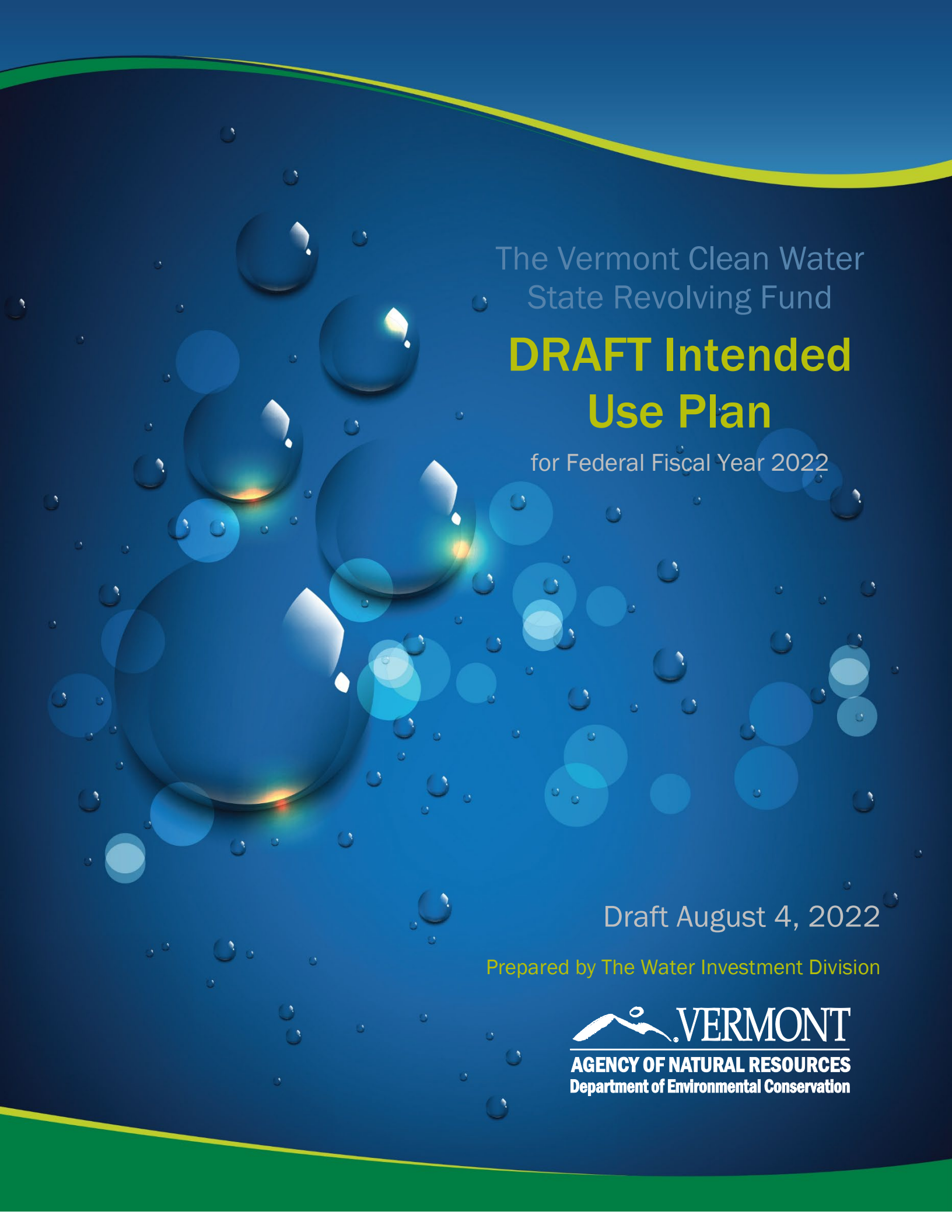

The Vermont Clean Water State Revolving Fund

DRAFT Intended Use Plan

for Federal Fiscal Year 2022

Draft August 4, 2022

Prepared by The Water Investment Division

VERMONT
AGENCY OF NATURAL RESOURCES
Department of Environmental Conservation

Contents

1. Executive Summary

Vermont sends to the U.S. Environmental Protection Agency (EPA), as part of its annual application for Clean Water Capitalization Grants under Title VI of the Water Quality Act of 1987 (the Act), a Clean Water Intended Use Plan (CWIUP) to meet the requirements of Section 606(c) of the Act and the Clean Water Capitalization Grant Agreement. This CWIUP covers the FFY 2022 base CWSRF grant, and the supplemental base and Clean Water Emerging Contaminants grants created by the Bipartisan Infrastructure Law of 2021. The CWIUP serves as the planning document to explain how each fiscal year's appropriation for the Vermont – EPA Clean Water State Revolving Fund (CWSRF) will be used.

Project priority points awarded in accordance with the Department's Municipal Pollution Control Priority System are listed on the SFY 2023 Pollution Control Project Priority List. Whether all construction projects ready to proceed in a particular year will be awarded grant and/or loan funds depends on the amount of funds allocated to the program by the Vermont legislature, the level of federal funding awarded through the federal capitalization grant for the Clean Water State/EPA Revolving Loan Fund (CWSRF), any carry forward from the prior fiscal year, and repayments and fund income received during the fiscal year. Planning projects are not funded in order of their priority, but rather at a rate necessary to bring sufficient projects to the implementation phase to use all the anticipated grant and loan funds each year.

Appearance of projects on the Project Priority List (PPL) indicates eligibility for funding assuming all other requirements are met. The dollar amounts may change from those listed as project cost changes affect the pro-rating of available grant and loan amounts.

1.1. Bipartisan Infrastructure Law (BIL), BABAA

The Bipartisan Infrastructure Law (BIL), also known as the Infrastructure Investment and Jobs Act (IIJA), passed November 15, 2021, provides two new SRF grants: the General Supplemental, and the Emerging Contaminants grants, to augment the existing General grant. These BIL grants will continue annually over the next five years. In addition to providing additional funding for Vermont, these grants include significant requirements related to ensuring that communities that meet the State's affordability criteria benefit from the new funds, including a requirement for 49% of General Supplemental funds to be provided in the form of loan forgiveness. Relatedly, BIL creates new CWSRF technical assistance funds (2% of the grants) to enhance or build programs that proactively identify, reach out to, and provide assistance to publicly owned treatment works, particularly in disadvantaged communities.

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

1.2 Other State Grants

The Priority List (PPL) under the Municipal Pollution Control Priority System Rule is also used to rank projects for the Vermont Pollution Control Grants. This year and the past year, the CWIUP is also being used to rank projects for two ARPA state programs: the ARPA Combined Sewer Overflow Elimination and Abatement Program and the Village Wastewater Water Initiative. Coordination of these funding sources with the CWSRF is important for setting the CWSRF funding forecast on the PPL.

1.3 Other Federal Grants

Vermont is applying for its first Overflow Sewer Grants (OSG), from federal fiscal years 2020 and 2021. The CWIUP is being used for priority and ranking of the OSG awards. Since the project type is similar to the ARPA CSO Grants awards, the two awards were considered together. Notably OSG has a Green Project Reserve (GPR) requirement that affects qualifying project types for priority awards.

2. CWSRF Mission and Program Goals

2.1. Mission of Vermont CWSRF:

To ensure the fund operates in perpetuity and provides continuing financial assistance to Vermont municipalities and eligible private entities for clean water project need, including traditional, green, and natural infrastructure, and to effectively align the CWSRF with other state and federal funding sources to support clean water projects.

2.2. Long Term Goals:

1. Implement the Bipartisan Infrastructure Law's goal of increasing investment in disadvantaged communities by ensuring subsidy is directed to communities meeting the SRF Program's affordability criteria, and by engaging in a multi-year sustained effort to increase our capacity to target assistance to disadvantaged communities.
2. To provide financial assistance to Vermont municipalities to fund the completion of all known enforceable requirements of the Act.
3. Promote initiatives that will address systemic environmental justice by prioritizing incentives to projects that will ensure equitable access to clean water benefits.
4. Promote sustainable infrastructure by encouraging the development and implementation of fiscal sustainability plans, asset management programs and other strategies that support municipal affordability.
5. Utilization of the additional subsidy provisions and other allowable financial tools to support Vermont's clean water goals by incentivizing high priority projects while continually actively reviewing long term financial implications to ensure fund sustainability.
6. To provide funding assistance to municipalities and eligible private entities seeking to

comply with stormwater or wastewater Total Maximum Daily Load (TMDL) or other permit requirements.

7. Promote environmental sustainability, climate change adaptation and resiliency in program incentives and priorities.
8. Continue investment in traditional stormwater and wastewater infrastructure to increase resiliency and reliability, to meet increased demand for collection, treatment, and disposal, and to meet environmental and water quality requirements and goals.
9. Utilize available program eligibilities to invest in natural resource projects to cost-effectively address clean water challenges.
10. Periodically review and create any needed guidance documents or policies to ensure programmatic compliance and assistance to borrowers.

2.3. Short Term Goals

1. Provide incentives that promote municipal affordability including the Lake Champlain Affordability Program which provides special rates and additional subsidy provisions for TMDL projects that would otherwise result in high user rates. Create additional subsidy opportunities for communities meeting the program's affordability criteria.
2. Support the Village Wastewater Initiative by providing additional subsidy provisions for small, unsewered communities throughout Vermont.
3. Create funding opportunities for economically disadvantaged manufactured home communities with water infrastructure needs.
4. Provide funding opportunities to support Stormwater General Permit 3-9050, also known as the "3-Acre Stormwater Permit".
5. Create funding mechanisms that support investment in natural resource projects such as WISPr, Natural Infrastructure Bridge Loans, or loan forgiveness for Agency priority water quality projects.
6. Provide low interest and additionally subsidized loans for planning activities to support project development that lead to construction projects.
7. Engage communities and other stakeholders in an evaluation of the Department's Affordability Criteria and Priority Ranking Criteria, and maximize use of Technical Assistance Funds, to increase investment to disadvantaged communities.

3. State Pollution Control and ARPA Grant Eligibility

3.1. Pollution Control Grants

State Pollution Control (PC) grants may be available for certain projects in addition to CWSRF loans. PC Grants amounts are established through a set of public health, environmental, and affordability-based criteria that are used to determine state grant funding up to a maximum of 35% of eligible cost.

The funding source for these grants is appropriated at the discretion of the legislature and cannot be guaranteed by the program. If sufficient state capital funds cannot be secured to meet full grant eligibility, other funds may be provided to offset the shortfall in grant dollars, such as a CWSRF loan.

The Engineering Planning Advance Program will reserve up to 20% of the Pollution Control Grant allocation, which may be used for engineering planning advances (EPAs). For the first 10 months of the fiscal year, the EPA allocation will be reserved for planning for Vermont's unsewered villages. Additionally, up to 10% of the Pollution Control Grant allocation may be used for regional engineering planning advances (REPAs) also for the first ten months of the fiscal year.

3.2. State ARPA Combined Sewer Overflow (CSO) Elimination and Abatement Program Grant Eligibility

Combined Sewer Overflows (CSOs) are a public health risk and environmental concern. Eliminating discharges will improve the water quality of streams and lakes. Governor Scott worked with the Vermont General Assembly to appropriate an initial $10 million to support implementation and staffing of these projects in State Fiscal Year 2022. The legislature appropriated an additional $20M in SFY 23.

CSOs are overflow points in combined sewer systems that are designed to carry both stormwater and wastewater when the conveyance network exceeds capacity. Sanitary sewer overflows (SSOs) are overflow points in separated sewer systems that experience high rates of inflow and infiltration that result in overflows during large storm events. Both CSOs and SSOs are eligible for this funding.

The Vermont Department of Environmental Conservation will issue ARPA CSO grants to municipalities to accelerate CSO abatement or elimination projects, allowing these projects to progress on a faster schedule and with more affordability to the ratepayers. The Department of Environmental Conservation has reached out to eligible municipalities to encourage them to apply for the Project Priority List (PPL).

Projects considered for ARPA support must be proposed in conjunction with the State's PPL and IUP process. Municipalities with existing CSOs and municipalities where CSOs have been partially abated and additional abatement work remains are eligible for funding. These grants will complement existing local and state funding sources.

