

TAKE ACTION ON STATE WATER FUNDS

State revolving funds help keep water safe and affordable, but action is needed to ensure dollars reach those most in need.

Improve Pennsylvania's Drinking Water Funding Process!

Drinking Water State Revolving Fund (DWSRF) programs do not currently incorporate environmental justice and this is needed to ensure money reaches those that need it most due to legacy of pollution. Recent state changes to the DWSRF fall short of EPA's recommendations. This guide includes advocacy points that need improvement in Pennsylvania's DWSRF program, when the [draft IUP is released](#) - typically in June.

Problems and Solutions

Ensure affordability for customers of Investor Owned Utilities that receive DWSRF funds.

Private or investor owned utilities (IOU) currently qualify as disadvantaged communities - however, IOU's are different from public utilities as they are for-profit entities. Additionally, privatized water utilities are more likely to have unaffordable rates. Thus, when IOUs are able to receive state revolving funds it is important to have affordability measures in place. Such protections are not currently available.

Increase the transparency of the DWSRF application and PENNVEST process.

In particular, the financial capability analysis that the Pennsylvania Infrastructure Investment Authority (PENNVEST) uses to define a disadvantaged community does not allow a community to understand before they take on the extreme effort of applying to the DWSRF if they will be able to receive grant funding. Explicitly list the indicators, points, and calculations used to make this designation. Additionally, disclose what percentage of the funds are going to DACs in the form of principal forgiveness and label which projects in the priority list are DACs.

Replace Weak Criteria to Identify Disadvantaged Communities

Median Household Income (MHI) is a poor statistic to identify low-income populations that state revolving funds should target because MHI is easily influenced by some residents with higher incomes. Instead, DWSRF criteria should consider the percentage of a community's population that falls below 200% of the federal poverty level. This measure represents the actual number of low-income households in a community.

Scoring Criteria Does Not Protect Local Autonomy

Remove prioritization of consolidation and privatization projects and add protections for the rights of local people. Without protections, these processes can result in loss of revenue, property, and local power. Currently, both the community health priority rating and Economy of Scale concepts in the DWSRF prioritize consolidation projects. Yet, there are no safeguards in place to protect local oversight, governance, and ownership of assets. Moreover, the Economic Development additional rating factor prioritizes privatization. Both processes have been associated with increasingly unaffordable water. We believe that water quality and affordability must be achieved in tandem to truly protect public health.

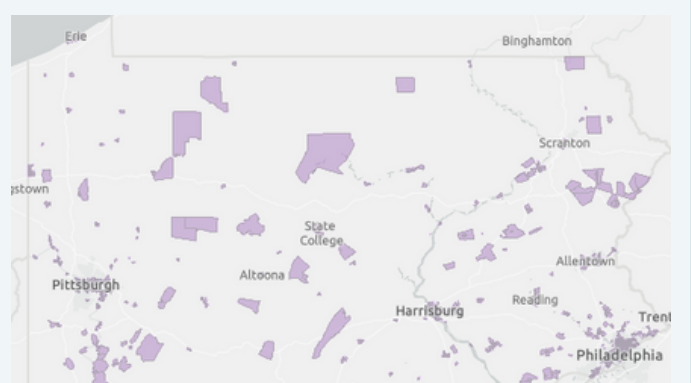
Award project scoring points for environmental justice to support prioritization for funds.

These points would be in addition to the distressed and financial capability analysis scoring. This priority rating should include clear point values associated with known environmental justice issues. For example, historic pollution or the presence of a combined sewer overflow.

Environmental Justice

Pennsylvania's DWSRF program does not meaningfully address environmental justice (EJ) conditions in the state. Yet, research has affirmed that existing environmental hazards and low-income populations in the community impact the need for water quality and affordability. EJ mapping tools can compile and visualize such data at the state-wide level.

Pennsylvania Department of Environmental Protection's Environmental Justice Areas Viewer [map](#) considers "minority populations" and federal poverty levels as indicators used to identify EJ areas. While EJ areas identified with this tool are prioritized for outreach for the DWSRF, they should also be considered disadvantaged communities and prioritized for technical assistance. Additionally, U.S. EPA's [EJSCREEN](#) map contains EJ Index indicators that could strengthen Pennsylvania's map.



The Environmental Justice Areas Viewer map shows EJ areas in purple across the state using data about low-income and minority populations. **View here:** <https://tinyurl.com/PAEJMAP>

If you have any questions, concerns, or want to know more, please reach out to Freshwater Future staff at info@freshwaterfuture.org or call (231)348-8200.