

	U.S. ENVIRONMENTAL PROTECTION AGENCY Grant Agreement	GRANT NUMBER (FAIN): 99121825 MODIFICATION NUMBER: 0 PROGRAM CODE: FS	DATE OF AWARD 09/03/2025
		TYPE OF ACTION: New	MAILING DATE 09/08/2025
		PAYMENT METHOD: ASAP	ACH# 10114
		RECIPIENT TYPE: State	
RECIPIENT: DEPARTMENT OF ENVIRONMENTAL CONSERVATION VERMONT One National Life Drive Davis 1 Montpelier, VT 05620-0001 EIN: 03-6000274		Send Payment Request to: Contact EPA RTPFC at: rtpfc-grants@epa.gov PAYEE: DEPARTMENT OF ENVIRONMENTAL CONSERVATION VERMONT One National Life Drive Davis 1 Montpelier, VT 05620-0001	
PROJECT MANAGER Padraic Monks 1 National Life Drive Davis 3 Montpelier, VT 05620-3520 Email: padraic.monks@vermont.gov Phone: 802-490-6169	EPA PROJECT OFFICER Michael Silano 5 Post Office Square, Suite 100 Boston, MA 02109-3912 Email: Silano.Michael@epa.gov Phone: 617-918-1544	EPA GRANT SPECIALIST Flower Armijo Grants Management Branch 5 Post Office Square, Suite 100 Boston, MA 02109-3912 Email: Armijo.Flower@epa.gov Phone: 617-918-1923	
PROJECT TITLE AND DESCRIPTION Base Fiscal Year 2025 Drinking Water State Revolving Fund Grant This agreement provides a capitalization grant for the recipient's Drinking Water State Revolving Fund (DWSRF) program. The award furthers the public health protection objectives of the Safe Drinking Water Act (SDWA). The recipient of these funds will provide low interest rate financing to eligible public water systems for the costs associated with the planning, design, and construction of eligible drinking water improvement projects. The recipient may also use some of the funding for specific set-asides, including but not limited to providing technical assistance to small systems, for operator certification activities, and source water protection activities. The anticipated deliverables include financing, planning, design, and construction of eligible public health-related projects. Deliverables will also be used to increase the technical, managerial, and financial capacity of public water systems. The expected outcome is public health protection. The intended beneficiaries include citizens throughout the State. N/A – all SRF assistance will be provided as loans			
BUDGET PERIOD 10/01/2025 - 09/30/2032	PROJECT PERIOD 10/01/2025 - 09/30/2032	TOTAL BUDGET PERIOD COST \$ 13,087,200.00	TOTAL PROJECT PERIOD COST \$ 13,087,200.00
NOTICE OF AWARD Based on your Application dated 07/18/2025 including all modifications and amendments, the United States acting by and through the US Environmental Protection Agency (EPA) hereby awards \$ 10,906,000.00. EPA agrees to cost-share 83.33% of all approved budget period costs incurred, up to and not exceeding total federal funding of \$ 10,906,000.00. Recipient's signature is not required on this agreement. The recipient demonstrates its commitment to carry out this award by either: 1) drawing down funds within 21 days after the EPA award or amendment mailing date; or 2) not filing a notice of disagreement with the award terms and conditions within 21 days after the EPA award or amendment mailing date. If the recipient disagrees with the terms and conditions specified in this award, the authorized representative of the recipient must furnish a notice of disagreement to the EPA Award Official within 21 days after the EPA award or amendment mailing date. In case of disagreement, and until the disagreement is resolved, the recipient should not draw down on the funds provided by this award/amendment, and any costs incurred by the recipient are at its own risk. This agreement is subject to applicable EPA regulatory and statutory provisions, all terms and conditions of this agreement and any attachments.			
ISSUING OFFICE (GRANTS MANAGEMENT OFFICE)		AWARD APPROVAL OFFICE	
ORGANIZATION / ADDRESS U.S. EPA, Region 1, EPA New England 5 Post Office Square, Suite 100 Boston, MA 02109-3912		ORGANIZATION / ADDRESS U.S. EPA, Region 1, EPA New England R1 - Region 1 5 Post Office Square, Suite 100 Boston, MA 02109-3912	
THE UNITED STATES OF AMERICA BY THE U.S. ENVIRONMENTAL PROTECTION AGENCY			
Digital signature applied by EPA Award Official Arthur Johnson - Director, Mission Support Division			DATE 09/03/2025

