The Vermont Drinking Water State Revolving Fund

Amended Intended Use Plan

for Federal Fiscal Year 2024

Amended, October 22, 2024

Prepared by The Water Investment Division

VERMONT
AGENCY OF NATURAL RESOURCES
Department of Environmental Conservation

Contents

1. Executive Summary

This is the amended FFY 2024 Drinking Water SRF Intended Use Plan (IUP) and Project Priority Lists (PPL). This amendment incorporates the following revisions relative to the IUP adopted 8/22/2024:

Revises the Disadvantaged Subsidy criteria for loans under the Lead Service Line Inventory Grant.

Allows for the submittal of Priority List Applications for Lead Service Line Grant funding on a continuing basis.

Amends the 2021 IUP to remove the $1,000,000 cap on Disadvantaged Subsidy.

The details of the amendments are included in Section 1.1. There are no amendments to the Project Priority Lists.

Revisions to the IUP text relative to the initially adopted version, dated August 22, 2024, are noted by underlining of new text and strike-through of deleted text.

Vermont sends to the U.S. Environmental Protection Agency (EPA), as part of its annual application for Drinking Water Capitalization Grants under the Safe Drinking Water Act (SDWA), a Drinking Water Intended Use Plan (IUP) to meet the requirements of the Act and the Drinking Water Capitalization Grant Agreements. This IUP covers the FFY 2024 General Grant, and the supplemental General, and Emerging Contaminants grants, created by the Bipartisan Infrastructure Law of 2021. The Vermont DWSRF Program is deferring application for the 2024 Lead Service Line Grant; however, this IUP includes subsidy and other information for existing Lead Service Line Grant funds.

Drinking Water SRF (DWSRF) money can be used for a wide variety of activities, including public water system infrastructure improvements, source water protection, and water system management enhancements.

SDWA requires that each state prepare an 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 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 these documents. WID and the Drinking Water and Groundwater Protection Division (DWGPD) share responsibility for implementation of the policies that are followed as part of the DWSRF, including the assurances and certifications contained in the capitalization grant request.

1.1. Details of the October 2024 IUP Amendment

This IUP and the FFY 2023 IUP are amended to revise Section 9.3.2.2. to allow communities with up to 125% of State Median Household Income (increased from 120%) to qualify for 100% loan forgiveness up to $100,000 and 50% forgiveness for the portion over $100,000. This revision will help the Department meet the Lead Service Line Grant Agreement requirement to provide 49% of the Grant funds in the form of principal forgiveness. See Section 9.3.2.2.

Available Lead Service Line Grant funds exceed demand. Because it is in the public interest to ensure maximum use of these funds, eligible projects may submit a Lead Service Line Grant Priority List Application at any time during the effective period of this IUP, i.e. until approximately July 1, 2025. Any project additions to the Lead Service Line Grant Priority List will be made via amendment to the Priority List following an opportunity for public comment.

The 2021 IUP is amended to remove the $1,000,000 per project maximum of Disadvantaged Subsidy. The cap was intended to maximize the number of projects who could qualify for this form of assistance. All qualifying projects will receive this subsidy and the cap is preventing two projects from receiving the full 50% of principal forgiveness for which they would otherwise be eligible. The 2023 IUP provides for the application of unused Disadvantaged Subsidy from 2016-2019 to projects on the 2021 IUP.

1.2. Bipartisan Infrastructure Law (BIL), Build America, Buy America Act (BABA)

The Bipartisan Infrastructure Law (BIL), also known as the Infrastructure Investment and Jobs Act (IIJA), passed November 15, 2021, provides three additional DWSRF grants: the General Supplemental, Lead Service Lines, and the Emerging Contaminants grants. This is the third of five years of these additional BIL grants. In addition to providing additional funding for Vermont, these grants include significant requirements related to ensuring that Disadvantaged Communities benefit from the new funds, including a requirement for 49% of General Supplemental and Lead Service Line funds to be provided in the form of loan forgiveness.

The BIL expanded domestic sourcing requirements with the inclusion of the Build America, Buy America Act (BABA). For all projects receiving funding based on federal awards made to the State on or after May 14, 2022, all steel, iron, manufactured products, non-ferrous metals, plastic and polymer-based products (including polyvinylchloride, composite building materials, and polymers used in fiber optic cables), glass (including optic glass), lumber, and drywall used in infrastructure projects for federal financial assistance programs must be produced in the United States.

1.3. Notice of Nondiscrimination

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Additional information is available at https://anr.vermont.gov/special-topics/equity-and-accessibility/notice-nondiscrimination

1.4. Translation Services

If you speak a language not listed or require additional help, we offer free language assistance services. Please reach out to ANR at 802-636-7266 and we can support getting you access to the State of Vermont's free language services. The State of Vermont contracts with several Translation Services organizations, and you can visit this page for more information: https://anr.vermont.gov/special-topics/equity-and-accessibility/language-services

2. DWSRF Mission and Program Goals

2.1. 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.

2.2. Long Term Goals

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. Implement the Bipartisan Infrastructure Law's goal of increasing investment in disadvantaged communities by ensuring subsidy (loan principal forgiveness) is directed to disadvantaged communities, and by engaging in a multi-year sustained effort to increase our capacity to target assistance to disadvantaged communities.

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 to carry out the DWSRF program.

6. Continue to update, develop, and implement the capacity development strategy for existing systems.

7. Continue providing operator training by DWGPD staff and through grants and/or contracts with third-party technical assistance providers.

2.3. Short Term Goals

1. Secure the State's latest available capitalization grants 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 timely assistance to public community and NTNC water systems to complete required Lead Service Line inventories.
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 to protect public water sources and ensure compliance with drinking water regulations through the Vermont Source Water Protection Program.
7. Coordinate DWSRF activities with enforcement activities of the State and EPA.
8. Continue implementation of the statewide strategy to improve capacity for existing public water systems and ensure capacity for new public water systems.
9. Use DWSRF set-aside funding to provide the additional resources required to manage the Vermont Drinking Water Program.
10. Expend all federal funds within two years of grant award.
11. Engage communities and other stakeholders in an evaluation of the Department's criteria for Disadvantaged Communities and Priority Ranking Criteria to increase investment to disadvantaged communities.

3. American Rescue Plan Act (ARPA) Grant Eligibility

ARPA grant awards are not SRF funds. The Department uses the Intended Use Plan to identify ARPA grant award eligibility criteria and uses the Project Priority List to rank eligible projects. The Village Wastewater and Drinking Water ARPA Grant, described below, applies to both wastewater and drinking water projects, and as such is included in both the Clean Water and Drinking Water Intended Use Plans.

3.1. State Village Wastewater and Drinking Water ARPA Grant Eligibility

Villages form the heart of Vermont's rural communities, yet more than 200 villages lack community wastewater disposal systems, hampering revitalization. More than 100 Vermont villages do not have a public municipal water system. While many communities have explored municipal water and wastewater solutions in the past, most could not proceed with the projects because users could not afford the new rates needed to cover the cost of the project.

However, $36.2 million in ARPA funding was appropriated to help municipalities develop new public drinking water systems and community wastewater disposal systems where this critical infrastructure is lacking. This grant funding is intended to help bridge the affordability gap, protect public health, increase affordable housing, support economic development, and incentivize compact growth in Vermont's designated villages and neighborhoods.

These ARPA funds are used in a "co-funding" model with the State Revolving Loan Funds, USDA -Rural Development support, other grants and/or locally available funding. Co-funding means that ARPA funds are used to complement other funding sources to achieve affordability. The assistance is primarily in the form of grants for design, land purchase, and/or construction of active as-of-yet completed projects.

The original funding goal was to support up to 10 decentralized community wastewater solutions and/or public municipal water systems. Wastewater projects in designated villages centers and designated neighborhoods, as ranked by the Priority System of the relevant Clean Water Intended Use Plan (IUP) and which propose projects consistent with the funding bill appropriation language are eligible for funding per a March 28, 2024 SRF Guidance Document (Guidance Document #38). Drinking water projects are ranked by their DWSRF IUP points divided by the total possible DWSRF points and then listed with the wastewater projects.

Funds were awarded to Villages based on the previous CWIUP, and Village ARPA grants have been executed. Village ARPA grants require certain deliverable milestones and eligibility requirements. If a town is not able to meet the grant milestone or deliverable, or if there are not enough eligible costs demonstrated by the town in their Village ARPA agreement Project Cost Summary, then differential award funds will be rescinded and reallocated to Towns according to this CWIUP in what is being called "trickle down" funds. Several communities have missed important milestones, had projects reduced in scale, or decided not to pursue their project altogether. Those communities are in the recission process and the rescinded funds will be redistributed according to their priority points in a "trickle down" manner.

If trickle down funds become available, projects on the PPL in the fundable range will be contacted for a Project Cost Summary for a formal line by line eligibility determination of project elements. Projects are encouraged to seek co-funding from CWSRF, DWSRF, and other funders where applicable. Where a project's eligible costs under this grant are less than the amount of funds reserved on the PPL, any excess funds shall pass to the next ranked community. Attention is called to Guidance Document #38.

New this year, to direct funding to communities that have met more readiness criteria, the VWWW funding lists are being broken into Tiers based on the major milestones met.

A project being shown on the waiting list is not guaranteed any funds.

No SFY 24 ARPA grant may exceed $3.5M and no VWWW ARPA project shall receive more than $4,009,331.

3.1.1. State ARPA Village Wastewater and Drinking Water Grant Allocation

Municipalities should note that trickle down Village ARPA grant values are subject to approval by the Vermont Agency of Administration pursuant to the Vermont's State Fiscal Recovery Process and Guidance. The intent of the Water Investment Division is to confirm award values with Agency of Administration.

