Town of Londonderry, Vermont

Selectboard Meeting Agenda

July 20, 2026, Monday, 6:00 PM

100 Old School Street, South Londonderry, VT 05155

PUBLIC ACCESS: Hybrid meeting as allowed under 1 V.S.A. 312. Remote access is not guaranteed, especially during a storm, a power outage or technical difficulties. Selectboard meetings are recorded. Access, if available, to meeting from your computer, tablet or smartphone. Join Zoom Meeting: https://us02web.zoom.us/j/87870498479 Meeting ID: 878 7049 8479; One tap mobile: +13052241968,,87870498479# US or +13092053325,,87870498479# US

1. Call Regular Meeting to Order
2. Additions or Deletions to the Agenda [1 V.S.A. 312(d)(3)(A)]
3. Executive session: 1 V.S.A. § 313 (a)(3) The appointment or employment or evaluation of a public officer or employee, provided that the public body shall make a final decision to hire or appoint a public officer or employee in an open meeting and shall explain the reasons for its final decision during the open meeting. (Applicant Interview)
4. Executive Session: 1 V.S.A. § 313 (a)(1)(E) Pending or probable civil litigation or a prosecution, to which the public body is or may be a party.
5. Minutes Approval – Meeting(s) of 07/06/2026
6. Selectboard Pay Orders
7. Announcements/Correspondence
8. Visitors and Concerned Citizens
    a. Okemo Valley Regional Chamber of Commerce (Carol Lighthall)
    b. Ruck-Up Coin Drop September 5, 2026 (Virtual)
9. Liquor Commission
10. Roads and Bridges
11. Town Officials Business
    a. Town Clerk
        i. Bulletin board purchase for Library
        ii. Video Surveillance Cameras for Town Office
12. Transfer Station/Solid Waste Management
    a. Updates
13. Old Business
    a. Review and Approve Land Acquisition Task force charge
    b. Ratify Tree Removal Decision of 07/06/2026
14. New Business
    a. Consider Resolution to support Brattleboro Memorial Hospital Birthing Center
15. Executive Session: if needed
16. Adjourn

Posted and distributed on July 17, 2026

Meeting documents will be available at londonderryvt.gov/sbagendas approximately 24 hours before the meeting.

Livestream: *https://www.youtube.com/user/GNATaccess* *https://www.facebook.com/GNATtelevision*

Town of Londonderry, Vermont
Selectboard Meeting Agenda
July 20, 2026, Monday, 6:00 PM

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DRAFT
Town of Londonderry, Vermont
Selectboard
Public Hearing and Regular Meeting Minutes
July 06, 2026 6:00 PM
100 Old School Street, South Londonderry, VT 05155

Board members present: James Ameden, Tom Cavanagh, Jim Fleming, and Taylor Prouty.

Board members absent: Leanne Alexander

Town Officials: Aileen Tulloch, Town Administrator; Tina Labeau, Town Treasurer; Allison Marino, Town Clerk; Andy Dahlstrom, Short-Term Rental Coordinator; Will Goodwin; Zoning Administrator; Jeremiah Sund, Town Assessor; Sandra Clark, Lister, Pamela Spaulding, Planning Commission; Chad Stoddard, Planning Commission; Patty Eisenhauer, Housing Commission

Others in Attendance: Paul Hendler; Martha Cowles; Curt Cowles; Jim Wilbur; Jeff Duda; Nester Beckwith and Amanda Fouda, GNAT-TV.

1. Zoning Bylaws Public Hearing

Tom Cavanagh opened the public hearing at 6:00 p.m.

a. **Questions and Concerns from the Selectboard**
   There were none.
b. **Questions and Concerns from the Public**
   Will Goodwin (Zoning Administrator) mentioned that River Corridor rules were likely coming down from the State, even though they didn't make it to the by-laws. Patty Eisenhaur mentioned that the Zoning By-Law document was very technical and encouraged educating the public on the new rules.

2. Adjourn Public Hearing

Tom Cavanagh ***moved to close the public hearing*** *and James Ameden seconded. The* ***motion passed*** *unanimously.*

The Public Hearing was closed at 6:01 p.m.

3. Call Regular Meeting to Order

Tom Cavanagh called the regular meeting to order at 6:02 p.m.

4. Additions or Deletions to the Agenda **[1 V.S.A. 312(d)(3)(A)]**

Taylor Prouty ***moved to add Henry Carr Tree Removal Proposals under Roads and Bridges*** *and James Ameden seconded. The* ***motion passed*** *unanimously.*

5. Minutes Approval – Meeting(s) of 06/15/2026 and 06/29/2026

Taylor Prouty ***moved to approve the minutes of 06/15/2026 and 06/29/2026*** *and Jim Fleming seconded. The* ***motion passed*** *unanimously.*

6. Selectboard Pay Orders

Jim Fleming ***moved to approve the pay orders for payroll and accounts payable*** *and James Ameden seconded. The* ***motion passed*** *unanimously.*

7. **Announcements/Correspondence**

The following announcements were made by Town Administrator Aileen Tulloch:

- The education tax rate has come out, and normally we would be setting the municipal tax rate at this meeting, but since there is a Special Town Meeting on July 22, the Selectboard should call a special meeting right after Town Meeting to set the tax rate.
- The Town Clerk and Town Administrator met with Sunny Wright from the Library Board of Trustees to discuss possible placement of a notice board at the Library. The Trustees are amenable to the idea. Allison Marino will research different board types and send the list to the Trustees.
- Town Staff is working with our Pete Smith on a new file structure that will work with Microsoft Teams and hopefully make it easier for all of Town Staff to share and work with documents in the cloud.
- And RFP for a General Contractor for Town Hall Renovation work will go out this week.

Correspondence in the packet include:

- A Liquor License FYI
- A Grant-in-Aid Pre-Construction Scoping Summary
- There is a Windham Regional Commission Public Hearing for it Regional Plan at Brooks Memorial Library in Brattleboro at 1:30 pm on July 8th. Tulloch will be attending.
- A Change order for the Town Hall Window Restoration project in the amount of $4,850 to paint the trim
- Notices that the Town received funding for the Transfer Station Stormwater project in the amount of $19,625.93 through EDDIBG. The Town Garage Stormwater project was not funded, but there is another opportunity in the fall.

Town Clerk Allison Marino announced she would not be in the office next week due to training.

8. **Visitors and Concerned Citizens**

Chad Stoddard had questions and concerns about the North and South Village wastewater projects.

9. **Liquor Commission**

None

10. **Roads and Bridges**

a. **Updates**

Taylor Prouty announced that Road Foreman Josh Dryden has finished marking all the culverts for Little Pond Road and Spring Hill Road to prepare going out to bid. This will be work done in preparation for paving next year. Roadside mowing has begun. The new truck is waiting for the body to be installed, hopefully it will be in service before winter. The Grants-in-Aid projects will also be starting soon.

Aileen Tulloch mentioned that there is a possibility of a small structures grant to aid in the West River Street project.

b. Review and Approve Chaves Boynton Road Proposal

Taylor Prouty explained that this proposal would remove stumps, widen the road and create a ditch line near 444 Boynton Road.

James Ameden ***moved to accept the proposal from David Chaves Excavating to provide services relating to Boynton Road estimated to cost $9,800 and 2) authorize the Town Administrator to execute any documents necessary for the hiring of the contractor to conduct the necessary work*** *and Taylor Prouty seconded. The* ***motion passed*** *unanimously.*

c. Review and Approve Tree Removal Proposals

Taylor Prouty explained that this is the same work that was approved in the last meeting but the ash trees on Little Pond Road have been separated from the Thompsonburg Road work so that the Ash Tree Borer fund can be utilized.

Taylor Prouty ***moved to approve the proposal from Henry Carr for projects on Thompsonburg Road for $3,500 and Little Pond Road for $4,300 2) authorize the Town Administrator to sign the contract on behalf of the board*** *and James Ameden seconded. The* ***motion passed*** *unanimously.*

11. Town Officials Business

a. Forest Fire Warden

i. Designate a Fire Chief to be Fire Warden

The Legislature recently passed Act 162, which changed the eligibility requirements for Town Forest Fire Wardens. Forest Fire Wardens now must be a Fire Chief. The Fire Chief can designate as many deputies as they desire. In Towns with more than one fire department, the Selectboard has to designate one of the Chiefs. Jeff Duda has agreed to step up to this role.

Both Duda and Tulloch wanted it on the record that this change was enacted with zero input from the majority of the State's Forest Fire Wardens, Fire Chiefs and Towns. It was also announced 6 days prior to its enactment, giving little notice to anyone, just prior to the 4th of July weekend.

James Ameden ***moved to designate Jeff Duda as the Town's Forest Fire Warden*** *and Jim Fleming seconded. The* ***motion passed*** *unanimously.*

b. Short Term Rental Administrator and Town Clerk

i. Review and Approve Updated STR Rental Policy and Procedure

The number of board members was amended to 5. The policy was also updated to reflect who would serve on the board and how the appeals process would work. The policy was reviewed by the Town Attorney

James Ameden ***moved to approve the updated Short Term Rental Policy and Procedure*** *and Jim Fleming seconded. The* ***motion passed*** *unanimously.*

ii. **Review and Approve STR Appeals Form**

The form was modelled after a property assessment grievance. It was also reviewed by the Town Attorney.

Jim Fleming ***moved to approve the Short Term Rental Appeals Form*** *and James Ameden seconded. The* ***motion passed*** *unanimously.*

c. **Town Clerk**

i. **Video Surveillance Cameras for Town Office**

The Town Clerk was hoping for a quote before the meeting but didn't receive one, so this will be on the agenda for the next meeting.

d. **Assessor/Listers**

i. **Review and Approve Comcast BCA Stipulation**

Communications property was redefined from business personal property to real property by the State legislature last year, and at the same time the State took over the valuations of these properties. Recognizing that Town BCA's would likely uphold the State's values, the Department of Property Valuation and Review and companies like Comcast came up with a stipulated agreement to skip BCA and appeal directly to PVR or to Superior Court.

Taylor Prouty ***moved to approve the stipulated agreement between the Town and Comcast and authorize the Selectboard Chair to sign on behalf of the Board*** *and James Ameden seconded. The* ***motion passed*** *unanimously.*

ii. **Review and Approve State Re-appraisal of Magic Mountain**

The State Legislature created the Commercial Appraisal and Litigation Assistance Program (CALAP) to assist communities in appraising large and complex properties. Magic Mountain is one such property. The Listers' would like to apply for the program in order to re-appraise Magic Mountain for 2028 re-appraisal. If the application is denied, NEMRC will do Magic Mountain's appraisal per the existing contract.

James Ameden ***moved to approve participation in the Commercial Appraisal and Litigation Assistance Program for the valuation of Magic Mountain Ski Resort for the Town's 2028 re-appraisal, and 2) authorize the Selectboard Chair to sign on behalf of the Board*** *and Jim Fleming seconded. The* ***motion passed*** *unanimously.*

12. **Transfer Station/Solid Waste Management**

a. **Updates**

Tina Labeau announced that the bulk punch cards are now a different color to differentiate them from the others which will hopefully prevent people from purchasing them unless they mean to. Aileen Tulloch mentioned that we are still looking for a Part-Time Transfer Station Attendant.

13. Old Business

a. Approve the Discontinuance of Monet Lane and Written Decision

This is the last step in the road discontinuation process. Windham is voting on this tonight as well.

Taylor Prouty ***moved to find that the discontinuance of Monet Lane meets the public good, necessity and convenience of the inhabitants of the Town, and authorize the Selectboard Chair to sign the Order of Discontinuance of Monet Lane****, and James Ameden seconded. The* ***motion passed*** *unanimously.*

b. Review and Approve Town Office Renovation closeout and final payment.

Jon Saccocio of Stevens & Associates signed off on the remaining punch list items.

Jim Fleming ***moved to authorize final payment of the Town Office Renovation of $4,300 to close out the Town Office Renovation Project*** *and James Ameden seconded. The* ***motion passed*** *unanimously.*

14. New Business

a. Approve Londonderry Zoning Bylaws

James Ameden ***moved to approve the Zoning Bylaws as presented*** *and Jim Fleming seconded. The* ***motion passed*** *unanimously.*

b. Award Town Buildings General Repair Bid

There was one bid from Hunter Excavating.

Jim Fleming ***moved to accept the proposal from Hunter Excavation to provide services relating to Town Office General Repair estimated to cost $89,431 and 2) authorize the Town Administrator to execute any documents necessary for the hiring of the contractor to conduct the necessary work*** *and James Ameden seconded. The* ***motion passed*** *unanimously.*

c. Approve Joining the Windham County Regional Law Enforcement Governance Council and Appoint Selectboard member

The Sheriff needs 5 Towns to join the Council before it is active, and he is hoping to have the first meeting in early September. James Ameden agreed to be the Town's representative to the Council.

Jim Fleming ***moved that Londonderry join the Windham County Regional Law Enforcement Governance Council and appoint James Ameden as the Town's Representative to the Council*** *and Taylor Prouty seconded. The* ***motion passed*** *unanimously.*

d. Discuss South Village Wastewater funding gap and need for matching funds

Aileen Tulloch explained that Phase II of the South Village wastewater project current has about a 2 million dollar gap, and most grants require match. Although not having the match available at the time of applying doesn't disqualify applicants, those that can demonstrate they have the cash in hand or the ability to obtain it receive higher scores. The grants are highly competitive and a lot of entities are competing for a relatively small pot of money. Tulloch wanted to know the Board's temperature regarding further bonding or borrowing in order to go out for further grants that require match. The Board agreed it was not in favor of asking for more money from taxpayers for the project. Tulloch thanked the Board for the direction and will seek avenues for funding that don't require match or can be matched with State or Federal funds.

Chad Stoddard expressed his frustrations with the wastewater projects in general.

e. Review and Approve Municipal Energy Revolving Fund Application for Town Hall

The State received about 1.1 million in funding to create a revolving loan fund which could be used for energy sustainability and ADA improvements much like the Municipal Energy Resilience Program (MERP) did. The Town can apply for up to $250,000 in MERF funding with a 0% interest rate if applied for before December 31, 2026.

Discussion ensued about the Town Hall renovations in general. Aileen Tulloch explained that there were renovations such as fixing the roof that didn't meet MERP or MERF eligibility requirements that were going on as part of the overall project. This loan would specifically be for further energy resilience projects, such as upgrading the heating system.

The Board asked the Town Hall Renovation Committee to come back with a number.

f. Discuss hiring a Wastewater Operator.

Aileen Tulloch explained that the South Village wastewater system might be operational by this fall, but even if it isn't the Town needs to contract with a Grade 1 Wastewater Operator this year in order for that person to observe the site and receive the necessary training. All municipal wastewater systems require a certified operator. The Operator would be paid for by the sewer fund, but since the site isn't operational yet there isn't a sewer fund yet. The initial expenditure shouldn't be too high. Tulloch asked for permission to send out an RFP for a Wastewater Operator. The Board agreed.

Chad Stoddard expressed his frustration with having to hire a wastewater operator.

g. Discuss Itinerant Vendor Ordinance

This came up because Taylor Prouty and Tom Cavanagh noticed a Hot Dog Cart operating in Town and they did not recall seeing an Itinerant Vendor Permit come up at any meetings. The Zoning Administrator had issued a Zoning Permit for the cart. Discussion ensued on whether the Itinerant Vendor Ordinance was redundant if zoning permits were already being issued, and whether other Towns had Itinerant Vendor Ordinances. Aileen Tulloch replied that yes, many did. Tulloch pointed out that at present, she was the Selectboard's Appointee, but that it might be better if Will Goodwin was their appointee, to streamline the process.

James Ameden ***moved to appoint Will Goodwin as the Appointee for Itinerant Vendor Applications*** *and Tom Cavanagh seconded. The* **motion passed** *unanimously.*

15. Executive Session: if needed

None needed.

16. Adjourn

Jim Fleming ***moved to adjourn*** *and James Ameden seconded. The* **motion passed** *unanimously.*

The meeting adjourned at 7:49 PM.
Respectfully Submitted,

Aileen Tulloch, Town Administrator

Approved
LONDONDERRY SELECTBOARD

____
Chair, Tom Cavanagh

Non-Profit / Municipal Organization Ruck-Up Inc

Applicant Monali King & AJ Paige Phone (603) 387-8586
Official / Officer

Address 105 Maple Ave City Keene NH Zip 03431

I/We apply for authorization to administer a solicitation on Vermont State Highway ______ (Near Hell's Peak)

On Sept 5 2026 at ______ N S E W of Mile Marker Rt 11
Month Day Year Feet Circle one

Attached is a certificate of insurance verifying that the organization possesses Worker's Compensation insurance, if required by statute; Automobile Liability insurance with limits not less than $300,000 Combined Single Limit and Commercial General Liability insurance coverage with limits not less than $300,000 per occurrence both naming the State of Vermont as an additional insured, and endorsement by a Police department having jurisdiction on this roadway.
I/We agree to comply with any and all participant and traffic sign requirements attached to the permit.

K. Monali King ______ AJ Paige ______ Date 7/9/26
Signature of Applicant(s)

Endorsement by Police Department: The Vermont State Police
Name of department
has been made aware of the intended highway solicitation and the requirements of 23 VSA Section 1056.
I/we request that the Ageny [ ]Grant: [ ] Deny : [ ] Grant with the following conditions: this application.

______
Conditions if recommended

Signature and Title of Police Official :
Date:

TO BE COMPLETED BY THE AGENCY OF TRANSPORTATION

The Agency of Transportation [ ] **Grants** [ ] **Denies** authority to the above-named applicant to conduct a solicitation on Vermont State Highway ______ with these conditions:

1) No solicitation will be conducted during nighttime hours, or during rain or snow storms.
2) No one under the age of 16 will be allowed to participate in the solicitation.
3) The sponsor agrees in writing to comply with any and all attached participant and traffic safety requirements. A typical layout with required signs is attached.
4) A completed permit application containing any required local municipal and law enforcement endorsements is on file with the ...

