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# FFY2026 DRAFT CWSRF& DWSRF INTENDED USE PLANS & PROJECT PRIORITY LISTS

AUGUST 19, 2026

 **VERMONT**  
**AGENCY OF NATURAL RESOURCES**  
Department of Environmental Conservation

# AGENDA

12:30 -1:30

Presentation On:

- Clean Water Intended Use Plan (IUP) and Priority List (PPL)
- Drinking Water IUP and PPL
- Questions at the end.
- Please sign in!

1:30 – 2:30

Public Comments on IUPs and Priority Lists

# INTENDED USE PLANS (IUP) TIMELINE

- Public comment deadline: August 25<sup>th</sup>, 2026
  - By email to [padraic.monks@vermont.gov](mailto:padraic.monks@vermont.gov) , or at this meeting.
- Final IUPs, including response to public comment: goal of early September
- Funds availability letters: One week following final IUP

# SRF PROGRAM UPDATES

- Bipartisan Infrastructure Law/ Infrastructure Investment and Jobs Act of 2021
  - Provided additional SRF Funding
  - This is the 5<sup>th</sup> and final year of these extra funding
    - 2027 returns to Base grant only
- CDS (Congressionally Directed Spending)
  - Reduced FFY26 SRF base grants
  - May affect next year's base grants

# SRF PROGRAM UPDATES

- Continued high level of demand and record loan volume
- May transfer up to \$50MM from DWSRF to CWSRF to meet demand and proportionally fund projects
- Bypass dates are moved up
  - Voter authorization and complete Step 3 Loan Application due May 1 (previously June 30)

# SRF PROGRAM UPDATES

- Subsidy (principal forgiveness) increase in CW
- Planning Loan Repayment Start Date
  - Draft IUP revises from 5 years to 3 years
  - EPA feedback suggest start date may need to be tied to deliverables (e.g. 12 or 18 months from PER submittal)
- Planning Loans on Priority List
  - Ongoing EPA feedback in both DW and CW

# SRF PROGRAM UPDATES

- Manufactured Housing Communities:
- Eligible systems qualify for 40-year repayment schedules, 0% administrative fees and 50% loan principal forgiveness
- Do not need to demonstrate conformance with income and household user cost requirements
- Must be a Non-profit or resident-owned mobile home park registered with Dept. Housing and Community Development

# CWSRF DRAFT IUP SUMMARY

# FFY2026 CWSRF FUNDING SOURCES

| Sources                                             | General       | General Supplemental | Emerging Contaminants, Incl. Reallotted Funds |
|-----------------------------------------------------|---------------|----------------------|-----------------------------------------------|
| FFY 26 CWSRF Capitalization Grant (after 604b),     | \$3,507,000   | \$12,094,000         | \$1,072,000                                   |
| State Match Needed FFY26 Grant                      | \$701,400     | \$2,418,800          | \$0                                           |
| FFY 25 Cap Grant Payments (4/1/26-4/30/26)          | \$3,023,500   | \$0                  | \$0                                           |
| FFY 25 Cap Grant Payments (7/1/26-6/30/27)          | \$6,917,500   | \$0                  | \$0                                           |
| Repayments (anticipated 4/1/26-6/30/26)             | \$3,191,600   | Included in General  | <u>N/A</u>                                    |
| Repayments (anticipated 7/1/26-6/30/27)             | \$9,908,375   | Included in General  | <u>N/A</u>                                    |
| Investment Interest (anticipated 4/1/26-6/30/26)    | \$1,200,000   | Included in General  |                                               |
| Investment Interest (anticipated 7/1/26-6/30/27)    | \$4,800,000   | Included in General  | <u>N/A</u>                                    |
| Available Funds (Unobligated funds as of 3/31/2026) | \$65,644,484  | Included in General  | \$143,438                                     |
| Transfer of Funds from DWSRF                        | \$50,000,000  | \$0                  | \$0                                           |
| Total                                               | \$148,893,419 | \$14,512,800         | \$1,215,438                                   |

# FFY2026/SFY2027 CWSRF DRAFT PROJECT PRIORITY LIST

| Grants                                                                        | \$ Available for<br>Loans | Total Funding<br>Request | Funding Surplus or<br>(Shortfall) |
|-------------------------------------------------------------------------------|---------------------------|--------------------------|-----------------------------------|
| General, General<br>Supplemental, and<br>Emerging<br>Contaminants<br>combined | \$78,844,873              | \$212,720,744            | (\$133,875,871)                   |

# CWSRF PROJECT RANKING

- **Environmental Protection Rule, Chapter 2**
  - Regulates Priority List Application Ranking
  - Priority Ranking Points
    - Based on 9 categories including Public Health, Water Quality, Affordability, and Project Readiness
    - Also Used for calculating Pollution Control Grant eligibility percentage
  - Results in Project Priority List
    - Identifies construction projects in fundable range

# CWSRF ADDITIONAL SUBSIDY AVAILABLE

| Grant                 | Additional Subsidy<br>Proposed | Eligibility Requirements<br>Per EPA Grant<br>Agreement |
|-----------------------|--------------------------------|--------------------------------------------------------|
| General               | \$350,700                      | No Restrictions                                        |
|                       | \$526,050                      | AC/603(i)*                                             |
| General Supplemental  | \$5,926,060                    | AC/603(i)                                              |
| Emerging Contaminants | \$1,072,000                    | No Restrictions                                        |

\*AC/603(i) = Recipients must meet the State's Affordability Criteria or projects must qualify under Section 603(i) of the Federal Clean Water Act.

