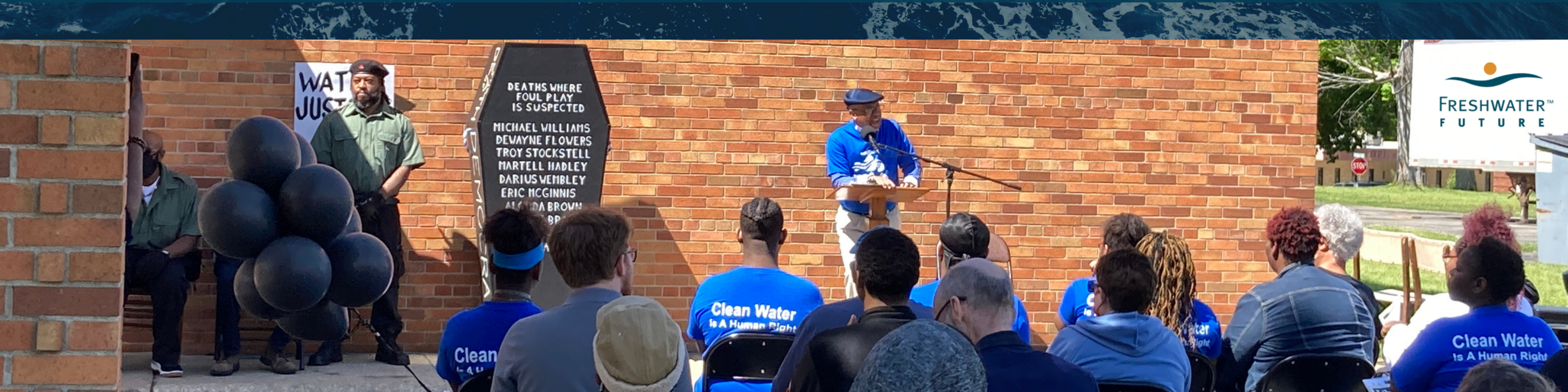
Environmental Justice Mapping Tools

- Environmental Justice Indexes
- Supplemental Indexes
- Pollution and Sources
- Socioeconomic Indicators
- Health Disparities
- Climate Change Data
- Critical Service Gaps
- Additional Demographics



Michigan as a case study

The DWSRF DAC definition + scoring must be changed to represent EJ communities through democratic process



MICHIGAN'S DAC DEFINITIONS + SCORING



MI needs legislation change to have DACs and scoring criteria reviewed by EGLE annually instead of every three years.

- EPA recommended definitions be revised annually - MI is the only GL state not to review each year.
- EGLE did not accept any changes from public comment
- Still many issues with the definition preventing low-income as well as environmental justice communities from being prioritized
- EPA directed states to include environmental justice indicators that are not included in the current definition



**"OVERBURDENED
COMMUNITIES"**

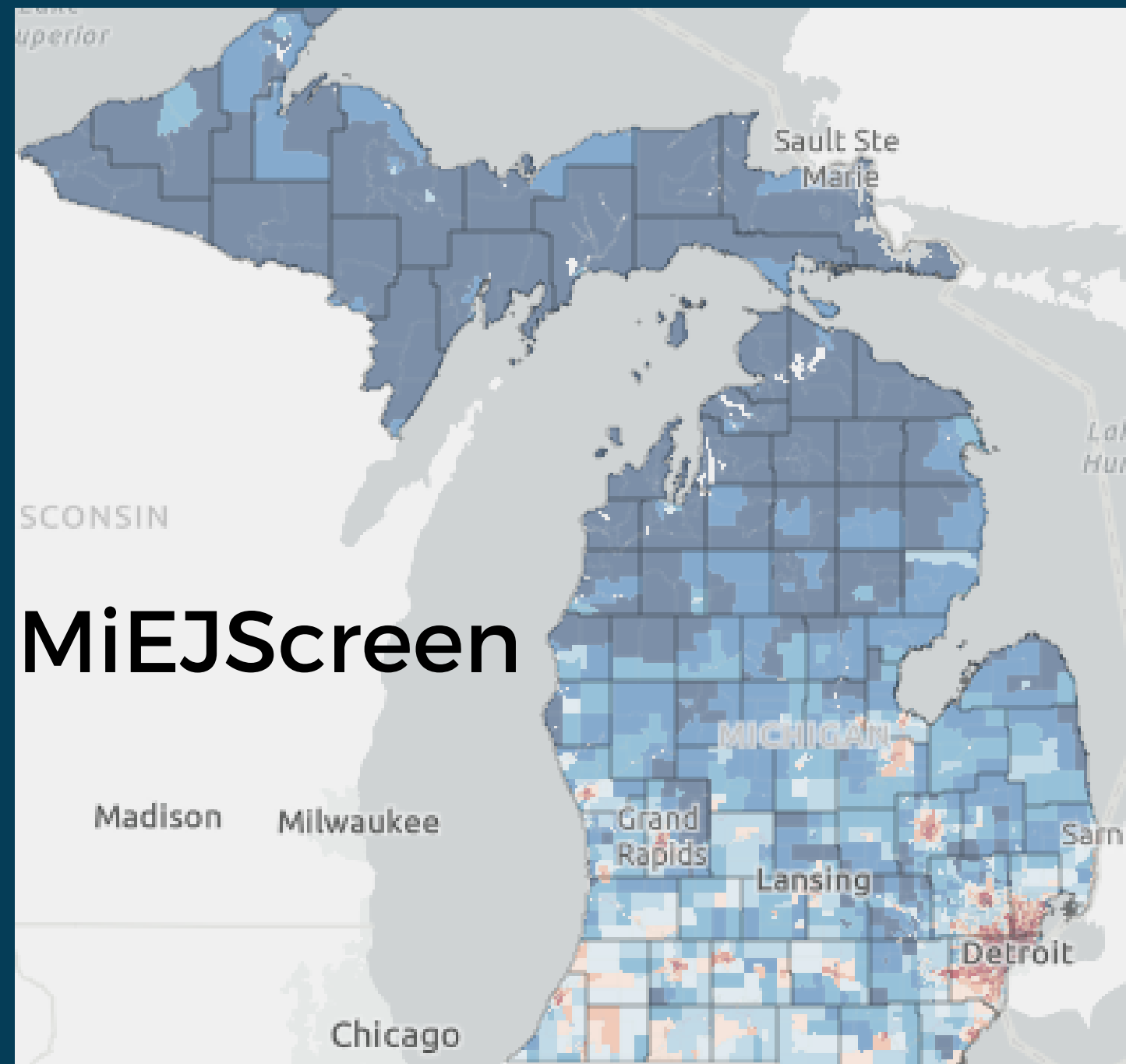
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**SCORING
CRITERIA**