Land Acquisition Task Force Charge

The purpose of the Land Acquisition Task Force is to identify potential parcels for future Town needs, including identifying was to reconfigure development over the long term to address the threat of future flooding as identified in Action # 8 of the 2025 Long Term Recovery Report. The Task force shall identify what those needs are, and then identify parcels within Town that would fit the needs. The Task Force shall meet monthly for 6 months, starting July 1st and ending January 1st, and shall produce a report of their findings at that time.

The Task force will consist of 5 members:

1 Selectboard member

1 Housing Commission member

1 Planning Commission member

1 Conservation Commission member

1 Member-at-large (community member)

TOWN OF BRATTLEBORO
Town Manager's Office
230 Main Street, Suite 208
Brattleboro, VT 05301
Phone (802) 251-8151
www.brattleboro.gov

June 10, 2026

Londonderry Selectboard
100 Old School Street
South Londonderry, VT 05155

Subject: Brattleboro Memorial Hospital Birthing Center Resolution

Dear Londonderry Selectboard Members,

The Brattleboro Selectboard is asking for your partnership in helping preserve the Brattleboro Memorial Hospital Birthing Center, an essential regional healthcare resource that serves families throughout Southeastern Vermont and neighboring New Hampshire and Massachusetts.

Our board understands that this is not simply Brattleboro's challenge. The Birthing Center belongs to all of us who rely on a strong regional hospital and want to ensure that families can continue to access quality maternity care close to home.

We recognize that every municipality is facing budget pressures, and we are not asking communities to shoulder another financial burden. Instead, we are asking for your leadership.

Please help spread the word, encourage local businesses, civic organizations, foundations, and residents to become involved, and share ideas for fundraising, advocacy, and community partnerships that can strengthen this effort. Whether it is hosting an event, connecting potential donors, engaging volunteers, or simply helping raise awareness, every contribution moves us closer to a solution.

Your residents' choice of using Brattleboro Memorial Hospital for medical care is also a key factor. When a resident in one of our towns chooses to have an MRI or orthopedic treatment at Brattleboro Memorial Hospital, that choice helps underwrite and maintain essential services like the Birthing Center.

The loss of the Birthing Center would affect the entire region, not just expectant families, but employers, healthcare providers, and every community that depends on this hospital as a cornerstone of regional healthcare.

This is an opportunity for our towns to come together around something that benefits us all. We invite you to join the conversation, share your ideas, and help build the broad community support needed to keep this vital service available for future generations.

Would you join us in passing a resolution supporting Birthing Center services in Brattleboro?
Attached is the draft resolution for your information that the Brattleboro Selectboard will be considering at its next meeting.

TOWN OF BRATTLEBORO
Town Manager's Office
230 Main Street, Suite 208
Brattleboro, VT 05301
Phone (802) 251-8151
www.brattleboro.gov

Together, we can demonstrate that when our region faces an important challenge, we respond as neighbors. For more information, please visit https://savebirthatbmh.org/ and please reach out to Brattleboro Town Manager John Potter at 802-251-5102 or jpotter@brattleboro.gov to let us know if you are able to support this effort.

Respectfully,

The Brattleboro Selectboard

Oscar Heller (Chair):____

Amanda Ellis-Thurber (Vice-Chair):______________________________

Nell Mayo (Clerk):____

Peter Case:____

Issac Evans-Frantz:____

DRAFT

TOWN OF ____________ RESOLUTION

WHEREAS, the Brattleboro Memorial Hospital has identified the potential need to close its level 1, low-risk, Birthing Center;

WHEREAS, the ability of the Windham- and Windsor-county regions to attract future economic investment and the next generation of residents depends on the availability of essential services such as are offered at the Brattleboro Memorial Hospital Birthing Center; and
WHEREAS, we believe that Vermonters should be able to safely give birth in Vermont rather than have to travel to other states;

NOW, THEREFORE, BE IT RESOLVED THAT the Town of ___________Selectboard:

1. Strongly recommends that the Brattleboro Memorial Hospital do everything within its power to maintain robust Birthing Center services in Brattleboro for the benefit of the region.
2. Encourages the Vermont Agency of Human Services, the Governor's Office, the Green Mountain Care Board, and the State Legislative Delegation to act in support of rural maternal medical care, in general, and to prevent the closure of this Birthing Center, in particular.
3. Urges its residents to choose Brattleboro Memorial Hospital first for medical services so that the Birthing Center can be adequately subsidized.

Adopted by the Town of ____________Selectboard on the _____ day of July 2026 with a copy sent to the above-mentioned entities.

____________________________ ________________________________
Selectboard Chair Selectboard Vice-Chair

____________________________ ________________________________
Selectboard Clerk Selectboard Member

____
Selectboard Member

Outlook

FW: Draft FFY2026 CWSRF and DWSRF IUPs for Comment

From Claudon, Lynnette <Lynnette.Claudon@vermont.gov>
Date Thu 7/16/2026 1:23 PM
To kmccarthy <kmccarthy@ccrpcvt.org>; Joshua Schwartz <mrvpd@madriver.com>; Victoria Hellwig <victoria@lcpcvt.org>; Seth Jensen <seth@lcpcvt.org>; gbrunswick <gbrunswick@nrpcvt.com>; Chris Campany (Windham Co RPC) <ccampany@sover.net>; tnewton <tnewton@ccrpcvt.org>; mbachler@windhamregional.org <mbachler@windhamregional.org>; Aileen Tulloch <townadmin@londonderryvt.gov>; Aileen Tulloch <townadmin@londonderryvt.gov>; Charlie Hancock <montgomeryselectboard.charlie@gmail.com>; Peter Zamore <peter.zamore@gmail.com>; York.haverkamp@waitsfieldvt.gov <york.haverkamp@waitsfieldvt.gov>; jb.weir@waitsfieldvt.gov <jb.weir@waitsfieldvt.gov>; Highgate Town Administrator <townadmin@highgatevt.org>; linda.wolcott.selectboard <linda.wolcott.selectboard@gmail.com>; Jim Ryan (Wolcott WWC) <wchollow@hotmail.com>; davisbarnett@gmail.com <davisbarnett@gmail.com>

Hello Villages,

This is the announcement for our annual intended use plan. This plan is draft and involves a public comment period and public hearing.

I encourage you all to read the plan, especially with regard to the project priority list if you are hoping for a CWSRF loan or Pollution Control grant.

This plan also details how subsidy will be used and who qualifies for subsidy.

If you have any questions they should go to Tom and any comments need to go to Padraic as directed in the announcement.

~Lynnette

From: Vermont Agency of Natural Resources <anr.cwsrfplist-vermont.gov@shared1.ccsend.com>
Sent: Thursday, July 16, 2026 1:06 PM
To: Claudon, Lynnette <Lynnette.Claudon@vermont.gov>
Subject: Draft FFY2026 CWSRF and DWSRF IUPs for Comment

EXTERNAL SENDER: Do not open attachments or click on links unless you recognize and trust the sender.

Notification of CWSRF and DWSRF IUPs Public Hearing

Water Infrastructure
FINANCING PROGRAMS

CLEAN WATER STATE REVOLVING FUND (CWSRF)
DRINKING WATER STATE REVOLVING FUND (DWSRF)

Clean Water and Drinking Water State Revolving Funds

(CWSRF and DWSRF)

FFY 2026 Draft Intended Use Plans

Notice of Public Hearing and Comment Period

The Water Investment Division is distributing the following documents for public review and comment:

- The Draft CWSRF Intended Use Plan (IUP) and Project Priority list (PPL), FFY2026 CWSRF IUP**,** details the manner in which the program intends to utilize the CWSRF fund, Pollution Control Grant fund, and Sewer Overflow Grant (OSG) fund. The PPL contains a list of municipalities and private entities that have submitted priority list applications for potential funding in the upcoming year.

- The Draft DWSRF IUP and PPL **FFY2026 DWSRF IUP**, details the manner in which the program intends to utilize the DWSRF fund. The PPLs contains a list of public water systems that have submitted priority list applications for potential funding in the upcoming year.

This email serves as notification that there will be a public hearing for these draft IUPs at 12:30 PM on Wednesday, August 19, 2026, in Montpelier at the Catamount Conference Room in the Davis Building of the National Life Campus

Public Hearing Agenda:

12:30-1:30 pm - DEC presentation on IUPs

1:30-2:30 pm - Public comments

Attendance to the hearing will be available in-person, remotely through Microsoft Teams and remotely via Microsoft Teams teleconference line. The Microsoft Teams link and telephone call-in number can be accessed through the Division's IUP Page on our website. *Please note that the links will not be posted until approximately 36 hours before the hearing.* This hearing will be recorded and made available for public use following the event.

Public comments on these documents will be accepted **until Tuesday, August 25, 2026, at 5:00 PM**.

Please direct all comments or questions to:

Padraic Monks at Padraic.monks@vermont.gov or by phone at (802) 490-6169.

For those who submitted construction priority list applications, please let us know if you have secured other funding for your project and will not need the full amount requested or do not plan to proceed to construction by summer 2027.

We look forward to assisting you with your infrastructure funding needs.

Sincerely,

The Vermont Water Infrastructure Financing Program Team

State of Vermont, Department of Environmental Conservation
Water Investment Division
Water Infrastructure Financing Programs
1 National Life Drive, Davis 3
Montpelier, VT 05620-3510

VERMONT

State of Vermont
Agency of Commerce and Community Development
Department of Housing and Community Development
Deane C. Davis Building – 6th Floor 802-261-0681 | 802-828-3080
One National Life Drive
Montpelier, VT 05620-0501

MEMORANDUM

TO: Municipal Planning and Development Review Officials
FROM: Vermont Department of Housing and Community Development (DHCD)
Chris Cochran, Director of Community Planning & Revitalization
Jacob Hemmerick, Community Planning & Policy Manager
Maxwell Krieger, General Counsel
DATE: July 8, 2026
RE: 2026 Legislative Revisions Affecting Community Planning and Revitalization

At the close of each year's legislative session, DHCD issues a summary of laws that affect municipal and regional officials involved in planning and development review.

The 2026 legislative session was shaped by a continued focus on affordability, with education reform and property tax pressures dominating debate through the final days. At the same time, lawmakers advanced a broad package of legislation covering housing, economic development, climate, and community development. Notably, the Legislature revisited and recalibrated the implementation of Act 181, making targeted changes to preserve housing incentives in designated centers and modernize regional planning maps. They also repealed portions of the new Act 250 framework related to Tier 3 areas and the "road-rule" jurisdiction.

We thank our partner state agencies and departments, the Office of Legislative Counsel, the Vermont Association of Planning and Development Agencies (VAPDA), and the Vermont League of Cities and Towns (VLCT) for their assistance in compiling this summary and in the work ahead.

The next two-year legislative session begins on January 6, 2027.

The Vermont Statutes Online website (also known as 'the green books') is typically updated in October and does not include prior session changes until then.

Housing, Act 250, State Designations, Planning and Regulation

- **S. 325 (Act 152) - An act relating to regional planning and Act 250 Tier jurisdiction**

  Act 250 Amendments
  The Act extends Act 250 interim exemptions through January 1, 2028 (instead of 2027) and repeals Tier 3 areas, leaving Tiers 1A, 1B, and 2 in place. Tier 1 will continue to provide exemptions from Act 250. Tier 1 areas are established when the Land Use Review Board (LURB) determines that the regional plan complies with the statute for the

following land uses: Downtown & Village Centers, Planned Growth Areas, and Village Areas. These are the same areas that establish Community Investment Designations. Tier 2 retains Act 250 jurisdiction, now without the road rule, which would have asserted jurisdiction over longer roads and driveways. The Act also adds new exemptions for specified on-farm businesses.

Important to municipal officials, the Act outlines the process for applying and enforcing prior Act 250 permit conditions for legacy permits in exempted areas. The Act extends the rulemaking deadline for Forest Blocks and Habitat Connectors (8C) and requires recommendations for a public engagement plan that addresses the consequences of lost working lands and the stewardship of natural resources. It further creates a joint legislative oversight committee (through July 1, 2029) for LURB implementation and ANR permitting.

Regional Plans

The act aligns the regional plan reviews conducted by the LURB and the Community Investment Board with those of the Department of Public Service when the region requests a determination of energy compliance. This determination gives the Public Service Board greater deference to member municipalities on energy siting matters. These reviews must be completed within 60 days.

The act also expedites the process for amending a regional plan's future land use map, creating a new pathway for non-minor (major) amendments. The expedited process now requires only one hearing with 15 days' notice to the public and the statutory parties, instead of a minimum of two hearings with 30 days' notice prior to an amendment. Once approved regionally, the LURB must hold a hearing within 30 days for all amendments (instead of 60) -- without the preliminary application review process -- and make a decision within 30 days after the hearing (instead of 15 days for full adoptions). This process does not involve reviews or comments by statutory parties beyond the notice of the public hearing. The scope of a minor amendment is limited to a 10-acre map change, and the scope of non-minor (major) amendments is unlimited. Amendments do not extend the 8-year lifecycle of a regional plan.

The act also allows a municipality to apply to change its **Tier 1B status** either through the regional amendment process or independently with the LURB. Both options require action by the municipal legislative body to opt in or out.

The act amends elements of the regional plan; **future land uses** must now be consistent with smart growth principles, as added to Chapter 117. It also amends land uses that establish Tier 1 Act 250 exemptions and community investment designations. First, downtown and village centers no longer need to be both traditional and historic central business and civic centers and can include 'planned or emerging' centers. *Planned growth areas* have a stronger focus on meeting the housing targets. The prior complete streets and walkability standards for centers and planned growth areas remain. *Village areas* no longer need to have municipal water or wastewater, so long as there is either one of those public services, or the area has soils adequate for wastewater disposal, i.e., suitable areas for septic systems.

The Act removes an inactive process for formal reviews of regional planning commission decisions and extends the validity of regional plans expiring in 2026 and 2027 until December 31, 2027. Notwithstanding this extension, regional plans not approved by the

LURB by December 31, 2026, will result in the expiration of legacy designations, and those designations will no longer be eligible for vested benefits.

Municipal Plans
The act also extends the validity of municipal plans expiring in 2026 and 2027 through December 31, 2027.

Community Investment Designations
The Act establishes that historic downtown and village tax credits are eligible only in Step 2 or 3 centers, or in Step 1 centers where a portion of the designated center is listed or eligible for listing in the National Register of Historic Places. Step 2 and Step 3 centers continue to have historic requirements; this means that some planned or emerging centers will not be able to 'step up' to the benefits prioritized for traditional and historic centers. The legislature enacted a narrow exception to the historic requirements for legacy New Town Center designations.

The Act establishes new community investment program reporting requirements on January 15th of each year to summarize how benefits are allocated among the designations and municipalities.

Discretionary Reviews & Permit Appeals
The Act directs the Department of Housing & Community Development to report on policy approaches to limit housing permit appeals and discretionary reviews.

Environmental Justice
The implementation of environmental justice legislation, including reporting, rulemaking, and mapping, was delayed.

- **S.328 (Act 179) - An act relating to housing and common interest communities**

The Act advances several housing and community development initiatives that municipalities should be aware of, including new financing tools, updates to local planning requirements, and additional flexibility to support housing production.

For municipalities, one notable change creates a new authority for **special assessment bonds**, allowing them to finance public improvements within a defined area and repay those costs through special assessments rather than the municipal tax base. This creates a potential new tool to support infrastructure for housing and development projects.

Municipal Plans
The Act also updates municipal planning requirements by strengthening the **housing element of municipal plans**. Going forward, plans must not only reflect regional housing needs and targets but also identify regulatory, labor, and physical constraints on housing production and describe actions municipalities may take to accommodate projected housing demand. Municipalities will also be expected to document progress toward meeting housing targets during plan updates and readoption.

Municipal Bylaws
Additional housing provisions reinforce existing statewide housing reforms by clarifying that local bylaws may not exclude modular, manufactured, or prefabricated housing

where residential development is allowed (except under the same terms that conventional housing would be excluded), that bylaws must allow **duplexes** as a permitted use rather than a conditional use without owner-occupancy limitations, and that **multi-unit dwellings with four or fewer dwelling units** must be allowed on the same size lot as a single-unit dwelling in all residential zoning districts served by water and sewer service. However, municipalities may apply conditional use review if the zoning district specifically requires multi-unit buildings to have more than four units (effective January 1, 2028). Unless otherwise noted, all provisions take effect on July 1, 2026.

The Act also states that bylaws must now permit **accessory dwelling units** without an owner-occupancy requirement for the lot.

State Designation
The Act amends the **community investment designation** requirements for Steps 2 and 3, allowing a preexisting (legacy) New Town Center to be a Step 2 or 3 Center without the requirement to be listed in the National Historic Register. The Department is analyzing how to apply this change.

Reports
The act also requires new reporting and public postings for common interest communities (like condominium associations).

Special Initiative
It also establishes an Off-Site Construction Accelerator Pilot, administered by the State Treasurer, to explore whether bulk purchasing, financing tools, and modular construction can reduce housing development costs statewide. The pilot includes coordination with DHCD and other housing partners and may inform future policy recommendations.

- **H. 757 (Act 155) - An act relating to manufactured homes and limited equity cooperatives**

  The Act introduces a series of changes to improve housing affordability, expand opportunities for resident ownership, and reduce barriers to manufactured housing in Vermont. While much of the bill affects financing, taxation, and State programs, several provisions are relevant to municipalities and local housing efforts.

  It continues Vermont's shift toward treating manufactured housing more like conventional housing. It updates State law to recognize manufactured homes financed as residential real estate and clarifies the standards for when a home is considered permanently sited.

  The law amends 24 V.S.A. § 4412 to clarify that local bylaws may not exclude off-site-built housing from residential districts unless conventional housing would be treated the same way. Municipalities retain authority to regulate health and safety and to establish site standards within existing mobile home parks, but those standards may not effectively prevent the replacement of homes on existing lots.