# CWSRF PROPOSED SUBSIDY BY CATEGORY

| Grant                            | Initiative                            | Amount       | Subsidy Type    |
|----------------------------------|---------------------------------------|--------------|-----------------|
| General and General Supplemental |                                       |              |                 |
|                                  | Planning                              | \$846,410    | No restrictions |
|                                  | Planning, Construction and Floodplain | \$15,270,219 | AC/603(i)       |
| Emerging Contaminants            |                                       |              |                 |
|                                  | Planning and Construction             | \$1,184,131  | No restrictions |

\*AC/603(i) = Recipients must meet the State's Affordability Criteria or projects must qualify under Section 603(i) of the Federal Clean Water Act.

# CW PLANNING SUBSIDY

- **Planning (Preliminary Engineering, Design)**
  - General: 50% Subsidy up to \$150,00
  - Village Wastewater: 100% up to \$150,000
  - Emerging Contaminants: 100% up to \$150,000
  - Regional Septage Management: 100% up to \$150,000
  - Flood Resilience: 100% up to \$150,000

# FLOODPLAIN RESTORATION SUBSIDY

## For Floodplain Buyout and Restoration

- Up to \$250,000 per project
- Dependent on:
  - FEMA Funding Eligibility
  - In Manufactured Housing Community

# CW CONSTRUCTION SUBSIDY

## General and General Supplemental Grants

- 75% up to \$2,000,000 per project
- Must meet Affordability Criteria

## Emerging Contaminants Grant

- 100%
- Any eligible projects

# QUALIFYING FOR ADDITIONAL SUBSIDY

- Qualifying for subsidy
  - Municipalities Only
  - Subsidy is reserved for a project upon receipt of:
    - Funding Application
    - Qualifications Based Selection Process completed
    - Draft ESA submittal
    - Meeting readiness to proceed criteria
- Subsidy is not guaranteed until loan approval and issuance of an Authorized Letter of Funding.

# FUNDING FOR NATURAL INFRASTRUCTURE

## Traditional Loans

- For conservation and restoration

## Interim Finance

- \$2,000,000 Put-Aside

# WATER INFRASTRUCTURE SPONSORSHIP PROGRAM – WISPR

- Traditional municipal CWSRF projects “sponsor” a Natural Resource project
  - Additional 10% of loan value can be applied to a natural resource project.
  - Admin fee reduced such that repayment amount is no greater
  - Additional 0.1% administrative fee reduction

# CLEAN WATER READINESS TO PROCEED/ BYPASS CRITERIA DEADLINES

|                                                       |         |
|-------------------------------------------------------|---------|
| Submit complete Step II/Final Design Loan Application | 11/1/26 |
| Bond Vote Scheduled - copy of warning submitted       | 1/31/27 |
| Voter/board debt authorization                        | 5/1/27  |
| Submit Step III Funding Application                   | 5/1/27  |

# DWSRF DRAFT IUP SUMMARY

# FFY2026 DWSRF FUNDING SOURCES

| Sources                                            | General       | General Supplemental | Lead Service Lines | Emerging Contaminants* |
|----------------------------------------------------|---------------|----------------------|--------------------|------------------------|
| FFY26 DWSRF Capitalization Grant                   | \$3,842,000   | \$24,888,000         | 27,456,000         | \$7,670,000            |
| State Match Needed FFY26 Grant                     | \$768,400     | \$4,977,600          | N/A                | \$0                    |
| FFY 25 Cap Grant Payments (7/1/25-6/30/26)         | \$11,677,500  | **                   | N/A                | \$1,964,250            |
| Repayments (anticipated 7/1/26-6/30/27)            | \$7,406,341   | **                   | **                 | N/A                    |
| Interest*** (anticipated 7/1/26-6/30/27)           | \$3,600,000   | **                   | **                 | N/A                    |
| Available Funds (Unobligated funds as of 7/1/2026) | \$81,967,900  | **                   | \$6,886,366        | \$5,038,281            |
| <i>TOTAL</i>                                       | \$109,262,142 | \$29,865,600         | \$34,342,366       | \$14,672,531           |

