

**State of Vermont**  
**Intended Use Plan for the Drinking Water**  
**State Revolving Fund**  
**Federal Fiscal Year 2007**

**Prepared By**  
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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 \$8,229,000 for Federal Fiscal Year (FFY) 2007. 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 FFY 07 federal funding of \$8,229,000 a state match of \$1,645,800, and available loan repayment and fund interest. 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 eleventh 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 of the 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 2007, approximately 950 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 and 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 6, 2007. 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 20, 2007.

#### **3.2. Direct Contacts**

Between January and April 2007, Water Supply Division staff and the project specialist from Vermont 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. Contacts were made via on-site visits and by phone.

#### **3.3. Newspaper Advertisements**

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

<b>Newspaper Name</b>	<b>Circulation</b>
<i>Burlington Free Press</i>	Statewide
<i>Rutland Herald</i>	Central and Southern Vermont
<i>Times Argus</i>	Central Vermont
<i>Brattleboro Reformer</i>	Southeastern Vermont
<i>Newport Daily Express</i>	Northern Vermont
<i>Caledonian Record</i>	Northeastern Vermont
<i>Bennington Banner</i>	Southern Vermont

### **3.4. Public Meeting Notices**

In May 2007, public meeting notices were mailed to approximately 950 water suppliers and stakeholders. Information in a very brief format was provided on a postcard (Section 8.3) identifying the following information:

- IUP public meeting date, time, and location;
- funding available for the plan;
- 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 2007 priority list and their consultants. All applicants were encouraged to attend this meeting.

### **3.5. Public Meeting**

A public meeting was held to discuss the IUP and obtain public comments on June 20, 2007, 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 07 is \$8,229,000; therefore, the amount of state match funds required is \$1,645,800. The state match will come from funds appropriated through the Vermont State Capital Appropriations Bill for State Fiscal Year 2008 (Act No. 0052 which was signed on May 28, 2007).

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 07 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 07. 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 only \$822,900 of these match funds. The State of Vermont will identify actual match funds based on the FFY 07 and FFY 93 expenditures and submit the appropriate documentation to EPA for approval after the end of FFY 07.

The State of Vermont identified \$1,073,702 of eligible in-kind match money based on FFY06 and FFY 93 excess expenditures for PWSS work in documentation submitted to EPA on June 8, 2006. EPA Region I agreed with the in-kind match in a letter dated July 25, 2007.

### **4.2. Funding Breakdown**

The State of Vermont will have a total of \$9,874,800 in new funds for the FFY 07 DWSRF Program. This includes \$8,229,000 in federal funds and \$1,645,800 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 \$2.55 million of the \$8.23 million. Instead, the State is proposing to use \$2,197,408 (approximately 26.7% of the \$8.23 million or 22.3% of the \$9,874,800 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 \$9,700,000 for construction-related projects. This includes \$7,677,392 of new funds and \$2,022,608 of fund interest, repayments, and miscellaneous income. The 2007 DWSRF Project Priority List (Section 9) identifies Anticipated Loan Recipients' projects with a total estimated cost of \$9,773,974, which is sufficient to fully fund the top 45 projects and partially fund the 46<sup>th</sup> project on the list. If more funds become available, additional projects (including full funding for the 46<sup>th</sup> project on the list) will be funded.

#### **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 Standard Application for Payment System (ASAP).

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.

	<b>Federal Fiscal Year</b>		
<b>Payment No.</b>	<b>Quarter</b>	<b>Date</b>	<b>Amount</b>
1	2007-4	7/1/07 – 9/30/07	\$2,197,408
2	2008-3	4/1/08 – 6/30/08	\$1,000,000
3	2008-4	7/1/08 – 9/30/08	\$1,000,000
4	2009-3	4/1/09 – 6/30/09	\$4,031,592
Total			<b>\$8,229,000</b>

#### **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 \$8,229,000.

<b>Disbursement Quarter</b>	<b>Amount</b>
1QFFY2008	100,000
2QFFY2008	500,000
3QFFY2008	1,000,000
4QFFY2008	1,000,000
1QFFY2009	1,500,000
2QFFY2009	1,500,000
3QFFY2009	1,000,000
4QFFY2009	1,000,000
1QFFY2010	629,000
Total	\$8,229,000

#### **4.5. Criteria and Method for Distributing Funds for Improvement Projects**

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 new priority list of projects requesting loans from FFY 07 funds (Section 9) 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 this funding cycle are those projects designated with either a 'C', which denotes that a project is continuing from a prior year's priority list or 'F', denoting a new project for which funding is available. These fundable projects are also referred to as Anticipated Loan Recipients (ALR). Available funds will be used for the first 46 projects on the list, which includes full funding for the top 45 projects and partial funding for the 46<sup>th</sup> project. Projects that are not ALR will be funded in priority order if funds become available during the funding cycle 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, 2007 deadline. Projects that are ready to proceed but are not in the fundable range should notify the WSD in writing prior to the September 30<sup>th</sup> deadline. The ALRs are those projects with the highest ranking 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 (\$1,234,350). The ALRs are comprised of 44 small water systems and 2 water systems serving more than 10,000 people. The list of ALRs includes \$6,949,000 for projects that serve populations less than 10,000 persons.
- As required in Vermont legislation, funds for private water systems cannot exceed 20% of the available funds (\$1,940,000). Eight private water systems on the list for \$1,921,874 are 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 (\$2,468,700 for FFY 07). The list of ALRs includes subsidies of approximately \$1,661,077 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, a preliminary loan rate determination has been made for each project on the List.

#### **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 more affordable.

#### **4.6.1. Community Water System Disadvantaged Program**

A community water system is considered disadvantaged when certain 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, except for privately-owned nonprofit community systems that serve fewer than 80% year-round residential connections. For those systems the interest rate cannot go below zero. 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 at July 1, 2007, is:

<b>Current Loans Status</b>	
Net Loan Awards (147)	\$69,402,517
Loan Disbursements	\$63,690,112
Loan Principal Repayments (78)	(\$7,321,729)
Current Outstanding Loan Principal	\$56,368,383

<b>Available Loan Funds (Unobligated Funds)</b>	
Federal Funds (All Funds thru FFY06 Cap Grant)	\$12,042,162
State Match (Full Match thru FFY06 Grant)	\$2,829,367
Fund Interest (at 7/1/07)	\$2,060,904
Loan Repayments & Miscellaneous (at 7/1/07)	\$5,566,504
Less 2 <sup>nd</sup> Tier Loan Awards	\$(1,307,000)
<b>Subtotal Available Funds thru FFY07</b>	<b>\$21,191,937</b>
Current Loans Pending Award at the VMBB and VEDA	\$3,857,554
Anticipated Loan Obligations – FY06 and Prior Lists	\$15,781,530
Carryover to FFY07 Projects	\$1,001,459
Project Funds from FFY07 Cap Grant (available 10/1/07)	\$6,031,592
State Match to FFY07 Cap Grant (available 10/1/07)	\$1,645,800
Projected Repayment & Interest in FFY07 for FFY07 List	\$1,095,123
<b>Total Funds Projected Available 10/1/07 – 9/30/08</b>	<b>\$9,773,974</b>

<b>Actual and Anticipated Fund Commitments</b>	
FFY 97 Priority List	\$12,268,395
FFY 98 Priority List	\$5,304,746
FFY 99 Priority List	\$6,759,245
FFY 2000 Priority List	\$7,713,731
FFY 2001 Priority List	\$9,718,091
FFY 2002 Priority List	\$9,170,728
FFY 2003 Priority List	\$8,315,181
FFY 2004 Priority List	\$11,978,944
FFY 2005 Priority List	\$8,365,250
FFY 2006 Priority List	9,447,290
<b>Total Fund Commitments</b>	<b>\$89,041,601</b>

<b>Total Loan Program Funds thru 7/1/07 (Obligated + Unobligated)</b>			
	<b>Federal</b>	<b>State</b>	<b>Total</b>
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	\$7,792,980
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
FFY 04 CAP Grant	\$6,391,744	\$1,660,620	\$8,052,364

<b>Total Loan Program Funds thru 7/1/07 (Obligated + Unobligated)</b>			
	<b>Federal</b>	<b>State</b>	<b>Total</b>
FFY 05 CAP Grant	\$6,394,868	\$1,657,100	\$8,051,968
FFY 06 CAP Grant	\$6,129,679	\$1,645,860	\$7,775,539
<b>Subtotals</b>	\$65,823,425	\$16,712,900	\$82,536,325
Cumulative Interest Earnings (at 7/1/07)			\$2,060,904
Cumulative Loan Repayments (at 7/1/07)			\$5,566,504
Miscellaneous Income (at 7/1/07)			\$23
<b>Total Funds</b>			<b>\$90,163,756</b>

If loan repayments and fund interest earned during FFY 07 exceeds the amount currently projected, additional projects on the FFY 07 priority list will be funded. Additional information on funding will be included in our annual report.

See Appendix 4 for a list of fund commitments at July 1, 2007. Appendix 4 does not include commitments for loan applications anticipated but not yet received.

#### ***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 submit a loan application together with a draft engineering services agreement prior to October 1st of the following year. 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 seven 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 and seven (Section 5.1.1 through Section 5.1.5 and 5.1.7) 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:

1. System facility deficiencies to be corrected by the project (a weighting factor of 1.2 is applied for eligible schools and childcare facilities).
2. Physical consolidation of water systems.
3. Financial need/affordability.
4. Population.
5. Downtown center preference.

6. Source protection (only applies to Source Protection Loans funded thru the LASRF).
7. 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. A weighting factor of 1.2 will be applied to the system facility deficiency category for qualifying schools and childcare facilities, because the people served by these types of facilities are considered to be at higher risk. Priority points are awarded for the following deficiencies:

	<b>Deficiencies</b>	<b>Points</b>	<b>Description</b>
A	Microbiological Contaminated Source	120	Project will replace a documented contaminated source.
B	Contaminants above MCL	120	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	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.

	<b>Deficiencies</b>	<b>Points</b>	<b>Description</b>
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 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	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	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	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	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	These points could be awarded for all community and non-transient non-community (NTNC) water systems without these facilities.
J	Finished storage vulnerable to contamination	90	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.

	<b>Deficiencies</b>	<b>Points</b>	<b>Description</b>
K	Lead and Copper corrosion control	80	These points may be awarded for treatment systems needed to correct lead and copper corrosion control problems.
L	Contamination below MCL	80	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	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 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 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 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 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 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 may be awarded to replace or repair storage facilities. Routine operation and maintenance costs are not eligible.

