

The Vermont Drinking Water  
State Revolving Fund  
Draft Amended Intended Use Plan  
for Federal Fiscal Year 2025

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## 1. Executive Summary

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, a Drinking Water Intended Use Plan to meet the requirements of the Act and the Drinking Water Capitalization Grant Agreements. This Intended Use Plan covers the FFY 2025 General Grant, and the supplemental General and Emerging Contaminants Grants, created by the Infrastructure Investment and Jobs Act of 2021, also known as the Bipartisan Infrastructure Law. The Vermont Drinking Water State Revolving Loan Fund (DWSRF) Program is deferring application for the 2025 Lead Service Line Grant; however, this Intended Use Plan includes subsidy and other information for existing Lead Service Line Grant funds.

DWSRF funds can be used for a wide variety of eligible activities, including public water system infrastructure improvements and water system management enhancements.

The Safe Drinking Water Act requires that each state prepare an Intended Use Plan every fiscal year that details how the DWSRF funds will be used. Once the Intended Use Plan 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 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 draft Amended 2025 Intended Use Plan

This Intended Use Plan is amended to incorporate several revisions as detailed below. Additions to the current Intended Use Plan adopted September 17, 2025, are indicated through underlining of text.

Under recent guidance from US EPA all projects, including those seeking planning or design loans, must be included on the Priority Lists. The Priority Lists are amended to incorporate several planning or design phase projects that submitted a FFY2025 priority list application by February 14, 2025, or submitted a loan application after September 18, 2025, through December 31, 2025. Projects seeking a planning or design loan must have submitted a loan application by February 6, 2026 in order to be considered for funding under the 2025 Intended Use Plan. All projects seeking funding under the FFY2026 Intended Use Plan, including those in the planning and design stage, must have submitted a FFY2026 Priority List application by February 6, 2026.

The Lead Service Line Priority List was revised to include additional project demand for Lead Service Line Funds. With these additional projects, the Program is showing full demand for the existing 2022 Lead Service Line Grant. The Sources and Uses Table (Section 5.2) was updated to show the increase in anticipated commitments.

The Sources and Table (Section 5.2) was corrected to indicate that, for the Emerging Contaminants Grant, interest and repayment are not applicable (N/A). The Sources Table also includes an additional footnote that breaks down repayment and investment interest.

Section 5.5. was revised to clarify that “carryforward funds” are unobligated funds as of 7/1/2025.

Section 6.2.4.2. was revised to clarify the intent of the set-aside-funded Groundwater Monitoring Program.

Section 10.2 was corrected to remove an outdated reference to a “planning loan put-aside”. There is no planning loan put-aside under this Intended Use Plan.

## 1.2. The Infrastructure Investment and Jobs Act and the Build America, Buy America Act

The Infrastructure Investment and Jobs Act, also known as the Bipartisan Infrastructure Law, passed November 15, 2021, provides two additional SRF grants: the General Supplemental, and the Emerging Contaminants Grants, to augment the existing General Grant, also known as the Base Grant. The Infrastructure Investment and Jobs Act grants will continue annually for a total of five years, ending with the Federal Fiscal Year 2026 grants.

The Infrastructure Investment and Jobs Act expanded domestic sourcing requirements with the inclusion of the Build America, Buy America Act requirements. 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. The Environmental Protection Agency has issued a Build America, Buy America Act Adjustment Period Waiver for SRF projects that have initiated design planning. The Department of Environmental Conservation’s Design and Construction Engineering Section has published an Adjustment Period Waiver Certification form, available at SRF BABA Waiver Certification Form. Projects must meet a range of eligibility

requirements under the Waiver and should seek an explicit eligibility determination from the SRF Program.

### 1.3. Notice of Nondiscrimination

The Vermont Agency of Natural Resources (ANR) operates its programs, services, and activities without discriminating on the basis of race, religion, creed, color, national origin (including limited English proficiency), ancestry, place of birth, disability, age, marital status, sex, sexual orientation, gender identity, or breastfeeding (mother and child). We will not tolerate discrimination, intimidation, threats, coercion, or retaliation against any individual or group because they have exercised their rights protected by federal or state law. To file a discrimination complaint, for questions, free language services, or requests for reasonable accommodation, please contact ANR's Nondiscrimination Coordinator at [ANR.CivilRights@vermont.gov](mailto:ANR.CivilRights@vermont.gov) or visit ANR's online Notice of Nondiscrimination at <https://anr.vermont.gov/special-topics/equity-and-accessibility/notice-nondiscrimination>.



### 1.4. Language Access Services

Questions or Complaints/FREE LANGUAGE SERVICES | SERVICES LINGUISTIQUES GRATUITS | भाषासम्बन्धी निःशुल्क सेवाहरू | SERVICIOS GRATUITOS DE IDIOMAS | 免費語言服務 | BESPLATNE JEZIČKE USLUGE | БЕСПЛАТНЫЕ УСЛУГИ ПЕРЕВОДА | DỊCH VỤ NGÔN NGỮ MIỄN PHÍ | 無料通訳サービス | ነጻ የቋንቋ አገልግሎቶች | HUDUMA ZA MSAADA WA LUGHA BILA MALIPO | BESPLATNE JEZIČKE USLUGE | အခမဲ့ ဘာသာစကား ဝန်ဆောင်မှုများ | ADEEGYO LUUQADA AH OO BILAASH AH | خدمات لغة مجانية : [anr.civilrights@vermont.gov](mailto:anr.civilrights@vermont.gov) or 802-636-7827."

If you speak a language not listed or require additional help, we offer free language assistance services. Please reach out to ANR at 802-636-7827 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. [Language Access Link](#)

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## 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 public water systems 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 Safe Drinking Water Act, maintaining the public health objectives of the Act, and ensuring the public has safe drinking water.
2. Implement the Infrastructure Investment and Jobs Act 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 Drinking Water and Groundwater Protection Division 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 the DWSRF Program for projects that have been determined to be the highest priority through the Priority List and Intended Use Plan to address contamination issues that pose the most serious risk to human health and to ensure



compliance with the Safe Drinking Water Act requirements and maintain and/or improve water quality.

3. Provide timely assistance to public community and Non-Transient Non-Community water systems to replace lead service lines.
  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. Coordinate DWSRF activities with enforcement activities of the State and EPA.
  7. Continue implementation of the statewide strategy to improve capacity for existing public water systems and ensure capacity for new public water systems.
  8. Use DWSRF set-aside funding to provide the additional resources required to manage the Vermont Drinking Water Program.
  9. Expend all federal funds within two years of grant award.
  10. 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. 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 drinking 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.

The original funding goal was to support up to ten decentralized community wastewater solutions and/or public municipal water systems. Wastewater projects are eligible for funding per limitations set by SRF Guidance Document #38, dated March 28, 2024.

All funds have been awarded to qualifying Villages, and Village ARPA grants have been executed. Some villages have chosen to voluntarily rescind grants, allowing for DEC to reallocate those funds to the readiest projects, with the greatest need, and with the greatest potential to accommodate new housing. DEC reserves the right to rescind funding from grantees that are not making progress and where the funding may be at risk of recission from the Federal Treasury Department.

Municipalities should note that the reallocation of any Village ARPA grant dollars 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 the Agency of Administration.

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## 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. Fees are tracked as either program or non-program income to enable use of non-program income for a broader array of Safe Drinking Water Act 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

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 Clean Water State Revolving Loan Fund (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 Intended Use Plan 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; Program Management; and Local Assistance. Lending procedures used by Vermont Bond Bank for municipal loans and the Vermont Economic Development Authority 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 Vermont Bond Bank guarantees that the Program will benefit in the long-term from the management and financial planning expertise of this organization.

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### 5. DWSRF Capitalization Grants Federal Fiscal Year 2025

#### 5.1. Capitalization Grants

Vermont will receive a total of three Federal Fiscal Year (FFY) 2025 capitalization grants. The Department is deferring application for the Lead Service Grant due to existing sufficient balances from prior grant years.

The FFY 25 Grants are as follows:

- General Grant : \$10,906,000
- General Supplemental Grant: \$24,898,000
- Emerging Contaminants Grant: \$7,640,000
- 2023 Reallotted Emerging Contaminants: \$205,000
- 2022 Reallotted Emerging Contaminants: \$12,000

The required state match for is as follows:

- General Grant (20% of grant federal share): \$2,181,200
- General Supplemental Grant (20% of grant federal share): \$4,979,600
- Emerging Contaminants Grants (no match requirement)

The full match for the General Supplemental grant has been appropriated by the legislature and will be available beginning July 2025. For the General Grant, \$1,247,721 will be available beginning July 2025. The remaining required match of \$933,479 will be available beginning July 2026. The Payment Schedule accounts for the schedule of match funds availability.