Qualifying projects must be in communities that have an administrative order or NPDES permit that identifies CSO or SSO discharge point(s), and projects must contribute towards CSO or SSO abatement or elimination.

Qualifying CSO and SSO projects that submitted a PPL application were considered for funding as follows:

1. Projects were ranked under the Project Priority System with proposed schedules analyzed. Projects proposed after the ARPA eligibility period were eliminated from consideration.

2. Project costs with funding commitments from other funders were considered and removed from the CSO ARPA eligible project costs.
3. Additional data was considered for equity and efficacy purposes including:
    a. Median Household Income
    b. Affordability of existing user rates
    c. Number of Overflow Events Reported to DEC in the last 5 years
    d. Number of Overflow Outlets in each town
    e. Cost efficiency of the project expressed as cost/annual overflow prevented
    f. FY 2022 ARPA CSO Grants previously awarded
4. The following funding formula will be used to establish the ARPA CSO grant amount for eligible projects: (Municipality's % of total ARPA CSO Need * MHI Adjustment)*FY2023 ARPA CSO Allocation = Municipality's ARPA CSO Grant Allocation
5. Additionally, there is an 80% cap on the estimated project costs. The 20% local share may be from local funds or a CWSRF loan
6. Recipients may use the ARPA CSO awards towards any ARPA CSO eligible costs related to any of the projects that they requested funding for during this IUP process.
7. Should any ARPA CSO grant funds be declined or returned, they shall be redistributed to the other CSO communities that have not reached the eligibility cap.
8. Grant award documents will establish milestone dates to ensure that dollars become available for reallocation should a project not progress timely to meet the ARPA expenditure deadline.
9. All ARPA CSO grant funds must be fully expended prior to end of calendar year 2026.
10. Eligible costs are limited to overflow abatement correction costs.

3.2.1. State CSO ARPA Grant Allocation

The information below provides preliminary notification of proposed American Rescue Plan Act award amounts based on the criteria in Section 3.2, above, for municipalities seeking support for combined sewer overflow projects. Municipalities should note that these values are subject to approval by the Vermont Agency of Administration pursuant to the Vermont's State Fiscal Recovery Process and Guidance. The intent of the Water Infrastructure Finance Program is to confirm these award values with Agency of Administration upon issuance of this Draft Intended Use Plan.

SFY 23 CSO ARPA PROJECT PRIORITY LIST AND OSG PROGRAM ALLOCATION BY PROJECT					
Town	Project Name	Reported ARPA Need	2022 ARPA Appropriation	2023 ARPA Appropriation*	OSG Program Allocation
Burlington	Old North End CSO GSI	$ 1,105,931.33	$ -	$ 3,279,465.15	$ 84,250.00
Burlington	Pine Street CSO Storage Tank	$ 4,692,000.00	$ 14,975.00	$ -	$ -
Burlington	Wastewater Treatment Facility Improvements "Phase 2"	$ 12,465,749.00	$ -	$ -	$ -
Enosburg	Elm Street Sewer and Water Improvements	$ 220,000.00	$ -	$ 760,000.00	$ -
Enosburg	Off-Line Storage Tank Phase II	$ 820,000.00	$ -	$ -	$ -
Hartford	Catch Basin Disconnections and Green Stormwater Infrastructure	$ 285,000.00	$ -	$ 200,000.00	$ -
Middlebury	South Street Reconstruction Phase Two - North Section	$ 893,000.00	$ -	$ 664,000.00	$ -
Montpelier	State Street Sewer and Drainage Design	$ 882,100.00	$ -	$ 531,938.11	$ -
Montpelier	East State Street Reconstruction Project - Contract #1	$ 1,629,156.00	$ 1,419,000.00	$ -	$ -
Newport	Gardner Park Interceptor Sewer	$ 800,000.00	$ -	$ 784,000.00	$ -
Newport	Bluff Road Pump Station	$ 250,000.00	$ -	$ -	$ -
Northfield**	South Main Street Area CSO	$ 1,400,000.00	$ 1,319,157.00	$ -	$ -
Rutland	CSO Check Valves	$ 520,000.00	$ -	$ 7,201,016.66	$ 323,520.00
Rutland	River Street Pump Station Improvements	$ 640,000.00	$ -	$ -	$ -
Rutland	Vernon Street Sewer Separation	$ 3,245,000.00	$ -	$ -	$ -
Rutland	Connor Park Phase 1	$ 7,700,000.00	$ -	$ -	$ -
Rutland	South Main Street Separation	$ 1,090,000.00	$ -	$ -	$ -
St Albans	Federal Street CSO Separation	$ 1,585,000.00	$ -	$ 3,109,795.27	$ -
St Albans	CSO Off-Line Storage	$ 2,730,000.00	$ -	$ -	$ -
St Johnsbury**	Pleasant & Gilman	$ 8,858,174.14	$ 3,374,457.00	$ 1,797,616.88	$ -
St Johnsbury	St Mary Street CSO Separation	$ 490,000.00	$ 490,000.00	$ -	$ -
St Johnsbury	Railroad Street Water, Sewer and Storm Improvements	$ 1,179,600.00	$ -	$ -	$ -
St Johnsbury	Portland Street Water, Sewer and Storm Improvements	$ 1,607,030.00	$ -	$ -	$ -
Vergennes	WWTF Hydraulic Upgrade	$ 5,937,000.00	$ -	$ 1,122,578.94	$ -
Vergennes	MacDonough Drive Pump Station Improvements	$ 3,794,000.00	$ 182,000.00	$ -	$ -
Vergennes	MacDonough Drive PS Force Main Improvements	$ 3,268,000.00	$ 3,000,000.00	$ -	$ -
Vergennes	Downtown Sewer Improvements	$ 956,000.00	$ -	$ -	$ -
Vergennes	Green and Maple Street Sewer Improvements	$ 1,272,000.00	$ -	$ -	$ -
Vergennes	MacDonough Drive Sewer Improvements	$ 846,000.00	$ -	$ -	$ -
Vergennes	North Main Street Sewer Improvements	$ 1,007,000.00	$ -	$ -	$ -
Totals				$ 19,450,411.00	$ 407,770.00
*Values may be applied to more than one project					
**Projects not on SFY2023 PPL, included here to show 2022 CSO ARPA Grant					

*$20,000,000 ARPA Allocation Total adjusted for SRF Program staff Admin Costs through SFY 2025.

The above table outlines 2023 CSO ARPA Grant Amount per municipality using an analysis based on the criteria and formula described above.

Additionally, Rutland was selected and will be offered the Vermont allocation for the Sewer Overflow and Stormwater Reuse Municipal Grants Program (this may be referred to as the Overflow and Stormwater Grant Program or OSG Program). A portion of OSG funding is required to go to Green Project Reserve qualifying projects. This portion of the award will be offered to the City of Burlington. The OSG Program allocation offset a portion of the ARPA CSO Grant and this amount was distributed among the remaining CSO communities. The required 20% State match for the OSG Program will be used for a 2023 PC Grant eligible CSO project.

Projects are encouraged to seek co-funding from CWSRF and DWSRF where applicable. Only eligible projects costs can receive awards.

3.3. State Village Wastewater and Drinking Water ARPA Grant Eligibility

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

However, $36.2 million in ARPA funding is now available to help municipalities develop new public drinking water systems and community wastewater disposal systems where this

critical infrastructure is lacking. This grant funding is intended to help bridge the affordability gap, protect public health, increase affordable housing, support economic development, and incentivize compact growth in Vermont's designated villages and neighborhoods.

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

The funding goal is to support up to 10 decentralized community wastewater solutions and/or public municipal water systems. Projects in designated villages centers and designated neighborhoods, as ranked by the Priority System of the relevant Clean Water and Drinking Water State Revolving Funds Intended Use Plan (IUP) and which propose projects consistent with the funding bill appropriation language are eligible for funding. Vermont's Village Wastewater Initiative team will contact eligible municipalities to provide more information about this funding opportunity.

Projects on the PPL in the fundable range will be contacted for a Project Cost Summary for a formal line by line eligibility determination of project elements. Projects are encouraged to seek co-funding from CWSRF, DWSRF, and other funders where applicable. Only eligible project costs can receive awards. Where a project's eligible costs under this grant are less than the amount of funds reserved on the PPL, any excess funds shall pass to the next ranked community. See the Village ARPA PPL at the end of this document.

No Village ARPA grant will be for 100% of the capital cost of the project as suggested by the funding list. Notably, the users of each new utility will be anticipated to be paying a utility bill with a rate that is in the affordable range of 1%-2% of Median Household Income for the Service Area. Village ARPA Grants are also limited to 90% of the capital costs, though for projects in service areas with an MHI below the statewide average MHI, the 10% cost share may be prorated by the percentage of local MHI to the statewide average MHI. No SFY 23 ARPA grant may exceed: $3.9M.

3.3.1. State ARPA Village Wastewater and Drinking Water Grant Allocation

The information below provides preliminary notification of proposed American Rescue Plan Act award amounts, for municipalities seeking support for Village Wastewater and Water. Municipalities should note that these values are subject to approval by the Vermont Agency of Administration pursuant to the Vermont's State Fiscal Recovery Process and Guidance. The intent of the Water Investment Division is to confirm these award values with Agency of Administration upon issuance of this Draft Intended Use Plan.

ARPA Village Wastewater and Drinking Water Grant Allocation Table

PPL Point	Project Name	Reported ARPA Need	Awards in Process ARPA SFY 22	Potential ARPA SFY 23	SFY 24	SFY 25
81	Town of Montgomery Center & Village New Wastewater Facility	$507,107.00	$ 507,107	$ 2,217,000.00		
77	South Londonderry Village Community Wastewater System	$4,875,000.00	*$ 41,000*	*$ 3,968,331.45*		
68	Grafton Village Wastewater Project	$6,560,246.00	$ -	*$ 3,968,331.45*		
68	Greensboro Village Wastewater	$8,125,000.00	$ -	*$ 3,968,331.45*	X	
64	North Londonderry Village Community Wastewater System	$4,875,000.00	*$ 41,000*	*$ 3,968,331.45*		
62	Wolcott Village Decentralized Wastewater Project	$2,700,000.00	$ -	*$ 2,565,000.00*	X	
61	Highgate Community Wastewater	$1,457,718.75	*$ 1,285,000*	*$172,718.75*		
60	*Moretown Village Community Wastewater **	$3,500,000.00	$ -	*$ 3,325,000.00*	X	
59	West Burke Village Community Wastewater	$10,222,400.00	*$ 50,000*	*$ 3,968,331.45*	X	
56	Westford Community Wastewater System	$2,377,136.00	$ 2,377,136			
53.8%	**Killington DW System**	$2,300,000.00	*$ 2,300,000*	$ -		
41	St. Albans Bay Village Wastewater *, **	$15,000,000.00	$ -			X
31	*Berlin Crosstown Village, Sewer Extension**	$390,780.00	$ -			
30	Riverton Village Center Community Wastewater Project	$665,300.00	$ -			
15	South Hero Community Wastewater	$1,541,980.00	$ -	*$ 1,464,881.00*	X	
1	Huntington Lower Village Wastewater	$0.00	$ -			
1	Waitsfield Wastewater Feasibility Study	$0.00	$ -			
	Subtotal Projects Requesting Funding		**$ 6,601,243.00**	**$ 29,586,257.00**		
	Funding Cap		**$ 2,377,136.00**	**$ 3,968,331.45**		
	Total Village ARPA Funding Need					
	Funding By Others					
	Appropriated Village ARPA Funding		$ 8,000,000.00	$ 29,961,257.00		
	Village ARPA Operations		$ 187,500.00	$ 375,000.00		
	Remaining Funding		$ 1,211,257.00	$ -		

4. CWSRF Administration

Municipal CWSRF construction loans are currently issued at a 0% interest rate with an administrative fee of 2%. Private entity CWSRF construction loans have been revised per concurrence with the Treasurer's Office at 0% interest rate with an administrative fee of 2.75%, except when specific initiatives have an alternative rate as outlined in this IUP. Additionally, Brownfield Economic Revitalization Alliance (BERA) construction projects will be issued at a 0% interest rate with an administrative fee of 2.25%.