# FFY2026 DWSRF DRAFT PROJECT PRIORITY LIST

| Grants                                                                        | \$ Available for<br>Loans | Total Funding<br>Request | Funding Surplus or<br>(Shortfall)                   |
|-------------------------------------------------------------------------------|---------------------------|--------------------------|-----------------------------------------------------|
| General, General<br>Supplemental, and<br>Emerging<br>Contaminants<br>combined | \$53,883,577              | \$112,031,954            | (\$58,148,377)                                      |
| Lead Service Line<br>Grant                                                    | \$28,943,745              | \$29,258,318             | N/A, can apply for<br>additional LSL Grant<br>Funds |

# DWSRF PROJECT RANKING

- **Guidance Document 2**
  - Priority Ranking Criteria
  - Calculates points based on 6 ranking categories, including:
    - Number of Service Connections
    - Affordability and Service Area
    - Deficiencies and Compliance

# DWSRF ADDITIONAL SUBSIDY SUMMARY

| 2026 Grant            | Subsidy Proposed | Eligibility Requirements<br>Per EPA Grant Agreement                                      |
|-----------------------|------------------|------------------------------------------------------------------------------------------|
| General               | \$ 538,880       | No Restrictions (Additional Subsidy)                                                     |
|                       | \$ 1,344,700     | Disadvantaged Communities                                                                |
| General Supplemental  | \$12,195,120     | Disadvantaged Communities                                                                |
| Emerging Contaminants | \$ 6,634,465     | At least 25% of subsidy to Disadvantaged Communities or systems serving < 25,000 persons |
| Lead Service Line     | \$13,453,440     | Disadvantaged Communities                                                                |

# DWSRF PROPOSED SUBSIDY BY CATEGORY

| Grant                 | Initiative                                        | Amount        |
|-----------------------|---------------------------------------------------|---------------|
| General               |                                                   |               |
|                       | Planning (Additional Subsidy)                     | \$ 1,424,003  |
|                       | Construction (Disadvantaged Subsidy)              | \$ 5,161,800  |
| General Supplemental  |                                                   |               |
|                       | Construction (Disadvantaged Subsidy):             | \$ 16,012,220 |
| Lead Service Lines    |                                                   |               |
|                       | Planning and Construction (Disadvantaged Subsidy) | \$ 18,051,071 |
| Emerging Contaminants |                                                   |               |
|                       | Planning and Construction (Additional Subsidy):   | \$ 6,664,465  |

# DW PLANNING SUBSIDY

- General and General Supplemental
  - 25% forgiveness up to \$100,000
- Lead Service Line
  - Planning: 100% forgiveness up to \$100,000, 50% over \$100,000
  - For Disadvantaged Communities
- Emerging Contaminants
  - 100% forgiveness

# DW CONSTRUCTION SUBSIDY

- General and General Supplemental
  - Disadvantaged communities: up to 50% subsidy
- Lead Service Lines
  - Disadvantaged communities: up to 50% subsidy
- Emerging Contaminants
  - 100% subsidy
  - \$5,000,000 cap

# DRINKING WATER READINESS TO PROCEED/ BYPASS CRITERIA DEADLINES

|                                                                   |         |
|-------------------------------------------------------------------|---------|
| Submit 90% design drawings to DWGPD (or have construction permit) | 12/1/26 |
| Submit a complete Environmental Information Document              | 1/1/27  |
| Bond Vote Scheduled - copy of warning submitted                   | 1/31/27 |
| Voter/board debt authorization                                    | 5/1/27  |
| Submit Step III Funding Application                               | 5/1/27  |

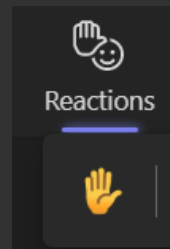
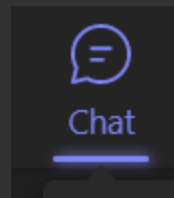
# LEAD SERVICE LINE GRANT EXPANDED ELIGIBILITY

- EPA Issued Expanded Eligibility Guidelines in 2025
  - Allows more project components to qualify for Lead Funding
- New Eligibility
  - If Mains + Connectors + Service Lines are an “Integrated Project” with substantial lead/galvanized removal the project may qualify
- Final year of Lead Service Line Grant
  - Contact DWSRF ASAP if you have potential projects
  - No funding line for Lead Service Line Grant

# QUESTIONS?

Questions, in this order:

- In-person
- Raised “hands” in Teams
- Teams chat



The presentation is being recorded and will be made available following the meeting.

# PUBLIC COMMENT ON DRINKING WATER SRF IUP CLEAN WATER SRF IUP

## · Public Comments

### How

- Today, verbally
  - Please sign in!
- In writing, through August 25, 2026
  - To [padraic.monks@vermont.gov](mailto:padraic.monks@vermont.gov)

\*If providing verbal comments it is helpful if you can let us know if they will also be in writing

### Response to Comments

- **The Department will respond to all comments in the final Intended Use Plans**