The Department is requesting pre-approval by EPA for fixed-cost contracts and sub-awards. This request is made pursuant to 2 CFR 200.333, where the EPA may allow pass-through entities to award subawards up to \$500,000 on a fixed amount or “lump sum” basis such that the subrecipient does not account for actual costs.

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

## 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* |
|----------------------------------------------------|---------------------|----------------------|---------------------|------------------------|
| FFY 25 DWSRF Capitalization Grant                  | \$10,906,000        | \$24,898,000         | NA                  | \$7,857,000            |
| State Match Needed FFY25 Grant                     | \$ 2,181,200        | \$ 4,979,600         | NA                  | \$0                    |
| FFY 24 Cap Grant Payments (7/1/25-6/30/26)         | \$ 1,165,250        | \$ 5,746,250         | \$ 0                | \$1,910,000            |
| Repayments (anticipated 7/1/25-6/30/26)            | \$ 6,590,745        | **                   | **                  | <u>N/A</u>             |
| Interest*** (anticipated 7/1/25-6/30/26)           | \$ 2,880,000        | **                   | **                  | <u>N/A</u>             |
| Available Funds (Unobligated funds as of 7/1/2025) | \$52,516,033        | **                   | \$12,053,756        | (\$1,310,508)          |
| <b>TOTAL</b>                                       | <b>\$76,239,228</b> | <b>\$35,623,850</b>  | <b>\$12,053,756</b> | <b>\$8,456,492</b>     |

\*Including 2022 and 2023 Reallotted funds.

\*\*Included in General Grant values.

\*\*\*Approximately \$369,882 of anticipated Interest will be derived from loan repayments where the loan included an interest charges (older loans only); the remaining \$2,510,118 is expected from investment earnings.

| Uses                                 | General       | General Supplemental | Lead Service Lines  | Emerging Contaminants* |
|--------------------------------------|---------------|----------------------|---------------------|------------------------|
| Set-Asides                           | \$ 4,397,886  | \$7,718,380          | NA                  | \$1,078,291            |
| Pending Applications and Obligations | \$ 20,495,297 | **                   | \$0                 | \$ 603,492             |
| Anticipated Commitments              | \$ 87,017,082 | **                   | <u>\$12,602,401</u> | \$6,774,709            |
| Total                                | \$111,910,265 | \$7,718,830          | <u>\$12,602,401</u> | \$8,456,492            |

\* Including 2022 and 2023 Reallotted funds.

\*\*Included in General Grant values

For the General, General Supplemental, and Lead Service Line Grants, uses exceed sources. Anticipated Commitments include those projects expected to go forward during the year. Due to a range of factors including the need to procure voter approval, some projects will be delayed, thus actual uses are likely to be less than anticipated based on current information. Additionally, due to the lag in loan disbursements for loans funded this year, the Drinking Water SRF Program may rely on future income from loan repayments and interest as necessary to fund projects receiving loans under this Intended Use Plan.

~~As shown in the tables above for the Lead Service Line Grant Sources exceed Uses. The Department has had excellent compliance with systems meeting the inventory deadline, however demand for service line replacement loans remains low. The Department is continuing to reach out to systems to complete additional phase inventories to determine unknown service lines, develop replacement plans, and replace Lead Service Line Grant eligible service lines. The Department has de-obligated the 2023 Lead Service Line Grant, declined the 2024 Grant and deferred the 2025 Grant.~~

Based on increased eligibility per November 2025 EPA guidance the Program is able to show full demand for the 2022 Lead Service Line Grant. The Department has de-obligated the 2023 Lead Service Line Grant, declined the 2024 Grant and deferred the 2025 Grant.

Sources equal uses for the Emerging Contaminants Grant.

Detailed project information is included in the attached Projects Priority Lists for state fiscal year 2026.

## 5.2.1 Program and Non-Program Fees Sources and Uses

### Sources

|                                   | Program Fees | Non-Program Fees |
|-----------------------------------|--------------|------------------|
| Existing Balance (6/30/25)        | \$101,357    | \$4,979,121      |
| Anticipated Fees (7/1/25-6/30/26) | \$24,379     | \$1,181,948      |
| Total                             | \$125,736    | \$6,161,069      |

### Anticipated Fee Uses (7/1/25-6/30/26)

|                  |             |
|------------------|-------------|
| Program Fees     | \$125,736   |
| Non-Program Fees | \$2,240,821 |

The Drinking Water SRF Program uses program and non-program fees to support the administration of the program including staffing and loan underwriting expenses. Anticipated additional future uses of fees include offsetting reductions in Set-Aside funds with the sunseting of the Supplemental IIJA Grants and potential reductions to the base grants.

## 5.3. EPA Federal Fiscal Year Payment Schedule

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.

### SRF General

| Payment No. | Quarter | Date                 | Federal Amount | State Amount |
|-------------|---------|----------------------|----------------|--------------|
| 1           | 2026-1  | 10/1/2025-12/31/2025 | \$3,817,100    | \$763,420    |
| 2           | 2026-2  | 1/1/2026-3/31/2026   | \$1,635,900    | \$327,180    |
| 3           | 2026-3  | 4/1/2026-6/30/2026   | \$ --          | \$ --        |
| 4           | 2026-4  | 7/1/2026-9/30/2026   | \$5,453,000    | \$1,090,600  |
| Total       |         |                      | \$10,906,000   | \$2,181,200  |

### SRF General Supplemental

| Payment No. | Quarter | Date                 | Federal Amount | State Amount |
|-------------|---------|----------------------|----------------|--------------|
| 1           | 2026-1  | 10/1/2025-12/31/2025 | \$8,714,300    | \$1,742,860  |
| 2           | 2026-2  | 1/1/2026-3/31/2026   | \$3,734,700    | \$746,940    |

|       |        |                    |              |             |
|-------|--------|--------------------|--------------|-------------|
| 3     | 2026-3 | 4/1/2026-6/30/2026 | \$6,224,500  | \$1,244,900 |
| 4     | 2026-4 | 7/1/2026-9/30/2026 | \$6,224,500  | \$1,244,900 |
| Total |        |                    | \$24,898,000 | \$4,979,600 |

#### SRF Emerging Contaminants

| Payment No. | Quarter | Date                 | Federal Amount | State Amount |
|-------------|---------|----------------------|----------------|--------------|
| 1           | 2026-1  | 10/1/2025-12/31/2025 | \$2,749,950    | \$0          |
| 2           | 2026-2  | 1/1/2026-3/31/2026   | \$1,178,550    | \$0          |
| 3           | 2026-3  | 4/1/2026-6/30/2026   | \$1,964,250    | \$0          |
| 4           | 2026-4  | 7/1/2026-9/30/2026   | \$1,964,250    | \$0          |
| Total       |         |                      | \$7,857,000    | \$0          |

#### 5.4. EPA Estimated Disbursement Schedule: All Grants

| Disbursement Quarter | General      | General Supplemental | Emerging Contaminants |
|----------------------|--------------|----------------------|-----------------------|
| 1QFFY2026            | \$3,817,100  | \$8,714,300          | \$2,749,950           |
| 2QFFY2026            | \$1,635,900  | \$3,734,700          | \$1,178,550           |
| 3QFFY2026            | \$ --        | \$6,224,500          | \$1,964,250           |
| 4QFFY2026            | \$5,453,000  | \$6,224,500          | \$1,964,250           |
| Total                | \$10,906,000 | \$24,898,000         | \$7,857,000           |

#### 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                                    |             |
|----------------------------------------------------|-------------|
| Available Funds (Unobligated funds as of 7/1/2025) | \$4,241,606 |
| Estimated interest (7/1/2025-6/30/2026)            | \$ 180,000  |
| Estimated repayments (7/1/2025-6/30/2026)          | \$ 720,472  |
| Total Sources                                      | \$5,142,078 |

| Uses - LAWPL                                    |            |
|-------------------------------------------------|------------|
| Estimated loan commitments (7/1/2025-6/30/2026) | \$ 500,000 |
| Total Uses                                      | \$ 500,000 |

