

TABLE 1b – TRANSFER AMOUNTS: GENERAL SUPPLEMENTAL & EMERGING CONTAMINANTS

Award Year	DWSRF General Supplemental Grant Award	Reserved Transfer Amount	DWSRF Emerging Contaminants Grant Award	Reserved Transfer Amount
2022	\$8,816,080	\$2,909,306	\$7,555,000	\$2,493,150
2023	\$21,055,000	\$6,948,150	\$7,640,000	\$2,521,200
<b>Total Reserved Transfer Amount: \$14,871,806</b>				

## 2.2 Extended Financing Terms

As of June 1, 2023, the Utah Water Quality Board has authorized extended financing to three SRF recipients: Hanksville Town, North Logan, and Kane County Water Conservancy District. The Division of Water Quality estimates that the long-term impact of extended financing on the SRF program is less than a 1% revolving level reduction over 60 years. This estimate does not include an adjustment for inflation.

In cases of extreme hardship, the maximum affordable loan amount may not provide sufficient capital to cover project costs. In these cases, the Board would be requested to provide additional subsidization or hardship grant funds to make these projects feasible. Extended-term financing can increase the loan amount that a community qualifies for under the 1.4% median adjusted gross household income (MAGI) affordability guideline. The extended terms also benefit the SRF program by replacing an award of grant dollars with additional loan repayments, albeit in years 21-30.

## 2.3 Additional Subsidization

The FY23 capitalization grant may allow states to provide additional subsidization in the form of principal forgiveness and negative interest loans. A minimum of \$395,200 and a maximum amount of \$1,185,600 additional subsidization amounts will be outlined in the programmatic terms and conditions of the base award. The Water Quality Board may utilize the difference between the minimum and maximum additional subsidization amounts to refinance existing debt on projects which met CWSRF requirements at the time of construction. General supplemental awards require 49% additional subsidization. The additional subsidization amount for the FY23 supplemental award is \$5,381,670. The Water Quality Board uses principal forgiveness agreements as its mechanism for awarding additional subsidization.

Additional subsidy may be provided to disadvantaged communities, communities addressing water-efficiency or energy-efficiency goals, communities mitigating stormwater runoff, or to encourage sustainability. For the Water Quality Board to qualify a community as disadvantaged, the community must have a demonstrated hardship based on its cost of sewer service relative to 1.4% of the MAGI, unemployment, poverty level, or economic trends. Table 2: FY23 List of SRF Projects identifies those projects that may meet any additional subsidization requirement. However, the Water Quality Board may authorize principal forgiveness to additional projects presented for authorization during the year. The Water Quality Board is currently working on a process for targeting disadvantaged communities.