

The Vermont Drinking Water
State Revolving Fund

Intended Use Plan

for Federal Fiscal Year 2021 Funding

July 19, 2021

Prepared by Water Investment Division
Department of Environmental Conservation



Executive Summary

The 1996 Amendments to the Safe Drinking Water Act (SDWA) established the Drinking Water State Revolving Fund (DWSRF). 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) every 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 documents comprise the capitalization grant request for the DWSRF. While a variety of state agencies are involved in the process, the Water Investment Division (WID) of the Department of Environmental Conservation (DEC) is responsible for preparing and submitting all these documents. WID and the Drinking Water and Groundwater Protection Division (DWGWP) share responsibility for implementation of the various policies and procedures that are followed as part of the DWSRF, including the assurances and certifications contained in the capitalization grant request.

Over the past year, the DWSRF has seen a reduction in its unliquidated obligations (ULOs). DWSRF staff are now able to shift the focus to improving the program, making fundamental changes to statute and processes. Both DW and the Clean Water SRF programs are working toward aligning each program's processes to mirror each other.

Table of Contents

DWSRF Program Goals.....	4
DWSRF Capitalization Grants FFY 2021 & FFY 2019 Reallotment.....	6
Set-Asides	8
Criteria and Method for Distribution of Funds	13
Additional Subsidy.....	14
Program Changes	16
Public Participation.....	18
Appendix A: Comprehensive Project Priority List	22
Appendix B: Guidance Documents.....	26

Mission of Vermont DWSRF:

To ensure the fund operates in perpetuity and provides continuing financial assistance to Vermont municipalities and eligible private entities for drinking water project needs, and to effectively align the DWSRF with other state and federal funding sources to support drinking water projects.

DWSRF Program Goals

Short Term Goals and Objectives

1. Secure the State's latest available 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 through the priority list and IUP to address contamination issues that pose the most serious risk to human health and to ensure compliance with the SDWA requirements and maintain and/or improve water quality.
3. Provide loans to address aged infrastructure.
4. Ensure that at least 15% of the DWSRF Project Fund provides loans to municipally-owned and privately-owned non-profit public water systems with populations of fewer than 10,000 people.
5. Provide support to small systems to conduct feasibility studies, preliminary engineering, and final designs for water system improvements as well as promotion of capacity development for disadvantaged and small systems that do not have adequate technical, managerial, or financial resources to come into or maintain compliance, and to provide safe drinking water.
6. Provide loans to municipalities for purchasing land or conservation easements in order to protect public water sources and ensure compliance with drinking water regulations through the Vermont Source Water Protection Program.
7. Provide effective program management and resources to ensure the integrity of the DWSRF.
8. Coordinate DWSRF activities with enforcement activities of the State and EPA.
9. Continue implementation of the statewide strategy to improve capacity for existing public water systems and ensure capacity for new public water systems.
10. Use DWSRF set-aside funding to provide the additional resources required to manage the Vermont Drinking Water Program.
11. Expend all federal funds within two years of grant award.

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. 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.
3. Use set-asides to improve source water protection and assessment efforts by providing technical and financial assistance.
4. Continue to update, develop, and implement administrative rules and guidance to carry out the DWSRF program.
5. Continue to update, develop, and implement the capacity development strategy for existing systems.
6. Continue providing operator training by DWGWPD staff and through grants and/or contracts with third-party technical assistance providers.

DWSRF Administration

DWSRF construction loans are currently issued at a 0% interest rate with an administrative fee of between 0% and 2.75%. Administrative fee proceeds are deposited into a dedicated account separate from the DWSRF project account, referred to as the administrative account. Historically, the program has described the fees as program income, but has tracked this fee income as either program or non-program income to enable use of non-program income for a broader array of SDWA eligible activities than is allowed with program income. All fee income is accounted for in a separate fund outside the SRF fund.

These funds are primarily used for administrative support of the DWSRF program including staff salaries for financial, project development and engineering staff. Additionally, they have been used to fund costs associated with underwriting of loans and software support. The program reserves the right to use these funds for any eligible use of the fees as fund needs develop over the year.

Reallocated Funds between DWSRF and CWSRF

The Safe Drinking Water Act Amendments of 1996 (Section 302) allow a state to transfer up to 33% of the Drinking Water State Revolving Fund (DWSRF) capitalization grant from the DWSRF to the CWSRF or an equivalent amount from the CWSRF to the DWSRF for

each open grant. This transfer is at the Governor’s discretion. The program reserves the right to reserve this amount for future need.

In the event funds are reallocated from the DWSRF to the CWSRF, or vice versa, or additional federal funds are made available beyond the anticipated amount, Vermont will advance these funds to the appropriate projects in accordance with this Intended Use Plan, and the Municipal Pollution Control Priority System. Under the FFY2020 IUP, Vermont exercised the allowance of the Water Infrastructure Funding Transfer Act (WIFTA) of 2019 to transfer \$11,000,000 from CWSRF to DWSRF for eligible lead abatement projects. This transfer was completed in September 2020 and will be reported on in the relevant Annual or Biennial Reports.

DWSRF Capitalization Grants FFY2021 and Reallotment of Additional FFY2019

The Federal Fiscal year 2021 capitalization grant allotment available to Vermont is anticipated to be level funding of \$11,001,000 and the required match for the FFY2021 grant is \$2,200,200. The reallotment of \$99,000 from the FFY2019 Federal Capitalization Grant and the required state match of \$19,800 will be awarded concurrently with funds from the FFY21 grant. 20% of this (\$19,800) will be offered as Additional Subsidy and 35% of this (\$34,650) will be offered as Disadvantaged Subsidy. The full amount of state match required for FFY21 and an additional \$2,491 to complete the FFY20 grant match, will be available beginning August 2021. These funds have been appropriated by the Vermont Legislature. The additional state match for the FFY19 reallotment will be made available by the end of July 2022.

	FFY19 Grant Requirement	FFY21 Grant Requirement	Proposed in this IUP
All Subsidy	26% minimum 55% maximum	20% minimum 49% maximum	49%
Additional Subsidy	20%	14%	14%
Disadvantaged Subsidy	6% minimum 35% maximum	6% minimum 35% maximum	35%
SDWA Set-Asides	0 – 31%	0 – 31%	29%
Small Communities projects (populations <10,000)	15% minimum	15% minimum	>15%

The Sources and Uses table below assumes the total needed match will be available. Sources of funds and uses are listed below.