  The bill also strengthens support for limited equity cooperatives (LECs) in mobile home parks. These resident-owned structures will be treated similarly to nonprofit entities for

State funding and grant eligibility. The bill also places guardrails on subleasing to maintain affordability and resident stability.

On the affordability front, the legislation expands sales tax exemptions for manufactured and modular housing, including enhanced treatment for energy-efficient homes. These changes are intended to lower acquisition costs and improve parity between factory-built and site-built housing, though the tax provisions do not take effect until January 1, 2028.

Finally, Act directs DHCD to prepare a report by November 15, 2026, identifying State infrastructure, grant, and financing programs available to mobile home parks and evaluating the barriers faced by limited equity cooperatives.

- **H.723 (Act 90) - An act relating to posting of land subjects:**

  This Act makes it easier for landowners to post their property to prohibit hunting, fishing, trapping, or taking wildlife and to ensure those restrictions remain enforceable. A recorded posting is valid for 365 days from the date it is filed with the town clerk. The Act also clarifies that minor mistakes or unintentional deviations in how land is posted will not invalidate enforcement, as long as a reasonable person understands that those activities are prohibited and the posting has been properly recorded with the town clerk.

- **H. 940 (Act 97) - An act relating to miscellaneous public utility subjects**

  Sections 2–3: The Act updates regional and municipal planning processes to enhance energy planning and better integrate energy review into existing planning and approval structures. Regional planning commissions are now required to submit draft regional plans to the Department of Public Service at the same time as to the Land Use Review Board (LURB), creating closer alignment between those review processes.

  The Act also requires earlier LURB review of draft regional plans and provides municipalities with more detailed notice and mapping information when proposed regional future land use maps would change, creating additional opportunities for local input before adoption.

  To support continuity and reduce administrative burden, the Act streamlines public engagement by integrating enhanced energy planning review into broader municipal and regional plan adoption processes, rather than maintaining separate tracks. It also updates approval standards and procedures to help municipalities avoid gaps in approved energy plans and to maintain eligibility for substantial deference in energy siting proceedings.

- **H.941 (Act 166) - An act relating to municipal regulation of agriculture**

  The Act clarifies and narrows municipal authority over agricultural activities in response to the Vermont Supreme Court's 2025 *In re 8 Taft Street* decision. The bill states that the Legislature's intent is to reaffirm that municipalities generally may not regulate farming activities or the construction of farm structures through local zoning when those activities are subject to Vermont's Required Agricultural Practices (RAPs).

  It also creates several targeted exceptions. Municipal zoning authority is retained for the raising, feeding, and management of livestock on farms with fewer than one contiguous acre, and farms with one to four contiguous acres must demonstrate an adequate land base for nutrient and waste management to remain exempt from local regulation.

Municipalities may also adopt performance standards to address swine waste impacts in designated downtowns and village centers but may not prohibit swine operations outright and must provide notice and an opportunity to cure before enforcing.

The law further limits local regulation of plant cultivation and establishes statewide protections for keeping poultry flocks. Municipal bylaws may not prohibit or charge fees for keeping poultry for personal use, donation, or sale, and must allow at least 12 chickens (excluding roosters and ratites). Municipalities may continue to regulate overall flock size based on parcel characteristics.

Municipalities should review zoning bylaws and agricultural provisions to ensure consistency with these updated limits on local regulatory authority before the July 1, 2026, effective date.

- **S.202 (Act 149) - An act relating to portable solar energy generation devices - municipal permit exemptions for portable solar devices (under 1200 W).**

  The Act authorizes Vermonters to install small plug-in photovoltaic (solar) devices—up to a combined capacity of 1,200 watts per electric meter—without a Public Utility Commission permit or utility interconnection agreement, provided the systems meet applicable safety and technical standards. These systems are not eligible for net metering, and exported electricity is not compensated.

  The law prohibits municipal bylaws from regulating the installation, operation, or maintenance of plug-in photovoltaic devices and from broadly prohibiting renewable energy devices. Public buildings must continue to comply with applicable Fire and Building Safety Code requirements. The bill also establishes notice procedures for tenants installing these devices and extends protections against private deed restrictions that would prevent installation. The Act takes effect on July 1, 2026.

  S.212 (Act 174) - An act relating to potable water supply and wastewater system connections

  This Act updates Vermont's potable water and wastewater permitting framework to make connection approvals more efficient while maintaining environmental and public health protections.

  For municipalities, the most significant changes are the creation of a new general permit process for water and sewer connections and a revised municipal delegation model. Municipalities that own and operate both water and sewer infrastructure may request authority from the Agency of Natural Resources (ANR) to conduct technical reviews and approve eligible municipal water and wastewater connections locally, provided they meet state qualification and reporting requirements and comply with state permit standards.

  The law also directs ANR to give greater deference to certifications prepared by licensed designers to reduce review times and to establish a streamlined approval path for certain utility connections in designated downtowns.

Municipalities that administer delegated connection reviews may charge local fees to recover review costs but must submit project documentation to ANR along with a $100 administrative processing fee.

Most implementation steps will occur through rulemaking and permit development over the next two years, with ANR required to publish the new general permit and guidance manual by December 1, 2027, and to begin accepting certifications under the new process on January 1, 2028.

Economic Development

- **S.327 (Act 128) - An act relating to economic development**

  This is a broad economic development bill focused on business growth, redevelopment, financing tools, and workforce development.

  A major component directs the Department of Economic Development to conduct a statewide review of Vermont's business support system. The study will examine business development stages, public and private resources, access to capital, succession planning, and investor readiness, and will include recommendations to create a more coordinated and accessible business support ecosystem. A report is due by December 15, 2026.

  It also repeals the scheduled sunset of the Vermont Employment Growth Incentive (VEGI) program, allowing incentives to continue beyond January 1, 2027, while lowering annual approval caps and increasing oversight if those limits are exceeded.
  The Act establishes and expands the Rural Industry Development Grant Program in statute. The program supports local development corporations in land acquisition, site development, infrastructure, permitting, and redevelopment to facilitate business expansion and relocation. It broadens eligible uses, allows larger awards in limited cases, and removes certain repayment requirements tied to future property appreciation.

  Finally, the law establishes a statewide Commercial Property Assessed Clean Energy (C-PACE) framework. Municipalities may opt into the program, enabling commercial and industrial property owners to finance energy, resilience, and water improvements through special assessments secured by the property. This creates a new mechanism to attract private investment while limiting municipal financial exposure.

Taxation

- **H. 933 (Act 164) An act relating to miscellaneous administrative and policy changes to the tax laws**

  The Act combines technical tax administration updates with targeted investments in housing and redevelopment. Beginning in FY27, the annual cap for the downtown and village center tax credit programs will increase from $3 million to $3.5 million. The program supports historic rehabilitation, upper-floor housing development, code and accessibility upgrades, façade improvements, and mixed-use redevelopment in designated centers.

It also increases the annual cap for first-year allocations under Vermont's Down Payment Assistance Program from $250,000 to $350,000 annually for FY27 through FY31.

The law also updates the Municipal Grand List Stabilization Program to provide more predictable municipal reimbursement after flood-related property acquisitions. Municipal payments will be calculated using the affected property's grand list value and the prior year's municipal tax rate and will continue annually for five years.

Additional provisions update equalization rules so that municipalities with housing development sites and TIF districts are treated based on fair market value rather than on original taxable value.

Budget & Appropriations

- **H. 951 (Act 144) - An act relating to making appropriations for the support of the government**

  The FY27 budget includes several investments that support local capacity, housing, and rural community development**.** It increases investment in local and regional planning through the Municipal and Regional Planning and Resilience Fund, including $1.32 million for Municipal Planning Grants (MPGs) to support local planning and implementation, and $7.84 million for Regional Planning Commissions (RPCs) to provide technical assistance, regional coordination, municipal plan review, and support for housing, infrastructure, resilience, and community development initiatives. In addition, the budget provides $250,000 for municipal technical assistance through the Vermont Council on Rural Development (VCRD**)**, creating additional capacity to help communities advance planning, project development, coordination, and implementation, particularly in smaller and rural towns with limited staff resources. Budget writers also appropriated $2 million for the Rural Industry Development Program to support business growth, job creation, and economic opportunity in rural communities.

  Housing investments remain a top priority and include an additional one-time appropriation of $800,000 for the Manufactured Home Improvement and Repair Program (MHIR)**;** $4 million in base funding to make the Vermont Housing Improvement Program (VHIP) permanent, bringing existing units back online and expanding housing availability; $1 million for rent arrears assistance; and $100,000 for first-generation homebuyer assistance.

  The budget also continues support for community resilience and infrastructure**,** including funding for municipal disaster recovery and mitigation programs through state aid for town highways and municipal mitigation assistance. In addition, it allocates $1 million for electric vehicle supply equipment (EVSE) to expand charging infrastructure across the state and $50,000 for Vermont's 250th Anniversary celebration**,** creating opportunities for local engagement, tourism, and placemaking.

  H.952 (Act 163) An act relating to capital construction and State bonding budget adjustment.

  The law provides approximately $10 million in FY2027 for targeted clean water investments, replacing DEC's flexible appropriation with dedicated funding for specific programs. It clarifies that municipalities retain the authority to establish and operate local stormwater utilities even where regional stormwater utilities exist, and authorizes municipalities to assess fees based on equivalent residential units or impervious surface. It also exempts agricultural properties regulated under the Required Agricultural Practices from municipal stormwater utility fees.

Transportation

- **H.944 (Act 168) - An act relating to the fiscal year 2027 Transportation Program and miscellaneous changes to laws related to transportation**

  This Act aims to address mounting pressure on transportation revenues and rising construction costs. The Legislature notes that Transportation Fund revenues have underperformed forecasts and that municipalities face similar challenges, with state support for town highways increasing more slowly than local costs, placing additional pressure on municipal budgets and property taxpayers.

  The FY27 program continues significant investment in transportation infrastructure that supports local mobility and community development. The act provides $2 million for the Park and Ride Program to advance three statewide projects; $24.6 million (including local match) for bicycle and pedestrian investments to support construction, design, and scoping work in communities across Vermont; $4.5 million (including local funds) through the Transportation Alternatives Program for local transportation, stormwater, and active transportation projects; $57.9 million for public transit services and mobility initiatives statewide; and $60.3 million for rail infrastructure and passenger service, including continued support for freight and intercity rail.

  For communities participating in regional transit systems, the Act clarifies that municipalities and partners may make voluntary local match contributions to support grants, operations, and capital investments without affecting existing assessment formulas.

  The Act establishes a clearer framework for bridge inspections, postings, and closures. VTrans will continue inspecting bridges on both State and town highways and must notify municipalities when locally maintained bridges require posting or closure. Municipalities remain responsible for implementing and funding closures, signage, traffic control, notifications, and barricades for bridges under local responsibility. VTrans may act directly when immediate public safety concerns arise, and violations of bridge postings or closures may result in civil penalties of up to $1,000.

  The Act also streamlines transportation administration by repealing outdated rules for the Municipal Heavy Equipment Loan Fund and continuing administration through the Municipal Equipment and Vehicle Loan Fund structure already established in statute. It also increases flexibility for emergency transportation work by raising the threshold for waiving bonding requirements on certain contracts from $100,000 to $250,000, helping speed emergency stabilization efforts.

  The Act prohibits unreasonable restrictions by Common Interest Communities on the installation of EV charging and establishes basic parameters for approval processes, installation, and management responsibilities.

Finally, the Act begins Vermont's transition to a Mileage-Based User Fee (MBUF) for electric vehicles on January 1, 2027, as part of a broader effort to stabilize long-term transportation funding as fuel tax revenues continue to decline. Under the new system, electric vehicles will pay 1.4 cents per mile traveled, capped at $178 annually, with a flat-rate option available.

The Act also directs the Commissioner of Taxes to examine the potential to generate additional revenue for the Transportation Fund through a fee on electricity sold through EVSE available to the public.

Prior DHCD memos summarizing the statutory changes beginning in 2007 are available at http://accd.vermont.gov/community-development/resources-rules/planning. If this summary is revised to correct any errors or omissions, the date will be updated accordingly.

Disclaimer: This summary is solely to provide a broad overview of the Acts passed during the 2026 legislative session from the Department of Housing and Community Development's perspective. This summary cannot be relied upon for legal effect or interpretation of statute. For legal advice, please consult a private attorney.

The Vermont Drinking Water State Revolving Fund

Draft Intended Use Plan for Federal Fiscal Year 2026

Prepared by:

The Water Investment Division

Vermont Agency of Natural Resources

Department of Environmental Conservation

1 National Life Drive, Davis 3 | Montpelier, VT 05620-3510

July 16, 2026

Contents

1. Executive Summary

Vermont sends to the U.S. Environmental Protection Agency (EPA), as part of its annual application for Drinking Water Capitalization Grants under the Safe Drinking Water Act, a Drinking Water Intended Use Plan to meet the requirements of the Act and the Drinking Water Capitalization Grant Agreements. This Intended Use Plan covers the FFY 2026 General Grant, and the supplemental General and Emerging Contaminants Grants, created by the Infrastructure Investment and Jobs Act of 2021, also known as the Bipartisan Infrastructure Law. The Vermont Drinking Water State Revolving Loan Fund (DWSRF) Program will apply for the 2026 Lead Service Line Grant in the second year of the capitalization grant cycle; however, this Intended Use Plan includes subsidy and other information for existing Lead Service Line Grant funds.

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

The Safe Drinking Water Act requires that each state prepare an Intended Use Plan every fiscal year that details how the DWSRF funds will be used. Once the Intended Use Plan has undergone public comment, it is submitted along with other supporting documents to the regional EPA office. These documents comprise the capitalization grant request for the DWSRF. While a variety of state agencies are involved in the process, the Water Investment Division (WID) of the Department of Environmental Conservation (DEC) is responsible for preparing and submitting these documents. WID and the Drinking Water and Groundwater Protection Division (DWGPD) share responsibility for implementation of the policies that are followed as part of the DWSRF, including the assurances and certifications contained in the capitalization grant request.

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

The Infrastructure Investment and Jobs Act, also known as the Bipartisan Infrastructure Law, passed November 15, 2021, provides two additional SRF grants: the General Supplemental, and the Emerging Contaminants Grants, to augment the existing General Grant, also known as the Base Grant. This is the final year of the Infrastructure Investment and Jobs Act grants. The Infrastructure Investment and Jobs Act is also known as the Bipartisan Infrastructure Law.

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

1.3. Notice of Nondiscrimination

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

1.4. Language Access Services

Questions or Complaints/FREE LANGUAGE SERVICES I SERVICES LINGUISTIQUES GRATUITS | भाषासम्बन्धी नि:शुल्क सेवाहरू I SERVICIOS GRATUITOS DE IDIOMAS I 免費語言服務 | BESPLATNE JEZIČKE USLUGE I БЕСПЛАТНЫЕ УСЛУГИ ПЕРЕВОДА | DỊCH VỤ NGÔN NGỮ MIỄN PHÍ I 無料通訳サービス I ነጻ የቋንቋ አገልግሎቶች | HUDUMA ZA MSAADA WA LUGHA BILA MALIPO | BESPLATNE JEZIČKE USLUGE | အခမဲ့ ဘာသာစကား ဝန်ဆောင်မှုများ |

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anr.civilrights@vermont.gov or 802-636-7827."

If you speak a language not listed or require additional help, we offer free language assistance services. Please reach out to ANR at 802-636-7827 and we can support getting you access to the State of Vermont's free language services. The State of Vermont contracts with several Translation Services organizations, and you can visit this page for more information. Language Access Link

2. DWSRF Mission and Program Goals

2.1. Mission of Vermont DWSRF:

To ensure the fund operates in perpetuity and provides continuing financial assistance to Vermont public water systems for drinking water project needs, and to effectively align the DWSRF with other state and federal funding sources to support drinking water projects.

2.2. Long Term Goals

1. Through effective management, provide a self-sustaining funding program that will assist public water systems in achieving compliance with the Safe Drinking Water Act, maintaining the public health objectives of the Act, and ensuring the public has safe drinking water.

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

3. Provide funding assistance to eligible public water systems for eligible projects associated with the improvement and maintenance of water treatment, storage and distribution facilities, and for consolidation or interconnection of water systems to improve service or develop capacity.

4. Use set-asides to improve source water protection and assessment efforts by providing technical and financial assistance.

5. Continue to update, develop, and implement administrative rules and guidance to carry out the DWSRF Program.

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

7. Continue providing operator training by Drinking Water and Groundwater Protection Division staff and through grants and/or contracts with third-party technical assistance providers.

2.3. Short Term Goals

1. Secure the State's latest available capitalization grants to finance improvements for public water systems.

2. Administer the DWSRF Program for projects that have been determined to be the highest priority through the Priority List and Intended Use Plan to address contamination issues that pose the most serious risk to human health and to ensure compliance with the Safe Drinking Water Act requirements and maintain and/or improve water quality.

3. Provide timely assistance to public community and Non-Transient Non-Community water systems to replace lead service lines.

4. Ensure that at least 15% of the DWSRF Project Fund provides loans to municipally-owned and privately-owned non-profit public water systems with populations of fewer than 10,000 people.
5. Provide support to small systems to conduct feasibility studies, preliminary engineering, and final designs for water system improvements as well as promotion of capacity development for disadvantaged and small systems that do not have adequate technical, managerial, or financial resources to come into or maintain compliance, and to provide safe drinking water.
6. Coordinate DWSRF activities with enforcement activities of the State and EPA.
7. Continue implementation of the statewide strategy to improve capacity for existing public water systems and ensure capacity for new public water systems.
8. Use DWSRF set-aside funding to provide the additional resources required to manage the Vermont Drinking Water Program.
9. Expend all federal funds within two years of grant award.
10. Engage communities and other stakeholders in an evaluation of the Department's criteria for Disadvantaged Communities and Priority Ranking Criteria to increase investment to disadvantaged communities.
11. Implement the SRF Program's Corrective Action Plan that is intended to improve performance related to several financial indicators.