## 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<br>FFY25   | Banked<br>Authority   |
|--------------------------------------|---------------------|-----------------------|
| <b>TOTAL, ALL SET-ASIDES</b>         | <b>\$ 4,397,886</b> | <b>\$ (1,017,026)</b> |
| <b>Program Mgmt</b>                  | <b>\$ 2,107,626</b> | <b>\$ (1,017,026)</b> |
| <b>Administrative</b>                | <b>\$ 436,240</b>   | <b>\$ -</b>           |
| <b>Small Sys. Tech. Assist.</b>      | <b>\$ 218,120</b>   | <b>\$ -</b>           |
| Water System Operator Train Contract | \$ 143,120          |                       |
| TNC TA Contract                      | \$ 50,000           |                       |
| Rates Dashboard                      | \$ 25,000           |                       |
| <b>Local Assistance</b>              | <b>\$ 1,635,900</b> | <b>NA</b>             |
| <b>Capacity</b>                      | <b>\$ 600,000</b>   |                       |
| Staff                                | \$ 600,000          |                       |
| <b>Wellhead</b>                      | <b>\$ 1,035,900</b> |                       |
| Staff                                | \$ 1,035,900        |                       |

| General Supplemental                          | PROPOSED<br>FFY25   | Banked<br>Authority |
|-----------------------------------------------|---------------------|---------------------|
| <b>TOTAL, ALL SET-ASIDES</b>                  | <b>\$ 7,718,380</b> | <b>\$ -</b>         |
| <b>Program Mgmt</b>                           | <b>\$ 2,489,800</b> | <b>\$ -</b>         |
| <b>Administrative</b>                         | <b>\$ 995,920</b>   | <b>\$ -</b>         |
| <b>Small Sys. Tech. Assist.</b>               | <b>\$ 497,960</b>   | <b>\$ -</b>         |
| <b>Local Assistance</b>                       | <b>\$ 3,734,700</b> | <b>NA</b>           |
| <b>Capacity</b>                               | <b>\$ 2,384,700</b> |                     |
| Water Loss Control                            | \$ 150,000          |                     |
| Rates Media Campaign                          | \$ 200,000          |                     |
| Rates Training                                | \$ 100,000          |                     |
| Small and Disadvantaged Water System Outreach | \$ 200,000          |                     |
| Capacity Program Asset Management Initiatives | \$ 100,000          |                     |
| LSL Inventory Unknown Identification          | \$ 500,000          |                     |
| Class D Operator Training                     | \$ 100,000          |                     |



|                                          |                     |  |
|------------------------------------------|---------------------|--|
| O&M Template development                 | \$ 100,000          |  |
| Staff                                    | \$ 909,700          |  |
| Nat'l. Drinking Water Assns. Memberships | \$ 25,000           |  |
| <b>Wellhead</b>                          | <b>\$ 1,350,000</b> |  |
| Source Protection work                   | \$ 101,538          |  |
| Goundwater Protection Guidance           | \$ 100,000          |  |
| USGS Groundwater Monitoring Contract     | \$ 300,000          |  |
| Staff                                    | \$ 848,462          |  |

|                                    | PROPOSED<br>FFY25   | Banked<br>Authority |
|------------------------------------|---------------------|---------------------|
| <b>Emerging Contaminants</b>       |                     |                     |
| <b>TOTAL, ALL SET-ASIDES</b>       | <b>\$ 1,078,291</b> | <b>\$ 1,290,109</b> |
| <b>Program Mgmt</b>                | <b>\$ 512,691</b>   | <b>\$ 251,309</b>   |
| <b>Administrative</b>              | <b>\$ 305,600</b>   | <b>\$ -</b>         |
| <b>Small Sys. Tech. Assist.</b>    | <b>\$ 50,000</b>    | <b>\$ 102,800</b>   |
| TNC PFAS Monitoring                | \$ 50,000           |                     |
| <b>Local Assistance</b>            | <b>\$ 210,000</b>   | <b>\$ 936,000</b>   |
| <b>Capacity</b>                    | <b>\$ 210,000</b>   |                     |
| Cyanotoxin Monitoring Study        | \$ 60,000           |                     |
| PFAS Treatment Efficacy Study      | \$ 50,000           |                     |
| Ion Exchange Treatment pilot study | \$ 100,000          |                     |

## 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%, \$1,090,600, from FFY25 grant plus \$1,017,026 in banked authority, for a total of \$2,107,626 to support approximately 10 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 \$436,240 from the FFY25 grant to support approximately 2.9 FTEs within WID and the 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 FFY25 grant, or \$218,120, to provide technical assistance to small public water systems. The following activities and allocations are proposed:

Water System Operator Training Contract: \$143,120 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: \$25,000 to provide technical assistance to Transient Non-Community Water Systems (TNCs).

Rates Study: \$50,000 to conduct surveys of water rates for community water system and update the Rates Dashboard based on the results of the survey. This dashboard will help Vermont water systems evaluate their financial performance and influence future planning to improve their financial and managerial capacity.

#### 6.1.4. General Grant: Local Assistance Set-Aside

Up to 15% of the capitalization grant, or \$1,635,900, 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 \$1,635,900 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 staff implementing the Vermont Capacity Strategy, as well as the Operator Certification Program. In total, this set aside will fund approximately 3 FTEs for a total of \$600,000.

##### 6.1.4.2. Wellhead Protection Activity

Local Assistance Wellhead Protection Positions: DWGPD Regional Office staff will use this set aside to support the technical review of soil-based wastewater system projects to ensure they do not contaminate public drinking water sources or groundwater supplies. In total, this set aside will fund approximately 6 FTEs and proposes to use \$1,035,900.

## 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 \$2,489,800, from the FFY25 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 \$995,920 from the FFY25 supplemental grant to support approximately 6 FTEs within WID and the Administration and Innovation Division (AID) and DWGPD. 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 FY25 General Supplemental grant, or \$497,960, to support approximately 3 FTEs to provide direct technical assistance to small public water systems, such as RTCR Level 2 assessments, operator certification training, and outreach regarding drinking water program requirements.

### 6.2.4. General Supplemental Grant: Local Assistance Set-Aside

Up to 15% of the 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 15%, or \$3,734,700 to fund local assistance activities.

The following activities and allocations are proposed:

#### 6.2.4.1. Capacity Activity

Local Assistance Capacity Program Positions: \$909,700 to fund approximately 5.5 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: \$150,000 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.

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.

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.

Community Engagement with Disadvantaged Communities: \$200,000 to support community engagement with disadvantaged communities and provide DWSRF technical assistance for disadvantaged communities.

Water Rates Media Campaign: \$200,000 to build on previous media campaigns to build public awareness of the importance of safe drinking water and the cost of ensuring that water makes it to the tap.

Lead Service Line Inventory Updates: \$500,000 to provide help for Water Systems to identify "unknown service line material" identified in their approved Service Line Inventories.

TMF Capacity Template Updates: \$100,000 for contracted work to update DWGPD's outreach templates, such as O&M Manual Templates, Source Protection Plan templates, or Long Range Plan templates, to support community water system TMF Capacity.

National Drinking Water Associations Memberships: \$25,000 to cover membership fees for representation and support by the ASDWA, AWWA, National Groundwater Association, etc.

#### 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.

In total, this set aside will fund approximately 5 FTEs and proposes to use \$848,462.

Groundwater Monitoring Program: \$300,000 to continue contract with USGS and Vermont Geological Survey to create a robust evaluation of a groundwater monitoring program and then design a monitoring program.

Groundwater Protection Guidance Document: \$100,000 to update “A Ounce of Prevention” guidance document for source water protection.

Source Protection Plans: \$101,538 to support community system water resource planning and mitigation assistance.

### 6.3. Emerging Contaminants Grant Set-Asides

#### 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 6.2%, or \$512,691 from FFY25 Emerging Contaminants grant to support approximately 3 FTEs and 1 Temp 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 FFY25 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 FY25 grant, or \$50,000, to provide technical assistance to small public water systems. The remaining TA funds from the FFY25 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 \$210,000, or 2.7% 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.

GAC 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.

Ion Exchange PFAS Treatment Pilot Study: \$100,000 to support a pilot study to understand the efficiency and lifespan of Ion Exchange units for small, medium and large size systems for PFAS removal.

#### 6.3.4.2. Wellhead Protection Activity

None proposed.

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## 7. Banked Authority

The DWSRF reserves the right to use Banked Authority. Set-asides have been banked from the 2025 Grants as detailed in Section 6.