Fee proceeds are deposited into a dedicated account separate from the CWSRF account, referred to as the administrative account. Historically, the program has described the fees as program income, but has tracked this fee income as either program or non-program income. The SRF program has detailed funds separately, to allow non-program income to be used for a broader array of CWA 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 CWSRF program including staff salaries for financial, project development and engineering staff. Additionally, they have been used to fund costs associated with underwriting of loans and software support. The program reserves the right to use these funds for any eligible use of the fees as fund needs develop over the year.

4.1. Reallocated Funds between CWSRF and DWSRF

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

DWSRF to the CWSRF or an equivalent amount from the CWSRF to the DWSRF for each open grant. This transfer is at the Governor's discretion. The program reserves the right to reserve this amount for future need.

In the event funds are reallocated from the DWSRF to the CWSRF, or vice versa, or additional federal funds are made available beyond the anticipated amount, Vermont will advance these funds to the appropriate projects in accordance with this Intended Use Plan, and the Municipal Pollution Control Priority System.

5. CWSRF Capitalization Grants FFY 2022

Vermont will receive three Federal fiscal year 2022 capitalization grants as a result of the Bipartisan Infrastructure Law (BIL).

- The CWSRF General grant is anticipated to be $5,681,000 after allocating $57,000 for the federal 604b program.
- The CWSRF General Supplemental grant is $8,738,000, after allocating $88,000 for 604b.
- The CWSRF Emerging Contaminants Supplemental grant is $459,000 after allocating $5,000 for 604b.

The required match for the FFY22 grants is as follows:

- $1,136,200 for the CWSRF General (20% of grant)
- $873,800 for the CWSRF General Supplemental (10% of grant)
- $0 for the CWSRF Emerging Contaminants (no match requirement)

The match funds will be available beginning July 2022. These funds are included in Act 180 (H.739) Capital Budget Adjustment Act of 2022.

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**	**Emerging Contaminants**

CWSRF Capitalization Grant (after 604b)	$5,681,100	$8,738,000	$459,000
State Match Needed FFY22 Grant	$1,136,200	$873,800	$0
Repayments (anticipated 7/1/22-6/30/23)	$17,472,522	$0	$0
Interest (anticipated 7/1/22-6/30/23)	$40,000	$0	$0
Carry-Forward (anticipated)	$56,568,426	$0	$0
TOTAL	**$80,898,148**	**$9,611,800**	**$459,000**

Uses	**General**	**General Supplemental**	**Emerging Contaminants**
Anticipated Commitments	$79,557,288	$9,087,520	$431,460
3 Acre Stormwater Linked Deposit Investment	$1,000,000		
Administrative (Max 4%)	$227,240	$349,520	$18,360
Technical Assistance (Max 2%)	$113,620	$174,760	$9,180
TOTAL	***$80,898,148***	***$9,611,800***	***$459,000***

The State matching funds will be deposited into the CWSRF prior to the quarter when federal funds are requested. Within one year after the receipt of each quarterly grant payment, the CWSRF Program will make binding commitments in an amount equal to the 120 percent of the General Grant, 110 percent of the General Supplemental Grant, and 100 percent of the Emerging Contaminant Grant quarterly payments. All funds shall be expended in a timely and expeditious manner.

The schedule for entering into binding commitments and timing of cash draws is contained in the grant application submitted to EPA. The CWSRF 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.

5.1. EPA Federal Fiscal Year Payment Schedule

SRF General

Payment No.	Quarter	Date	Federal Amount	State Amount
1	2023-1	10/1/2022-12/31/2022	$2,153,324	$430,665
2	2023-2	1/1/2023-3/31/2023	$947,254	$189,451
3	2023-3	4/1/2023-6/30/2023	$947,254	$189,451
4	2024-4	7/1/2024-9/30/2024	$1,633,168	$326,634
Total			$5,681,000	$1,136,200

SRF General Supplemental

Payment No.	Quarter	Date	Federal Amount	State Amount
1	2023-1	10/1/2022-12/31/2022	$3,312,048	$331,205
2	2023-2	1/1/2023-3/31/2023	$1,456,981	$145,698
3	2023-3	4/1/2023-6/30/2023	$1,456,981	$145,698
4	2024-4	7/1/2024-9/30/2024	$2,511,990	$251,199
Total			$8,738,000	$873,800

SRF Emerging Contaminants

Payment No.	Quarter	Date	Federal Amount	State Amount
1	2023-1	10/1/2022-12/31/2022	$173,979	$-
2	2023-2	1/1/2023-3/31/2023	$76,534	$-
3	2023-3	4/1/2023-6/30/2023	$76,534	$-
4	2024-4	7/1/2024-9/30/2024	$131,953	$-
Total			$459,000	$-

5.2. EPA Estimated Disbursement Schedule

Disbursement Quarter/$	CWSRF General	CWSRF Gen. Supplemental	CWSRF Emerg. Contam.
1QFFY2023	$454,480	$ 699,040	$36,720
2QFFY2023	$454,480	$ 699,040	$36,720
3QFFY2023	$454,480	$ 699,040	$36,720

4QFFY2023	$227,240	$ 349,520	$18,360
1QFFY2024	$795,340	$ 1,223,320	$64,260
2QFFY2024	$795,340	$ 1,223,320	$64,260
3QFFY2024	$852,150	$ 1,310,700	$68,850
4QFFY2024	$1,647,490	$ 2,534,020	$133,110
Total	$5,681,000	$8,738,000	$459,000

6. Project Funding and Use of Technical Assistance Funds

Projects Anticipated to Receive FFY 2022 CWSRF available Funds
(Award of FFY 2022 Funds are anticipated to be made during SFY 2023)

6.1. CWSRF General

Project /Activity	Total Project Cost	SRF State Match	Federal Share FFY 2022 Funds
See SFY 2023 Priority List Attached	$6,408,168	$1,068,028	$5,340,140
Vermont Administrative Expense	$272,688	$45,448	$227,240
Technical Assistance	$136,344	$22,724	$113,620
Total	$6,817,200	$1,136,200	$5,681,000

6.2.CWSRF General Supplemental

Project /Activity	Total Project Cost	SRF State Match	Federal Share FFY 2022 Funds
See SFY 2023 Priority List Attached	$9,035,092	$821,372	$8,213,720
Vermont Administrative Expense	$384,472	$34,952	$349,520
Technical Assistance	$192,236	$17,476	$174,760
Total	$9,611,800	$873,800	$8,738,000

6.3. CWSRF Emerging Contaminants

Project /Activity	Total Project Cost	SRF State Match	Federal Share FFY 2022 Funds
See SFY 2023 Priority List Attached	$431,460	$0	$431,460
Vermont Administrative Expense	$18,360	$0	$18,360
Technical Assistance	$9,180	$0	$9,180
Total	$459,000	$0	$459,000

Detailed project information is included in the attached Municipal Pollution Control Projects Priority Lists for state fiscal year 2023. The state anticipates disbursement of its state match prior to federal disbursements. For this reason, the Vermont will not be required to disburse with a cash draw ratio.

6.4. Use of Technical Assistance Funds (2%)

The Department intends to use the 2% technical assistance funds to contract with entities with the relevant expertise to identify and conduct proactive outreach to, and facilitate applications from, disadvantaged communities previously unable to begin or complete SRF funding requirements.

6.5. Future Program Impact

The proposed method and financial terms for distributing project funds presented in this IUP should have a positive impact on the long-term financial status of the CWSRF while accounting for loan subsidy. Principal payments on loans plus the interest earnings on the fund balance are deposited into the CWSRF and made available for future clean water projects. Lending procedures used by the Vermont Bond Bank (VBB) for municipal loans and the Vermont Economic Development Authority (VEDA) for loans to private entities include safeguards structured to minimize unforeseen losses to the fund. Additionally, the placement of the CWSRF within the financial structure of the VBB guarantees that the Program will benefit in the long-term from the management and financial planning expertise of this organization.

7. Criteria and Method for Distribution of Funds

The Vermont General Assembly enacted Act 75 creating 24 V.S.A. Chapter 120 in the 1987 legislative session, which established Vermont's CWSRF and set out certain priority criteria for the purpose of ranking prospective projects. The Municipal Pollution Control Priority System rule incorporates those criteria in addition to criteria required in federal construction grant regulations 40 CFR Section 35.915.

The Vermont CWSRF initiated operations in fiscal year 1989 and all initial financial assistance activities of the CWSRF have been in the form of loans. Loans will continue to be made in accordance with a project's priority list ranking as noted on the Priority List that is established annually through the Municipal Pollution Control Priority System.

The Pollution Control Project Planning List is intended to show anticipated construction and planning projects for the immediate five-year period, inclusive of state fiscal year 2023. Although we anticipate a large volume of projects and requests for funds in state fiscal years 2023 to 2027, the fund will likely support the need.

Although the CWSRF may be used for the refinancing of local debt obligations incurred after March 7, 1985, Vermont has not used the fund in this way, and may provide such funding if the balance remains underutilized and there is compelling justification of a public benefit to be secured.

Environmental benefits will be reported at least quarterly for every loan transaction using the EPA Office of Water SRF reporting system (OWSRF). This information is now being automatically reported via a data push from an internal database to the OWSRF reporting website. The OWSRF replaced the Clean Water Benefits Reporting (CBR) federal on-line reporting system in 2022. Reporting to FFATA and NIMS will also be completed.

Equivalency will be applied to qualifying wastewater treatment works projects. Except for specifically designated projects, all projects receiving federal funds will be required to comply with the requirements of the federal Single Audit Act, Fiscal Sustainability Plans (FSP), and Qualifications Based Selection (QBS). Except for specifically designated non-treatment works projects, all projects must comply with a NEPA like review, DBE reporting, Davis-Bacon, American Iron and Steel, Build America Buy America, and other required federal crosscutters, as applicable.

Vermont's CWSRF continues to maintain its, Repayment Start Date, Emergency Bypass Policy, and Green SW Definition Policy.

8. Additional Subsidy

8.1. Subsidy Definition

The term "subsidy" refers to forgiveness of loan principal. All subsidy is offered only for municipal or municipally-sponsored projects and is offered on a first come, first-served basis. Eligibility requirements are discussed in "Requirements to Secure Additional Subsidy", below.

The following sections describe the amount of available subsidy and a description of the eligible categories.

8.2. 2022 Subsidy Amounts

Subsidy amounts are stipulated per federal law and the Capitalization Grant agreements with EPA. The specific amounts of proposed subsidy are described below.

8.2.1. General Grant

General Grant: an amount equal to 10% of the grant must be provided as subsidy to eligible recipients. Additionally, the State must use at least 10% but no more than 30% of the grant to provide additional subsidy to recipients that meet the state's affordability criteria or project types as described in section 603(i) of the CWA. The program intends to utilize up to the maximum allowed additional subsidy (i.e., 40%) in this current IUP.

8.2.2. General Supplemental Grant

Per the Bipartisan Infrastructure Law, an amount equal to 49% of the grant shall be provided as subsidy to recipients that meet the state's affordability criteria or project types as described in section 603(i) of the CWA.

8.2.3. Emerging Contaminants Grant

Per the Bipartisan Infrastructure Law, an amount equal to 100% of the grant, net administrative and technical assistance deductions, shall be provided as subsidy, with no additional eligibility restrictions.

8.2.4. Summary Table: Available Subsidy by Grant

Grant	Additional Subsidy Proposed	Eligibility Requirements Per EPA Grant Agreement
General	$2,272,400	10% No Restrictions 30% AC/603(i)*
General Supplemental	$4,281,620	49% AC/603(i)
Emerging Contaminants	$431,460	100% 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.

8.3 Subsidy Categories

This IUP proposes to use subsidy to provide principal loan forgiveness for the following categories of activities:

1. Planning costs up to $2,500,000.
2. Flood plain restoration projects up to $500,000.
3. Lake Champlain TMDL Affordability Program up to $500,000.
4. Construction costs up to $3,513,020.