3. American Rescue Plan Act (ARPA) Grant Eligibility

ARPA grant awards are not SRF funds. The Department uses the Intended Use Plan to identify ARPA grant award eligibility criteria. The Village Wastewater and Drinking Water ARPA Grant, described below, applies to both wastewater and drinking water projects, and as such is included in both the Clean Water and Drinking Water Intended Use Plans. All funds have been awarded to qualifying Villages, and Village ARPA grants have been executed. ARPA Grant information is included here for informational purposes.

3.1. State Village Wastewater and Drinking Water ARPA Grant Eligibility

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

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

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

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

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

4. DWSRF Administration

DWSRF construction loans are currently issued at a 0% interest rate with an administrative fee (calculated like an annual interest rate over the entire loan term) of between 0% and 2.75%. Administrative fee proceeds are deposited into a dedicated account separate from the DWSRF project account, referred to as the administrative account. Fees are tracked as either program or non-program income to enable use of non-program income for a broader array of Safe Drinking Water Act eligible activities than is allowed with program income. All fee income is accounted for in a separate fund outside the SRF fund.

These funds are primarily used for administrative support of the DWSRF program including staff salaries for financial, project development and engineering staff. Additionally, they have been used to fund costs associated with underwriting of loans and software support. The program reserves the right to use these funds for any eligible use of the fees as fund needs develop over the year.

4.1. Transfer of Funds

The Safe Drinking Water Act Amendments of 1996 (Section 302) allow a state to transfer up to 33% of the Drinking Water State Revolving Fund (DWSRF) capitalization grant from the DWSRF to the Clean Water State Revolving Loan Fund (CWSRF) or an equivalent amount from the CWSRF to the DWSRF for each open grant. This transfer is at the Governor's discretion. The program reserves the right to reserve this amount for future need.

For this IUP, Vermont SRF intends to transfer approximately $50,000,000 in funds from the DWSRF to the CWSRF due to higher demand for funds by CWSRF projects. This transfer will allow for relatively proportional funding of total project demand for both Clean Water and Drinking Water projects. The transfer will be in accordance with 65 FR 60940 and shall be less than 33% of the accumulated value of the current and prior DWSRF base capitalization grants (i.e. General and General Supplemental Grants).

This transfer is intended to allow relatively proportional funding of projects on the priority list: the total available funds of the DWSRF and CWSRF were divided by total loan demand and the resulting percentage was applied to total project demand on each priority list. Vermont will advance any transferred funds to the appropriate projects in accordance with this Intended Use Plan, and the Municipal Pollution Control Priority System.

4.2. Future Program Impact

The proposed method and financial terms for distributing project funds presented in this Intended Use Plan should have a positive impact on the long-term financial status of the DWSRF while accounting for loan subsidy that reduces repayments. Principal and interest payments on loans plus the interest earnings on the fund balance are deposited into the DWSRF and made available for future water system capital improvement projects. Other than subsidy as loan principal forgiveness, the only other funds that do not revolve are those withdrawn for the following authorized Set-Aside uses: Administration; Technical Assistance; Program Management; and Local Assistance. Lending procedures used by Vermont Bond Bank for municipal loans and the Vermont Economic Development Authority for loans to private entities include safeguards structured to minimize unforeseen losses to the fund. Additionally, the placement of the DWSRF within the financial structure of the Vermont Bond Bank guarantees that the Program will benefit in the long-term from the management and financial planning expertise of this organization.

5. DWSRF Capitalization Grants Federal Fiscal Year 2026

5.1. Capitalization Grants

Vermont will receive a total of four Federal Fiscal Year (FFY) 2026 capitalization grants. The Department will submit to EPA an application for the Lead Service Grant after 7/12/2026, which is technically in year two of the capitalization grant schedule, due to existing sufficient balances from prior grant years.
The FFY 22026 Grants are as follows:

- General Grant : $3,842,000
- General Supplemental Grant: $24,888,000

- Emerging Contaminants Grant: $7,640,000
- 2024 Reallotted Emerging Contaminants: $29,000
- 2023 Reallotted Emerging Contaminants: $1,000
- Lead Service Line Grant: $27,456,000

The required state match for is as follows:

- General Grant (20% of grant federal share): $768,400
- General Supplemental Grant (20% of grant federal share): $4,977,600
- Emerging Contaminants Grants (no match requirement)
- Lead Service Line Grant (no match requirement)

The full match for the General and General Supplemental grants has been appropriated by the legislature and will be available beginning July 2026. The source of match for the General Supplemental Grant is the 2023 VT State Legislature, Act 78, Section B. 1105 (b)(1). The source of match for the General Grant is the 2026 VT State Legislature, H. 952, Sec. 9 (f)(11).

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

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

5.2. Sources and Uses

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

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

*Including 2023 and 2024 Reallotted funds.
**Included in General Grant values.
***Approximately 4.9% of anticipated Interest will be derived from loan repayments where the loan included a interest charges (older loans only); the remaining interest is expected from investment earnings.

Uses	General	General Supplemental	Lead Service Lines	Emerging Contaminants*
Set-Asides	$1,437,340	$7,715,280	$ 1,098,240	$1,035,535
Pending Applications	$31,281,555	**	$ 4,300,381	$5,799,792
Anticipated Commitments	$36,000,000	$22,150,320	$28,943,745	$7,837,204
Transfer to CWSRF	$50,000,000	--	--	--
Total	$118,718,895	$29,865,600	$34,342,366	$14,672,531

* Including 2023 and 2024 Reallotted funds.
**Included in General Grant values

For the General and General Supplemental Grants uses exceed sources. Anticipated Commitments include those projects expected to go forward during the year. Due to a range of factors including the need to procure voter approval, some projects will be delayed, thus actual uses are likely to be less than anticipated based on current information.

Sources equal uses for the Emerging Contaminants and Lead Service Line Grants. The Drinking Water SRF Program anticipates applying for the 2026 Lead Service Line Grant later in 2026. Sources, Uses, and Priority List values include the anticipated 2026 Lead Service Line Grant.

Detailed project information is included in the attached Projects Priority Lists for state fiscal year 2027.

5.2.1 Program and Non-Program Fees Sources and Uses

Sources

	Program Fees	Non-Program Fees
Existing Balance (3/31/26)	$1,957,320	$3,902,141
Anticipated Fees (7/1/26-6/30/27)	$408,200	$813,955
Total	$2,365,519	$4,716,096

Anticipated Fee Uses (7/1/26-6/30/27)

Program Fees	$1,135,086
Non-Program Fees	$0

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

5.3. EPA Federal Fiscal Year Payment Schedule

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

SRF General

Payment No.	Quarter	Date	Federal Amount	State Amount
1	2027-1	10/1/2026-12/31/2026	$960,500	$192,100
2	2027-2	1/1/2027-3/31/2027	$960,500	$192,100
3	2027-3	4/1/2027-6/30/2027	$960,500	$192,100
4	2027-4	7/1/2027-9/30/2027	$960,500	$192,100
Total			$3,842,000	$768,400

SRF General Supplemental

Payment No.	Quarter	Date	Federal Amount	State Amount
1	2027-1	10/1/2026-12/31/2026	$6,222,000	$1,244,400
2	2027-2	1/1/2027-3/31/2027	$6,222,000	$1,244,400
3	2027-3	4/1/2027-6/30/2027	$6,222,000	$1,244,400
4	2027-4	7/1/2027-9/30/2027	$6,222,000	$1,244,400
Total			$24,888,000	$4,977,600

SRF Emerging Contaminants

Payment No.	Quarter	Date	Federal Amount	State Amount
1	2027-1	10/1/2026-12/31/2026	$1,917,500	$0
2	2027-2	1/1/2027-3/31/2027	$1,917,500	$0
3	2027-3	4/1/2027-6/30/2027	$1,917,500	$0
4	2027-4	7/1/2027-9/30/2027	$1,917,500	$0
Total			$7,670,000	

Lead Service Line

Payment No.	Quarter	Date	Federal Amount	State Amount
1	2027-2	1/1/2027-3/31/2027	$6,864,000	$0
2	2027-3	4/1/2027-6/30/2027	$6,864,000	$0
3	2027-4	7/1/2027-9/30/2027	$6,864,000	$0
4	2028-1	10/1/2027-12/31/2027	$6,864,000	$0
Total			$27,456,000	

5.4. EPA Estimated Disbursement Schedule: All Grants

Disbursement Quarter	General	General Supplemental	Emerging Contaminants	Lead
1QFFY2027	$960,500	$6,222,000	$1,917,500	
2QFFY2027	$960,500	$6,222,000	$1,917,500	$6,864,000
3QFFY2027	$960,500	$6,222,000	$1,917,500	$6,864,000
4QFFY2027	$960,500	$6,222,000	$1,917,500	$6,864,000
1QFFY2028				$6,864,000
Total	$3,842,000	$24,888,000	$7,670,000	27,456,000

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

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

Sources – LAWPL	
Available Funds (Unobligated funds as of 3/31/2026)	$5,257,714
Estimated interest (4/1/2026 – 6/30/2026)	$52,000
Estimated interest (7/1/2026 – 6/30/2027)	$180,000
Estimated repayments (4/1/2026- 6/30/2026)	$15,222
Estimated repayments (7/1/2026-6/30/2027)	$152,546
Total Sources	$5,657,482

Uses - LAWPL	
Estimated loan commitments (7/1/2026-6/30/2027)	$500,000
Total Uses	$500,000

6. Set-Asides

The State of Vermont plans for set-asides are detailed in the tables below, including the proposed amount of authority to be banked. These activities are often vital to water systems so that they can develop and maintain the financial, technical, and managerial capacity to run their systems effectively. A portion of the set-aside money will be used to develop and implement programs within state government necessary to implement the

DWSRF and the SDWA Amendments of 1996. The following outlines the allocations and provides a brief description of the proposed activities in each of the four set-asides.

General Grant	PROPOSED	Banked
TOTAL, ALL SET-ASIDES	**$ 1,437,340**	
Program Mgmt	**$ 384,200**	**$ -**
Administrative	**$ 400,000**	**$ -**
Small Sys. Tech. Assist.	**$ 76,840**	**$ -**
Water System Operator Train Contract	$ -	
TNC TA Contract	$ -	
Rates Dashboard	$ -	
Local Assistance	**$ 576,300**	**NA**
Capacity	**$ 384,200**	
Staff	$ -	
Wellhead	**$ 192,100**	
Staff	$ -	

General Supplemental	PROPOSED FFY26	Banked Authority
TOTAL, ALL SET-ASIDES	**$ 7,715,280**	**$ -**
Program Mgmt	**$ 2,488,800**	**$ -**
14 FTE	$ 2,488,800	
Administrative	**$ 995,520**	**$ -**
Small Sys. Tech. Assist.	**$ 497,760**	**$ -**
Op Cert Training	$ 63,160	
RTCR	$ 35,000	
TNC TA/RTCR	$ 50,000	
Small system TMF with Rule implementation support	$ 200,000	
Rates dashboard	$ 124,600	
Memberships- ASDWA, AWWA, etc	$ 25,000	
Local Assistance	**$ 3,733,200**	**NA**
Capacity	**$ 2,450,000**	
Leak Detection	$ 150,000	
AMP Training	$ 100,000	
Rates Training	$ 100,000	
12 FTE	$ 2,100,000	
Wellhead	**$ 1,283,200**	
6 FTE	$ 1,112,420	
USGS	$ 150,780	
SPP	$ 20,000	

Emerging Contaminants, Including Reallottments	PROPOSED	
	FFY26	Banked Authority
Total, All Set-Asides	**$ 1,035,535**	**$ 1,342,165**
Program Mgmt	**$ 519,935**	**$ 247,065**
3 FTE	$ 519,935	
Administrative	**$ 305,600**	**$ 1,200**
Small Sys. Tech. Assist.	**$ -**	**$ 153,400**
Local Assistance	**$ 210,000**	**$ 940,500**
Capacity	**$ 210,000**	
Cyanotoxin Monitoring Study	$ 50,000	
PFAS Treatment Efficacy Study	$ 60,000	
Ion Exchange Treatment pilot study	$ 100,000	

6.1. General Grant Set-Asides

6.1.1. General Grant: Program Management Set-Aside

Up to 10% of the capitalization grant can be used for the DWSRF Program Management Set- Aside. We propose to take the full 10%, $384,200, from FFY26 grant to support approximately 2 FTEs, and associated operating costs within the DWGPD. Duties of staff include capacity development, consumer confidence report assistance, adoption and implementation of new regulations, implementation of new and existing federal rules, source water assessment and protection, planning, outreach, data management, engineering, compliance supervision, and other drinking water program activities including the ability to provide up to $10,000 in Emergency funding.

6.1.2. General Grant: Administrative Set-Aside

Up to 4% of the capitalization grant can be used for the DWSRF Administrative Set-Aside, 0.002 x total net position, or $400,000. The program will be taking $400,000 to support staff (2.5 FTE) within WID and Administration and Innovation Division (AID). These positions provide project development, construction oversight, loan administration, and financial management services for the operation of the DWSRF. Administrative funds are also used to pay for the services of the Vermont Bond Bank (VBB), which is responsible for the overall fund and is a party to all loan awards to municipal applicants, and the Vermont Economic Development Authority (VEDA), which is responsible for conducting creditworthiness reviews of loan applicants for privately-owned water systems and is a party to those loans.

6.1.3. General Grant: Small Systems Technical Assistance Set-Aside

Up to 2% of the capitalization grant can be used for the DWSRF Technical Assistance (TA) Set-Aside. TA funds may be used for systems serving populations under 10,000 people. The program will take 2% of the FFY26 grant, or $76,840, to provide technical assistance to small public water systems. The following activities and allocations are proposed:

Water System Operator Training Contract: $76,840 to contract to provide professional training to public water system owners and operators in Vermont. These training efforts support the Vermont Water Operator Certification Program administered by the DWGPD.

6.1.4. General Grant: Local Assistance Set-Aside

Up to 15% of the capitalization grant, or $576,300, can be used for the DWSRF Local Assistance Set-Aside, with a further limitation that no more that 10% can be used to fund any one specific activity. The program will take 15%, or $576,300 to fund local assistance activities. The following activities and allocations are proposed.

6.1.4.1. Capacity Activity

Local Assistance Capacity Program Positions: This set aside will support staff implementing the Vermont Capacity Strategy, as well as the Operator Certification Program. In total, this set aside will fund approximately 2 FTEs for a total of $384,200.

6.1.4.2. Wellhead Protection Activity

Local Assistance Wellhead Protection Positions: DWGPD Water Resources staff will use this set aside to review and approve source protection plans and work with systems to update them, to review and approve source construction to ensure work meets technical requirements, to work with systems to ensure that proper testing occurs to ensure long-term viability of new sources, and to work with systems to develop new sources as needed. DWGPD Regional Office staff will use this set aside to support the technical review of soil-based wastewater system projects to ensure they do not contaminate public drinking water sources or groundwater supplies.

In total, this set aside will fund approximately 1 FTE and proposes to use $192,100.

6.2. General Supplemental Grant Set-Asides

6.2.1. General Supplemental Grant: Program Management Set-Aside

Up to 10% of the capitalization grant can be used for the DWSRF Program Management Set- Aside. We propose to take 10% or $2,488,800, from the FFY26 Supplemental grant to support approximately 14 FTEs and associated operating costs within the DWGPD. Duties of the FTEs include capacity development, adoption and implementation of new regulations, implementation of new and existing federal rules, planning, outreach, data management, engineering, compliance supervision, and other drinking water program activities.

6.2.2. General Supplemental Grant: Administrative Set-Aside

Up to 4% of the capitalization grant can be used for the DWSRF Administrative Set-Aside. The program will be taking 4% ($995,520) to support staff (approximately 7 FTEs) within WID and the Administration and Innovation Division (AID) and DWGWPD. The WID and AID positions provide project development, construction oversight, loan administration, and financial management services for the operation of the DWSRF. The DWGPD positions will be providing technical assistance to water systems of all sizes.

6.2.3. General Supplemental Grant: Small Systems Technical Assistance Set-Aside
Up to 2% of the capitalization grant can be used for the DWSRF Technical Assistance (TA) Set-Aside. TA funds may be used for systems serving populations under 10,000 people. The program will take 2% of the FFY26 General Supplemental grant, or $497,760, to provide technical assistance to small public water systems. The following activities and allocations are proposed:

Water System Operator Training Contract: $63,160 to contract to provide professional training to public water system owners and operators in Vermont. These training efforts support the Vermont Water Operator Certification Program administered by the DWGPD.

TNC Technical Assistance: $50,000 to provide technical assistance and RTCR Level 2 Assessments to Transient Non Community Water Systems (TNCs).

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

Small System TMF Capacity Support for new Rule Implementation: $200,000 to support Vermont's small systems with implementation of new State and Federal Rules, like PFAS and LCRI.

Rates Dashboard/Study: $124,600 to conduct surveys of water rates for community water system and update the Rates Dashboard based on the results of the survey. This dashboard will help Vermont water systems evaluate their financial performance and influence future planning to improve their financial and managerial capacity.

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

6.2.4. General Supplemental Grant: Local Assistance Set-Aside
Up to 15% of the capitalization grant can be used for the DWSRF Local Assistance Set-Aside, with a further limitation that no more than 10% can be used to fund any one specific activity. The program will take 15%, or $3,733,200 to fund local assistance activities.