Budget Summary Page

Table A - Object Class Category (Non-Construction)	Total Approved Allowable Budget Period Cost
1. Personnel	\$ 1,374,438
2. Fringe Benefits	\$ 859,014
3. Travel	\$ 0
4. Equipment	\$ 0
5. Supplies	\$ 21,819
6. Contractual	\$ 218,120
7. Construction	\$ 0
8. Other	\$ 10,260,991
9. Total Direct Charges	\$ 12,734,382
10. Indirect Costs: 0.00 % Base -	\$ 352,818
11. Total (Share: Recipient <u>16.67</u> % Federal <u>83.33</u> %)	\$ 13,087,200
12. Total Approved Assistance Amount	\$ 10,906,000
13. Program Income	\$ 0
14. Total EPA Amount Awarded This Action	\$ 10,906,000
15. Total EPA Amount Awarded To Date	\$ 10,906,000

Administrative Conditions

National Administrative Terms and Conditions

General Terms and Conditions

The recipient agrees to comply with the current Environmental Protection Agency (EPA) general terms and conditions available at: https://www.epa.gov/system/files/documents/2024-10/fy_2025_epa_general_terms_and_conditions_effective_october_1_2024_or_later.pdf

These terms and conditions are in addition to the assurances and certifications made as a part of the award and the terms, conditions, or restrictions cited throughout the award.

The EPA repository for the general terms and conditions by year can be found at: <https://www.epa.gov/grants/grant-terms-and-conditions#general>.

A. Correspondence Condition

The terms and conditions of this agreement require the submittal of reports, specific requests for approval, or notifications to EPA. Unless otherwise noted, all such correspondence should be sent to the following email addresses:

- Federal Financial Reports (SF-425): rtpfc-grants@epa.gov and Project Officer on Page 1 of Award Document
- All other forms/certifications/assurances, Indirect Cost Rate Agreements, Requests for Extensions of the Budget and Project Period, Amendment Requests, Requests for other Prior Approvals, updates to recipient information (including email addresses, changes in contact information or changes in authorized representatives) and other notifications: Grants Specialist and Project Officer on Page 1 of Award Document
- Payment requests (if applicable): Grants Specialist and Project Officer on Page 1 of Award Document
- Quality Assurance documents, workplan revisions, equipment lists, programmatic reports and deliverables: Project Officer on Page 1 of Award Document AND R1QAPPs@epa.gov.

Programmatic Conditions

FFY 2025 DWSRF Base Programmatic Terms and Conditions

A. Payment Schedule

The recipient agrees to accept grant funds that will be released by EPA utilizing the ASAP payment method. Access to these funds will be in accordance with the following schedule:

<u>Payment Quarter</u>	<u>Payment Date</u>	<u>Payment Amount</u>
FFY2026/Quarter 1	10/1/2025	\$3,817,100
FFY2026/Quarter 2	01/1/2026	\$1,635,900
FFY2026/Quarter 3	04/1/2026	\$0
FFY2026/Quarter 4	07/1/2026	\$5,453,000

B. State Match

The recipient agrees to deposit into its State Revolving Fund (SRF) a match equal to at least 20 percent of the amount awarded in the capitalization grant.

C. Intended Use Plan and Operating Agreement

The entire contents of the SFY 2025 Intended Use Plan (IUP) and (if applicable) the Operating Agreement (OA) are incorporated hereto by reference and made a part of this Assistance Agreement.

The State is required to have a final intended use plan (IUP) approved by EPA Region 1 prior to drawing any federal funds from this capitalization grant. Once the draft IUP has been public noticed and comments have been reviewed and incorporated, the final IUP will be submitted to the EPA Region 1 Project Officer for review.

