



State of Vermont
Intended Use Plan for the Drinking Water
State Revolving Fund
Federal Fiscal Year 2004



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August 2004

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1. Introduction

The 1996 Amendments to the Safe Drinking Water Act (SDWA) established the Drinking Water State Revolving Fund (DWSRF). The State of Vermont's allotment for the DWSRF is \$8,303,100 for Federal Fiscal Year (FFY) 2004. This money can be used for a wide variety of activities, including public water system infrastructure improvements, source water protection, and water system management enhancements.

The SDWA requires that each state prepare an Intended Use Plan (IUP) each fiscal year that details how the DWSRF money will be used. Once the IUP has undergone public comment, it is submitted along with other supporting documents to the regional United States Environmental Protection Agency (EPA) office. These various documents comprise the capitalization grant request for the DWSRF. While a wide variety of state agencies are involved in the process, the Water Supply Division (WSD) of the Department of Environmental Conservation (DEC) is responsible for preparing and submitting all of these documents. The WSD is also responsible for the implementation of the various policies and procedures that will be followed as part of the DWSRF, including the assurances and certifications contained in the capitalization grant request.

This intended use plan is for the FFY 04 funding of \$8,303,100 and a state match of \$1,660,620. Information is also provided on prior years' funds and progress in meeting short- and long-term goals in the annual report.

2. Short and Long Term Goals

2.1. Short Term Goals and Objectives

- 1) Secure the State's eighth capitalization grant to finance improvements for public water systems.
- 2) Administer a DWSRF program for projects that have been determined to be the highest priority to address contamination issues that pose the most serious risk to human health.
- 3) Provide loans to assist eligible public water systems listed in the IUP and priority list for projects to ensure compliance with the SDWA requirements and maintain and/or improve drinking water quality.
- 4) Provide loans to municipally owned and privately owned non-profit water systems with populations of fewer than 10,000 for conducting feasibility studies, preliminary engineering and final designs for water system improvements.
- 5) Provide loans to municipalities for purchasing land or conservation easements in order to protect public water sources and ensure compliance with drinking water regulations.
- 6) Promote capacity development by completing infrastructure improvement plans for small community water systems and schools through contracts.
- 7) Actively promote and pursue funding for all eligible systems, especially systems serving disadvantaged communities and systems with populations of fewer than 10,000 (small systems) that do not have adequate technical, managerial, or financial resources to come into or maintain compliance, and to provide safe drinking water.
- 8) Ensure that at least 15% of the DWSRF Project Fund Account provides loan assistance to small systems on an annual basis.
- 9) Continue the Vermont Source Water Protection Program.
- 10) Provide effective program management and resources to ensure the integrity of the DWSRF.
- 11) Coordinate DWSRF activities with enforcement activities of the State and EPA.
- 12) Continue implementation of the statewide strategy to improve capacity for existing public water systems and assure capacity for new public water systems.
- 13) Use DWSRF set-aside funding to provide the additional resources required to manage the Vermont Drinking Water Program.
- 14) Continue programs to encourage participation of small water systems in the loan program.

2.2. Long Term Goals and Objectives

- 1) Through effective management, provide a self-sustaining funding program that will assist public water systems in achieving compliance with the SDWA, maintaining the public health objectives of the SDWA, and ensuring the public has safe drinking water.
- 2) Maintain the fiscal integrity of the Drinking Water State Revolving Fund (DWSRF) and comply with generally accepted government accounting standards to assure continuance of loan funds for future generations.
- 3) Provide funding assistance to eligible public water systems for eligible projects associated with the improvement and maintenance of water treatment, storage and distribution facilities, and for consolidation or interconnection of water systems to improve service or develop capacity.

- 4) Use set-asides to improve source water protection and assessment efforts by providing technical and financial assistance.
- 5) Continue to update, develop, and implement administrative rules and guidance for carrying out the DWSRF program.
- 6) Continue to update, develop, and implement the capacity development strategy for existing systems.

3. Public Participation

The Water Supply Division recognizes that public participation and the persistent cultivation of stakeholder interests is an integral element in the development of an effective program. The public participation component in the development of this IUP is a continuation of previous comprehensive efforts. Public meeting locations are handicapped accessible. The WSD will continue to cultivate and encourage public participation in the development IUP. In brief, the procedure for public participation in the development of this IUP included the following notifications and meetings. Copies of the various public participation documents are in Section 8.

3.1. Notification of Application Form Availability

In January 2004, approximately 750 Vermont water systems, stakeholders, and consultants were notified by postcard (Section 8.1) that Priority List Application Forms were available on the Water Supply Division website or by calling the Water Supply Division. The application form with its attached instructions states that the provided information will be used to make preliminary determinations on project eligibility; project priority; water system financial, administrative, and technical capacity; and to determine loan lending rates consistent with Federal and State legislation. Completed priority list applications were due by April 9, 2004. Applicants were notified that a public meeting would be conducted by the WSD in order to obtain public comment on the project priority list and IUP. The public meeting was held on June 18, 2004.

3.2. Direct Contacts

Between January and April 2004, Water Supply Division staff and the project specialist from Northeast Rural Water Association (who is funded by a DWSRF set-aside) contacted the most needy and high priority water systems and encouraged them to apply to be included in the priority list. These contacts were primarily via phone.

3.3. Newspaper Advertisements

Placing an advertisement in the following newspapers and locations prior to the scheduled IUP meeting date provided public notice:

Burlington Free Press, Statewide,
Rutland Herald, Central and Southern Vermont,
Bennington Banner, Southern Vermont,
Newport Daily Express, Northern Vermont,
Caledonian Record, Northeastern Vermont,
Rutland Tribune, Central and Southern Vermont, and
Washington World, Central Vermont.

3.4. Public Meeting Notices

In May 2004, public meeting notices were mailed to approximately 750 water suppliers and stakeholders. Information in a very brief format was provided on a postcard (Section 8.3) identifying the following information:

- The IUP public meeting date, time, and location;
- Funding available for the plan;

- The proposed uses of the funds;
- That the use of the available money would be discussed at the meeting;
- The WSD return mailing address and toll-free telephone number in order to request a copy of the proposed IUP, and provide written comments; and
- The website address to access the draft IUP.

Additionally, letters were sent to all water system applicants wishing to get on the FY 2004 priority list and their consultants. The letter advised all applicants that a change was being made in the manner in which projects were ranked on the priority list in regards to continuing projects and new projects. All applicants were encouraged to attend this meeting. A more detailed discussion on this topic can be found in Section 7 Program Changes.

3.5. Public Meeting

A public meeting was held to discuss the IUP and obtain public comments on June 18, 2004, in Montpelier, Vermont. A total of 13 people, in addition to WSD staff, attended the meeting. The basic format of the meeting was a brief presentation on the draft IUP and then a question and answer period. Several handouts were available at the meeting including a form to provide written comments; extra copies of the draft IUP; and a calculation of each water system's priority points. Written record was made of the questions and answers and used to create the Responsiveness Summary, (Section 8.4) a summary of the verbal and written comments received during the public comment period. In some instances, the questions are edited for clarity and brevity. A file of all written comments is available for review at the Water Supply Division.

4. Financial Matters

4.1. State Match Provisions

Under the provisions of the Safe Drinking Water Act Amendments of 1996 (Section 1452(e)), each State is required to deposit in the DWSRF an amount equal to at least 20% of the total amount of the capitalization grant. This amount must be deposited on the date of, or before, receiving payments under the capitalization grant agreements. The State of Vermont's Capitalization Grant request for FFY 04 is **\$8,303,100**; therefore, the amount of state match funds required is **\$1,660,620**. The state match will come from funds appropriated through the Vermont State Capital Appropriations Bill for State Fiscal Year 2005 (H.767).

An additional one-to-one state match is also necessary for the State Program Management Set-aside. This match can be an in-kind match for money spent on PWSS work in FFY 93 and FFY 03 in excess of the required PWSS match. No more than 50% of the in-kind match can come from the excess FFY 93 money. The State of Vermont estimates that \$600,000 of excess state match will be spent on PWSS programs during FFY 04. Additionally, \$519,208 of FFY 93 state match funds have been previously approved by EPA as eligible to use towards the one-to-one state match for the Program Management Set-aside. This will provide a total of \$1,119,208 of match funds for the state program management set-aside. This IUP will use \$830,310 of these match funds. The State of Vermont will identify actual match funds based on the FFY 04 and FFY 93 expenditures and submit the appropriate documentation to EPA for approval at the end of FFY 04.

The State of Vermont identified \$1,081,895 of eligible in-kind match money based on FFY03 and FFY 93 excess expenditures for PWSS work in documentation submitted to EPA and approved by EPA on May 10, 2004.

4.2. Funding Breakdown

The State of Vermont will have a total of \$9,963,720 in new funds for the FFY 04 DWSRF Program. This includes \$8,303,100 in federal funds and \$1,660,620 in state match money. This amount is divided between set-aside activities and loans for water system facility improvements. Revolving fund interest earnings, loan repayments and uncommitted prior year revolving loan funds will be used to fund additional construction projects.

4.2.1. Set-asides

The State of Vermont does not intend to take the full amount of set-asides allowed for in the DWSRF Federal Guidance. If all the set-asides were maximized, they would consume approximately \$2.6 million of the \$8.3 million. Instead, the State is proposing to use \$1,911,356 (approximately 23% of the \$8.3 million or 19% of the \$9.96 million) of the DWSRF for set-aside activities. This will allow the State to fund a larger number of high priority infrastructure related projects. The set-aside activities are described in Section 6 of this IUP.

4.2.2. Facility Improvement Loans

The State is proposing to spend \$9,283,969 for construction-related projects. This includes \$8,052,364 of new funds and \$1,231,605 of interest, repayments and miscellaneous income. The 2004-2005 DWSRF Project Priority List (Section 9) identifies Anticipated Loan Recipients' projects with a total estimated cost of \$9,283,969. Additional projects on the priority list will be funded if more funds become available. Binding commitments have not been finalized for all prior year priority list projects and funds are being reserved for those projects that have current verbal and written funding commitments.

4.3. Payment Schedule

EPA requires a payment schedule for planning the obligation of federal funds. A federal payment is defined as an increase to the ceiling in the Automated Clearinghouse Payment System.

Each payment is for the beginning of each quarter with planned commitments to be made through the end of that quarter. Except for the set-aside payments taken the first quarter, each payment must be obligated within one year of the payment date, in accordance with the Safe Drinking Water Act Amendments of 1996.

Payment No.	Federal Fiscal Year		Amount (\$)
	Quarter	Date	
1	4 th quarter	7/04-9/04	\$1,911,356
2	2 nd quarter	1/05-3/05	\$1,000,000
3	3 rd quarter	4/05-6/05	\$1,000,000
4	4 th quarter	7/05-9/05	\$1,000,000
5	3 rd quarter	4/06-6/06	3,391,744
Total			\$8,303,100

4.4. DWSRF Disbursement Schedule

EPA requires an estimated disbursement schedule for planning the disbursement of federal funds. Below is the schedule for the new funding of \$8,303,100.

Disbursement Quarter	Amount
10/04 to 12/04	\$306,091
1/05 to 3/05	\$766,091
4/05 to 6/05	\$1,818,521
7/05 to 9/05	\$1,660,357
10/05 to 12/05	\$1,146,671

Disbursement Quarter	Amount
1/06 to 3/06	\$533,483
4/06 to 6/06	\$987,500
7/06 to 9/06	\$1,084,386
Total	\$8,303,100

4.5. Criteria and Method for Distributing Funds for Improvement

A list of projects requiring loans is maintained by the Water Supply Division and updated annually. This list plus additional information submitted by water systems was used to develop a Project Priority List (Section 9) of projects requesting loans during the federal fiscal year using the project priority system described in Section 5.

Projects with a total cost that does not exceed the estimated funds available for the priority list during the fiscal year (\$9,283,969 for 2004-2005) are identified as Anticipated Loan Recipients (ALR) on the Priority List. New funding plus the available balance of repayment and fund income will be used for the first 10 projects on the list and for \$460,399 of the Johnson Village project. Projects not identified as Anticipated Loan Recipients will be funded in priority order if funds become available during the year through the bypass procedure described in the Priority System section (Section 5.3.7) or with additional loan repayments and fund income received and excess funds available from prior year projects not completing loan applications by the September 30, 2004 deadline. The Anticipated Loan Recipients are those projects with the highest scores that comply with the following:

- As required in federal legislation, a minimum of 15% of the capitalization grant funds must be used for projects serving communities with populations of less than 10,000 persons (\$1,245,465 for 2004-2005). The Anticipated Loan Recipients (ALRs) are comprised of 10 small water systems and 1 water system serving more than 10,000 people. The list of ALRs includes \$7,283,969 for 9 projects that serve populations less than 10,000 persons.
- As required in Vermont legislation, funds for private systems cannot exceed 20% of the available funds (\$1,690,790 for 2004-2005). One private water system on the list for \$1,000,000 is included in the ALR portion of the list.
- As required in federal legislation, subsidies for disadvantaged communities cannot exceed 30% of the federal capitalization grant (\$2,490,930 for 2004-2005). The list of ALRs includes subsidies of approximately \$1,035,758 (including the subsidy for partial funding available for Johnson Village, \$41,572) for disadvantaged community projects.

State legislation provides specific guidance on loan interest rates and terms. The rates established for different types of loans in accordance with State and Federal requirements are outlined under the Program Description (Section 10). In addition, the preliminary loan rate determination for each project on the Project List is identified in Section 9.

4.6. Disadvantaged System

The State of Vermont recognizes the need to provide additional assistance to certain water systems beyond what the standard DWSRF construction loan program offers. The disadvantaged system program is intended to provide longer loan terms and principal forgiveness to water systems that have relatively low income and relatively high water user costs. Unlike the standard loan program, certain disadvantaged systems are eligible for debt forgiveness as a means of making a water improvement project affordable.

4.6.1. Community Water System Disadvantaged Program

A community water system is considered disadvantaged when *both* of two conditions are satisfied. First, the municipality in which the water system is located or the users of the water system must have a median household income (MHI) below the average of the community median household incomes of the state. Second, the water system must have an annual household water user cost greater than 1.0 percent of the median household income after construction of the proposed water supply improvements, or, if the MHI is at or above the state average of community MHIs, the water system must have an annual household water user cost greater than 2.5 percent of the median household income after construction of the proposed water supply improvements. The median household income of the system will either be taken from the most recent federal census data for the municipality or be determined from the area served by the water system based upon the data gathered by an independent contractor hired by the applicant water system. The water system has the option of choosing which method is used to determine the median household income although the Secretary shall make the final determination. The cost of the independent contractor may be included in the total project cost. The user cost of the water system shall take into account the monies needed to cover this project cost, prior drinking water projects, and the estimated annual operation and maintenance costs as determined by the Secretary. Disadvantaged municipally-owned water systems and privately-owned nonprofit community water systems that have an MHI below the state average are eligible to receive assistance in the form of principal forgiveness.

Projects will be ranked using the priority system. Based on preliminary information, estimated subsidies from the Disadvantaged System Program are included on the priority list. Disadvantaged systems are eligible to receive loans up to 30 years in length and receive interest rates of no more than plus three (+3) percent but not less than minus three (-3) percent. The interest rate cannot be less than that necessary to achieve the *target annual household user cost* of 1.0 percent of the median household income of the municipality in which the water system is located or of the users of the water system. To achieve the target annual household user cost, a mixture of debt forgiveness, standard DWSRF loan rates, and extended loan terms will be offered. First, disadvantaged systems will have the loan extended from 20 to 30 years provided that the funded project elements have a design life of at least the length of the loan term. If this action doesn't achieve the target annual household user cost, the interest rate will be incrementally reduced from plus three (+3) percent to zero (0) percent for systems that have an MHI at or above the state average to minus three (-3) percent for systems that have an MHI below the state average to achieve the *target rate*. If a disadvantaged system's user cost still exceeds the *target annual household user cost* after receiving the maximum debt

forgiveness, no additional forgiveness of principal will be granted.

