

DWSRF Guidance Document Number 11
Median Household Income Determination

Median Household Income (MHI) is used to determine interest rates for loans to municipal and private non-profit community water systems. The procedure for establishing MHI is detailed in 10 V.S.A. § 1624(b)(6), which authorizes the Secretary to determine the median household income of a municipality. The primary method for determining the MHI is through use of federal census data. The census data shall be adjusted for inflation beginning in the second year of availability of the data by increasing it four percent per year. When using census data for projects funded over multiple priority lists, the MHI used for the interest rate determination shall be the year in which construction funding was first awarded.

At the discretion of an applicant municipality, an income survey can be performed in lieu of the census data to establish the MHI. MHI shall be based on recommendations of an independent contractor hired by the municipality and approved by the Secretary. The determination of the Secretary shall be final. The following summarizes the allowable procedures for conducting and approving income surveys and the requisite record keeping.

The following guidance shall be used:

A. Survey Organization

- (1) Prior approval of the "independent" contractor is required. Exceptions must be justified by the applicant and approved by the DWSRF Project Specialist.
- (2) Organizations routinely conducting such surveys may be given a blanket approval to conduct such surveys.
- (3) DWSRF Project Specialist will be responsible for reviewing and approving organizations.

B. Survey Procedures

- (1) Survey procedure must be approved (advance approval is strongly recommended).
- (2) The survey procedure submittal shall include as a minimum:
 - (a) A copy of the survey form
 - (b) The method used to distribute form
 - (c) The method used to identify the appropriate surveyees
 - (d) The time allowed for surveyees to return the form
 - (e) The method used to collect the forms (who collects them and how)
 - (f) Follow-up procedures when forms are not returned
- (3) Organizations routinely conducting surveys may be given a blanket approval of procedure and only required to submit significant changes in standard procedure for review.

(4) DWSRF Project Specialist will be responsible for reviewing and approving procedures.

C. Acceptable Survey Response

(1) Standard Survey Response Requirement

- | | |
|--------------------------|---------|
| (a) < 50 households | 90% |
| (b) 50 - 170 households | 85% |
| (c) 170 - 250 households | 80% |
| (d) 250 - 500 households | 75% |
| (e) > 500 households | 66 2/3% |

(2) A percentage less than the standard may be allowed in unusual circumstances. Generally, it must be demonstrated that it would be highly unlikely that additional surveys would significantly change the survey result.

D. Survey Results Submittal

(1) Must be submitted to the WSD by the independent contractor

(2) Submittal must include:

- (a) Number of households in survey population
- (b) Number of responses
- (c) Dates of survey form distribution
- (d) Date survey considered complete
- (e) Median household income determination
- (f) Description of the geographic area surveyed (a map may be appropriate)
- (g) Statement that the survey forms will be maintained for a minimum of five years
- (h) Certification of the accuracy of the information provided
- (i) Attachment which lists the household incomes of the respondents in ascending or descending order (households should not be identified in any way)

E. Survey Approval

(1) By letter to water system with copy to contractor

(2) DWSRF Project Specialist will be responsible for reviewing and approving survey results.

(3) Income surveys are valid for 2 years.

Honorable Jim Douglas, Governor George Crombie, ANR Secretary Jeffrey Wennberg, DEC Commissioner

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