This Intended Use Plan proposes to use \$1,017,026 in banked authority for Program Management Set-Aside activities.

| General Base Banked Authority |                    |                |                      |
|-------------------------------|--------------------|----------------|----------------------|
| IUP Year                      | Program Management | Administrative | Technical Assistance |
| FFY97                         | \$ 1,105,880       | \$ -           | \$ -                 |
| FFY98                         | \$ 592,130         | \$ -           | \$ -                 |
| FFY99                         | \$ 226,380         | \$ -           | \$ -                 |
| FFY00                         | \$ 275,700         | \$ -           | \$ -                 |
| FFY01                         | \$ 48,910          | \$ -           | \$ -                 |
| FFY03                         | \$ 177,410         | \$ -           | \$ -                 |
| ARRA                          | \$ 1,730,000       | \$ -           | \$ 300,000           |
| FFY08                         | \$ -               | \$ -           | \$ 162,920           |
| FFY09                         | \$ 43,965          | \$ -           | \$ -                 |
| Less prior transfers          | \$ (780,505)       | \$ -           | \$ -                 |
| FFY09 Amendment               | \$ (222,387)       | \$ -           | \$ -                 |
| FFY11                         | \$ (258,200)       | \$ -           | \$ -                 |
| FFY16                         | \$ (300,000)       | \$ -           | \$ (63,984)          |
| FFY17                         | \$ (300,000)       | \$ -           | \$ -                 |
| FFY18                         | \$ (322,132)       | \$ -           | \$ 57,320            |
| FFY19                         | \$ 9,900           | \$ 3,960       | \$ 1,980             |

|                        |                     |                 |                   |
|------------------------|---------------------|-----------------|-------------------|
| FFY20                  | \$ -                | \$ -            | \$ -              |
| FFY21                  | \$ -                | \$ -            | \$ 123,705        |
| Reallocated WY FFY21   | \$ 9,900            | \$ 3,960        | \$ 1,980          |
| FFY22                  | \$ -                | \$ -            | \$ -              |
| FFY23                  | \$ -                | \$ -            | \$ -              |
| FFY24                  | \$ -                | \$ -            | \$ -              |
| FFY25                  | \$ (1,017,026)      | \$ -            | \$ -              |
| <b>Total Available</b> | <b>\$ 1,019,925</b> | <b>\$ 7,920</b> | <b>\$ 583,921</b> |

| General Supplemental Banked Authority |                    |                |                      |
|---------------------------------------|--------------------|----------------|----------------------|
| IUP Year                              | Program Management | Administrative | Technical Assistance |
| FFY22                                 | \$ -               | \$ -           | \$ -                 |
| FFY23                                 | \$ -               | \$ -           | \$ -                 |
| FFY24                                 | \$ -               | \$ -           | \$ 6,695             |
| FFY25                                 | \$0                | \$0            | \$0                  |
| <b>Total Available</b>                | <b>\$ -</b>        | <b>\$ -</b>    | <b>\$ 6,695</b>      |

| Lead Service Line Banked Authority |                    |                |                      |
|------------------------------------|--------------------|----------------|----------------------|
| IUP Year                           | Program Management | Administrative | Technical Assistance |
| FFY22                              | \$ -               | \$ -           | \$ -                 |
| FFY23                              | \$ -               | \$ -           | \$ -                 |
| FFY24                              | N/A                | N/A            | N/A                  |
| <b>Total Available</b>             | <b>\$ -</b>        | <b>\$ -</b>    | <b>\$ -</b>          |

| Emerging Contaminant Banked Authority |                        |                    |                      |
|---------------------------------------|------------------------|--------------------|----------------------|
| IUP Year                              | Program Management     | Administrative     | Technical Assistance |
| FFY22                                 | \$ 476,394             | \$ -               | \$ 51,100            |
| FFY23                                 | \$ 467,566             | \$ -               | \$ 72,800            |
| FFY24                                 | \$ 394,934             | \$ -               | \$ 102,800           |
| FFY25                                 | \$ 273,009             | \$ 8,200           | \$ 107,140           |
| <b>Total Available</b>                | <b>\$ 1,611,903.00</b> | <b>\$ 8,200.00</b> | <b>\$ 333,840.00</b> |

## 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 and the

Vermont Water Supply Rule, and that assist systems most in need according to State affordability criteria.

Projects seeking planning funds are required to be scored using the priority point system and included on the Priority List. The Program was notified of this requirement by US EPA after the release of the draft Intended Use Plan. The Program will amend the Priority List in the future as necessary to add eligible planning projects.

## 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.



### Emerging Contaminants

The DWSR Program prioritizes use of Emerging Contaminants Grant funds to projects addressing PFAS in accordance with United States Environmental Protection Agency guidance. Depending on loan amount and whether all costs are eligible under the Emerging Contaminants Grant, projects may be funded solely under the Emerging Contaminants Grant, or also partially funded by the General Grant. Projects that are only partially eligible under the Emerging Contaminants Grant will need to track all costs according to eligibility.

### 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 (See section E.1. US EPA [2022 Implementation Memo](#) and [November 2025 Additional Eligibilities Memo](#)).

## 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. All projects will comply with applicable signage requirements. Build America Buy America 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.

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## 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 Lead Service Line Grant (approximately \$9,015,147) available under the terms of this Intended Use Plan.

### 9.1.2. 2024 General and General Supplemental Grants

This Intended Use Plan makes available unused subsidy from the following grants, approximately:

2024 General Disadvantaged Subsidy: \$1,431,350

2024 General Additional Subsidy: \$304,283

2024 General Supplemental Disadvantaged Subsidy: \$3,795,841

2023 General Additional Subsidy: \$525,445

2023 General Supplemental Disadvantaged Subsidy: \$350,359

## 9.2. 2025 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. If demand for Additional Subsidy is less than allocated it may be re-assigned for construction subsidy according to the criteria for Disadvantaged Communities.

### 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 25 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 2025 Grant

Per the FFY25 appropriations language, subsidy shall be provided as follows.

| <b>2025 Grant</b>              | <b>Subsidy Proposed</b> | <b>Eligibility Requirements<br/>Per EPA Grant Agreement</b>                              |
|--------------------------------|-------------------------|------------------------------------------------------------------------------------------|
| General                        | \$ 1,526,840            | No Restrictions (Additional Subsidy)                                                     |
|                                | \$ 3,817,100            | Disadvantaged Communities                                                                |
| General Supplemental           | \$12,200,020            | Disadvantaged Communities                                                                |
| Emerging Contaminants          | \$ 6,990,071            | At least 25% of subsidy to Disadvantaged Communities or systems serving < 25,000 persons |
| <b>Total Available Subsidy</b> | <b>\$24,534,031</b>     |                                                                                          |

### 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)

| <b>Grant</b>                   | <b>Initiative</b>                                 | <b>Amount</b>       |
|--------------------------------|---------------------------------------------------|---------------------|
| General                        |                                                   |                     |
|                                | Planning (Additional Subsidy)                     | \$ 2,366,668        |
|                                | Construction (Disadvantaged Subsidy)              | \$ 9,394,650        |
| General Supplemental           |                                                   |                     |
|                                | Construction (Disadvantaged Subsidy):             | \$12,200,020        |
| Lead Service Lines             |                                                   |                     |
|                                | Planning and Construction (Disadvantaged Subsidy) | \$ 9,336,412        |
| Emerging Contaminants          |                                                   |                     |
|                                | Planning (Additional Subsidy):                    | \$ 795,000          |
|                                | Construction (Additional Subsidy):                | \$ 6,195,071        |
| <b>Total Available Subsidy</b> |                                                   | <b>\$33,870,443</b> |

### 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 \$100,000 per project, per loan step (i.e. Step 1, Step 2)

#### 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 water systems with a local Median Household Income (MHI) less than or equal to 125% of State Median Household Income, 100% loan forgiveness up to \$100,000 and 50% subsidy for the portion over \$100,000. The initial \$100,000 forgiveness is offered once per water system inclusive of all previously received Lead Service Line Grant subsidy for inventory, planning, and design phases. If the system received set-aside contract assistance, that is not counted against the \$100,000 forgiveness
- Depending on the availability of subsidy after all projects are funded and actual disbursements are reviewed, 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 at \$5,000,000 in Emerging Contaminant Grant funds.

9.3.3.4. Construction Subsidy Category 4: Standby Power  
St. George Town Center is eligible for 100% loan forgiveness, up to \$87,520, for completion of their project per the Standby Power Initiative.

## 9.4. Disadvantaged Community Subsidy

The following sections describe the DWSRF Program's approach to the allocation of disadvantaged community subsidy under this Intended Use Plan.

### 9.4.1. General Grants Disadvantaged Community Subsidy

For purposes of this Intended Use Plan, 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 Intended Use Plan 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 Intended Use Plan 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 Infrastructure Investment and Jobs Act, requires states to provide 49% of the Lead Service Line grant to disadvantaged communities in the form of loan forgiveness. 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 2025 Lead Service Line Intended Use Plan. 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 125% of the state median household income. These communities shall be eligible for loan forgiveness for lead service line inventories as described in section 9.3.2.2.

#### 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 125%, 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.

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## 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. Only construction projects that have previously submitted an administratively complete Preliminary Engineering Report (PER) or Permit to Construct (PTC), or the 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.

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 Intended Use Plan, i.e. until approximately July 1, 2026, provided sufficient funding remains available.