The following activities and allocations are proposed:

6.2.4.1. Capacity Activity
Local Assistance Capacity Program Positions: $2,100,000 to fund approximately 12 FTEs. Duties of staff include capacity development, adoption and implementation of new regulations, implementation of new and existing federal rules, source water assessment and protection, planning, outreach, data management, engineering, compliance supervision, and other drinking water program activities

Leak Detection Surveys: $150,000 to provide leak detection surveys performed by a professional leak detection firm per American Water Works Association’s standards. These surveys will be provided to community drinking water systems to promote water conservation efforts, reduce pumping and treatment costs, extend the useful life of assets, and minimize the risks of contamination.

Capacity Program Asset Management Initiatives: $100,000 to extend the asset management training program funded through previous grants to promote the practice of infrastructure asset management at Vermont’s public water systems.

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

6.2.4.2. Wellhead Protection Activity

Local Assistance Wellhead Protection Positions: DWGPD Water Resources staff will use this set aside to review and approve source protection plans and work with systems to update them, to review and approve source construction to ensure work meets technical requirements, to work with systems to ensure that proper testing occurs to ensure long-term viability of new sources, and to work with systems to develop new sources as needed. DWGPD Regional Office staff will use this set aside to support the technical review of soil-based wastewater system projects to ensure they do not contaminate public drinking water sources or groundwater supplies.

In total, this set aside will fund approximately 5.1 FTEs and proposes to use $978,515.

Groundwater Monitoring Program: $284,585 to continue contract with USGS and Vermont Geological Survey to create a robust evaluation of a groundwater monitoring program and then design a monitoring program.

Source Protection Plans: $20,000 to support community system water resource planning and mitigation assistance.

6.4. Emerging Contaminants Grant Set-Asides

6.4.1. Emerging Contaminants Grant: Program Management Set-Aside

Up to 10% of the capitalization grant can be used for the DWSRF Program Management Set- Aside. We propose to take 6.8%, or $519,935 from FFY25 Emerging Contaminants grant to support approximately 3 FTEs and associated operating costs within the DWGPD. Duties of the FTEs include implementation of programs to address emerging contaminants in drinking water with a focus on perfluoroalkyl and polyfluoroalkyl substances. The remaining Program Management funds from the FFY26 Emerging Contaminant Grant will be reserved for banked authority.

6.4.2. Emerging Contaminants Grant: Administrative Set-Aside

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

6.4.3. Emerging Contaminants Grant: Small Systems Technical Assistance Set-Aside
Up to 2% of the Emerging Contaminants capitalization grant can be used for the DWSRF Technical Assistance (TA) Set-Aside. TA funds may be used for systems serving populations under 10,000 people. The program will not take the TA Funds from Emerging Contaminants FFY26 grant, and instead the unused TA funds from the FFY26 Emerging Contaminant Grant will be reserved for banked authority.

6.4.4. Emerging Contaminants Grant: Local Assistance Set-Aside
Up to 15% of the Emerging Contaminants capitalization grant can be used for the DWSRF Local Assistance Set-Aside, with a further limitation that no more than 10% can be used to fund any one specific activity. The program will take a combined $210,000, or 2.7% of the Emerging Contaminants grant, to fund local assistance activities. The following activities and allocations are proposed:

6.4.4.1. Capacity Activity
Cyanotoxin Monitoring Program: $60,000 to support the ongoing cyanotoxin monitoring program.

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

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

6.4.4.2. Wellhead Protection Activity
None proposed.

6.5. Lead Service Line Grant Set-Asides

6.5.1. Lead Service Line Grant: Admin Set-Aside
Administrative Set-Aside
Up to 4% of the capitalization grant can be used for the DWSRF Administrative Set-Aside. The program will be taking 4% ($1,098,240) to support staff (approximately 7 FTEs) within WID and the Administration and Innovation Division (AID) and DWGWPD. The WID and AID positions provide project development, construction oversight, loan administration, and financial management services for the operation of the DWSRF. The DWGPD positions will be providing technical assistance to water systems of all sizes.

7. Banked Authority

The DWSRF reserves the right to use Banked Authority. Set-asides have been banked from the 2026 Grants as detailed in Section 6.

General Base Banked Authority			
IUP Year	Program Management	Administrative	Technical Assistance
FFY97	$ 1,105,880	$ -	$ -
FFY98	$ 592,130	$ -	$ -
FFY99	$ 226,380	$ -	$ -
FFY00	$ 275,700	$ -	$ -
FFY01	$ 48,910	$ -	$ -
FFY03	$ 177,410	$ -	$ -
ARRA	$ 1,730,000	$ -	$ 300,000
FFY08	$ -	$ -	$ 162,920
FFY09	$ 43,965	$ -	$ -
Less prior transfers	$ (780,505)	$ -	$ -
FFY09 Amendment	$ (222,387)	$ -	$ -
FFY11	$ (258,200)	$ -	$ -
FFY16	$ (300,000)	$ -	$ (63,984)
FFY17	$ (300,000)	$ -	$ -
FFY18	$ (322,132)	$ -	$ 57,320
FFY19	$ 9,900	$ 3,960	$ 1,980
FFY20	$ -	$ -	$ -
FFY21	$ -	$ -	$ 123,705
Reallocated WY FFY21	$ 9,900	$ 3,960	$ 1,980
FFY22	$ -	$ -	$ -
FFY23	$ -	$ -	$ -
FFY24	$ -	$ -	$ -
FFY25	$ -	$ (246,320)	$ -
FFY26	$ -	$ -	$ -
Total Available	**$ 2,036,951**	**$ (238,400)**	**$ 583,921**

General Supplemental Banked Authority			
IUP Year	Program Management	Administrative	Technical Assistance
FFY22	$ -	$ -	$ -
FFY23	$ -	$ -	$ -
FFY24	$ -	$ -	$ 6,695
FFY25	$0	$0	$0
FFY26	$0	$0	$0
Total Available	**$ -**	**$ -**	**$ 6,695**

Emerging Contaminant Banked Authority			
IUP Year	**Program Management**	**Administrative**	**Technical Assistance**
FFY22	$ 476,394	$ -	$ 51,100
FFY23	$ 467,566	$ -	$ 72,800
FFY24	$ 394,934	$ -	$ 102,800
FFY25	$ 273,009	$ 8,200	$ 107,140
FFY26	$ 247,065	$ 1,200	$ 153,400
Total Available	**$ 1,611,903.00**	**$ 8,200.00**	**$ 333,840.00**

Lead Service Line Banked Authority			
IUP Year	**Program Management**	**Administrative**	**Technical Assistance**
FFY22	$ -	$ -	$ -
FFY26	$ 2,745,600	$ -	$ 549,120
Total Available	**$ 2,745,600**	**$ -**	**$ 549,120**

8. Criteria and Method for Distribution of Funds

The State of Vermont will continue to finance projects based on a point system that ranks eligible water supply projects that are ready to proceed. Priority in funding will be given to projects that address the most serious risk to human health, are necessary to ensure compliance with the requirements of the Safe Drinking Water Act and the Vermont Water Supply Rule, and that assist systems most in need according to State affordability criteria.

Projects seeking planning funds are required to be scored using the priority point system and included on the Priority List. The Program was notified of this requirement by US EPA in fall 2025 and updated the 2025 priority lists and 2026 priority list applications accordingly.

8.1. Priority Lists

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

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

The anticipated construction loan recipients are those projects with the highest ranking that comply with the following:

- Under federal requirements, at least 15% of available funds must be used for projects serving communities with populations of less than 10,000 persons. Because the great majority of Vermont's public water systems serve populations <10,000, this requirement is readily met.
- As required in Vermont legislation, funds for private water systems are limited to 20% of the available funds, unless there are insufficient municipal projects ready to proceed and additional funds are available. Funds for private water systems on this priority list are below the 20% limit.

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

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

Notes on Project Priority Lists:

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

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

Lead Service Line
Construction project expenses shown on the Lead Service Line Priority List are estimates of what may be eligible due to lead: full lead service line replacement (LSLR), partial LSLR (but not leaving partial LSL behind), galvanized SLR, lead connector replacement, temporary pitcher filters, and related service line inventory (SLI) creation and updates. Estimates of project expenses not eligible under this list but eligible on the general priority list are shown there. In some cases, overall project expenses will be prorated between the Lead Service Line and General funding sources according to EPA guidance based on actual project costs (See section E.1. US EPA 2022 Implementation Memo and November 2025 Additional Eligibilities Memo). Note that since the November 2025 memo, some projects involving both water main replacement and replacement of

connected service lines can be funded under LSLR provided they meet certain integrated components requirements and the definition of disadvantaged community.

8.2. Federal Reporting

Environmental benefits will be reported at least quarterly for every loan transaction using the EPA Office of Water SRF reporting system (OWSRF) in Sam.Gov. Federal Funding Accountability and Transparency Act (FFATA) reporting is done via Sam.Gov.

All projects regardless of funding source will need to comply with National Environmental Protection Act (NEPA) review, Disadvantaged Business Enterprises (DBEs) reporting, Davis-Bacon, American Iron and Steel and other federal crosscutters. All projects will comply with applicable signage requirements. Build America Buy America requirements apply to equivalency projects reported for purposes of Federal Funding Transparency Act (FFATA). The Program will identify such projects as necessary to comply with reporting requirements.

9. Subsidy (Loan Forgiveness)

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

9.1. Prior Years Subsidy

This Intended Use Plan makes unused subsidy from the following grants available under the terms of this Intended Use Plan:

2025 General Disadvantaged Subsidy: $3,817,100

2025 General Additional Subsidy: $886,123

2025 General Supplemental Disadvantaged Subsidy: $8,520,698

2022 Lead Service Line Disadvantaged Subsidy: $4,597,631

9.2. 2026 Subsidy Amounts

The following sections describe the amount of available subsidy and a description of the eligible categories. Subsidy amounts are stipulated per federal law and the Capitalization Grant agreements with EPA. The specific amounts of proposed subsidy are described below. If demand for Additional Subsidy is less than allocated it may be re-assigned for construction subsidy according to the criteria for Disadvantaged Communities.

9.2.1. General Grant

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

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

9.2.2. General Supplemental Grant

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

9.2.3. Lead Service Line Grant

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

9.2.4. Emerging Contaminants

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

9.2.5. Summary Table: Available Subsidy by 2026 Grant

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

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

9.3. Subsidy Categories

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

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

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

9.3.2. Planning Subsidy

Supports Short Term Goal #5: Financing of Planning Activities

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

9.3.2.1. Planning Subsidy Category 1: General

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

- 25% loan forgiveness, up to $100,000 per project, per loan step (i.e. Step 1, Step 2)

9.3.2.2. Planning Subsidy Category 2: Lead Service Lines

Planning and design for eligible Lead Service Line projects may receive loan forgiveness as follows:

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

9.3.2.3. Planning Subsidy Category 3: Emerging Contaminants

Planning and design loans are eligible for loan forgiveness as follows:

- 100% forgiveness.

9.3.3. Construction Subsidy

Construction subsidy is available based on the following grant categories.

9.3.3.1. Construction Subsidy Category 1: General and General Supplemental

Eligible Disadvantaged Community construction projects may receive loan forgiveness as follows:

- Disadvantaged Communities: Up to 50% loan forgiveness.

9.3.3.2. Construction Subsidy Category 2: Lead Service Lines

Eligible construction projects per Section 9.4.2.2. may receive loan forgiveness as follows:

- Disadvantaged Communities: 50% loan forgiveness.

9.3.3.3. Construction Subsidy Category 3: Emerging Contaminants

All construction projects may receive 100% loan forgiveness, with loans capped at $5,000,000 in Emerging Contaminant Grant funds.

9.4. Disadvantaged Community Subsidy

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

9.4.1. General Grants Disadvantaged Community Subsidy

For purposes of this Intended Use Plan, construction projects eligible for funding under the General and General Supplemental grants are eligible to receive disadvantaged community subsidy if they meet the statutory definition of disadvantaged municipality in 24 VSA §4752(12). The definition includes municipal or service area Median Household Income (MHI) and calculations are described in Vermont DWSRF Guidance Document 10. Income measurements are determined using Median Household Income. This information will be obtained from the American Community Survey's most recent 5-year rolling average MHI using the most current data available on the date the corresponding Intended Use Plan year was finalized, or based on an approved income survey, or other method as approved by the Secretary. The procedures for conducting and approving income surveys and the requisite record keeping will be in accordance with the Vermont State Revolving Fund's established Guidance Document #11: Median Household Income Determination or as determined by an equivalent method. Disadvantaged community projects may receive longer loan terms up to 40 years depending on project useful life and may receive a lower administrative fee rate. A project may receive this subsidy, pending availability of this form of subsidy from this Intended Use Plan cycle, up to the level that would reduce the annual household user rate to 1% of MHI post-project, and not to exceed 50% principal forgiveness.

9.4.2. Lead Service Line Grant Disadvantaged Community Subsidy

The Infrastructure Investment and Jobs Act, requires states to provide 49% of the Lead Service Line grant to disadvantaged communities in the form of loan forgiveness. Because communities with lead service lines are appropriately considered disadvantaged, and to ensure communities can take full advantage of the Lead Service Line Grant funds, the Department is hereby continuing the scope of disadvantaged community subsidy eligibility for purposes of the FFY 2026 Lead Service Line Intended Use Plan. To emphasize, because the subsidy requirement in the grant from EPA is a specific amount (49%), rather than a range or not to exceed amount, and because it is a large percentage of the grant, any underutilization of subsidy would limit the overall amount of available loan funds, and vice versa. It is in the public interest to ensure maximum utilization of Lead Service Line funds, including providing funding to disadvantaged communities.

9.4.2.1. Lead Service Line Planning Loans

For purposes of planning and design loans for lead service line inventories and replacements funded under the Lead Service Line IUP, “disadvantaged community” shall mean a municipality or served area of a municipality that has a median household income (MHI) less than or equal to 125% of the state median household income. These communities shall be eligible for loan forgiveness for lead service line inventories as described in section 9.3.2.2.

9.4.2.2. Lead Service Line Construction Loans

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

(1) has a median household income (MHI) less than or equal to 125%, of the State average median household income as determined by the Secretary.

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

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

9.5. Requirements to Secure Subsidy (Loan Forgiveness)

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

Subsidy is considered reserved for a project once DWSRF has received the following:

- Complete funding application (see below for specifics for each loan type).
- Approved Engineering Services Agreement.

9.5.1. Funding Application Requirements

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

Step 1 (Preliminary engineering)

- Complete loan application required
- Draft Engineering Services Agreement

Step 2 (Final design)

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

Step 3 (Construction)

- Complete funding application
- Draft Engineering Services Agreement
- Bond Vote Certification and Counsel Opinion letter
- All permits in place, including DWGPD Source, DWGPD Construction, Act 250, Wetlands and Stormwater, as required
- Environmental review determination complete
- All necessary prior step engineering approvals, including preliminary engineering

9.6. Municipal School Subsidy

Municipally owned non-transient, non-community school water systems are categorically disadvantaged per State statute and are eligible for up to $25,000 in construction loan principal forgiveness; there is no further subsidy provided to these applicants with the exception of municipal school projects funded under the Emerging Contaminants Grant. Because all Emerging Contaminant Grants funds are required to be 100% forgiven the only applicable Emerging Contaminant subsidy limitations are those identified in this IUP.

10. Program Updates and Guidance

10.1. Priority List Ranking

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

10.1.1. Continuing Projects

For purposes of this IUP, a continuing project shall mean a project that was listed on an earlier IUP year priority list, received prior approval for a construction loan or is expected to receive approval by the adoption date of this IUP, and applied in February 2026 to be on this priority list.

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

10.1.2. Readiness to Proceed and Priority List Bypass

All projects must meet the following readiness to proceed milestones, by no later than:

- December 1, 2026: Submit 90% design drawings to DWGPD. A project with a current construction permit for the same project scope already meets this milestone;
- January 1, 2027: Submit a signed and administratively complete Environmental Information Document (for SERP review);
- January 31, 2027: Schedule a bond vote and submit a copy of the warning to WID;
- May 1, 2027: Receive voter authorization via the bond vote, or board resolution for private borrowers; and,
- May 1, 2027: Submit complete Step III/Construction loan application (all required items have been completed and submitted).

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

10.1.3. Emergency Funding Procedure

Systems either on or off the Priority List that experience an emergency resulting in an imminent and substantial threat to the public health may bypass all other projects and may be assigned top priority. Emergency additions to the Priority List will result in the lower priority projects identified as Anticipated Loan Recipients being bypassed. The number of projects bypassed will depend upon the amount of funds needed to cover the emergency. The determination of an imminent and substantial health risk for cases involving chemical contamination or a potential disease outbreak is the responsibility of DEC in consultation with the Department of Health. The determination of an emergency resulting from a water system failure that requires immediate attention to protect the public health is the sole responsibility of DEC. Projects that may be required to address such a health risk could involve installation of treatment facilities, construction of a new water source, or replacement of a failed system element. The bypass procedure is detailed in the DWSRF Program's Guidance Document #16, available here

10.2. Planning Loans

DEC is no longer able to accept applications for planning loans on a rolling basis with the exception of Asset Management Plan (AMP) loans. Most AMPs are funded by the LAWPL set-aside described above, but an AMP can be funded under the general grants as a step 1 loan for private water systems or the portion of municipal AMPs in excess of $50,000.

As of this 2026 Intended Use Plan, repayment of non-AMP planning loans will generally begin three years following the loan agreement date. Previously, the repayment start date was five years. The three-year period is intended to provide the necessary time for these projects to complete planning or design, acquire necessary permits and easements, and line up local support and funding for the anticipated construction project.

Exceptions may include planning efforts that are not necessarily intended to result in a capital project. These projects will enter repayment no later than eighteen (18) months following approval of the planning project deliverable.

As of the 2025 Intended Use Plan, the DWSRF Program included planning loans on the Priority List. In previous years applications for planning loans were accepted on a rolling basis and funded through a put-aside on the Priority List. Although individual projects were not included on a priority list, they were identified on each year's Annual Report to US EPA.

