



**Pennsylvania
Infrastructure Investment
Authority**



**Pennsylvania
Department of
Environmental Protection**

**Drinking Water State Revolving Fund Lead Service Line Replacement
Program:**

Amended Federal Fiscal Year 2025 Intended Use Plan

Comment and Response Document

INTRODUCTION

On March 7, 2026, the Pennsylvania Infrastructure Investment Authority (PENNVEST) and the Pennsylvania Department of Environmental Protection (DEP) published notice in the Pennsylvania Bulletin [56 Pa.B. 1397] of the availability for public comment on the Drinking Water State Revolving Fund Lead Service Line Replacement (LSLR) Grant Program Amended Federal Fiscal Year 2025 Intended Use Plan (IUP). A 30-day comment period was provided on the Amended FFY 2025 DWSRF IUP, and interested parties were directed to submit comments to DEP’s eComment system or by e-mail to ecomment@pa.gov. The comment period ended on April 6, 2026.

DEP and PENNVEST received comments and questions from one individual and organization during the comment period. The purpose of this document is to present DEP’s and PENNVEST’s responses to these comments and to explain how the comments were considered in finalizing the DWSRF amended IUP.

The name and, where available, address of individuals who submitted comments are identified in Attachment A. This document presents each comment received and identifies the commenter(s) by number in parentheses, corresponding to the list in Attachment A. Copies of all comments received during the public comment period are posted on the Department’s eComment website at <https://www.ahs.dep.pa.gov/eComment/>.

COMMENTS AND RESPONSES

Comments received on Amended DWSRF IUP

1. **Comment:** The commenter recommends that PENNVEST “include all projects, regardless of applicant readiness, in Pennsylvania’s comprehensive lists, and publish all quarterly PPLs for greater transparency regarding total program demand and applicant characteristics.” Federal law requires states to submit an IUP featuring a fundable list of projects expected to receive funds and a comprehensive list featuring future projects anticipated to receive funds. Pennsylvania limits its comprehensive list to projects meeting many administrative and technical readiness requirements, excluding less advanced inquiries. Additionally, while Pennsylvania issues quarterly PPLs to track funding, they are not easily accessible alongside standard DWSRF documents. The commenter also emphasizes the challenges they experience in using the Funding Tracker to assess total program data, noting difficulty in identifying the “full universe of projects applying to Pennsylvania’s DWSRF, whether it is projects that do not meet readiness requirements, or projects on the other quarterly PPLs.” In addition to including all projects in the PPLs, the commenter encourages PENNVEST to consider providing a “separate list for projects that have not demonstrated readiness to proceed... [and] publish and make all quarterly PPLs publicly available on its website where other DWSRF materials are published, and to highlight which projects, if any, are on the fundable lists in the following quarterly PPLs, to better be able to determine total program demand.” (1)

Response: The amended DWSRF PPL associated with quarterly PENNVEST Board Meetings will be posted alongside the EPA-approved DWSRF IUP documents. Similarly, the amended CWSRF PPLs associated with quarterly PENNVEST Board Meetings will be posted alongside the CWSRF IUP documents approved by EPA.

2. **Comment:** The commenter recommends that PENNVEST “consider leveraging Pennsylvania’s program to expand financial capacity and meet growing lead program demand... [and] provide additional support to communities in need of water infrastructure projects.” Pennsylvania should adopt a leveraging strategy—issuing bonds against the value of its revolving funds—to increase the pool of available loan

funds for LSLR projects. The commenter also noted that other states with established leveraging practices, such as New York, Ohio, and Texas, use this approach to offer more flexible loan terms, including lower interest rate tiers and increased principal forgiveness. **(1)**

Response: Thank you for the suggestions, PENNVEST will utilize this option as and when needed. PENNVEST funding for water improvement projects in the Commonwealth of Pennsylvania originates from a combination of state funds approved by voters, Growing Greener funds, Marcellus Legacy funds, the Infrastructure Investment & Jobs Act, federal grant awards to PENNVEST from the U.S. Environmental Protection Agency under the Clean Water Act and the Safe Drinking Water Act Amendments, and recycled loan repayments from previous PENNVEST funding awards. Every application that was administratively and technically complete has been funded since 2015.

3. Comment: The commenter recommends that PENNVEST “improve program transparency by providing clarity on policy decisions discussed in the IUP.” Some policy decisions within Pennsylvania’s IUPs currently make it difficult to analyze which communities secure their program benefits and limit the ability to identify improvement opportunities. The commenter encourages Pennsylvania “to increase program transparency by clearly communicating additional funding decisions. This includes, but is not limited to:

- While Pennsylvania’s IUPs specify that it has state funds that may be used for drinking water projects, and communication with the state has also clarified that some set-asides are allocated from state funds, we encourage the state to include additional information in the IUPs or Sources and Uses Charts about the total amount of state funds available that will be administered through the DWSRF.
- Clarify [the] readiness to proceed requirements, either in the Intended Use Plans or within **Attachment 1: Ranking Framework for PENNVEST Drinking Water Projects**, which is published separately from the IUPs.
- Clarify any funds unutilized from the previous funding cycle that are carried over into the subsequent IUP. Additionally, some states distinguish carryover funds by specifying which portions are allocated as principal forgiveness and which as general funds—a best practice that enhances program transparency.” **(1)**

Response: The amount of non-match state funding to support programs is included in the budget publicly adopted annually by the PENNVEST Board of Directors. The amount is not included in the IUP as the calendar for adopting the budget and the submission of the IUP do not align.

Regarding readiness to proceed, each DWSRF grant award made to PENNVEST has a limited project timeframe to use the funds. An administratively and technically complete application ensures the funds will be spent within that time frame avoiding risk of forfeiture. Technical completeness includes but is not limited to an approved environmental assessment or categorical exclusion, approved permits, and securing additional funds for a co-funded project. Basically, a project needs to be ready to go to construction within 180 days.

Regarding clarity about fund utilization, the PENNVEST Board schedules four project review and approval meetings for each fiscal year. The Board meets in January, April, July, and October to review and approve funding for projects. Grant and principal forgiveness amounts are made available equally across all four board meetings.

**ATTACHMENT A
LIST OF COMMENTERS**

- (1) Lauren Kwan, Environmental Policy Innovation Center, 7761 Diamondback Drive College Park, MD 20742