8.3.1. Summary Table: Available Subsidy by Initiative Category

Grant	Initiative	Amount
General		
	Planning	$1,204,300
	Floodplain Restoration	$500,000
	Construction	$568,100

	Total	$2,272,400
General Supplemental		
	Planning	$836,700
	Lake Champlain TMDL Affordability	$500,000
	Construction	$2,944,920
	Total	$4,281,620
Emerging Contaminants		
	Planning	$431,460
Total Available Subsidy		**$6,985,480**

8.3.2. Planning Subsidy

Supports Short Term Goal #6: Financing of Planning Activities

This avenue to receive principal loan forgiveness for planning includes feasibility studies, asset management planning, preliminary engineering reports, and final design. Vermont CWSRF has determined this application of additional subsidy is eligible under the Federal Water Pollution Control Act (FWPCA), section 603(i) which states: *In any case in which a State provides assistance to a municipality or intermunicipal, interstate, or State agency under subsection (d), the State may provide additional subsidization, including forgiveness of principal and negative interest loans— (B) to implement a process, material, technique, or technology— (iv) to encourage sustainable project planning, design, and construction.*

There are three Planning Subsidy Categories, described below. Projects may not receive planning loan forgiveness under both Category 1 and Category 2. The CWSRF program will determine which category of loan forgiveness is most financially advantageous for borrowers.

8.3.2.1. Planning Subsidy Category 1

Eligible planning projects may receive loan forgiveness as follows:

- 50% forgiveness of planning costs, up to $100,000 per project, per IUP year.
- Maximum subsidy of $250,000 per borrower, per IUP year, which may consist of multiple eligible projects.

8.3.2.2. Planning Subsidy Category 2

Eligible planning projects as described below may receive loan forgiveness as follows:

- 100% forgiveness of planning costs, up to $125,000 per borrower.
- Loan forgiveness under Planning Subsidy Category 2 does not count towards the $250,000 cap in Planning Subsidy Category 1.

Eligible Planning Category 2 projects are limited to:

- Combined sewer overflow (CSO) Long-Term Control Plans (LTCPs) and resulting project designs and additional planning if required.

- Hydrologic & Hydraulic (H&H) Modeling necessary for LTCPs as defined in the CSO Rule (Chapter 34 of the EPRs) or for projects to reduce wet weather storm sewer overflows (SSOs).
- Rain gauges for CSO communities that need to comply with the CSO Rule.
- Flow metering of CSO discharges for volumetric monitoring and telemetric reporting.
- Other means of CSO Rule Monitoring and Compliance as determined by the Secretary.
- Municipally sponsored 3-Acre Stormwater private-entity design and permit obtainment.
- Village Wastewater Initiative Planning/Design.
- Planning and design of septage receiving facilities for new, existing, or consolidating facilities.

8.3.2.3. Planning Subsidy Category 3: Emerging Contaminants

Eligible planning projects whose primary purpose is to address emerging contaminants may receive loan forgiveness as follows:

- 100% forgiveness of planning costs, up to $150,000 per project.

Projects receiving funding under Planning Subsidy Category 3 may apply for subsidy under Planning Category 1 for costs not covered under Category 3, where eligible. The forgiveness caps under the respective categories are only applicable to forgiveness secured under a given category.

8.3.3. Lake Champlain TMDL Affordability Subsidy Program

Supports Short Term Goal #1: Municipal affordability support

This subsidy program is intended to address the affordability of projects that are required to meet multiple effluent limits under the Lake Champlain TMDL. In order to be eligible for the terms outlined in this section, a project must:

- Be a municipal facility with an implementation schedule to meet multiple effluent limits set forth in their first NPDES permit under the 2016 Lake Champlain TMDL.
- Result in post-project annual user rates for wastewater services exceeding 4% of median household income.
- Have applied for construction funding by June 30, 2022. This forgiveness is eligible for all eligible planning costs.

Systems that fit this description will be eligible for:

- Additional subsidy of 100% forgiveness, up to $500,000 per year in future IUP years. Qualifying projects will be treated as continuing to ensure access to available additional subsidy.

- Loans can be amended until project completion, up to four consecutive years, with a maximum loan forgiveness of $2,000,000 per borrower per project.
- This additional subsidy can be additive to other additional subsidy opportunities.
- If any combination of loan forgiveness and pollution control grant result in post-project annual user rate of less than 2%, this affordability eligibility will be ceased.
- The administrate fee rate will be 0% for projects meeting this definition.

8.3.4. Flood Plain Restoration Subsidy

Supports Short Term Goal #5: Financing incentives for natural infrastructure and #3: Financing support for economically disadvantaged MHCs

This additional subsidy offers principal loan forgiveness as outlined below with a maximum allowable for this entire initiative of $500,000. This additional subsidy opportunity is for floodplain buyouts and restoration to purchase developed properties located in floodplains or at high risk of flooding or erosion as determined by the DEC Rivers Program.

1. Projects eligible for FEMA funding:
    a. In manufactured home community: Subsidy in the form of 100% principal forgiveness, up to 50% of total project costs or $250,000, whichever is lower. *Example with $200,000 total project cost: $100,000 loan, $100,000 forgiven.*
    b. Not in manufactured home community: Subsidy in the form of 100% principal forgiveness, up to 25% of total project costs or $100,000, whichever is less. *Example with $200,000 total project cost: $50,000 loan, $50,000 forgiven.*
2. Projects not eligible for FEMA funding:
    a. In manufactured home community: Subsidy in the form of 100% principal forgiveness up to $250,000. *Example with $200,000 total project cost: $200,000 loan, $200,000 forgiven.*
    b. Not in manufactured home community: Subsidy in the form of 100% principial forgiveness up to $100,000. *Example with $200,000 total project cost: $100,000 loan, $100,000 forgiven.*

Eligible costs may include property purchase, closing costs, demolition and site restoration, and floodplain restoration. All eligibility determinations and cost approvals will be made by the DEC Rivers Program. These loans must be municipally sponsored.

8.3.5. Construction Subsidy

Eligible construction projects meeting the Affordability Criteria (Section 9) may receive loan forgiveness as follows:

- 40% loan forgiveness, up to $500,000 per project.

8.4. Requirements to Secure Additional Subsidy,

The Department establishes the amount of available additional subsidy on an annual basis in the Intended Use Plan, consistent with the requirements of the State's capitalization grants.

To secure additional subsidy, the following applies: All additional subsidy is awarded to recipients and project types that are eligible for subsidy on a first-come, first-served basis.

- Only municipal applicants are eligible for additional subsidy
- Applicants may qualify for multiple types of additional subsidy under this plan, subject to the limitations noted above.
- Additional subsidy is considered reserved for a project upon receipt of the following:
    - Complete funding application
    - Qualifications Based Selection certification, if applicable
    - Draft Engineering Services Agreement
    - Relevant readiness to proceed criteria prior to securing additional subsidy for a final design loan and bond documentation and final design approval prior to securing additional subsidy for construction.

For clarification purposes, the program will notify borrowers when they have secured additional subsidy. The table below lists what is needed for each step to lock in additional subsidy, unless it is inapplicable to the project.

Step 1 (Preliminary engineering, feasibility)
- Complete funding application
- Qualifications Based Selection certification, if applicable
- Draft Engineering Services Agreement

Step 2 (Final design engineering)
- Complete funding application
- Qualifications Based Selection certification, if applicable
- Draft Engineering Services Agreement
- Preliminary Engineering Report Concurrence or Facility Plan Approval from WID engineer

Step 3 (Construction)
- Complete funding application
- Qualifications Based Selection certification, if applicable
- Draft Engineering Services Agreement
- Bond Vote Certification and Counsel Opinion letter
- All permits in place, including Act 250, if required
- All necessary prior step WID Engineering approvals, including preliminary engineering, facility plan, and final design approval.

9. Affordability Criteria

9.1. Affordability Criteria

This IUP identifies the Affordability Criteria applicable to projects funded off this FFY 22 Intended Use Plan. The Department will engage in an ongoing process to evaluate and revise, as necessary, these affordability criteria to ensure disadvantaged communities are equitably served by SRF fund investments.

The Department is required to establish affordability criteria that help in identifying municipalities that would experience a significant hardship in raising the necessary project revenues. These Affordability Criteria have been adopted in conformance with section 603(i)(2) of the Federal Clean Water Act, which requires the criteria be based on income and unemployment data, population trends, and other data determined relevant by the State, including whether the project or activity is to be carried out in an economically distressed area as described in Section 301 of the Public Works and Economic Development Act of 1965.

In addition to the foregoing criteria, all non-profit or cooperatively-owned manufactured home communities (MHCs) will automatically be considered to meet the state's affordability criteria, as first established in the 2021 Intended Use Plan.

There are five key criteria applied to determine project affordability: median household income (MHI), user costs, unemployment rates, population trends or other demonstrated financial hardships. To be considered a municipality that would experience a significant hardship in raising the necessary project revenues (hereafter referred to as "hardship communities"), an applicant must qualify under at least two of the key criteria.

- MHI: The project is located in a municipality with a MHI at or less than the statewide average MHI.
- User costs: The project that will result in an annual household user cost for sewer and stormwater that exceeds two percent of the MHI.
- Unemployment: The project is located in a municipality with an unemployment rate that is unknown, or at or higher than the statewide median unemployment rate.
- Population trends: The project is located in a municipality with a 10-year population trend that shows a population loss of greater than one percent.
- Other demonstrated hardship: This criterion recognizes there may be unforeseen hardships that do not meet the requirements of the other key criteria. The applicant would have the responsibility of demonstration to the program, in writing, is a financial hardship. The program would have the discretion of accepting this request.

Income measurements are determined using Median Household Income. This information will be obtained from the American Community Survey's most recent 5-year rolling average MHI using the most current data available on the date the corresponding IUP year was finalized or based on an approved income survey. 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 including HUD's survey method. Annual user cost will be calculated by the annual system debt service, operations and maintenance costs, and short-lived asset set asides, divided by the total Equivalent Residential Units (ERU).

Unemployment data will be based on the most recent statewide unemployment figures as provided by the Vermont Department of Labor and will be compared to the municipality's current unemployment figure.

Population decline will be determined by analyzing the most recent two US Census population numbers.

10. Non-Point Source Funding

Vermont's CWSRF provides funding for eligible non-point sources. Non-point source projects may be funded through loans using standard rates and terms. The two evolving mechanisms to increase this type of utilization of the fund are through the Water Infrastructure Sponsorship Program (WISPr) and the Interim Financing for Natural Resources Projects Program.

10.1. Natural Resources Categorical Eligibility

Eligible CWSRF natural resources projects are defined as a project to protect, conserve, or restore natural resources, including the acquisition of easements and land for the purposes of providing water quality benefits (24 VSA Chapter 120 §4752). Eligibility is limited to the following hydromodification, habitat, and thermal restoration project types which are categorically considered eligible for CWSRF funding:

- Wetland restoration projects
- Floodplain/stream restoration including thermal restoration
- River corridor easements
- Woody buffer plantings
- Dam Removal, where there's a water quality benefit
- Lake shoreland retrofit using LakeWise principles
- Water Resource Protection through land acquisition or easements for the purposes of providing water quality benefits
- Gully Stabilization where there is a downstream water quality benefit
- Forestland Conservation

DEC's Watershed Planners will confirm that proposed natural resources projects are eligible and provide a demonstrated water quality benefit. As projects are proposed to be funded through CWSRF, the Watershed Planners will coordinate within DEC's applicable natural

resources programs to ensure the projects not only meet these definitions but do not present an unintended environmental impact. Once the Planners have completed their eligibility determination, they will work with SRF Project Developers to assist with the funding process.

Section 603(c) of the Clean Water Act (CWA) states that the CWSRF can provide assistance to these project types under the Habitat Protection and Restoration and Surface Water Protection and Restoration eligibility as described in the EPA's 2016 Overview of CWSRF Eligibilities document. As it pertains to sponsorship (described below), this is further described in EPA's Sponsorship Lending and the CWSRF. Similarly, the states of Ohio and Iowa, and several other states have awarded CWSRF funding for the these project types for many years. These projects are not considered treatment works projects and, therefore, are not required to comply with NEPA under the current State Environmental Review Policy (SERP). However, these projects may undergo environmental review as part of the permitting review process, as applicable, by this and other funding sources.