4. DWSRF Administration

DWSRF construction loans are currently issued at a 0% interest rate with an administrative fee (calculated like an annual interest rate over the entire loan term) 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.

4.1. Reallocated Funds between CWSRF and DWSRF

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.

4.2. 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: Administration; Technical Assistance; PWSS Program Management; and Local Assistance. Lending procedures used by Vermont Bond Bank (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.

5. DWSRF Capitalization Grants Federal Fiscal Year 2024

5.1. Capitalization Grants

Vermont will receive a total of three Federal Fiscal Year (FFY) 2024 capitalization grants as a result of the Bipartisan Infrastructure Law (BIL). The Department is deferring application for the Lead Service Grant due to existing sufficient balances from prior grant years.

- The DWSRF General: $4,661,000
- The DWSRF General Supplemental: $22,985,000
- The DWSRF Emerging Contaminants: $7,640,000

The required state match for the FFY24 grants is as follows:

- DWSRF General (20% of grant): $932,200
- DWSRF General Supplemental (20% of grant): $4,597,000
- DWSRF Emerging Contaminants (no match requirement)
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All match funds of $932,200 for the General Grant and $4,597,000 for the FFY24 BIL General Supplemental Grant are available. These match funds were appropriated in the Vermont Capital Budget Act 69 of 2023 and the Big Budget Act 78 of 2023.

5.2. Sources and Uses

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

Sources	General	General Supplemental	Lead Service Lines	Emerging Contaminants
DWSRF Capitalization Grant Minus Set-Aside	$3,216,090	$15,866,345	NA	$6,639,605
State Match Needed FFY24 Grant	$932,200	$4,597,000	NA	$0
Repayments	$6,905,435	NA	NA	NA

(anticipated 7/1/24-6/30/25)				
Interest (anticipated 7/1/24-6/30/25)	$2,880,000	NA	NA	NA
Carry-Forward (anticipated)	$5,835,000	Combined w/General	$21,534,657	$562,050
TOTAL	$19,768,725	$20,463,345	$21,534,657	$7,201,655

Uses	**General**	**General Supplemental**	**Lead Service Lines**	**Emerging Contaminants**
Anticipated Commitments See FFY 24 Priority Lists	$19,768,725	$20,463,345	$3,375,000	$7,367,384

The Sources and Uses tables identify the funds used to determine the funding line for the Priority List. With the exception of the Lead Service Line Grant there is full demand for available funds. The Vermont SRF does not yet undertake dynamic cash flow modeling but is actively working to develop this capacity.

As shown in the tables above for the Lead Service Line Grant Sources exceed Uses. The Department is actively working with public water systems to complete the required Service Line Inventories by the October 2024 deadline. To date there are still over 300 inventories that have yet to be completed. The Department will use the information from the forthcoming inventories to determine the extent of additional need related to additional investigation of unknown service lines and known needed replacement projects to develop a schedule and plan by January 2025 for use of the remaining Lead Service Line funds.

Detailed project information is included in the attached Projects Priority Lists for state fiscal year 2024.

5.3. EPA Payment Schedule for Federal Fiscal Year

The State matching funds will be deposited into the DWSRF prior to the quarter when federal funds are requested. The schedule for entering into binding commitments and timing of cash draws is contained in the grant application submitted to EPA. The DWSRF program will continue to comply with the Operating Agreement for Implementing and Managing the State Revolving Fund Program between the State of Vermont and U.S. Environmental Protection Agency, Region I.

The State anticipates disbursement of its State match prior to federal disbursements.

SRF General

Payment No.	Quarter	Date	Federal Amount	State Amount
1	2025-1	10/1/2024-12/31/2024	$ 1,165,250	$233,050
2	2025-2	1/1/2025-3/31/2025	$ 1,165,250	$233,050
3	2025-3	4/1/2025-6/30/2025	$ 1,165,250	$233,050
4	2025-4	7/1/2025-9/30/2025	$ 1,165,250	$233,050
Total			$4,661,000	$932,200

SRF General Supplemental

Payment No.	Quarter	Date	Federal Amount	State Amount
1	2025-1	10/1/2024-12/31/2024	$ 5,746,250	$1,149,250
2	2025-2	1/1/2025-3/31/2025	$ 5,746,250	$1,149,250
3	2025-3	4/1/2025-6/30/2025	$ 5,746,250	$1,149,250
4	2025-4	7/1/2025-9/30/2025	$ 5,746,250	$1,149,250
Total			$22,985,000	$4,597,000

SRF Emerging Contaminants

Payment No.	Quarter	Date	Federal Amount	State Amount
1	2025-1	10/1/2024-12/31/2024	$ 1,910,000	$0
2	2025-2	1/1/2025-3/31/2025	$ 1,910,000	$0
3	2025-3	4/1/2025-6/30/2025	$ 1,910,000	$0
4	2025-4	7/1/2025-9/30/2025	$ 1,910,000	$0
Total			$7,640,000	$0

5.4. EPA Estimated Disbursement Schedule: All Grants

Disbursement Quarter	General	General Supplemental	Emerging Contaminants
1QFFY2025	$ 1,165,250	$ 5,746,250	$ 1,910,000
2QFFY2025	$ 1,165,250	$ 5,746,250	$ 1,910,000
3QFFY2025	$ 1,165,250	$ 5,746,250	$ 1,910,000
4QFFY2025	$ 1,165,250	$ 5,746,250	$ 1,910,000
Total	$4,661,000	$22,985,000	$7,640,000

5.5. Local Assistance Water Planning Loan (LAWPL) Program Sources and Uses

This table summarizes the sources and uses for the Local Assistance Water Planning Loan (LAWPL) Program. Sources include capitalization from federal funds from prior grant years, and from loan repayments. Uses are new fully forgiven loans for Asset Management Plans as described in 6.2.4.1.

Sources – LAWPL	
Carry-Forward	$2,488,214
Estimated interest (7/1/2024-6/30/2025)	$15,000
Estimated repayments (7/1/2024-6/30/2025)	$ 238,803
Total Sources	**$ 2,742,017**

Uses - LAWPL	
Estimated loan commitments (7/1/2024-6/30/2025)	$400,000
Total Uses	**$400,000**

6. Set-Asides

The State of Vermont plans for set-asides are detailed in the tables below, including the proposed amount of authority to be banked. These activities are often vital to water systems so that they can develop and maintain the financial, technical, and managerial capacity to run their systems 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.

General Grant	**PROPOSED FFY24**	**Banked Authority**
TOTAL, ALL SET-ASIDES	**$ 1,444,910**	**$ -**
Program Mgmt	**$ 466,100**	
Administrative	**$ 186,440**	
Small Sys. Tech. Assist.	**$ 93,220**	
Water System Operator Train Contract		
TNC TA Contract	$ -	
Local Assistance	**$ 699,150**	**$ -**
Capacity	**$ 199,150**	
Staff	$ 199,150	
Wellhead	**$ -**	
Source Prot. Loan Program	$ 500,000	

General Supplemental	PROPOSED FFY24	Banked Authority
TOTAL, ALL SET-ASIDES	**$ 7,118,655**	**$ 6,695**
Program Mgmt	**$ 2,298,500**	
Administrative	**$ 919,400**	
Small Sys. Tech. Assist.	**$ 453,005**	**$ 6,695**
Revised Total Coliform Rule (RTCR)		
Water System Operator Training Contract		
Disadvantage Communities Engagement		
Small and Disad. System PFAS Evaluations		
Local Assistance	**$ 3,447,750**	**$ -**
Capacity	**$ 1,797,750**	
Water Loss Control	$ 100,000	
Valve Condition and Location Assessment	$ 100,000	
Rates Training	$ 100,000	
Small and Disadvantaged Water System PFAS	$ 150,000	
Capacity Program Asset Management Initiati	$ 100,000	
Archeological Consult Program	$ 30,000	
Class D Operator Training	$ 95,000	
Approximately 6.5 FTE	$ 1,122,750	
Wellhead	**$ 1,650,000**	
Staff	$ 1,350,000	
Source Protection Work	$ 50,000	
Hydrogeologic Investigation Contract	$ 100,000	
Private Well Mapping Contract	$ 50,000	
USGS Groundwater Monitoring Contract	$ 100,000	

Emerging Contaminants	PROPOSED FFY24	Banked Authority
TOTAL, ALL SET-ASIDES	**$ 834,666**	**$ 497,734**
Program Mgmt	**$ 369,066**	**$ 394,934**
Administrative	**$ 305,600**	
Small Sys. Tech. Assist.	**$ 50,000**	**$ 102,800**
TNC PFAS Monitoring Study	**$ 50,000**	
Local Assistance	**$ 110,000**	**$ -**
Capacity		
Cyanotoxin Monitoring Study	$ 60,000	
PFAS Treatment Efficacy Study	$ 50,000	

6.1. General Grant Set-Asides

6.1.1. General Grant: 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%, $466,100, from FFY24 grant to support approximately 3 FTEs, and associated operating costs within the DWGPD. Duties of staff 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 including the ability to provide up to $10,000 in Emergency funding.

6.1.2. General Grant: 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 0.002 x total net position. The program will be taking 4%, or $186,440 from the FFY24 grant to support approximately 1 FTE 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 (VEDA), which is responsible for conducting creditworthiness reviews of loan applicants for privately-owned water systems and is a party to those loans.