D. Amended Cash Draw Proportionality

As of November 18, 2022, recipients are no longer required to comply with the cash draw rules in the Clean Water State Revolving Fund (CWSRF) regulations at 40 CFR 35.3155(d)(5)(i) and (ii) and 40 CFR 35.3160(b)(2)-(4) and Drinking Water State Revolving Fund (DWSRF) regulations at 40 CFR 35.3560(f) and (g) and 40 CFR 35.3565(b). For further details on this change, see the linked [notification memo](#) from Division Directors Raffael Stein and Anita Maria Thompkins dated November 30, 2022.

E. Set-Asides

The recipient agrees to perform the activities identified and specified in the Set-Aside Work Plan, which is made part of this Assistance Agreement. The recipient shall provide or make available to the Region 1 Water Infrastructure Support Section Chief copies of the work plans associated with grants and contracts that it may enter into with other agencies and organizations related to activities conducted under this grant. The recipient agrees to

provide to the Region 1 Water Infrastructure Support Section Chief an annual report on the set-aside activities funded under this grant. In its annual report, the grant recipient shall include a summary description of activities completed under grants and contracts entered into with funds made available under the grant. These annual reports shall be provided on October 1st of each year the grant is in effect.

F. Travel

EPA approves the use of Federal funds for travel budgeted in capitalization grants for implementing the Drinking Water SRF (DWSRF) program. The recipient agrees to use Federal funds to participate in training and professional development activities integral to the effective implementation and management of the DWSRF program.

G. SRF Data System and Public Health Benefits Reporting

The recipient agrees to input data, as required by EPA, into the SRF Data System. The recipient of funds for the State Revolving Funds (SRF) from the Full Year Continuing Appropriations and Extensions Act, 2025, P.L. 119-4, agrees to comply with all requests for data related to the use of the funds under Section 1452 of the Safe Drinking Water Act (SDWA), and to report all uses of the funds no less than quarterly, as the Environmental Protection Agency specifies for the SRF Data System. This reporting shall include but not be limited to data with respect to compliance with the DWSRF discretionary Green Project Reserve and additional subsidization requirements as specified in P.L. 119-42. EPA agrees to provide technical assistance to the State in its use of the SRF Data System.

H. Annual Reporting

In accordance with 2 CFR 200.329 and 40 CFR 35.3570, the recipient agrees to provide in its Annual Report information regarding key project characteristics, milestones, and environmental/public health protection results in the following areas: 1) achievement of the outputs and outcomes established in the IUP; 2) the reasons for delays if established outputs or outcomes were not met; 3) any additional pertinent information on environmental/public health results; 4) compliance with the Green Project Reserve discretionary requirement; and 5) use of additional subsidization.

I. Program Income from Administrative Fees

The recipient agrees to maintain program income resulting from program operations generated during the project period (e.g., administrative fees collected from DWSRF project loan recipients) in an account separate from the DWSRF project loan fund. In addition, the recipient agrees that such program income shall be used only for purposes related to the administration of the DWSRF program or other purposes authorized pursuant to EPA regulations.

J. Signage

The recipient agrees to comply with the SRF Signage Guidelines in order to enhance public awareness of EPA assistance agreements nationwide. (See [“Guidelines for Enhancing Public Awareness of SRF Assistance Agreements,”](#) June 3, 2015.) [Note that Executive Order 14224 of March 1, 2025, “Designating English as the Official Language of the United States,” revokes Executive Order 13166 of August 11, 2000, “Improving Access to Services for Persons with Limited English Proficiency.” The recipient is no longer required to comply with Executive Order 13166 as referenced in the SRF Signage Guidelines.](#)

K. Lead Service Line Replacement

The following terms and conditions apply to all assistance agreements signed on or after August 1, 2024 involving lead service line replacement. At the discretion of State DWSRF programs these requirements may be applied to assistance agreements signed prior to this effective date.