- Criteria does not include EJ
- Has EJ Screening tool + needs to use it
- DAC definition uses poor low-income metric (MHI)
- Poor water affordability metric in DAC definition
- Scoring incentivizes regionalization + consolidation

SOLUTIONS FOR MICHIGAN

- Utilize EGLE's finalized MiEJScreen mapping tool to identify disadvantaged communities
- Improve socioeconomic metrics to focus on low-income populations (200% poverty instead of MHI)
- Follow EPA guidance + public input for equitable DAC + scoring criteria
- Remove incentives for consolidation + regionalization - good governance
- Provide additional outreach + TA to DAC + small communities



Pennsylvania

- Does not mention EJ in scoring
- Has an EJ Screening tool that is used only for DWSRF outreach
- Scoring incentivizes consolidation
- Uses MHI in DAC definition
- DAC definition is unclear to applicants
- DAC definition uses poor water affordability metric

The Issue: Small Communities

Small communities are less likely to receive DWSRF funding + many states approach this issue by giving DAC points to projects in small communities or requiring DACs to be a certain size.

Pennsylvania acknowledges that the DWSRF application process is a central barrier to access these funds and instead actively provides technical assistance and outreach to small communities.

New York



- Uses poor low-income metrics (MHI)
- Small population requirement
- Scoring incentivizes consolidation
- **Investor owned utilities qualify in DACs**
- **Does mention EJ in scoring**
- **Has an EJ Screening tool that is used in DAC scoring**

Illinois



- Uses poor low-income metrics (MHI)
- Small population requirement
- Scoring incentivizes consolidation + **regionalization**
- **Criteria doesn't include EJ**
- **Has an EJ Screening tool and needs to use it**

Ohio

- Does not mention EJ in scoring
- Does not have an EJ Screening tool
- Uses poor low-income metrics (MHI) for DAC definition
- Small population requirement
- Poor water + sewer affordability metric in DAC definition
- **Scoring incentivizes regionalization**
- **Investor owned utilities qualify in DACs**

Indiana

- Does not mention EJ in scoring
- Does not have an EJ Screening tool
- DAC definition uses poor low-income metrics (MHI)
- Points for small populations
- Poor water affordability metric in DAC definition

Wisconsin

- Does not mention EJ in DAC definition or scoring
- Has an EJ Screening tool in development and need to use it
- Poor water affordability metrics used (MHI based)
- **Points for small populations**
- **Scoring incentivizes regionalization + consolidation**

Minnesota

- Does not mention EJ in DAC definition or scoring
- Has an EJ Screening tool and needs to use it
- Poor water affordability metrics used (MHI based)
- **Unclear scoring system to applicants**
- **The Water Infrastructure Funding Program provides additional grants to DWSRF projects must prioritize DACs**

IMPROVING THE DWSRF



PRIORITIZING COMMUNITY INPUT + ACCESSIBILITY

The main water infrastructure funding program needs transparency and clarity. The public must demand a say in this process.



HISTORIC INVESTMENTS GO TO DACs

DWSRF programs must ensure that limited grant funding goes to disadvantaged communities.