Sources - DWSRF	
DWSRF Capitalization Grant minus Set-Asides - FFY21	\$ 7,714,395
State Match - FFY21	\$ 2,200,200
DWSRF Capitalization Grant minus Set-Asides - FFY19 Reallotment	\$ 89,100
State Match - FFY19 Reallotment	\$ 19,800
Anticipated Repayments (7/1/2021 - 6/30/2022)	\$ 6,500,000
Anticipated investment interest (7/1/2021-6/30/2022)	\$ 125,000
Carry-forward	\$ 24,428,458
Total available under this IUP	\$ 41,076,953

Uses - DWSRF	
FFY21 Priority List Projects	\$ 41,076,953

The State matching funds will be deposited into the DWSRF at the start of the funding cycle when federal funds are requested. State match will be fully disbursed before drawing federal funds. The schedule for entering into binding commitments and timing of cash draws is contained in the grant application submitted to EPA and is proposed below.

Disbursement Schedule

EPA Payment Schedule for Federal Fiscal Year

Payment No.	Quarter	Date	Federal Amount	State Amount
1	2022-1	10/1/2021-12/31/2021	\$ 6,000,000	\$ 2,220,000
2	2022-2	1/1/2022-3/30/2022	\$ 2,500,000	
3	2022-3	4/1/2022-7/30/2022	\$ 2,099,000	\$ 19,800
4	2022-4	7/1/2023-9/30/2023	\$ 501,000	
Total			\$ 11,100,000	\$ 2,239,800

EPA Estimated Disbursement Schedule:

Disbursement Quarter	Amount
1QFFY2022	\$ 974,954
2QFFY2022	\$ 930,938
3QFFY2022	\$ 908,930
4QFFY2022	\$ 391,706
1QFFY2023	\$ 1,518,277
2QFFY2023	\$ 2,467,372
3QFFY2023	\$ 2,467,372
4QFFY2023	\$ 1,440,451
Total	\$ 11,100,000

Planning Loan Program Sources and Uses

This table summarizes the sources and uses for the Local Assistance Water Planning Loan Program. Sources include capitalization from federal funds and funds revolving into the program from loan repayments and uses that are in the form of new loan commitments.

Sources – LASRF	
Carry Forward	\$1,104,098
Estimated interest (7/1/2021-6/30/2022)	\$5,000
Estimated repayments (7/1/2021-6/30/2022)	\$236,012
Total Sources	\$1,345,110

Uses - LASRF	
Estimated loan commitments (7/1/2021-6/30/2022)	\$250,000
Total Uses	\$250,000

Set-Asides

The State of Vermont plans to set aside \$3,286,605 of the FFY21 Capitalization Grant and \$9,900 of the FFY19 Reallotment for various non-construction related activities that are authorized in the SDWA Amendments of 1996. Some set-aside authority will be banked, as outlined in the table below. 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. A portion 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 following outlines the allocations and provides a brief description of the proposed activities in each of the four set-asides.

	PROPOSED			Authority to be Banked	
	FFY21	FFY19	Total this IUP	FFY21	FFY19
TOTAL, ALL SET-ASIDES	\$ 3,286,605	\$ 9,900	\$ 3,296,505	\$ 123,705	\$ 15,840
Program Mgmt	\$ 1,100,100	\$ -	\$ 1,100,100	\$ -	\$9,900
Administrative	\$ 440,040	\$ -	\$ 440,040	\$ -	\$3,960
Small Sys. Tech. Assist.	\$ 96,315	\$ -	\$ 96,315	\$ 123,705	\$ 1,980
DWGWPD Staff	\$ 41,315.00	\$ -	\$ 41,315		
RTCR Level 2	\$ 35,000.00	\$ -	\$ 35,000		
TNC Technical Assist.	\$ 20,000.00	\$ -	\$ 20,000		
Local Assistance	\$ 1,650,150	\$ 9,900	\$ 1,660,050	\$ -	\$ -
Capacity	\$ 959,526	\$ 9,900	\$ 969,426		
Staff	\$ 293,483	\$ -	\$ 293,483		
Water Loss Control	\$ 52,563	\$ -	\$ 52,563		
Capacity Pgm. Asset Mgmt	\$ 50,000	\$ -	\$ 50,000		
Operator Training	\$ 140,000	\$ -	\$ 140,000		
Valve Cond. & Location	\$ 50,000	\$ -	\$ 50,000		
Lead Service Line Ident.	\$ 373,480	\$ 9,900	\$ 383,380		
Wellhead	\$ 690,624	\$ -	\$ 690,624		
Staff	\$ 615,624	\$ -	\$ 615,624		
Source Protection Plans	\$ 50,000	\$ -	\$ 50,000		
Hydrogeologic Invest.	\$ 25,000	\$ -	\$ 25,000		

Program Management Set-Aside

Up to 10% of the capitalization grant can be used for the DWSRF Program Management Set-Aside. We propose to take the full 10%, \$1,100,100 from FFY21 grant to support approximately 8.8 FTEs, and associated operating costs within the DWGWPD. \$9,900 from the FFY19 grant reallocation will be banked for this purpose. 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, compliance supervision, and other drinking water program activities.

Administrative Set-Aside

Up to 4% of the capitalization grant can be used for the DWSRF Administrative Set-Aside. Changes to the FY17 grant requirement allows the program to take 4%, or .002 x total net position, or \$400,000. The program will be taking 4%, or \$440,040 from the FFY21 grant to support approximately 3.5 FTEs within WID and Administration and Innovation Division (AID). These positions provide project development, construction oversight, loan administration, and financial management services for the operation of the DWSRF. Administrative funds are also used to pay for the services of the Vermont Bond Bank (VBB), which is responsible for the overall fund and is a party to all loan awards to municipal applicants, and the Vermont Economic Development Authority, which is responsible for conducting creditworthiness reviews of loan applicants for privately-owned water systems and is a party to those loans. \$3,960 from the FFY19 grant reallocation will be banked for this purpose.

Small Systems Technical Assistance Set-Aside

Up to 2% of the capitalization grant can be used for the DWSRF Technical Assistance (TA) Set-Aside. TA funds may be used for systems serving populations under 10,000 people. The program will take 0.88% of the FY21 grant, or \$96,315, to provide technical assistance to small public water systems. The remaining TA funds from the FFY21 and FFY19 grants will be reserved for banked authority. The following activities and allocations are proposed:

DWGWPD staff

For this set aside, \$41,315 will be used to support approximately .30 FTEs to provide direct technical assistance to water supplies.

RTCR Level 2

\$35,000 to provide technical assistance to public water systems for the Revised Total Coliform Rule (RTCR) Level 2 compliance.

TNC Technical Assistance

\$20,000 to provide technical assistance to Transient Non-Community Water Systems (TNCs).