Vermont CWSRF reserves the right to require additional review on a case-by-case basis. Additional review determinations will be made by the Watershed Planners.

Many other federal crosscutters are not required for these projects including American Iron and Steel (AIS), Davis Bacon, and Fiscal Sustainability Plans (FSP) as they are not treatment works projects. Additionally, the program intends to use repayment funds (Tier II) to fund all natural resources projects. Due to the use of repayment funds, Qualifications Based Selection (QBS), Signage, and Single Audit Act do not apply. Other traditional CWSRF programmatic requirements such as standard contract documents and CWSRF construction oversight do not apply to these projects and will not be overseen by CWSRF construction engineers. The relevant DEC regulatory or natural resource program section (dam safety, rivers, wetlands, stormwater, etc.) will oversee these projects and will develop deliverable requirements. Grant conditions required by the capitalization grant will be incorporated into the loan agreement language.

Inclusion of treatment works elements in a Natural Resource Project will trigger federal crosscutter requirements. Treatment works elements may be included in the same project provided that they are co-funded by CWSRF loans or other sources and meet all federal crosscutters. Inclusion of treatment works elements shall not disqualify the eligibility of the Natural Resource Project elements under WISPr.

10.2. Water Infrastructure Sponsorship Program (WISPr)

Supports Short Term Goal #5: Support of Natural Resource Infrastructure

WISPr was established in 2018 upon the passage of Act 185 which established a mechanism for a municipality to "sponsor" a natural resources project, the cost of which is then forgiven.

WISPr is currently operating on a limited basis. Program staff will evaluate WISPr requests on a case-by-case basis. However, due to staffing limitations, there will be limited proactive outreach from DEC staff.

WISPr has undergone a re-evaluation in the past year to determine how to make the program more accessible for municipalities and to better explain the benefits of natural infrastructure projects.

In keeping with past practice of WISPr:

- To ease accessing WISPr funds, the program will use Tier 2, or repayment funds, to support WISPr projects. These projects will not be reported in FFATA for equivalency purposes. As such, QBS procurement process will not be required.

10.2.1. How to Qualify for WISPr Funding

In order to receive WISPr funding, the following must be completed:

- A signed letter of commitment and resolution by the governing body
- Passed bond vote for the sponsoring project, if applicable
- Submitted WISPr Funding Application.

10.3 Interim Financing for Natural Resources Projects

Supports Short Term Goal #5: Support of Natural Resource Infrastructure

Upon the passage of Act 185 in 2018, Vermont's CWSRF program can fund all federally eligible clean water projects and lend to all federally eligible entities, as outlined in EPA's *Overview of Clean Water State Revolving Fund Eligibilities* paper. The CWSRF continues to utilize this expanded eligibility to promote investment in natural resource projects.

To aid in this investment, this IUP is proposing the continuation of an interim financing program. The interim financing would be shown on the priority list as a "put aside" to ensure funds are available as needed, though any private entity project that applies to this program would only be funded after all municipal projects are funded. To ensure funding is flexible and available for the interim financing projects, the put aside would not require discrete projects be ranked on the priority list, but rather categorically ranked within this put aside. The following is proposed:

- $5M "put-aside" on the priority list for interim financing of all eligible natural resource restoration, agricultural water quality, and forestry conservation project. This financing would be at 0% for municipal applicants or 0.6% for all other applicants, for a term not to exceed 5 years.
- In accordance with the SRF Repayment Start Date policy, the initial loan repayment would begin one year after execution of the loan agreement.
- The repayment schedule would be depressed for a lower principal and interest payment for the first four years, with a larger and final balloon payment in the fifth year.
- These loans would be subject to other statutory restrictions for private entity borrowing, including the restriction of utilization of no more than 20% of the available funds unless there is not sufficient municipal need and the requirement to offer funding to all eligible municipal projects prior to making this funding available.

- This funding is available on a first-come, first-served basis.
- To secure this funding, applicants must be able to pass underwriting criteria of either VEDA or VBB.

10.4. Farmland Futures Fund

Supports Short Term Goal #5: Support of Natural Resource Infrastructure

This IUP proposes utilization of the interim financing put-aside to provide assistance to Vermont Land Trust (VLT) for the Farmland Futures Fund (FFF). The FFF will function as a low-cost revolving fund "pass through" of $10M, to be used over ten years commencing with the FFY 2020 IUP. The goals of the FFF include:

- Facilitate 200 farm transfers between 2020 and 2030.
- Purchase farm properties to facilitate transfers to help strengthen and diversify Vermont's agricultural economy, support the generational transfer of land, and ensure continued farmer ownership and agricultural use of conserved farms.
- Implement water quality improvements and ecological restoration on the farm properties purchased by VLT and ensure appropriate easement protections.
- Support rural communities that rely on agriculture as part of their economic and cultural landscape.

VLT proposes to deploy several strategies to improve water quality by reducing phosphorous, nutrient, or sediment loss on agricultural land. This approach will involve protecting whole properties with conservation easements, including special water quality restrictions as applicable; updating existing conservation easements with similar special water quality restrictions; and facilitating land management and restoration activities that complement and enhance these legal protections.

Over the past ten years, VLT farmland access projects have protected 65 miles of streams and rivers and two miles of pond and lake frontage, including 20 miles with special easement protections. Those projects have also protected 475 acres of wetlands, 105 acres of which have special easement protection. The FFF anticipates doubling these outcomes over the next ten years.

This put-aside will follow the same underwriting requirements as Interim Financing. This IUP will reserve up to $2M to be used in this IUP year and at the end of the IUP year, the amount used will be closed out into one loan and repayment will begin for that year. In following IUP years, this put aside will offer the net remaining from the initial $10M and the amount spent in that year will be closed out and made a separate loan. Loans made to date are as follows:

- 2020 IUP Year: $3,000,000
- 2021 IUP Year: $2,000,000

This project will be treated as a continuing project for up to 10 years or until the full $10M is disbursed. Annually, the program will coordinate anticipated need with VLT to reserve for this initiative.

These funds will be made available at a rate of 0.6% and payment will begin one year after execution of the loan.

11. Stormwater Financing Linked Deposit

Supports Short Term Goal #4: Financing Support of Three Acre SW Permit (GP #3-9050)

Due to the future demand for funding related to stormwater General Permit 3-9050, otherwise known as the 3 Acre Stormwater Permit, this IUP proposes the creation of a linked deposit mechanism to fund these project types. The bulk of the need to comply with this permit requirement will be with for- and non-profit business entities and residential associations in the Lake Champlain and Lake Memphremagog Basins. This funding mechanism is still in development stages and it is not likely that projects will be funded for construction during this IUP year. However, this IUP reserves the use of up to $1M to seed this funding mechanism. Once the linked deposit mechanism is created, no federal requirements will apply to these projects, assuming they are not treatment works projects.

Funds used for the linked deposit program are considered an investment and, as such, are considered in the fund uses portion of the IUP but are not a discrete put-aside or ranked project.

12. Program Updates and Guidance

12.1. Annual Cap on Loans

This year's priority list does not place an annual cap on loan amount.

12.2. Priority List Bypass Procedure

In order to further prioritize the management of the priority list, the program implements Readiness to Proceed Criteria that require submission of an administratively complete preliminary engineering report (PER) in order to be ranked for construction loan and PC grant funding. Projects that are in the planning stages may submit priority list applications but will be shown as future projects for planning purposes. Additionally, projects must meet these readiness-to-proceed deadlines:

- November 1, 2022: Submit complete Step II/ Final Design Loan Application;
- January 31, 2023: Schedule a bond vote and submit a copy of the warning to WID;
- May 1, 2023: Receive voter authorization via the bond vote and submit a project schedule that demonstrates the project will be ready to go to bid by June 30, 2023; and

- June 30, 2022: Submit complete Step III/Construction loan application (all required items have been completed and submitted).

For projects that qualify under the Village Wastewater Initiative, completion of a feasibility study together with issuance of a DEC preliminary approval from the Indirect Discharge Program constitutes administratively complete PER for purposes of inclusion in the project priority list. Any projects that confirm to CWSRF program staff that they have secured funding through another source will receive notification of bypass.

Projects not meeting this and other readiness to proceed dates will be bypassed in favor of lower ranking projects. For purposes of bypass, a project will be defined by a single priority list application. If there are multiple subprojects or sub-components within a priority list application, a PER submittal will be required for all subprojects and all subprojects must meet readiness to proceed guidelines or the entire project will be subject to bypass.

12.3. Guidance on Planning Versus Construction Activities

Activities that are regarded as construction are subject to additional construction procurement provisions that do not apply to planning activities.

Planning activities are those activities that take place during the feasibility, preliminary engineering, and design phases of a project and where there is no significant alteration of existing ambient conditions. In general, if an activity involves excavation or moving soil or rock, it is not a planning activity[1]. If a final design approval letter is issued for a project, the planning activities associated with the project must take place prior to issuance of the letter.

Examples of planning activities:

- Feasibility studies;
- Preliminary engineering reports and engineering studies;
- Development of compliance assistance tools
- Installation of equipment including sensors, meters, gauges, hardware and software used to store and interpret data;
- Sampling, lab work, and data analysis;
- Flow and Level monitoring of CSO discharges including the capability to transfer data electronically in real time for the equipment being installed.

This is not an exhaustive list and other activities will be reviewed by WID on a case-by-case basis.

12.4. ANR Online Funding Application

Loan applications and associated documentation must be submitted through ANR Online (https://anronline.vermont.gov/). A loan application will be considered complete when the

[1] This excludes ACCD required archeological test pits, DEC required soil test pits, soil auguring, borings, and other geotechnical investigative work required for Section 106 review, feasibility level site review, and design of wastewater disposal systems and stormwater infiltration practices.

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 CWSRF Project Developer with questions.

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

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

12.5. Project Adjustments

Loan # RF3-354, issued to ACCT Otter Creek MHP, was originally listed on the 2017 IUP. Step 1 & 2 loans for the project were funded off the 2017 IUP, and Step 3 was ultimately funded off the 2018 IUP.

12.6. State Environmental Review Procedure Update

Vermont has newly coordinated the State Environmental Review Process (SERP) to evaluate the identifiable environmental effects of a project, funded through one of the state revolving loan funds. This will ensure the necessary mitigation measures are implemented, with public participation and comment period, prior to project implementation actions. This process is applied both to Municipal and Private loan (MPL) recipient projects, whether through the Clean Water or Drinking Water SRFs. The purpose of the MPLSERP is to parallel the intentions of the federal Executive Office's National Environmental Policy Act (NEPA), as enacted in 1969 with subsequent amendments. The new MPLSERP will move the Environmental Review Process to occur between Step 1 and Step 2 for Drinking Water Projects. The revised SERP is currently in internal review and will go out for 30-day public comment prior to going to USEPA for review and approval. The Vermont MPLSERP procedure applies to all CWSRF and DWSRF funded projects, to ensure that state and federal environmental laws and impacts are considered.

13. Green Project Reserve

The Vermont requirement for Green Project Reserve (GPR) for FFY 2022 is 10% of the General, General Supplemental, and Emerging Contaminants grants. Potential GPR projects are identified on the attached priority list. Many of these projects are early in the development phase. Engineering and project development staff will work directly with municipalities and their consultants to incorporate green project elements into the project design.

While the goal for GPR is 10% of the federal grant, it is the position of the program to solicit and prioritize more than the minimum goal. This will ensure that if certain project elements

have changed during the development and construction of a project that may reduce or eliminate GPR elements, there are sufficient GPR projects to meet or exceed this goal.

Grant	Green Project Reserve Requirement
General	$568,100
General Supplemental	$873,800
Emerging Contaminants	$45,900

While Vermont intends to prioritize GPR projects addressing emerging contamination concerns, the existing applications may not identify sufficient project elements to meet the minimum goal. If the number of projects identified is short of the goal, the balance of the GPR allocation for emerging contaminants will return to the general emerging contaminant initiative.