The application of the disadvantaged system program will be based on the best available information when the Department of Environmental Conservation approves the loan application. All other subsidies obtained from other institutions that will reduce the project and user cost shall be considered when calculating whether a system is disadvantaged or not. The value of principal forgiveness for all loans cannot exceed 30 percent of the amount of the capitalization grant in any given year. If the full amount of principal forgiveness is met in any given year, any remaining projects eligible for the program subsidy can either receive standard project loans for that funding year or delay the project so they may avail themselves of disadvantaged program funding in the future. The Secretary shall make the determination whether to defer the project based on public health and other factors.

4.6.2. School Water System Disadvantaged Program

Public funding for schools in Vermont is controlled by the State to ensure that all Vermont children have equal access to resources for education through high school. The complicated system of state wide property tax, property tax rebates and local school district property tax sharing requirements make all municipally owned school water systems equally disadvantaged and discouraged from making needed water system improvements. All *municipally* owned public school water systems are eligible for loan principal forgiveness under the disadvantaged program.

Projects are ranked in accordance with the priority system. Loans for water system improvements to schools have a maximum term of 20 years and an interest rate of 3%. To make school system water projects more affordable, up to \$25,000 of the principal of a construction loan may be forgiven when the following conditions are met:

- 1) The system demonstrates capacity;
- 2) The system is in compliance with the Vermont Water Supply Rule including any temporary operating permit or other compliance schedule;
- 3) A Department of Environmental Conservation construction permit has been obtained and all conditions of the construction permit satisfied;
- 4) Competitive procurement procedures in accordance with ANR requirements were followed; and
- 5) A Professional Engineer or ANR staff has verified the completed work.

More detailed guidance on eligibility and procedures is provided in a Water Supply Division Guidance Document. The standard ANR procedures for obtaining a loan must be followed and the system will not be eligible for principal forgiveness if the 30% limit on loan subsidies has been utilized by projects higher on the priority list.

4.7. Financial Status of Drinking Water State Revolving Fund

As part of the Intended Use Plan, states must report on the financial status of the DWSRF. The first capitalization grant was awarded September 30, 1997. The status of the fund, effective July 1, 2004, is:

Current Loan Status	
Loans Awarded (88)	\$49,882,249
Loan Repayments (43)	(\$2,208,750)
Current Outstanding Loan Amount	\$47,673,499

Available Loan Funds (Unobligated Funds)	
Federal Funds (All Funds thru FFY03 Cap Grant)	9,325,693
State Match (Full Match thru FFY03 Grant)	2,353,960
Interest (at 7/1/04)	412,119
Loan Repayments & Miscellaneous (at 7/1/04)	2,208,750
Subtotal Available Funds thru FFY03	14,300,522
Anticipated FFY03 Cap Grant (available 10/1/04)	6,391,744
State Match to FFY03 Cap Grant (available 10/1/04)	1,660,620
Total Funds Available at 10/1/04	22,352,886

Actual and Anticipated Fund Commitments	
FFY 97 Priority List	\$ 12,621,414
FFY 98 Priority List	\$ 5,474,449
FFY 99 Priority List	\$ 7,543,868
FFY 2000 Priority List	\$ 7,680,131
FFY 2001 Priority List	\$ 9,500,816
FFY 2002 Priority List	\$ 8,400,590
FFY 2003 Priority List	\$ 8,824,450
Total Fund Commitments	\$ 60,045,718

Total Funds Available			
	Federal	State	Total
FFY 97 CAP Grant	\$ 10,399,392	\$ 2,511,760	\$12,911,152
FFY 98 CAP Grant	\$ 5,506,022	\$ 1,424,260	\$6,930,282
FFY 99 CAP Grant	\$ 6,045,972	\$ 1,492,760	\$7,538,732
FFY 00 CAP Grant	\$ 6,241,580	\$ 1,551,400	\$7,792,080

Total Funds Available			
FFY 01 CAP Grant	\$ 5,856,754	\$ 1,557,820	\$7,414,574
FFY 02 CAP Grant	\$ 6,264,100	\$ 1,610,500	\$7,874,600
FFY 03 CAP Grant	\$ 6,593,314	\$ 1,600,820	\$8,194,134
Subtotals	\$ 46,907,134	\$ 11,749,380	\$58,656,514
Interest Earnings (at 7/1/04)			\$412,119
Loan Repayments (at 7/1/04)			\$2,208,727
Miscellaneous Income (at 7/1/04)			\$23
Total Funds Available			\$61,277,323

The current funds available for the FFY2004 priority list are \$1,231,605 ((Total Funds Available (\$61,277,323) minus Total Fund Commitments (\$60,045,718)). Additional information on funding will be included in our annual report.

See Appendix 4 for a list of fund commitments projected at July 1, 2004.

4.8. DWSRF and CWSRF Transfer

The Safe Drinking Water Act Amendments of 1996 (Section 303) allow a state to transfer up to 33% of the DWSRF capitalization grant from the DWSRF to the Clean Water State Revolving Fund (CWSRF) or an equivalent amount from the CWSRF to the DWSRF. This transfer is at the Governor's discretion. Vermont does not intend to transfer any money between these funds, although the right is reserved to do so at a later date.

5. Priority Ranking System

The State of Vermont will use a point system to prioritize the order in which eligible water supply projects that are ready to proceed will be financed. To be eligible, projects must maintain or facilitate compliance with the drinking water regulations or further the protection of public health. The projects must also be needed and the proposed type, size and estimated cost of the project must be suitable for its intended purpose. Additionally, the water system must have or will have the technical, financial and managerial capability to operate the system in compliance with federal and state law, and the system must not or will not be in significant noncompliance with the regulations. Projects on the list should anticipate needing the estimated funding during the next year. Projects will be phased if appropriate. Projects for final design are expected to request proposals for engineering services prior to October 1st of the following year and projects requesting construction funds are expected to advertise for bids prior to the October 1st deadline.

Priority in funding will be given to projects that address the most serious risk to human health, are necessary to ensure compliance with the requirements of the Safe Drinking Water Act (SDWA) and the Vermont Water Supply Rule (WSR), and assist systems most in need according to State affordability criteria. Examples of projects that might meet these goals include repairing or replacing aged infrastructure (e.g., install or replace/upgrade treatment, storage, or transmission facilities), water system restructuring such as consolidation of systems, or management changes to ensure technical, managerial, and financial capabilities of the water utility. Projects not eligible include operation and maintenance costs, future growth, fire protection, and laboratory fees for monitoring.

Municipal projects to purchase land or conservation easements for the purpose of protecting public drinking water supplies and planning projects are also prioritized using this system. Separate priority lists will be maintained for each of the loan types.

5.1. Priority Ranking System Scoring Criteria

There are six criteria used to prioritize projects. The criteria used will be determined based on the loan fund used to fund the project. Criteria one through five (Section 5.1.1 through Section 5.1.5) will be used for the Revolving Loan Construction Fund and Planning Loan Fund and criteria 3 through 6 (Section 5.1.3 through Section 5.1.6) for the Source Protection Loan Fund.

The priority ranking system scores projects based on information submitted by water systems and from information in the WSD files. The seven criteria are:

- System facility deficiencies to be corrected by the project.
- Physical consolidation of water systems.
- Financial need/affordability.
- Population.
- Downtown center preference.
- Source protection.
- Security improvements.

Priority points assigned to projects are computed in the manner described below. Projects to

extend existing water systems or develop new water systems to replace contaminated non-public water sources are assigned points based on documented information on water facilities serving a majority of the homes to be served. Points for such projects are only awarded for System Facility Deficiencies (Criteria 1, Section 5.1.1) and must satisfy the EPA requirement of addressing significant threats to public health.

5.1.1. System Facility Deficiencies

The points assigned to each required improvement reflect the relative public health risk and compliance concern of the deficiency being corrected. Points are awarded for the deficiency corrected by the project that addresses the highest health risk and compliance concern, and represents a significant portion of the total project cost. The Secretary may phase projects for priority scoring purposes when more than one deficiency is being corrected, the associated costs of correcting each deficiency is significant, and the relative public health risk and compliance concern of the deficiencies are significantly different. Priority points are awarded for the following deficiencies:

- a. **Microbiological Contaminated Source, 120 points.** Project will replace a documented contaminated source.
- b. **Contaminants above MCL, 120 points.** Project will correct a deficiency resulting in water being delivered to consumers exceeding an MCL. This project may be a new source, replacement of contaminated equipment, piping, or treatment.
- c. **Unapproved source of water, 110 points.** Water system is routinely using a non Water Supply Division permitted water source that requires a boil water or do not drink advisory. The project may include a new source or approval of the existing unapproved source.
- d. **Action level above DOH and DEC established levels of concern for eight chemicals (benzene; carbon tetrachloride; vinyl chloride; dibromochloropropane (DBCP); 1,2 dichloroethane; 1,2 dichloropropane; hexachlorobenzene, and tetrachloroethylene), 100 points.** Points will also be awarded for other chemicals when DOH expresses a similar level of concern. Project may include new source, treatment or removal of contamination source.
- e. **Inadequate filtration performance, 100 points.** Documentation of inadequate performance should be available. This deficiency applies to filtration to control microbiological contamination or treatment to reduce an MCL contaminant. Inadequate filtration or other equipment to control secondary contaminants does not meet this criterion.
- f. **No treatment under influence of surface water, 95 points.** These points are awarded in those instances when a source has not been determined to be microbiologically contaminated; a) applies in those cases.
- g. **Inadequate chlorination or disinfection facilities, 95 points.** These points would be awarded to projects where water systems are required to continuously disinfect and maintain chlorine contact time. A project to provide equipment, controls or storage for the contact time could receive these points.
- h. **Daily or routine water shortages, 95 points.** These shortages should require either water conservation measures by customers, water hauling or use of an emergency source.

- i. **Lack of standby disinfection facilities, 90 points.** These points could be awarded for all community systems without these facilities and for NTNCs where bacteriological sampling or source risk assessment justifies a recommendation for such facilities.
- j. **Finished storage vulnerable to contamination, 90 points.** These points could be awarded to correct a deficiency such as a reservoir with a leaking roof or within a building that is not insect or rodent proof.
- k. **Lead and Copper corrosion control, 80 points.** These points may be awarded for treatment systems needed to correct lead and copper corrosion control problems.
- l. **Contamination below MCL, 80 points.** These points may be awarded if the project is being undertaken to treat or eliminate contamination of a regulated contaminant below an MCL.
- m. **Seasonal water shortages, 70 points.** These points may be awarded if a water system experiences water shortages seasonally requiring hauling or water conservation measures. Improvements may include new source, increases in pump sizes or mains or treatment facilities, or replacement of leaking water mains.
- n. **Routine pressure below 20 psi in distribution system, 70 points.** Points may be awarded if pressure falls below 20 psi regularly on a weekly basis. Project may include storage, pumping, source, distribution or transmission facilities.
- o. **Source vulnerable to PSOCs, 60 points.** Points will be awarded if project is being undertaken to eliminate potential sources of contamination of a water source.
- p. **Pressure under 20 psi during fire flow, 60 points.** Points may be awarded if pressures will drop below 20 psi in the distribution system during system expected fire flows. Project may involve storage, transmission, pumping or distribution facilities.
- q. **Redundancy of critical components, 50 points.** Points may be awarded if project will provide redundant facilities such as pumps, sources, storage or treatment facilities.
- r. **Iron, manganese, and other secondary contaminants, 50 points.** Points may be awarded if project will eliminate or minimize secondary contaminant problems. Project may involve replacement of piping, treatment facilities or new source.
- s. **Inadequate finished storage construction, 50 points.** Points may be awarded to replace or repair storage facilities. Routine operation and maintenance costs are not eligible.
- t. **Inadequate transmission main, 40 points.** Points may be awarded to repair or replace transmission mains. Routine operation and maintenance costs are not eligible.
- u. **Inadequate finished storage capacity, 40 points.** Points may be awarded to provide additional storage capacity.
- v. **Inadequate pumping facilities, 30 points.** Points may be awarded to replace or repair pumping facilities. Routine operation and maintenance costs are not eligible.

- w. **Lack of reserve capacity, 30 points.** Points may be awarded to provide system reserve capacity recommended by the Water Supply Rule. Project may include source, pumping, transmission mains or treatment facilities.
- x. **Inadequate cross-connection control, 30 points.** Points may be awarded to correct existing or potential cross-connection problems.
- y. **Inadequate distribution facilities, 20 points.** Points may be awarded to replace or repair distribution facilities. Routine operation and maintenance costs are not eligible.
- z. **Inadequate backwash, 20 points.** Points may be awarded to correct inadequate back wash facilities. Projects may include pumping, storage, and backwash disposal facilities.
- aa. **Routine distribution pressure below 35 psi, 20 points.** Points may be awarded if project will correct distribution system pressures below 35 psi. Project may include pumping, storage, or distribution facilities.

The following table summarizes the points available for water system facility deficiencies:

	Description of Water System Facility Deficiencies	Priority Points
a	Microbiological Contaminated Source	120
b	Contaminants above MCL	120
c	Unapproved source of water	110
d	Action Level reached for eight chemicals of concern to DOH and DEC (See above)	100
e	Inadequate filtration performance	100
f	No treatment under influence of surface water	95
g	Inadequate chlorination or disinfection facilities	95
h	Daily or routine water shortages	95
I	Lack of standby disinfection facilities	90
j	Finished storage vulnerable to contamination	90
k	Lead and Copper corrosion control	80
l	Contaminant below MCL	80
m	Seasonal water shortages	70
n	Routine pressure below 20 psi in distribution system	70
o	Source vulnerable to PSOCs	60
p	Pressure under 20 psi during fire flow	60
q	Redundancy of critical components	50
r	Iron and Manganese and other secondary contaminants	50
s	Inadequate finished storage construction	50
t	Inadequate transmission main	40
u	Inadequate finished storage capacity	40
v	Inadequate pumping facilities	30
w	Lack of reserve capacity	30
x	Inadequate cross connection control	30
y	Inadequate distribution facilities	20
z	Inadequate backwash	20

	Description of Water System Facility Deficiencies	Priority Points
aa	Routine distribution pressure below 35 psi	20

5.1.2. Physical Consolidation of Water Systems

The physical consolidation of small water systems is a major factor in the capability of small systems to protect public health and comply with Safe Drinking Water Act regulations. The following points will be awarded to projects that consolidate systems. Higher points are awarded to projects that will have a greater positive impact on compliance and protecting public health. Points are awarded for only one of the four sub-criteria. Points for this criterion are not awarded for projects primarily intended to extend existing or create new water systems.

Description (points received for 1 of the 4 areas only)	Priority Points
Consolidation of interconnection of community system lacking capacity	20
Consolidation or interconnection of community system	15
Consolidation or interconnection of NTNC systems	10
Consolidation of interconnection of TNC systems	5

5.1.3. Financial Need/Affordability

Affordability only considers income because it is the most fundamental predictor of a household's ability to pay and is represented by the *median community household income* statistic. Affordability is based on a comparison of state community median household income (SCMI) to the median household income (MHI) of the water system or of the town(s) in which the system exists. The SCMI figure is \$38,394 based on the 2000 federal census. For water systems that encompass more than one town, the MHI will be based on the weighted number of household connections in each town if the MHI is to be based on town figures. The formula for affordability involves first dividing the community of water system MHI by the SCMI (\$38,394), and then multiplying this figure by one hundred (100) to yield a percentage. Different percentage brackets are then assigned points. Points for this criterion are not awarded for projects primarily intended to extend existing or create new water systems.