Local Assistance Set-Aside

Up to 15% of the capitalization grant, or \$1,665,000, can be used for the DWSRF Local Assistance Set-Aside, with a further limitation that no more than 10% can be used to fund any one specific activity. The program will take a combined \$1,660,050 to fund local assistance activities. The following activities and allocations are proposed:

Capacity Activity:

Local Assistance Capacity Program Positions

This set aside will support operations staff to provide direct assistance during site visits, phone calls and emails regarding operational and maintenance issues. They also assist by explaining basic water supply regulatory and technical concepts from source to tap with water systems. The engineers assist by evaluating Preliminary Engineering Reports, Engineering Services Agreements, and construction plans, permits, and specifications in support of DWSRF projects, as well as other public water system modifications funded by other means. Assistance is provided to water systems and consultants to ensure that technical decisions are viable, appropriate, and meet standards. In addition, this set aside funds staff to explain technical issues regarding monitoring schedules and frequency, sampling techniques, and provide training to operators. Particular attention is needed for distribution-related contaminants. Templates have been and are being developed for

public water systems, such as sampling plans, public notice and CCRs. In total, this set aside will fund 2.1 FTEs for a total of \$293,483.

Water Loss Control

\$52,563 to provide leak detection surveys performed by a professional leak detection firm per American Water Works Association's standards. These surveys will be provided to community drinking water systems to promote water conservation efforts, reduce pumping and treatment costs, extend the useful life of assets, and minimize the risks of contamination

Capacity Program Asset Management Initiatives

\$50,000 to extend the asset management training program funded through previous grants to promote the practice of infrastructure asset management at Vermont's public water systems.

Valve Condition and Location Assessment

\$50,000 to provide for the assessment of distribution system valve condition and location to effectively manage distribution system flows.

Water System Operator Training Contract

\$140,000 to a contract to provide professional training to public water system owners and operators in Vermont. These training efforts support the Vermont Water Operator Certification Program administered by the DWGWPD.

Lead Service Line Identification

\$383,380 to promote and support lead service line inventorying for community water systems.

Wellhead Protection Activity:

Local Assistance Wellhead Protection Positions

DWGWPD Water Resources staff will use this set aside to review and approve source protection plans and work with systems to update them, to review and approve source construction to ensure work meets technical requirements, to work with systems to ensure that proper testing occurs to ensure long-term viability of new sources, and to work with systems to develop new sources as needed.

DWGWPD Regional Office staff will use this set aside to review wastewater system plans and specifications to ensure adequate protection of groundwater.

Geology Division staff will use this set aside to support their groundwater mapping effort for the benefit of public water systems.

In total, this set aside will fund 4.9 FTEs and proposes to use \$615,624.

Source Protection Plans

\$50,000 to support community system water resource planning assistance.

Hydrogeologic Investigations

\$25,000 to support comprehensive physical aquifer investigations for community water systems.

Banked Authority

The DWSRF reserves the right to use Banked Authority.

Set-Aside	Prior Years' Funds ¹	Anticipated FFY21 Funds	Anticipated FFY19 Funds	Unexpended as of 2/22/21 ^{2,3}	Expended (Drawn) as of 2/22/21
Administration	\$ 9,041,450	\$ 440,040	\$ -	\$ 219,368	\$ 8,822,082
Technical Assistance	\$ 4,033,074	\$ 96,315	\$ -	\$ 161,462	\$ 3,871,612
Program Management	\$ 20,415,499	\$ 1,100,100	\$ -	\$ 89,060	\$ 20,326,439
Local Assistance	\$ 19,170,509	\$ 1,650,150	\$ 9,900	\$ 575,772	\$ 18,594,737
Total	\$ 52,660,532	\$ 3,286,605	\$ 9,900	\$ 1,045,662	\$ 51,614,870

¹. Based on awards reported in Drinking Water Information Management System (DWIMS) for FFY20

². Use of unexpended funds is included in work plans and includes grants, contracts, or loans for activities described in previous workplans.

³. Unexpended amounts are award amounts minus expended amounts at time of IUP drafting.

Banked Authority - Program Management	
FFY97	\$ 1,105,880
FFY98	\$ 592,130
FFY99	\$ 226,380
FFY00	\$ 275,700
FFY01	\$ 48,910
FFY03	\$ 177,410
ARRA	\$ 1,730,000
FFY09	\$ 43,965
less prior transfers	\$ (780,505)
FFY09 amendment	\$ (222,387)
FFY11	\$ (258,200)
FFY16	\$ (300,000)
FFY17	\$ (300,000)
FFY18	\$ (322,132)
FFY19	\$ 9,900
FFY20	\$ -
FFY21	\$ -
Total Available	\$ 2,027,051

Banked Authority - Administrative		
FFY19	\$	3,960
Total Available	\$	3,960

Banked Authority - Technical Assistance		
ARRA	\$	300,000
FFY08	\$	162,920
FFY16	\$	(63,984)
FFY18	\$	57,320
FFY19	\$	1,980
FFY20	\$	-
FFY21	\$	123,705
Total Available	\$	581,941

Future Program Impact

The proposed method and financial terms for distributing project funds presented in this IUP should have a positive impact on the long-term financial status of the DWSRF while accounting for loan subsidy. Principal and interest payments on loans plus the interest earnings on the fund balance are deposited into the DWSRF and made available for future water system capital improvement projects. The only other funds lost for revolving loans are those withdrawn for the following authorized set-aside uses: DWSRF Administration; Technical Assistance; PWSS Program Management; and Local Assistance. Lending procedures used by VBB for municipal loans and the Vermont Economic Development Authority (VEDA) for loans to private entities include safeguards structured to minimize unforeseen losses to the fund. Additionally, the placement of the DWSRF within the financial structure of the VBB guarantees that the Program will benefit in the long-term from the management and financial planning expertise of this organization.

Criteria and Method for Distribution of Funds

The State of Vermont will continue to finance projects based on a point system that ranks eligible water supply projects that are ready to proceed. 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 that assist systems most in need according to State affordability criteria.

The State is proposing to award \$41,076,953 for construction projects. There were 61 applications received, requesting a total of \$88,002,746 in funding. Of these, 51 applications were determined complete and eligible for funding, with a total request of

\$71,613,746. Vermont will disburse 100% of its state match up front, followed by federal funds. As such, the program will not need a cash draw ratio.

The anticipated construction loan recipients are those projects with the highest ranking that comply with the following:

- Under federal requirements, at least 15% of available funds, or \$6,161,543, must be used for projects serving communities with populations of less than 10,000 persons. Because the great majority of Vermont’s public water systems serve populations <10,000, this requirement is easily met.
- As required in Vermont legislation, funds for private water systems are limited to 20% of the available funds, or \$8,215,391 unless there are insufficient municipal projects ready to proceed and additional funds are available. There are currently four private water systems that are anticipated loan recipients which total below the 20% limit.

In addition, \$3,000,000 will be used to fund eligible preliminary and final design engineering projects.