14. Public Participation

Vermont follows public participation procedures in the development of the annual Project Priority List (PPL), the CWIUP and in the environmental review process. The CWIUP is typically developed and adopted annually along with the PPL using the same public participation procedure employed for adoption of the PPL. That procedure is outlined in the Municipal Pollution Control Priority System rule. Vermont implements public participation for specific projects through the environmental review for CWSRF funded projects in accordance with the department's Environmental Review Procedures for projects funded through the Vermont/EPA Revolving Loan Program. This procedure was approved by the EPA Regional Administrator in accordance with the August 2, 1989 CWSRF Operating Agreement between the State of Vermont and the U.S. Environmental Protection Agency, Region I. A summary of the public comments that were received for this IUP are included in the following Section.

On 1/18/2022, the Department notified municipalities and other interested parties to apply to be included on the Municipal Pollution Control Projects Priority List for State Fiscal Year 2023 with a due date of 2/28/2022 for inclusion in the draft Pollution Priority List.

The draft IUP was released on 8/2/2022. A public hearing invitation to participate via Microsoft Teams was sent via email to all entities in the contact list and directions to participate were posted on the CWSRF website. A hybrid virtual/in-person public hearing will be held on August 30th at 9:00 AM. The final IUP will include a public responsiveness summary to detail comments made throughout this process.

15. Responsiveness Summary

Comments received on the draft IUP and PPL will be addressed in this section in the final adopted IUP.

16. Project Priority List

Attached.

DRAFT SFY2023 Pollution Control Priority and Planning List

Applicant	Applicant Type	Project Name	Priority Points	Project Category	2023 Step I	2023 Step II	2023 Step III	SFY 2023 Total Project Cost	Grant Source	Green Project Reserve	PC Grant Eligibility $	PC Grant Eligibility %	Est. CSO ARPA Grant Eligibility $	Est. OSG Grant Eligibility $	Est. VWW ARPA Grant Eligibility $
St. Johnsbury*	M	Pleasant St and Gilman Ave CSO Project	84	TW-CSOC	0	0	0	0	GS	0	0	32%	1,797,617	0	0
Burlington, City of*	M	CWSRF Wastewater RF 1-187	72	TW-SSR	0	0	0	0	GS	0	0	19%	0	0	0
Burlington, City of*	M	CWSRF Stormwater RF1-278	69	SW-Gray	0	0	0	0	GS	0	0	19%	0	0	0
Whitingham, Town of	M	Wastewater Treatment Improvements	64	TW-ST	0	0	0	0	GB	0	0	27%	0	0	0
Hinesburg, Town of*	M	WWTF Upgrade Contract No. 1	63	TW-AT	0	0	100,000	0	GS	0	12,000	12%	0	0	0
Woodstock, Town of	M	South Woodstock WWTF Upgrade	61	TW-AT	0	0	0	0	GB	0	0	0%	0	0	0
Burlington, City of*	M	Manhattan Dr SW Outfalls Rehabilitation	52	SW-Gray	0	0	0	0	GS	0	109,451	10%	0	0	0
Barre, City of*	M	North End Wastewater Pump Station Replacement	51	TW-SSR	0	0	897,380	897,380	GS	0	89,738	10%	0	0	0
Brandon, Town of	M	WWTF Upgrade	50	TW-ST	0	0	1,000,000	1,000,000	GB	0	670,500	10%	0	0	0
Hardwick, Town of*	M	Wastewater Treatment Facility Improvements	47	TW-ST	0	0	0	0	GS	0	481,959	10%	0	0	0
Castleton, Town of*	M	WWTF Upgrade Contract I	44	TW-ST	0	0	0	0	GS	0	250,000	10%	0	0	0
Hartford, Town of	M	Main St Contract 2	43	TW-SSR	0	0	0	0	GB	0	0	0%	0	0	0
Johnson, Village of*	M	River Road West Pump Station Replacement	42	TW-SSR	0	0	0	0	GS	0	34,500	10%	0	0	0
Proctor, Town of	M	Willow St Pump Station Sewers	40	TW-SSR	0	0	0	0	GB	0	0	0%	0	0	0
Derby Line, Village of*	M	Stanstead QC Wastewater Treatment Facility Upgrade	21	TW-AT	0	0	0	0	GS	0	230,000	10%	0	0	0
Milton Mobile Home Coop	PNP	Milton MHC Infrastructure Improvement Proejct	40	TW-NCS	0	0	600,000	600,000	GB	0	0	0%	0	0	0
Vernon Advent CH.	PNP	Vernon Homes Indirect Discharge 09-0273 (Vt. permit)	29	NPS-IDS	0	200,000	2,173,000	2,383,000	GB	0	0	0%	0	0	0
Vermont Land Trust	PNP	Farmland Futures Fund	NA	NPS	0	0	2,000,000	2,000,000	GB	2,000,000	0	0%	0	0	0
Floodplain Restoration	M	Manufactured MHPs in Floodplain FEMA Match	NA	NPS-H	0	0	0	500,000	GB	0	0	0%	0	0	0
Montgomery, Town of* **	M	New Wastewater Treatment Facility	81	TW-SSR	420,000	900,000	10,480,000	11,800,000	GS	11,800,000	4,012,000	34%	0	0	2,217,000
Burlington, City of*	M	Wastewater Treatment Facility Improvements "Phase 2"	75	TW-ST	0	1,095,000	11,370,749	12,465,749	GS	0	3,116,437	25%	0	0	0
Burlington, City of*	M	Old North End LCBP-GSI-CSO	75	TW-CSOC	0	0	1,105,931	1,105,931	GS	1,105,931	309,661	28%	3,279,465	84,250	0
Hinesburg, Town of*	M	WWTF Upgrade Contract No. 2	63	TW-AT	0	0	9,700,000	9,700,000	GS	0	1,164,000	12%	0	0	0
Grafton, Town of*	M	Grafton Village Wastewater Project	62	NPS-IDS	92,500	618,793	5,941,453	6,652,746	GS	6,652,746	1,729,714	26%	0	0	3,968,331
Burlington, City of*	M	Remote WW Pump Stations Refurbishment (9)	61	TW-SSR	92,000	595,000	3,732,000	4,419,000	GS	0	486,090	11%	0	0	0
Montpelier, City of	M	State Street Sewer and Drainage Project	60	TW-CSOC	0	0	850,000	850,000	GB	0	119,000	14%	531,938	0	0
Montpelier, City of**	M	East State Street Reconstruction Project - Contract #1	57	TW-CSOC	0	0	1,534,114	1,534,114	GS	0	199,435	13%	0	0	0
Vergennes, City of	M	Vergennes WWTF Hydraulic Upgrade	56	TW-CSOC	40,000	299,000	5,598,000	5,937,000	GB	100,000	653,070	11%	1,122,579	0	0
Westford, Town of	M	Town Center Community Wastewater System	56	NPS-IDS	39,050	184,954	3,075,996	3,300,000	GB	3,075,996	594,000	18%	0	0	0
Winooski, City of*	M	Main Street Revitalization	56	TW-SSR	0	0	1,000,000	1,000,000	GS	0	100,000	10%	0	0	0
Rutland, City of*	M	CSO Check Valves	54	TW-CSOC	0	23,000	497,000	520,000	GS	0	93,600	18%	7,201,017	323,520	0
Vergennes, City of	M	MacDonough Drive Pump Station Improvements	54	TW-CSOC	97,000	194,000	3,503,000	3,794,000	GB	100,000	417,340	11%	0	0	0
Vergennes, City of	M	Vergennes WWTF Age Related Improvements	54	TW-AT	0	540,000	10,585,000	11,125,000	GB	200,000	1,223,750	11%	0	0	0
Vergennes, City of	M	MacDonough Drive PS Force Main Improvements	53	TW-CSOC	84,000	168,000	3,016,000	3,268,000	GB	0	326,800	10%	0	0	0
Saint Johnsbury, Town of*	M	Railroad Street Water, Sewer and Storm Improvements	52	TW-CSOC	0	67,200	1,112,400	1,179,600	GS	0	165,144	14%	0	0	0
Vergennes, City of	M	Vergennes Downtown Sewer Improvements	50	TW-CSOC	27,000	55,000	874,000	956,000	GB	0	0	0%	0	0	0
Vergennes, City of	M	Vergennes MacDonough Drive Sewer Improvements	50	TW-CSOC	24,000	49,000	773,000	846,000	GB	0	0	0%	0	0	0
Vergennes, City of	M	Vergennes Green and Maple Street Sewer Improvements	50	TW-CSOC	35,000	70,000	1,167,000	1,272,000	GB	0	0	0%	0	0	0
Vergennes, City of	M	Vergennes North Main Street Sewer Improvements	50	TW-CSOC	28,000	56,000	923,000	1,007,000	GB	0	0	0%	0	0	0
Brighton, Town of*	M	Brighton Wastewater Treatment Facility Refurbishment	50	TW-ST	55,000	192,000	3,509,000	3,756,000	GS	100,000	375,600	10%	0	0	0
Northfield, Town of**	M	Main Street Stormwater Separation and CSO Abatement	49	TW-CSOC	36,470	94,800	1,275,730	1,407,000	GS	0	0	0%	0	0	0
South Burlington, City of	M	4 Pump Stations Refurbishment	46	TW-SSR	80,000	175,000	2,525,000	2,780,000	GB	0	417,000	15%	0	0	0
Montpelier, City of	M	Montpelier WRRF Phase 2 Improvements	45	TW-ST	100,000	1,180,000	15,220,000	16,500,000	GB	11,200,000	1,650,000	10%	0	0	0
Saint Johnsbury, Town of*	M	Portland Street Water, Sewer and Storm Improvements	43	TW-CSOC	141,730	82,300	1,383,000	1,607,030	GS	0	160,703	10%	0	0	0
Saint Albans, City of*	M	Stebbins Street Utility Improvements	42	TW-CSOC	0	0	250,000	250,000	GS	0	25,000	10%	0	0	0
West Rutland, Town of*	M	20 Year Evaluation of WWTF & Alternatives	42	TW-ST	0	85,000	1,631,355	1,716,355	GS	0	171,636	10%	0	0	0
Newport, City of*	M	Bluff Road Pump Station	36	TW-CSOC	0	20,000	230,000	250,000	GS	0	25,000	10%	0	0	0
Highgate, Town of	M	Highgate Community Wastewater	36	NPS-IDS	0	0	2,000,000	2,000,000	GB	0	0	0%	0	0	172,719
Saint Johnsbury, Town of*	M	Sludge management improvements	36	TW-AT	0	148,200	2,489,500	2,637,700	EC	0	263,770	10%	0	0	0
Saint Albans, City of*	M	Lower Weldon Stormwater Improvements	33	SW-Green	0	25,000	1,500,000	1,525,000	GS	0	152,500	10%	0	0	0
Ludlow, Village of*	M	Lower High Street Infrastructure Improvements	32	TW-SSR	0	35,000	350,000	385,000	GS	0	38,500	10%	0	0	0
Middlebury, Town of*	M	WWTF Upgrade	30	TW-ST	595,000	1,405,000	21,300,000	23,300,000	GS	3,400,000	0	0%	0	0	0
Shelburne, Town of	M	Farmstead 3-Acre SW Final Design and Construction	22	SW-Green	0	0	275,000	275,000	GB	0	0	0%	0	0	0
Manchester, Town of	M	Main Street Sewer Main Extension	22	TW-NCS	0	0	1,900,000	1,900,000	GB	0	0	0%	0	0	0
Enosburg Falls, Village of*	M	Elm Street Sewer and Water Improvements	21	TW-CSOC	0	20,000	200,000	220,000	GS	0	22,000	10%	760,000	0	0
Woodstock, Town of	M	Woodstock Main WWTF Upgrade	20	TW-AT	105,000	670,000	0	775,000	GB	0	77,500	10%	0	0	0
Shelburne, Town of	M	Boulder Hill Gravel Wetland Construction	16	SW-Green	0	0	320,037	320,037	GB	0	0	0%	0	0	0
Fairfax, Town of	M	Wastewater Treatment Facilities Upgrade	13	TW-ST	0	65,000	1,100,000	1,165,000	GB	0	0	0%	0	0	0
Shelburne, Town of	M	Hullcrest Pk StormFilter Retrofit Design and Construction	7	SW-Gray	0	0	125,000	125,000	GB	0	0	0%	0	0	0
South Burlington, City of	M	Commerce Ave & Airport Pkwy FM Replacement - Phase I	7	TW-SSR	0	0	1,100,000	1,100,000	GB	0	0	0%	0	0	0
Saint Albans, Town of	M	Grice Brook Basin Improvements	1	SW-Gray	0	25,000	400,000	425,000	GB	0	0	0%	0	0	0
Shelburne, Town of	M	Turtle Ln SW Retrofit Design and Construction	1	SW-Gray	0	5,000	15,000	20,000	GB	0	0	0%	0	0	0
Floodplain Restoration	M	Manufactured MHPs in Floodplain FEMA Match	NA	NPS-H	0	0	0	500,000	GB	0	0	0%	0	0	0
Natural Infrastructure IF Put Aside	PNP	Natural Resources, Ag WQ and Forestry Conservation	NA	NPS	0	0	5,000,000	5,000,000	GB	5,000,000	0	0%	0	0	0
Addison CCT	PNP	Lindale Community Wastewater System	42	NPS-IDS	25,000	150,000	1,750,000	1,925,000	GB	0	0	0%	0	0	0
Bolton Valley Community W&S	PFP	BVCWS WWTF Upgrade	14	TW-AT	52,000	195,000	3,141,000	3,388,000	GB	150,000	0	0%	0	0	0
Subtotal SFY2023 Project Requesting Construction Funding					**2,168,750**	**9,687,247**	**152,598,645**	**165,364,642**		**44,884,673**	**19,967,398**				