10.3. ANR Online Funding Application

Loan applications and associated documentation must be submitted through ANR Online ANR Online Link. A loan application will be considered complete when the form and all required documentation are uploaded to ANR Online and the applicant clicks the Submit button. The documentation required for loan applications varies by project step. Applicants with questions about required documentation are encouraged to reach out to a Drinking Water Project Developer with questions.

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

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

10.4. Guidance Document Updates

The DWSRF Program attempts to continuously update Guidance Documents. Guidance Document 2 was updated in December, 2025 to account for the requirement that planning and design loans submit a Priority List application.

10.5. Administrative Fee and Disadvantaged Community Subsidy for Manufactured Home Communities, (MHCs)

This Intended Use Plan continues a maximum administrative fee of 1.5% for all non-profit or cooperatively-owned manufactured home communities (MHCs), also known as mobile home communities. Actual loan term, administrative fee, and any principal forgiveness are determined in accordance with Guidance Document 10. Guidance Document 10 will be updated upon adoption of the final Intended Use Plan.

As of June 17, 2026, Act 163 of the Vermont State Legislature amended state statute (24 V.S.A. §§ 4752 and 4771) to allow certain mobile home park water systems to more readily qualify for disadvantaged community subsidy. Under the revised statute, eligible systems are those privately owned nonprofit community type systems that serve a majority of the users who reside in a nonprofit- or resident-owned mobile home park registered with the Department of Housing and Community Development pursuant to 10 V.S.A. § 6254.

Eligible systems will qualify for a 40-year repayment schedules, 0% administrative fees and 50% loan principal forgiveness without the need to demonstrate conformance with the income level and household user cost requirements of 24 V.S.A. § 4771 nor are they limited to receiving principal forgiveness of no more than one percent of the median household income of the applicant water system.

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

EPA undertakes an annual Performance Evaluation review for the Drinking Water SRF Program. The most recent Program Evaluation Review conducted by EPA Region 1 covered State Fiscal Year 2025. State Fiscal Year 2025, which runs from 7/1/2024 to 6/30/2025, was covered by the 2024 Intended Use Plan. The Program Evaluation Review identifies Action Items requiring follow up by the Drinking Water SRF Program. The following is a summary of open Action Items for the 2025 Performance Evaluation Review. As of the date of this draft Intended Use Plan, EPA's 2025 Performance Evaluation Review report was in draft form. The final Intended Use Plan will be revised to include any changes in the final version of the Performance Evaluation Review report. Additionally, the Drinking Water SRF Program issues an Annual Report to EPA that covers program operations and addresses action items identified by EPA in their Review.

2025 Program Evaluation Review (PER) Action Items from US EPA:

Follow Up from 2024 PER

1. **<u>Action Item from last year Action Item 1 & Action Item 8</u>**: The information used to calculate Lines 116 and 119 must be adjusted as the Set-Aside Spending Rate exceeded 100% SFY 2018 - 2022. The Set-Aside Spending Rate should not exceed 100%. To resolve this, the State will need to review their Annual SRF reporting data and determine what information needs to be revised. This is a repeat finding from FY21 and FY22 PER's.
    a. **<u>Status:</u>** Resolved. The state sent the required adjustments to EPA in a timely fashion. The delay with the data being uploaded was due to EPA's workload as well as the government shutdown. The update is reflected in their NIMS data.

2. **<u>Action Item from last year Action Item 2 & Action Item 9:</u>** The State will provide EPA Region 1 with a Corrective Action plan by August 29, 2025. This corrective action plan should provide a detailed plan on how VT DEC plans to improve upon their Ratio of Undisbursed Project Funds compared to Disbursements (10yrs worth of disbursements on hand), Uncommitted Fund Ratio (2.5 years), Assistance provided as a percent of funds available (76.3%), and Disbursements as a percent of Assistance provided indicators. This plan should encompass the loan, disbursements, and commitments improvements that have been put in place along with the added staffing that has occurred recently.
    a. **<u>Status:</u>** Ongoing - The Draft document was sent by the deadline of August 29, 2025. The document was finalized 02/26/2026. EPA staff believe the CAP will be an iterative document. The EPA and State discussed the plan during a meeting at the Annual Review. The agreement by both parties was for the State to come up with an optimized iteration for FY26 by September 30, 2026.

3. **<u>Action Item from last year Action Item 10:</u>** Review internal policies and procedures relating to the utilization of the FIFO method to better adhere to the National ULO Reduction Strategy. Multiple draws from both project funds and set asides for the FY22 and FY23 IIJA Supplemental grant, and the FY21, FY22, and FY23 base cap grants did not adhere to the FIFO method and is contributing to outstanding ULOs on more than 2 open capitalization grants at a given time. The state should provide the ULO Strategy improvements that will be implemented via the Corrective Action Plan.
    a. **<u>Status:</u>** Ongoing – Draft document was sent by the August deadline. The document was finalized 02/26/2026. EPA staff believe the CAP will be an iterative document. The EPA and State discussed the plan during a meeting at the Annual Review. The agreement by both parties was for the State to come up with an optimized iteration for FY26 by September 30, 2026.

4. **<u>Recommendation 3:</u>** EPA recommends adding the following Cross Cutters and Acts to the state's bid documents and construction contracts:
    a. The Age Discrimination Act of 1975
    b. Section 13 of the Federal Water Pollution Control Acts Amendments of 1972
    c. Section 504 of the Rehabilitation Act of 1973
    d. Title VI of the Civil Rights Act
        i. Status: Ongoing. The state is now reviewing these crosscutters. At the review this year, it was discussed that the state could streamline

these efforts by creating front end documents or inserts for bid documents and construction contracts.

5. **Action Item 11:** Review and Correct OWSRF and/or the upcoming annual report to ensure commitment amounts are aligned between the two. Make any necessary corrections and updates to OWSRF by *September 30th, 2025,* and/or make any necessary corrections and updates to the upcoming annual report, which is due by *September 30th, 2025*. Note that **this is a repeat finding**.
    a. **Status:** Complete

6. **Action Item 12:** The 2025 Annual Report must contain a plan that identifies the project(s) that will use the remaining 2022 IIJA Supplemental, EC, and LSLR, the 2023 Base, and the 2023 IIJA subsidy funds, along with milestones for each project showing the path to an executed agreement. If the subsidy commitment is met prior to *September 30th, 2025,* for any of these funding pots, please notify the EPA Region 1 at that time. The IUP for the 2025 capitalization grant should indicate any additional subsidy from previous years that still must be committed to projects.
    a. **Status:** Ongoing. Obligation for 2022 and 2023 has been completed for IIJA EC grants. However, the state is still finding projects to commit for 2022 and 2023 general funds. This will be another action item this year.

7. **Recommendation 4:** Compare additional subsidy amounts with your project officer by September 30, 2025, to determine how much past additional subsidy is available for utilization.
    a. **Status:** Due to EPA staffing changes, this was not completed. EPA will meet with the state in fall 2026 to compare reporting and additional subsidy amounts.

8. **Recommendation 5:** To assist with making continuous program improvements, EPA recommends attending in person SRF Project Management Training, Financial Literacy Trainings, CIFA, and NEWWA conferences
    a. **Status:** Due to workload constraints, staff did not attend in-person training. EPA will continue to recommend this to help with making continuous program improvements.

Action Items and Recommendations for this Year's Review

1. **Action Item**: Display the funding sources and commitments of each project on the 2026 Annual Report.

2. **Action Item**: Report the projects receiving additional LSL funding through integrated components in the 2026 IUP by **July 12, 2026**. Should the binding commitments not be met, the IUP shall also include a plan to utilize the remaining funding.

3. **Action Item:** Notify EPA once VT DEC complies with the Memorandum of Agreement with VBB regarding quarterly reconciliations.

4. **Action Item:** The State will provide EPA Region 1 with an updated Corrective Action Plan by September 30, 2026. This corrective action plan should provide detailed status on how VT DEC has made improvements upon their ULO Strategy, Ratio of Undisbursed Project Funds compared to Disbursements (10yrs worth of disbursements on hand), Uncommitted Fund Ratio (3.1 years), Assistance provided as a percent of funds available (77.3%), Set-Aside usage, and Disbursements as a percent of Assistance provided indicators.

5. **Action Item:** The State will correct FFATA reporting in Sam.gov beginning with Fiscal year FY2022 and forward. The current method the State is using goes against the FFATA requirements.

6. **Action Item**: Ensure that all contracts for all projects include socioeconomic crosscutter requirements such as The Age Discrimination Act of 1975, Section 13 of the Federal Water Pollution Control Act Amendments of 1972, Section 504 of the Rehabilitation Act of 1973, and Title VI of the Civil Rights Act of 1964.

7. **Action Item**: Ensure that all contracts for all federal projects include federal crosscutter requirements such as Section 306 of the Clean Air Act, Section 508 of the Clean Water Act, DBE, Suspension and Debarment, Build America Buy America, and other crosscutters as applicable.

8. **Recommendation:** Work with EPA to develop front-end contract documents to standardize requirements for federally funded project contracts. Additional standard documents can also be developed for non-federally funded projects.

9. **Action item:** Ensure that equivalency projects including non-construction projects meet the signage requirements.

10. **Action item:** Incorporate the existing policy in the FY2027 IUP to include the justification and standard practice of 5 years to plan and/or design the project.

11. **Action Item**: The 2026 Annual Report must contain a plan that identifies the project(s) that will use the remaining 2022 IIJA Supplemental, 2022 IIJA LSL, 2023 Base, 2023 IIJA Supplemental funds, 2024 Base, 2024 IIJA Supplemental, and 2024 IIJA along with milestones for each project showing the path to an executed agreement. If the subsidy commitment is met prior to 9/30/26 for any of these funding pots, please notify the EPA Region 1 at that time. The IUP for the 2026 capitalization grants should indicate any additional subsidy from previous years that still must be committed to projects.

12. **Action Item**: Meet with EPA Region 1 in October 2026 to ensure OWSRF additional subsidy data matches what was provided in OWSRF.

13. **Recommendation**: Evaluate the existing staff needs and consider utilizing different roles (i.e. scientist, analysts, and other non-technical positions) to benefit the program.

14. **Recommendation:** Have state staff attend CIFA meetings, EPA workshops such as SRF Program Implementation Training and Financial Literacy Training, and SRF trainings run through other organizations.

15. **Recommendation**: Evaluate the SRF program and determine if their processes are still working for the current program.

16. **Recommendation**: Delay applying for the FY26 Capitalization Grants until the second year to obligate and expend existing funds.

11. Public Participation

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

On January 8, 2026, the Department notified municipalities and other interested parties to submit a priority list application to be reviewed for possible inclusion on the Priority List for Federal Fiscal Year 2025 (State Fiscal Year 2026). Applications were due February 6, 2026.

The draft Intended Use Plan was released on DATE, 2026. A public hearing invitation to participate was sent via email to all entities in the contact list and directions to participate via Microsoft Teams, telephone, or in person were posted on the SRF website and on the state library public hearing calendar. A hybrid virtual/in-person public hearing will be held DATEW, 2026, at TIME at the Catamount Room of the National Life Building, 1 National Life Drive, Montpelier. Public comments on the draft IUP were accepted at both the public hearing, and in writing until 5:00 PM on DATE, 2026.

12. Responsiveness Summary

The final Intended Use Plan will include a response to all public comments submitted regarding this draft Intended Use Plan.

13. Revisions to the Final Intended Use Plan

The final Intended Use Plan will identify all revisions made relative to the draft Intended Use Plan.

14. Project Priority Lists

The following Project Priority Lists are attached:

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

The Priority List Application is available at 2026 DW Priority List Application

Pts	WaterSystemName / Borrower*	WSID	PopIn	Project Title*	2026-2027 Loan Estimate**	Principal Forgiveness Estimate	Repayment Years	% Admin Fee
VT DWSRF General & General Supplemental 2026 IUP draft priority list 7/14/26						Preliminary estimated loan terms		
Continuing construction project - construction loan agreement place or construction application in review on earlier IUP cycle								
220	Richford Town	5126	1700	Golf Course Rd booster station and main	$ -	$ -		
195	Bellows Falls Village	5298	4000	Kissell Hill & Colony Rd mains	$ -	$ -		
192	Shaftsbury Town	5469	950	Phase 1: replace asbestos-cement mains plus fittings and valves	$ 450,000	$ 225,000	40	0.0%
192	Middlebury Town	5004	9379	Chipman Hill additional storage tank	$ -	$ -		
185	Plainfield Town	5277	985	School St waterline	$ -	$ -		
185	Killington Town	21760	1500 (est)	New community system: Contract 5/6A main***	$ -	$ -		
182	East Thetford Water Co	5184	250	Connect well; iron/manganese treatment and corrosion control	$ -	$ -		
180	Fair Haven Town	5218	3076	Washington, Main, & Prospect St mains	$ -	$ -		
180	St Johnsbury Town	5045	5000	Bay St main	$ -	$ -		
165	North Hero Town	20562	2750	New storage tank and booster pump station	$ -	$ -		
155	Champlain Water District	5092	81623	SCADA upgrade	$ -	$ -		
125	St Albans City	5130	10200	Aldis Hill storage tank rehabilitation	$ -	$ -		
125	Brattleboro Town	5290	12200	Signal Hill pump station; Bridge, Depot, and Vernon mains; Black Mountain generator	$ 500,000	$ 250,000	40	0.0%
117	Round Top Mountain Property Owners Assoc	5462	240	Treatment plant, storage tanks, and pressure improvements	$ -	$ -		
115	Hyde Park FD 1	5153	275	Pumphouse upgrades incl. hydropneumatic tanks, booster pumps, and generator	$ -	$ -		
95	Brattleboro Town	5290	12200	Pleasant Valley redundant storage tank	$ -	$ -		
90	Grand Isle Consolidated Water District	20614	1600	Route 2, E Shore, and Hyde Rd area improvements	$ -	$ -		
90	Hartford Town	5319	7600	Wilder main replacements	$ -	$ -		
90	Burlington City	5053	42000	Distribution rehabilitation Summit, Pine, Bennington, 2026	$ -	$ -		
Planning or design phase, or new to construction phase this IUP cycle								
235	Dorset FD 1	5020	530	New well	$ 1,625,000	$ -	30	0.0%

Pts	WaterSystemName / Borrower*	WSID	PopIn	Project Title*	2026-2027 Loan Estimate**	Principal Forgiveness Estimate	Repayment Years	% Admin Fee
225	Wells River Village	5176	490	New source development, new pump station, and connection to system	$ 1,035,711	$ 517,856	40	0.0%
225	Brighton Town	5105	1200	North & South treatment plants; South transmission main; North reservoir liner	$ 8,787,000	$ 4,393,500	40	0.0%
212	Tri-Town Water District	5001	3800	Water filtration plant upgrade including fourth filter	$ 1,250,000	$ -	30	2.0%
195	Fairfax FD 1	5403	80	Supply alternatives analysis	$ 40,000	$ 10,000	3	0.0%
185	St Johnsbury Town	5045	5000	Portland St main	$ 2,800,000	$ 1,036,000	40	0.0%
185	St Johnsbury Town	5045	5000	Railroad St main	$ 2,000,000	$ 740,000	40	0.0%
172	Hyde Park Village	5154	462	Storage tank replacement	$ 2,188,340	$ 1,094,170	30	0.0%
172	Middlebury Town	5004	9379	Foote St waterline	$ 1,515,000	$ -	30	2.0%
170	Dorset FD 1	5020	530	Church St & Rte 30 mains	$ 2,500,000	$ -	30	0.0%
170	West Rutland Town	5244	2400	Replace water mains: well transmission, Pleasant Hts mains, Meadow Ln, and South Ln	$ 2,260,000	$ 1,130,000	40	0.0%
170	Chester Town	5318	3200	Wellhouse and source facilities	$ 750,000	$ -	30	2.0%
170	Vergennes Panton Water District	5010	5100	Monkton Rd main replacement and loop to New Haven Rd	$ 2,200,000	$ -	30	2.0%
160	Manchester Mobile Home Park	5023	100	Connect to Manchester system as a consecutive	$ 150,000	$ -	30	1.5%
160	Ludlow Village	5323	2818	Lower High St water main	$ 670,000	$ -	30	2.0%
160	Ludlow Village	5323	2818	Pleasant St Ext main	$ 660,000	$ -	30	2.0%
160	Ludlow Village	5323	2818	Orion & Thompson Ave water mains	$ 60,000	$ 15,000	3	0.0%
157	East Hardwick FD 1	5038	350	Springbox, chlorination, and transmission main upgrades	$ 1,152,500	$ -	30	2.0%
157	Berlin Municipal / Berlin Town	21202	1819	Scott Hill loop	$ 3,702,000	$ -	37	2.0%
155	East Calais FD 1	5262	200	Storage and chlorinator upgrade	$ 348,000	$ -	30	2.0%
147	Middlebury Town	5004	9379	Gorham Ln waterline	$ 2,115,000	$ -	30	2.0%
145	Jeffersonville Village	5150	700	Wellhouse for new source	$ 440,000	$ -	30	2.0%
145	Rutland City	5229	18500	Water treatment & disinfection modifications	$ 877,700	$ -	30	2.0%
145	Poultney Village	5227	2400	Wheeler and Norton Ave mains	$ 25,000	$ 6,250	3	0.0%