Environmental benefits will be reported using the Public Water Benefits Reporting (PBR) federal on-line reporting system each time a loan is transacted during the fiscal year. This information is now being automatically reported via a data push from an internal database to the PBR website. Reporting to FFATA and DWIMS will also be completed.

All projects regardless of funding source will need to comply with National Environmental Protection Act (NEPA) review, Disadvantaged Business Enterprises (DBEs) reporting, Davis-Bacon, American Iron and Steel, and other federal crosscutters.

COVID-19 Response

Due to the ongoing pandemic, DWSRF reserves the right to work directly with borrowers to modify existing debt service to ensure affordability. On a case-by-case or across-the-board basis, DWSRF may reduce or eliminate the administrative fee, depress repayments, or provide unutilized additional subsidy to forgive loans. DWSRF will work with the VBB and VEDA to determine needed loan modifications.

Additional Subsidy

The FFY21 capitalization grant requires 14% to be used for additional subsidy (additional subsidy “anybody”) and the FFY19 capitalization grant requires 20% to be used for this purpose; both stipulate that a minimum of 6% and a maximum of 35% must be made available to disadvantaged systems. This IUP proposes to use up to the maximum of 35% of the capitalization grant for disadvantaged systems, or \$3,885,000.

Additional Subsidy	
Additional Subsidy - Sub-total	\$ 1,559,940
Additional Subsidy, FFY21 (14%)	\$ 1,540,140
Additional Subsidy, FFY19 (20%)	\$ 19,800
Disadvantaged Subsidy - Sub-total	\$ 3,885,000
Disadvantaged Subsidy, FFY21 (35%)	\$ 3,850,350
Disadvantaged Subsidy, FFY19 (35%)	\$ 34,650
Total	\$ 5,444,940

Requirements to Secure Additional Subsidy

Additional subsidy for either criteria is awarded on a first-come, first-served basis. It is considered reserved for a project once DWSRF has received the following:

- Complete funding application (see below for specifics for each loan type)
- Approved Engineering Services Agreement

For clarification purposes, the program will notify borrowers when they have secured additional subsidy.

The table below lists the required elements of a complete funding application for each step, unless it is inapplicable to the project.

Step 1 (Preliminary engineering, feasibility)

- Complete funding application
- Draft Engineering Services Agreement

Step 2 (Final design engineering)

- Complete funding application
- Draft Engineering Services Agreement
- Preliminary Engineering Report Concurrence Plan Approval from DWGWPD engineer

Step 3 (Construction)

- Complete funding application
- Draft Engineering Services Agreement
- Bond Vote Certification and Counsel Opinion letter
- All permits in place, including Act 250, if required, and environmental review
- Permit to Construct
- All necessary prior step engineering approvals, including preliminary engineering

Additional subsidy “anyone”, or non-disadvantaged subsidy is proposed to be used for planning (Step I) projects only. Step I planning projects should include a hydraulic evaluation of the water system’s complete distribution network, conducted in accordance with the Drinking Water and Groundwater Protection Division’s draft [Evaluating Water](#)

System Hydraulics guidance. Planning projects that include a hydraulic evaluation will be eligible to receive 100% principal forgiveness of eligible costs up to \$100,000. Planning projects that do not include this evaluation will be eligible to receive 50% principal forgiveness up to \$100,000. Planning subsidy will be awarded to projects that first meet the above criteria. Draft engineering services agreements will be reviewed by Drinking Water and Groundwater Protection Division staff in the order in which they are received.

Additional Subsidy for WIFTA Lead Abatement continues from previous year IUP but does not impact the above available additional subsidy amounts.

Disadvantaged Subsidy: Those communities that meet the statutory definition of disadvantaged will receive disadvantaged subsidy enough to reach 1% of MHI post project, not to exceed 50% principal forgiveness, using the calculations outlined in Guidance Document #13. To maximize the number of eligible water systems benefiting from Disadvantaged Subsidy, the maximum amount of Disadvantaged Subsidy a project may receive is \$1,000,000. Disadvantaged Subsidy will not be provided for Step I/II loans.

WIFTA Lead Abatement Subsidy

Vermont's DWSRF program elected in 2020 to transfer funds from the CWSRF to DWSRF for the purposes of 100% principal forgiveness for lead-related projects, under 2019's WIFTA. In September 2020, \$11,000,000 was transferred to the DWSRF account for the Town of Bennington. This IUP will continue to disburse on this additional subsidy for the Town utilization of remaining additional subsidy, so the ability to complete this transfer is a unique opportunity to provide more loan forgiveness than the current program's capacity allows.

This IUP and associated priority list identifies the Town of Bennington's lead service line replacement project as continuing project of approximately \$11 million as the only project to be funded under this transfer.

Municipal School Subsidy

Municipally owned non-transient, non-community school water systems are categorically disadvantaged per State statute and are eligible for up to \$25,000 in construction loan principal forgiveness; there is no further subsidy provided to these applicants.

Program Changes

Loan application process is now online: Beginning July 9, 2021, loan applications and associated documentation must be submitted through ANR Online (<https://anronline.vermont.gov/>). This will improve project readiness, processing times,

and transparency of the loan review process. A loan application will be considered complete when the form and all required documentation are uploaded to ANR Online and the applicant clicks the Submit button. The documentation required for loan applications varies by project step. Applicants with questions about required documentation are encouraged to reach out to DWSRF Program staff with questions. The Program will provide an overview of the transition and online training materials to assist applicants in the transition.

Applicants may wish to begin the review process for their draft Engineering Services Agreement (ESA) prior to obtaining other documentation required to submit a complete loan application. Applicants may work directly with the relevant DEC engineering staff to secure review of their ESA, however, no formal loan action will be taken prior to submittal of a complete loan application.

Priority List Ranking: Beginning with the FFY20 IUP, VT DWSRF revised its prerequisite to be ranked on the priority list. Only projects which already have submitted an administratively complete Preliminary Engineering Report (PER) or Permit to Construct (PTC), or an adequate equivalent as determined by the Program, will be ranked. The program encourages those projects without a PER or PTC to apply to the planning loan program. If projects proceed faster than anticipated, the priority list can be amended up to twice per fiscal year, and if amended, a public participation process will be followed. The practice of designating projects funded off of previous years' IUPs as "continuing" and their treatment has varied from year to year depending on funding demand and program priorities. For this year's IUP, the Program is not using the continuing designation for purposes of ranking, but rather, for informational purposes and to enable continuity in loan terms.

Readiness to Proceed: Beginning with the prior IUP, the DWSRF required all projects meet the following readiness to proceed milestones:

- Projects must submit their environmental information document with 90% design drawings by December 1, 2021.
- Bond vote scheduled & copy of warning submitted by January 30, 2022.
- Projects must receive voter authorization by May 1, 2022.
- Projects must submit a Step III funding application by June 30, 2022.