6.1.3. General Grant: 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 2% of the FY23 grant, or $93,220, to provide technical assistance to small public water systems. The following activities and allocations are proposed:

Water System Operator Training Contract: $73,220 to 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 DWGPD.

TNC Technical Assistance: $20,000 to provide technical assistance to Transient Non- Community Water Systems (TNCs).

6.1.4. General Grant: Local Assistance Set-Aside

Up to 15% of the capitalization grant, or $699,150, 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 15%, or $699,150 to fund local assistance activities. The following activities and allocations are proposed.

6.1.4.1. Capacity Activity

Local Assistance Capacity Program Positions: This set aside will support Capacity Program staff to implement the Vermont Capacity Strategy, as well as the Operator Certification Program. In total, this set aside will fund approximately 1.5 FTEs for a total of $199,150.

6.1.4.2. Wellhead Protection Activity

Source Protection Loan Program: $500,000 to capitalize the source protection fund to provide loans to municipalities for purchasing land or conservation easements to protect public water sources and ensure compliance with drinking water regulations.

6.2. General Supplemental Grant Set-Asides

6.2.1. General Supplemental Grant: 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 10% or $2,298,500, from the FFY24 Supplemental grant to support approximately 14 FTEs and associated operating costs within the DWGPD. Duties of the FTEs include capacity development, adoption and implementation of new regulations, implementation of new and existing federal rules, planning, outreach, data management, engineering, compliance supervision, and other drinking water program activities.

6.2.2. General Supplemental Grant: 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. The program will be taking 4%, or $919,400 from the FFY24 supplemental grant to support approximately 6 FTEs within WID and the Administration and Innovation Division (AID) and DWGWPD. The WID and AID positions provide project development, construction oversight, loan administration, and financial management services for the operation of the DWSRF. The DWGPD positions will be providing technical assistance to water systems of all sizes.

6.2.3. General Supplemental Grant: 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 2% of the FY24 General Supplemental grant, or $453,005, to provide technical assistance to small public water systems. The remaining Technical Assistance funds will be reserved for banked authority.

The following activities and allocations are proposed:

Water System Operator Training Contract: $66,780 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 DWGPD.

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

Community Engagement with Disadvantaged Communities
$250,000 to support community engagement with disadvantaged communities and provide DWSRF technical assistance for disadvantaged communities.

Small and Disadvantaged Water Systems PFAS Contamination Investigations
$101,225 for identifying PFAS contamination at small and disadvantaged water systems.

6.2.4. General Supplemental Grant: Local Assistance Set-Aside

Up to 15% of the capitalization grant, or $3,447,750, 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 15%, or $3,447,750 to fund local assistance activities.

The following activities and allocations are proposed:

6.2.4.1. Capacity Activity

$1,122,750 to fund approximately 6.5 FTEs. Duties of staff include capacity development, 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

Leak Detection Surveys
$100,000 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.

Valve Condition and Location Assessment
$100,000 to provide for the assessment of distribution system valves to improve asset inventories and determine valve condition and location to effectively manage distribution system flows.

Capacity Program Asset Management Initiatives
$100,000 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.

Archeological Consulting Program
$30,000 to support the archeological assessment of the area of a proposed project in consultation with the State and in coordination with SHPO and any federally recognized tribes that may attach religious and cultural significance to historic properties that may be affected by the project.

Rates Training
$100,000 water rates training program to promote the practice of infrastructure asset management and full-cost funding at Vermont's public water systems.

Class D Operator Certification
$100,000 for a training program for Distribution Operators to meet the requirements of the 2024 updates to the Water Supply Rule.

Small and Disadvantaged Water Systems PFAS Contamination Investigations
$150,000 for identifying PFAS contamination at small and disadvantaged water systems.

6.2.4.2. Wellhead Protection Activity
Local Assistance Wellhead Protection Positions:

DWGPD 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.

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

In total, this set aside will fund approximately 7 FTEs and proposes to use $1,350,000.

Groundwater Monitoring Program

$100,000 to contract with USGS and Vermont Geological Survey to create a robust evaluation of a groundwater monitoring program and then design a monitoring program to account for climate change.

Source Protection Plans

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

Hydrogeologic Investigations

$100,000 to support comprehensive physical aquifer investigations for community water systems.

Private Well Mapping

$50,000 to improve the accuracy of well locations from the DWGPD well completion database.

6.3. Emerging Contaminants Grant Set-Asides

The State of Vermont plans to set aside $1,000,395 of the FFY24 Emerging Contaminants Grant for various non-construction related activities to address emerging contaminants in drinking water with a focus on perfluoroalkyl and polyfluoroalkyl substances.

6.3.1. Emerging Contaminants Grant: 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 7%, or $534,795 from FFY24 Emerging Contaminants grant to support approximately 3.4 FTEs and associated operating costs within the DWGPD. Duties of the FTEs include implementation of programs to address emerging contaminants in drinking water with a focus on perfluoroalkyl and polyfluoroalkyl substances. The remaining Program Management funds from the FFY24 Emerging Contaminant Grant will be reserved for banked authority.

6.3.2. Emerging Contaminants Grant: Administrative Set-Aside

Up to 4% of the capitalization grant can be used for the DWSRF Administrative Set-Aside. We propose to take 4% or $305,600 to support 2 FTEs within the WID and AID.

6.3.3. Emerging Contaminants Grant: Small Systems Technical Assistance Set-Aside

Up to 2% of the Emerging Contaminants 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 0.7% of the Emerging Contaminants FY24 grant, or $50,000, to provide technical assistance to small public water systems. The remaining TA funds from the FFY24 Emerging Contaminant Grant will be reserved for banked authority.

The following activities and allocations are proposed:

TNC PFAS Monitoring: $50,000 to monitor TNC sources for PFAS in known areas of high PFAS contamination.

6.3.4. Emerging Contaminants Grant: Local Assistance Set-Aside

Up to 15% of the Emerging Contaminants capitalization grant 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 $110,000, or 1.4% of the Emerging Contaminants grant, to fund local assistance activities. The following activities and allocations are proposed:

6.3.4.1. Capacity Activity

Cyanotoxin Monitoring Program
$60,000 to support the ongoing cyanotoxin monitoring program.

PFAS Treatment Efficacy Study
$50,000 to support a study to understand the efficiency and lifespan of GAC units for small, medium and large size systems for PFAS removal.

6.3.4.2. Wellhead Protection Activity

None proposed.

7. Banked Authority

The DWSRF reserves the right to use Banked Authority. Set-asides have been banked from the 2024 Grants as detailed in Section 6.

8. 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.

8.1. Priority Lists

This IUP has three Priority Lists: General and General Supplemental; Lead Service Line Replacement; and Emerging Contaminants. These Priority Lists, shown in Section 14, identify the projects that submitted complete priority list applications and the total proposed construction funding awards.

Vermont will disburse 100% of its state match up front, followed by federal funds.

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 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 readily met.
- As required in Vermont legislation, funds for private water systems are limited to 20% of the available funds, unless there are insufficient municipal projects ready to proceed and additional funds are available. Funds for private water systems on this priority list are below the 20% limit.

8.1.1. Priority Lists, Funding Eligibilities and Funding under Multiple Grants

Projects may be shown on more than one Priority List due to eligibility and funding considerations.

Notes on Project Priority Lists:

General and General Supplemental

Projects may be funded from either the General or General Supplemental Grants, or a combination of the two, as managed by the DWSRF Program, to meet grant requirements. The selection of the specific grant by the program has no effect on the borrower. The information on the Priority List relative to which grant is used to fund a given project is an estimate.

Lead Service Line
Construction project expenses shown on the Lead Service Line Priority List are estimates of what may be eligible due to lead: full lead service line replacement (LSLR), partial LSLR (but not leaving partial LSL behind), galvanized SLR, lead connector replacement, temporary pitcher filters, and related service line inventory (SLI) creation and updates. Estimates of project expenses not eligible under this list but eligible on the general priority list are shown there. Overall project expenses will be prorated between the two underlying funding sources according to EPA guidance based on actual project costs.

Emerging Contaminants
The two Killington projects are split between Emerging Contaminant and General Grant funding and appear on each priority list.

8.2. Federal Reporting

Environmental benefits will be reported at least quarterly for every loan transaction using the EPA Office of Water SRF reporting system (OWSRF). The OWSRF replaced the Drinking Water Benefits Reporting (PBR) federal on-line reporting system in 2022. Reporting to FFATA and NIMS 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. Build America Buy America (BABA) requirements apply to equivalency projects reported for purposes of Federal Funding Transparency Act (FFATA). The Program will identify such projects as necessary to comply with reporting requirements.

9. Subsidy (Loan Forgiveness)

The term "subsidy" refers to forgiveness of loan principal. Subsidy is available to municipalities and private water systems and is offered on a first come, first-served basis. Eligibility requirements are discussed in "Requirements to Secure Additional Subsidy", section 9.5, below.

9.1. Prior Years Subsidy

9.1.1. Lead Service Line Grant Subsidy

This IUP makes all unused subsidy from FFY 2022 and FFY 2023 Lead Service Line Grants (approximately $2,204,830) available under the terms of this IUP.

9.1.2. 2022 General Grant

This IUP amends the 2022 IUP to allow $250,000 in unused additional subsidy, previously identified for the Source Protection Loan Program, to be used for disadvantaged construction subsidy, per the terms of Section 9.3.3.1 of that IUP, for projects that applied under the 2022 IUP.

9.1.3. Emerging Contaminants
This IUP amends the 2022 and 2023 IUPs to make $562,050 in unused Emerging Contaminants funds available under the terms of this IUP.