	<b>Deficiencies</b>	<b>Points</b>	<b>Description</b>
T	Inadequate transmission main	40	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 may be awarded to provide additional storage capacity.
V	Inadequate pumping facilities	30	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 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 may be awarded to correct existing or potential cross-connection problems.
Y	Inadequate distribution facilities	20	Points may be awarded to replace or repair distribution facilities. Routine operation and maintenance costs are not eligible.
z	Inadequate backwash	20	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 may be awarded if project will correct distribution system pressures below 35 psi. Project may include pumping, storage, or distribution facilities.

### **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.

<b>Description (points received for 1 of the 4 areas only)</b>	<b>Priority Points</b>
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 \$46,712 based on the 2000 federal census and inflated 4% per year beginning with the FFY 03 projects priority list. For water systems that encompass more than one town, the MHI is 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 water system MHI by the SCMI (\$46,712), 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.

<b>Affordability (Community MHI/SCMI x 100 = X)</b>	<b>Priority Points</b>
X < 60	35
60 < X < 70	25
70 < X < 80	15
80 < X < 90	10
90 < X < 100	5
100 < X < 120	2
X > 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.

<b>Population</b>	<b>Priority Points</b>
25 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.

Downtown Area Preference	Priority Points
Project improves service to a designated downtown area	5

### 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.

Security Projects	Priority Points
Project is strictly a security improvement project.	20
Points may be awarded if project includes 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

## **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 \$6.0 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 when the Secretary specifically approves an exception.

<b>Loan Fund</b>	<b>Funding Cap</b>
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 September 30<sup>th</sup> of the funding year. Any uncommitted funds identified after September 30<sup>th</sup> can be awarded to those projects outside the fundable range that have notified the WSD in writing prior to September 30<sup>th</sup> of project readiness and determined by WSD to meet readiness-to-proceed criteria. Such additional projects will be funded in priority order. Any remaining funds 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. Assigning points and prioritization of planning loans will only be implemented when planning loan requests equal the current balance of unobligated funds, consisting of prior years' allocations, loan repayments plus fund interest.

#### **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 \$2,197,408 (26.7%) 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 guidance for a variety of uses 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 the 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%, \$329,160, 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 \$3,023,396, including the FFY 2007 funds.

This set-aside will be used to pay for approximately 1.6 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. An additional 0.4 FTE in the Water Supply Division is performing DWSRF administration work, but is funded under the Program Management Set-aside because the funding under the Administrative Set-aside has been maximized.

Funding for approximately 1.6 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**

Up to 10% of the capitalization grant can be used for the DWSRF Program Management Set-aside. The state is requesting to take the full 10%, \$822,900, 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 federal Public Water Supply Supervision programs. This year's Program Management Set-aside funds will be used to fund three different activities.

### **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 and assistance 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 - \$758,589

Description - The money will provide funding for approximately 9.57 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, DWSRF loan program administration, and other drinking water program activities.

### **6.2.3. Automation Support**

Amount - \$44,311

The Water Supply Division will be working with contracts to develop and enhance our information technology services and programs. This work may include electronic permit applications, electronic fee payments, SDWIS enhancements, workflow and document management, and other related tasks. This system will enhanced our e-government system and provide better customer service to public water systems and officials.

### **6.2.4. 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 – owner’s manual, consolidation study, cross connection control manual, emergency support, employee health and safety plan, electronic permits & fees, and SDWIS State. 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 07 funds available for this set-aside are \$164,580. These funds will be combined with the funds remaining from previous grants for technical assistance to small public water systems.

#### **6.3.1. Small Systems DWSRF & Capacity Assistance**

Amount - \$120,000

As part of providing water systems with the necessary assistance to develop and maintain capacity and apply for DWSRF loans, the Water Supply Division will continue to use a contract to provide non-regulatory assistance directly to water systems along with specialty services associated with environmental documentation required for construction projects.

#### **6.3.2. School Disinfection Assistance**

Amount - \$44,580

The Water Supply Division will provide design and permit application assistance to schools for disinfection installation and improvements. This work will be accomplished through a contract(s) with engineering firms .

#### **6.3.3. Continuing Activities**

A number of programs described and funded under the prior IUPs are still active but do not require additional funding this year. The FFY 03 IUP included a pilot program for alternative treatment technologies for naturally occurring contaminants at small public water systems. The FFY 05 IUP included funding for a contract to provide design and oversight of Transient Non-community Water System treatment systems. The FFY 06 IUP included funding for TNC Assistance.

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

### **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 \$880,768 for this set-aside.

### 6.4.1. Capacity Implementation

Capacity implementation includes a variety of activities to support the development and implementation of technical, financial, and managerial capacity for public water systems. In FFY 07, the Water Supply Division has \$800,403 available to provide this assistance.

#### 6.4.1.1. Planning Loan Program

Amount - \$450,000

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 to conduct feasibility studies, preliminary engineering reports, and prepare final 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 more detail in the Program Description Section of the IUP and the administrative details were part of the work plan included with the FFY 98 EPA grant application.

The State of Vermont is proposing to increase available funds in this account by \$450,000 in FFY 07. Current planning loan commitments, pending loan applications, and set-aside funding amounts are summarized below.

<b>Summary of Planning Loan Set-aside Amounts</b>	
<b>Funding Year</b>	<b>Amount</b>
FFY 98	\$534,000
FFY 99	\$300,000
FFY 00	\$200,000
FFY 01	\$500,000
FFY 02	\$250,000
FFY 03	\$225,000
FFY 04	\$225,000
FFY 05	\$225,000
FFY 06	\$300,000

<b>Summary of Planning Loan Set-aside Amounts</b>	
<b>Funding Year</b>	<b>Amount</b>
FFY06 Transfer from Source Protection Loan Fund	\$400,000
FFY07 (Proposed)	\$450,000
Subtotal	\$3,609,000
Net Other Funds (repayments, interest, miscellaneous)	\$1,069,890
Total Funds	\$4,678,890
Total Commitments (94)	\$3,170,525
Current Pending Applications (17)	\$236,185
Available Balance October 1, 2007	\$1,272,180

#### **6.4.1.2. Small System Engineering Evaluations**

Amount - \$100,000 for special study, no new funding for 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. In FFY 00, the evaluations started to involve school systems and community systems serving populations under 500. In 2000, special studies were added as an activity, including funding for contracts to provide on-site technical assistance to surface water systems.

The contract funding for surface water systems was converted to 0.6 FTE temporary position funding with the FFY 04 grant. Starting in FY07, the funding for this temporary position was moved into the capacity positions summary, although the duties remain unchanged.

<b>Small System Engineering Evaluations Funding Summary</b>	
<b>Federal Fiscal Year</b>	<b>Amount</b>
1999	\$150,000
2000	\$250,000
2001	\$135,000
2002	\$150,000
2003	\$0
2004	\$150,000

<b>Small System Engineering Evaluations Funding Summary</b>	
<b>Federal Fiscal Year</b>	<b>Amount</b>
2005	\$44,993
2006	\$40,000
Total	\$919,993

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.

In FY07 the estimated amount of these special studies was increased to 100,000 to allow for a special study under contract for disinfection by-products and consecutive systems. Prior to this, an estimated \$50,000 was established for special studies.

#### **6.4.1.3. Capacity Positions**

Amount - \$241,403

Starting in the FFY 03 IUP, the State funded approximately 1.09 FTE and associated costs as part of our capacity implementation program. We increased the FTEs to approximately 2.0 in the FFY 05 grant. In FFY 06, we added funding for another FTE in a temporary service position to provide direct assistance to systems with the preparation and implementation of the surface water treatment rules, with a particular focus on the Long Term 2 Surface Water Treatment Rule and the Stage 2 Disinfection By-products Rule. The SWTR position is now shown as a part-time position. The total FFY 07 funding for the 3.15 FTEs and associated costs is \$225,933.

#### **6.4.1.4. Legal Assistance Contracts**

Amount - \$10,000

This activity was previously funded under the Program Management Set-aside. We are proposing to continue to develop contract(s) with law firms to provide legal assistance to public water systems.

#### **6.4.1.5. Ongoing Capacity Activities**

Ongoing activities without additional funding include the Water Supply Division newsletter, the Source Protection Loan Program, mediation assistance, small system engineering evaluations, and technical assistance.

#### **6.4.2. Wellhead Protection Program**

Amount - \$80,365

We are proposing to continue the funding of positions to implement the groundwater portion of Source Water Protection Program. We are seeking to provide funding for 0.9 FTEs and associated costs. The funding for surface water protection activities performed by these positions is funded under the Program Management Set-aside. 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 \$80,365.

### 6.5. Summary of DWSRF Set-asides for FFY 2006

<b>DWSRF Set-asides for FFY 07</b>		
<b>Set-aside (Maximum %)</b>	<b>Funds Available</b>	<b>Grant Request</b>
Administration (4%)	\$329,160	\$329,160
Technical Assistance (2%)	\$164,580	\$164,580
Program Management (10%)	\$822,900	\$822,900
Local Assistance (15%)	\$1,234,350	\$880,768
<b>Totals</b>	<b>\$2,550,990</b>	<b>\$2,197,408</b>

<b>DWSRF Set-asides Summary</b>					
<b>Set-aside</b>	<b>Previous Funding</b>	<b>Current Year Funding</b>	<b>Total</b>	<b>Expended as of 6/30/07</b>	<b>Unexpended as of 6/30/07<sup>1</sup></b>
Administration	\$3,352,580	\$329,160	\$3,681,740	\$3,225,018	456,722
Technical Assistance	\$1,671,290	\$164,580	\$1,835,870	\$1,200,769	635,101
Program Management <sup>2</sup>	\$6,696,668	\$822,900	\$7,519,568	\$4,622,625	2,896,943
Local Assistance	\$6,016,660	\$880,768	\$6,897,428	\$2,986,264	3,911,164
<b>Totals</b>	<b>\$17,737,198</b>	<b>\$2,197,408</b>	<b>\$19,934,606</b>	<b>\$12,034,676</b>	<b>\$7,899,930</b>

<sup>1</sup> 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.

<sup>2</sup> Vermont has reserved the right to take additional program management funds from future grants. (FFY97 \$1,155,880; FFY98 \$592,130; FFY99 \$226,380; FFY00 \$275,700; FFY01 \$48,910; FFY03 \$177,410; Total \$2,476,410).