Projects failing to meet these requirements will be bypassed and expected to reapply for the following funding cycle. This will make funding available for projects below the funding line. Guidance Document #4 has been updated accordingly.

Elimination of interest rate on municipal loans: The DWSRF Program has received confirmation from the Vermont State Treasurer to eliminate the interest rate on municipal loans. An administrative fee of up to 2% will still be charged. This change was effective as of September 9, 2020.

Reduction of administrative fee rate on private entity loans: The DWSRF Program has received confirmation from the Vermont State Treasurer to decrease the maximum

private entity administrative fee rate from 3% to 2.75%. This change was effective as of September 9, 2020.

Water Planning Loans evaluation and funding cap: For this IUP funding cycle, Water Planning Loans (Step I and II) will continue to be funded using the \$3,000,000 put-aside listed in the Priority List. Applications will be processed in batches at least quarterly, ranked according to Priority List project criteria, and funded in order of priority, if needed. Planning loans funded from this put-aside will be capped at \$250,000 per project. The existing WPL that is funded by the DWSRF Local Assistance Set-Aside will be reserved exclusively for asset management and emergency planning loan needs that cannot be accommodated by the put-aside due to timeliness. Determination of which funds will be used for a given project will be at the discretion of the Program. Guidance Document #22 will be updated accordingly.

Previously executed Water Planning Loans transition to DWSRF: WPLs previously in processing will be transferred to the DWSRF fund. There will be no further forgiveness on planning loans under this IUP.

Amendment to FFY2014, 2015, 2016, 2017, 2018, 2019, and 2020 IUPs: This IUP amends IUPs from 2014, 2015, 2016, 2017, 2018, 2019, and 2020 to allow the awarding of unutilized Additional and Disadvantaged Subsidy to eligible projects under the terms of the FFY2020 IUP. Additionally, Disadvantaged Subsidy from the FFY2019 IUP will be awarded to loans RF3-163-3.0 and RF3-107-3.0 associated with the Tri-Park Mobile Home Park in Brattleboro, as part of a restructuring to reduce the debt burden on that community as directed by Act 179 of 2020.

Public Participation

WID recognizes that public participation and the persistent cultivation of stakeholder interests is an integral element in the development of an effective program. Throughout the year DWSRF staff initiate contact with the neediest and highest priority water systems to encourage them to apply to be included in the PPL. Contacts are made via on-site visits, by email and phone. Additionally, water systems are routinely directed to the DWSRF by DWGWPD staff, such as those conducting sanitary surveys.

On December 19, 2020, the Department notified municipalities and other interested parties to apply to be included on the Priority List for State Fiscal Year 2021 with a due date of February 24, 2020 for inclusion in the draft Priority List.

A notice of availability of the draft IUP and project priority list was distributed for comment on May 14, 2021. Additionally, the draft IUP was posted on both the WID website in advance of the public hearing and the notice for the hearing was also placed on the Vermont Department of Libraries and Agency of Natural Resources websites.

The public hearing was held on June 17, 2021 at 10:00 a.m. Comments were accepted at the hearing as well as throughout the public comment period ending July 1, 2021. The public responsiveness summary below addresses comments.

Public Comment Responsiveness Summary

The following responsiveness summary lists questions (Q) and comments (C) received between release of the draft IUP through the public comment period ending July 1, 2021. This responsiveness summary begins with any changes to the final IUP since release of the draft. Some comments have been edited for brevity and clarity.

No substantive changes were made to the draft IUP.

- C1: We understand the reasoning behind the new requirements to have PERs/PER equivalents or, in the case of DWSRF, a Permit to Construct in hand prior to making application for the Priority List. In many cases this is a requirement we can meet, but in the case of some projects, particularly water main distribution rehabilitation/renewal projects which must be coordinated with the City’s paving program, this is particularly challenging. We would like there to be an alternative approach for projects where an asset management plan with risk-based scoring or some sort of CIP list exists.
- A: *Priority List applications for projects that do not have a PER may be found eligible by the Program if they have a planning document determined to be suitably equivalent to a PER, that both demonstrates that an adequate planning process was undertaken and that the project is ready to proceed. A robust asset management plan or CIP may be considered as satisfying the PER requirement on a case-by-case basis.*
- C2: In past conversations, DEC SRF staff members have mentioned “Programmatic Financing” as a possible option for municipalities such as Burlington which have significant voter authorizations in hand for project categories (vs. specific projects) and for which the municipality is planning on drawing down funds in annual chunks. It would be helpful if 1) the IUP included details about how this would work and which sorts of projects would be eligible and 2) the IUP considered allocating additional priority points and/or subsidy to reward municipalities who are making substantial effort to address aged infrastructure in this holistic manner – i.e. steady funding over a number of years. It would also seem that programmatic financing might be a help to [C1, above].
- A: *The DWSRF Program is considering opportunities to include programmatic financing in future funding cycles. Interested water systems are encouraged to contact the Program to discuss their needs.*
- C3: Burlington would like to see the continuation of significant subsidy for planning and design phases. Additionally, we urge the State to consider subsidy for construction projects and to make it the policy of the program to always maximize the amount of subsidy available. We understand there is construction subsidy on the DWSRF side; this is so helpful and should continue.

- A: *The Program attempts to balance a number of programmatic priorities and system needs within the constraints of the Capitalization Grant terms.*
- C4: A true determination of affordability in a municipality such as Burlington would look at the overall ratepayer burden for Drinking Water, Wastewater and Stormwater bills (all of which have increased revenue requirements to manage aged infrastructure and new regulatory requirements) as well as other aspects impacting ratepayers. Ratepayers for these three utilities are most often one and the same in Burlington and all three utilities have and will continue to see increased rates. Affordability should not focus solely on the median household income ratepayer – but rather look at the lower quartiles of income where rate payers would truly be burdened by the rate increases necessary to fund these projects as well as other costs for renters and property owners.
- A: *The Program will take this into future consideration when it examines the DWSRF affordability criterion in the priority system.*
- C5: Burlington has invested significant funds in the development of an Integrated Plan. Please consider additional priority points for communities which have pursued the Integrated Planning process since this process does involve determining the most cost-effective approach to meeting regulatory obligations and a community’s water quality goals. This should result in more cost-effective use of SRF funds and should be promoted.
- A: *The Program will take this into future consideration when it reviews the priority point system for possible changes.*
- C6: We request that additional State subsidy be applied to this project [Bethel, RF3-388-3.0] in the amount of \$240,000 to reduce the loan amount to the water customers [because the system expected to receive lead subsidy].
- A: *An additional \$66,150 in Additional Subsidy has been obligated to this project, based on eligibilities under the FY19 IUP.*
- C7: We request this project [Bethel project for which a FFY21 Priority List application was submitted] be eligible for the lead abatement subsidy. In the draft IUP under WIFTA Lead Abatement Subsidy, funds are being transferred from the CWSRF to the DWSRF for the purposes of 100% principal forgiveness for lead-related projects. Bethel should be included in this transfer as eligible for the lead subsidy.
- A: *Additional Subsidy for lead abatement transferred from CWSRF to DWSRF under authority of WIFTA in the FFY20 IUP and continued under this IUP is obligated for lead lines replacement work in the Town of Bennington.*
- Q8: St. Albans King St Waterline – Shouldn’t this project have a “C” as continuing as it is already under construction?