Affordability (Community MHI/SCMI x 100 = X)	Priority Points
$X < 60$	35
$60 \leq X < 70$	25
$70 \leq X < 80$	15
$80 \leq X < 90$	10
$90 \leq X < 100$	5
$100 \leq X < 120$	2
$X \geq 120$	0

5.1.4. Population Criteria

Priority points will be assigned to the system based on population. Small systems are generally at a disadvantage because of economies of scale (affects ability to do physical improvements, improve system capacity, etc.); projects for small systems have a greater impact on protecting public health and compliance with regulatory requirements than projects for larger systems.

Population	Priority Points
0 to 100	20
100 to 200	15
200 to 300	10
300 to 500	5
500 to 3300	3
> 3300	0

The point values for population will be multiplied by a factor of 3 for the set-aside planning loan fund to give higher priority to small systems. Population used for assigning points will be total population served including seasonal population. Populations for unserved areas will be total estimated population of the geographical area to be served. Points for this criterion are not awarded for projects primarily intended to extend existing or create new water systems.

5.1.5. Downtown Area Preference

The points assigned for this factor will give minimal priority to projects that improve service to designated downtown areas.

Project improves service to a designated downtown area	5
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5.1.6. Source Protection - Loan Purchase or Conservation Easement Projects (only)

Sources must have an approved hydrogeologically delineated Source Protection Area and an approved Source Protection Plan prior to loan approval.

- a. Land location points are not additive. Points for the highest applicable improvement are counted.

Land Location	Priority Points
Project achieves isolation zone control	40
Project achieves primary recharge zone control	10

- b. Potential Sources of Contamination (PSOCs) addressed. Points are not additive, and are awarded for the highest applicable improvement.

PSOCs addressed	Priority Points
Project addresses microbiological PSOCs	20
Project addresses nitrate PSOCs	15
Project addresses primary inorganic or organic PSOCs	10

5.1.7. Security Projects

Projects receiving technical points “a” through “aa” above will be awarded the following additional points if the project includes security improvements. If the project is solely for security improvements, the following points will be awarded as technical points:

- ab. Security Improvements, 20 points. Points may be awarded if project will include security improvements to water system infrastructure. Project may include fencing and gates, alarm and detection systems, lock systems or other security type improvements necessary for critical infrastructure protection.

5.2. Refinancing of Existing Facilities

The DWSRF construction loan program may be used to buy or refinance municipal debt including all obligations for DWSRF eligible projects. Under federal law, privately owned systems (both profit and nonprofit) are not eligible for refinancing. The long-term debt must have been incurred and construction must have started after July 1, 1993 to be eligible for refinancing. *The use of DWSRF funds are intended to be first directed at proposed projects that address ongoing compliance problems or public health risks.*

State legislation allows for loans to systems that incurred debt and initiated construction after April 5, 1997 at interest rates and terms comparable to those for new projects. Projects that have initiated or completed construction in accordance with DWSRF environmental and procurement requirements will receive priority ranking using the procedure described for new projects for the next two annual priority lists compiled following the initiation of construction. All other applications to refinance existing debt or fund completed construction will not be considered.

5.3. Construction Loan Fund Priority List

The fund provides construction loans to municipalities and certain privately-owned water systems for planning, design, construction, and repairing or improving public water systems to comply with State and Federal standards and protect public health. The projects that are ready to proceed in the Federal fiscal year October 1 - September 30 are assigned points in accordance with the Priority Ranking system scoring criteria. Project funding is based on priority score and the following considerations:

5.3.1. Projects Partially Funded in Prior Year

Projects that received partial funding from the construction loan fund in the current state fiscal year are placed at the top of the priority list. If there is more than one such project, priority order of these projects will be determined by priority score. Partial funding includes final design and/or partial construction. *Planning and feasibility study loans are not considered partial funding.* The water system must have submitted a loan application and Water Supply Division funding commitments must be made prior to July 1st to receive this consideration; projects that have received in excess of \$ 2.5 million for construction costs are not eligible.

5.3.2. Commingling of New Projects with Continuing Projects

Continuing projects will be commingled with new projects receiving technical priority points in the categories a., b., and c. listed in Section 5.1.1, i.e., for a microbiological contaminated source, 120 points; contaminants above MCL, 120 points; and unapproved source of water, 110 points, respectively. New projects with technical points in one of these three categories will be commingled with continuing projects based on the total amount of points available for the project. The projects will be funded in priority order.

5.3.3. Tie Breaking Procedure

When two or more projects score equally under the project priority system, the higher total score under the system facility deficiencies criteria will be used as a tiebreaker. If the projects are still tied, the system serving the lowest population will be given priority.

5.3.4. Amendments

The state revolving fund priority list may be amended twice a year to consider updated or new information from water systems that have already been identified and ranked through the priority system public participation process and are listed on the Comprehensive Project Priority List. Amendments to the priority list will only affect the ranking of eligible projects; projects will not be removed from the Anticipated Loan Recipient category. A public participation process will be followed for any amendments to the priority list.

5.3.5. Funding Cap

All three loan funds have maximum annual funding limits. No more than the following amounts of funds available in any given year can go to a single project except when there is a surplus of funds, or the Secretary specifically approves an exception.

Loan Fund	Funding Cap
Construction Loan Fund	\$2,000,000
Source Protection Loan Fund	\$200,000
Planning Loan Fund	\$100,000

5.3.6. Bypass System

It is the intention of the state of Vermont to adhere to the priority list to the maximum extent possible. However, there are certain funding limits that could result in changes to the list. Also, the state recognizes that some systems may not be ready to proceed or emergency events could occur that would necessitate systems being bypassed in a given funding year. Anticipated Loan Recipients with a total cost of projects that does not exceed the estimated funds available during the fiscal year are identified in the Intended Use Plan.

5.3.7. Bypassed Projects

Bypassed projects in any given year may be eligible for funding in the next funding year. The projects will be considered for the following year's project priority list. Updated information on project plans and scheduling will be required. Projects that will be bypassed will receive formal written notification in advance of being bypassed.

Programs funded under the technical assistance and the local assistance set-aside will be used to assist bypassed systems with pre-project activities required for project approval and funding.

5.3.8. Bypass Mechanisms

5.3.8.1. Small Water Systems

A minimum of 15 percent of the DWSRF monies must go to systems serving fewer than 10,000 persons. Meeting this minimum funding requirement should not be a problem in Vermont since all but eight systems serve a population of fewer than 10,000 people. However to ensure compliance with this item, the projects on the list serving more than 10,000 people will be bypassed in any given year by the highest priority projects serving fewer than 10,000 people as necessary to meet the 15% funding requirement for the Anticipated Loan Recipients.

5.3.8.2. Private Water Systems

A maximum of 20 percent of the available funds can go to privately owned water systems. If necessary, privately owned water system projects on the list will be bypassed to comply with the 20% limitation for Anticipated Loan Recipients.

5.3.8.3. Financial Capacity or Readiness

Systems that have not demonstrated financial capacity (e.g., positive bond vote) or are not ready to proceed (i.e., do not meet schedules approved by the Department of Environmental Conservation such as feasibility and engineering studies, final design, construction or signed agreements) may be bypassed in any given funding year. In general, projects requiring bond votes with fund commitments will be bypassed if there is not a positive bond vote by April 1st of the funding year. When project(s) not meeting the eligibility guidelines are bypassed, the highest priority project(s) not identified as Anticipated Loan Recipients will become eligible for funding utilizing the monies made available. In general, new funding commitments will not be made after July 1st of the funding year. Any uncommitted funds identified after July 1st will be used to fund projects on the following year priority list.

5.3.8.4. Disadvantaged Community

Disadvantaged communities can elect to be bypassed if they are not able to receive principal forgiveness because the 30 percent annual maximum has been reached. The highest priority project(s) not identified as Anticipated Loan Recipients will then be selected for funding up to the dollar amount allocated to the bypassed project. Lack of funding does not alter the obligation of the bypassed system to comply with the SDWA and WSR regulatory requirements.

5.3.8.5. Emergencies

Systems either on or off the Priority List that experience an emergency resulting in an imminent and substantial threat to the public health may bypass all other projects and may be assigned top priority. Emergency additions to the Priority List will result in the lower priority projects identified as Anticipated Loan Recipients being bypassed.

The number of projects bypassed will depend upon the amount of funds needed to cover the emergency. Projects that may be required to address such a health risk could involve installation of treatment facilities, construction of a new water source, or replacement of a failed system element.

5.4. Planning Loan Fund

The planning loan fund provides loans up to \$100,000 to municipalities and privately owned non-profit community water systems (other privately owned water systems are not eligible) for preparation of preliminary engineering planning studies and final engineering plans and specifications for water system improvement projects. Priority list applications for planning loans may be submitted at any time for projects that are ready to proceed. Proposed projects that are ready to proceed are assigned points in accordance with the priority ranking system scoring criteria and available funds are used to fund the projects with the highest scores. Initial funding commitments for new funding will be made based on priority list applications received on or before October 1st. Additional projects are funded in priority order as funds become available. A total of \$225,000 of planning loan funds will be reserved for funding projects later in the year. At the beginning of each quarter (January 1st, April 1st, July 1st), \$75,000 of this \$225,000 will be made available. Water systems are given 60 days to submit loan applications following notification of available funds. Additional time to submit applications based on a project schedule approved by the Water Supply Division may be authorized by the DWSRF Program Manager. *Expenditures by the applicant prior to fund commitment by the Department are not loan eligible.*

5.4.1. Planning Loan Forgiveness

Under certain circumstances up to \$50,000 of the unpaid balance of a planning loan to a *municipality* may be forgiven by the Secretary. Potentially eligible preliminary engineering and design cost forgiveness will be determined by DEC using DEC guidance documents (Engineering Fee Allowance Curve) and the completed documented construction cost eligible for revolving loan funds. The forgiveness criteria may be modified in the future based on operating experience. Procedures and eligibility criteria for planning loan forgiveness are detailed in a Water Supply Division guidance document.

5.4.1.1. General Eligibility Criteria

- 1) The system must demonstrate capacity.
- 2) The system must be in compliance with the Water Supply Rule including any temporary operating permit or other compliance schedule.
- 3) The system must be current on fee payments.
- 4) A construction permit must be issued and the requirements must be satisfied including O&M manual and as-built requirements.
- 5) The loan funding agreement must be signed following the effective date of legislation authorizing loan forgiveness (June 16, 2001).

5.4.1.2. Specific Eligibility Criteria

Projects must meet at least one of the criteria below to qualify for forgiveness.

- 1) Construction of the project was completed using non-Drinking Water State Revolving Loan Funds (DWSRF) and the project did not receive other state

- appropriated funds for project costs.
- 2) If the project serves a small population, the maximum forgiveness shall be \$25,000. Projects for systems serving populations of 300 or fewer shall receive 100 percent of eligible forgiveness. The percent eligible for forgiveness for systems serving 300 to 500 populations shall be reduced by 0.5% for an increase of one in the design population. Systems serving populations of 500 and above will not be eligible for any forgiveness under this criterion.
 - 3) User rates exceed 2% of the median household income. The amount of forgiveness will be determined by increasing the forgiveness until the 2% target, the \$50,000 maximum, or the amount of the unpaid balance is reached. The annual planning loan cost to the municipality will be determined using construction loan terms and interest rates for DWSRF funded projects.

5.5. Source Protection Fund

The source protection fund provides loans to municipalities (privately-owned water systems are not eligible) for purchasing land or conservation easements in order to protect public water sources and ensure compliance with drinking water regulations. Priority list applications for land purchase or conservation easement projects may be submitted at any time for projects that are ready to proceed. The proposed projects are assigned points in accordance with the Priority Ranking System Scoring Criteria; projects are funded in priority order when funds become available. Water systems are required to submit a project schedule for approval by the Water Supply Division within 30 days of notification of available funding.

6. Information on Set-asides

The State of Vermont plans to set aside \$1,911,356 (23%) of the Capitalization Grant for various non-construction related activities that are authorized in the Safe Drinking Water Act Amendments of 1996. These activities are often vital to water systems so that they can develop and maintain the financial, technical, and managerial capacity to run their system effectively. Some of the set-aside money will be used to develop and implement programs within state government necessary to implement the DWSRF and the SDWA Amendments of 1996.

The SDWA provides for a variety of guidance on the use of the set-aside money. The set-aside money will be placed in separate accounts outside the Project Fund. The SDWA allows for transfers between the set-aside accounts, and from the Set-aside Account to the Project Fund Account, but not from the Project Fund Account to the Set-aside Account. The set-aside amounts and Project Fund amounts are the current best estimates of the funds required to complete the programs and projects described in the IUP. Transfers of funds between accounts and projects in accordance with EPA requirements will be made as necessary to accomplish the programs and projects described and efficiently and effectively use the available funds. The SDWA limits the percentage of capitalization grant that can be used in each of these set-asides and whether the set-aside funds can be “banked” or reserved for future use.

6.1. DWSRF Administrative Set-aside

Up to 4% of the capitalization grant can be used for the DWSRF Administrative Set-aside. The full 4%, \$332,124, will be taken for the various uses described below. The maximum 4% administrative set-aside has been taken each year. Expenditures are made from the earliest fiscal year funds available. The total of administrative funds set-aside to date is \$2,691,988, including the FFY 2004 funds. Expenditures from this account through June 30, 2003 are \$2,151,027.

This set-aside will be used to pay for approximately 1.3 FTEs within the Water Supply Division and fund the associated operating costs. These FTEs are responsible for the preparation and public participation of the IUP and grant applications. They also manage the day-to-day operations of the DWSRF, including reviewing contracts, ensuring that state and federal guidelines are followed, monitoring and approving fund obligations, environmental reviews, project approvals, etc.

Funding for approximately 1.7 FTEs and associated operating costs will be utilized by the Facilities Engineering Division to support their roles in the DWSRF. The Facilities Engineering Division will be responsible for a variety of tasks, including, but not limited to loan application processing, preparation of loan documents, maintaining project financial records, approving loan disbursements, completing project audits, inspections, managing loan closeouts, monitoring loan repayments, and managing compliance with Federal Cross-cutting Authorities.

As part of the financial administration required by Vermont Statute and federal guidelines, set-aside funds will be used for financial administration of the DWSRF. This money will go to other state agencies or authorities in accordance with Memoranda of Understandings contained in the FFY 97 Capitalization Grant Application and subsequently amended.

6.2. State Program Management Set-aside

The state is requesting \$830,310 for the Program Management Set-aside. The State Program Management Set-aside can be used to fund a variety of SDWA required programs, including emergency support and various PWSS programs. This year's Program Management Set-aside funds will be used to initiate and continue funding three different activities, along with personnel costs.

6.2.1. Health Department Support

Amount - \$20,000

Description - These funds will be used by the Vermont Department of Health for water system supervision activities. Most of the funds will be used to pay costs associated with public water system evaluations, included with food and lodging inspections. A Memorandum of Understanding defines the activities that will occur with this funding.

6.2.2. Water Supply Division Personnel Costs

Amount - \$660,310

Description - The money will provide funding for approximately 8.44 FTEs and associated operating costs. Duties of the FTEs include capacity development, consumer confidence report assistance, adoption and implementation of new regulations, implementation of new and existing federal rules, source water assessment and protection, planning, outreach, data management, engineering and construction supervision, compliance supervision, and other drinking water program activities.

6.2.3. Emergency Support

Amount - \$10,000

Description - These funds are used for costs associated with emergency response necessary to protect public health. State statute provides that disbursements may be made to collect and analyze samples of drinking water, hiring contractors to perform or cause to be performed infrastructure repairs of a public water system, hiring certified operators to perform operational activities at a public water system, providing or causing to be provided bottled or bulk water for a public water system due to problems with quality or quantity, or both.

