

DWSRF Guidance Document Number 19
Canadian Border Projects

- I. Water systems located near the Canadian border often serve both Canadian and U.S. customers. The system ownership and infrastructure may be located in whole or in part in either country. There are several DWSRF loan eligibility issues for such systems including:
 - A. Eligibility of Canadian organizations for loans
 - B. The use of loan funds to construct or improve facilities located in Canada
 - C. Priority scoring and loan interest determinations
 - D. Eligible loan amounts
 - E. Capacity determinations
- II. The following procedures shall be followed for such systems:
 - A. Type of water system eligibility is based on facilities and service provided in Vermont; the facilities located in Vermont and the service provided in Vermont must meet the criteria for a public community water system or a public non-profit non-community water system. The system must be regulated as such under the Vermont Water Supply Rule.
 - B. Ownership of the system may be a municipality (town, village, fire district, etc.), a private for-profit organization or a private non-profit organization. All Canadian organizations will be considered private organizations. Loans for such organizations will be administered by the Vermont Economic Development Authority (VEDA) and the organization will be required to meet VEDA requirements in addition to DEC requirements for such loans.
 - C. The purpose and use of loan funds must be to correct system deficiencies of U.S. customers. The location of the facilities should be based on the most cost effective alternative for correcting facility deficiencies and may be located in either country.
 - D. Priority scoring will be based on U.S. population and deficiencies.
 - E. Interest rates and terms for Vermont owners will be based on U.S. population income and user rates. Interest rates and terms for Canadian owners will be for private systems.
 - F. Eligible loan amount will generally be determined based on the percentage of U.S. equivalent users to total equivalent users multiplied by the total project cost for projects that address total system capability such as source, storage, or transmission mains. Eligible loan amounts for projects which correct deficiencies for only Vermont customers such as chlorine contact time requirements or distribution system deficiencies in Vermont generally will be for total project cost and may be based on the most cost effective alternative for correcting the water system deficiencies serving U.S. customers. In all instances, U.S. customer user rates should

reflect the debt service charge of the total loan amounts.

- G. Water system capacity will be determined for the U.S. based water system but will require evaluation of the capability of the primary water system in order to assure long term technical, financial, and managerial capability.

Honorable Jim Douglas, Governor Jonathan Wood, ANR Secretary Laura Pelosi, DEC Commissioner

This guidance and related environmental information are available electronically via the internet. For information visit us through the Vermont Homepage at <http://www.vermont.gov> or visit VT WSD directly at <http://www.vermontdrinkingwater.org>

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