A: *Yes, we can add a C. Note that continuing projects do not have a formal definition under DWSRF (as they do in CWSRF), and designating a project as continuing does not give the project priority in receiving funding.*

Q9: St. Albans Aldis Hill – Can you check the priority points as this project is in the NF range? It is required to address a significant deficiency identified in a Sanitary Survey.

A: *100 points is correct. Points are awarded based on system deficiencies as well as affordability, readiness, and other considerations. There are not sufficient funds to offer funding to all eligible and worthy projects. However, funds may become available later in the year after projects that were offered funding but do not make adequate progress are bypassed.*

Q10: Hinesburg New Water Supply – Why didn't this project make the list? A P list application was submitted. The Town is working on a Step II DW planning loan for this project.

A: *This project was found to be ineligible because it is primarily for system expansion.*

Q11: Can they [Hinesburg] still use DW planning funds? Also, this determination is a bit of a surprise.

A: *In some cases, planning work can be funded by DWSRF even when the construction of the project would not be found eligible because the project purpose is system expansion (which is specifically prohibited under federal rules). In such cases, the Program will make a determination as to whether there is a reasonable tie to eligible DWSRF purposes, particularly, a public health benefit. We do not find sufficient DWSRF-eligible justification for this project to fund the planning work.*

C12: There is support for development in Villages at all levels, so this requires having adequate infrastructure. The Town [Hinesburg] has to expand the water supply to support this growth which aligns with the current local and State goals, otherwise this will limit development in these areas.

A: *The purpose of the DWSRF as established under the federal Safe Drinking Water Act is to protect public health. While economic growth in village centers is a laudable goal that provides many public benefits and is supported and encouraged by other government branches and programs, it is not in itself an eligible purpose under DWSRF.*

C13: On behalf of the Town of Hinesburg, I am writing to request that Hinesburg's FY21 Priority List Application be reconsidered for inclusion in the Final FY21 IUP. This project is not solely about system expansion. Upon examination of the Town's application, it appears that it contains in error. Specifically, under System facility deficiencies, "Inadequacy of critical components" should be checked in lieu of "System vulnerable to contamination." That change, along with the project being eligible for additional points as a result of it conforming with DWGWPD approved Asset Management Plan, most accurately represents the project. I hope with this change, and realizing that the project isn't

just about system expansion, that you will include this project in the Final FY21 IUP as being eligible for Planning Funds.

A: *To be found eligible to receive Priority List points for inadequacy of critical components, the project must correct a significant deficiency or sanitary defect identified during a sanitary survey or Site Assessment(s). Projects commonly address inadequacy in such areas as: source, treatment, pumping, surface water crossings, storage, standby power, and SCADA. Hinesburg does not have any significant deficiencies or sanitary defects identified during a sanitary survey or site assessment. Their current infrastructure meets the Water Supply Rule requirements.*

Q14: Brighton New Water Source and Water Treatment Upgrades – Why didn't this project make the list? A P list application was submitted. The ESA for Step I has been approved and the Town is finishing up the Step I DW planning loan application for this project.

A: *No Priority List application was received. Planning and design work can be funded at any time and does not require a Priority List application. It is possible we may amend the IUP this year, at which time additional PList applications may be accepted.*

Q15: Lyndonville Vail Drive Transmission Main – Should this be shown in the fundable range as "C" continuing project?

C16: It seems prudent that continuing projects identified or funded in prior IUPs, which have not yet been completed, be automatically carried forward and listed in the most current IUP.

A: *Projects funded off of previous years' IUPs are not listed in subsequent IUPs unless they submit a new priority list application or an arrangement has been made with the Program to fund the project off of multiple years.*

C17: We would like to request the Milton Mobile Home Community Infrastructure be included for funding in the 2021 IUP. As you know our bid opening leaves open the possibility of needing more funding for the project than anticipated. Also, as we have experienced recently, other federal funding avenues are limiting their potential eligibility for IUP identified projects only.

A: *This project is funded and can be amended as needed under the FY19 IUP.*

Q18: Why is there a different percentage of Additional Subsidy for the FFY21 Capitalization Grant and the FFY19 Reallotment?

A: *The parameters for awarding of Additional Subsidy are stipulated in each year's federal appropriations bill. Sometimes a range is allowable, and other times a specific percentage of the federal grant is required to be used. The FFY21 Grant requires that 14% of the grant be used for Additional Subsidy and the FFY19 Grant requires that 20% be used.*

Q19: Will you continue to be providing an estimate of subsidy eligibility upon receipt of loan applications?

A: *Yes. The Program will continue to provide preliminary estimated information on loan subsidy, term, and repayment amounts at the time of loan application receipt to enable*

borrowers to begin planning for debt service. Please note that these are estimates only; subsidy amounts, rates, and terms are not finalized until a loan is approved.

Q20: The IUP limits water planning loans to \$250,000. What about expensive projects? Is this really per project? Or per step? Or per IUP year?

A: *The cap is per project and is intended to ensure adequate funds are available for as many projects as possible. The Program expects most projects to be able to be accommodated with \$250,000, however, the threshold will be evaluated over the course of the funding cycle and water systems with projects potentially needing more may contact the Program to discuss their specific needs.*

Q21: Is subsidy available only to municipalities? Or to everybody?

A: *Subsidy is available to municipalities and private water systems.*

Q22: What are water systems supposed to do if their project is found ineligible for DWSRF?

A: *DWSRF eligibilities are tied to protection of public health. Other sources of funding for water system infrastructure are better able to accommodate projects for purposes of system expansion, economic growth, etc. The Program is in regular communication with other funders and tries, to the extent possible, to direct water systems whose projects have been determined to be ineligible for DWSRF to other funders.*

Appendix A: Comprehensive Project Priority List

The Comprehensive Project Priority List includes fundable and not fundable projects listed in priority order. Priority ranking ensures funding precedence for projects that address the most serious risk to human health, are necessary to ensure compliance with SDWA requirements, and assist systems most in need. Also included are projects that did not meet readiness to proceed requirements to be ranked but are forecast to be ready in the near future.