6.2.4. SDWIS State

Amount - \$140,000

We will continue to work on the development of using EPA's SDWIS-State as our database for all public water system information. The funding will be used to improve and develop database components and reports using contracts.

6.2.5. Continued Activities Using Prior Year Funds

A number of programs described and funded under the prior IUPs are still active but do not require additional funding this year. These include Water Supply Division - Owner/Operator communications, group training and one-on-one assistance, legal assistance, Public Service Board assistance, board member - owners manual, consolidation study, cross connection control manual, and the source water protection program. If

limited additional funding is required for some of these programs, funds will be transferred between the various program management set-aside activities.

6.3. Small Systems Technical Assistance Set-aside

The State of Vermont has chosen to take the allowed 2% of the DWSRF for the Small Systems Technical Assistance Set-aside and continue activities initiated with the FY 97 Capitalization Grant. The FFY 04 funds available for this set-aside are \$166,062. This will be combined with the funds remaining from previous grants for technical assistance to develop the work plan. Any monies remaining in this set-aside account beyond FFY 04 will be used to continue funding these activities in future years.

As part of providing water systems with the necessary assistance to develop and maintain financial, managerial, and technical capacity, the Water Supply Division will use a contract(s) to provide non-regulatory assistance directly to water systems along with specialty services associated with environmental documentation required for construction projects. Prior to last year, this work was completed under a grant to Northeast Rural Water Association. Last year, the capacity and environmental documentation work was placed out to bid using a Request for Proposals and a contract was issued to continue to the work.

A continuing initiative without any new funding is the pilot program for alternative treatment technologies for naturally occurring contaminants at small public water systems. This initiative was establishing in the FFY 03 IUP for grants or contracts for piloting various treatment technologies to assist small systems in determining economically and technically feasible treatment technologies.

6.4. Local Assistance and other State Program Assistance Set-asides

States are authorized to take up to 15% of the capitalization grant for this set-aside. The authorized activities under this set-aside include a land acquisition and conservation easement loan program, a voluntary source water quality protection efforts loan program, establishment and implementation of a wellhead protection program, and technical and financial capacity implementation. No more than 10% of the capitalization grant can be used for any one of these authorized activities. The State of Vermont is requesting to take \$582,860 for this set-aside.

DWSRF Local Assistance Set-aside Summary***					
Local Assistance Set-aside Activity	Previous Funding	Current Year Funding	Total	Expended as of 6/30/03	Unexpended as of 6/30/03¹
Capacity Program Activities (Newsletter & Technical Assistance)	\$0	\$40,000	\$40,000	N/A	N/A

¹ Plans for use of unexpended funds are included in work plans; some of these funds are committed in grants, contracts, or loans committed to activities described in previous work plans.

DWSRF Local Assistance Set-aside Summary***					
Local Assistance Set-aside Activity	Previous Funding	Current Year Funding	Total	Expended as of 6/30/03	Unexpended as of 6/30/03¹
Planning Loans	\$ 2,009,000	\$225,000	\$ 2,234,000	\$1,285,608	\$948,392 ²
Source Protection Loans	\$834,000	\$0	\$834,000	\$203,196	\$630,804
Small System Eng. Evaluations & related activities	\$685,000	\$150,000	\$835,000	\$284,556	\$550,444
Capacity	\$82,540	\$83,930	\$166,470	\$61,926	\$104,544
Wellhead Protection Program	\$0	\$83,930	\$83,930	N/A	N/A
Totals	\$3,610,540	\$582,860	\$4,193,400	\$1,835,286	\$2,234,184

6.4.1. Source Protection Loan Program

The Source Protection Loan Program was established with FFY 98 funds to make loans to municipal water systems to purchase land or conservation easements in order to protect public water sources and ensure compliance with state and federal drinking water regulations. FFY 98 funding for this program was \$534,000. This program is described in detail in the program description section of this document and the administrative details are included in the work plan included with the FFY 98 EPA grant application. Additional funding totaling \$200,000 was provided with the FFY 00 and FFY 01 EPA Grants. Loans have been made to fund three source protection projects, for a total of \$203,196. There is a balance of \$654,584 in this account for future projects. The State of Vermont does not intend to take any FFY 04 funds for this activity.

6.4.2. Planning Loan Program

The Planning Loan Program was established with FFY 98 funds to make planning loans to municipally owned water systems serving populations of fewer than 10,000. The program was expanded to provide loans for both planning and final design and to authorize loans to owners of non-profit privately owned community water systems in October 2001. This program is part of the state capacity development strategy to provide assistance to small systems with feasibility studies, planning, and preliminary designs in order to comply with state and federal standards and protect public health. Under certain circumstances up to \$50,000 of the unpaid balance of a planning loan to a municipality may be forgiven by the Secretary. Criteria for forgiveness are described in detail in Section 5.4 and in a Water Supply Division guidance document. This program is described in detail in the Program Description Section of the IUP and the administrative details are included in the work plan included with the FFY 98 EPA grant application.

² These accounts may have repayments and interest earnings. These are the uncommitted balances as of July 1, 2004, plus FFY 2004 funding.

FFY 98 funding for this program was \$534,000, FFY 99 funding was \$300,000, FFY 00 funding was \$200,000, FFY01 funding was \$500,000, FFY02 funding was \$250,000, and FFY03 funding was \$225,000. The State of Vermont is requesting to increase available funds in this account by \$225,000 to \$2,234,000 with this grant. Current planning loan commitments are listed below.

DWSRF Loan Number	Water System	Loan Amount
WPL-003	Waitsfield	\$138,750
WPL-007	Milton	\$25,000
WPL-008	Fair Haven	\$6,700
WPL-009	Middlesex	\$20,310
WPL-012	Barre	\$57,000
WPL-014	Westfield FD # 1	\$46,000
WPL-016	West Rutland	\$21,000
WPL-017	Colchester FD # 2	\$19,000
WPL-018	Greensboro FD # 1	\$75,000
WPL-019	Alburg	\$89,000
WPL-020	North Hero	\$38,850
WPL-021	Saint Johnsbury	\$36,000
WPL-022	Proctor	\$12,000
WPL-023	Richmond	\$25,000
WPL-024	Danville	\$92,000
WPL-025	Deep Rock FD # 8	\$33,480
WPL-026	Newport City	\$85,900
WPL-027	Berlin	\$14,784
WPL-028	North Hero	\$34,900
WPL-029	Milton FD # 1	\$25,000
WPL-030	Jericho-Underhill	\$22,000
WPL-031	Ludlow	\$59,000
WPL-032	Brewster-Pierce School	\$3,500
WPL-033	Alburg FD 1	\$27,800
WPL-034	Putney	\$100,000
WPL-035	Newbury	\$21,720
WPL-036	Norwich FD 1	\$24,135
WPL-037	Plainfield	\$10,500
WPL-038	Mettawee Comm. Sch.	\$7,750
WPL-039	Waterville FD 1	\$35,000
TOTAL		\$ 1,207,079

6.4.3. Small System Engineering Evaluations

A Small System Engineering Evaluation Program to develop technical capacity for small systems was implemented with FFY 99 funding. Several contracts have been awarded to

engineering firms to prepare Small System Engineering Evaluations. The Small System Engineering Evaluations include a replacement schedule for major system components, cost estimates, evaluation of consolidation with other systems, and evaluation of potential compliance issues identified through sanitary surveys or other means by the Water Supply Division. The Small System Engineering Evaluations was described in detail in the FFY 99 Intended Use Plan under the Facility Improvement Plan Program. An additional \$250,000, was provided with the FFY 00 grant to complete small system engineering evaluations for school systems and additional community systems serving populations under 500. An additional \$135,000 was provided with FFY 01 grant funds to continue this program and for special studies. The special studies have included money for contracts to provide on-site technical assistance to surface water systems. An additional \$150,000 was provided with FFY 02 grant funds to continue this technical assistance program and complete engineering evaluations for systems serving populations under 500. In FFY 03, no additional funds were requested for this activity. In FFY 04, 150,000 in additional funds are requested for the evaluations and contract work.

If funds are available, evaluations may be completed for larger systems. Some of these funds may be used to complete special studies using a contractor that impact or may impact a number of water systems, such as, studying pilot treatment options for regulatory compliance, material or replacement options, or adequacy of existing materials and/or equipment. An estimated \$50,000 may be used for these purposes.

6.4.4. Capacity Implementation

6.4.4.1. Capacity Position

Amount - \$83,930

In the FFY 03 IUP, the State funded approximately 1.09 FTE and associated costs as part of our capacity implementation program. We are proposing to continue funding for this at \$83,930.

6.4.4.2. Newsletter

Amount - \$20,000

Description - The Water Supply Division publishes a newsletter approximately three times a year to improve communications and provide timely information to owners/operators and stakeholders as part of our capacity program. The newsletter has a distribution list of over 3000 entities and is posted on the Division's web page, www.VermontDrinkingWater.org.

6.4.4.3. Technical Assistance

Amount - \$20,000

This component of the Capacity Program is used to provide engineering technical assistance to water systems with operation and maintenance problems, DWSRF loan applications, preparation and review of technical assistance agreements, and review of technical work products. This assistance, provided through contracts was initiated with FFY 2000 set-aside funding and will be continued with an additional \$20,000.

Assistance is generally provided based on the date of the request. Establishment of a priority system for this assistance has not been required to date. However, if a priority system becomes necessary the following factors will be major considerations:

1. DWSRF Priority List Status.
2. System Ownership (Municipal, Private Non-Profit, Private Profit).
3. System Type (Community, NTNC, TNC).
4. System Size (Design Population).
5. Permanent Occupants.

6.4.5. Wellhead Protection Program

As a newly funded project, we are also proposing to fund a position and associated costs to continue to implement our Source Water Protection Program for groundwater sources (e.g., a wellhead protection program). This program includes the review and approval of Source Protection Plans, creating and reviewing Source Water Assessments, reviewing Source Protection Plans as part of the Phase II/V waiver review process, and outreach and assistance on source protection. The funding for this program is \$83,930.

6.5. Summary of DWSRF Set-asides for FFY 2004

DWSRF Set-asides for FFY 04		
Set-aside	Funds Available	Grant Request
Administration (4%)	\$332,124	\$332,124
Technical Assistance (2%)	\$166,062	\$166,062
Program Management (10%)	\$830,310	\$830,310
Local Assistance (15%)	\$1,245,465	\$582,860
Totals	\$2,573,961.00	\$1,911,356.00

DWSRF Set-asides Summary					
Set-aside	Previous Funding	Current Year Funding	Total	Expended as of 6/30/03	Unexpended as of 6/30/03 ³
Administration	\$2,359,864	\$332,124	\$2,691,988	\$2,151,027	\$540,961
Technical Assistance	\$1,174,932	\$166,062	\$1,340,994	\$827,615	\$513,379
Program Management ⁴	\$4,214,878	\$830,310	\$5,045,188	\$2,351,777	\$2,693,411
Local Assistance	\$4,085,915	\$582,860	\$4,668,775	\$2,311,023	\$2,377,752
Totals	\$11,835,589	\$1,911,356	\$13,746,945	\$7,641,442	\$6,125,503

³ Plans for use of unexpended finds are included in work plans; some of these funds are committed in grants, contracts, or loans committed to activities described in previous work plans.

⁴ Vermont has reserved the right to take additional program management funds from future grants. (FFY97 - \$1,155,880; FFY 98 - \$592,130; FFY99- \$226,380; FFY00 - \$275,700; FFY01 - \$48,910; FFY 03 - \$177,410 = \$2,476,410)

7. Program Changes

7.1. Change in Definition of Disadvantaged Municipality

State legislation passed this year that expands the definition of disadvantaged municipality to include those communities with a median household income (MHI) at or above the state average, which are proposing improvements that would result in an annual user cost greater than 2.5 percent of the community median household income. Municipal loan applicants that meet this criterion would be eligible for a loan term of up to 30 years and an interest rate between 0 and 3 percent. This change only applies to municipal projects. The WSD will revise relevant guidance documents explaining how this change will be used in determining loan rate and terms.

7.2. Security Points

Additional points have been awarded for security projects included in DWSRF funded construction projects during this funding period. Please see Section 5, Priority Ranking System, for specific information on priority points for security aspects of projects.

7.3. Changes in Project Priority Ranking System

In developing the FY 2004 project priority list, it was discovered that available funding was not sufficient to fund all continuing projects on the list. Additionally, the Water Supply Division (WSD) felt it was necessary to be able to make funding available for new projects that have been identified since last year's priority list was developed. With this in mind, it was necessary to develop an equitable, revised project priority ranking method including both new projects and continuing projects.

Six potential options to address this situation were discussed at the June 18, 2004 public meeting in Montpelier. Those options included: do nothing; set a total funding limit for continuing projects; commingle new projects with continuing projects based on total points; commingle new projects with continuing projects based on technical points; consider projects with higher technical points as emergency projects; and redefine continuing projects as those having received construction funding, and not those having received only final design funding. No written comments were received on this topic from water system owners or consulting engineers.

The WSD decided to include those new projects receiving 110 or 120 points for the technical aspect of the project being undertaken, and commingling these with continuing projects. The technical priority points under discussion come from categories a., b., and c. listed in Section 5.1.1, i.e., for a microbiological contaminated source, 120 points; contaminants above MCL, 120 points; and unapproved source of water, 110 points, respectively. New projects with technical points in one of these three categories will be commingled with continuing projects based on the total amount of points available for the project. All projects will be ranked using total project points, and funded in priority order.

Using this method results in six new projects being commingled with continuing projects. The new projects are Waterville FD 1, Notchbrook Subdivision, Newport City, Leicester Central School, Middletown Springs School and Marshfield. These projects have technical deficiencies including bacteriological contamination (120 points), arsenic and uranium contamination (120

points), and an unapproved source of water (110 points, and on boil notice).

8. Appendix 1: Public Participation Documents

8.1. Request for Priority List Applications Form

VERMONT DRINKING WATER STATE REVOLVING FUND Request for Priority List Applications

The 1996 Safe Drinking Water Act (SDWA) amendments authorized low interest loans using federal and state funds administered by the State for water system improvements. Funds for loans to municipalities and certain privately owned water systems for planning, final design and construction, repairing or improving public water systems to comply with State and Federal standards and protect public health will be available.

A list of projects (in priority order) to be funded during the period October 1, 2004 through September 30, 2005 is now being developed. If you would like an application form for your water system improvement project to get on the priority list, please call the Water Supply Division at 1-800-823-6500. Additionally, a copy of the form can be found and completed online on the Water Supply Division website at <http://www.anr.state.vt.us/dec/watersup/capacity.htm>.

New or updated previously submitted applications are required. Completed applications must be returned to the Water Supply Division before close of business on Friday, April 9, 2004. We plan to have a draft priority list available by Friday, May 14, 2004. A public meeting to receive comments on the draft priority list, and the 2004 Vermont Intended Use Plan will be held on Friday, June 18, 2004, 1:00 P.M. to 4:00 P.M. in the Pavilion Auditorium in Montpelier, Vermont. Final written comments will be due by Wednesday, June 30, 2004. Our goal is to submit the final draft of the 2004 Priority List and Intended Use Plan to the United States Environmental Protection Agency by August 1, 2004.

If you have questions about completing the application form or the loan program in general, please contact David Allerton toll-free in Vermont at 1-800-823-6500, direct at 1-802-241-3400, by fax at 1-802-241-3284, or by email at david.allerton@anr.state.vt.us. We look forward to assisting you with your water system improvement needs.