Anticipated SFY23 Planning Need	**3,987,602**	**11,420,100**		**15,407,702**
Total	**6,156,352**	**21,107,347**	**152,598,645**	**179,862,344**
Total SRF Funding Request	**179,862,344**			
Total Available Funds	**90,968,948**			
Annual SRF Surplus/Shortfall	**($88,893,396)**			

ARPA 2023 Construction	**14,692,616**	**407,770**	**6,358,050**
ARPA 2023 Forecast	**4,757,795**		**23,228,205**
SFY2023 ARPA Total	**19,450,411**	**407,770**	**29,586,255**

Continuing Projects
Municipal Projects Yet To Be Funded
Private Projects Yet To Be Funded
The bold line on line 41 is the fundable line

Applicant Type:
M = Municipality
PNP = Private Non-Profit
PFP = Private For Profit

Grant Identifier
GB (General Base)
GS (General Supplemental)
EC (Emerging Contaminants)

Project Type	Code
CWT - CSO Correction	TW-CSOC
CWT - Sewer System Rehabilita	TW-SSR
CWT - Secondary Treatment	TW-ST
CWT - Advanced Treatment	TW-AT
CWT - New Collector Sewers	TW-NCS
NPS - Individual Decentralized S	NPS-IDS
NPS - Hydromodification	NPS-H
NPS - Brownfields	NPS-B
Stormwater - Gray Infrastructure	SW-Gray
Stormwater - Green Infrastructu	SW-Green

*These borrowers are expected to be meet affordability criteria

**These projects are expected to obtain funding other than SRF but are included on this list until alternate funding is confirmed

Note 1: There are no Emergency Projects identified on this prioirty list

Note 2: Up to 10% of the FY23 Pollution Control Grant appropriation shall be reserved for planning advances through December 31, 2022, and up to another 10% for REPAs (for engineering research) through May 31,2023.

Note 3: Where a project includes multiple categories, the category that accounts for the highest dollar need is shown.

Note 4: There are projects on this list that have been added as continuing projects that did not provide priority list applications.

Note 5: $3.3 million in SFY 23 is available for PC Grants, EPAs, and REPAs, pending legislation, and therefore the full need is not likely to be funded at this time.

DRAFT CWSRF Construction Loan Need SFY 2024-2027, Additional Planning Loan Need, and ARPA Grants for CSO and VWW for SFY 2023

Applicant	Applicant Type	Project Name	Project Category	2023 Step I	2023 Step II	2024 Step III	2025 Step III	2026 Step III	2027 Step III	Emerging Contaminants Grant GPR	Estimated SFY2023 State ARPA CSO $	Estimated SFY2023 State ARPA VWW $
Londonderry, Town of*	M	South Londonderry Village Community WW System	NPS-IDS	125,000	320,000	4,555,000	0	0	0	0	0	3,968,331
Londonderry, Town of*	M	North Londonderry Village Community WW System	NPS-IDS	125,000	320,000	4,555,000	0	0	0	0	0	3,968,331
Pownal, Town of	M	Pownal Landfill Remediation	NPS-B	45,900	0	0	0	0	0	45,900	0	0
Bristol, Town of	M	Wastewater Treatment Upgrade Project	TW-AT	18,000	35,000	585,000	0	0	0	0	0	0
Bennington, Town of*	M	Wastewater Treatment Facility Filter Upgrades	TW-AT	0	75,000	1,700,000	0	0	0	0	0	0
Brandon, Town of	M	Forestdale Pump Station Upgrade	TW-SSR	0	29,800	502,150	0	0	0	0	0	0
Brattleboro, Town of*	M	Retreat Pump Station Upgrade	TW-SSR	0	43,000	782,000	0	0	0	0	0	0
Bennington, Town of*	M	Town of Bennington County Street Sewer Upgrades	TW-NCS	0	0	970,000	0	0	0	0	0	0
Bennington, Town of*	M	Town of Bennington Sewer Interceptor Upgrades	TW-SSR	0	0	3,500,000	0	0	0	0	0	0
Northfield, Town of	M	Route 12 Sewer Main Extension	TW-NCS	35,700	83,300	1,601,000	0	0	0	0	0	0
Woodstock, Town of	M	Woodstock Main WWTF Upgrade	TW-AT	0	0	13,350,000	0	0	0	0	0	0
Burlington, City of*	M	Main Plant Tertiary Treatment Project	TW-AT	320,000	435,000	8,372,000	0	0	0	0	0	0
Colchester, Town of	M	Malletts Bay Sewer Project	TW-NCS	75,000	650,000	10,855,000	0	0	0	0	0	0
Burlington, City of*	M	Pine Street CSO Storage Tank	TW-CSOC	144,000	283,000	4,265,000	0	0	0	0	0	0
South Burlington, City of	M	Bartlett Bay WWTF Refurbishment	TW-AT	512,000	1,133,000	22,566,000	0	0	0	0	0	0
Swanton, Village of*	M	WWTF Upgrade and Phosphorus Improvements	TW-AT	15,000	270,000	5,700,000	0	0	0	0	0	0
Barre, City of*	M	WWTF Upgrade	TW-AT	200,000	400,000	7,000,000	0	0	0	0	0	0
Greensboro, Town of*	M	Town of Greensboro New Community WW	NPS-IDS	450,000	600,000	7,525,000	0	0	0	0	0	3,968,331
Wolcott, Village of	M	Wolcott Village Decentralized Wastewater Project	NPS-IDS	125,000	0	2,700,000	0	0	0	0	0	2,565,000
Moretown, Town of	M	Moretown Village Wastewater	NPS-IDS	200,000	500,000	2,800,000	0	0	0	0	0	3,325,000
Burke, Town of*	M	West Burke Village Wastewater	NPS-IDS	330,000	660,000	9,242,000	0	0	0	0	0	3,968,331
Rutland County SWD	M	Rutland County Solid Waste District Facility Project	SW-Green	0	4,000	400,000	0	0	0	0	0	0
Saint Albans, City of*	M	Federal Street CSO Separation	TW-CSOC	10,000	75,000	1,500,000	0	0	0	0	3,109,795	0
Shoreham, Town of*	M	Wastewater Facility Improvements	NPS-IDS	20,000	40,000	350,000	0	0	0	0	0	0
Newport, City of*	M	Gardner Park Interceptor Sewer	TW-CSOC	0	50,000	750,000	0	0	0	0	784,000	0
Rutland, City of*	M	Vernon Street Sewer Separation	TW-CSOC	0	45,000	3,200,000	0	0	0	0	0	0
Bellows Falls Village Corp.*	M	Wastewater Treatment Facility Refurbishment	TW-AT	25,000	75,000	2,000,000	0	0	0	0	0	0
Orleans, Village of*	M	Wastewater Treatment Facility Upgrade	TW-AT	0	250,000	2,500,000	0	0	0	0	0	0
Middlebury, Town of*	M	South Street Reconstruction Phase Two - North Section	TW-CSOC	10,000	53,000	830,000	0	0	0	0	664,000	0
Hartford, Town of	M	Catch Basin Disconnections and GSW Infrastructure	TW-CSOC	10,000	25,000	250,000	0	0	0	0	200,000	0
Stowe, Town of	M	Lower Village Pump Station Replacement	TW-SSR	0	100,000	1,500,000	0	0	0	0	0	0
Castleton, Town of*	M	Crystal Heights Sewer	TW-NCS	15,000	0	760,000	0	0	0	0	0	0
Shelburne, Town of	M	Shelburne WWTFs Consolidation	TW-AT	200,000	2,100,000	30,000,000	0	0	0	0	0	0
North Troy, Village of*	M	North Troy Wastewater Improvements	TW-ST	30,000	60,000	970,000	0	0	0	0	0	0
Hartford, Town of	M	North Main Street Stormwater	SW-Gray	0	25,000	900,000	0	0	0	0	0	0
South Hero, Town of	M	South Hero Community Wastewater	NPS-IDS	40,000	50,000	1,500,000	0	0	0	0	0	1,464,881
South Burlington, City of	M	Airport Parkway WWTF Solids Handling Optimization	TW-AT	69,000	176,000	2,428,000	0	0	0	0	0	0
Milton, Town of	M	Flanders Development Sewers	TW-NCS	30,000	300,000	7,000,000	0	0	0	0	0	0
Pownal, Town of	M	Ultraviolet System Upgrade	TW-ST	0	0	350,000	0	0	0	0	0	0
Saint Albans, City of*	M	CSO Off-Line Storage	TW-CSOC	80,000	150,000	0	2,500,000	0	0	0	0	0
Saint Albans, Town of	M	St. Albans Bay Area Wastewater Project	NPS-IDS	500,000	1,500,000	0	13,000,000	0	0	0	0	0
Enosburg Falls, Village of*	M	Off-Line Storage Tank Phase II	TW-CSOC	20,000	50,000	0	750,000	0	0	0	0	0
Rutland, City of*	M	South Main Street Separation	TW-CSOC	0	47,000	0	1,043,000	0	0	0	0	0
Huntington, Town of	M	Lower Village Wastewater	NPS-IDS	53,139	125,000	0	178,139	0	0	0	0	0
Rutland, City of*	M	Otter Creek Interceptor Upgrade	TW-CSOC	0	0	0	0	10,032,000	0	0	0	0
Rutland, City of*	M	West Street East Separation	TW-CSOC	0	0	0	0	2,625,000	0	0	0	0
Rutland, City of*	M	Field Avenue Sewer Separation	TW-CSOC	0	0	0	0	1,800,000	0	0	0	0
Rutland, City of*	M	Meadow Street Sewer Separation	TW-CSOC	0	0	0	0	1,525,000	0	0	0	0
Rutland, City of*	M	State Street East Separation	TW-CSOC	0	0	0	0	2,865,000	0	0	0	0
Rutland, City of*	M	Connor Park Storage	TW-CSOC	0	234,000	0	0	7,466,000	0	0	0	0
Rutland, City of*	M	River Street Pump Station Improvements	TW-CSOC	0	29,000	0	0	0	611,000	0	0	0
Rutland, City of*	M	Wastewater Treatment Facility Improvements	TW-CSOC	0	0	0	0	0	1,572,000	0	0	0
Wilmington, Town of*	M	Route 9 Water and Sewer Extension	TW-NCS	25,000	0	0	0	0	0	0	0	0
West Windsor, Town of	M	Sewer System Expansion Feasibility Study	TW-NCS	41,110	0	0	0	0	0	0	0	0
Waitsfield, Town of	M	Water and Wastewater Feasibility Study	NPS-IDS	78,753	0	0	0	0	0	0	0	0
Berlin, Town of	M	Berlin Crosstown Road Sewer	TW-NCS	0	0	0	0	0	0	0	0	0
Berlin, Town of	M	Riverton Village Center Community Wastewater Project	TW-NCS	0	0	0	0	0	0	0	0	0
Highgate, Town of	M	Transfer Station Stabilization	NPS-H	0	0	0	0	0	0	0	0	0
Rutland, City of*	M	Rotary Park Storage	TW-CSOC	0	0	0	0	0	0	0	0	0
Rutland, City of*	M	Calvary Storage	TW-CSOC	0	0	0	0	0	0	0	0	0
Rutland, City of*	M	Convent Avenue Separation	TW-CSOC	0	0	0	0	0	0	0	0	0
Rutland, City of*	M	Connor Park Storage Phase 2	TW-CSOC	0	0	0	0	0	0	0	0	0
Rutland, City of*	M	Temple Street Sewer Separation	TW-CSOC	0	0	0	0	0	0	0	0	0
Rutland, City of*	M	Easterly Avenue Sewer Separation	TW-CSOC	0	0	0	0	0	0	0	0	0
Rutland, City of*	M	State Street West Separation	TW-CSOC	0	0	0	0	0	0	0	0	0
Rutland, City of*	M	East Street Separation	TW-CSOC	0	0	0	0	0	0	0	0	0
Rutland, City of*	M	Harrington Avenue Sewer Separation	TW-CSOC	0	0	0	0	0	0	0	0	0
Rutland, City of*	M	Thrall Avenue Sewer Separation	TW-CSOC	0	0	0	0	0	0	0	0	0
Rutland, City of*	M	West Street West Separation	TW-CSOC	0	0	0	0	0	0	0	0	0
Saint Johnsbury+	M	St Mary St. CSO	TW-CSOC	0	0	0	0	0	0	0	0	0
Pittsford, Town of*	M	US Route 7 Segment 2 Water and Sewer	TW-SSR	0	0	0	0	0	0	0	0	0
The Commons	PNP	Preliminary Engineering Report	TW-SSR	10,000	20,000	500,000	0	0	0	0	0	0
Addison County CT	PNP	Brookside MHP Wastewater Improvements	TW-SSR	0	0	0	0	0	0	0	0	0
			Totals	**3,987,602**	**11,420,100**	**170,813,150**	**17,471,139**	**26,313,000**	**2,183,000**	**45,900**	**4,757,795**	**23,228,205**