#### 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 February 2025 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, by no later than:

- December 1, 2025: Submit a signed and administratively complete Environmental Information Document (for SERP review) to the assigned WID engineer;
- January 1, 2026: Submit 90% design drawings to DWGPD. A project with a current construction permit for the same project scope already meets this milestone;
- January 31, 2026: Schedule a bond vote and submit a copy of the warning to WID;
- May 1, 2026: Receive voter authorization via the bond vote; and,
- June 30, 2026: 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

DEC is accepting applications for Planning Loans on a rolling basis while funding is available through February 6, 2026. The February 6, 2026, deadline does not apply to Asset Management Plan (AMP) loans. Most AMPs are funded by the LAWPL set-aside described above, but an AMP can be funded under the general grants as a step 1 loan for private water systems or the portion of municipal AMPs in excess of \$50,000.



### 10.3. ANR Online Funding Application

Loan applications and associated documentation must be submitted through ANR Online [ANR Online Link](#). 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 a Drinking Water 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 Intended Use Plan.

### 10.4. Guidance Document Updates

The DWSRF Program attempts to continuously update Guidance Documents. There have been no updates since adoption of the 2024 Intended Use Plan.

### 10.5. Administrative Fee for Manufactured Home Communities (MHCs)

This Intended Use Plan continues a maximum administrative fee of 1.5% for all non-profit or cooperatively-owned manufactured home communities (MHCs). 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 conducted by EPA Region 1 covered SFY 2024. The Drinking Water SRF Program issues an Annual Report to EPA that covers program operations and addresses action items identified by EPA in their Review. The Program Evaluation Review identifies Action Items requiring follow up by the Drinking Water SRF Program. The following is a summary of open Action Items:

#### 2023 Open Action Items

Item: The information used to calculate Lines 116 and 119 must be adjusted as the Set-Aside Spending Rate exceeded 100% SFY 2018 - 2022. The Set-Aside Spending Rate should not exceed 100%. To resolve this, the State will need to

review their Annual SRF reporting data and determine what information needs to be revised.

- Response: The Program notified of EPA of the needed corrections. This has been resolved.

Item: Develop a plan to increase the efficiency of project disbursements. The State needs to review the policies and procedures relating to the disbursement of project funds. The Undisbursed to Disbursed Funds Ratio remains significantly high, and the State will have to close the margin between the State and National Averages.

- Response: Increases in staffing have led to increased loan volume and improvement in disbursement trends.

Item: Review internal policies and procedures relating to the utilization of the FIFO method in closing out older capitalization grants. Multiple draws from both project funds and set asides for the FY19, FY20, FY21 and FY22 base cap grants did not adhere to the FIFO method. Updates can be provided during the already established regular meetings between the state and EPA Region 1.

- Response: The Program has reviewed internal operations and provided the necessary training of staff to ensure that all grants follow the FIFO method in furtherance of our ULO Reduction Strategy. As a result, as of July 1, 2025 the Department is fully implementing the FIFO method.

## 2024 Open Items

Item: See 2023 re item related to set-aside spending.

- Response: The Program notified of EPA of the needed corrections. This has been resolved.

Item: The State will provide EPA Region 1 with a Corrective Action plan by *August 29th, 2025*. This corrective action plan should provide a detailed plan on how VT DEC plans to improve upon their Ratio of Undisbursed Project Funds compared to Disbursements (10yrs worth of disbursements on hand), Uncommitted Fund Ratio (2.5 years), Assistance provided as a percent of funds available (76.3%), and Disbursements as a percent of Assistance provided indicators. This plan should encompass the loan, disbursements, and commitments improvements that have been put in place along with the added staffing that has occurred recently.

- Response: The Corrective Action Plan has been provided to EPA.

Item: Review internal policies and procedures relating to the utilization of the FIFO method to better adhere to the National ULO Reduction Strategy. Multiple draws from both project funds and set asides for the FY22 and FY23 IIJA Supplemental grant, and the FY21, FY22, and FY23 base cap grants did not adhere to the FIFO method and is contributing to outstanding ULOs on more than 2 open capitalization

grants at a given time. The state should provide the ULO Strategy improvements that will be implemented via the Corrective Action Plan.

- Response: The Program has reviewed internal operations and provided the necessary training of staff to ensure that all grants follow the FIFO method in furtherance of our ULO Reduction Strategy. As a result, as of July 1, 2025 the Department is fully implementing the FIFO method.

Item: Review and Correct OWSRF and/or the upcoming annual report to ensure commitment amounts are aligned between the two. Make any necessary corrections and updates to OWSRF by *September 30th, 2025*, and/or make any necessary corrections and updates to the upcoming annual report, which is due by *September 30th, 2025*.

- All commitment amounts will aligned between OWSRF and the Annual Report by 9/30/2025.

Item: The 2025 Annual Report must contain a plan that identifies the project(s) that will use the remaining 2022 IIJA Supplemental, EC, and LSLR, the 2023 Base, and the 2023 IIJA subsidy funds, along with milestones for each project showing the path to an executed agreement. If the subsidy commitment is met prior to *September 30th, 2025*, for any of these funding pots, please notify the EPA Region 1 at that time. The IUP for the 2025 capitalization grant should indicate any additional subsidy from previous years that still must be committed to projects.

- Response: The Annual Report will include all required subsidy information.

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## 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 December 16, 2024, the Department notified municipalities and other interested parties to submit a priority list application by February 14, 2025, to be reviewed for possible inclusion on the Priority List for Federal Fiscal Year 2025 (State Fiscal Year 2026).

The draft Intended Use Plan was released on July 2, 2025. 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 Friday, August 1, 2025, at 10 AM, 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 on August 8, 2025.

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## 12. Responsiveness Summary

The following responsiveness summary addresses comments received during the public comment period ending August 8, 2025 and during the public meeting held on August 1, 2025. 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:** (Liz Curry, CommonLand Solutions): I'm a consultant with a number of manufactured home communities that are organized as limited equity co-ops and receive technical assistance from the Cooperative Development Institute. They have also started a water infrastructure support program through USDA-TA grant and along with other colleagues like Addison Housing Works and HFI. We form a group of TA providers that are part of this, the manufactured home Community Subcommittee of the Housing and Homeless Alliance of Vermont. So I'm here as a consultant with a number of clients that are manufactured home communities that are using or have used the SRF program and wanted to provide some perspective on this subcategory of borrowers. There's over 20,000 manufactured homeowners in Vermont, and 30% of those folks live in parks. So about 6,000 manufactured homeowners live in parks. There's about 16 or 17 co-op parks. It is very typical for these parks when the nonprofits or residents buy them to inherit very old legacy, wastewater infrastructure that has not been either originally designed and permitted according to any regulations or overseen within a regulatory framework, unless there's a health and safety emergency. And so purchasing those systems puts a real financial burden on the folks who live there. Generally, most of whom have very low incomes and then they have to take on the financial investment to fix them. A number of you are familiar with some of these projects, so I wanted to just express appreciation and support for some of the work you've done to create some environmental justice provisions in the IUP after reading it for the past three years. Because it's great to see some of the points we've raised as a subcommittee included in the IUP. Specifically, section 2.2, goals 1, 3 and 5, and section 2.3, short term goals 1 and 2, as well as 6. And we do appreciate the recent engagement by you all to talk with us in terms of how the program can be more user friendly and adapted to manufactured home communities. And I will say that manufactured home community needs are circumspect. You can quantify them and they are going to be time limited over the next 10 years. But still, unlike your primary customer, municipalities, which have ongoing new and renewed issues, which we understand the program isn't. It was originally designed for primarily municipalities, but the MHC sector is quantifiable. It has a group of needs that will be met by investments that are large capital investments. But once that's done, then you're done. They don't really need to come back if done right the first time. So I think that's one of the

advantages of looking at this sector as a subsector, as a customer. That is really worth your time engaging with, especially due to Vermont's environmental justice law.