This IUP also amends the 2020 IUP to allow for 100% planning and design subsidy for projects addressing pollutants of emerging concern.

9.2. 2024 Subsidy Amounts
The following sections describe the amount of available subsidy and a description of the eligible categories. Subsidy amounts are stipulated per federal law and the Capitalization Grant agreements with EPA. The specific amounts of proposed subsidy are described below.

9.2.1. General Grant
An amount equal to 14% of the grant must be provided as subsidy ("Additional Subsidy") under eligibility terms set in the Intended Use Plan.

The State must use at least 12% but no more than 35% of the grant to provide subsidy to Disadvantaged Communities. The DWSRF Program intends to use the full amount of available Disadvantaged Subsidy (35%).

9.2.2. General Supplemental Grant
Per the Bipartisan Infrastructure Law, an amount equal to 49% of the grant shall be provided as subsidy to Disadvantaged Communities.

9.2.3. Lead Service Line Grant
Due to the availability of prior-year Lead Service Line grant funds the Department is deferring applying for the FFY 24 Lead Service Line Grant. All prior year subsidy will be made available under the terms of this IUP.

9.2.4. Emerging Contaminants
Per the Bipartisan Infrastructure Law, an amount equal to 100% of the grant, net after set-asides, shall be provided as subsidy, with at least 25% going to Disadvantaged Communities or public water systems serving fewer than 25,000 persons.

9.2.5. Summary Table: Available Subsidy by 2024 Grant
Per the FFY24 appropriations language, subsidy shall be provided as follows.

Grant	Subsidy Proposed	Eligibility Requirements Per EPA Grant Agreement
General	$652,540 $1,631,350	No Restrictions (Additional Subsidy) Disadvantaged Communities
General Supplemental	$11,262,650	Disadvantaged Communities

Emerging Contaminants	$6,805,334	At least 25% of subsidy to Disadvantaged Communities or systems serving < 25,000 persons
Total Available Subsidy	**$20,351,874**	

9.3. Subsidy Categories

All loan forgiveness is offered on a first come, first-served basis. Eligibility requirements are discussed in "Requirements to Secure Additional Subsidy", Section 9.5, below.

9.3.1. Summary Table: Available Subsidy by Initiative Category (Inclusive of any Prior-Year Subsidy)

Grant	Initiative	Amount
General		
	Planning (Additional Subsidy)	$152,540
	Source Protection Loans	$500,000
	Construction (Disadvantaged Subsidy)	$1,631,350
General Supplemental		
	Construction (Disadvantaged Subsidy):	$11,262,650
Lead Service Lines		
	Planning and Construction (Disadvantaged Subsidy)	$22,204,830
Emerging Contaminants		
	Planning (Additional Subsidy):	$480,000
	Construction (Additional Subsidy):	$6,887,384
Total Available Subsidy		**$43,118,754**

9.3.2. Planning Subsidy

Supports Short Term Goal #5: Financing of Planning Activities

Planning includes feasibility studies, asset management planning (where not funded under LAWPL set-aside), preliminary engineering reports, final design, and source exploration and development.

9.3.2.1. Planning Subsidy Category 1: General

Planning projects will receive loan forgiveness (Additional Subsidy) as follows:

- 25% loan forgiveness, up to $70,000 per project.

9.3.2.2. Planning Subsidy Category 2: Lead Service Lines
Planning and design for eligible Lead Service Line projects may receive loan forgiveness as follows:
- For communities less than or equal to ~~120~~125% of State Median Household Income, 100% loan forgiveness up to $100,000 and 50% subsidy for the portion over $100,000.
- Depending on the availability of subsidy after all projects are funded, subsidy may be increased up to 100% of total approved costs.

9.3.2.3. Planning Subsidy Category 3: Emerging Contaminants
Planning and design loans are eligible for loan forgiveness as follows:
- 100% forgiveness.

9.3.3. Construction Subsidy
Construction subsidy is available based on the following grant categories.

9.3.3.1. Construction Subsidy Category 1: General and General Supplemental
Eligible Disadvantaged Community construction projects may receive loan forgiveness as follows:
- Disadvantaged Communities: Up to 50% loan forgiveness.

9.3.3.2. Construction Subsidy Category 2: Lead Service Lines
Eligible construction projects may receive loan forgiveness as follows:
- Disadvantaged Communities: 50% loan forgiveness.

9.3.3.3. Construction Subsidy Category 3: Emerging Contaminants
All construction projects may receive 100% loan forgiveness, with loans capped as follows:
- Killington Town New Community System Contract 4 is capped at $4,905,819.
- Killington Town New Community System Contracts 5 & 6A is capped at $500,000.

9.3.4 Source Protection Loans Subsidy
Source Protection Loans may receive loan forgiveness as follows:
- 50% loan forgiveness up to $250,000.

9.4. Disadvantaged Community Subsidy
The following sections describe the DWSRF Program's approach to the allocation of disadvantaged community subsidy under this IUP.

9.4.1. General Grants Disadvantaged Community Subsidy
For purposes of this IUP, construction projects eligible for funding under the General and General Supplemental grants are eligible to receive disadvantaged community subsidy if they meet the statutory definition of disadvantaged municipality in 24 VSA §4752(12). The definition includes municipal or service area Median Household Income (MHI) and calculations are described in Vermont DWSRF Guidance Document 10. Income measurements are determined using Median Household Income. This information will be obtained from the American Community Survey's most recent 5-year rolling average MHI using the most current data available on the date the corresponding IUP year was finalized, or based on an approved income survey, or other method as

approved by the Secretary. The procedures for conducting and approving income surveys and the requisite record keeping will be in accordance with the Vermont State Revolving Fund's established Guidance Document #11: Median Household Income Determination or as determined by an equivalent method. Disadvantaged community projects may receive longer loan terms up to 40 years depending on project useful life and may receive a lower administrative fee rate. A project may receive this subsidy, pending availability of this form of subsidy from this IUP cycle, up to the level that would reduce the annual household user rate to 1% of MHI post-project, and not to exceed 50% principal forgiveness.

9.4.2. Lead Service Line Grant Disadvantaged Community Subsidy

The Bipartisan Infrastructure Law (BIL), also known as the Infrastructure Investment and Jobs Act (IIJA), requires states to provide 49% of the Lead Service Line grant to disadvantaged communities in the form of loan forgiveness. Under IIJA/BIL, states have the flexibility to define disadvantaged communities, which, under EPA guidance, "can include those with environmental justice concerns that often include low-income people and communities of color." (EPA BIL Implementation Memo, 3/8/22). Because communities with lead service lines are appropriately considered disadvantaged, and to ensure communities can take full advantage of the Lead Service Line Grant funds, the Department is hereby continuing the scope of disadvantaged community subsidy eligibility for purposes of the FFY 2024 Lead Service Line IUP. To emphasize, because the subsidy requirement in the grant from EPA is a specific amount (49%), rather than a range or not to exceed amount, and because it is a large percentage of the grant, any underutilization of subsidy would limit the overall amount of available loan funds, and vice versa. It is in the public interest to ensure maximum utilization of Lead Service Line funds, including providing funding to disadvantaged communities.

9.4.2.1. Lead Service Line Planning Loans

For purposes of planning and design loans for lead service line inventories and replacements funded under the Lead Service Line IUP, "disadvantaged community" shall mean a municipality or served area of a municipality that has a median household income (MHI) less than or equal to 120% of the state median household income. These communities shall be eligible for loan forgiveness for lead service line inventories as follows:

- 100% loan forgiveness up to $100,000 and 50% subsidy for the portion over $100,000.
- Depending on the availability of subsidy after all projects are funded, subsidy may be increased up to 100% of total approved costs.

Planning and Design Loan amounts included in the Lead Service Line Priority List include the following:

- Priority List applications from one system.
- Estimated water systems that have yet to complete a Service Line Inventory and systems that will require a second-phase inventory where the initial inventory indicates a portion of the service lines are of unknown material.

9.4.2.2. Lead Service Line Construction Loans

For purposes of construction loans funded under the lead service line IUP, "disadvantaged community" shall mean an applicant municipality or served area that:

(1) has a median household income (MHI) less than or equal to 120%, of the State average median household income as determined by the Secretary.

These disadvantaged communities shall be eligible for 50% loan forgiveness for construction loans funded under the lead service line IUP.

The Department notes that for Lead Service Line construction loans the above eligibility criteria for disadvantaged community subsidy are similar to the definition of "disadvantaged municipality" in 24 VSA § 4752(12). The eligibility criteria for disadvantaged community subsidy differ from the §4752(12) definition of disadvantaged municipality in that there is an eligibility cap of 120% of the State average median household income under the eligibility criteria, and the amount of subsidy is based on a percentage (50%) of the loan. The above criteria for allocation of disadvantaged community subsidy apply only to construction projects funded by the Lead Service Line SRF.

9.5. Requirements to Secure Subsidy (Loan Forgiveness)

The Department establishes the amount of available subsidy on an annual basis in the Intended Use Plan, consistent with the requirements of the State's capitalization grants. All subsidy is awarded to recipients and project types that are eligible for subsidy on a first-come, first-served basis.

Subsidy 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.

9.5.1. Funding Application Requirements

The list below identifies the required elements of a complete funding application for each step unless it is inapplicable to the project. The DWSRF program will notify borrowers when they have secured additional subsidy.

Step 1 (Preliminary engineering)

- Loan application form
- Draft Engineering Services Agreement

Step 2 (Final design)

- Complete funding application
- Draft Engineering Services Agreement
- Preliminary Engineering Report Approval from DWGPD 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

9.6. 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 with the exception of municipal school projects funded under the Emerging Contaminants Grant. Because all Emerging Contaminant Grants funds are required to be 100% forgiven the only applicable Emerging Contaminant subsidy limitations are those identified in this IUP.

