

## From Delaware Drinking Water State Revolving Fund IUP – 2023 ([Link](#))

### Disadvantaged Community (DAC) definition

A disadvantaged community is one that:

1. Meets the Affordability Criteria; or
2. Is identified by [EPA EJScreen](#) tool at 90% (USA) percentile or higher for Environmental Justice Indexes or for “Low Income” under the Socioeconomic Indexes; or
3. Is identified as disadvantaged by the [White House Climate and Economic Screening Tool](#); or
4. Is underserved.

### Affordability Criteria –

Income Data –

1.5 percent of MHI will be considered affordable for a single wastewater or drinking water residential user rates; 3.0 percent of MHI will be considered affordable for combined wastewater and drinking water residential user rates. Delaware’s affordability criteria accounts for existing system costs relative to Operations and Maintenance (O&M) and Capital, as well as proposed project O&M and Capital costs as a function of MHI (1.5 percent water or wastewater, 3.0 percent if both services are provided) for the project area. MHI is based on the most recent census data for the municipality or county. DWSRF loan applicants whose MHI is not representative of the census data may be required to provide documentation to obtain principal forgiveness or additional subsidization. Documentation will be in the form of a representative income survey of the majority of the residents of the project area.

Underserved –

As defined in SDWA section 1459A (emphasis added): “(2) INCLUSIONS.—The term ‘underserved community’ includes a political subdivision of a State that either, as determined by the Administrator— ‘(A) does not have household drinking water or wastewater services; or ‘(B) is served by a public water system that violates, or exceeds, as applicable, a requirement of a national primary drinking water regulation issued under section 1412, including— ‘(i) a maximum contaminant level; ‘(ii) a treatment technique; and ‘(iii) an action level.”

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In the PPL, you will find that borrowers may have been identified as DACs. If so, they will be demarcated using the identifier illustrated in **Figure 2**, which represents each of the four (4) components of the DAC definition.

**Figure 2: DAC Identifiers on Project Priority List (PPL)**

Disadvantaged Community Identifier
<b>A</b> = Affordability, pending final financial reviews
<b>E</b> = EPA EJScreen
<b>W</b> = White House Climate and Economic Screening Tool
<b>U</b> = Underserved

Each of the four (4) capitalization grants has additional subsidy (Ad Sub) requirements. In **Figure 3**, the anticipated totals are illustrated.

**Figure 3: Anticipated Ad Sub totals**

Additional Subsidy	
Name	Total
LSLR DAC	\$14,038,500
EC	\$7,640,000
Supplemental DAC	\$10,316,950
Base DAC	\$604,440
Base Congressional	\$705,180