## **7. Program Changes**

### ***7.1. Facility Deficiency Point Change for Small Water Systems***

Last year we explored the possibility of a two-tiered priority list that would increase the likelihood of funding some of our smallest projects. This was occurring in conjunction with a Region I work group formed in the spring of 2006 for the purpose of identifying changes intended to increase the level of participation of small water systems in the DWSRF loan program. Another approach under consideration by the WSD consists of modifying the project ranking system to elevate very small water systems with “sensitive” sub-populations, such as school systems. The WSD decided it would pursue the latter approach with this year’s priority list by applying a factor of 1.2 to the facility deficiency points for such systems.

### ***7.2. Security Points Criteria***

The WSD is proposing to modify how points are awarded for security improvements. Currently, 20 points are awarded for security improvements in addition to other facility deficiency improvements, and 20 points are also awarded when the project is solely for security improvements. WSD is proposing to reduce the number of points awarded from 20 to 5 when security is an additional improvement while maintaining 20 points for projects that solely consist of security.

### ***7.3. Funding Cap for Continuing Projects***

The WSD is proposing to change the limitation on funding for continuing projects by eliminating the \$2.5 million limit on construction costs and instead allow up to a maximum of \$6.0 million dollars for a project before it loses its elevated continuing status. The maximum \$2.0 million limit from any one priority list would remain unchanged.

### ***7.4. Minor Additions to Project Scope***

The WSD is proposing to accept as eligible minor scope changes that occur during project development or during construction without having to re-rank the project. This will be acceptable provided the project scope includes correction of the facility deficiency that was the basis for the points awarded to the project on the adopted list.

### ***7.5. September 30 Deadline for Construction Loan Applications: Exceptions***

The WSD is proposing to accept loan applications for projects after the September 30th deadline under certain limited circumstances. For those projects that are ready to proceed but are not in the fundable range and so notify WSD prior to the September 30th deadline, consideration will be given to project funding if funds become available, subject to the bypass procedures.

## 8. Appendix 1: Public Participation Documents

### 8.1. Request for Priority List Applications Postcard Text

#### **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, 2007 through September 30, 2008 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 application can be found and completed online on the Water Supply Division website at:

<http://www.vermontdrinkingwater.org/forms/DWSRFPriorityListApplication.doc>.

New or updated previously submitted applications are required. Completed applications must be returned to the Water Supply Division before the close of business on Friday, April 6, 2007. We plan to have a draft priority list available by Monday, May 21, 2007. A public meeting to receive comments on the draft priority list and the FY 2007 DWSRF Vermont Intended Use Plan will be held on Wednesday, June 20, 2007, 2:00 P.M. to 4:00 P.M. in the Pavilion Auditorium in Montpelier, Vermont. Final written comments will be due by Friday, June 29, 2007. Our goal is to submit the final draft of the 2007 Priority List and Intended Use Plan to the United States Environmental Protection Agency by August 1, 2007.

If you have questions about completing the application form or the loan program in general, please contact Bryan Redmond at the Water Supply Division toll-free in Vermont at 1-800-823-6500, direct at 1-802-241-3408 or by fax at 1-802-241-3284. We look forward to assisting you with your water system improvement needs.

## 8.2. 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 2007 Drinking Water State Revolving Fund of approximately \$9.9 million dollars on drinking water infrastructure, public water system supervision, and water system capacity assistance. The Draft Intended Use Plan (IUP) includes the FY 2007 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:

**Wednesday, June 20, 2007, 2:00 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 Friday, June 29, 2007.

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 1-802-241-3408. A copy of the Draft IUP may be viewed on our website [www.vermontdrinkingwater.org](http://www.vermontdrinkingwater.org) after June 1, 2007.

## 8.3. Responsiveness Summary

	<b>Question or Comment</b>	<b>Response</b>
1	The Town of Windsor requests additional priority points for inadequate distribution facilities, redundancy of critical components and inadequate pumping facilities.	The Town was awarded 70 system facility deficiency points for routine pressure below 20 psi. The facility deficiency points are not additive. Points are awarded for the facility deficiency corrected by the project which addresses the highest health risk and compliance concern, and represents a significant portion of the total project cost.
2	Castleton Fire District No. 1 is concerned about the 2% preliminary interest rate shown for their project on the Draft Project Priority List.	The preliminary interest rate determination shown for Castleton Fire District #1 is based on a loan value of \$2,000,000, which is the cap for any project per fiscal year. The District has passed a bond vote for \$5,500,000 and based on this value the interest rate and term would adjust

	<b>Question or Comment</b>	<b>Response</b>
		to -3%, 30-years. A letter has been sent to the District explaining the Programs methodology for establishing interest rates and terms.
3	The Program should consider replacing its current bypass system with a two phase bypass system that reviews projects during the November/December time period then again in March/April.	Essentially a two phase system is in place. Following adoption of the list funds availability letters are sent to those project in the fundable range. The letters request that the applicants submit a project timeline for review and approval. If the timeline indicates the project does not meet readiness to proceed criteria the project will be bypassed.
4	Points should be awarded for a water system that is under a State issued compliance schedule that includes task completions by specific dates.	The pre-2001 priority scoring system included a 10 point category for systems under a compliance schedule. In 2001 the criteria was removed as part of a much more drastic renovation of the priority scoring system. At this point in time we do not feel there is a strong basis to reinstitute this category. We will continue to discuss further and potentially make adjustments in the future.
5	Section 5.1.1, page 23: The IUP should be specific as to what constitutes a “sensitive” population.	We will edit section 5.1.1 of the document to read, “weighting factor applies to qualifying schools and childcare facilities. The populations served by these types of facilities are considered to be higher risk.”
6	Section 5.1.4: What is the definition of a small system? What is the population that qualifies for a “3 factor” for planning?	Factor 3 applies to all systems for planning. However, the smaller the system the more priority points for population it will receive thereby increasing the weighting factor of population points relative to the other scoring criteria.
7	Delete the following sentence from Page 19 of the IUP as it implies the State expects communities to go to RFP for design services. “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.”	So noted. The following language will be substituted: “Projects for final design are expected to submit the loan application together with a draft engineering services agreement prior to October 1 <sup>st</sup> of the following year. Projects requesting construction funds are expected to advertise for bids prior to the October 1 <sup>st</sup> deadline.”

	<b>Question or Comment</b>	<b>Response</b>
8	The Town of Brighton requests that additional priority points for security improvements are awarded to their project.	We have reviewed the request and will add 20 security points to the Town of Brighton's priority ranking score.
9	The Town of Shaftsbury requests that additional priority points for security improvements are awarded to their project.	We have reviewed the request and will add 20 security points to the Town of Shaftsbury's priority ranking score.
10	Public Meeting Comment: Is there an opportunity for unused funds to be used on other projects?	If there are any unused funds (underruns) they will be carried forward. Unused funds are reserved for future use.
11	Public Meeting Comment: Encourage the increase of the per year per project cap from \$2 million to \$4-6 million to better meet the needs of systems like Castleton Fire District 1.	The \$2.0M cap per year to any one project will remain in tact. There are many systems in need of infrastructure upgrades and low cost financing opportunities. Increasing this cap will greatly restrict the number of systems we can finance during the fiscal year given the total amount of funds available. Please note that the \$2.0M cap can be increased upon approval from the Secretary or in the event surplus funds are available. Also note, we have increased the funding cap for continuing projects from \$2.5M to \$6.0M to accommodate large projects such as Castleton Fire District No. 1.
12	Public Meeting Comment: What happens to the priority list for projects that do not meet the September 30 <sup>th</sup> deadline? Also what about exceptions to the bond vote deadline?	If a project does not meet the September 30 <sup>th</sup> application deadline the project will be bypassed and the funds carried forward to the next fiscal year. We do not have any formal procedure in place regarding exceptions to the bond vote deadline. For smaller projects, such as schools, we have allowed for greater flexibility on meeting this deadline. Typically, these projects require far less funding and have a relatively low impact on the priority list.
13	Public Meeting Comment: With respect to bypassing projects, could there be a 2 phase re-allocation with a screening in December similar to how USDA – Rural Development works? If the priority list can be amended, how does that get integrated into the program? From an engineering standpoint, obstacles can affect the schedule. We are finding more communities asking what are our	Question regarding 2-phase bypass procedure is addressed above. The priority list can 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 and been through the public participation process. Another public process will need to be followed for any amendments to the priority list. In regards to other funding opportunities, we certainly encourage

	<b>Question or Comment</b>	<b>Response</b>
	alternatives—such as the Bond Bank? No guarantees if you are below the fundable line	communities to explore all funding options. The bottom line is the DWSRF funds are competitive and cannot meet the needs of all communities in a typical funding year. It should be noted that the DWSRF can retroactively fund projects as long as all program requirements are satisfied (i.e. procurement and environmental review) and funds become available within 2 years following project completion.
14	Public Meeting Comment: The Small System Engineering Evaluation Program should continue. It met a real need by giving the systems a broad brush. Asset Management is also a good thing.	It is estimated that the program has provided free evaluations for approximately 67% of the eligible water systems. We will give consideration to continuing with the program to offer service to the remaining 33%. Both the Loan Program and Capacity Development Program are working together to integrate Asset Management into the respective programs.
15	Public Meeting Comment: Why is the full 15% of the Local Assistance Set-aside not utilized?	The full 15% is not utilized because of the narrow restrictions on the activities that can be funded with this money. We do max out the capacity funding of this set-aside. The money that is not used for the set-asides is used in the construction loan program so we don't lose it.
16	Public Meeting Comment: What is the Secretary's proposed reorganization going to do to the Water Supply Division? Will you be regionalized?	For information regarding the status of the reorganization, please refer to the ANR website. The specifics of the reorganization are not yet know, but it appears that the Water Supply Division will not exist in its current format.
17	Public Meeting Comment: Castleton Fire District #1 passed a bond recently. There are perceived conflicts with the priority list showing a 2% interest rate and what was expected—a -3% interest rate.	See Question and Response #2 above. The commenter was requested to provide written comment due to the complexity of this concern.

## **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, 2008. 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, 2007 to September 30, 2008 period are those projects with the designation 'C' or 'F' in the "Funding Status" column of the table in Section 9.1. Additional projects will be funded in priority order if additional funds become available. Determinations of loan subsidies are preliminary estimates only. Final determinations are made based on loan applications and final project costs.