8.2. Letter of Intent



**VERMONT DRINKING WATER STATE REVOLVING FUND
LETTER OF INTENT
DEPARTMENT OF ENVIRONMENTAL CONSERVATION
PRIORITY LIST APPLICATION
FOR**

Vermont
Water Supply
Division



**WATER SYSTEM IMPROVEMENT PROJECTS, INCLUDING:
PLANNING, DESIGN, CONSTRUCTION, LAND PURCHASE OR CONSERVATION EASEMENTS FOR SOURCE WATER
PROTECTION**

(PLEASE SEE ATTACHED INSTRUCTIONS FOR COMPLETING THE FOLLOWING **SECTIONS**)

1. WATER SYSTEM NAME		WSID Number
2.		2.
CONTACT PERSON – Authorized Representative to make commitments for organization.		
3. NAME:		4. TITLE:
5. MAILING ADDRESS:		
6. TELEPHONE:		7. FAX:
8. E-MAIL:		
9. Ownership Type: <input type="checkbox"/> MUNICIPAL <input type="checkbox"/> HOME OWNERS ASSOCIATION <input type="checkbox"/> INDIVIDUAL <input type="checkbox"/> PUBLIC SCHOOL <input type="checkbox"/> PRIVATE SCHOOL <input type="checkbox"/> CORPORATION OTHER (explain):		10. Financial Status: PROFIT <input type="checkbox"/> NON-PROFIT <input type="checkbox"/>
11. If private Non-profit, is the organization tax-exempt? YES <input type="checkbox"/> OR NO <input type="checkbox"/>		

PROJECT COSTS & FUNDING SOURCES		
12. ESTIMATED TOTAL PROJECT COST: \$	14. LIST OTHER FUNDS FOR PROJECT	AMOUNT
13. ESTIMATED DWSRF PROJECT LOAN: \$	a.	\$
15. BASIS OF ESTIMATE:	b.	\$

PROJECT SCHEDULE		
16. TARGET APPLICATION DATE FOR THIS LOAN:	17. TARGET BOND VOTE DATE:	18. TARGET CONSTRUCTION START DATE:

19. PROJECT DESCRIPTION FOR THE PURPOSE OF THIS LOAN

LOAN WILL INCLUDE (see instructions)		
A) FEASIBILITY STUDY/ PRELIMINARY ENGINEERING <input type="checkbox"/>	B) FINAL DESIGN <input type="checkbox"/>	C) CONSTRUCTION <input type="checkbox"/>
D) LAND PURCHASE <input type="checkbox"/>	E) CONSERVATION EASEMENT <input type="checkbox"/>	F) CONSOLIDATION OF A WATER SYSTEM <input type="checkbox"/>
20. ESTIMATED LOAN AMOUNT FOR THE PURPOSE(S) IDENTIFIED ABOVE: \$		

21. BRIEFLY DESCRIBE ANY WORK ALREADY DONE ON THE PROJECT (e.g. feasibility studies, preliminary engineering, design or construction.)



System Improvement Information

PLEASE CHECK THE LETTER OF ALL THAT APPLY. Points are only awarded for the technical deficiency corrected which addresses the highest health risk and compliance concern, and represents a significant portion of the total project cost.

- A. Microbiological Contaminated Source, 120 points.** Project will replace a documented contaminated source.
- B. Contaminants above MCL, 120 points.** Project will correct a deficiency resulting in water being delivered to consumers exceeding an MCL. This project may be a new source, replacement of contaminated equipment, piping, or treatment.
- C. Unapproved source of water, 110 points.** Water system is routinely using a non Water Supply Division permitted water source that requires a boil water or do not drink advisory. The project may include a new source or approval of the existing unapproved source.
- D. Action level above DOH and DEC established levels of concern for eight chemicals (benzene; carbon tetrachloride; vinyl chloride; dibromochloropropane (DBCP); 1,2 dichloroethane; 1,2 dichloropropane; hexachlorobenzene, and tetrachloroethylene), 100 points.** Points will also be awarded for other chemicals when DOH expresses a similar level of concern. Project may include new source, treatment or removal of contamination source.
- E. Inadequate filtration performance, 100 points.** Documentation of inadequate performance should be available. This deficiency applies to filtration to control microbiological contamination or treatment to reduce an MCL contaminant. Inadequate filtration or other equipment to control secondary contaminants does not meet these criteria.
- F. No treatment under influence of surface water, 95 points.** These points are awarded in those instances when a source has not been determined to be microbiologically contaminated; a) applies in those cases.
- G. Inadequate chlorination or disinfection facilities, 95 points.** These points would be awarded to projects where water systems are required to continuously disinfect and maintain chlorine contact time. A project to provide equipment, controls or storage for the contact time could receive these points.
- H. Daily or routine water shortages, 95 points.** These shortages should require either water conservation measures by customers, water hauling or use of an emergency source.
- I. Lack of standby disinfection facilities, 90 points.** These points could be awarded for all community systems without these facilities and for NTNCs where bacteriological sampling or source risk assessment justifies a recommendation for such facilities.
- J. Finished storage vulnerable to contamination, 90 points.** These points could be awarded to correct a deficiency such as a reservoir with a leaking roof or within a building that is not insect or rodent proof.
- K. Lead and Copper corrosion control, 80 points.** These points may be awarded for treatment systems needed to correct lead and copper corrosion control problems.
- L. Contamination below MCL, 80 points.** These points may be awarded if the project is being undertaken to treat or eliminate contamination of a regulated contaminant below an MCL.
- M. Seasonal water shortages, 70 points.** These points may be awarded if a water system experiences water shortages seasonally requiring hauling or water conservation measures. Improvements may include new source, increases in pump sizes or mains or treatment facilities, or replacement of leaking water mains.
- N. Routine pressure below 20 psi in distribution system, 70 points.** Points may be awarded if pressure falls below 20 psi regularly on a weekly basis. Project may include storage, pumping, source, distribution or transmission facilities.



- O. Source vulnerable to PSOCs, 60 points.** Points will be awarded if project is being undertaken to eliminate potential sources of contamination of a water source.
- P. Pressure less than 20 psi during fire flow, 60 points.** Points may be awarded if pressures will drop below 20 psi in the distribution system during system expected fire flows. Project may involve storage, transmission, pumping or distribution facilities.
- Q. Redundancy of critical components, 50 points.** Points may be awarded if project will provide redundant facilities such as pumps, sources, storage or treatment facilities.
- R. Iron, manganese, and other secondary contaminants, 50 points.** Points may be awarded if project will eliminate or minimize secondary contaminant problems. Project may involve replacement of piping, treatment facilities or new source.
- S. Inadequate finished storage construction, 50 points.** Points may be awarded to replace or repair storage facilities. Routine operation and maintenance costs are not eligible.
- T. Inadequate transmission main, 40 points.** Points may be awarded to repair or replace transmission mains. Routine operation and maintenance costs are not eligible.
- U. Inadequate finished storage capacity, 40 points.** Points may be awarded to provide additional storage capacity.
- V. Inadequate pumping facilities, 30 points.** Points may be awarded to replace or repair pumping facilities. Routine operation and maintenance costs are not eligible.
- W. Lack of reserve capacity, 30 points.** Points may be awarded to provide system reserve capacity recommended by the Water Supply Rule. Project may include source, pumping, transmission mains or treatment facilities.
- X. Inadequate cross-connection control, 30 points.** Points may be awarded to correct existing or potential cross-connection problems.
- Y. Inadequate distribution facilities, 20 points.** Points may be awarded to replace or repair distribution facilities. Routine operation and maintenance costs are not eligible.
- Z. Inadequate backwash, 20 points.** Points may be awarded to correct inadequate back wash facilities. Projects may include pumping, storage, and backwash disposal facilities.
- AA. Routine distribution pressure below 35 psi, 20 points.** Points may be awarded if project will correct distribution system pressures below 35 psi. Project may include pumping, storage, or distribution facilities.

Security Projects. Projects receiving technical points A through AA listed above, will be awarded the following additional points if the project includes security improvements. If the project is solely for security improvements, the following points will be awarded as technical points.

- AB. Security Improvements, 20 points.** Points may be awarded if project will provide security improvements to water system infrastructure. Project may include fencing and gates, alarm and detection systems, lock systems or other security type improvements necessary for critical infrastructure protection.

Please return this application to: Water Supply Division
 DWSRF Program
 103 South Main Street
 Waterbury, VT 05671-0403

Questions? Please call us at 1-800-823-6500 or 1-802-241-3400, and visit our website at
<http://www.anr.state.vt.us/dec/water sup/capacity.htm>
 for loan applications and information



PRIORITY LIST APPLICATION INSTRUCTIONS

This application is for use by all water systems and for various types of projects. Some questions may not be appropriate for your particular water system, or the choices for your response may not be complete. Please use attachments if necessary to adequately respond to specific questions.

Assistance in completing the application is available from: David Allerton, Water Supply Division, 1-800-823-6500 or Elizabeth Walker, Northeast Rural Water Association, (802) 660-4988

- 1-2. Self explanatory.
- 3-8. Name of individual and contact information of a person (Authorized Representative) that will have authority to furnish information, data and documents pertaining to the project. Please include the title to the water system, i.e., Chair of Prudential Committee, Town Manager, Principal, etc.
- 9-11. Ownership Type – check the type of organization that owns the water system.
Examples: Municipality, Homeowners Association, Individual, Corporation, Public School District, Private School, etc. Ownership Financial Status: List profit or non-profit and if non-profit are you tax-exempt.
12. Please provide the estimated total project cost to plan, design and construct the improvements.
13. Estimate the loan amount that will be requested from the State of Vermont DWSRF for the total project (planning, design and construction).
14. List other sources of available funds for the project. The total funds identified for this item (14) plus the total loan amount (item 13) should equal the total project cost estimate (item 12).
15. Basis of Cost. Some examples include: a) Engineer's estimate; b) Feasibility study; c) Operator estimate; d) Construction bids; e) Previous construction costs; f) Actual costs (with short term financing); g) Option to purchase land or easement.
- 16-18. Self explanatory.
19. Project Description. Please provide a brief description of the project. Some examples include:
a) Replace 1,000 feet of transmission main; b) Replace 500 feet of water distribution main;
c) Construct 10,000 gallon storage tank; d) Install standby chlorination and 50,000 gallon storage tank; e) Purchase land or obtain easement for source protection; f) improvements necessary for security protection of critical infrastructure. (A detailed description of need for land purchase or conservation easement should be provided which identifies potential sources of contamination addressed including their location relative to the water source.)
20. Self explanatory.
21. Briefly describe work completed to date. Some examples include: a) Preliminary Engineering complete; b) Bond Vote passed; c) Construction bid documents complete; d) Property/rights of way obtained; e) Project under construction; f) Permit to Construct obtained; g) Construction complete (with short term financing); h) Option to purchase easement or land obtained.
- 22-23. Self explanatory.
24. Enter current number of service connections, e.g., a 20-unit apartment building is 20 connections; a four-bedroom house is one connection.
- 25-26. Self-explanatory.
- 27-28. Self-explanatory.
29. For systems serving non-residential users i.e., schools, businesses, etc., these organizations are often assigned a specified number of equivalent units for billing purposes. Please list the total number of equivalent units used for billing purposes. For example, a system may serve 50 homes and a school; the school may be considered equal to 10 homes. The total number of equivalent units would be 60.
- 30-36. Self explanatory.



8.3. Postcard Announcing Public Meeting

VERMONT'S INTENDED USE PLAN FOR THE DRINKING WATER STATE REVOLVING FUND

The Vermont Water Supply Division is inviting you to help us determine how to spend the fiscal year 2004 Drinking Water State Revolving Fund of approximately \$9.9 million dollars on drinking water infrastructure, source water protection, and water system capacity assistance. The Draft Intended Use Plan (IUP) includes the FY 2004 Priority List for construction projects proposed for funding. One public meeting will be held to discuss the IUP. The location and date for this meeting is:

Friday, June 18, 2004, 1:00 to 4:00 P.M., Pavilion Building Auditorium, 109 State Street, Montpelier, VT 05602, 1-802-828-3314

Please attend this informational meeting to discuss the IUP. If you would prefer to provide written comments, please send them to: Water Supply Division, DWSRF Program, 103 South Main Street, Waterbury, VT 05671-0403. Written comments are due by Wednesday, June 30, 2004.

If you have questions or would like to see a copy of the Draft IUP, please contact the Water Supply Division, DWSRF Program, toll-free in Vermont at 1-800-823-6500, or direct at 1-802-241-3400. Additionally, a copy of the Draft IUP may be viewed on our website at <http://www.vermontdrinkingwater.org/capacity.htm> after June 1, 2004

8.4. Responsiveness Summary

Comments were made verbally during the public meeting in Montpelier on June 18, 2004. The comments have been edited and consolidated for brevity and clarity. In addition, verbal or written comments were received (i.e., letter, fax, phone, or email) during the public comments period. The Water Supply Division has a file available to the public that contains the notes from the public meetings and written comments received during the public comment period.

8.4.1. Verbal Comments Received during the Public Meeting

Question	Response
Which water systems will be funded from '03 funds but are on '04 list?	We anticipate funding the following projects from the FY 2003 priority list, but have included them on the FY 2004 priority list in case they are delayed: <ol style="list-style-type: none"> 1. Dummerston School 2. Williamstown 3. Rutland Town FD 6 (9) 4. Guilford School
Do you see over the next five years that there will be level funding from EPA?	We hope and expect that the federal share will continue to be in the eight million dollar range, but there are no guarantees.
Where does the "pay back" funding show up in the IUP?	Loan repayments are not reflected in the grant amount, but are taken into consideration in the total amount available to loan out to systems. This is reflected in Section 4.7 of the IUP.
We [Vermont] receive only 1% of the federal amount is there any way to increase that?	EPA uses a formula to calculate how much each state receives. According to the formula, we [VT] should receive less than 1%; however, federal law requires that all states receive at least 1%. Currently we do not see the percentage going up.
How do you get the loan process started?	We recommend that you contact the state-funded position at NeRWA, or David Allerton at the WSD for assistance with the loan process.
When does funding from one year to the next get carried over?	October 1 st .
Clarify fund sharing between RD [USDA Rural Development] and DWSRF.	The joint funding process was discussed. Additional information can be found in Appendix 3, Section 10, Program Description.
Can joint funding be done with the Vermont Municipal Bond Bank similarly as is being done with USDA RD?	The WSD will check into this.
Can funding be shifted from the Clean Water SRF into the DWSRF?	There is a provision for this to occur; however the CWSRF is currently using all of their funding for projects also.

Question	Response
<i>A discussion was facilitated on the funding of continuing projects.</i>	
The dialogue from the discussion and comments received at the public meeting resulted in the revised priority list ranking system discussed in Section 5.3.2. No written comments on this subject were received during the public comment period.	

8.4.2. Summarized Written Comments Received

- Q1. The City of Barre has requested the state consider adding a new water main construction project into the DWSRF funded project that they are already on the list for.
- A1. The project description and cost has been revised to include water system related costs associated with the North Main Street Improvement Project (to be performed in conjunction with Vtrans), for a total project cost of \$2,525,000. The City of Barre has acknowledged their understanding that the DWSRF is limited to \$2,000,000 in funding per funding cycle.
- Q2. The additional points for security improvement lumps all security work (form the simplest to the complex) into one category. The state may want to better define the minimum security improvement needed to qualify for additional points.
- A2. This is a new point category that was proposed to be added last year. While there is the possibility for a very small security improvement to receive an apparent disproportion number of points, the state wants to reward those systems who are installing security measures as part of their project and unfortunately, we lack the resources to provide a review that would match complexity of security improvements to a range of points. We will evaluate how these points are awarded during subsequent IUPs to determine if it is being used appropriately.