(a) Stand-alone Lead Service Line Replacement

- (1) The recipient agrees to ensure that stand-alone LSLR projects funded either in whole or in part under this capitalization grant must replace the entire lead service line, not just a portion, unless a portion has already been replaced or is concurrently being replaced with another funding source.
- (2) The recipient agrees the time between starting and completing full LSLR for individual service lines should be as short as possible and should not exceed three months. Extenuating circumstances may necessitate a longer replacement timeframe.

(b) Lead Service Line Replacement Performed in Conjunction with Planned Infrastructure Projects

- (1) While full LSLR is the desired outcome of all DWSRF assistance for LSLR, the logistics involved with coordinating LSLR with planned infrastructure projects may dictate that partial replacement of a service line is necessary if disturbance to the service line is unavoidable and the water system cannot gain access to conduct a full lead service line replacement (e.g., a customer refuses to allow replacement of the customer-owned portion of the service line). In the event a water system cannot gain access to conduct full LSLR because of a customer refusal, borrowers receiving assistance under the DWSRF assistance agreement may conduct partial LSLR in conjunction with planned infrastructure work. For the purposes of oversight and confirming eligibility, state programs must require borrowers to document customer refusals, which could consist of any of the following: a refusal signed by the customer, documentation of a verbal statement refusing replacement, or documentation of no response after multiple attempts to reach the customer regarding full LSLR. State programs must record the number of partial replacements and the methods for documenting customer refusals in the SRF data system. Even if these requirements for conducting partial LSLR in conjunction with planned infrastructure projects are satisfied, a state, in its discretion, can still choose to fund only full LSLR.

(c) Lead Service Line Replacement Performed in Conjunction with Emergency Infrastructure Repair or Replacement

- (1) Under emergency circumstances, a PWS may use DWSRF funding to pay for partial LSLR if full replacement is not possible due to customer refusal. For the purposes of oversight and confirming eligibility, state programs must require borrowers to document customer refusals in a manner determined by the state. Best practices consist of any of the following: a refusal signed by the customer, documentation of a verbal statement refusing replacement, or documentation of no response after multiple attempts to reach the customer regarding full LSLR. State programs must record the number of partial replacements and the methods for documenting customer refusals in the SRF data system. Even if these requirements for conducting partial LSLR in emergency circumstances are satisfied, a state, in its discretion, can still choose to fund only full LSLR.

L. Green Project Reserve

The recipient agrees that the funds provided by this capitalization grant may, at the discretion of the recipient, be

used for projects to address green infrastructure, water or energy efficiency improvements, or other environmentally innovative activities.

M. Additional Subsidization

In *addition* to the disadvantaged community additional subsidy that *must* be provided as described in section 1452 (d) of the SDWA, the recipient agrees to use 14 percent of the funds made available in the capitalization grant to provide additional subsidy to eligible recipients in the form of forgiveness of principal, negative interest loans, or grants (or any combination of these) which shall be used only:

- where such funds are provided as initial financing for an eligible recipient or to buy, refinance, or restructure the debt obligations of eligible recipients only where such debt was incurred after March 15, 2025, or
- where such debt was incurred prior to March 15, 2025, if

the recipient, with concurrence from the EPA Region, determines that such funds could be used to help address a threat to public health from heightened exposure to lead in drinking water, or
a Federal or state emergency declaration has been issued due to a threat to public health from heightened exposure to lead in a municipal drinking water supply before March 15, 2025.

Furthermore, in a state in which such an emergency declaration has been issued, the recipient may use more than 14 percent of the funds made available under this title to the state for DWSRF capitalization grants to provide additional subsidy to eligible recipients. The additional subsidy ceiling in these circumstances is the total capitalization grant amount, minus set-asides taken.

N. Geospatial Data Standards

All geospatial data created must be consistent with Federal Geographic Data Committee (FGDC) endorsed standards. Information on these standards may be found at www.fgdc.gov.