10. Program Updates and Guidance

10.1. Priority List Ranking

A potential construction (Step 3) loan applicant must submit a priority list application during the open application period, typically in February. Only construction projects that have previously submitted an administratively complete Preliminary Engineering Report (PER) or Permit to Construct (PTC), or an adequate equivalent as determined by the DWGPD, will be scored and ranked for potential construction loan (step 3) funding. The program encourages those projects without a PER or PTC to apply for a planning loan. If additional loan funds are available and/or other projects are bypassed, the priority list may be reopened for priority list applications and amended up to twice per fiscal year based on a public participation process. If a project has made progress since the original IUP adoption, it may reapply at that time; note that it will also likely receive a higher point score.

10.1.1. Continuing Projects

For purposes of this IUP, a continuing project shall mean a project that was listed on an earlier IUP year priority list, received prior approval for a construction loan or is expected to receive approval by the adoption date of this IUP, and applied in January 2024 to be on this priority list.

The funding request shown for continuing projects shall be the identified additional need beyond the current or anticipated loan (which may be $0). Continuing projects shall be shown and ranked at the top of the priority list, in point order.

10.1.2. Readiness to Proceed and Priority List Bypass

All projects must meet the following readiness to proceed milestones:

- December 1, 2024: Submit a signed and administratively complete Environmental Information Document (for SERP review) to the assigned WID engineer;
- January 1, 2025: Submit 90% design drawings to DWGPD. A project with a current construction permit for the same project scope already meets this milestone;
- January 31, 2025: Schedule a bond vote and submit a copy of the warning to WID;
- May 1, 2025: Receive voter authorization via the bond vote; and,
- June 30, 2025: Submit complete Step III/Construction loan application (all required items have been completed and submitted).

Projects failing to meet these milestones will be bypassed and expected to reapply for the following funding cycle. This will make funding available for projects below the funding line. Further, any projects that confirm to DWSRF program staff that they have secured funding through another source will receive notification of bypass.

10.1.3. Emergency Funding Procedure

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. The determination of an imminent and substantial health risk for cases involving chemical contamination or a potential disease outbreak is the responsibility of DEC in consultation with the Department of Health. The determination of an emergency resulting from a water system failure that requires immediate attention to protect the public health is the sole responsibility of DEC. 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. The bypass procedure is detailed in the DWSRF Program's Guidance Document #16, available here

10.2. Planning Loans Evaluation and Funding Cap

For this IUP funding cycle, "Planning Loans" (Step 1 and/or 2) for General projects (those other than Emerging Contaminants or Lead Service Line / Service Line Inventory projects) will be funded using the $2,000,000 put-aside shown in the Priority List. Most Asset Management Plans are funded by the LAWPL set-aside described above but an AMP can be funded under the general grants as a step 1 loan. DEC is accepting applications for Planning Loans on a rolling basis while funding is available. If funding is available following the bypass of projects on the Priority List, DEC may increase funding for Planning Loans beyond $2,000,000.

10.3. ANR Online Funding Application

Please be advised that the SRF Program will be moving to a new online application system in 2024. This system will apply to loan and grant applications, all project submittals (e.g. ESAs), and payment requests. Additional information will be provided in advance of roll-out of the new system.

Until the new system is launched, all loan applications and associated documentation must be submitted through ANR Online https://anronline.vermont.gov/?formtag=SRFLoanIntake 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 Project Developer with questions.

Applicants should 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.

It should be noted that submittal of a completed application is not sufficient to lock in additional subsidy as the project needs relevant approvals as detailed in the additional subsidy portion of this IUP.

10.4. Guidance Document Updates

The DWSRF Program attempts to continuously update Guidance Documents. There have been no updates since adoption of the 2023 Intended Use Plan.

10.5. Administrative Fee for Manufactured Home Communities (MHCs)

This IUP establishes a maximum administrative fee of 1.5% for all non-profit or cooperatively-owned manufactured home communities (MHCs). The existing maximum administrative fee for these borrowers is 2.75%. Actual loan term, administrative fee, and any principal forgiveness are determined in accordance with Guidance Document 10. Guidance Document 10 will be updated upon adoption of the final Intended Use Plan.

10.6. US Environmental Protection Agency (EPA) Performance Evaluation Review

EPA undertakes an annual Performance Evaluation review for the DWSRF Program. The most recently completed Program Evaluation Review (PER) conducted by EPA Region 1 covered SFY 2022. The PER for SFY 2023 is pending at the time of adoption of this IUP. The Department issues an Annual Report to EPA that covers program operations and addresses action items identified by EPA in their PER.

11. Public Participation

The DWSRF Program recognizes that public participation is an integral element in the development of an effective program. Additionally, water systems are routinely directed to the DWSRF by DWGPD staff, especially when a deficiency or SDWA violation has been identified.

On November 17, 2023 the Department notified municipalities and other interested parties to submit a priority list application by January 16, 2024 to be reviewed for possible inclusion on the Priority List for Federal Fiscal Year 2024 (State Fiscal Year 2025).

The draft IUP was released on June 28, 2024. A public hearing invitation to participate was sent via email to all entities in the contact list and directions to participate via Microsoft Teams, telephone, or in person were posted on the SRF website and on the state library public hearing calendar. A hybrid virtual/in-person public hearing was held on July 23rd, 1-3 PM, at the Catamount Room of the National Life Building, 1 National Life Drive, Montpelier. Public comments on the draft IUP were accepted at both the public hearing, and in writing until 5:00 PM July 31, 2024.

A draft amended IUP was released for public comment on October 2, 2024 through October 18, 2024. No comments were received.

12. Responsiveness Summary

The following responsiveness summary addresses comments received during the public comment period ending July 31, 2024, and during the public meeting held on July 23, 2024. Where comments have potential applicability to both the draft Drinking Water IUP and draft Clean Water IUP the comments are included in the response summaries for both IUPs.

Comment 1: A priority list application was submitted on behalf of the Town of Plainfield during the public comment period to address waterline crossing for Great Brook on Mill Street and Brook Road impacted by recent flooding.

Response: The project has been added to the General Priority List in the fundable range as an emergency project.

Comment 2: Short-Term Goals: Thank you for including a goal to "Promote initiatives that will address systemic environmental justice by prioritizing incentives to projects that will ensure equitable access to clean water benefits," in this year's IUP. Thank you for adding the new short-term goal to "Create funding opportunities for economically disadvantaged manufactured home communities with water infrastructure needs." It is exciting to see the Agency's response to this 2023 request from the Housing and Homeless Alliance's Manufactured Home Communities Subcommittee, and CommonLand is grateful and encouraged to see the commitment to affordable financing for MHCs to receive a reduced admin fee rate of 1.5%. Thank you also for identifying the goal to engage communities and others in evaluating the Department's affordability criteria and other priority ranking criteria, and using TA funds to maximize investment in disadvantaged communities. (CommonLand Solutions)

Response: The Department appreciates the input provided by the Housing and Homeless Alliance's Manufactured Home Communities Subcommittee and CommonLand Solutions in informing the Program's goals and the change to administrative fee.

Comment 3: Affordability Criteria: One comment regarding the evaluation of affordability criteria on page 23 is that CommonLand suggests the first criteria, that "The project is located in a municipality with a MHI at or less than the statewide [average] median household income" be modified to align with other water and wastewater infrastructure investment programs such as USDA and the VT Community Development Program. USDA and VCDP allow MHC applicants to demonstrate through an income survey that the majority of MHC residents have incomes at or below the statewide median. As a matter of environmental justice, accepting community income surveys allows for MHCs with low incomes to receive federal flow-through funding even though the park may be located in high-income communities like Shelburne or Arlington. The income survey approach could be an additional criteria so that it is additive, and does not replace the criteria for an MHC to be located in a low-income community.

“Average” should be deleted from the IUP language since it’s not possible to use “average” and a “median” at the same time, mathematically speaking. Second, if EPA regulations allow, the SRF income data source should align with the USDA and VT Community Development Program’s household income data source, which is the HUD median income, not the ACS median income. Aligning the source of household median income data is an effort that resulted in other statewide funding sources such as Efficiency Vermont (VEIC) adopting the HUD median income standard in order to align with affordable housing programs and funders. CommonLand recommends that the Department adopt the same income survey accepted by the VT Community Development Program and USDA, which is notably the HUD survey method. Because the HUD survey method is also aligned with HUD median income standards, this would bring the median income standard used by the SRF program in alignment with the affordable housing funding programs used by nonprofit and cooperative MHCs. (CommonLand Solutions)

Response: The Department notes that the Clean Water Intended Use Plan identifies that income surveys may be used to determine median household income for borrowers, including use of HUD’s survey method (Section 9.1). In response to the comment we have revised the Drinking Water Intended Use Plan to indicate that income surveys are also allowable for Drinking Water Projects pursuant to Guidance Document 11 as well as alternative methods upon approval (Section 9.4.1.). We use American Community Survey (US Census) data to be consistent between the Clean Water and Drinking Water SRF Programs: Statute requires use of Census data for Drinking Water projects (24 VSA §4763c(f)). Additionally, the term “average median” is statutory and is used in the Clean Water Intended Use Plan to refer to the American Community Survey’s most recent 5-year rolling average of median household income, i.e. a mean of median values. With that said, the Department welcomes the comment and is interested in investigating options for promoting the use of common methods for assessing income across funding sources.