9. Appendix 2: Comprehensive Priority List and Anticipated Loan Recipients for DWSRF Construction Loans

The following Project Priority List is a comprehensive list of projects for water systems which have indicated a need for a DWSRF loan prior to September 30, 2005. Projects are listed in descending priority order and are selected for funding based upon their priority list standing. Anticipated Loan Recipients with funding available during the October 1, 2004 to September 30, 2005 period are identified with a single asterisk. Additional projects will be funded in priority order if additional funds become available. Interest rate determinations and subsidies are preliminary estimates only. Final determinations are made based on loan applications and final project costs.

9.1. 2004 DWSRF Priority List

Final FY 2004 DWSRF Priority List										
	Water System Name	WSID	Town	Population	Ownership	Disadv.	Interest Rate	Disadv. Subsidy	TOTAL PTS	Current Loan Amount
1	Waterville Fire District # 1 *	5169	Waterville	84	Municipal	Yes	-3%	\$119,186	162	\$350,000
2	Notchbrook Subdivision *	5167	Stowe	96	Private	No	3%	\$0	145	\$1,000,000
3	Newport City *	5202	Newport City	5500	Municipal	No	3%	\$0	145	\$2,000,000
4	Leicester Central School *	6098	Leicester	115	Municipal	Yes	3%	\$25,000	140	\$25,000
5	Middletown Springs School *	6727	Middletown Springs	120	Municipal	Yes	3%	\$25,000	140	\$100,000
6	Marshfield *	5269	Marshfield	350	Municipal	No	0%	\$0	132	\$400,000
7	Dummerston School *	6693	Dummerston	240	Municipal	Yes	3%	\$25,000	130	\$100,000
8	Newbury *	5175	Newbury	500	Municipal	Yes	-3%	\$800,000	130	\$2,000,000
9	Bennington Water Dept. *	5016	Bennington	17000	Municipal	No	3%	\$0	120	\$2,000,000
10	Proctor *	5228	Proctor	2500	Municipal	No	3%	\$0	100	\$848,570
11	Johnson	5156	Johnson	1420	Municipal	Yes	-0.6%	\$153,504	98	\$1,700,000
12	Rutland FD No. 1	5534	Rutland Town	580	Municipal	No	3%	\$0	95	\$155,000
13	South Alburg Fire District 2	none	Alburg	750	Municipal	Yes	-3%	\$800,000	95	\$2,000,000
14	Brattleboro	5290	Brattleboro	12200	Municipal	No	3%	\$0	90	\$2,000,000
15	Mountain Home Park MHP	20604	Brattleboro	700	Private	Yes	-3%	\$160,000	83	\$400,000
16	Colchester FD 2	5059	Colchester	8688	Municipal	No	3%	\$0	70	\$250,000
17	Williamstown	5186	Williamstown	1600	Municipal	No	3%	\$0	65	\$350,000
18	Barre, City of	5254	Barre City	9000	Municipal	No	3%	\$0	60	\$2,000,000
19	Dairy Center Enterprises	5617	Enosburg	50	Private	No	3%	\$0	140	\$80,000
20	Ryegate FD 2	5043	Ryegate	150	Municipal	Yes	3%	\$0	130	\$100,000
21	Children's Garden	20358	Morrisville	75	Private	No	3%	\$0	125	\$145,000

Final FY 2004 DWSRF Priority List

	Water System Name	WSID	Town	Population	Ownership	Disadv.	Interest Rate	Disadv. Subsidy	TOTAL PTS	Current Loan Amount
22	Jamaica Village School	6070	Jamaica	110	Municipal	Yes	3%	\$25,000	120	\$17,000
23	Jericho FD # 1	5476	Jericho	235	Municipal	No	3%	\$0	120	\$200,000
24	Bellows Falls	5298	Bellows Falls	3700	Municipal	Yes	-3%		120	\$600,000
25	Sunny Acres Water Assoc.	5535	Milton	75	Private	No	3%	\$0	110	\$50,000
26	Rumney School	6725	Middlesex	165	Municipal	Yes	3%	\$25,000	105	\$25,000
27	West River Montessori School	20387	Londonderry	32	Private	No	3%	\$0	102	\$2,500
28	Hartland Three Corners Water District	none	Hartland	950	Municipal	No	3%	\$0	100	\$100,000
29	Newfane School	6733	Newfane	150	Municipal	Yes	3%	\$25,000	97	\$25,000
30	Catamount/Bolton Water & Sewer, LLC	5051	Bolton	400	Private	No	3%	\$0	95	\$714,231
31	Vermont MHP (Central VT Comm. Land Trust)	5279	Waitsfield	89	Private	No	3%	\$0	92	\$50,000
32	Troy	5206	Troy	300	Municipal	Yes	-3%	\$337,856	90	\$850,000
33	Blue Mountain School	6683	Wells River	540	Municipal	Yes	3%	\$25,000	88	\$50,000
34	Tuckerville MHP	5637	Ludlow	60	Private	No	3%	\$0	85	\$100,000
35	Ludlow	5323	Ludlow	2449	Municipal	Yes	-3%	\$0	78	\$1,334,000
36	Pittsford	5225	Pittsford	1350	Municipal	No	3%	\$0	75	\$2,000,000
37	Arlington	5013	Arlington	1200	Private	No	3%	\$0	73	\$140,000
38	Starlake Homeowners Assoc.	20308	Norwich	50	Private	No	3%	\$0	70	\$20,000
39	Waitsfield	none	Waitsfield	1000	Municipal	No	3%	\$0	70	\$2,000,000
40	City of Montpelier	5272	Montpelier	9000	Municipal	No	3%	\$0	70	\$1,352,400
41	Huntington FD 1	5076	Huntington	125	Municipal	No	3%	\$0	65	\$60,000
42	Danville FD 1 (first project)	5037	Danville	850	Municipal	No	0%	\$0	65	\$820,000
43	Danville FD 1 (second project)	5037	Danville	850	Municipal	No	0%	\$0	65	\$555,000
44	Proctor	5228	Proctor	2500	Municipal	No	3%	\$0	65	\$466,810
45	Rutland Town FD 6	5378	Rutland Town	100	Municipal	No	0%	\$0	62	\$190,000
46	Timberline Condos	5442	Waitsfield	50	Private	No	3%	\$0	52	\$60,450
47	Riverbend MHP/Twin Pines Housing Trust	none	Royalton	23	Private	Yes	3%	\$0	50	\$46,000
48	East Middlebury FD 1	5003	Middlebury	850	Municipal	No	3%	\$0	48	\$175,000
49	Guilford Central School	6634	Guilford	256	Municipal	Yes	3%	\$25,000	42	\$59,000
* Anticipated Loan Recipient									Total	\$30,065,961

Notes:

- 1) Project numbers 1 through 18 on the priority list are co-mingled new projects (new projects having technical points of 110 and 120) and continuing projects from previous year's priority lists.
- 2) Funding is available for Projects 1 through 10, with partial funding for project 11. Additional funding for any remaining continuing projects is not currently available.

Final FY 2004 DWSRF Priority List

	Water System Name	WSID	Town	Population	Ownership	Disadv.	Interest Rate	Disadv. Subsidy	TOTAL PTS	Current Loan Amount
3)	Projects above the bold line (row 18) are co-mingled new and continuing projects. Funding or partial funding is available for projects above the double line (row 11).									
4)	Priority list rankings changed based on a revision of ranking procedures and point allocations for this DWSRF FY 2004 Priority List.									
5)	Interest rates and disadvantaged subsidies are preliminary determinations only, and should not be considered as final determinations.									
6)	Based on EPA interpretation of new water systems and water system extension projects, the Waitsfield project is not eligible for DWSRF funding. However, the Waitsfield project may be partially eligible.									
7)	The Riverbend MHP/Twin Pines Housing Trust is not currently eligible. If the Town of Royalton joins them in their application, they will become eligible.									

9.2. 2004 DWSRF Priority List Project Descriptions

October 1, 2004 to September 30, 2005 Funding Cycle

Project numbers 1 through 18 on the priority list are commingled new and continuing projects from previous year's priority lists. These projects will receive top priority for funding from the FY 2004 priority list, and are listed in priority order. Technical points for each project follow each project description.

1. **Waterville FD #1, WSID # 5169.** Preliminary engineering study for the replacement of distribution mains, installation of corrosion control, proper installation of a chlorination system, improvements to the springs and water storage reservoir, and the investigation of the drilling of individual wells. Project includes security improvements. Microbiological contaminated source, 120 points.
2. **Notchbrook Homeowners Assoc., WSID # 5167.** Update cost estimates and user costs, design water main, pump station, valves, hydrants and services to connect to the Stowe Water Department municipal water system. Unapproved source of water, 110 points.
3. **Newport City, WSID # 5202.** Construct new arsenic treatment facility to meet new arsenic limits effective January 2006. Contaminants above MCL, 120 points.
4. **Leicester Central School, WSID # 6098.** Install chlorination system including contact time as Leicester Central School has experienced numerous bacteria hits in the recent past. May need to install a water softener. Contaminants above MCL, 120 points.
5. **Middletown Springs School, WSID # 6727.** Uranium treatment and standby disinfection. Contaminants above MCL, 120 points.
6. **Village of Marshfield, WSID # 5269.** Upgrade of Depot Hill Spring and interconnection to new storage reservoir, and investigation of a new supplemental water supply. Contaminants above MCL, 120 points.

7. **Dummerston Town School District, WSID # 6693.** Water system improvements including arsenic treatment, well pump, water storage tank, two booster pumps, hydropneumatic tanks and controls. Contaminants above MCL, 120 pts.
8. **Newbury Village, WSID # 5175.** Drill one well and pump test a total of three wells. Connect three wells to system with approximately 1,700 feet of water lines. Complete preliminary engineering report and evaluation for water system improvements. Renovate meters and meter pits, provide filtration, and replace transmission mains and appurtenances. Unapproved source of water, 110 pts.
9. **Bennington Water Dept., WSID # 5016.** Water system improvements to include modifications to the intake structure, raw water piping, raw water flow controllers for each filter unit, 2.5 MG clearwell, filtered water pump station, lime silo and feed system, carbon dioxide storage and feed system, a residuals handling thickener, a freezing/drying bed, controls and instrumentation upgrade, a SCADA system upgrade and miscellaneous meter and piping upgrades. Inadequate filtration performance, 100 pts.
10. **Proctor, WSID # 5228.** Project to address low-pressure areas in high elevation locations (Cain St./west side project), chlorine contact time at Field Street well, backwash treatment, and filter plant improvements. Inadequate chlorination or disinfection facilities, 95 pts.
11. **Village of Johnson, WSID # 5156.** Development of a new water source for the Village, pumping and treatment facilities, transmission mains, and distribution improvements. Seasonal water shortages, 70 pts.
12. **Rutland Town FD # 1, WSID # 5534.** Design and construction of an emergency water connection to the Rutland City Water System. Also, the replacement of old A-C water mains. Project will include security improvements. Seasonal Water Shortages, 70 pts.
13. **South Alburg Fire District # 2.** Provide transmission and distribution mains to most areas in the newly formed fire district. Includes approximately 18 miles of main, with a connection to the Town of North Hero municipal system, new water storage tank, valves, meters, and appurtenances. Project will connect residents currently using unfiltered surface water (Lake Champlain).
14. **Brattleboro, WSID # 5290.** Water treatment facility improvements and modifications including filter to rinse piping, building addition to house a fourth filter unit, fourth adsorber clarifier/filter unit, process piping, raw water coagulation piping, recycle upgrades, filter control and instrumentation improvements, SCADA improvements, lagoon modifications, freezing/drying bed, building addition for storage and maintenance, miscellaneous site grading, piping, and electrical improvements. Project will include security improvements. Redundancy of Critical Components, 50 pts.
15. **Mountain Home Park MHP, WSID # 20604.** Planning, final design, and construction for the replacement of the transmission and distribution mains within the MHP. Routine pressure below 20 psi in distribution system, 70 pts.
16. **Colchester FD # 2, WSID # 5059.** Replace the existing waterlines on Porters Point Road from Lois Lane to Smith Road with 2,000 lf of new 8-inch ductile iron waterlines to correct undersized and aging mains. Routine pressure below 20 psi in distribution system, 70 pts.

17. **Williamstown, WSID # 5186.** Distribution upgrade to address system hydraulics, inadequate pressure flow characteristics and storage capacity. Pressure less than 20 psi during fire flow, 60 points.
18. **Barre, City of, WSID # 5254.** Construction of 5,200 lf of 24-inch water transmission main on Route 302 and 1,700 lf of 24-inch water transmission main on East Cobble Hill Road and appurtenant construction. Inadequate transmission main, 40 pts.
19. **Dairy Center Enterprises, WSID # 5617.** Upgrade system with new pumps, storage tank, chlorinator, and distribution mains. Project to included security improvements. Finished storage vulnerable to contamination, 90 points.
20. **Ryegate FD 2, WSID # 5043.** Install chlorination, install security measures, and eliminate possible contamination. Lack of standby disinfection facilities, 90 points.
21. **Children's Garden, WSID # 20358.** Drill a new well, the current well has run dry. New well will be above grade of driveway, farther away from Route 100. Will require installation of transmission pipeline to reservoir/building. Replace reservoir lid. Daily or routine water shortages, 95 points.
22. **Jamaica Village School, WSID # 6070.** Modification of existing well (extend above grade, fill pit, new pitless adapter, etc.), provide corrosion control, add chlorine contact time via piping, replace pressure gauge, general security around the wellhead. Lead and Copper corrosion control, 80 points.
23. **Jericho FD # 1, WSID # 5476.** Increase capacity of Mn filter wastewater injection well. Add redundant cell within existing clear well and replace failing cover. Replace hydropneumatic tank that is at end of life with redundant units. Replace booster pumps with energy efficient units. Add distribution mains to split system to reduce demand on booster pumps. Add SCADA control system. Install service connection water meters and backflow prevention. Develop well # 1 as a backup water source. Project will include security improvements. Finished storage vulnerable to contamination, 90 points.
24. **Village of Bellows Falls, WSID # 5298.** Water treatment facility modifications to include: SCADA and filter control panel replacement, replace filter level probes, modify plant water system, install closed loop radiator for emergency power generator, placing a coating or liner in the in plant clearwell, replace filter support media, touch up paint filters, extend aluminum walkway for clarifier # 2, install coating on containment area for bulk storage tank. Inadequate filtration performance, 100 points.
25. **Sunny Acres Water Assoc., WSID # 5535.** Replace existing deteriorated water storage tank roof and other repairs as needed. (Currently waiting for small system engineering evaluation through WSD). Finished storage vulnerable to contamination, 90 points.
26. **Rumney School, WSID # 6725.** Provide additional storage to correct current inadequate chlorine contact time. Review of the WSI indicates PSOCs in zone 1 of SPA. Lack of standby disinfection facilities, 90 points.
27. **West River Montessori School, WSID # 20837.** Install corrosion control treatment to neutralize activity of water chlorination system. Lead and copper corrosion control, 80 points.

