

Section 7: Disadvantaged Community Program

WIFA is committed to providing assistance to public water systems serving Disadvantaged Communities.

In June of 2022 WIFA revised the definition of disadvantaged community in WIFA Policy III.6 in response to EPA BIL Guidance. WIFA intends to provide 26% of the Base Capitalization Grant in additional subsidy as forgivable principal to communities (see table below). WIFA's Disadvantaged Policy also allows for extended term, reduced interest or a combination. Further, WIFA's Additional Subsidy Procedure (III.20.1) for drinking water projects allows for up to 100% forgivable principal for disadvantaged communities who are resolving public health threats and project costs are \$250,000 or less.

Table 2. Grant amounts, forgivable principal amounts, and forgivable principal eligibility

Grant	Grant Amount	% Available as Forgivable Principal	Dollar Amount of Forgivable Principal
FFY 2026 Base	\$6,721,000	26% (12% for disadvantaged)	\$1,747,460
FFY 2026 BIL – Supplemental	\$43,539,000	49% (only for disadvantaged)	\$21,334,110
FFY 2026 BIL – Lead Service Line*	\$0	49% (only for disadvantaged)	\$0
FFY 2026 BIL – Emerging Contaminant**	\$13,455,000	100% (25% for disadvantaged or community serving 25,000 persons or less)	\$13,455,000
Total	\$63,715,000		\$36,536,570

*WIFA is not applying for the BIL – Lead Service Line grant. WIFA may apply for the grant if additional projects are identified throughout the year.

**Includes re-allotment amounts from past Capitalization Grants

Section 8: Criteria and Methods for Distribution of Funds (Priority Setting Criteria)

Project Priority List and Fundable Range

- **Project Priority List (PPL):** On an annual basis, following a statewide solicitation for projects, WIFA develops a statewide priority list of projects. Projects are scored and ranked on the list based upon public health risk, SDWA compliance, current condition of the system, and financial need. Projects to address health advisories are a priority for DWSRF funding, as well as projects to address MCL exceedances. Additional points are added for projects that consolidate two or more public water systems or extend services to areas not currently served by a water system, and for projects that have water or energy efficiency components. Currently, WIFA's DW PPL has 33 applications totaling \$161,678,798 (see table below). WIFA anticipates a continued marketing and awareness campaign will raise the demand for financial assistance throughout the year. Staff are in discussions regarding several potential DW projects that may be added to the PPL during the year.
- **Fundable Range:** The Fundable Range includes the applicants ready to receive design or construction financial assistance. Projects are added to the Fundable Range as they become ready to proceed throughout the year.