Total Available Funding: \$41,076,953

Total Available Add Sub: \$1,559,940

Total Available Dis Sub: \$3,885,000

Priority Points	Funding Status	WS Name	WSID	Project name	Request amount	Loan Amount	Loan Amount Less Subsidy	Dis Sub	Add Sub	Term	Interest Rate	Admin Fee	Cumulative Loan Award
	F	Planning loan put-aside				\$ 3,000,000			\$ 1,559,940				\$ 3,000,000
125	E,F	Craftsbury Fire District #2	5194	New Source (PFAS)	\$ 325,000	\$ 325,000	\$ 325,000			30	0.00%	2.00%	\$ 3,325,000
125	E,C,F	E. Berkshire FD#1	5194	Water Storage Tank	\$ 200,000	\$ -	\$ -			30	0.00%	0.00%	\$ 3,325,000
235	C,F	Brattleboro, Town of	5290	Pleasant Valley Water Treatment Facility	\$ 7,050,000	\$ 7,050,000	\$ 6,050,000	\$ 1,000,000		40	0.00%	0.00%	\$ 10,375,000
195	F	Saint Johnsbury Town	5045	Pleasant and Gilman St Improvements	\$ 2,837,127	\$ 2,837,127	\$ 2,837,127			30	0.00%	2.00%	\$ 13,212,127
175	F	Alburgh Village	5136	Water Tank Replacement	\$ 2,473,000	\$ 2,473,000	\$ 1,473,000	\$ 1,000,000		40	0.00%	0.00%	\$ 15,685,127
165	F	Battleground Condominiums	5397	Water System Improvements	\$ 503,000	\$ 503,000	\$ 503,000			30	0.00%	2.75%	\$ 16,188,127
165	F	Castleton Fire District #1	5212	Replacement Transmission Main	\$ 1,200,000	\$ 1,200,000	\$ 1,200,000			30	0.00%	2.00%	\$ 17,388,127
160	F	South Alburgh FD#2	20964	Phase 2 Water System Improvements	\$ 4,400,000	\$ 4,400,000	\$ 3,400,000	\$ 1,000,000		40	0.00%	0.00%	\$ 21,788,127
152	F	Bethel, Town of	3515	Water System Improvements	\$ 2,800,000	\$ 2,800,000	\$ 2,800,000			30	0.00%	2.00%	\$ 24,588,127
150	C, F	Royalton FD#1	5530	Water Treatment Facility Upgrade	\$ 2,950,000	\$ -	\$ -			40	0.00%	0.00%	\$ 24,588,127
150	F	Winooski, City of	5102	Main St Revitalization	\$ 223,000	\$ 223,000	\$ 223,000			30	0.00%	2.00%	\$ 24,811,127
142	F	Bristol, Town of	5002	Pine Street Water Line	\$ 940,000	\$ 940,000	\$ 940,000			30	0.00%	2.00%	\$ 25,751,127
140	C, F	Burlington, City of	5053	CY21 Water Distribution	\$ 1,094,000	\$ -	\$ -			30	0.00%	2.00%	\$ 25,751,127
140	C, F	Champlain Water District	5092	Colchester South Tank Loop	\$ 975,000	\$ -	\$ -			30	0.00%	2.00%	\$ 25,751,127
140	F	Dorset FD#1	5020	Water System Improvements	\$ 3,000,000	\$ 3,000,000	\$ 2,115,000	\$ 885,000		40	0.00%	0.00%	\$ 28,751,127
140	F	Paradise Bay Association	20429	Water System Improvements	\$ 443,344	\$ 443,344	\$ 443,344			30	0.00%	2.75%	\$ 29,194,471
137	F	East Calais FD#1	5262	System Infrastructure Improvements	\$ 250,000	\$ 250,000	\$ 250,000			30	0.00%	2.00%	\$ 29,444,471
130	F	Mountain Park	20731	Standby Chlorination System	\$ 90,000	\$ 90,000	\$ 90,000			30	0.00%	2.75%	\$ 29,534,471
130	F	West Windsor Mountain System	5599	Water System Improvements	\$ 425,000	\$ 425,000	\$ 425,000			30	0.00%	2.00%	\$ 29,959,471
125	F	Snow Mountain Village Condominium Assoc.	5623	Pressure Booster Pump Installation	\$ 150,000	\$ 150,000	\$ 150,000			30	0.00%	2.75%	\$ 30,109,471
120	F	Swanton, Village of	5132	Missisquoi River Water Main Crossing	\$ 710,000	\$ 710,000	\$ 710,000			40	0.00%	0.00%	\$ 30,819,471
117	F	Danville Fire District #1	5037	Water Main Improvements	\$ 3,370,000	\$ 3,370,000	\$ 3,370,000			30	0.00%	2.00%	\$ 34,189,471
117	F	Rutland FD#6	5378	Victoria St Booster Pump Station	\$ 33,375	\$ 33,375	\$ 33,375			30	0.00%	2.00%	\$ 34,222,846
115	F	Randolph, Village of	5179	North Reservoir Tank Replacement & Wellhouse	\$ 1,475,000	\$ 1,475,000	\$ 1,475,000			30	0.00%	2.00%	\$ 35,697,846
115	F	Newport, City of	5202	Eastside Water System Improvements	\$ 4,985,000	\$ 4,985,000	\$ 4,985,000			30	0.00%	2.00%	\$ 40,682,846
115	PF	Barre, City of	5254	Route 302 Water Main	\$ 1,200,000	\$ 1,138,572	\$ 1,138,572			40	0.00%	0.00%	\$ 41,821,418
115	C, NF	Ludlow, Village of	5323	High Street Infrastructure Improvements	\$ 440,000	\$ -	\$ -			30	0.00%	2.00%	\$ 41,821,418
115	NF	Shaftsbury Town of	5469	Phase 1 Water System Improvements	\$ 1,400,000	\$ -	\$ -			30	0.00%	2.00%	\$ 41,821,418
115	NF	Enosburg Falls	5116	Elm Street Waterline Replacement	\$ 750,000	\$ -	\$ -			40	0.00%	0.00%	\$ 41,821,418
115	NF	Burlington, City of	5063	Meter Replacement & AMI Conversion	\$ 2,000,000	\$ -	\$ -			30	0.00%	2.00%	\$ 41,821,418
110	NF	Burlington, City of	5063	Distribution Rehabilitation & Replacements	\$ 2,000,000	\$ -	\$ -			30	0.00%	2.00%	\$ 41,821,418
110	NF	Irasburg Fire District #1	5200	Route 14/58 Improvements	\$ 500,000	\$ -	\$ -			40	0.00%	0.00%	\$ 41,821,418
110	NF	Lunenburg Fire District #1	5112	New Water Supply	\$ 445,000	\$ -	\$ -			30	0.00%	2.00%	\$ 41,821,418
110	NF	Saint Johnsbury Town	5045	WTP Upgrades	\$ 7,646,900	\$ -	\$ -			30	0.00%	2.00%	\$ 41,821,418
100	C, NF	Hartford, Town of	5319	South Main St. Waterline Replacement C#1	\$ 250,000	\$ -	\$ -			40	0.00%	0.00%	\$ 41,821,418
100	NF	Jeffersonville, Village of	5150	Jeff Heights Water Main & Tank Rehabilitation	\$ 750,000	\$ -	\$ -			30	0.00%	2.00%	\$ 41,821,418
100	NF	Jericho Fire District #1	5476	Green Sand Filter Replacement	\$ 40,000	\$ -	\$ -			30	0.00%	2.00%	\$ 41,821,418
100	NF	St. Albans, City of	5130	Aldis Hill Water Tank	\$ 2,350,000	\$ -	\$ -			40	0.00%	0.00%	\$ 41,821,418
97	NF	Berlin, Town of	21202	Smart Meter Replacement	\$ 300,000	\$ -	\$ -			30	0.00%	2.00%	\$ 41,821,418
95	C, NF	Milton, Town of	5079	River St. PSV	\$ 251,000	\$ -	\$ -			30	0.00%	2.00%	\$ 41,821,418
95	NF	Springfield, Town of	5333	Clinton St. Water	\$ 2,200,000	\$ -	\$ -			40	0.00%	0.00%	\$ 41,821,418
85	NF	Hartford, Town of	5319	South Main Street Waterline	\$ 1,000,000	\$ -	\$ -			30	0.00%	2.00%	\$ 41,821,418
85	C, NF	St. Albans, City of	5130	Kingman St. Waterline	\$ 290,000	\$ -	\$ -			40	0.00%	0.00%	\$ 41,821,418
85	C, NF	Williston, Town of	5098	Lamplite Acres Waterline	\$ 2,000,000	\$ -	\$ -			30	0.00%	2.00%	\$ 41,821,418
80	C, NF	Champlain Water District	5092	Essex West Booster Pump Station & Transmission Main & Essex East Booster Pump	\$ 2,600,000	\$ -	\$ -			30	0.00%	2.00%	\$ 41,821,418
72	NF	Quechee Central	5320	Main St Water Main	\$ 900,000	\$ -	\$ -			30	0.00%	2.00%	\$ 41,821,418
72	NF	Stowe FD#4	5523	Distribution System Improvements	\$ 750,000	\$ -	\$ -			30	0.00%	0.00%	\$ 41,821,418