28. **Hartland Three Corners Water District.** Project will develop a new public community groundwater source for individuals with contaminated wells, and the school, and community center. A gasoline tanker spill has allegedly caused the contamination of these sources. Action level above DOH and DEC established levels of concern for eight chemicals, 100 points.
29. **Newfane School, WSID # 6733.** Install corrosion control system to address lead and copper problem. Also any additional improvements indicated in the engineering evaluation yet to be completed. Install stand-by chlorination. Lead and copper corrosion control, 80 points.
30. **Catamount/Redstone Group/Bolton Water & Sewer, WSID # 5051.** The project consists of the replacement of an inadequate surface water source with new wells, construct distribution lines, pump-house with stand-by chlorination, upgrade of existing 150,000-gallon reservoir, and install meters for all users. Finished storage vulnerable to contamination, 90 points.
31. **Verd Mont MHP, WSID # 5279.** Install iron and manganese treatment, eliminate cross connection, plumbing changes for storage tank, by-pass replumb water to Inn, install flushing hydrants, install security measures. Iron, manganese and other secondary contaminants, 50 points.
32. **Troy Water System, WSID # 5206.** Preliminary engineering for additional source of supply investigation including test drilling and evaluation of water system infrastructure replacement. Subsequent design, permitting and construction for new source and waterline improvements. Seasonal water shortages, 70 points.
33. **Blue Mountain School, WSID # 6683.** Design and construction of water system improvements to include new wellhead, hydropneumatic tank, controls, standby disinfection and chlorine contact facilities. The improvements will also include eliminating the existing well/tank vault and replacing the underground asbestos-cement pipe between that vault and the school building. Project will include security improvements. Inadequate finished storage construction, 50 points.
34. **Tuckerville MHP, WSID # 5637.** Replace aging distribution system, install security fence around well and pump house. Inadequate transmission main, 40 points.
35. **Village of Ludlow, WSID # 5323.** Construct 600,000-gallon water storage tank. Pressure less than 20 psi during fire flow, 60 points.
36. **Pittsford, WSID # 5225.** Upgrade inadequately sized water mains consisting of approximately 16,000 LF of 8-inch and 12-inch diameter water transmission mains; and approximately 8,650 LF of 8-inch diameter water distribution mains. Routine pressure below 20 psi in distribution system, 70 points.
37. **Arlington Water Co., WSID # 5013.** Provide critical water main loop between East Arlington Road (high pressure side) and Route 7A (lower pressure side) for improved pressure, flows and water quality. Currently Route 7A is a long dead end main. Pressure drops below 35 psi during high demands, less than 20 psi during fire flows. Pressure less than 20 psi during fire flow, 60 points.
38. **Starlake Homeowners Assoc., WSID # 20308.** Provide treatment for manganese and replace storage tank hatch. Iron, manganese and other secondary contaminants, 50 points.
39. **Waitsfield.** New Public Community Water System including source(s), pumping and treatment facility, water storage tank, water mains, water services, water meters and

- hydrants to eliminate water shortages for consolidated water systems. Seasonal or routine water shortages, 70 pts.
40. **Montpelier, WSID # 5272.** Montpelier plans to install approximately 4,650 LF of 16-inch water main and appurtenances along the west side of Bailey Ave. from State Street to Memorial Drive, then along the south side of Memorial Drive to just past Northfield Street. There will be three service connections and one hydrant replaced. A hydrant will be added in front of the high school. The new pipe will be 16-inch class 52 ductile iron. No changes are being made to the number of services or the water source. Pressure less than 20 psi during fire flow, 60 points.
 41. **Huntington FD 1, WSID # 5076.** Provide treatment for Mn (above MCL), evaluate condition of corroded chlorine contact tank, replace distribution lines, and install meters. Iron, manganese, and other secondary contaminants, 50 points.
 42. **Danville FD 1, WSID # 5037.** Replacement of approximately 5,200 linear feet of existing undersized and aged water main. Approximately 3,200 linear feet of 12-inch ductile iron water main and appurtenances on Hill Street and 2,000 linear feet of 8-inch water main and appurtenances on Highland Avenue and Grandview Avenue. Pressure less than 20 psi during fire flow, 60 points.
 43. **Danville FD 1, WSID # 5037.** Replacement of approximately 3,400 linear feet of 8-inch ductile iron pipe along Route 2 under a separate contract with Vtrans Route 2 reconstruction. Pressure less than 20 psi during fire flow, 60 points.
 44. **Proctor, WSID # 5228.** East side project to replace 3,600 feet of transmission/distribution main near the High School. Pressure less than 20 psi under fire flow, 60 points.
 45. **Rutland Town FD # 6, WSID # 5378.** Replacement of upper and lower Victoria Drive water mains due to severe history of water main breaks. Inadequate transmission main, 40 pts.
 46. **Timberline Condo Assoc., WSID # 5442.** Raise underground pump station to above ground, replace hydropneumatic tanks, replace/upgrade standby chlorination (currently in pit). Inadequate pumping facilities, 30 points.
 47. **Riverbend MHP/Twin Pines Housing Trust.** Not currently a regulated water system, and not eligible for DWSRF funding. Replacement of deteriorated distribution lines connecting individual mobile homes to Town water lines - approximately 750 feet of distribution line - plus secure meter boxes with remote readers. Park is in South Royalton, VT. They hope to be joined in the application by the Town of Royalton, but have not secured their commitment at this time. Inadequate distribution mains, 20 points.
 48. **East Middlebury FD 1, WSID # 5003.** Planning, design and construction of a new water main loop from the existing storage tank to Lower Plains Road. Project will improve system hydraulics. Also, existing water main crosses a bridge slated to be replaced by VAOT. Inadequate transmission main, 40 points.
 49. **Guilford Central School, WSID # 6634.** Replacement of Hydropneumatic station, upgrade of meter, provide backflow prevention, obtain spare booster pump, upgrade water storage tank overflow and perimeter drain. Inadequate pumping facilities, 30 points.

10. Appendix 3: Program Description

PROGRAM DESCRIPTION
VERMONT DRINKING WATER STATE REVOLVING FUND
May 2003

The following is a brief and general overview of the Drinking Water State Revolving Fund (DWSRF) program; official interpretations of policies and procedures may be obtained from the Water Supply Division (803-241-3400). The four sections in this Program Description are Construction Loans, Planning Loans, Source Protection Loans, and All Loans.

10.1. CONSTRUCTION LOANS (Planning & Design also eligible)

10.1.1. Eligible Organizations

1. Publicly owned community water systems.
2. Privately owned community water systems.
3. Non-profit, Non-community water systems.

10.1.2. Eligible Projects

Nearly all water system improvement projects are eligible (new construction, renovation or replacement, or consolidation of systems) which will facilitate compliance with federal primary drinking water regulations or otherwise significantly further health protection objectives of the Safe Drinking Water Act (SDWA). Generally, the complete project will be eligible for a loan. Examples of eligible projects include:

- Replacement of contaminated sources with new sources;
- Construction of treatment facilities;
- Installation of disinfection facilities;
- Projects required to address compliance or enforcement issues;
- System consolidation or interconnection to address capacity issues;
- Costs for planning and engineering design associated with a DWSRF eligible project;
- Land acquisition integral to a DWSRF eligible project.
- Replacement of aging infrastructure, including all distribution and transmission lines;
- Upgrade or rehabilitation of existing water facilities;
- Installation of meters and back flow prevention devices; and
- Refinancing of DWSRF eligible projects where the debt was incurred after July 1, 1993. (Funds currently not available.)

10.1.3. Ineligible Projects

The fund cannot provide funding assistance for the following projects and activities:

- Dams or rehabilitation of dams;
- Water rights, except if the water rights are owned by a system that is being purchased through consolidation as part of a capacity development strategy;
- Reservoirs, except for finished water reservoirs and those reservoirs that are part of the treatment process and are located on the property where the treatment facility is located;
- Laboratory fees for monitoring;
- Operation and maintenance expenses;
- Projects needed mainly for fire protection;

- Projects for systems that lack adequate technical, managerial and financial capability, unless assistance will ensure compliance;
- Projects for systems in significant noncompliance, unless funding will ensure compliance; and
- Projects primarily intended to serve future growth. This includes projects to develop new water systems and/or water system extensions. Under certain circumstances, a new water system or water system extension may be determined to be eligible. Please contact the Water Supply Division for further information.

10.1.4. Project Planning

The phasing of construction projects over multiple years is an acceptable practice. However, each application must identify a stand-alone project. The funding of future phases will be contingent on availability of funds and project priority.

10.1.5. Loan Rates and Terms

The following rates are subject to change based on determinations by the State Treasurer and the Secretary.

LOAN TYPE ^[1]	ORGANIZATION TYPE	INTEREST RATE PLUS ADMINISTRATIVE FEE	MAX TERM ^[2]
Planning	All	0%	5 yrs.
Construction	Municipal Community ^[3] Non-Disadvantaged	(3%) - (0%) ^[7]	20 yrs.
Construction	Municipal/Disadvantaged ^[4]	(3%) - (-3%) ^[7]	30 yrs.
Construction	Private-Profit Community	3% ^[8]	20 yrs.
Construction	Private-Non-Profit Community (Disadvantaged) ^[4]	(3%) - (-3%) ^[10]	30 yrs.
Construction	Private-Non-Profit Community (Non-Disadvantaged)	3% ^[8]	20 yrs.
Construction	Private-Non-Profit Non-Community	3% ^[8]	20 yrs.
Construction	Municipal (Non-Community)	3% ^[9]	20 yrs.
Refinancing	Municipal (Debt incurred July 1, 1993 - April 5, 1997)	4.376% ^[5]	20 yrs.
Refinancing	Municipal (Debt incurred after April 5, 1997)	New loan rates ^[6]	New loan ^[6] terms

1) Planning loans may include feasibility studies, preliminary engineering, engineering

- design etc., and will be rolled over into a long term loan if a loan is obtained for the proposed facilities. Construction loans include all system improvement type loans.
- 2) Loan durations are for maximum terms but may be for a shorter time based on loan amount and other considerations.
 - 3) Municipal includes city, town, village, fire district, school district, etc. Interest rate plus administrative fee will not be less than necessary to achieve an annual household user cost of 1.00% of median household income.
 - 4) A disadvantaged municipality has a median household income below the state average community median household income ($\$40,368 * 1.04^2 = \$43,662$) or the user cost exceeds 2 ½% of the MHI. Interest rate plus administrative fee and term will not be less than necessary to achieve an annual household user cost of 1.00% of median household income, and final adjustments will be made when loan is finalized after construction completion.
 - 5) Interest rate set by State Treasurer.
 - 6) Interest rate plus administrative fee and term will be the same as for new loans if funded within 2 years of the initiation of construction.
 - 7) Administrative fee will be from 0% to 2%.
 - 8) Administrative fee will be 3%.
 - 9) Administrative fee will be 2%.
 - 10) Administrative fee will be from 0% to 3%

10.1.6. Comprehensive Project List

The Water Supply Division maintains a list of known projects eligible for loans. The list is developed/updated annually and water systems are encouraged to identify projects and submit applications for this list. The Water Supply Division may add projects to the list without an application from the water system.

10.1.7. Project Ranking and Selection Criteria

A project priority list is established for projects needing funds during the Federal fiscal year (October 1 - September 30 of each year). A priority score is established for each eligible project by assigning points based on established criteria. The criteria required by Federal and State regulations are covered under the following general categories:

- 1) System facility deficiencies,
- 2) Physical consolidation of water system,
- 3) Financial need/affordability,
- 4) Population,
- 5) Downtown area preference,
- 6) Source protection, and
- 7) Security projects.

Projects are listed in priority order based on total point scores.

10.1.8. Anticipated Loan Recipients

The highest priority projects with a total cost that does not exceed the estimated funds available during the fiscal year and which comply with the following Federal and State regulatory requirements are identified as Anticipated Loan Recipients on the list.

- 1) A minimum of 15% of the funds must be used for projects serving communities with populations of fewer than 10,000 persons.
- 2) Funds for private systems cannot exceed 20% of the available funds.
- 3) Subsidies for disadvantaged communities cannot exceed 30% of the federal capitalization grant.

Projects not identified as Anticipated Loan Recipients will be funded in priority order, if funds became available during the year.

10.1.9. Bypassed Projects

Anticipated Loan Recipients may be bypassed if they do not proceed in accordance with the planned project schedule or if emergency projects are funded to address imminent and substantial threats to public health.

10.1.10. Re-Application

Priority lists will be revised at least annually; updated information or new applications will be required. The Water Supply Division may include projects on the list without applications.

10.1.11. Feasibility Studies, Engineering Reports and Plans and Specifications

Water Supply Division approval of feasibility studies and engineering reports funded by the program is required. The Vermont Water Supply Rule requires approval of plans and specifications for all water system improvements.

10.1.12. Procurement Requirements

Competitive procurement requirements and approvals will be included in loan agreements. Force account construction will not be allowed except in unusual circumstances. The Construction Section of the DEC Facilities Engineering Division manages procurement procedures and requirements for DWSRF funded projects.

10.1.13. Maximum and Minimum Loan Amounts

A minimum loan amount has not been established; not more than \$2 million of the funds available in any given year can go to a single project, without specific review and approval by the Secretary. It should be feasible to phase projects with cost estimates exceeding \$2 million.

10.1.14. Project Approval Steps

Following are the steps for a standard construction project.

- 1) Application for priority list or updated information submitted by applicant. (April of each year.)
- 2) The eligibility of each project is reviewed, and priority points awarded to each project.
- 3) Priority list developed.
- 4) Public meeting held and public comment obtained on priority list.
- 5) Capitalization grant finalized and submitted to EPA.
- 6) EPA approves grant to State.

- 7) Anticipated loan recipients required to attend a pre-application meeting.
- 8) Anticipated Loan Recipients required to submit a project schedule.
- 9) Project schedule approved by Water Supply Division.
- 10) Anticipated Loan Recipients requested to submit application.
- 11) Application to include information for environmental review.
- 12) Project determinations made (eligibility, scope, interest rate, etc.).
- 13) Environmental review process completed.
- 14) Bond Bank or VEDA notified of project approval.
- 15) Applicant submits loan application to VEDA or Bond Bank if required.
- 16) VEDA or Bond Bank executes loan agreement with applicant.
- 17) Plans and Specifications approved.
- 18) Contracts awarded in accordance with loan agreement.
- 19) Construction initiated.
- 20) Loan disbursements made during construction for completed work.
- 21) All construction completed.
- 22) All loan agreement conditions and/or Capacity Improvement Plans completed.
- 23) Loan closed out.
- 24) Loan payments begin.

10.1.15. Municipally Owned School Water System Disadvantaged Program

Up to \$25,000 of a loan from the construction fund for improvements to a *municipally* owned public school water system may be forgiven. The following criteria must be satisfied.

- 1) The system must demonstrate capacity.
- 2) The system must be in compliance with the Water Supply Rule including any temporary operating permit or other compliance schedule.
- 3) The improvements must be completed in accordance with a construction permit issued by DEC and all of the construction permit conditions must be satisfied.
- 4) Competitive procurement procedures must be followed for the construction.
- 5) The completed work must be inspected and completed in accordance with the construction permit verified by a professional engineer or DEC staff.
- 6) Standard procedures for obtaining a loan must be followed.

The determination by the Secretary on loan forgiveness will be final. The determination will be made when the loan is finalized following construction completion.

10.1.16. Department of Agriculture Rural Development - ANR Joint Funded Projects

The Secretary may designate certain projects as joint funded projects and reduce the ANR administrative fee plus interest rate to make the total cost to the borrower equivalent to an ANR DWSRF loan for the total project. Municipalities will be contacted prior to making such decisions and this procedure will generally only be considered for large projects.

10.2. PLANNING LOAN FUND

10.2.1. Eligible Organizations

Municipal systems and private non-profit community systems with populations under 10,000 are eligible for planning and final design funding from the planning loan fund.

10.2.2. Eligible Projects

Preliminary engineering planning studies and final engineering plans and specifications for water system improvement projects needed to comply with state and federal standards and to protect public health.

10.2.3. Loan Terms and Rates

Planning Loans are at 0% interest for a 5-year term, and may be rolled into a construction loan from the priority list (based on points) at the interest and term identified for the construction loan.

10.2.4. Maximum and Minimum Loan Amounts

The maximum loan amount is \$100,000.

10.2.5. Project Ranking

The Water Supply Division maintains a project priority list for planning loans, if necessary. A priority score is established for each eligible project by assigning points for the water system improvement project based on established criteria. The criteria are the same as for construction projects, and include the following general categories except for points awarded for population:

- 1) System facility deficiencies;
- 2) Physical consolidation of water systems;
- 3) Financial need/affordability;
- 4) Population (scores are triple scores awarded for construction projects); and
- 5) Growth center impact.