### ***9.1. 2007 DWSRF Priority List***

**2007 DWSRF Priority List**

**Total Available: \$9.7M**

	<b>Water System Name</b>	<b>Funding Status</b>	<b>WSID</b>	<b>Town</b>	<b>Total Points</b>	<b>Preliminary Loan Interest Rate (%)</b>	<b>Approximate Subsidy (\$)</b>	<b>Current Loan Amount (\$)</b>	<b>Cumulative Loan Amount (\$)</b>	<b>PROJECT DESCRIPTIONS</b> <i>Note: Facility improvement points shown at the end of project description. Schools have been awarded a 20% weighting factor to this category.</i>
1	Rutland City Water Dept.	C	5229	Rutland City	120	3.00	0	2,000,000	2,000,000	Replacement of failing roof structure at water treatment facility. Emergency project. Inadequate filtration performance, 100 points.
2	Bellows Falls/North Westminster	C	5298	Rockingham	157	-3.00	282,210	710,000	2,710,000	Consolidation of the North Westminster Water Co-op into the Bellows Falls Water System. Continuing project. Microbiological contaminated source, 120 points.
3	Bennington Water Dept.	C	5016	Bennington	155	3.00	0	751,000	3,461,000	Water system improvements to include modifications to the intake structure, raw water piping, raw water flow controllers for each filter unit, 1.2 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. Continuing project. Contaminants above MCL, 120 points.
4	Elmore Water Coop	C	5152	Elmore	150	-3.00	93,407	235,000	3,696,000	Development of new source, installation of disinfection system, storage, master and service connection meters, and replacement of distribution system. Total system replacement. Continuing project. Inadequate disinfection facilities, 95 points.

**2007 DWSRF Priority List**  
**Total Available: \$9.7M**

	Water System Name	Funding Status	WSID	Town	Total Points	Preliminary Loan Interest Rate (%)	Approximate Subsidy (\$)	Current Loan Amount (\$)	Cumulative Loan Amount (\$)	PROJECT DESCRIPTIONS <i>Note: Facility improvement points shown at the end of project description. Schools have been awarded a 20% weighting factor to this category.</i>
5	Troy Water System	C	5206	Troy	140	-3.00	397,478	1,000,000	4,696,000	Additional source investigation, test drilling and evaluation of water system infrastructure. Subsequent design, permitting and construction of new source of supply and waterline improvements. Costs include the potential for an arsenic removal facility to treat existing source. Continuing project. Contaminants above MCL, 120 points.
6	Arlington Water Co.	C	5013	Arlington	65	3.00	0	540,000	5,236,000	Project includes the "East Arlington Road Loop" to improve pressure and flow problems on Rt. 7A South. An additional 3,400 lf of replacement water main has been added to the project to eliminate persistent leakage problems associated with old, small diameter galvanized piping. Continuing project. Pressure under 20 PSI during fire flow, 60 points.
7	Holland Elementary	F	6710	Holland	199	3.00	25,000	25,000	5,261,000	Installation of disinfection system, water meter, and removal of an underground oil storage tank. Project includes security improvements. Contaminants above the MCL, 144 points.
8	Country Day Care	F	20361	West Dover	186	3.00	0	100,000	5,361,000	Project includes replacement of existing copper with lead solder piping, installation of disinfection system, and new well development or rehab of existing well. Project includes security improvements. Contaminants above the MCL, 144 points.

**2007 DWSRF Priority List**  
**Total Available: \$9.7M**

	<b>Water System Name</b>	<b>Funding Status</b>	<b>WSID</b>	<b>Town</b>	<b>Total Points</b>	<b>Preliminary Loan Interest Rate (%)</b>	<b>Approximate Subsidy (\$)</b>	<b>Current Loan Amount (\$)</b>	<b>Cumulative Loan Amount (\$)</b>	<b>PROJECT DESCRIPTIONS</b> <i>Note: Facility improvement points shown at the end of project description. Schools have been awarded a 20% weighting factor to this category.</i>
9	Grammar School Inc.	F	6623	Putney	181	3.00	0	50,000	5,411,000	Provide for design and installation of disinfection at the Grammar School (6623) and Grammar School Annex (20454) and other miscellaneous improvements that result from the engineering evaluation. Project may also include investigation and drilling of a new well. Project includes security improvements. Contaminants above the MCL, 144 points.
10	Whiting Water Corp	F	5012	Whiting	170	-3.00	183,982	462,874	5,873,874	Project consists of distribution system replacement, electrical and telemetry upgrades, new hydropneumatic tank and booster pump station, storage and master meter. Project includes security improvements. Contaminants above the MCL, 120 points.
11	Hancock Village School	F	6086	Hancock	163	3.00	25,000	25,000	5,898,874	Installation of disinfection system and other miscellaneous improvements to meet requirements of Water Supply Rule. Project includes security improvements. Lack of disinfection facilities, 108 points.
12	Brownington Center School	F	6091	Brownington	163	3.00	15,000	15,000	5,913,874	Installation of disinfection system and water meter. Project includes security improvements. Lack of disinfection facilities, 108 points.
13	Richmond FD 1	F	5426	Richmond	160	3.00	0	150,000	6,063,874	Replacement of the concrete reservoir with a different solution and to provide a disinfection solution for both wells. Project includes security improvements. Contaminants above the MCL, 120 points.

**2007 DWSRF Priority List**  
**Total Available: \$9.7M**

	<b>Water System Name</b>	<b>Funding Status</b>	<b>WSID</b>	<b>Town</b>	<b>Total Points</b>	<b>Preliminary Loan Interest Rate (%)</b>	<b>Approximate Subsidy (\$)</b>	<b>Current Loan Amount (\$)</b>	<b>Cumulative Loan Amount (\$)</b>	<b>PROJECT DESCRIPTIONS</b> <i>Note: Facility improvement points shown at the end of project description. Schools have been awarded a 20% weighting factor to this category.</i>
14	Granville Elementary School	F	6751	Granville	158	3.00	25,000	25,000	6,088,874	Installation of disinfection system and other miscellaneous improvements to meet requirements of Water Supply Rule. Project includes security improvements. Lack of disinfection facilities, 108 points.
15	Tinmouth Center School	F	6619	Tinmouth	158	3.00	25,000	25,000	6,113,874	Installation of disinfection system and other miscellaneous improvements to meet requirements of Water Supply Rule. Project includes security improvements. Lack of disinfection facilities, 108 points.
16	Lowell Graded School	F	6650	Lowell	158	3.00	25,000	25,000	6,138,874	Installation of disinfection system, water meter and backflow prevention. Project includes security improvements. Lack of disinfection facilities, 108 points.
17	Halifax West School	F	6750	Halifax	153	3.00	25,000	25,000	6,163,874	Installation of disinfection system, corrosion control and water meter. Project includes security improvements. Lack of disinfection facilities, 108 points.
18	Wardsboro Elementary School	F	6072	Wardsboro	153	3.00	4,000	4,000	6,167,874	Project consists of the following improvements: Installation of disinfection system, secure well cap and gasket and repair or replace electrical conduit, installation of properly constructed and screened vent for source well and develop and submit for approval O&M manual.
19	Stockbridge Central School	F	6087	Stockbridge	153	3.00	25,000	25,000	6,192,874	Installation of disinfection system and other miscellaneous improvements to meet requirements of Water Supply Rule. Project includes security improvements. Lack of disinfection facilities, 108 points.

**2007 DWSRF Priority List**  
**Total Available: \$9.7M**

	Water System Name	Funding Status	WSID	Town	Total Points	Preliminary Loan Interest Rate (%)	Approximate Subsidy (\$)	Current Loan Amount (\$)	Cumulative Loan Amount (\$)	PROJECT DESCRIPTIONS <i>Note: Facility improvement points shown at the end of project description. Schools have been awarded a 20% weighting factor to this category.</i>
20	Okemo Village Condominiums	F	5324	Ludlow	150	3.00	0	209,000	6,401,874	Improvements to include: Remove and discontinue use of underground storage tank and distribution pumps and replace with new above ground distribution system, study and provide wellhead protection area plan for unapproved well #2 and determine GPM production, replace approximately 300 ft. of piping, compensate engineers for planning, design and construction oversight, compensate contractors for all required construction items and permitting. Project includes security improvements. Unpermitted source of water, 110 points.
21	Windham Elementary School	F	6073	Windham	150	3.00	25,000	25,000	6,426,874	Installation of disinfection system and construction of an addition to the building to house the new equipment. Project includes security improvements. Lack of disinfection facilities, 108 points.
22	Red Cedar School	F	20923	Bristol	150	3.00	0	25,000	6,451,874	Installation of disinfection and water meter. Project includes security improvements. Lack of disinfection facilities, 108 points.
23	Brookline Elementary School	F	6069	Brookline	150	3.00	25,000	25,000	6,476,874	Installation of disinfection system and other miscellaneous improvements to meet requirements of Water Supply Rule. Project includes security improvements. Lack of disinfection facilities, 108 points.
24	Bridgewater Village School	F	6649	Bridgewater	150	3.00	20,000	20,000	6,496,874	Installation of disinfection system, master meter and other minor improvements to meet requirements of Water Supply Rule. Project includes security improvements. Lack of disinfection facilities, 108 points.

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25	Ripton Elementary School	F	6740	Ripton	150	3.00	25,000	25,000	6,521,874	. Installation of disinfection system and other miscellaneous improvements to meet requirements of Water Supply Rule. Project includes security improvements. Lack of disinfection facilities, 108 points.
26	Little School	F	20390	Weston	150	3.00	25,000	25,000	6,546,874	Installation of disinfection system and other miscellaneous improvements to meet requirements of Water Supply Rule. Project includes security improvements. Lack of disinfection facilities, 108 points.
27	Peacham Elementary School	F	6660	Peacham	150	3.00	25,000	25,000	6,571,874	Installation of disinfection system and other miscellaneous improvements to meet requirements of Water Supply Rule. Project includes security improvements. Lack of disinfection facilities, 108 points.
28	Marlboro Elementary School	F	6719	Marlboro	150	3.00	25,000	25,000	6,596,874	Installation of disinfection system, backflow prevention and development of O&M manual. Project includes security improvements. Lack of disinfection facilities, 108 points.
29	Bingham Memorial School	F	6680	Cornwall	148	3.00	25,000	25,000	6,621,874	Installation of disinfection system and other miscellaneous improvements to meet requirements of Water Supply Rule. Project includes security improvements. Lack of disinfection facilities, 108 points.
30	Mount Holly School	F	6075	Mt. Holly	145	3.00	25,000	25,000	6,646,874	Installation of disinfection system and other miscellaneous improvements to meet requirements of Water Supply Rule. Project includes security improvements. Lack of disinfection facilities, 108 points.