65	NF	Richmond, Town of	5084 Bridge St. Waterline - Church St. to Volunteers Green	\$ 400,000	\$ -	\$ -	40	0.00%	0.00%	\$ 41,821,418
55	NF	Milton, Town of	5079 Railroad St Waterline Replacement & PSV	\$ 2,100,000	\$ -	\$ -	30	0.00%	2.00%	\$ 41,821,418
55	NF	St. Albans, City of	5130 Stebbins Street Waterline	\$ 325,000	\$ -	\$ -	40	0.00%	0.00%	\$ 41,821,418
50	NF	Essex, Town of	5065 Route 15 Waterline Upgrade	\$ 650,000	\$ -	\$ -	30	0.00%	2.00%	\$ 41,821,418
For		Bennington, Town of	5016 Burgess Rd PRV	\$ 454,000	\$ -					
For		Franklin, Town of	5120 Water Source	\$ 260,000	\$ -					
For		Milton, Town of	5079 Flanders Development Waterline Replacement	\$ 4,400,000	\$ -					
For		Montpelier, City of	5272 East State St Improvements	\$ 2,000,000	\$ -					
For		Northfield, Town of	5275 Main St WTM & Cheney Farm Tank	\$ 3,800,000	\$ -					
For		Randolph FD#1	5177 Water System Improvements	\$ 500,000	\$ -					
TOTALS				\$ 87,853,746	\$ 41,821,418	\$ 3,885,000	\$ 1,559,940			
Total loan request, projects meeting readiness criteria				\$ 76,439,746						
Total available funds and proposed loan awards				\$ 41,821,418						
Annual funding surplus/shortfall				\$ (34,618,328)						

Continuing from previous year, funded by CWSRF to DWSRF transfer:

C, F	Bennington, Town of	Lead service lines replacement	\$ 11,000,000
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F = Fundable

PF = Partially Fundable

NF = Non-Fundable

For=Forecast; these projects did not meet readiness to proceed criteria and were not ranked.

E = Emergency

C = Continuing

Projects for which PTC not required have been given PTC points; if undetermined whether PTC needed, no points given

Forecast list

Priority Points	Funding Status	WS Name	WSID	Project name	Request amount
		Bennington, Town of	5016	Burgess Rd PRV Replacement	\$454,000
		Franklin, Town of	5120	Water Source Improvements	\$260,000
		Milton, Town of	5079	Flanders Development Waterline Replacement	\$4,400,000
		Montpelier, City of	5272	East State St Improvements	\$2,000,000
		Northfield, Town of	5275	Main St WTM & Cheney Farm Tank	\$3,800,000
		Randolph FD#1	5177	Water System Improvements	\$500,000
Total					\$11,414,000

Appendix B: Guidance Documents

Guidance Documents outline the policies and procedures the DWSRF uses for implementing the loan program. A comprehensive summary of program Guidance Documents can be found on [SRF Guidance Documents webpage](#).

Number	Title/Description
1	Priority List Applications
2	Priority List Development and Application Processing
3	Fund Availability Notification and Project Timeline
4	Project Bypass Procedures
5	Loan Application Forms
6	Loan Application Review and Approval
7	Municipal Authority to Execute Loan Agreements
8	Loan Eligibility
9	Engineering Allowance for DWSRF Projects
10	Loan Term, Interest Rate, Administrative Fee Determination and Loan Repayments
11	Median Household Income Determination
12	Preliminary Engineering Report
13	Annual Operation and Maintenance Costs, Equivalent Units, and Existing Debt
14	Project Costs Estimate Adjustments and Loan Amount Adjustments
15	Environmental Review
16	Emergency Projects
17	Archaeological and Historic Properties Review
18	Project Design Review for Petroleum Contamination and Hazardous Waste Sites
19	Canadian Border Projects
20	5-Year Municipal Construction Loans
21	Municipal Construction Loans for less than \$75,000 or loan increases of less than \$75,000
22	Planning Loan Forgiveness (Municipalities only)
23	DWSRF Loan Capacity Reviews
24	Loan forgiveness for School Water Systems
25	Procurement Guidelines
26	Asset Management Plan
	Lead Subsidy Policy