I just wanted to call out a couple things because I also read the Maine 2025 IUP which I think can be a model for Vermont in many ways. Not saying their program is necessarily fully a model, but just in terms of the ability for non-municipal customers to see some benefits in that IUP specifically, they did clearly call out that the Bipartisan Infrastructure Law supplemental grant mandates 49% of the supplemental cap grant to be delivered as subsidy. They clearly called that out in their IUP and that was helpful because it just provides the reader with a little bit of a road map about this new, albeit time limited opportunity. But it just is helpful to have that. And the EPA website indicates states can use 31% of that as a set aside, and the reason I bring that up is because I think we've had these conversations before, that Vermont statute needs, authorizes municipalities to be eligible for disadvantaged community status and that's it. And that's my understanding is that it's just municipalities that are allowed to be eligible for that status. So in your Section 8 under additional subsidy, it's only municipalities that are eligible for that. If I'm understanding correctly, and I may not be understanding correctly at all, but it's my understanding that only municipalities or municipally sponsored projects can be eligible for the entire kind of like, subsidy, opportunity and you know disadvantaged community status, so. This seems to be where we get hung up with the MHC sector in terms of many of these parks facing severe constraints financially because they have a kind of a captive population, very low income people, many times at least 50 or 60% of the folks who live in these parks earn you know between \$20-24,000 to \$38,000 because many are seniors fixed incomes or just working in wage jobs, like being able to work in the summer for a road paving crew but taking unemployment in the winter, there's just our Vermont's working class, working poor workforce lives in these parks. And that's a kind of categorically different financial proposition than municipalities where you can spread, even in disadvantaged municipalities, the cost of a rate structure over a broader income population. They have a wider range of incomes, and so there's a way you can create equitable rate structures. Not so in manufactured home communities. And I think you're aware of some parks, particularly Addison Housing Works, that can't even afford the debt without lot rents going into a tier that's unaffordable, exceeding the state median, Mobile Home Park lot rent, so financially, the constraints that these parks face warrant, I think, your time and investment in looking at the state Statute, if that's where the barrier lies for allowing disadvantaged community status to be given to a group of parks or meeting some criteria, that's just not necessarily municipally sponsored. It is not tenable or feasible for any of us to organize a bond vote with the municipality. This is beyond reason, I think, in terms of the capacity expectation. So another suggestion there is that if there's a way to use the EPA set aside category as either a work around to the state statute and, or if you could ask the legislature for authority to create set asides outside of the municipal eligibility criteria. You would have the flexibility to work with us to say, OK, we got this BIL (Bipartisan Infrastructure Law, aka Infrastructure Investment and Jobs Act, one-

time, great grant for Vermont that has this new flexibility that allows subsidy. Why don't we use our authority to create a set aside of like \$5,000,000 you know, or \$3,000,000 whatever. Because it's not like you see 10 parks a year come through your program. You see, like what? One or two that can get to the point of construction, so if you could get authority to create, set aside for not municipalities, that might be a way that we all could move forward together on trying to address some of the acute financial needs that some of these parks have. Not all of them have acute financial need. Some can support the debt and so if you had to set aside, you could create a mini loan pool to look and spread that across the pool. We're all collegial. We don't compete with each other. We all look at the state as nonprofit, limit equity co-ops as one portfolio. We all are serving the same folks that live in those parks. It's not like any anybody's going to begrudge Addison Housing Works for getting a straight out grant when St. George can afford some debt. That's fine. I mean if you could create a set aside of a pool that blends the funds and gives the grants to those who need it and, you know, put the interest rate on those who don't. And by the way, thank you. For changing the interest rate, if that is intended for mobile home parks to the 1.5%, that would become a standard request of all of us anyway. So appreciate that gesture.

**Response:** The SRF Program greatly appreciates the ongoing constructive engagement with Commonland Solutions and the Housing and Homeless Alliance of Vermont that has highlighted the needs of the MHC sector.

Both the Clean Water and Drinking Water Intended Use Plans identify all available subsidy, including subsidy from the Infrastructure Investment and Jobs Act, also known as the Bipartisan Infrastructure Law, in Sections 8 and 9, respectively. There are differences between Clean Water and Drinking Water as to whom may receive subsidy.

In the Drinking Water State Revolving Loan Program, MHCs and other non-municipal borrowers are eligible to receive subsidy. The 2025 Drinking Water Intended Use Plan provides 25% subsidy for planning loans, and up to 50% subsidy for construction loans where the borrower is a Disadvantaged Community. In the Clean Water State Revolving Loan Program, both federal regulation and state statute limit the award of subsidy to municipal borrowers. Consequently, an MHC seeking subsidy as part of a Clean Water loan would require municipal sponsorship (i.e. the municipality would be the borrower). We acknowledge that this is a substantial barrier to MHCs receiving this type of assistance.

The comment also references "set-asides". Technically speaking, set-asides are applicable to the Drinking Water State Revolving Loan Program and refer to the ability of state programs to allocate up to 31% of the annual capitalization grant (e.g. the General or Base Grant) to fund non-infrastructure activities that support compliance with the Safe Drinking Water Act. Section 6 of the Drinking Water Intended Use Plan identifies the range of programs and activities supported by set-aside use.

Under the Drinking Water Intended Use Plan, MHCs are treated the same as municipal borrowers in terms of prioritization and eligibility for additional subsidy in the form of principal forgiveness. Additionally, in terms of the 2025 Drinking Water Project Priority List, no MHCs requested construction funding. Projects may still seek planning and design funding and may receive principal forgiveness.

**Comment 2:** (Liz Curry, CommonLand Solutions) From a public reading the IUP perspective and the sources and uses table, it was confusing how your commitments exceed your available funding. So if there's any way to clarify that, I'm sure there's an explanation. It was on page 13.

**Response:** The final Intended Use Plans provide an expanded explanation for the basis of establishing our funding line. In short, in developing the Sources and Uses table, we reviewed the projects on the Priority List and identified projects that are likely to procure other funding, or are unlikely to meet readiness criteria in order to qualify for a loan under this years Intended Use Plans, and adjusted the funding line to account for these projects based on their low likelihood of actually using SRF funds. We note that the projects on the Priority List are not commitments, but rather anticipated commitments.

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## 13. Revisions to the Final Intended Use Plan

The following revisions were made relative to the draft Intended Use Plan.

The Sources and Uses tables were revised to include additional detail as requested by EPA.

Section 10.6 was updated to reflect the completion of EPA's 2024 Performance Evaluation Report.

Signage requirements were added to Section 8.2 regarding equivalency projects.

Priority List: Available funding for projects was revised based on updated information since the draft Priority List.

Priority List: Projects were identified as Continuing based on information available after release of the draft Priority List.

Section 8 was revised to indicate that projects seeking loan funds for planning must also be ranked and on the Priority List, in response to directions from US EPA.

Section 9.3.3.4. was added to allow for completion of the remaining Standby Power Initiative project.

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## 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 [2025 Priority List Application Form](#)



**DWSRF FFY 2025 Priority List - General (Base & Supplemental) updated 12/31/25**

|                                                                                                                                                   |       |                                      |            |                                                                                      |                     | General Principal Forgiveness |                 | Loan Terms <sup>1</sup> |         |
|---------------------------------------------------------------------------------------------------------------------------------------------------|-------|--------------------------------------|------------|--------------------------------------------------------------------------------------|---------------------|-------------------------------|-----------------|-------------------------|---------|
| PL App Score                                                                                                                                      | WSID  | Water System / Borrower <sup>2</sup> | User Popln | Project                                                                              | Loan Amount Request | Base Forgiven                 | Suppl. Forgiven | Years                   | Admin % |
| Continuing construction projects. Each has a loan agreement, or applied under an earlier list and the loan application is in review.              |       |                                      |            |                                                                                      |                     |                               |                 |                         |         |
| \$ amount listed if additional funds needed due to bid results, most are \$0 placeholders in case of unexpected overruns. Prior loan terms apply. |       |                                      |            |                                                                                      |                     |                               |                 |                         |         |
| 230                                                                                                                                               | 5116  | Enosburg Falls Village               | 1700       | Replace Upper Main St & Elm St mains                                                 | \$ 208,726          |                               | \$ 104,363      | 40                      | 0       |
| 220                                                                                                                                               | 21760 | Killington Town                      | 800 (est.) | Contract 5/6A Water Main                                                             | \$0                 |                               |                 |                         |         |
| 215                                                                                                                                               | 5315  | Bethel Town                          | 1929       | Phase 2 distribution system                                                          | \$0                 |                               |                 |                         |         |
| 205                                                                                                                                               | 5004  | Middlebury Town                      | 9379       | Chipman Hill Additional StorageTank                                                  | \$0                 |                               |                 |                         |         |
| 197                                                                                                                                               | 5120  | Franklin Town                        | 400        | New Well                                                                             | \$0                 |                               |                 |                         |         |
| 190                                                                                                                                               | 5126  | Richford Town                        | 3000       | Golf Course Rd water main and booster pump station                                   | \$0                 |                               |                 |                         |         |
| 185                                                                                                                                               | 20964 | South Alburgh FD2                    | 300        | Phase 2 distribution extension to areas with private wells or direct surface sources | \$ 4,259,000        |                               | \$ 2,129,500    | 40                      | 0       |
| 185                                                                                                                                               | 5469  | Shaftsbury Town                      | 950        | Phase 1 improvements                                                                 | \$ 320,000          |                               | \$ 160,000      | 40                      | 0       |
| 185                                                                                                                                               | 5218  | Fair Haven Town                      | 3076       | Washington, Main, & Prospect St Main Replacement                                     | \$0                 |                               |                 |                         |         |
| 180                                                                                                                                               | 5132  | Swanton Village                      | 4000       | Missisquoi River water main crossing                                                 | \$0                 |                               |                 |                         |         |
| 165                                                                                                                                               | 20562 | North Hero Town                      | 2750       | New storage tank                                                                     | \$0                 |                               |                 |                         |         |
| 165                                                                                                                                               | 5092  | Champlain Water District             | 81623      | SCADA upgrade                                                                        | \$0                 |                               |                 |                         |         |
| 155                                                                                                                                               | 5092  | Champlain Water District             | 81623      | South filtered water storage tank replacement                                        | \$0                 |                               |                 |                         |         |
| 145                                                                                                                                               | 5290  | Brattleboro Town                     | 12200      | Phase 1: Signal Hill pump station; generator; water mains                            | \$ 500,000          |                               | \$ 250,000      | 40                      | 0       |
| 115                                                                                                                                               | 5290  | Brattleboro Town                     | 12200      | Pleasant Valley redundant storage tank                                               | \$ 180,000          |                               | \$ 90,000       | 40                      | 0       |
| 107                                                                                                                                               | 5269  | Marshfield Village                   | 350        | Marshfield mains, service lines, and PRVs                                            | \$ 50,000           |                               | \$ 25,000       | 40                      | 0       |
| 87                                                                                                                                                | 20763 | St George Town Center                | 31         | Standby generator installation                                                       | \$ 87,520           | \$ 87,520                     |                 | 20                      | 0       |