Comment 4: Set-Aside and Priority List In order to implement the proposed Short-Term Goal to, “Create funding opportunities for economically disadvantaged manufactured home communities with water infrastructure needs,” CommonLand recommends that Vermont adopt SRF set-asides for MHCs. The Maine IUP has a DWSRF set-aside for MHCs which gives them priority for the first 10% of the state's DWSRF allocation. If they can't use it/aren't ready in time, the funds are freed up for municipalities to use following the normal scoring system. Additionally, MHCs also receive 75% principal forgiveness without any means testing. CommonLand recommends that Vermont create a set-aside for both Drinking Water and Clean Water SRF pools, such that mobile home park owners do not need to apply for the priority list at a certain time each year, but rather can submit some sort of Notice of Intent at any point during the year. MHC project planning is quite different than municipal infrastructure projects. For MHCs, there are more emergency situations in communities that lack the resources to carry debt for emergency replacements. If the MHC or nonprofit recently purchased the park, the park will not have capital reserves sufficient to cover water and wastewater system failures. In the affordable housing world, the IUP timeframe for the priority list is akin to a grant funder or lending creating only once a year. In the affordable housing sector, it is extremely difficult to plan around an annual deadline for a single source of funds. The affordable housing sector has many different sources of funding for planning, which may or may not include the regimented SRF phases that include PER, design & permitting, and construction. It is not also best practice or workable for an affordable housing project to apply for SRF loans for planning steps when there are grants available. If the IUP process is not waivable for the MHC community, ANR should create a Notice of Intent to apply for the MHC sector so that the applicant can submit at any point during the year and will be in the next, upcoming priority list queue. If the project is not ready, it can be placed at the back of the queue until it is ready. Planning and pre-development grants may or may not allow an affordable housing project to make it all the way through the PER and design & permitting processes, and the SRF program should be available to affordable housing projects at any point in the process. Also, if grant funds support an affordable housing project's PER and design/permitting work such that no Step 1 & Step 2 funds are needed, the affordable housing community needs a quick and direct path to apply for SRF funds. If there were a set-aside for MHCs that allowed the MHC owner to submit a Notice of Intent to apply.

This is an excerpt from Maine's IUP: I. Introducing a New Funding Priority for Manufactured Housing Communities Recognizing the diverse landscape of water infrastructure challenges faced by communities across our State, the Maine Drinking Water Program is committed to continually enhancing the effectiveness of the DWSRF program. In alignment with this commitment, a targeted funding priority aimed at addressing critical drinking water infrastructure needs within manufactured housing communities (MHC) will be established for the 2024 funding cycle. Manufactured housing communities play a significant role in providing affordable housing options to over ten percent (10%) of Maine's population. However, these communities often face unique challenges related to their water infrastructure. Aging systems, limited resources, and the vulnerability of residents in such communities necessitate a focused approach to ensuring safe and reliable drinking water. Historically, the project selection process has prioritized construction-ready projects, a criterion which has demonstrated to favor municipalities with greater financial and technical resources, and inadvertently placed MHCs at a disadvantage. The inherent disparities have resulted in consistently lower project priority rankings for MHCs, hindering their ability to compete for the DWSRF discounted funding. Recognizing this imbalance, and to contribute to the overall improvement of water quality and access, the Maine Drinking Water Program is pleased to introduce a new funding priority within Maine's DWSRF program. The first ten percent (10%) of the total available funds for projects will be designated for applications received for drinking water infrastructure improvements at public water systems designated as MHCs. This strategic allocation aims to kickstart targeted projects that directly benefit these communities, ensuring that a proportionate share of resources is dedicated to their unique needs. By allowing MHCs to compete amongst themselves, this initiative seeks to level the playing field to create a fairer and more inclusive allocation of resources. Funding will be awarded at the highest tier of Principal Forgiveness for the project year. In order to participate, the MHC must be eligible to finance the remaining unforgiven portion of the loan. A foreseeable hurdle for MHCs will be meeting the specific capitalization grant agreement requirements as outlined in 40 CFR Title 40 Part 35.3550(i), particularly, the requirement that PWSs receiving SRF assistance conform to Generally Accepted Accounting Principles. This determination has been and will continue to be made by requiring an independent audit of the system's financial statements, which can take significant time and resources especially for systems that currently don't have annual audits conducted on their financial statements. Therefore, to aid in overcoming this hurdle, a set-aside fund has been established to assist in covering the cost of compliance with these provisions. Any MHC applications received that need to utilize this set-aside in order to qualify for DWSRF financing and that rank as primary MHC projects, will be bypassed to the top of the following year's primary MHC project list. For the benefit of funding the most construction-ready projects, funding will not be reserved for the current project year. In the case where MHC funding application needs fall short of their 10 percent (10%) share, surplus funds will be reallocated to the next project(s) in line on the DWSRF Backup Project List.

If Vermont chooses not to create a set-aside, CommonLand asks that the SRF program at least consider an alternative path for MHC projects to apply for SRF funds without being on the priority list. A Notice of Intent due at least 4 months before an SRF Step 3 application would allow the MHC and SRF staff to discuss a project's need and urgency. CommonLand wishes to thank the Department again and express its strong appreciation for the proposed changes that improve access to the SRF program for MHCs, and looks forward to continuing to build familiarity with and ability to navigate the program in partnership with the SRF leadership and staff. (CommonLand Solutions)

Response: We appreciate the specificity of the comment and its potential to assist the MHC sector. The Department would need a considerable amount of time to assess the impact of any change to the existing priority ranking process, its impact on other borrowers, and to evaluate potentially necessary revisions to statute and rule in order to implement something similar to that adopted by Maine. We note that the submittal of priority list applications is required by state statute and federal SRF applications. While recognizing that the proposal is beyond the scope of changes the Department is prepared to undertake as part of this Intended Use Plan we similarly appreciate the constructive, creative and essential input provided by the commentors on crucial matters related to affordable housing and infrastructure and look forward to continuing engagement on these matters.

Comment 5: 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. Members of the HHAV MHC Subcommittee recommend that the SRF mission be recast to ensure that Vermonters have clean and healthy drinking water, particularly those with the fewest resources to ensure that their health is not jeopardized by lack of financial resources and capacity, contamination, lack of access to water, and water system failures. The objective to ensure that the fund operates in perpetuity is really a means or method to achieve the overall mission of clean and healthy drinking water. While "operating in perpetuity" may be a compliance need as a loan program, this objective remains devoid of environmental justice principles that would encourage (a) a portion the SRF funds to be structured in the most beneficial ways for those who have the least capacity to repay loans. While the DWSRF funds are structured in a way that furthers environmental justice goals the CWSRF funds could have a portion set aside at a lower interest rate, and ideally a longer term. An easier navigation process to apply for and administering the funds. Suggestion: Mission: To ensure clean and healthy drinking and wastewater water systems for all Vermonters, particularly those with the fewest resources to ensure that their health and well-being is not jeopardized by lack of financial resources and capacity, contamination, lack of access to water, and water system failures. Suggestion: Long-Term Goals: Move the "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," language to a Goal. 2 (CommonLand Solutions, Cooperative Development Institute, and Addison Housing Works)

Response: We appreciate the constructive feedback on the mission and goals of the SRF. Given that the concept of operating in perpetuity is a fundamental component of the program as described in the Safe Drinking Water Act we are reluctant to move it to a goal. We also believe that the current Drinking Water SRF mission does inherently embrace environmental justice principles given that proper stewardship of the fund ensures that future borrowers, many of whom are small and disadvantaged systems, will continue to have access to the fund.

With that said the Program supports continued evaluation and improvements to the program to better serve disadvantaged communities. We are currently in the process of an upgrade to application and data tracking processes that will, hopefully, make the application process more efficient and understandable. While this IUP establishes reduced administrative rates for certain manufactured home communities we agree that additional investigation of loan rate and term for other disadvantaged borrowers would be beneficial in meeting program goals. We do note that some program changes, such as maximum loan term are established in statute.

Comment 6: Thank you for incorporating the goal to, "Promote initiatives that will address systemic environmental justice by prioritizing incentives to projects that will ensure equitable access to clean water benefits," in this year's IUP. The goal sets the stage for implementing the recommendations in #1 above. (CommonLand Solutions, Cooperative Development Institute, and Addison Housing Works)

Response: Comment noted.