O. American Iron and Steel (AIS)

(a) Definitions. As used in this award term and condition—

(1) “iron and steel products” mean the following products made primarily of iron or steel: lined or unlined pipes and fittings, manhole covers and other municipal castings, hydrants, tanks, flanges, pipe clamps and restraints, valves, structural steel, reinforced precast concrete, and construction materials.

(2) “steel” means an alloy that includes at least 50 percent iron, between .02 and 2 percent carbon, and may include other elements.

(b) Domestic preference.

(1) This award term and condition implements the Safe Drinking Water Act, section 1452(a)(4), by requiring that all iron and steel products used for a project for the construction, alteration, maintenance or repair of a public water system are produced in the United States except as provided in paragraph (b)(2) of this section and condition.

(2) This requirement shall not apply in any case or category of cases in which the Administrator of the Environmental Protection Agency finds that—

- (i) applying the requirement would be inconsistent with the public interest;
- (ii) iron and steel products are not produced in the United States in sufficient and reasonably available quantities and of a satisfactory quality; or
- (iii) inclusion of iron and steel products produced in the United States will increase the cost of the overall project by more than 25 percent.

(3) The Build America, Buy America (BABA) Act requirement does not supersede the AIS requirement, and both provisions still apply and work in conjunction.

(c) *Request for a Waiver under (b)(2) of this section*

(1) Any recipient request to use foreign iron or steel products in accordance with paragraph (b)(2) of this section shall include adequate information for Federal Government evaluation of the request, including—

- (A) A description of the foreign and domestic iron, steel, and/or manufactured goods;
- (B) Unit of measure;
- (C) Quantity;
- (D) Cost;
- (E) Time of delivery or availability;
- (F) Location of the project;
- (G) Name and address of the proposed supplier; and
- (H) A detailed justification of the reason for use of foreign iron or steel products cited in accordance with paragraph (b)(2) of this section.

(2) If the Administrator receives a request for a waiver under this section, the waiver request shall be made available to the public for at least 15 days prior to making a finding based on the request.

(3) Unless the Administrator issues a waiver of this term, use of foreign iron and steel products is noncompliant with the Safe Drinking Water Act, section 1452(a)(4).

(d) This term and condition shall be applied in a manner consistent with United States obligations under international agreements.

P. State Cybersecurity

(a) The recipient agrees that when collecting and managing environmental data under this assistance agreement, it will protect the data by following all applicable State law cybersecurity requirements.

(b) (1) EPA must ensure that any connections between the recipient's network or information system and EPA networks used by the recipient to transfer data under this agreement, are secure.

For purposes of this Section, a connection is defined as a dedicated persistent interface between an Agency IT system and an external IT system for the purpose of transferring information. Transitory, user-controlled connections such as website browsing are excluded from this definition.

If the recipient's connections as defined above do not go through the Environmental Information Exchange Network or EPA's Central Data Exchange, the recipient agrees to contact the EPA Project Officer (PO) and work with the designated Regional/Headquarters Information Security Officer to ensure that the connections meet EPA security requirements, including entering into Interconnection Service Agreements as appropriate. This condition does not apply to manual entry of data by the recipient into systems operated and used by EPA's regulatory programs for the submission of reporting and/or compliance data.

(2) The recipient agrees that any sub-awards it makes under this agreement will require the subrecipient to comply with the requirements in (b)(1) if the sub-recipient's network or information system is connected to EPA networks to transfer data to the Agency using systems other than the Environmental Information Exchange Network or EPA's Central Data Exchange. The recipient will be in compliance with this condition: by including this requirement in sub-award agreements; and during subrecipient monitoring deemed necessary by the recipient under 2 CFR 200.331(d), by inquiring whether the subrecipient has contacted the EPA Project Officer. Nothing in this condition requires the recipient to contact the EPA Project Officer on behalf of a subrecipient or to be involved in the negotiation of an Interconnection Service Agreement between the subrecipient and EPA.

Q. Internal Controls for Financial Transactions

The recipient agrees to use procedures consistent with “zero-trust” (never trust, always verify) for all financial transactions with SRF funds. These procedures must include verbal verification with a trusted recipient representative of all financial account information both initially and prior to any changes in financial account information.