| PL App Score                                                                                                            | WSID | Water System / Borrower         | User Popln | Project                                                               | Loan Amount Request | Base Forgiven | Suppl. Forgiven | Years | Admin % |
|-------------------------------------------------------------------------------------------------------------------------|------|---------------------------------|------------|-----------------------------------------------------------------------|---------------------|---------------|-----------------|-------|---------|
| Potential loans that submitted a priority list application or a planning/design loan application as of this IUP update. |      |                                 |            |                                                                       |                     |               |                 |       |         |
| 225                                                                                                                     | 5020 | Dorset FD1                      | 530        | New well and pump station                                             | \$ 1,000,000        |               |                 | 30    | 0       |
| 200                                                                                                                     | 5020 | Dorset FD1                      | 530        | Replace mains on Rt30 and Church St.                                  | \$ 2,000,000        |               |                 | 30    | 0       |
| 195                                                                                                                     | 5002 | Bristol Town                    | 2103       | West waterlines replacement                                           | \$ 3,670,591        |               |                 | 30    | 2       |
| 185                                                                                                                     | 5045 | St Johnsbury Town               | 5000       | Portland St main replacement                                          | \$ 0 <sup>3</sup>   |               |                 |       |         |
| 185                                                                                                                     | 5045 | St Johnsbury Town               | 5000       | Railroad St main replacement                                          | \$ 0 <sup>3</sup>   |               |                 |       |         |
| 185                                                                                                                     | 5105 | Brighton Town                   | 1200       | Source and treatment plant upgrades                                   | \$ 9,600,000        |               | \$ 4,800,000    | 40    | 0       |
| 180                                                                                                                     | 5298 | Bellows Falls Village           | 4000       | Kissell Hill & Colony Rd mains                                        | \$ 1,625,000        |               | \$ 812,500      | 40    | 0       |
| 180                                                                                                                     | 5045 | St Johnsbury Town               | 5000       | Bay St main                                                           | \$ 3,401,700        |               | \$ 1,700,850    | 40    | 0       |
| 170                                                                                                                     | 5277 | Plainfield Town                 | 985        | School St waterline replacement                                       | \$ 713,000          |               | \$ 356,500      | 40    | 0       |
| 170                                                                                                                     | 5227 | Poultney Village                | 2400       | Wheeler Ave new waterline & Norton Ave and Adams St main replacements | \$ 25,000           |               |                 | 5     | 0       |
| 167                                                                                                                     | 5010 | Vergennes-Panton Water District | 5100       | Replace Main St and Monkton Rd mains                                  | \$ 3,669,000        |               |                 | 30    | 0       |
| 165                                                                                                                     | 5117 | Fairfax Town                    | 1550       | Well and Tank Evaluation and Improvements                             | \$ 312,222          |               |                 | 5     | 0       |
| 162                                                                                                                     | 5154 | Hyde Park Village               | 462        | Storage Tank Replacement                                              | \$ 2,529,000        |               |                 | 30    | 0       |
| 160                                                                                                                     | 5039 | Hardwick Town                   | 1900       | Wolcott St Water Main                                                 | \$ 25,000           |               |                 | 5     | 0       |
| 160                                                                                                                     | 5323 | Ludlow Village                  | 2818       | Lower High Street main replacement                                    | \$ 35,000           |               |                 | 5     | 0       |
| 160                                                                                                                     | 5323 | Ludlow Village                  | 2818       | Pleasant Street Ext main replacement                                  | \$ 35,000           |               |                 | 5     | 0       |
| 160                                                                                                                     | 5087 | Shelburne Town                  | 5764       | Replace Rte 7 South main from Laplatte River to Bostwick Rd           | \$ 3,500,000        |               |                 | 30    | 2       |
| 155                                                                                                                     | 5150 | Jeffersonville Village          | 700        | Wellhouse for new source <sup>3</sup>                                 | \$ 100,000          |               |                 | 40    | 0       |
| 155                                                                                                                     | 5004 | Middlebury Town                 | 9379       | Exchange St waterline redundancy <sup>3</sup>                         | \$ 100,000          |               |                 | 30    | 2       |

| PL App Score | WSID  | Water System / Borrower      | User Popln | Project                                                                       | Loan Amount Request | Base Forgiven | Suppl. Forgiven | Years | Admin % |
|--------------|-------|------------------------------|------------|-------------------------------------------------------------------------------|---------------------|---------------|-----------------|-------|---------|
| 150          | 20562 | North Hero Town              | 2750       | Replace Rte 2 waterline                                                       | \$ 1,500,000        |               |                 | 30    | 0       |
| 145          | 5318  | Chester Town                 | 3200       | Wellhouse and source facilities                                               | \$ 1,000,000        |               |                 | 30    | 2       |
| 145          | 5004  | Middlebury Town              | 9379       | Foote St waterline <sup>3</sup>                                               | \$ 500,000          |               |                 | 30    | 2       |
| 145          | 5092  | Champlain Water District     | 81623      | Raw water parallel transmission main                                          | \$ 3,500,000        |               |                 | 30    | 2       |
| 140          | 5004  | Middlebury Town              | 9379       | Gorham Ln waterline replacement <sup>3</sup>                                  | \$ 55,000           |               |                 | 30    | 2       |
| 135          | 5016  | Bennington Town              | 13250      | Expansion in Monument Ave area due to PFAS in private wells (also on EC list) | \$ 7,437,243        |               |                 | 30    | 2       |
| 135          | 5087  | Shelburne Town               | 5764       | Meach Cove transmission main replacement                                      | \$ 650,000          |               |                 | 30    | 2       |
| 135          | 5004  | Middlebury Town              | 9379       | Additional well source                                                        | \$ 54,000           |               |                 | 5     | 0       |
| 132          | 5001  | Tri-Town Water District      | 3800       | Upgrades to treatment plant, pump station, and water mains                    | \$ 2,100,000        |               |                 | 30    | 2       |
| 130          | 5213  | Fort Warren MHP              | 129        | Storage tank, wellhouse, & standby power <sup>4</sup>                         | \$ 1,010,000        | tbd           |                 | 40    | 0       |
| 130          | 5053  | Burlington City              | 42000      | Finished reservoirs and pump station improvements                             | \$ 0 <sup>3</sup>   |               |                 |       |         |
| 127          | 5462  | Round Top Mountain POA       | 240        | Storage tanks, disinfection, booster station, and PRV vault                   | \$ 2,108,000        |               |                 | 30    | 2.75    |
| 125          | 5343  | Woodstock Town               | 2473       | Transmission main replacement                                                 | \$ 4,100,000        |               |                 | 30    | 0       |
| 125          | 5092  | Champlain Water District     | 81623      | Chemical building addition                                                    | \$ 0 <sup>3</sup>   |               |                 |       |         |
| 122          | 5262  | East Calais FD1              | 200        | Storage and chlorinator upgrade                                               | \$ 310,000          |               |                 | 30    | 2       |
| 120          | 5040  | Lyndonville / Town of Lyndon | 4500       | Passumpsic River waterline protection                                         | \$ 1,033,000        |               |                 | 30    | 2       |
| 115          | 5153  | Hyde Park FD1                | 275        | Replace hydropneumatic tank; New generator & booster pumps; other upgrades    | \$ 562,080          |               |                 | 30    | 2       |
| 115          | 21071 | North Ave Co-op / CDI        | 301        | Replace drinking water distribution system                                    | \$ 882,000          |               |                 | 30    | 1.5     |
| 107          | 21202 | Berlin Municipal             | 1819       | Scott Hill Loop main                                                          | \$ 4,947,700        |               |                 | 30    | 0       |
| 105          | 5130  | St Albans City               | 10200      | Aldis Hill storage tank rehabilitation                                        | \$ 1,052,100        |               | \$ 526,050      | 20    | 0       |