Pts	WaterSystemName / Borrower*	WSID	Popln	Project Title*	2026-2027 Loan Estimate**	Principal Forgiveness Estimate	Repayment Years	% Admin Fee
140	Highgate Town	tbd	200 (est.)	Village area source exploration due to arsenic in private wells	$ 100,000	$ 25,000	3	0.0%
140	St Albans City	5130	10200	Federal Street connector design	$ 2,033,400	$ 1,016,700	40	0.0%
140	Champlain Water District	5092	81623	Raw water parallel transmission main	$ 3,500,000	$ -	30	2.0%
137	Hardwick Town	5039	1900	Wolcott St main	$ 25,000	$ 6,250	3	0.0%
132	Woodstock Town	5343	2473	Source evaluation	$ 30,000	$ 7,500	3	0.0%
132	Middlebury Town	5004	9379	Exchange St redundant main	$ 1,787,000	$ -	30	2.0%
132	Middlebury Town	5004	9379	Redundant well source	$ 3,200,000	$ -	30	2.0%
130	Shelburne Town	5087	5764	Meach Cove waterline	$ 3,400,000	$ -	30	2.0%
130	Shelburne Town	5087	5764	Route 7 waterline	$ -	$ -		
125	Champlain Water District	5092	81623	Chemical building addition	$ 1,000,000	$ 250,000	3	0.0%
120	Canaan FD 2	5107	350	River Rd main	$ 653,888	$ 326,944	40	0.0%
112	Union Water Co	5182	61	Install storage reservoir, replace distribution mains	$ 35,000	$ 8,750	3	0.0%
110	Ryegate FD 2	5043	131	Distribution system pressure and control improvements	$ 70,000	$ -	30	2.0%
105	Jeffersonville Village	5150	700	Water system PER	$ 30,000	$ 7,500	3	0.0%
				above line fundable based on 7/15/26 draft IUP				
				below line not fundable as of 7/15/26				
105	Burlington City	5053	42000	Treated water reservoir improvement project	$ 9,155,000			
105	Rutland City	5229	18500	Center and Wales St mains	$ 2,250,000			
105	Rutland City	5229	18500	Terrill St main	$ 700,000			
100	Newport Center / Newport Town	5204	330	New well sources	$ 20,000			
95	West Rutland Town	5244	2400	Skyline Dr asbestos-cement water main replacement and service lines	$ 1,250,000			
92	Hardwick Town	5039	1900	Hideaway Acres storage tank roof	$ 200,000			
92	Woodstock Town	5343	2473	Storage tank site evaluation PER	$ 100,000			

Pts	WaterSystemName / Borrower*	WSID	PopIn	Project Title*	2026-2027 Loan Estimate**	Principal Forgiveness Estimate	Repayment Years	% Admin Fee
90	Lazy Brook Hillside Manor MHP / Addison Housing Works	5007	205	Hillside MHC distribution system replacement and pumphouse upgrades	$ 825,000			
90	Brandon FD 1	5211	3963	Birch Hill tank and main; Champlain and Carver mains	$ 7,750,000			
90	Lyndonville / Lyndon Town	5040	4000	Passumpsic River waterline protection	$ 1,019,500			
90	Hartford Town	5319	7600	Nutt, Latham, and Harrison mains	$ 1,550,000			
90	Barre City	5254	14000	East Cobble Hill transmission main	$ 540,000			
87	Tri-Town Water District	5001	3800	East St booster pump station	$ 750,000			
87	Tri-Town Water District	5001	3800	Water mains replacements for pressure	$ 3,715,000			
82	Westons Mobile Home Park	5258	218	Contract 2 new water storage tank	$ 885,000			
82	Troy Town	5206	315	South Pleasant St waterline	$ 685,000			
80	Bellows Falls Village	5298	4000	Water treatment facility design	$ 400,000			
80	Vergennes Panton Water District	5010	5100	Zebra mussel control	$ 10,000			
80	Barre City	5254	14000	Ayers St main	$ 1,800,000			
77	St George Community Coop	5095	420	Distribution upgrades and new source development	$ 2,895,000			
75	Irasburg FD 1	5200	200	Drill a new well	$ 75,000			
75	Danville FD 1	5037	500	Village area mains (Brainerd, Walden Hill, Mountain View, Peacham)	$ 3,220,000			
75	Fair Haven Town	5218	3076	Treatment works sand filters replacement	$ 50,000			
75	Milton Town	5079	8260	Flanders development mains	$ 295,700			
75	Burlington City	5053	42000	Distribution rehabilitation multiple streets 2027-2030	$ 5,692,000			
72	Stowe FD 4	5523	120	New source development	$ 150,000			
70	Castleton FD 1	5212	1940	Sand Hill Rd main	$ 441,491			
70	Burlington City	5053	42000	Treatment facility improvements plan	$ 638,000			
70	Burlington City	5053	42000	Distribution and storage Master Plan	$ 507,520			
65	Swanton Village	5132	4000	Hydraulic evaluation and PER update for Village Center	$ -			

65	Bennington Town	5016	13250	Treatment plant pilot testing	$ 200,000			
62	Woodstock Town	5343	2473	Distribution system PER	$ 30,000			
62	Woodstock Town	5343	2473	Water meter replacements	$ 250,000			
55	Milton Town	5079	8260	Railroad St main and redundant pressure sustaining valve vault	$ 150,000			
55	Milton Town	5079	8260	Water storage evaluation	$ 30,000			
Pts	**WaterSystemName / Borrower***	**WSID**	**PopIn**	**Project Title***	**2026-2027 Loan Estimate****	**Principal Forgiveness Estimate**	**Repayment Years**	**% Admin Fee**
				Loan estimates full list:	$ 104,194,750	$ 11,066,420		
				Funding line drawn above as of 7/15/2026 at:	**$ 55,965,539**	**$ 11,141,420**		
Available for new loans and amendments (General + General Supplemental)****					**$ 46,046,373**	**$ 14,078,700**		

* FD = Fire District (a type of municipality); PER = Preliminary Engineering Report

** Some projects are shown with $0 loan estimate for accurate estimates of funds we can obligate, for one of two reasons: (1) for continuing construction projects, they either have a loan agreement and are listed in case they need a loan amendment for higher construction costs, or they have a construction loan application in review and the loan agreement is expected soon; or (2) for projects with planning/design loans that may amend for construction funding, or new construction loans, or new/amending planning/design loans, they either have a loan agreement in place for the amount on the priority list application (overlapping application timelines), have a loan application in review, or are not expected to proceed on this funding cycle. All of those projects are listed in case they need a loan amendment or the project is able to proceed on this funding cycle.

*** More detail about the Killington Contract 5/6A project funding is provided in a note on the EC priority list.

**** General vs. General Supplemental funding and principal forgiveness will be updated on the next draft of this list.

VT DWSRF Lead / Galvanized 2026 IUP draft priority list 7/15/26						Preliminary estimated loan terms		
Points	WaterSystemName / Borrower*	WSID	Popln	Project Title	2026-2027 Loan Estimate	Principal Forgiveness	Repayment Years	% Admin Fee
Continuing construction project								
225	Springfield Town	5333	9800	Contract I2 Clinton St and South St and service lines*	$ -	$ -	40	0%
SLI update, design phase, and/or new to construction phase this IUP cycle								
210	Springfield Town	5333	9800	Contracts J1 & J2 Main St and River St and service lines	$ 8,083,000	$ 4,041,500	40	0%
185	Bristol Town	5002	2103	Bristol East waterlines	$ 4,333,841	$ 2,166,921	30	2%
180	Bethel Town	5315	1929	Route 107 galvanized steel main	$ 800,000	$ 400,000	30	2%
120	Lyndonville / Lyndon Town	5040	4000	Valley Ln Phase 1: replace galvanized steel main and curbstops	$ 600,000	$ 300,000	30	2%
120	Springfield Town	5333	9800	Commonwealth Ave main	$ 75,375	$ 37,688	40	0%
105	Bennington Town	5016	13250	Lead service line identification and replacement	$ 100,000	$ 100,000	n/a	0%
100	Canaan FD 2	5107	350	Service line material identification and validation	$ 54,211	$ 54,211	n/a	0%
90	Essex Town	5065	9734	Fort Ethan Allen mains phase 1	$ 4,014,500	$ -	30	2%
90	Essex Town	5065	9734	Fort Ethan Allen mains phases 2 and 3	$ 500,000	$ -	3	0%
90	Wilmington Town	5310	1400	Service line material identification and validation*	$ -	$ -	3	0%
85	Ludlow Village	5323	2818	Service line material identification and validation	$ 1,407,208	$ 703,604	3	0%
72	East Hardwick FD 1	5038	350	Service line material identification and validation	$ 664,601	$ 382,301	3	0%
67	Shaftsbury Town	5469	950	Service line material identification and validation	$ 400,000	$ 250,000	3	0%
65	South Hero FD 4	20080	760	Service line material identification and validation	$ 714,156	$ -	3	0%
65	Arlington Town	5013	1250	Service line material identification and validation	$ 691,759	$ 395,880	3	0%
62	Woodstock Town	5343	2473	Service line material identification and validation	$ 100,000	$ 100,000	3	0%
60	Vergennes Panton Water District	5010	5100	Service line material identification and validation	$ 562,439	$ 281,220	3	0%
57	Essex Junction City	5066	9500	Service line material identification and validation	$ 892,771	$ 496,386	3	0%
55	Milton Town	5079	8260	Service line material identification and validation	$ 2,735,958	$ -	3	0%
52	Colchester/ Champlain Water Dist.	21810	11299	Service line material identification and validation	$ 528,499	$ 314,250	3	0%
50	South Burlington City	5091	19500	Service line material identification and validation	$ 2,000,000	$ -	3	0%
				Sum of loan estimates above	**$ 29,258,318**	**$ 10,023,958**		
Available for new loans and amendments (see sources / uses table 5.2 and 9.3.1)					**$28,943,745**	**$ 18,051,071**		

* Two projects are shown with $0 loan estimate. The continuing construction project has a loan agreement and is listed in case they need a loan amendment for higher construction costs. The SLI loan has a loan agreement and a loan amendment application in review for the amount on the priority list application (overlapping application timelines).

VT DWSRF EC PFAS 2026 IUP draft priority list 7/15/26						
Points	**Water System Name / Borrower**	**WSID**	**PopIn**	**Project Title**	**Loan Estimate**	**Principal forgiveness**
Continuing construction project - construction loan application in review*						
185	Killington Town	21760	1500 (est)	New community system: Contract 5/6A main*	$ 3,585,179	$ 3,585,179
Planning or design phase, or new to construction phase this IUP cycle						
155	Norwich Meadows	5475	36	Well replacement due to PFAS	$ 457,025	$ 457,025
142	E. Taylor Hatton School / Morgan Town	6690	60	PFAS treatment design and installation	$ 275,000	$ 275,000
125	Winhall-Stratton Fire District 1	5305	6200	Well 31 PFAS mitigation	$ 2,700,000	$ 2,700,000
102	Stowe Town	5163	3600	Alternate water supply	$ 820,000	$ 820,000
				Sum of loan estimates above	**$ 7,837,204**	**$ 7,837,204**
				Available for new loans and amendments (see 5.2 sources / uses table)	**$ 7,837,204**	**$ 7,837,204**

* Killington has a pending construction loan application for Contract 5/6A under earlier IUP cycles. Approximately $799,792 of earlier IUP cycle EC funding will be used for their loan. The estimated 2026 EC funding shown above for this project is the difference of total EC funding under this IUP minus all other listed projects. The final portion of Contract 5/6A funding to come from 2026 EC funds may change based on final disbursements and obligations on earlier EC grant cycles. The difference in funds needed for Killington's construction loans will come from the General Supplemental grants to bring it to the $8,372,000 total loan.

The Vermont Clean Water State Revolving Fund

Draft

Intended Use Plan for Federal Fiscal Year 2026

Prepared by:

The Water Investment Division

Vermont Agency of Natural Resources

Department of Environmental Conservation

1 National Life Drive, Davis 3 | Montpelier, VT 05620-3510

July 16, 2026

Contents

1. Executive Summary

The Vermont Agency of Natural Resources 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, a Clean Water Intended Use Plan to meet the requirements of Section 606(c) of the Clean Water Act and the Clean Water Capitalization Grant Agreements. This Intended Use Plan covers the Federal Fiscal year 2026 General/Base Grant, and the General Supplemental and Emerging Contaminants Grants created by the Infrastructure Investment and Jobs Act, also known as the Bipartisan Infrastructure Law of 2021. The Intended Use Plan serves as the planning document to explain how each fiscal year's appropriation for the Vermont Clean Water State Revolving Fund (CWSRF) will be used.

The Intended Use Plan includes the State Fiscal Year 2027 Pollution Control Project Priority List. Projects seeking construction funding must be shown on the Project Priority List and rank high enough to receive funds. Project priority points are awarded in accordance with the Department's Municipal Pollution Control Priority System. All construction projects on the Project Priority List that are ready to proceed in a particular year will be awarded grant and/or loan funds depending on the amount of funds allocated to the program by the Vermont legislature, the level of federal funding awarded through the federal capitalization grants for the Clean Water Revolving Loan Fund, any carry-forward funds from the prior fiscal year, and repayments and fund income received during the fiscal year. Projects seeking funding for planning and design do not need to be on the Project Priority List. Funding for planning and design projects is set at an amount necessary to bring sufficient projects to the implementation phase and to use all the anticipated grant and loan funds each year.

The appearance of projects on the Project Priority List, above the funding line, indicates eligibility to apply 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. Infrastructure Investment and Jobs Act

The Infrastructure Investment and Jobs Act, passed November 15, 2021, provided two additional SRF grants: the General Supplemental and the Emerging Contaminants Grants, to augment the existing General Grant, also known as the Base Grant. This is the final year of the Infrastructure Investment and Jobs Act grants. The Infrastructure Investment and Jobs Act is also known as the Bipartisan Infrastructure Law.

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

1.2. Other State Grants

The Project Priority List under the Municipal Pollution Control Priority System Rule is also used to rank projects for the Vermont Pollution Control Grants. Pollution Control Grants are covered under Section 3.1.

1.3. Other Federal Grants

The application for the federal fiscal year 2026 and 2027 Sewer Overflow and Stormwater Reuse Municipal Grant Program (OSG Grant) will not coincide with this IUP. This is a limited EPA allocation and if awarded this year will go towards planning design or construction of combined sewer overflow (CSO) abatement projects in rural and financially distressed communities. The project selection process may use the Project Priority List score in addition to grant specific review criteria; however, selection may take place outside of this Intended Use Plan.

1.4. Notice of Nondiscrimination

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

1.5. Language Access Services

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

If you speak a language not listed or require additional help, we offer free language assistance services. Please reach out to ANR at 802-636-7827 and we can support getting you access to the State of Vermont's free language services. The State of Vermont contracts with several Translation Services organizations, and you can visit this page for more information. Language Access Link

2. Clean Water State Revolving Loan Fund Program Mission and Goals

2.1. Program Mission

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 Clean Water State Revolving Loan Fund (CWSRF) with other state and federal funding sources to support clean water projects.

2.2. Long Term Goals

1. Implement the Infrastructure Investment and Jobs Act's goal of increasing investment in disadvantaged communities by ensuring subsidy is directed to communities meeting the SRF Program's Affordability Criteria.
2. To provide financial assistance to Vermont municipalities to fund the completion of all known enforceable requirements of the Clean Water Act.
3. Promote initiatives that prioritize 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. Promote environmental sustainability, adaptation and resiliency in program incentives and priorities.
7. Continue investment in traditional stormwater and wastewater infrastructure to increase resilience and reliability, to meet increased demand for collection, treatment, and disposal, and to meet environmental and water quality requirements and goals.
8. Utilize available program eligibilities to invest in natural resource projects to cost-effectively address clean water challenges.
9. 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 and provide additional subsidy opportunities for communities meeting the program's affordability criteria.
2. Create funding opportunities for economically disadvantaged manufactured home communities with water infrastructure needs.
3. Provide funding opportunities to support Stormwater General Permit 3-9050, also known as the "3-Acre Stormwater Permit".
4. Provide 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.
5. Provide low interest and additionally subsidized loans for planning activities to support project development that leads to construction projects.
6. Implement the SRF Program's Corrective Action Plan to improve program performance as measured by financial indicators.

3. State Grants under this Intended Use Plan

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. Attached to this IUP is a Priority List specific to PC Grant eligibility.

The funding source for these grants is appropriated at the discretion of the legislature and cannot be guaranteed by the program. Due to limited funding most projects will not receive a PC Grant. 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 Pollution Control Grant budget for SFY27 is $4,000,000.

Projects on the Priority List will need to complete the funding application process by 5/15/2027 in order to be considered for a PC Grant award. Funding decisions will be made at that time. If the highest scoring project(s) complete(s) the funding application process prior to 5/15/2027, DEC may make awards decisions prior to 5/15/2027.

Projects may receive partial PC Grant funding in a given year based on funds availability.

Projects that receive an SRF loan or partial PC Grant in a given year may submit a Priority List application the following year to be considered for additional PC Grant funds. These projects are considered continuing projects and will be ranked against other continuing projects to determine if they may receive additional funds. Receipt of partial PC Grant funding in a given year does not guarantee receipt of PC Grant funds in subsequent years.

Projects may continue to submit priority list applications until they have received the full amount of their PC Grant eligibility.

No portion ($0) of the State Fiscal Year 2027 PC Grant is proposed for the Engineering Planning Advance Program. $200,000 is reserved for the Regional Planning Advance Program. The CWSRF Program will reallocate the REPA funds to PC Grant-eligible projects after February 1, 2027, depending on the dollar amount of REPA-eligible projects.

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 $20 Million in State Fiscal Year 2023. There have been no additional appropriations. The grant allocations from the 2023 Intended Use Plan remain unchanged.

3.3. State ARPA Village Wastewater and Drinking Water Grant Eligibility

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

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

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

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

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

4. CWSRF Administration

Municipal CWSRF construction loans are currently issued at a 0% interest rate with an annual administrative fee of 2%. Private entity CWSRF construction loans are currently issued at 0% interest rate with an administrative fee of 2.75%, except when specific initiatives have an alternative rate as outlined in this IUP including certain manufactured housing communities as described in Section 9.1 which shall have an administrative fee of 1.5%. Additionally, Brownfield Economic Revitalization Alliance (BERA) construction projects will be issued at a 0% interest rate with an administrative fee of 2.25%.

