

**DRINKING WATER CAPITAL PROJECTS
ADDITIONAL SUBSIDY FUNDING ELIGIBILITY CHART
FINANCING for FFY 2023+ IUP / SFY 2025+ PROJECTS**

DRINKING WATER PROJECTS (Total DWSRF loan principal forgiveness and/or State Water Supply Grant per fiscal year per applicant not to exceed \$1.5 million)

Fund Source	System Size/Project Type	Disadvantaged Community ²	All Others (Non-Disadvantaged Community)
DRINKING WATER STATE REVOLVING FUND PROGRAM	SMALL SYSTEM ¹	+ Up to 50% of loan amount as SRF loan principal forgiveness; maximum \$1.5 million per fiscal year per applicant + Balance of SRF loan @ 25% of Market Interest Rate with up to 40-year term (based on useful project life)	+ Up to 100% as SRF loan (no SRF loan principal forgiveness) + SRF loan @ 50% of Market Interest Rate with up to 30-year term (based on useful project life)
	LARGE SYSTEM	+ Up to 25% of loan amount as SRF loan principal forgiveness; maximum \$1.5 million per fiscal year per applicant + Balance of SRF loan @ 25% of Market Interest Rate with up to 40-year term (based on useful project life)	+ Up to 100% as SRF loan (no SRF loan principal forgiveness) + SRF loan @ 50% of Market Interest Rate with up to 30-year term (based on useful project life)
STATE WATER SUPPLY GRANT	SMALL SYSTEM ¹ NOT IN COMPLIANCE	+ Up to 87.5% of project cost as State Water Supply Grant; maximum \$1.5 million per fiscal year per applicant	+ Up to 25% of project cost as State Water Supply Grant; maximum \$1.5 million per fiscal year per applicant
	LARGE SYSTEM NOT IN COMPLIANCE	+ Up to 50% of project cost as State Water Supply Grant; maximum \$1.5 million per fiscal year per applicant	+ No State Water Supply Grant
	SMALL SYSTEM ¹ IN COMPLIANCE	+ Up to 50% of project cost as State Water Supply Grant; maximum \$1.5 million per fiscal year per applicant	+ No State Water Supply Grant
	LARGE SYSTEM IN COMPLIANCE	+ Up to 25% of project cost as State Water Supply Grant; maximum \$1.5 million per fiscal year per applicant	+ No State Water Supply Grant

¹ To qualify as a Small System, the project must benefit (serve) a current population < 10,000 AND that same benefitting (served) population must be responsible for the capital cost of the project.

² To be a Disadvantaged Community (DAC), either criteria a must be met OR at least 2 of the 4 criteria listed below as b thru e must be met:

- a) 50% or more of project cost or project scope serves, protects, or benefits an Environmental Justice or overburdened community as identified by a Socioeconomic Score of 75 or more using MDE's Environmental Justice Tracking Tool.
- b) Project is physically located in and benefits a community with MHI less than 80% of State MHI
- c) Project is physically located in and benefits a community with poverty level greater than 110% of State poverty level
- d) Project is physically located in and benefits a community with unemployment level greater than 120% of State unemployment level
- e) Project is physically located in and benefits a community with change in population < -1.2%.

In addition to above, where the water/sewer (as applicable) user rate would need to (and subsequently does) increase by more than 20% to achieve financial capacity (as determined by MDE), the Owner may qualify for up to 25% of the loan amount as loan principal forgiveness (not to exceed \$1.5 million per fiscal year per applicant), with balance as SRF loan @ 25% Market Interest Rate with up to 40-year term (based on useful project life).