| PL App Score | WSID  | Water System / Borrower                | User Popln | Project                                                                     | Loan Amount Request | Base Forgiven | Suppl. Forgiven | Years | Admin % |
|--------------|-------|----------------------------------------|------------|-----------------------------------------------------------------------------|---------------------|---------------|-----------------|-------|---------|
| 100          | 5175  | Newbury Village                        | 480        | Replace undersized mains and improve storage tank cap <sup>3</sup>          | \$ 50,000           |               |                 | 40    | 0       |
| 95           | 21523 | Triangle Court / Triangle Coop         | 44         | New pumphouse and storage tank                                              | \$ 150,000          |               |                 | 5     | 0       |
| 95           | 20614 | Grand Isle Consolidated Water District | 1600       | Rte 2, East Shore, & Hyde Rd Area                                           | \$ 1,366,122        |               |                 | 30    | 2       |
| 90           | 5065  | Essex Town                             | 9734       | Fort Ethan Allen Mains Phase 1                                              | \$ 2,175,000        |               |                 | 30    | 2       |
| 90           | 5065  | Essex Town                             | 9734       | Fort Ethan Allen Mains Phase 2&3 <sup>3</sup>                               | \$ 350,000          |               |                 | 30    | 2       |
| 90           | 5040  | Lyndonville / Town of Lyndon           | 4500       | Valley Ln waterline replacement                                             | \$ 25,000           |               |                 | 5     | 0       |
| 90           | 5202  | Newport City                           | 4766       | Sias Ave main replacement                                                   | \$ 35,000           |               |                 | 5     | 0       |
| 90           | 5053  | Burlington City                        | 42000      | Interconnect Shelburne Rd & Main St                                         | \$ 1,900,000        |               |                 | 30    | 2       |
| 82           | 5262  | East Calais FD1                        | 200        | Route 14 waterline replacement                                              | \$ 25,200           |               |                 | 5     | 0       |
| 80           | 5212  | Castleton FD1                          | 1940       | Sand Hill Rd distribution pipe                                              | \$ 400,000          |               | \$ 200,000      | 40    | 0       |
| 77           | 5566  | Barre Town                             | 1638       | Barre Town & Websterville FD4 interconnection                               | \$ 275,000          |               |                 | 30    | 0       |
| 75           | 5319  | Hartford Town                          | 7600       | Nutt Lane Improvements                                                      | \$ 1,497,500        |               |                 | 30    | 2       |
| 75           | 5079  | Milton Town                            | 8000       | Flanders main replacement                                                   | \$ 295,700          |               |                 | 30    | 2       |
| 75           | 5130  | St Albans City                         | 10200      | Federal St waterline                                                        | \$ 270,000          | \$ 135,000    |                 | 40    | 0       |
| 75           | 5254  | Barre City                             | 14000      | Route 302 main replacement                                                  | \$ 0 <sup>3</sup>   |               |                 |       |         |
| 75           | 5229  | Rutland City                           | 18500      | Replace Center St & Wales St mains                                          | \$ 3,000,000        | \$ 1,500,000  |                 | 40    | 0       |
| 75           | 5053  | Burlington City                        | 42000      | Distribution rehabilitation multiple streets                                | \$ 7,500,000        |               |                 | 30    | 2       |
| 75           | 5053  | Burlington City                        | 42000      | Treatment plant generator, zebra mussel control, and clearwell improvements | \$ 1,500,000        |               |                 | 30    | 2       |
| 75           | 5225  | Pittsford Florence / Pittsford Town    | 1923       | US Rte 7 Segment 2 waterlines                                               | \$ 0 <sup>3</sup>   |               |                 |       |         |
| 75           | 5225  | Pittsford Florence / Pittsford Town    | 1923       | US Rte 7 Segment 3 waterlines                                               | \$ 0 <sup>3</sup>   |               |                 |       |         |

[illegible]

**DWSRF FFY 2025 Priority List - Service Line ID & Lead/Galvanized Component Replacement updated 12/20/25**

| Pts                                                                    | WSID | Water System     | User Popln | Project                            | Loan terms | Loan amount       | Loan forgiveness |
|------------------------------------------------------------------------|------|------------------|------------|------------------------------------|------------|-------------------|------------------|
| Continuing Construction Project (loan issued, additional funds needed) |      |                  |            |                                    |            |                   |                  |
| 245                                                                    | 5333 | Springfield Town | 9800       | Contract I - Clinton St, others    | 40y 0%     | \$6,605,000       | \$ 3,302,500     |
| New Projects                                                           |      |                  |            |                                    |            |                   |                  |
| 215                                                                    | 5333 | Springfield Town | 9800       | Contract J - Main St & River St    | 40y 0%     | \$ 0 <sup>1</sup> |                  |
| 105                                                                    | 5194 | Craftsbury FD2   | 420        | Service line identification        | 5y 0%      | \$ 104,098        | \$ 100,000       |
| 105                                                                    | 5229 | Rutland City     | 18500      | Service line identification cont'd | 5y 0%      | \$ 5,593,303      | \$ 2,796,652     |
| 90                                                                     | 5065 | Essex Town       | 9734       | Fort Ethan Allen Mains Phase 1     | 30y 2%     | \$ 300,000        | \$ 150,000       |
| 90                                                                     | 5065 | Essex Town       | 9734       | Fort Ethan Allen Mains Phase 2&3   | 30y 2%     | \$ 0 <sup>1</sup> |                  |
| Loan requests for lead estimated above:                                |      |                  |            |                                    |            | \$ 12,602,401     | \$ 6,349,152     |
| Total FFY 2022 LSLR\$ remaining for loans on 2025 IUP:                 |      |                  |            |                                    |            | \$ 12,053,756     | \$ 9,336,412     |
|                                                                        |      |                  |            |                                    |            | Loan amount       | Loan forgiveness |

Loan terms shown on priority lists are estimates. Loan terms are subject to change depending on detailed financial data at the time of loan application and the useful life of constructed assets. The split of costs between General and Lead is affected by EPA eligibility criteria. Some Construction Phase projects that applied so far have portions not eligible on this list that will be funded with General loan dollars and so they also appear on that Priority List.

<sup>1</sup> Eligible for priority list ranking, but unlikely to proceed to construction in 2025-2026 based on a review of information since the draft priority list.

**DWSRF FFY 2025 Priority List - Emerging Contaminants (PFAS)**

| <b>Points</b>                                                                                                                                                                        | <b>WSID</b> | <b>Water System</b> | <b>User<br/>Population</b> | <b>Project</b>                                                                    | <b>EC Loan<br/>(forgiven)</b> |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|---------------------|----------------------------|-----------------------------------------------------------------------------------|-------------------------------|
| <b>Continuing Construction Project. Applied under FFY 2024 list &amp; loan application in review, some of EC forgiveness from FFY 2025 and listed in case loan amendment needed.</b> |             |                     |                            |                                                                                   |                               |
| 220                                                                                                                                                                                  | 21760       | Killington Town     | 800 (est.)                 | New system - Contract 5 & 6A mains *                                              | \$ 789,709                    |
| <b>New Construction Projects</b>                                                                                                                                                     |             |                     |                            |                                                                                   |                               |
| 162                                                                                                                                                                                  | 5165        | Mountainside Resort | 240                        | Water supply replacement due to PFAS                                              | \$ 800,000                    |
| 135                                                                                                                                                                                  | 5016        | Bennington Town     | 13250                      | Expansion in Monument Ave area due to PFAS in private wells *                     | \$ 5,000,000                  |
| 135                                                                                                                                                                                  | 5016        | Bennington Town     | 13250                      | PER for potential extensions in multiple other areas with private wells with PFAS | \$ 185,000                    |
| <b>Sum above:</b>                                                                                                                                                                    |             |                     |                            |                                                                                   | <b>\$ 6,774,709</b>           |
| <b>Available for loans:</b>                                                                                                                                                          |             |                     |                            |                                                                                   | <b>\$ 6,774,709</b>           |

\* The largest projects are also funded with General loan dollars and also appear on that priority list.