R. Davis-Bacon Labor Standards

1. Program Applicability

- a. Program Name: Drinking Water State Revolving Fund
- b. Statute requiring compliance with Davis-Bacon: Section 1452(a)(5) of the Safe Drinking Water Act
- c. Activities subject to Davis-Bacon: Any project for construction, alteration, or repair carried out in whole or part with assistance made available by the drinking water state revolving loan fund under Section 1452 of the Safe Drinking Water Act. This applies to all projects whether equivalency or not.
- d. The recipient must work with the appropriate authorities to determine wage classifications for the specific project (s) or activities subject to Davis Bacon under this grant (or cooperative agreement).

2. Davis-Bacon and Related Acts

[Davis-Bacon and Related Acts \(DBRA\)](#) is a collection of labor standards provisions administered by the Department of Labor, that are applicable to grants involving construction. These labor standards include the:

- Davis-Bacon Act, which requires payment of prevailing wage rates for laborers and mechanics on construction contracts of \$2,000 or more
- Copeland “Anti-Kickback” Act, which prohibits a contractor or subcontractor from inducing an employee into giving up any part of the compensation to which he or she is entitled; and
- Contract Work Hours and Safety Standards Act, which requires overtime wages to be paid for over 40 hours of work per week, under contracts in excess of \$100,000

3. Recipient Responsibilities When Entering Into and Managing Contracts:

a. Solicitation and Contract Requirements:

i. Include the Correct Wage Determinations in Bid Solicitations and Contracts: Recipients are responsible for complying with the procedures provided in [29 CFR 1.6](#) when soliciting bids and awarding contracts.

ii. Include DBRA Requirements in All Contracts: Include the following text on all contracts under this grant:

“By accepting this contract, the contractor acknowledges and agrees to the terms provided in the [DBRA Requirements for Contractors and Subcontractors Under EPA Grants](#).”

b. After Award of Contract:

i. Approve and Submit Requests for Additional Wages Rates: Work with contractors to request additional wage rates if required for contracts under this grant, as provided in [29 CFR 5.5\(a\)\(1\)\(iii\)](#).

ii. Provide Oversight of Contractors to Ensure Compliance with DBRA Provisions: Ensure contractor compliance with the terms of the contract, as required by [29 CFR 5.6](#).

4. Recipient Responsibilities When Establishing and Managing Additional Subawards:

a. Include DBRA Requirements in All Subawards (including Loans):

Include the following text on all subawards under this grant:

“By accepting this award, the EPA subrecipient acknowledges and agrees to the terms and conditions provided in the [DBRA Requirements for EPA Subrecipients](#).”

b. Provide Oversight to Ensure Compliance with DBRA Provisions: Recipients are responsible for oversight of subrecipients and must ensure subrecipients comply with the requirements in [29 CFR 5.6](#).

5. The contract clauses set forth in this Term & Condition, along with the correct wage determinations, will be considered to be a part of every prime contract covered by Davis-Bacon and Related Acts (see [29 CFR 5.1](#)), and will be effective by operation of law, whether or not they are included or incorporated by reference into such contract, unless the Department of Labor grants a variance, tolerance, or exemption. Where the clauses and applicable wage determinations are effective by operation of law under this paragraph, the prime contractor must be

compensated for any resulting increase in wages in accordance with applicable law.

S. Attorney General Certification

With the capitalization grant application, the State's Attorney General, or someone designated by the Attorney General, must sign or concur in a certification that: (1) The authority establishing the DWSRF program and the powers it confers are consistent with state law; (2) The state may legally bind itself to the proposed terms of the capitalization grant agreement; and (3) An agency of the state is authorized to enter into capitalization grant agreements with EPA, accept capitalization grant awards made under section 1452 of the Act, and otherwise manage the Fund in accordance with the requirements and objectives of the Act and this subpart. The state is required to submit the Attorney General certification prior to drawing any federal funds from this capitalization grant.