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31	Waterville Elementary School	F	20506	Waterville	145	3.00	15,000	15,000	6,661,874	Installation of disinfection system, water meter and other miscellaneous improvements to meet requirements of Water Supply Rule. Project includes security improvements. Lack of disinfection facilities, 108 points.
32	Salisbury School	F	20610	Salisbury	145	3.00	25,000	25,000	6,686,874	Installation of disinfection system and other miscellaneous improvements to meet requirements of Water Supply Rule. Project includes security improvements. Lack of disinfection facilities, 108 points.
33	Orwell Village School	F	6724	Orwell	145	3.00	25,000	25,000	6,711,874	Installation of disinfection system, improvements to water storage tank, and other miscellaneous improvements to meet requirements of Water Supply Rule. Project includes security improvements. Lack of disinfection facilities, 108 points.
34	Waitsfield Elementary School	F	6718	Waitsfield	145	3.00	25,000	25,000	6,736,874	Project consists of disinfection and improvements to the storage tank. Project includes security improvements. Lack of disinfection facilities, 108 points.

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35	Castleton FD 1	F	5212	Castleton	143	2.00	0	2,000,000	8,736,874	Chlorine contact time improvements for both municipal groundwater sources of supply. Piping improvements including a bypass of the Castleton Fire District #3 control vault; transmission main improvements along Main Street and South Street; distribution main improvements along Glen Street, Sand Hill Road and between Elm and Seminary Streets; and additional valves and hydrants as identified to better provide residual pressure of 35 psi under conditions of average daily demand and 20 psi under all conditions of flow. Improvements to existing water storage tank including access into the interior, safety improvements, modifications to the interior slab and electrical hazard mitigation. Water meters and backflow prevention for the District including Castleton State College. Project includes security improvements. Inadequate disinfection facilities, 95 points.
36	Weybridge Elementary School	F	6085	Weybridge	143	3.00	25,000	25,000	8,761,874	Installation of disinfection system and other miscellaneous improvements to meet requirements of Water Supply Rule. Project includes security improvements. Lack of disinfection facilities, 108 points.
37	Sherburne Elementary School	F	6723	Killington	143	3.00	25,000	25,000	8,786,874	Project consists of UV disinfection, additional treatment if required and backflow prevention devices. Project includes security improvements. Lack of disinfection facilities, 108 points.

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38	Waterford Elementary School	F	6667	Waterford	143	3.00	25,000	150,000	8,936,874	Installation of corrosion control, disinfection and master meter. Replacement of storage tank with secured access and improvements to the wellhead. Project includes security improvements. Lack of disinfection facilities, 108 points.
39	Newton Elementary School	F	6702	Strafford	143	3.00	25,000	50,000	8,986,874	Installation of disinfection units at both well sites serving the main school building and the gym/preschool. Project includes security improvements. Lack of disinfection facilities, 108 points.
40	Deerfield Valley School	F	6568	Wilmington	143	3.00	25,000	25,000	9,011,874	Installation of disinfection, water meter and improvements to the storage tank. The project also includes security improvements. Lack of disinfection facilities, 108 points.
41	Warren Elementary School	F	6664	Warren	143	3.00	25,000	55,600	9,067,474	Replacement of water storage tank, installation of disinfection system and replacement of outdated pumps and piping. Project includes security improvements. Lack of disinfection facilities, 108 points.
42	Moretown Elementary School	F	6677	Moretown	143	3.00	25,000	25,000	9,092,474	Installation of disinfection and other improvements identified as a result of pending small system engineering evaluation. Project includes security improvements. Lack of disinfection facilities, 108 points.
43	Berkshire Elementary School	F	6681	Berkshire	143	3.00	25,000	25,000	9,117,474	Installation of disinfection system and other miscellaneous improvements to meet requirements of Water Supply Rule. Project includes security improvements. Lack of disinfection facilities, 108 points.

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44	Eastridge Acres HOA	F	5220	Mendon	140	3.00	0	250,000	9,367,474	Project will address deficiencies in 10/25/06 sanitary survey which will include; addressing inadequate distribution system pressures, inadequate disinfection facilities, treatment for iron, eliminating cross connections, improvements to the existing storage tank and other miscellaneous improvements. Contaminants above the MCL, 120 points.
45	St. Johnsbury Water System	F	5045	St. Johnsbury	140	3.00	0	256,500	9,623,974	Final design engineering for the following: Replacement of Overcliff Tanks; Water Treatment Plant Improvements to reduce DBP's; Replacement of alum lagoons with a gravity sewer.
46	East Berkshire Water Coop	F	5115	Berkshire	140	3.00	0	150,000	9,773,974	Springs have been determined to be under the influence of surface water requiring filtration. Installation of locking covers on all springs. Project includes security improvements. No treatment under the influence of surface water, 95 points.
47	Dorset Elementary School	NF	6709	Dorset	138	3.00	25,000	25,000	9,798,974	Installation of disinfection system and other miscellaneous improvements to meet requirements of Water Supply Rule. Project includes security improvements. Lack of disinfection facilities, 108 points.

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48	South Wallingford Co.	NF	5243	Wallingford	137	3.00	0	250,000	10,048,974	Design and construction of source and storage improvements, disinfection facilities and other improvements agreed between the Water Supply Division and the South Wallingford Company. Project includes security improvements. Inadequate disinfection facilities, 95 points.
49	Glen Run Condominium	NF	5600	West Dover	137	3.00	0	250,000	10,298,974	Provide solution for well source that has been determined to be ground water under the direct influence of surface water. Solutions could include new well development or installation of filtration system. Project includes security improvements. No treatment under the influence of surface water, 95 points.
50	Otter Valley USD 8	NF	6061	Brandon	136	3.00	25,000	25,000	10,323,974	Project consists of disinfection, totalizing master meter, pump room equipment improvements, backflow prevention and a secure storage tank access. Project includes security improvements. Lack of disinfection facilities, 108 points.
51	Drumleys Condominiums	NF	5282	Warren	135	3.00	0	150,000	10,473,974	Install new storage tank, replace booster pumps, update electrical panel and electrical, construct new pumphouse, install shut-offs, and upgrade electrical wiring and pumps at two well sources. Project includes security improvements. Inadequate disinfection facilities, 95 points.

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52	Sharon Elementary School	NF	6645	Sharon	135	3.00	25,000	140,000	10,613,974	Project consists of disinfection, storage, and other improvements defined by Water Supply Rule. May include re-connection of distribution system with WSID 20718, which includes the Old School House and Municipal Building. Lack of disinfection facilities, 108 points.
53	Flood Brook USD 20	NF	6654	Londonderry	135	3.00	25,000	25,000	10,638,974	Installation of disinfection system, vented well cap and other miscellaneous improvements to meet requirements of Water Supply Rule. Project includes security improvements. Lack of disinfection facilities, 108 points.
54	Highgate Center School	NF	6731	Highgate	135	3.00	25,000	135,000	10,773,974	Project consists of disinfection, storage and other miscellaneous improvements to bring system into full compliance with the Water Supply Rule. Project includes security improvements. Lack of disinfection facilities, 108 points.
55	Old Mill Marketplace	NF	5419	Bridgewater	132	3.00	0	60,000	10,833,974	Polyurea lining and cover for the existing water storage tank. Project will include security improvements. Finished water storage vulnerable to contamination, 90 points.
56	Royal Pine Villa	NF	5027	Pownal	132	3.00	0	60,000	10,893,974	Installation of disinfection and other improvements to come into compliance with the Water Supply Rule. Project includes security improvements. Lack of disinfection facilities, 90 points.

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57	Grandview Acres Water Coop	NF	5237	Rutland Town	132	3.00	0	200,000	11,093,974	Construction of new well pump control and disinfection building, construction of finished water storage tank(s), and raising the existing water supply well above grade. Project includes security improvements. Lack of disinfection facilities, 90 points.
58	Mansfield View Water Corp.	NF	5385	Stowe	130	3.00	0	250,000	11,343,974	Relocate equipment from an underground vault to a new above ground building, install chlorination equipment, flow metering from source wells, upgrade storage tank, eliminate cross connections, install flush valves, re-pipe distribution to 3 residences to eliminate booster pump use, and backwash disposal for treatment. Project includes security improvements. Inadequate disinfection facilities, 95 points.
59	Old School House	NF	20718	Sharon	130	3.00	0	140,000	11,483,974	Installation of disinfection system, storage and other improvements defined by Water Supply Rule. May entail development of new well or reconsolidation of Old School House water supply with the Sharon Elementary School water supply. Lack of disinfection facilities, 108 points.

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60	Fairfax Heights Water Co	NF	5118	Fairfax	130	3.00	0	220,000	11,703,974	Make all necessary improvements required by Temporary Operating Permit conditions. Storage tank cover, overflow vent, improvements to Well #1 (confined space), evaluating or replacement of shut off valves or curb stops, and development of Operations and Maintenance Manual. Project includes security improvements. Storage vulnerable to contamination, 90 points.
61	Brandon FD #2	NF	5417	Brandon	130	2.00	0	300,000	12,003,974	Upgrade of entire system infrastructure to include: alarm system, back-up power, hydro pneumatic tank, valves, gauges, electrical panel, storage tank, and repair leak into main pumphouse. All deficiencies outlined in December 2005 sanitary survey will be addressed in project. Project includes security improvements. Storage vulnerable to contamination, 90 points.
62	South Alburg FD 2	NF	20964	Alburg	125	-3.00	794,956	2,000,000	14,003,974	Project consists of approximately 18 miles of water main, connection to the Town of North Hero (supply), and upgrade to the North Hero treatment plant, valves, services, meters and appurtenances. No treatment under the influence of surface water, 95 points.
63	Cuttingsville FD 1	NF	5241	Shrewsbury	125	3.00	0	175,000	14,178,974	Complete reconstruction of well pumping station, controls and disinfection facilities. Project includes security improvements. Lack of disinfection facilities, 90 points.