Total Anticipated Commitments		**(170,813,150)**	**(17,471,139)**	**(26,313,000)**	**(2,183,000)**
Administrative Expenses		**(480,000)**	**(480,000)**	**(480,000)**	**(480,000)**
Federal Funds**		**16,256,233**	**17,253,400**	**18,672,222**	**18,672,222**
State Matching Funds**		**2,147,823**	**3,344,130**	**3,527,894**	**3,527,894**
Repayment Funds		**11,656,451**	**11,656,451**	**11,656,451**	**11,656,451**
Carry Forward		**0**	**0**	**0**	**0**
Total Available Funds		**30,060,507**	**32,253,981**	**33,856,567**	**33,856,567**
Total Annual Suplus/Deficit		**(141,232,643)**	**14,302,842**	**7,063,567**	**31,193,567**

*These borrowers are expected to be disadvantaged communities based on our current affordability criteria

**The funds shown are the sum of the capitalization grant, Bipartisan Infrastructure Law Grant, and Emerging Contaminants Grant

+This project did not submit a priority list application but was added to capture the ARPA CSO Grant that is anticipated.

See 2023 Plist for Key

SFY 23 CSO ARPA PROJECT PRIORITY LIST AND OSG PROGRAM ALLOCATION BY MUNICIPALITY					
Municipality	Project/Type	Reported ARPA Needs	2022 ARPA Grant	2023 ARPA Grant	OSG Program Allocation
Burlington	CSO Projects	$6,347,931.33		$3,921,113.60	$84,250.00
Enosburg	CSO Projects	$950,000.00		$760,000.00	$0.00
Hartford	CSO Projects	$250,000.00		$200,000.00	$0.00
Middlebury	CSO Projects	$830,000.00		$664,000.00	$0.00
Montpelier	CSO Projects	$2,409,381.00	$1,419,000.00	$355,690.10	$0.00
Newport	CSO Projects	$980,000.00		$784,000.00	$0.00
Northfield	CSO Projects	$1,319,157.00	$1,319,157.00	$0.00	$0.00
Rutland	CSO Projects	$12,951,000.00		$7,020,865.70	$323,620.00
Saint Albans	CSO Projects	$4,174,300.00		$2,891,736.99	$0.00
Saint Johnsbury	CSO Projects	$6,437,487.26	$3,374,457.00	$1,955,926.00	$0.00
Vergennes	CSO Projects	$7,649,503.00	$3,000,000.00	$1,071,667.62	$0.00
Total				**$19,625,000.00**	**$407,870.00**

SFY 23 CSO ARPA PROJECT PRIORITY LIST AND OSG PROGRAM ALLOCATION BY PROJECT					
Town	Project Name	Reported ARPA Need	2022 ARPA Appropriation	2023 ARPA Appropriation*	OSG Program Allocation
Burlington	Old North End CSO GSI	$ 1,105,931.33	$ -	$ 3,279,465.15	$ 84,250.00
Burlington	Pine Street CSO Storage Tank	$ 4,692,000.00	$ 14,975.00	$ -	$ -
Burlington	Wastewater Treatment Facility Improvements "Phase 2"	$ 12,465,749.00	$ -	$ -	$ -
Enosburg	Elm Street Sewer and Water Improvements	$ 220,000.00	$ -	$ 760,000.00	$ -
Enosburg	Off-Line Storage Tank Phase II	$ 820,000.00	$ -	$ -	$ -
Hartford	Catch Basin Disconnections and Green Stormwater Infrastructure	$ 285,000.00	$ -	$ 200,000.00	$ -
Middlebury	South Street Reconstruction Phase Two - North Section	$ 893,000.00	$ -	$ 664,000.00	$ -
Montpelier	State Street Sewer and Drainage Design	$ 882,100.00	$ -	$ 531,938.11	$ -
Montpelier	East State Street Reconstruction Project - Contract #1	$ 1,629,156.00	$ 1,419,000.00	$ -	$ -
Newport	Gardner Park Interceptor Sewer	$ 800,000.00	$ -	$ 784,000.00	$ -
Newport	Bluff Road Pump Station	$ 250,000.00	$ -	$ -	$ -
Northfield**	South Main Street Area CSO	$ 1,400,000.00	$ 1,319,157.00	$ -	$ -
Rutland	CSO Check Valves	$ 520,000.00	$ -	$ 7,201,016.66	$ 323,520.00
Rutland	River Street Pump Station Improvements	$ 640,000.00	$ -	$ -	$ -
Rutland	Vernon Street Sewer Separation	$ 3,245,000.00	$ -	$ -	$ -
Rutland	Connor Park Phase 1	$ 7,700,000.00	$ -	$ -	$ -
Rutland	South Main Street Separation	$ 1,090,000.00	$ -	$ -	$ -
St Albans	Federal Street CSO Separation	$ 1,585,000.00	$ -	$ 3,109,795.27	$ -
St Albans	CSO Off-Line Storage	$ 2,730,000.00	$ -	$ -	$ -
St Johnsbury**	Pleasant & Gilman	$ 8,858,174.14	$ 3,374,457.00	$ 1,797,616.88	$ -
St Johnsbury	St Mary Street CSO Separation	$ 490,000.00	$ 490,000.00	$ -	$ -
St Johnsbury	Railroad Street Water, Sewer and Storm Improvements	$ 1,179,600.00	$ -	$ -	$ -
St Johnsbury	Portland Street Water, Sewer and Storm Improvements	$ 1,607,030.00	$ -	$ -	$ -
Vergennes	WWTF Hydraulic Upgrade	$ 5,937,000.00	$ -	$ 1,122,578.94	$ -
Vergennes	MacDonough Drive Pump Station Improvements	$ 3,794,000.00	$ 182,000.00	$ -	$ -
Vergennes	MacDonough Drive PS Force Main Improvements	$ 3,268,000.00	$ 3,000,000.00	$ -	$ -
Vergennes	Downtown Sewer Improvements	$ 956,000.00	$ -	$ -	$ -
Vergennes	Green and Maple Street Sewer Improvements	$ 1,272,000.00	$ -	$ -	$ -
Vergennes	MacDonough Drive Sewer Improvements	$ 846,000.00	$ -	$ -	$ -
Vergennes	North Main Street Sewer Improvements	$ 1,007,000.00	$ -	$ -	$ -
Totals				$ 19,450,411.00	$ 407,770.00

*Values may be applied to more than one project

**Projects not on SFY2023 PPL, included here to show 2022 CSO ARPA Grant

$750,000 administrative

ARPA Village Wastewater and Drinking Water

PPL Points	Project Name	Reported ARPA Need	Awards in Process ARPA SFY 22	Potential ARPA SFY 23	SFY 24	SFY 25
81	Town of Montgomery Center & Village New Wastewater Facility	$507,107.00	$ 507,107	$ 2,217,000.00		
77	South Londonderry Village Community Wastewater System	$4,875,000.00	*$ 41,000*	*$ 3,968,331.45*		
68	Grafton Village Wastewater Project	$6,560,246.00	$ -	*$ 3,968,331.45*		
68	Greensboro Village Wastewater	$8,125,000.00	$ -	*$ 3,968,331.45*	X	
64	North Londonderry Village Community Wastewater System	$4,875,000.00	*$ 41,000*	*$ 3,968,331.45*		
62	Wolcott Village Decentralized Wastewater Project	$2,700,000.00	$ -	*$ 2,565,000.00*	X	
61	Highgate Community Wastewater	$1,457,718.75	*$ 1,285,000*	*$172,718.75*		
60	*Moretown Village Community Wastewater **	$3,500,000.00	*$ -*	*$ 3,325,000.00*	X	
59	West Burke Village Community Wastewater	$10,222,400.00	*$ 50,000*	*$ 3,968,331.45*	X	
56	Westford Community Wastewater System	$2,377,136.00	$ 2,377,136			
53.8%	**Killington DW System**	$2,300,000.00	*$ 2,300,000*	$ -		
41	St. Albans Bay Village Wastewater *, **	$15,000,000.00	$ -			X
31	*Berlin Crosstown Village, Sewer Extension**	$390,780.00	*$ -*			
30	Riverton Village Center Community Wastewater Project	$665,300.00	$ -			
15	South Hero Community Wastewater	$1,541,980.00	$ -	*$ 1,464,881.00*	X	
1	Huntington Lower Village Wastewater	$0.00	$ -			
1	Waitsfield Wastewater Feasibility Study	$0.00	$ -			
	Subtotal Projects Requesting Funding		**$ 6,601,243.00**	**$ 29,586,257.00**		
	Funding Cap		**$ 2,377,136.00**	**$ 3,968,331.45**		
	Total Village ARPA Funding Need					
	Funding By Others					
	Appropriated Village ARPA Funding		$ 8,000,000.00	$ 29,961,257.00		
	Village ARPA Operations		$ 187,500.00	$ 375,000.00		
	Remaining Funding		$ 1,211,257.00	$ -		

Notes: **ARPA Funding Amounts Subject to Change based on AoA Approvals**

DW PPL Points are converted to percentage to compare with CWSRF point system

* Sewer Extension Projects are **not** Village ARPA Eligible under the SFY 23 Appropriation Language.

** Construction Projects with funds needed in SFY 25 and later were not considered for funding.

AF-AS Other Funds, Funders, Totals

AV ARPA Calc

AZ Village Count

BA Vtrans Coordination