Comment 7: Short-Term Goals Thank you for adding the new short-term goal to "Create funding opportunities for economically disadvantaged manufactured home communities with water infrastructure needs." It is exciting to see the Agency's response to this 2023 request from the Housing and Homeless Alliance's Manufactured Home Communities Subcommittee and we greatly appreciate your partnership. We are also grateful and encouraged to see the commitment to affordable financing for MHCs to receive a reduced admin fee rate of 1.5%. Regarding the five key criteria applied to determine MHC project affordability, we would request that the Department reconsider the first criteria or add another one. The first criteria, that "The project is located in a municipality with a MHI at or less than the statewide average median household income" is not aligned with other water and wastewater infrastructure investment programs such as USDA and the VT Community Development Program, which allow the applicant to demonstrate through an income survey that the majority of MHC residents have incomes at or below the statewide median (you can't have an "average" and a "median" at the same time, mathematically speaking). Also, in order to align the SRF with the USDA and VT Community Development Program's household income standards, the Median Household Income applied should be aligned with the HUD and USDA household median income data, not the American Community Survey. Aligning the source of household median income data is an effort that affects other statewide funding sources such as Efficiency Vermont (VEIC). Efficiency Vermont also adopted the HUD median household income standard in order to align with affordable housing programs and funders. The effort to qualify an MHC using an approved income survey, or other method as approved by the Secretary is appreciated. The MHC Subcommittee recommends that the Department adopt the same income survey accepted by the VT Community Development Program and USDA, which is notably the HUD survey method. Because the HUD survey method is also aligned with HUD median income standards, this is further reason to adopt the HUD median household income standard, not the ACS. In order to implement the proposed Short-Term Goal to, “Create funding opportunities for economically disadvantaged manufactured home communities with water infrastructure needs,” the MHC Subcommittee recommends that Vermont adopt SRF set-asides for MHCs. For example, the Maine IUP has a DWSRF set-aside for MHCs which gives them priority for the first 10% of the state's DWSRF allocation. If they can't use it/aren't ready in time, the funds are freed up for municipalities to use following the normal scoring system. Additionally, MHCs also receive 75% principal forgiveness without any means testing. 3 The MHC Subcommittee recommends that Vermont create a set-aside for both Drinking Water and Clean Water SRF pools, such that mobile home park owners do not need to apply for the priority list at a certain time each year, but rather can submit some sort of Notice of Intent at any point during the year. MHC project planning is quite different than municipal infrastructure projects. For MHCs, there are more emergency situations in communities that lack the resources to carry debt for emergency replacements. If the MHC or nonprofit recently purchased the park, the park will not have capital reserves sufficient to cover water and wastewater system failures. In the affordable housing world, the IUP timeframe for the priority list is akin to a grant funder or lending creating only once a year. In the affordable housing sector, it is extremely difficult to plan around an annual deadline for a single source of funds. The affordable housing sector has many different sources of funding for planning, which may or may not include the regimented SRF phases that include PER, design & permitting, and construction. It is not also best practice or workable for an affordable housing project to apply for SRF loans for planning steps when there are grants available. If the IUP process is not waivable for the MHC community, ANR should create a Notice of Intent to apply for the MHC sector so that the applicant can submit at any point during the year and will be in the next, upcoming priority list queue. If the project is not ready, it can be placed at the back of the queue until it is ready. Planning and pre-development grants may or may not allow an affordable housing project to make it all the way through the PER and design & permitting processes, and the SRF program should be available to affordable housing projects at any point in the process. Also, if grant funds support an affordable housing project’s PER and design/permitting work such that no Step 1 & Step 2 funds are needed, the affordable housing community needs a quick and direct path to apply for SRF funds. If there were a set-aside for MHCs that allowed the MHC owner to submit a Notice of Intent to apply. This is an excerpt from Maine’s IUP (See excerpt in earlier comment). The Subcommittee wishes to thank the Department again and express its strong appreciation for the proposed changes that improve access to the SRF program for MHCs. We look forward to continuing to build our familiarity with and ability to navigate the program in partnership with the SRF leadership and staff. (CommonLand Solutions, Cooperative Development Institute, and Addison Housing Works)

Response: See prior responses.

13. Revisions to the Final IUP

The following revisions were made to the IUP relative to the draft IUP placed on public notice.

Section 9.3.3.3. Increased the cap on Killington's Contract 4 project to $4,905,819.

Section 9.4.1. Language added to clarify that alternative methods of income surveys are allowable.

Added Plainfield Great Brook waterline replacement as an emergency project on the Priority List.

Multiple revisions to Priority List projects' preliminary loan terms and amounts in response to updated loan and priority list application information.

Added Section 10.6., US Environmental Protection Agency (EPA) Performance Evaluation Review.

14. Project Priority Lists

The following Project Priority Lists are attached:

- General Grant Projects (General and General Supplemental)
- Lead Service Line Replacement and Service Line Inventories
- Emerging Contaminants Grant

The Priority List Application is available at DWSRF FFY2024 Priority List Application Form

DWSRF FFY 2024 Priority List - General (Base & Supplemental)						General Base		General Supplemental		Loan Terms[1]	
PL App Score	WSID	Water System / Borrower	User Popln	Project	2024-25 Loan Request	Loan Account GB	GB Disadv Subsidy	Loan Account GS	GS Disadv Subsidy	Years	Admin %
n/a		**Planning & Design Put-Aside (see details at end of general priority list):**			$ 2,000,000	$ 2,000,000					
Continuing construction projects (have loan or loan is pending on FFY 2023); if additional funds needed, most are placeholders; prior loan year and % apply											
230	5116	Enosburg Falls Village	1700	Replace Upper Main St and Elm St mains	$0						
225	21760	Killington Town	800 (est.)	New Community Water System, Contract 4 (remainder on EC)	$ 3,294,181			$ 3,294,181	$ 1,647,091	40	0
225	5333	Springfield	9800	Contract I Clinton St, others	$0						
210	5315	Bethel	1929	Mains, booster pump, and wellhouse	$0						
200	5016	Bennington	13250	Gage St Water System Upgrades	$ 250,000			$ 250,000	$ 125,000	40	0
200	5016	Bennington	13250	South End Upgrades	$ 500,000			$ 500,000	$ 250,000	40	0
180	5218	Fair Haven	3076	Replace Washington, Main, and Prospect St mains	$0						
175	5132	Swanton	4000	Missisquoi River Crossing water main	$0						
170	20964	South Alburgh FD 2	300	Distribution System Extension Phase 2 to replace private wells and lake withdrawals	$ 3,521,183			$ 3,521,183	$ 1,760,592	40	0
165	5275	Northfield	5145	Cheney Farm Storage Tank and Transmission Main	$0						
155	5092	Champlain Water District	83641	South Filtered Water Storage Tank Replacement	$0						
130	5083	Milton MHC	260	Distribution system replacement	$0						
107	5269	Marshfield Village	350	Replace distribution main and service lines	$0						
90	5053	Burlington City	42000	N Prospect St, Institute Rd, Deforest Rd, Ledge Rd, Flynn Ave main replacements	$ 200,000	$ 200,000				30	2
Potential construction loans that submitted priority list applications and a PER or equivalent											
230	5020	Dorset FD 1	530	New Source Well and pump station	$ 1,000,000	$ 1,000,000				30	0
225	21760	Killington Town	800 (est.)	New Community Water System, Contracts 5 & 6A (remainder on EC)	$ 6,140,000			$ 6,140,000	$ 3,070,000	40	0
200	5277	Plainfield	985	Great Brook Waterline Replacements (emergency project addition)	$ 660,000			$ 660,000	$ 330,000	40	0
195	5020	Dorset FD 1	530	Replace mains on Rte 30 and Church St (remainder on lead)	$ 3,250,000	$ 3,250,000				30	0

PL App Score	WSID	Water System / Borrower	User Popln	Project	2024-25 Loan Request	Loan Account GB	GB Disadv Subsidy	Loan Account GS	GS Disadv Subsidy	Years	Admin %
195	5333	Springfield	9800	Contract J Main St, others (remainder on lead)	$ 2,765,000			$ 2,765,000	$ 1,382,500	40	0
195	5126	Richford	3000	Golf Course Rd main and booster pump station	$ 1,063,550	$ 1,063,550	$ 531,775			40	0
192	5010	Vergennes Panton Water District	5100	Water main replacement on Main St and Monkton Rd	$ 3,520,000	$ 3,520,000				30	2
185	5045	St Johnsbury Town	5000	Portland St Water Main Replacement	$ 2,503,000	$ 2,503,000				30	2
185	5045	St Johnsbury Town	5000	Railroad St & Mill St water main replacement	$ 1,886,500	$ 1,886,500				30	2
185	5045	St Johnsbury Town	5000	Bay St Water Main and Services Replacement	$ 1,902,100	$ 1,902,100				30	2
170	5298	Bellows Falls	4000	Kissel Hill & Colony Rd Main Replacements	$ 1,460,000			$ 1,460,000	$ 730,000	40	0
170	5029	Barnet FD 2	205	Granger and Carter St Mains, Loop, and Services	$ 625,000	$ 625,000	$ 187,500			40	0
165	5092	Champlain Water District	83641	SCADA Upgrade	$ 3,200,000	$ 3,200,000				30	2
160	5277	Plainfield	985	School St main replacement	$ 610,000			$ 610,000	$ 305,000	40	0
160	5092	Champlain Water District	83641	Raw Water Parallel Transmission Main	$ 3,200,000	$ 3,200,000				30	2
152	20562	North Hero	2750	New Water Storage Tank	$ 940,000	$ 940,000				30	0
145	5190	Orleans	846	Willoughby Ave water main replacement	$ 387,500			$ 387,500	$ 193,750	40	0
145	5318	Chester	3200	Wellhouse and source facilities	$ 850,000			$ 850,000	$ 425,000	40	0
145	5254	Barre City	14000	Route 302 Water Main Replacement (nonfederal match)	$ 560,000	$ 560,000				30	2
130	5013	Arlington	1250	Chlorination system upgrades	$ 90,000			$ 90,000	$ 45,000	40	0
130	5462	Round Top / Round Top Mountain POA	240	Treatment, Storage, and Building Improvements	$ 1,832,921			$ 1,832,921	$ 916,461	40	0
130	5153	Hyde Park FD 1	275	Hydropneumatic Tank Replacement, New Generator, and other Upgrades	$ 357,000	$ 357,000				30	2
127	5262	East Calais FD 1	200	Storage, chlorination, and other treatment plant upgrades	$ 354,000	$ 354,000				30	0
127	5343	Woodstock Aqueduct Co	2473	Transmission and distribution improvements and new storage tank	$ 9,178,130	$ 1,660,135	***Funding line as of 7/29/24; partial funding Woodstock Aq. Co.***			30	2.75
127	5004	Middlebury	9200	Chipman Hill Additional Water Storage Tank	$ 3,750,000		***Below initial funding line as of 7/29/24***				
125	5213	Fort Warren MHP	129	Brook well storage tank, pumphouse, and standby power	$ 293,500						