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64	East Dorset FD 1	NF	5021	Dorset	125	3.00	0	300,000	14,478,974	New disinfection and control building at existing water storage tank. Replacement of existing copper water line on South Pleasant Street which is causing high residual copper concentrations, exceeding MCL. Project includes security improvements. Lack of disinfection facilities, 90 points.
65	Alburg Village Water System	NF	5136	Alburg	118	-2.50	442,692	1,300,000	15,778,974	Upgrade of water treatment facility. Inadequate filtration performance, 100 points.
66	Tri-Park (Brattleboro)	NF	20604	Brattleboro	118	-3.00	240,034	603,893	16,382,867	Construction of approximately 15,891 ft of 8" and 4" ductile iron water mains including 276 connections to mobile homes and improvements to an existing pump station. The Town of Brattleboro will borrow the funds on behalf of Tri-park and will own and manage the system once construction is completed. Project includes security improvements. Routine pressure below 20 psi in distribution system, 70 points.
67	Suntec Forest Water System	NF	5541	Dover	117	3.00	0	65,000	16,447,867	Replacement of hydropneumatic tank, which is suspected to be the source of TCE contamination. Construction of a curtain drain around existing pumphouse to prevent groundwater from leaking into the pumphouse. Action level for eight chemicals of concern, 100 points.

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68	Thetford Water Coop	NF	5181	Thetford	115	3.00	0	61,000	16,508,867	Reconstruction of the emergency water supply wells, replace valves on water mains to individual service connections with curb valves, update water treatment equipment, install corrosion control, redundancy of critical system parts and general system improvements as identified in recent sanitary survey. No treatment under the influence of surface water, 95 points.
69	St. George FD 1	NF	5093	St. George	110	0.50	0	150,000	16,658,867	Project consists of storage for chlorine contact time, construction of new control building above grade to house new hydropneumatic tanks and booster pumps, and other miscellaneous improvements. Project includes security improvements. Lack of disinfection facilities, 90 points.
70	Readsboro Village	NF	5028	Readsboro	110	-0.75	14,899	133,000	16,791,867	Upgrade and/or replacement of existing two train filtration system. Improvements could potentially address recent lead and copper action level exceedences. Project includes security improvements. Lead and copper corrosion control, 80 points.

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71	Irasburg Water Coop	NF	5200	Irasburg	105	1.25	0	600,000	17,391,867	Project will seek to address the conditions outlined in the Temporary Operating Permit issued to the water system on 5/15/2005. Project to include but not limited to the installation of an adequate disinfection system, repair or replacement of water storage tank, waterline replacement, and reconfiguration of pumping station and storage. Lack of disinfection facilities, 90 points.
72	Springfield Water Dept.	NF	5333	Springfield	105	3.00	0	2,000,000	19,391,867	Construction of two projects that will replace approximately 5,000 lf of aging and undersized transmission mains, distribution mains, well houses, valve vaults, booster stations and a 1.0 MG pre-stressed water tank throughout the system. Storage vulnerable to contamination, 90 points.
73	Jay Peak Basin Complex	NF	5565	Jay	105	3.00	0	550,000	19,941,867	Physical consolidation of WSID's 5565 and 20434. Other improvements to include well and control system upgrades, water main interconnection, construction of new water storage tank and possibly addition of filtration system. Project includes security improvements. Redundancy of critical components, 50 points.
74	East Middlebury FD 1	NF	5003	Middlebury	103	3.00	0	130,000	20,071,867	Planning, design, permitting and construction of improvements to provide adequate chlorine contact time at Well Nos. 1 and 2. Inadequate disinfection facilities, 95 points.

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75	Town of Cabot	NF	5261	Cabot	102	0.00	0	450,000	20,521,867	Proposed improvements installation of 4,600 l.f. of 4-inch water main and appurtenances to connect residents in lower Cabot to the Village of Cabot water system to eliminate private water supplies that have been contaminated by an active hazardous waste site, Derek's Country Store (site #98-2573). Contaminant below MCL, 80 points.
76	Sheldon Water System	NF	5127	Sheldon	102	0.00	0	1,828,000	22,349,867	Consolidation of Sheldon and Sheldon Springs Water Systems. Project includes pump replacement at Village Booster Station at Crowe Hill, new storage tank with fence, and interconnection with Sheldon Springs. Project includes security improvements. Source vulnerable to PSOCs, 60 points.
77	Lindale MHP	NF	20958	Middlebury	100	3.00	0	313,000	22,662,867	Water system improvements that include: Replace water meter/valve pit, install 2800' of 6" and 4" ductile iron forming a loop, install service lines connecting 48 homes; including curb stops, meters, ect., and install 1 hydrant and other miscellaneous main line valves. Project includes security improvements. Pressure under 20 psi during fire flow, 60 points.
78	Brighton Water System	NF	5105	Brighton	98	-2.50	558,473	1,640,000	34,393,667	Construction of new waterlines and replacement of existing waterlines around Island Pond Lake to improve the distribution system reliability and increase system pressures and fire flows. Project includes security improvements. Pressure under 20 psi during fire flow, 60 points.

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79	Chelsea Water System	NF	5638	Chelsea	95	3.00	0	400,000	23,062,867	Design and construction of well pump station for new "Brookhaven Well," currently in the process of final State approval. This well and pumping station would replace the currently used shallow "Village Wells," which are highly vulnerable to contamination. Project includes security improvements. Source vulnerable to PSOCs, 60 points.
80	Rutland Town FD 10	NF	5428	Rutland Town	92	0.00	0	191,800	23,254,667	Construction of supplemental water storage reservoir and improvements to the distribution system to eliminate existing cross connections. Routine pressure below 20 psi in distribution system, 70 points.
81	Windsor Water Dept.	NF	5341	Windsor	88	3.00	0	2,000,000	25,254,667	Upgrade the Union Street Pump Station including pump replacement. Construct 3,400 lf of 8-inch water distribution main and 12,000 lf of water transmission main and a 0.5 MG water storage tank to replace undersized water main, improve the system pressures and available fire flows. Routine pressure below 20 psi in distribution system, 70 points.
82	Barton Village	NF	5189	Barton	88	-3.00	397,478	1,000,000	26,254,667	Water main replacement and source water improvements. Iron and manganese and other secondary contaminants, 50 points.

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83	Shaftsbury Water System	NF	5469	Shaftsbury	85	3.00	0	414,000	35,407,667	Project includes water main replacement and extension on Ledgey Drive, West View Road, Meadow Lane and Sycamore Lane to improve distribution system hydraulics and water quality. Project includes security improvements. Pressure under 20 psi during fire flow, 60 points.
84	Morrisville Water & Light	NF	5160	Morristown	83	3.00	0	1,550,000	27,804,667	Replacement of existing 500,000 gallon in-ground concrete storage reservoir constructed in 1912 that is leaking and whose location/design does not provide adequate pressure for a portion of this system. Construction of new reservoir at a location that will replace the existing leaking structure and provide a solution to low water pressure. Modify current low pressure area with the use of pressure reducing valves to ensure the pressure outside the zone is not adversely affected and maintain the hydraulic structure of the entire water system. Pressure under 20 psi during fire flow, 60 points.
85	Waitsfield Water Supply	NF	20997	Waitsfield	82	3.00	0	2,000,000	29,804,667	New PCWS including source(s), pumping and treatment facility, water storage tank, water mains, water services, water meters and hydrants. Source vulnerable to PSOCs, 60 points.

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86	Northfield Water Dept.	NF	5275	Northfield	80	3.00	0	2,000,000	31,804,667	Construction of water transmission main and distribution system improvements in the Northfield Falls service area. Routine pressure below 20 psi in distribution system, 70 points.
87	Lyman Meadows	NF	20000	Hinesburg	80	3.00	0	249,000	32,053,667	Design, permitting and construction of the connection of the Lyman Meadows water system with the Town of Hinesburg. Redundancy of critical components, 50 points.
88	Poultney Water Dept.	NF	5227	Poultney	78	-2.50	238,372	700,000	32,753,667	Water distribution system extensions along North Avenue and York Street Extension to replace existing undersized waterlines. Pressure under 20 psi during fire flow, 60 points.
89	Hardwick Water System	NF	5039	Hardwick	73	3.00	0	600,000	34,993,667	Replacement of 1,450' of waterline and appurtenances on Church Street and replacement of 2,400' of waterline and appurtenances on Main Street. Pressure under 20 psi during fire flow, 60 points.
90	Plainfield Water System	NF	5277	Plainfield	65	3.00	0	750,000	36,157,667	Waterline replacement on Main Street, Martin Meadows, High Street and Fowler Development. Pressure under 20 psi during fire flow, 60 points.

**2007 DWSRF Priority List**  
**Total Available: \$9.7M**

	Water System Name	Funding Status	WSID	Town	Total Points	Preliminary Loan Interest Rate (%)	Approximate Subsidy (\$)	Current Loan Amount (\$)	Cumulative Loan Amount (\$)	PROJECT DESCRIPTIONS <i>Note: Facility improvement points shown at the end of project description. Schools have been awarded a 20% weighting factor to this category.</i>
91	Middlebury Water Dept	NF	5004	Middlebury	60	3.00	0	1,172,000	37,329,667	Installation of approximately 5,000 linear feet of waterline and hydrants to provide fire protection for an existing neighborhood. Project also includes 1.1 million gallon storage tank. This tank will increase system storage to meet State minimums and provide redundancy to system's current tank. Redundancy of critical components, 50 points.

**Notes:**

- 1) Funding Status: C=Continuing project, F=Project within fundable range, NF=Funding is not currently available for project.
- 2) Partial funding available for project 46.
- 3) Eligibility determinations have not been completed for all projects on the list.
- 4) Interest rates and disadvantaged subsidies are preliminary determinations only and are calculated to the nearest 0.25%.
- 5) Target amount is based on state match \$1,645,800, federal share \$6,031,592, and anticipated loan repayments \$2,022,608.

## **10.Appendix 3: Program Description**

### **PROGRAM DESCRIPTION VERMONT DRINKING WATER STATE REVOLVING FUND**

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 <sup>[1]</sup>	ORGANIZATION TYPE	INTEREST RATE PLUS ADMINISTRATIVE FEE	MAX TERM <sup>[2]</sup>
Planning	All	0%	5 yrs.
Construction	Municipal Community <sup>[3]</sup> Non-disadvantaged	(3%) - (0%) <sup>[7]</sup>	20 yrs.
Construction	Municipal/Disadvantaged <sup>[4]</sup>	(3%) - (-3%) <sup>[7]</sup>	30 yrs.
Construction	Private-Profit Community	3% <sup>[8]</sup>	20 yrs.
Construction	Private-Non-Profit Community (Disadvantaged) <sup>[4]</sup>	(3%) - (-3%) <sup>[10]</sup>	30 yrs.
Construction	Private-Non-Profit Community (Non-disadvantaged)	3% <sup>[8]</sup>	20 yrs.
Construction	Private-Non-Profit Non-Community	3% <sup>[8]</sup>	20 yrs.
Construction	Municipal (Non-Community)	3% <sup>[9]</sup>	20 yrs.

