

# SRFs & Affordability

(Webinar Hosted by River Network)



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# How do SRFs intersect with household-level affordability?

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The most obvious connection...

SRF assistance can reduce costs to all customers, as compared to other ways of financing infrastructure improvements

# How do SRFs intersect with household-level affordability?

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## SRF loans can require rate *increases* to pay back the loan

- Communities may be unable to accept “free money” if they need to finance remaining portion of project with SRF loans
- States can provide CWSRF funds to offset increases for low-income customers (in communities that do not meet “affordability criteria”)
- Local utility could pair rate increase with locally-funded affordability/assistance program

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## SRF “Affordability Criteria”

- States could consider water/sewer cost burden specifically for low-income households

## State authority to attach “strings” to SRF funds

- Reporting/transparency on affordability issues?
- Substantive requirements regarding affordability?

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## EPA Financial Capability Assessment Guidance

- “Financial *Alternatives* Analysis”

## Drinking Water Needs Survey & Clean Water Needs Survey

- States could use Needs Survey to gather data related to affordability

Utilities can use SRF funds to make cost-saving investments

# Contact:

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