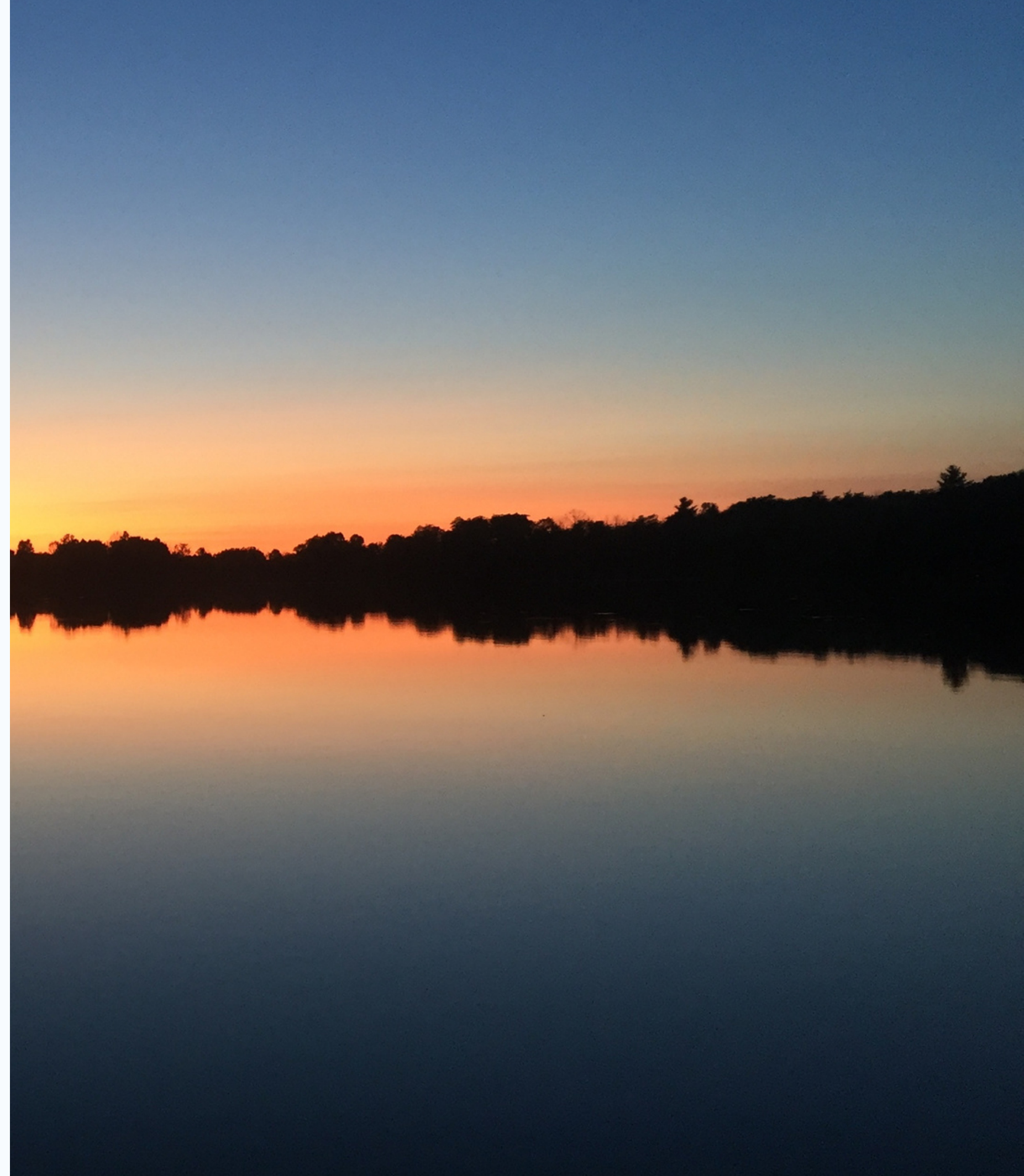


INCLUDING ENVIRONMENTAL JUSTICE

States must use EJ screening tools and account for environmental injustices explicitly in DWSRF criteria.

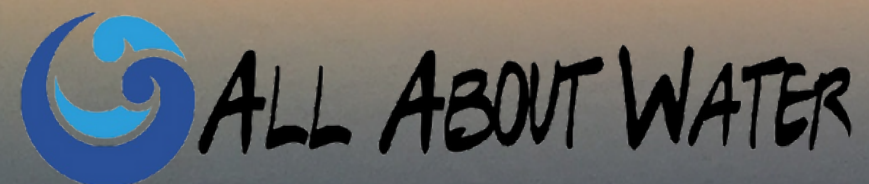
Advocate for justice in your DWSRF program!

Freshwater Future will be monitoring the GL states for important DWSRF updates and will facilitate actions + opportunities for you to use your voice!





Thank you!



Resources

- State by state DWSRF reports by Freshwater Future
- Want to know more about DAC definitions in each state? The Lawyers for Good Government did a deep dive
- EPA + State Technical Assistance Centers and programs
- Contact me or any of the FWF staff for more information!