LOAN TYPE <sup>[1]</sup>	ORGANIZATION TYPE	INTEREST RATE PLUS ADMINISTRATIVE FEE	MAX TERM <sup>[2]</sup>
Refinancing	Municipal (Debt incurred July 1, 1993 - April 5, 1997)	4.376% <sup>[5]</sup>	20 yrs.
Refinancing	Municipal (Debt incurred after April 5, 1997)	New loan rates <sup>[6]</sup>	New loan <sup>[6]</sup> 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 ( $\$40,368 * 1.04^5 = \$49,245$ ) or the user cost exceeds 2.5% of the MHI. Interest rate plus administrative fee and term will not be less than necessary to achieve an annual household user cost of 1.0% 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 (weighting factor of 1.2 is applied for eligible schools and childcare facilities).
- 2) Physical consolidation of water system,

- 3) Financial need/affordability,
- 4) Population,
- 5) Downtown area preference,
- 6) Source protection (applies only to source protection loans funded thru the LASRF), 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. Projects with costs exceeding the \$2 million cap will be treated as continuing projects and have a maximum value of \$6 million before it loses its elevated continuing status.

### **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 or final design, whichever occurs first, except for those loans that are eligible for forgiveness, in which case the repayment starts five years after last loan disbursement or engineering report or design approval. 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**

The following tables summarize loan commitments for fundable projects on priority lists 1997 – 2006, with an aggregated amount of \$73,277,921. An additional \$15,763,680 is reserved for prior years' projects with pending loan awards.

8/2/2007 **DWSRF Loan Awards - FY97**  
**Projects**

8:00 AM

Fed Grant 12,558,800  
 Max  
 Forgiveness 3,767,640

Loan Number	Awards and Pending Awards Project Loan Recipients	FY97 Loan Awards	Final Loan Value	Principal Forgiveness	Year Closed
RF3-001	Graniteville FD4	1,867,455	1,867,455	141,223	2001
RF3-002	Marshfield Village	553,500	<b>553,500</b>	220,004	
RF3-003	Hinesburg	209,834	<b>209,834</b>	0	
RF3-004	Wallingford FD1	116,600	116,600	0	2000
RF3-005	Cabot Village	1,383,336	1,337,800	547,645	2003
RF3-006	HFI (Hinesburg)	249,125	<b>249,125</b>	99,022	
RF3-007	ACCT (Starksboro)	330,000	<b>330,000</b>	131,168	
RF3-008	Rolling Meadows Assoc., Inc. (Newfane)	0	0	0	
RF3-009	Fairfax FD1	131,731	131,731	0	1999
RF3-010	Rutland Town FD#10	125,000	<b>125,000</b>	0	
RF3-011	Northfield Village	167,000	<b>167,000</b>	0	
RF3-012	Rutland Town FD#8	247,500	87,000	34,581	
RF3-013	Stowe	2,000,000	2,000,000	0	2004
RF3-014	Lalande Air & Water Corp. (Berlin)	0	0	0	
RF3-015	Lyndonville	1,600,000	1,557,263	618,978	2005
RF3-016	Tri-Park CHC (Brattleboro)	120,000	120,000	47,697	2004
RF3-017	Ho-Ges	38,500	38,500	0	2005
RF3-018	Randolph	387,264	<b>387,264</b>	153,929	
RF3-019	Rutland Town FD#6 & #9	360,000	<b>360,000</b>	0	
RF3-020	Morristown Corners WC	13,518	13,518	0	2001
RF3-021	Fairfax Town	1,486,051	<b>1,486,051</b>	590,673	
RF3-022	Bradford Village (See also RF3-085)	378,558	378,558	150,469	2005
RF3-025	Bakersfield FD1	210,000	210,000	0	2002
RF3-026	Thetford WC	90,000	68,753	0	2005
RF3-027	Stowe FD2	345,000	318,442	0	
RF3-028	East Mtn Water Coop (Mendon) Withdrawn	0	0	0	-
RF3-085	Bradford Village (See also RF3-022)	155,000	155,000	61,609	
Total		12,564,972	12,268,395	2,796,998	

Bold faced figures are pending

8/2/2007 **DWSRF Loan Awards - FY98  
Projects**

8:00 AM

DWSRF Grant 7,121,300  
Max  
Forgiveness 2,136,390

Loan Number	Awards and Pending Awards Project Loan Recipients	FY98 Loan Awards	Final Loan Value	Principal Forgiveness	Year Closed
RF3-013	Stowe	600,000	533,116	0	2004
RF3-021-1	Fairfax Town	663,949	<b>663,949</b>	263,905	
RF3-023	Gore Road MHP (Bennington)	0	0	0	
RF3-024	Rutland Town Mendon FD2	450,000	438,154	174,157	
RF3-029	HFI (Springfield)	355,000	<b>355,000</b>	141,105	
RF3-030	Royalton FD1	37,800	37,800	0	2004
RF3-031	Rutland Town FD4	0	0	0	
RF3-032	Bethel	507,000	<b>507,000</b>	0	
RF3-033	Okemo HOA	567,000	565,177	0	2007
RF3-034	Springfield	597,700	<b>597,700</b>	0	
RF3-035	Chimney Hill HOA (Wilmington)	0	0	0	
RF3-036	Newport Town	0	0	0	
RF3-037	Windsor (see also WPL-005)	1,075,000	1,044,977	0	
RF3-038	Orleans	161,000	159,000	63,199	2005
RF3-041	HFI (Woodstock)	460,000	402,873	160,133	2004
Total		5,474,449	5,304,746	802,499	

Bold faced figures are pending

8/2/2007 **DWSRF Loan Awards - FY99  
Projects**

8:00 AM

DWSRF Grant 7,463,800  
Max  
Forgiveness 2,239,140

Loan Number	Awards and Pending Awards Project Loan Recipients	FY99 Loan Awards	Final Loan Value	Principal Forgiveness	Year Closed
RF3-029	HFI (Springfield)	120,000	118,324	47,031	2001
RF3-030	Royalton FD1	712,200	600,499	238,685	
RF3-032	Bethel	178,000	<b>178,000</b>	0	
RF3-033-1	Okemo HOA (see funding in FY98)	10,000	10,000	0	-
RF3-039	Stowe	2,200,000	<b>2,200,000</b>	0	
RF3-040	Lyndonville	600,000	192,532	76,527	2007
RF3-042	Murray Hill (Montpelier)	120,000	126,108	0	2005
RF3-043	Starksboro Village Water Corp	14,657	14,657	0	2001
RF3-044	Brattleboro Area CLT (Locust Hill MHP)	16,000	16,000	0	2001
RF3-045	Grand Isle FD#4 (see also WPL-011)	900,000	830,761	0	2005
RF3-046	Derby Center (see also WPL-004)	124,000	<b>124,000</b>	0	
RF3-047	Grand Isle CWD (see also WPL-001)	819,000	<b>819,000</b>	0	
RF3-048	Cavendish (source)	94,000	<b>94,000</b>	0	
RF3-049	Cavendish (storage)	27,400	<b>27,400</b>	0	
RF3-050	Cavendish (distribution)	42,000	<b>42,000</b>	0	
RF3-051	Orleans	75,000	27,677	0	2003
RF3-053	Shattuck Hill MHP (Derby)	120,000	<b>120,000</b>	47,697	
RF3-054	Union Water Co (Thetford)	18,287	18,287	0	2002
RF3-055	Crystal Springs (East Montpelier)	0	0	0	
RF3-056	Randolph	774,314	<b>774,314</b>	307,773	
Total		6,964,858	6,333,558	717,713	

*Note: An additional \$425,686 reserved for loan amendments.*

Bold faced figures are pending

8/2/2007 **DWSRF Loan Awards -  
FY00 Projects**

Fed Grant 7,757,000  
Max  
Forgiveness 2,327,100

8:00 AM

Loan Number	Awards and Pending Awards Project Loan Recipients	FY00 Loan Awards	Final Loan Value	Loan Forgiveness	Year Closed
RF3-010	Rutland Town FD#10	130,000	<b>130,000</b>		
RF3-011	Northfield Village	980,500	<b>980,500</b>		
RF3-039	Stowe	1,500,000	<b>1,500,000</b>		
RF3-052	Grand Isle CWD (Phase IIA and IIB)	1,000,000	<b>1,000,000</b>		
RF3-057	Tri-Town Water District	1,425,000	<b>1,425,000</b>		
RF3-058	North Hyde Park FD1	32,000	<b>32,000</b>		
RF3-059	Castleton FD3	203,000	203,000		2003
RF3-060	Springfield	1,402,300	<b>1,402,300</b>		
RF3-061	Arlington Water Co (Arlington)	709,331	<b>709,331</b>		
RF3-062	Bolton Valley (Bolton)	0	<b>0</b>		
RF3-063	Birchwood Manor MHP (Milton)	225,000	225,000		2004
RF3-066	Rutland Town FD11(Spencer WC)	106,600	<b>106,600</b>		
Total		7,713,731	7,713,731	0	

Bold faced figures are pending

8/2/2007 **DWSRF Loan Awards - FY01 Projects**

Fed Grant 7,789,100

8:00 AM

Max

Forgiveness

2,336,730

Loan Number	Awards and Pending Awards Project Loan Recipients	FY01 Loan Awards	Final Loan Value	Loan Forgiveness	Year Closed
RF3-050-1	Cavendish (distribution)	<b>1,426,203</b>	<b>1,426,203</b>	<b>300,099</b>	
RF3-052-1	Grand Isle CWD (Phase IIA and IIB)	2,005,000	<b>2,005,000</b>		
RF3-052-2	Grand Isle CWD	155,000	<b>155,000</b>		
RF3-064	Northbrook OA (Killington)	85,000	<b>85,000</b>		
RF3-065	Bellows Falls Village	2,000,000	<b>2,000,000</b>	<b>794,000</b>	
RF3-067	Westfield FD#1 (see also WPL-014)	650,000	635,012	252,403	2005
RF3-068	Alta Gardens Estates MHP (Pownal)	52,200	<b>52,200</b>		
RF3-069	Hartford (see also WPL-002)	525,000	<b>525,000</b>		
RF3-070	Cubb M. Corp Riverside (Moretown)	30,000	<b>30,000</b>		
RF3-071	Cubb M. Corp East Wind (Waterbury)	25,000	<b>25,000</b>		
RF3-072	Mansfield View Water Co-op	65,000	61,088	0	2005
RF3-073	Wintergreen (Killington)	31,860	31,860	0	2005
RF3-074	Eastridge Acres (Mendon)	85,000	<b>85,000</b>		
RF3-075	Vergennes-Panton Water District	110,000	<b>110,000</b>		
RF3-076	Stowe	500,000	<b>500,000</b>		
RF3-077	Proctor	34,470	<b>34,470</b>		
RF3-078	HFI (Birchwood Manor - Milton)	423,636	<b>423,636</b>		
RF3-079	Poultney	100,000	100,000	39,748	2004
RF3-080	Charleston Elementary School	40,000	<b>40,000</b>	<b>25,000</b>	
RF3-081	North Hero (see also WPL-020)	386,150	422,344	0	2006
RF3-082	Braintree Elementary School	35,000	<b>35,000</b>	<b>25,000</b>	
RF3-083	Rutland Town FD4	75,000	<b>75,000</b>		
RF3-084	Colchester FD2 (see also WPL-017)	14,500	<b>14,500</b>		
RF3-086	AHA Coop (Montgomery/Westfield)	125,000	<b>125,000</b>		
RF3-087	KTP (Bristol)	253,000	<b>253,000</b>		
RF3-087-1	KTP MHP	30,000	<b>30,000</b>		
RF3-088	Fairlee	50,000	<b>50,000</b>		
Total		9,312,019	<b>9,329,313</b>	1,436,250	

Note: An additional \$388,778 reserved for loan amendments.