Projects are only scored when there is a shortage of funds.

10.2.6. Priority List Applications

Applications will be accepted on a continuing basis.

10.2.7. Loan Recipients

The highest priority projects on the priority list will be funded as funds become available.

10.2.8. Loan Applications

Water systems will generally be given 60 days to submit a loan application following notification of available funds.

10.2.9. Loan Consolidation Requirement

Consolidation of the planning loan with a loan from the construction loan fund for the water system improvements will be required as a loan condition. Consolidation will be

made when the construction loan is finalized following completion of construction.

10.2.10. Procurement Requirements

Procurement requirements will be included in loan agreements. All professional service contracts will require review and approval of scope of services, level of effort, and cost. All feasibility studies, planning documents, preliminary engineering reports, and plans and specifications require review and approval by the Water Supply Division. Costs incurred prior to a commitment of loan funds by DEC are not eligible for a loan.

10.2.11. Repayment

The first loan repayment will be two years after last loan disbursement or approval of the engineering report, whichever occurs first. Under certain circumstances up to \$50,000 of the unpaid balance of a planning loan to a *municipality* may be forgiven by the Secretary following the completion of project construction. The following criteria must be satisfied to obtain loan forgiveness; the Secretary's determinations on loan forgiveness shall be final. Potential eligible preliminary engineering and design cost will be determined by DEC using DEC guidance documents (Engineering Fee Allowance Curve) and the completed documented construction cost eligible for revolving loan funding.

(1) General Criteria

- (a) Must demonstrate capacity,
- (b) Must be in compliance with the Water Supply Rule including any temporary operating permit or other compliance schedule,
- (c) Must be current on fees,
- (d) Improvements for which planning loan was provided must be completed in accordance with a Water Supply Division construction permit.
- (e) All construction permit requirements must be satisfied including O & M manual and as-builts.
- (f) Loan agreement must be executed following the effective date of the authorizing legislation (June 16, 2001).

(2) Specific Criteria. The project must meet at least one of the following specific criteria.

- (a) Construction of the project was completed using non-Drinking Water State Revolving Loan Funds (DWSRF) and the project did not receive other appropriated state funds for project costs.
- (b) The project serves a small population. The maximum forgiveness shall be \$25,000. Projects for systems serving populations of 300 or less shall receive 100% of eligible forgiveness. The percent eligible for forgiveness for systems serving 300 to 500 population shall be reduced by 0.5% for an increase of one in design population. Systems serving populations of 500 and above will not be eligible for forgiveness under this provision.
- (c) User rates exceed 2% of the median household income. The amount of forgiveness will be determined by increasing the amount of forgiveness until the 2% target, the \$50,000 maximum, the amount of the unpaid balance or the eligible preliminary engineering and design cost is reached. The annual planning loan cost to the municipality will be determined using construction loan terms and interest rates for DWSRF funded projects.

10.3. SOURCE PROTECTION LOANS

10.3.1. Eligible Organizations

Municipal water systems are eligible for source protection loans.

10.3.2. Eligible Projects

For purchasing land or conservation easements in order to protect public water sources and ensure compliance with state and federal drinking water regulations.

Source must have hydrogeologically delineated source protection area (no 3000' radius source protection areas) and an approved source protection plan prior to loan award.

Water system must demonstrate how the project will directly promote public health protection or compliance with national drinking water regulations.

10.3.3. Loan Terms and Rates

Source Protection Loans are at 3% interest for a term of 20 years.

10.3.4. Maximum and Minimum Loan Amounts

The maximum loan amount is \$200,000. There is no minimum loan amount.

10.3.5. Project Ranking

The Water Supply Division maintains a project priority list for source protection loans. A priority score is established for each eligible project by assigning points based on established criteria. The criteria, most of which are the same as for construction projects, include the following general categories:

- 1) Population;
- 2) Financial need/affordability;
- 3) Downtown area preference;
- 4) Source protection.

10.3.6. Priority List Applications

Applications will be accepted on a continuing basis.

10.3.7. Loan Recipients

The highest priority projects on the priority list will be funded when funds become available.

10.3.8. Loan Applications

Water systems will be required to submit a project schedule for approval by the Water Supply Division within 30 days of notification of available funding.

10.3.9. Loan Conditions

Loan conditions on land use may include:

- 1) Management in accordance with source protection plan;
- 2) Prohibition of sale as long as source is an approved water source;

- 3) Requirement for an annual inspection and report.

10.3.10. Procurement Requirements

Procurement requirements will include:

- 1) A minimum of two appraisals will be required for evaluation purposes;
- 2) Proposed easements and purchase agreements will require review and approval by WSD;
- 3) Normal closing requirements, such as title search, will apply;
- 4) Purchase must be from a willing seller.

10.3.11. Repayment

Payments begin one year after last loan disbursement.

10.4. All Loans

10.4.1. Lack of technical, managerial and financial capability

A loan fund may not provide any type of assistance to a system that lacks the technical, managerial or financial capability to maintain SDWA compliance, unless the owner or operator of the system agrees to undertake feasible and appropriate changes in operation or if the use of the financial assistance will ensure capacity over the long-term.

The Water Supply Division will make a determination on system capacity based on information available in Water Supply Division records, the priority list application, completion of the capacity evaluation form at the pre-application meeting, and the loan application. Some considerations include current compliance status with requirements for an operation and maintenance manual, operator certification, water quality monitoring, source protection plan, payment of lawful fees, groundwater under the influence determination, sanitary survey recommendations, and long range planning. Financial capacity determination will also consider current and projected water rates, delinquent water accounts, and financial planning.

The existence of an active organization with identified responsible officials and business practices with respect to customer complaints will be considerations in managerial capability determinations.

Loan applications will rarely be rejected based on capability determinations (e.g., capacity determination), however, loan agreements will frequently include corrective action requirements to improve capability.

10.4.2. Loan Application Fees

There are no application fees, however an administrative fee will be charged on some loans.

10.4.3. Loan Disbursements

Loan disbursements will be made in accordance with the loan agreement, however, only one disbursement will be allowed in a calendar month and disbursements must be for expenses incurred and paid. An estimated disbursement schedule will be required at the

time of loan execution.

10.4.4. Loan Repayment

Loan repayment requirements will be specified in the loan agreement; however, repayments must start no later than 1 year after project completion.

10.4.5. Financial Capability to Repay Loan

The Vermont Municipal Bond Bank shall make these determinations for all loans to municipal organizations and the Vermont Economic Development Authority (VEDA) will make these determinations for all loans to private organizations.

The Bond Bank and VEDA make the loans on behalf of the state. Applicants must submit the necessary applications and other information to these entities as necessary for processing the loans.

11. Appendix 4: Fund Commitments

DWSRF Loan Awards - FY97 Projects		
Loan Number	Awards and Pending Awards Project Loan Recipients	FY97 Loan Awards
RF3-001	Graniteville FD4	1,867,455
RF3-002	Marshfield Village	553,500
RF3-003	Hinesburg	209,834
RF3-004	Wallingford FD1	116,600
RF3-005	Cabot Village	1,383,336
RF3-006	HFI (Hinesburg)	249,125
RF3-007	ACCT (Starksboro)	330,000
RF3-008	Rolling Meadows Assoc., Inc. (Newfane)	0
RF3-009	Fairfax FD1	131,731
RF3-010	Rutland Town FD#10	125,000
RF3-011	Northfield Village	167,000
RF3-012	Rutland Town FD#8	247,500
RF3-013	Stowe	2,000,000
RF3-014	Lalande Air & Water Corp. (Berlin)	0
RF3-015	Lyndonville	1,600,000
RF3-016	Tri-Park CHC (Brattleboro)	120,000
RF3-017	Ho-Ges	38,500
RF3-018	Randolph	387,264
RF3-019	Rutland Town FD#6 & #9	360,000
RF3-020	Morristown Corners WC	13,518
RF3-021	Fairfax Town	1,486,051
RF3-022	Bradford Village (See also RF3-085)	380000
RF3-025	Bakersfield FD1	210,000
RF3-026	Thetford WC	90,000
RF3-027	Stowe FD2	345,000
RF3-028	East Mtn Water Coop (Mendon)	50,000
RF3-085	Bradford Village (See also RF3-022)	160,000
Total	Bold faced figures are pending	12,621,414

DWSRF Loan Awards - FY98 Projects		
Loan Number	Awards and Pending Awards Project Loan Recipients	FY98 Loan Awards
RF3-013	Stowe	600,000
RF3-021	Fairfax Town	663,949
RF3-023	Gore Road MHP (Bennington)	0
RF3-024	Rutland Town Mendon FD2	450,000
RF3-029	HFI (Springfield)	355,000
RF3-030	Royalton FD1	37,800
RF3-031	Rutland Town FD4	0
RF3-032	Bethel	507,000
RF3-033	Okemo HOA	567,000
RF3-034	Springfield	597,700
RF3-035	Chimney Hill HOA (Wilmington)	0
RF3-036	Newport Town	0
RF3-037	Windsor (see also WPL-005)	1,075,000
RF3-038	Orleans	161,000
RF3-041	HFI (Woodstock)	460,000
Total		5,474,449

DWSRF Loan Awards - FY99 Projects		
Loan	Awards and Pending Awards	FY99 Loan Awards
Number	Project Loan Recipients	
RF3-029	HFI (Springfield)	118,324
RF3-030	Royalton FD1	712,200
RF3-032	Bethel	178,000
RF3-033	Okemo HOA	10,000
RF3-039	Stowe	2,200,000
RF3-040	Lyndonville	600,000
RF3-042	Murray Hill (Montpelier)	120,000
RF3-043	Starksboro Village Water Corp	14,657
RF3-044	Brattleboro Area CLT (Locust Hill MHP)	16,000
RF3-045	Grand Isle FD#4 (see also WPL-011)	900,000
RF3-046	Derby Center (see also WPL-004)	124,000
RF3-047	Grand Isle CWD (see also WPL-001)	819,000
RF3-047	Grand Isle CWD (Loan amendment)	155,000
RF3-048	Cavendish (source)	94,000
RF3-049	Cavendish (storage)	27,400
RF3-050	Cavendish (distribution)	42,000
RF3-051	Orleans	75,000
RF3-053	Shattuck Hill MHP (Derby)	120,000
RF3-054	Union Water Co (Thetford)	18,287
RF3-055	Crystal Springs (East Montpelier)	0
RF3-056	Randolph	774,314
RF3-056	Randolph (amendment 1)	225,000
Rf3-056	Randolph (amendment 2)	200,686
	Bold faced figures are pending	
Total		7,543,868

DWSRF Loan Awards - FY00 Projects		
Loan	Awards and Pending Awards	FY00 Loan Awards
Number	Project Loan Recipients	
RF3-010	Rutland Town FD#10	130,000
RF3-011	Northfield Village	980,500
RF3-039	Stowe	1,500,000
RF3-052	Grand Isle CWD (Phase IIA and IIB)	1,000,000
RF3-057	Tri-Town Water District	1,425,000
RF3-058	North Hyde Park FD1	32,000
RF3-059	Castleton FD3	203,000
RF3-060	Springfield	1,402,300
RF3-061	Arlington Water Co (Arlington)	709,331
RF3-062	Bolton Valley (Bolton)	0
RF3-063	Birchwood Manor MHP (Milton)	225,000
RF3-066	Rutland Town FD11(Spencer WC)	73,000
Total		7,680,131

Bold faced figures are pending

DWSRF Loan Awards - FY01 Projects

Loan Number	Awards and Pending Awards Project Loan Recipients	FY01 Loan Awards
RF3-050	Cavendish (distribution)	1,800,000
RF3-052	Grand Isle CWD (Phase IIA and IIB)	2,005,000
RF3-064	Northbrook OA (Killington)	85,000
RF3-065	Bellows Falls Village	2,000,000
RF3-067	Westfield FD#1 (see also WPL-014)	650,000
RF3-068	Alta Gardens Estates MHP (Pownal)	52,200
RF3-069	Hartford (see also WPL-002)	525,000
RF3-070	Cubb M. Corp Riverside (Moretown)	30,000
RF3-071	Cubb M. Corp East Wind (Waterbury)	25,000
RF3-072	Mansfield View W Co-op	65,000
RF3-073	Wintergreen (Killington)	31,860
RF3-074	Eastridge Acres (Mendon)	85,000
RF3-075	Vergennes-Panton Water District	110,000
RF3-076	Stowe	500,000
RF3-077	Proctor	34,470
RF3-078	HFI (Birchwood Manor - Milton)	423,636
RF3-079	Poultney	100,000
RF3-080	Charleston Elementary School	40,000
RF3-081	North Hero (see also WPL-020)	386,150
RF3-082	Braintree Elementary School	35,000
RF3-083	Rutland Town FD4	75,000
RF3-084	Colchester FD2 (see also WPL-017)	14,500
RF3-086	AHA Coop (Montgomery/Westfield)	125,000
RF3-087	KTP (Bristol)	253,000
RF3-088	Fairlee	50,000
Total	Bold faced figures are pending	9,500,816

DWSRF Loan Awards - FY02 Projects		
Loan	Awards and Pending Awards	FY02 Loan Awards
Number	Project Loan Recipients	
RF3-065	Bellows Falls Village	750,000
RF3-069	Hartford (see also WPL-002)	2,000,000
RF3-075	Vergennes-Panton Water District	1,276,500
RF3-075	Vergennes-Panton Wate District (amendment 1)	10,000
RF3-086	AHA Coop (Montgomery/Westfield)	451,440
RF3-088	Fairlee	748,000
RF3-089	Bennington	249,000
RF3-090	Orange Center School	25,000
RF3-091	East Haven School	25,000
RF3-092	Beeman Elementary School (New Haven)	26,200
RF3-093	St Johnsbury Center FD#1 (WPL-021)	691,700
RF3-094	Brattleboro	206,500
RF3-095	Newport City	547,000
RF3-096	Johnson Village	271,200
RF3-097	Milton FD 1	75,000
RF3-098	Tunbridge Central School	25,000
RF3-100	Rutland Town FD#1	8,650
RF3-101	Cady's Falls WC	86,400
RF3-099	Stowe (Sunset Hill Storage Tank)	853,000
RF3-104	Mount Snow Village Assoc.	50,000
RF3-105	Brewster-Pierce School	25,000
Total		8,400,590

Bold faced figures are pending

DWSRF Loan Awards - FY03 Projects		
Loan Number	Awards and Pending Awards Project Loan Recipients	FY03 Loan Awards
RF3-065	Bellows Falls Loan Amendment	75,000
RF3-069	Hartford Loan Amendment	395,000
RF3-078	HFI - Birchwood Loan Amendment	50,435
RF3-089	Bennington Loan Amendment	2,000,000
RF3-103	Mettawee School	25,000
RF3-102	Deep Rock FD 8	390,000
RF3-095	St. Johnsbury FD 1 (amendment 1)	8,505
	Milton FD 1	710,000
	Proctor	104,390
	Notch Brook Subdivision	72,750
	Dummerston Town School	100,000
	Newbury Village	100,000
	Marshfield Village	5,500
	Grandview Acres	33,000
	Mt Snow VA	402,000
	North Hero	550,000
	Harwood Union HS	100,000
	Bolton FD#1	50,000
	South Alburg FD 2	210,000
	Northfield Village	50,000
	Mountain Home Park MHP *	1,300,000
	Lyndonville	220,000
	Isle Lamotte School	10,670
	Williamstown	1,000,000
	Randolph	225,000
	Norwich	250,000
	Barstow School	25,000
	Barre City	90,000
	Rutland Town FD#6	190,000
	Guilford Central School	59,000
	Brookfield Elementary School	23,200
Total	Bold faced figures are pending	8,824,450
* Limited by 20% annual cap on loans to private systems		