PL App Score	WSID	Water System / Borrower	User Popln	Project	2024-25 Loan Request	Loan Account GB	GB Disadv Subsidy	Loan Account GS	GS Disadv Subsidy	Years	Admin %
125	5092	Champlain Water District	83641	Chemical Building Addition	$ 21,000,000						
115	21071	North Ave Coop / CDI Development Fund Inc	301	Replace Distribution System and become Consecutive to Burlington	$ 1,800,000						
110	21202	Berlin Municipal	300	Scott Hill Loop transmission main	$ 3,501,800						
95	5053	Burlington City	42000	Finished Water Reservoir Improvements	$ 6,518,000						
90	5065	Essex Town	9734	Ft. Ethan Allen water main replacements Phase 1 (remainder on lead)	$ 2,360,000						
90	5419	Bridgewater Mill / Old Mill Marketplace OA	108	Replace mains and hydrants	$ 400,000						
90	5130	St Albans City	10200	Rehabilitation of older Aldis Hill Storage Tank	$ 1,050,000						
85	5323	Ludlow	2818	Pleasant St Ext water main replacement	$ 614,000						
82	5566	Barre Town	1638	Barre Town and Websterville Fire District No. 4 Interconnection	$ 275,000						
80	20614	Grand Isle Consolidated Water District	1600	Rte 2, East Shore, and Hyde Rd water mains and service lines (remainder on lead)	$ 1,435,000						
80	5229	Rutland City	18500	Chaplin, Morse, Madison, Water, Curtis, Terril, Sheldon, Nichols, Grant, Wales Mains	$ 2,500,000						
75	5037	Danville FD 1	500	Danville Village Area Water Mains	$ 3,500,000						
75	5319	Hartford	7600	Nutt Ln, Latham Works Ln, and Harrison Ave mains	$ 1,500,000						
62	5004	Middlebury	9200	Gorham Lane Waterline Replacement (remainder on lead)	$ 1,545,000						
60	5053	Burlington City	42000	Transmission Mains, Paving Streets and Asset Management Based Priorities	$ 5,000,000						
50	5091	South Burlington City	19500	Dorset St Water Storage Tank, Construct Second Tank	$ 5,500,000						
				Sums:	$ 120,642,365	$ 28,221,285	$ 719,275	$ 22,360,785	$ 11,180,393		
Loan/subsidy $ available based on new grant, carryforward, interest, and repayments[2]					**$ 40,232,070**	**$ 17,706,770**	**$ 1,631,350**	**$ 22,525,300**	**$ 11,262,650**		
Funding line drawn based on other funding sources after priority list applications:					**$ 50,582,070**	**$ 28,056,770**	**$ 1,631,350**	**$ 22,525,300**	**$ 11,262,650**		
					$ 10,350,000	**Loan Account GB**	**GB Disadv Subsidy**	**Loan Account GS[2]**	**GS Disadv Subsidy**	**Years**	**Admin %**
						General Base (GB)		**General Supplemental (GS)**		**Loan Terms[1]**	

1. **Loan terms shown on priority lists are estimates**. See Guidance Document 10. Loan terms are subject to change depending on detailed financial data at the time of loan application and the useful life of constructed assets. Some loans are split between this list and the Lead/Galvanized list due to eligibility, or with the Emerging Contaminants list due to funding limits.

2. $2,061,955 of General Base carry-forward loan dollars will be used toward a few loans receiving General Supplemental loan dollars to allow maximum use of this year's GS Disadvantaged Subsidy at 50% loan forgiveness per project.

				Planning & Design Loans	**5 yr 0%**
	5566	Barre Town	1638	Barre Town New Source	**These loans** include Step 1 preliminary engineering, Step 2 design, and well exploration and development. The water systems itemized under this heading submitted priority list applications (a) for those types of projects (which helps our program with budgeting), or (b) for a Step 3 construction project that has not yet finalized a PER, so has not been ranked for construction funding above. Other water systems may also apply for planning/design funding. Loans will be funded from our General Base grant on a rolling basis as received. Unless carried into a DWSRF construction loan, a planning/design loan goes into repayment 5 years after agreement, with 5 annual payments to follow, with 0% interest and 0% administrative fees (see Guidance Doc 10).
	5016	Bennington	13250	Orchard Road Transmission Main	
	5211	Brandon FD 1	3963	Distribution Improvements and Storage Tank	
	5419	Bridgewater Mill / Old Mill Marketplace OA	108	Replace reservoir	
	5105	Brighton	1782	Mountain St water main replacement	
	5105	Brighton	1782	Source and treatment upgrades	**Funding estimate: We received** $1,929,200 in priority list applications for planning/design this cycle. These and other water systems and projects can apply on a rolling basis.
	5117	Fairfax	1550	New Water Supply	
	5323	Ludlow	2818	Replace Lower High St water main from Depot St to Main St	
	5079	Milton	8050	Flanders water mains and Sunny Acres (Russell Circle, 5535) consolidation	**Forgiveness:** $152,540 available in General Base Additional Subsidy forgiveness for these loans, at 25% per loan, until all obligated (corresponding to the first $610,160 in these loans). If AddSub is not used for source protection loans on this cycle ($500,000 AddSub), or prior years of planning/design AddSub can be carried forward in a later amendment, it will also be made available. See section 9.3.4 of the IUP text.
	5202	Newport City	4766	Sias Avenue water main replacement	
		Other eligible water systems and projects, see notes.			

DWSRF FFY 2024 Priority List - Lead Service Line Component Replacement								
Construction Loans - lead/galvanized portion								
Pts	**WSID**	**Water System**	**User Popln**	**Project**				
Continuing projects (loans issued or pending as of June 2024; in case additional funds needed)								
225	5333	Springfield	9800	Contract I - Clinton St, others				
210	5315	Bethel	1929	Distribution Contract 2				
165	5275	Northfield	5145	Main St & Prospect St area				
New Construction Projects - lead/galvanized portion								
Pts	**WSID**	**Water System**	**User Popln**	**Project**	**Loan terms**	**Loan amount**	**Loan forgiven**	**Loan to be repaid**
195	5020	Dorset FD1	530	Church St & Rte 30	30 yr 0%	$ 250,000	$0	$ 250,000
195	5333	Springfield	9800	Contract J - Main St & River St	40 yr 0%	$ 750,000	$ 375,000	$ 375,000
90	5065	Essex Town	9734	Fort Ethan Allen Phase 1	30 yr 2%	$ 300,000	$0	$ 300,000
80	20614	Grand Isle Consol. Water Dist.	1600	Rte 2, E Shore, and Hyde Rd	30 yr 2%	$ 65,000	$0	$ 65,000
62	5004	Middlebury	9379	Gorham Ln	30 yr 2%	$ 10,000	$ 5,000	$ 5,000
					New Construction subtotals:	**$ 1,375,000**	**$ 380,000**	**$ 995,000**
Planning and Design Loans								
	WSID	**Water System**	**User Popln**	**Project**				
	5040	Lyndonville	4500	Valley Ln waterline replacement				
	Multiple systems			Planning and design loans related to lead and galvanized service lines (SL) including: * Initial SL Inventory (SLI) per DWGPD guidance. * Initial Lead SL Replacement (LSLR) Plan based on SLI per DWGPD guidance. * Identify material of unknown SL in most recent SLI. * Update SLI and/or LSLR Plan based on identified unknowns or SL replacements. * Final design for LSLR project.				
					Available for Lead/Galvanized Planning and Design Loans, or for removal of eligible SL identified on other construction projects:	**$ 30,123,402**	$ 21,824,830	
					Total carried forward for Lead/Galvanized Loans as of June 2024:	**$ 31,498,402**	$ 22,204,830	
						Loan amount	**Loan forgiven**	

One system submitted a priority list application for planning/design funding on the current cycle and estimates of future cycle construction funding need. Priority list applications are helpful for program planning but are not required for planning or design loans; other eligible water systems may also apply for these loans. Small water systems receiving technical assistance from DWGPD staff or contractors via the set-aside funding described in section 6.3 of IUP will not receive overlapping funding via loans.

Loan terms shown on priority lists are estimates. See Guidance Document 10 for a summary. Loan terms are subject to change depending on detailed financial data at the time of loan application and the useful life of constructed assets. Most of these construction projects are split between Lead and General funding; that split is affected by actual materials encountered in construction and actual construction costs and is adjusted during the course of the project.

DWSRF FFY 2024 Priority List - Emerging Contaminants					
Points	**WSID**	**Water System**	**User Population**	**Project**	**EC Loan (forgiven)**
Continuing projects (on FFY 2023 IUP & loan application prior to FFY 2024 IUP adoption)					
225	21760	Killington Town	800 (est.)	New Community Water System, Contract 4 (remainder on General)	$ 4,905,819
180	5194	Craftsbury FD 2	420	Connect new source & treatment	$ 1,315,836
New Construction Projects for FFY 2024					
225	21760	Killington Town	800 (est.)	New Community Water System, Contracts 5 & 6A (remainder on General)	$ 500,000
Planning & Design					
	5016	Bennington	13,250	Rocky Lane Water Tank and Distribution	$ 480,000
	5016	Bennington	13,250	South End PFAS Mitigation	
				Other eligible projects	
				Sum above:	**$ 7,201,655**
				Available for loans as of June 2024:	**$ 7,201,655**