Bold faced figures are pending

8/2/2007 **DWSRF Loan Awards - FY02 Projects**

Fed Grant 8,052,500  
 Max  
 Forgiveness 2,415,750

8:00 AM

Loan Number	Awards and Pending Awards Project Loan Recipients	FY02 Loan Awards	Final Loan Value	Principal Forgiveness	Year Closed
RF3-065-1	Bellows Falls Village	750,000	<b>750,000</b>		
RF3-065-2	Bellows Falls Loan Amendment	75,000	<b>75,000</b>		
RF3-069	Hartford (see also WPL-002)	2,000,000	<b>2,000,000</b>		
RF3-075	Vergennes-Panton Water District	1,276,500	<b>1,276,500</b>		
RF3-078-1	HFI - Birchwood Loan Amendment	50,435	<b>50,435</b>		
RF3-086	AHA Water Coop (Montgomery/Westfield)	451,440	<b>451,440</b>		
RF3-086-1	AHA Water Coop (Montgomery/Westfield)	917,598	<b>917,598</b>		
RF3-088	Fairlee	748,000	<b>748,000</b>		
RF3-089	Bennington	249,000	<b>249,000</b>		
RF3-090	Orange Center School	25,000	<b>25,000</b>		
RF3-091	East Haven School	25,000	<b>25,000</b>		
RF3-092	Beeman Elementary School (New Haven)	26,200	<b>26,200</b>		
RF3-093	St Johnsbury Center FD#1 (WPL-021)	691,700	<b>691,700</b>		
RF3-094	Brattleboro	0	0		
RF3-095	Newport City	547,000	<b>547,000</b>		
RF3-096	Johnson Village	271,200	<b>271,200</b>		
RF3-097	Milton FD1 (See also FY03 Funding)	75,000	<b>75,000</b>		
RF3-098	Tunbridge Central School	25,000	<b>25,000</b>		
RF3-099	Stowe (Sunset Hill Storage Tank)	853,000	<b>853,000</b>		
RF3-100	Rutland Town FD#1	8,650	<b>8,650</b>		
RF3-101	Cady's Falls WC	86,400	<b>86,400</b>		
RF3-105	Brewster Pierce School	18,605	<b>18,605</b>		
Total		9,170,728	9,170,728	0	0

Bold faced figures are pending

8/2/2007

**DWSRF Loan Awards - FY03 Projects**

Fed Grant

8,004,100

8:00 AM

Max

Forgiveness

2,401,230

Loan Number	Awards and Pending Awards Project Loan Recipients	FY03 Loan Awards	Final Loan Value	Loan Forgiveness	Year Closed
RF3-069	Hartford Loan Amendment	395,000	<b>395,000</b>		
RF3-089-2	Bennington Loan Amendment	2,000,000	<b>2,000,000</b>		
RF3-097	Milton FD 1 (See also FY02 Funding)	635,000	<b>635,000</b>		
RF3-097-1	Milton FD1 - Loan Increase	50,000	<b>50,000</b>		
RF3-102	Deep Rock FD 4	390,000	<b>390,000</b>		
RF3-103	Mettawee School	25,000	<b>25,000</b>		
RF3-106	Grandview Acres Water Co-op	30,700	<b>30,700</b>		
RF3-107	Tri-Park Housing Corporation	237,700	<b>237,700</b>		
RF3-108	North Hero	550,000	544,444	0	2006
RF3-109	Norwich FD#1	250,000	<b>250,000</b>		
RF3-110	Barstow School	25,000	<b>25,000</b>		
RF3-111	Barre City	90,000	<b>90,000</b>		
RF3-112	South Alburg FD 2	210,000	<b>210,000</b>		
RF3-113	Williamstown	989,000	<b>989,000</b>		
RF3-113-1	Williamstown - Loan Increase	75,000	<b>75,000</b>		
RF3-115	Notchbrook HOA (Stowe)	48,400	<b>48,400</b>		
RF3-115-1	Notchbrook HOA (Stowe)	24,350	<b>24,350</b>		
RF3-116	Brookfield Elementary School	<b>17,850</b>	<b>17,850</b>		
RF3-117	Proctor	52,850	<b>52,850</b>		
RF3-119	Marshfield Village	5,500	<b>5,500</b>		
RF3-120	Rutland Town FD # 6	237,000	<b>237,000</b>		
RF3-124	Guilford Central School	25,000	<b>25,000</b>		
RF3-130	Isle Lamotte School	26,000	<b>26,000</b>		
Total		6,389,350	6,383,794	0	

Note: An additional \$1,931,387 reserved for additional loans and amendments.

Bold faced figures are pending

8/2/2007  
8:00 AM

**DWSRF Loan Awards - FY04 Projects**

Initial Target Amount	Revised Amount	Max Forgiveness
9,283,969	11,948,944	2,490,930

Loan Number	Awards and Pending Awards Project Loan Recipients	FY04 Loan Awards	Final Loan Value	Loan Forgiveness	Year Closed
RF3-089-2	Bennington	2,000,000	<b>2,000,000</b>		
RF3-096-1	Johnson Village Amendment	100,500	<b>100,500</b>		
RF3-096-2	Johnson Village Amendment	1,361,300	<b>1,361,300</b>		
RF3-096-3	Johnson Village Amendment	616,108	<b>616,108</b>		
RF3-100-1	Rutland Town FD#1	48,321	<b>48,321</b>		
RF3-100-2	Rutland Town FD#1	8,650	<b>8,650</b>		
RF3-111-1	Barre, City of (FY03)	57,000	<b>57,000</b>		
RF3-112-1	South Alburgh FD#2	150,000	<b>150,000</b>		
RF3-112-2	South Alburgh FD#2	120,000	<b>120,000</b>		
RF3-114	Waterville Fire District # 1	301,820	<b>301,820</b>		
RF3-114-1	Waterville FD1 (Amendment)	<b>100,349</b>	<b>100,349</b>		
RF3-115-1	Notch Brook HOA (Stowe)	955,600	<b>955,600</b>		
RF3-117	Proctor	929,150	<b>929,150</b>		
RF3-117-1	Proctor (Project Overruns)	75,000	<b>75,000</b>		
RF3-122	Jamaica Village School	<b>17,000</b>	<b>17,000</b>		
RF3-123	Bellows Falls	650,000	<b>650,000</b>	<b>258,361</b>	
RF3-125	Jericho FD # 1	275,000	<b>275,000</b>		
RF3-125-1	Jericho FD1	35,000	<b>35,000</b>		
RF3-126	Albany Village	215,000	<b>215,000</b>		
RF3-127	Newbury Village	372,500	<b>372,500</b>		
RF3-128	Dairy Center Enterprises	16,540	<b>16,540</b>		
RF3-129	Newport City (Step I & II)	167,800	<b>167,800</b>		
RF3-137	Catamount/Bolton Water & Sewer	<b>11,828</b>	<b>11,828</b>		
RF3-139	Troy	70,000	<b>70,000</b>		
RF3-140	Blue Mountain School (Wells River)	5,600	<b>5,600</b>		
RF3-141	Timberline Condos (Warren)	<b>18,200</b>	<b>18,200</b>		
RF3-142	East Middlebury FD1	245,000	<b>245,000</b>		
Total		8,923,265	8,923,265	258,361	0

Note: An additional \$3,055,680 reserved for additional loans and amendments.  
Bold faced figures are pending

8/2/2007  
8:00 AM

**DWSRF Loan Awards -  
FY05 Projects**

Target Amount      8,421,468      1,918,460

Loan Number	Awards and Pending Awards Project Loan Recipients	FY05 Loan Awards	Final Loan Value	Loan Forgiveness	Year Closed
RF3-115-1	Notch Brook HOA (Stowe)	431,650	<b>431,650</b>	<b>0</b>	
RF3-129-1	City of Newport (Construction)	2,000,000	<b>2,000,000</b>	<b>0</b>	
RF3-155	Town of Fair Haven	<b>1,955,000</b>	<b>1,955,000</b>	<b>782,000</b>	
RF3-157	Town of Middlebury (Reminder: Reclaim ~ \$9.6K PA)	<b>775,000</b>	<b>775,000</b>	<b>0</b>	
Total		5,161,650	5,161,650	782,000	0

*Note: An additional \$3,203,600 reserved for additional loans and amendments.  
Bold faced figures are pending*

Latest Target Amount 9,447,290

Loan Number	Awards and Pending Awards Project Loan Recipients	FY06 Loan Awards	Final Loan Value	Loan Forgiveness	Year Closed
RF3-129-2	Newport City	559,372	<b>559,372</b>		
RF3-089-3	Bennington	2,000,000	<b>2,000,000</b>		
RF3-147	Battleground Condominiums	<b>73,446</b>	<b>73,446</b>		
RF3-152	Albany School District	7,000	<b>7,000</b>		
RF3-159	Jericho Heights Cooperative (WPL-080)	<b>48,922</b>	<b>48,922</b>		
Total		2,688,740	2,688,740	0	0

*Note: An additional \$6,758,550 for additional loans.  
Bold faced figures are pending*