Administrative fee proceeds are deposited into a dedicated account separate from the CWSRF account, referred to as the administrative account. Fees are tracked as either program or non-program income to allow non-program income to be used for a broader array of Clean Water Act eligible activities than is allowed with program income. All fee income is accounted for in a separate fund outside the SRF fund.

These funds are primarily used for administrative support of the Clean Water SRF 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. Transferred Funds between Clean Water and Drinking Water SRFs

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.

For this IUP, Vermont SRF intends to transfer approximately $50,000,000 in funds from the DWSRF to the CWSRF due to sustained high demand for funds by CWSRF projects. The transfer will be in accordance with 65 FR 60940 and shall be less than 33% of the accumulated value of the current and prior DWSRF base capitalization grants (i.e. General and General Supplemental Grants). This transfer is intended to allow relatively proportional funding of projects on the priority list: the total available funds of the DWSRF and CWSRF were divided by total loan demand and the resulting percentage was applied to total project demand on each priority list.

Vermont will advance any transferred funds to the appropriate projects in accordance with this Intended Use Plan, and the Municipal Pollution Control Priority System.

5. Clean Water SRF Capitalization Grants Federal Fiscal Year 2026

5.1. Capitalization Grants

Vermont will receive three Federal Fiscal Year 2026 capitalization grants.

- The General Grant is $3,507,000 after allocating $35,000 for the federal 604b program (the 604b program directs 1% of CWSRF allocations to support water quality planning in the form of "604b Water Quality Management Planning Grants").
- The General Supplemental Grant is $12,094,000 after allocating $122,000 for 604b.
- The Emerging Contaminants 2026 Grant is $1,072,000, including $2,000 in reallotted funds from 2023 and $27,000 in reallotted funds from 2024, and after allocating $11,000 for 604b from the 2026 Grant. 604b does not apply to reallotted funds.

The required match for the Federal Fiscal Year grants is as follows:

- $701,400 for the General Grant (20% of grant federal share).
- $2,418,800 for the General Supplemental Grant (20% of grant federal share).
- $0 for the Emerging Contaminants Grants (no match requirement).

The full match for the General and General Supplemental Grants will be available beginning July 2026. The source of match for the General Supplemental Grant is the 2023 VT State Legislature, Act 78, Section B. 1105 (b)(1). For the General Grant, the source of the match the 2026 VT State Legislature, Act 33, Section 10.

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

5.2. Sources and Uses

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

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

Transfer of Funds from DWSRF	$50,000,000	$0	$0
Total	$148,893,419	$14,512,800	$1,215,438

Uses	General	General Supplemental	Emerging Contaminants (Incl. 2023 Reallotment)
Loan Obligations 4/1/26-6/30/26	$17,789,793	Included in General	$0
Pending Applications	$66,371,553	Included in General	$0
Anticipated Commitments for 2026 IUP	$86,662,325	$14,029,040	$1,173,718
Administrative (Max 4% or $400K) 2026 Grant Only	$400,000	$483,760	$41,720
Technical Assistance (Max 2%)	$0	$0	$0
Total	$153,433,878	$14,512,800	$1,215,438

The Sources and Uses tables identify the funding available for projects under this Intended Use Plan.

For the General, and General Supplemental Grants, uses exceed sources. For the Emerging Contaminants Grant, uses equal sources. Anticipated Commitments include those projects expected to go forward during the year. Due to a range of factors including the need to procure voter approval, some projects will be delayed, thus actual uses are likely to be less than anticipated based on current information.

5.2.1 Program and Non-Program Fees Sources and Uses

Sources

	Program Fees	Non-Program Fees
Existing Balance (3/31/26)	$3,753,493	$6,971,022
Anticipated Fees (7/1/26-6/30/27)	$888,223	$1,649,557
Total	$4,641,716	$8,620,579

Anticipated Uses (7/1/26-6/30/27)

Program Fees	$2,270,060
Non-Program Fees	$1,720,321

The Clean Water SRF Program uses program and non-program fees to support the administration of the program including staffing and loan underwriting expenses. Anticipated additional future uses of fees include offsetting reductions in Administrative income (4% of capitalization grants) with the sunsetting of the Supplemental IIJA Grants and potential reductions to the base grants.

5.3. EPA Federal Fiscal Year Payment Schedule

The State matching funds will be deposited into the Clean Water SRF 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 120 percent of the General Grant, 120 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 Clean Water SRF program will continue to comply with the Operating Agreement for Implementing and Managing the State Revolving Fund Program between the State of Vermont and U.S. Environmental Protection Agency, Region I.

The amount used for administration of the fund will not exceed the statutory (4%) limit, per grant.

SRF General

Payment No.	Quarter	Date	Federal Amount	State Amount
1	2027-1	10/1/2026-12/31/2026	$876,750	$175,350
2	2027-2	1/1/2027-3/31/2027	$876,750	$175,350
3	2027-3	4/1/2027-6/30/2027	$876,750	$175,350
4	2027-4	7/1/2027-9/30/2027	$876,750	$175,350
Total			$3,507,000	$701,400

SRF General Supplemental

Payment No.	Quarter	Date	Federal Amount	State Amount
1	2027-1	10/1/2026-12/31/2026	$3,023,500	$604,700
2	2027-2	1/1/2027-3/31/2027	$3,023,500	$604,700
3	2027-3	4/1/2027-6/30/2027	$3,023,500	$604,700
4	2027-4	7/1/2027-9/30/2027	$3,023,500	$604,700
Total			$12,094,000	$2,418,800

SRF Emerging Contaminants

Payment No.	Quarter	Date	Federal Amount	State Amount
1	2027-1	10/1/2026-12/31/2026	$268,000	$0
2	2027-2	1/1/2027-3/31/2027	$268,000	$0
3	2027-3	4/1/2027-6/30/2027	$268,000	$0
4	2027-4	7/1/2027-9/30/2027	$268,000	$0
Total			$1,072,000	$0

5.4. EPA Estimated Disbursement Schedule

Disbursement Quarter/$	CWSRF General	CWSRF General Supplemental	CWSRF Emerging Contaminants
1QFFY2027	$876,750	$3,023,500	$134,000
2QFFY2027	$876,750	$3,023,500	$134,000
3QFFY2027	$876,750	$3,023,500	$134,000
4QFFY2027	$876,750	$3,023,500	$134,000
Total	$3,507,000	$12,094,000	$1,072,000

6. Project Funding and Use of Technical Assistance Funds

Projects Anticipated to Receive FFY 2026 CWSRF available Funds
(Award of FFY 2026 Funds are anticipated to be made during SFY 2027)

6.1. CWSRF General

Project /Activity	Total Project Cost	SRF State Match	Federal Share FFY 2026 Funds
See SFY 2027 Priority List (Attached)	$3,507,000	$673,344	$3,366,720
Vermont Administrative Expense	$400,000	$28,056	$140,280
Technical Assistance	$0	$0	$0
Total	$4,208,400	$701,400	$3,507,000

6.2. CWSRF General Supplemental

Project /Activity	Total Project Cost	SRF State Match	Federal Share FFY 2026 Funds
See SFY 2027 Priority List (Attached)	$13,932,288	$2,322,048	$11,610,240
Vermont Administrative Expense	$580,512	$96,752	$483,760
Technical Assistance	$0	$0	$0
Total	$14,512,800	$2,418,800	$12,094,000

6.3. CWSRF Emerging Contaminants

(2026 Grant, Including 2023 and 2024 Reallotted Funds)

Project /Activity	Total Project Cost	SRF State Match	Federal Share FFY 2027 Funds
See SFY 2027 Priority List (Attached)	$1,029,120	NA	$1,029,120
Vermont Administrative Expense	$42,880	NA	$42,880
Technical Assistance	$0	NA	$0
Total	$1,072,000	NA	$1,072,000

Detailed project information is included in the attached Municipal Pollution Control Projects Priority Lists for state fiscal year 2027. The state anticipates disbursement of its state match prior to federal disbursements.

6.4. Use of Technical Assistance Funds (2%)

The Clean Water SRF Program does not intend to use the 2% technical assistance funds and will instead fund projects. The Clean Water SRF Program preserves the ability to use prior year Technical Assistance funds under future Intended Use Plans.

6.5. Future Program Impact

The proposed method and financial terms for distributing project funds presented in this Intended Use Plan should have a positive impact on the long-term financial status of the 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 for municipal loans and the Vermont Economic Development Authority for loans to private entities include safeguards structured to minimize unforeseen losses to the fund. Additionally, the placement of the CWSRF within the financial structure of the Vermont Bond Bank guarantees that the Program will benefit in the long-term from the management and financial planning expertise of this organization.

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 (Agency of Natural Resources Environmental Protections Rules, Chapter 2) 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 shows anticipated construction and planning projects for the immediate five-year period, inclusive of state fiscal year 2027. We anticipate strong demand for funds in state fiscal years 2027 to 2030 with demand for funding potentially exceeding availability. The funds will be managed to maximize project funding.

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 are reported at least quarterly for every loan transaction using the EPA Office of Water SRF reporting system (OWSRF). Loans used to meet equivalency requirements are reported in conformance with the Federal Funding Accounting and Transparency Act. The Subaward Reporting System (FSRS) used to report loans for FFATA was retired in 2024 and has been replaced by the System for Award Management (SAM.gov).

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

8. Additional Subsidy

The term "additional subsidy" or just "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 identify the amount of available subsidy and the eligible categories.

8.1. Prior Year Subsidy

This IUP amends the following prior year IUPs to make available unused subsidy amounts. This subsidy is made available under the terms of the 2026 IUP as described in Section 8.3.

Grant	Additional Subsidy	AC/603(i)*
2023 General		$311,900
2023 General Supplemental		$328,183
2024 General	$243,650	$140,120
2024 General Supplemental		$2,155,346
2025 General	$252,060	$1,482,600
2025 General Supplemental		$4,399,960

*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.

8.2. 2026 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 a combined 25% 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 shall be provided as subsidy, with no additional eligibility restrictions.

8.2.4. Summary Table: Available Subsidy by FFY 2026 Grant

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

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

8.3. Subsidy Categories

This IUP proposes to use subsidy to provide principal loan forgiveness for the following categories of activities. Available subsidy includes unused subsidy from prior IUPs.

1. Planning (Additional Subsidy): $846,410
2. Planning, Construction, Floodplain (Affordability Criteria/603(i) Subsidy: $15,270,719
3. Emerging Contaminant Planning and Construction activities: $1,184,131

8.3.1. Summary Table: Available Subsidy by Initiative Category (FFY 2026 Grant and Prior Year Subsidy Combined).

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

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

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.

Planning Subsidy Categories are described below.

8.3.2.1. Planning Subsidy: General

Eligible planning projects may receive loan forgiveness as follows:

- 50% forgiveness of planning costs, up to $150,000 per project.

8.3.2.2. Planning Subsidy: Village Wastewater Initiative

Eligible Village Wastewater projects may receive loan forgiveness as follows:

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

8.3.2.3. Planning Subsidy: Emerging Contaminants Grant

Planning projects eligible for Emerging Contaminants funding may receive loan forgiveness as follows. Projects receiving subsidy under this category are not eligible for subsidy under 8.3.2.4.

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

8.3.2.4. Planning Subsidy: Regional Septage Management

Eligible planning projects may receive loan forgiveness as follows:

- 100% forgiveness of planning costs, up to $150,000 per project, for projects meeting DEC guidelines related to regional septage management. Projects receiving subsidy under this category are not eligible for subsidy under 8.3.2.3.

8.3.2.5. Planning Subsidy: Flood Resilience

Planning for facilities significantly damaged by flooding in 2023 or later, for activities related to relocation, or reconstruction on-site with augmented flood resilience.

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

8.3.3. Floodplain 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. Loan funds for eligible projects are considered under the Interim Finance Put-Aside.

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.

Projects that intend to seek funding must submit a letter of intent to apply by the sponsoring municipality no later than February 15, 2026. After this date any remaining subsidy without identified demand will be made available under Section 8.3.5. (Construction Subsidy). Additionally, projects must meet applicable Priority List Bypass Procedure dates in Section 11.2.

8.3.4. Construction Subsidy

Loan forgiveness for eligible construction activities supports multiple long-term and short-term goals. There are three construction subsidy categories: Category 1: subsidy for communities meeting affordability criteria; Category 2: subsidy for projects eligible for Emerging Contaminants Grant funding; Category 3: subsidy for qualifying “Lakes in Crisis” projects. Projects may receive up to the maximum amount of loan forgiveness under each category.

8.3.4.1. Construction Subsidy Category 1: Affordability Criteria Subsidy

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

- 75% loan forgiveness, up to $2,000,000 per project, inclusive of prior year construction subsidy.
- Village Wastewater Initiative projects may receive additional construction loan forgiveness in an amount equal to costs incurred under a previously-issued Engineering Planning Advance.
- Projects that received construction loans under the 2024 and 2025 Intended Use Plans will have their loans adjusted in conformance with these revised subsidy provisions subject to the availability of unused subsidy from the Grant year under which the loan was issued.

8.3.4.2. Construction Subsidy Category 2: Emerging Contaminants Subsidy

Construction projects eligible for Emerging Contaminants Grant funding may receive loan forgiveness as follows:

- 100% loan forgiveness, per project.

8.4. Requirements to Secure Additional Subsidy

The Clean Water SRF Program 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 qualify for additional subsidy under this IUP.
- 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 required permits in place, including Act 250
- 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 Intended Use Plan. The Clean Water SRF Program 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 Clean Water SRF Program 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 following criteria, all non-profit or cooperatively owned manufactured home communities (MHCs) categorically meet the state's affordability criteria, as first established in the 2021 Intended Use Plan. Such projects will receive a reduced admin fee rate of 1.5%.

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 significant hardship in raising the necessary funding an applicant must qualify under at least two of the key criteria.

- Median Household Income: The project is located in a municipality with a Median Household Income at or less than the statewide average.
- User costs: The project will result in an annual household user cost for sewer and stormwater that exceeds two percent of the Median Household Income.
- 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, the cost of the project will present 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, or other method as approved by the Secretary. The procedures for conducting and approving income surveys and the requisite record keeping will be in accordance with the Vermont State Revolving Fund's established Guidance Document #11: Median Household Income Determination or as determined by an equivalent method 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. Generally speaking, non-point source-funded projects are intended to remediate or to promote the remediation of a documented impact to designated uses of Vermont's surface waters, following an approach of documented effectiveness. For projects to be eligible for support under this eligibility, they must be shown to implement the Vermont Nonpoint Source Management Program Plan. Certain nonpoint source project types are described in the CWSRF Eligibilities Handbook referenced below in this section of the Intended Use Plan, though that document does not provide an exhaustive listing. Many lake or watershed restoration project types may be eligible for support under this category presuming they are documented to be effective in addressing the water quality concern and have a project life equal to or greater than the loan term. Some more traditional CWSRF loan funded projects may also be found eligible under CWA Section 319 Eligibility when they are solving a NPS problem, e.g. decentralized community wastewater projects.

Applicants specifically interested in aquatic invasive species (AIS) control should be aware that the CWSRF limits the eligibility of aquatic invasive species projects only to capital expenses associated with the project. As noted by the Nonpoint Source Management Program Plan, nonpoint source projects proposed for the CWSRF support must be identified either by a tactical basin plan or in Vermont's Watershed Projects Database. Loan applicants interested in pursuing non-point source projects should consult with one of the Water Investment Division's Watershed Planners as noted below, to evaluate the specific eligibility of the project under consideration, and ensure the project is documented in the Watershed Projects Database.

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). Eligible project categories include the following hydromodification, habitat, and thermal restoration project types which are categorically considered eligible for Clean Water State Revolving Loan funding:

- Wetland restoration projects
- Floodplain/stream restoration
- Thermal restoration
- River corridor and wetland easements
- Woody buffer plantings
- Dam removal, where there's a water quality benefit
- Lake shoreland retrofit using bioengineering principles
- Water resource protection through land acquisition or easements for the purposes of providing water quality benefits
- 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, 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 State Revolving Loan Fund Project Developers to assist with the funding process.

Section 603(c) of the Clean Water Act states that the Clean Water State Revolving Loan Fund 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.

Certain NPS projects are not considered treatment works projects and, therefore, are not required to comply with the National Environmental Protection Act-like review under 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 and are proposed to undergo environmental review under the proposed State Environmental Review Policy (SERP). Additionally, these projects will still undergo review by the Vermont Department of Historic Preservation.

The Water Investment Division reserves the right to request additional review on a case-by-case basis. Additional environmental 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. Notable exceptions to this approach include projects receiving non-repayment funds, such as Emerging Contaminant funds, in which case cross-cutter requirements are applicable.

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.

To ease accessing WISPr funds, the program will use Tier 2, or repayment funds, to support WISPr projects. These projects will not be reported under Federal Funding Accountability and Transparency Act for equivalency purposes.

The anticipated budget for the implementation of WISPr Natural Resource Projects during this fiscal year will be $2,000,000. The CWSRF Program reserves the ability to limit WISPr funding on a project-by-project and programmatic level as necessary in consideration of available funding.

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 Intended Use Plan is proposing the continuation of an interim financing program. The interim financing is 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 that meet readiness criteria are funded. To ensure funding is flexible and available for the interim financing projects, the put-aside does not require discrete projects to be ranked on the priority list, but rather categorically ranked within this put aside. The following is proposed:

- $2M "put-aside" on the priority list for interim financing of all eligible natural resource restoration, agricultural water quality, and forestry conservation projects. This financing is at 0% interest for municipal applicants and 0.6% for all other applicants, for a term not to exceed 5 years.
- Projects that would have previously qualified for funding under the Farmland Futures Program may apply for funding under this interim finance program.
- In accordance with the Repayment Start Date policy, the initial loan repayment would begin one year after execution of the loan agreement.
- 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 requirements of either the Vermont Economic Development Authority or Vermont Bond Bank.

11. Program Updates and Guidance

11.1. Annual Cap on Loans

This year's priority list does not place an annual cap on loan amount. Where projects are eligible for Emerging Contaminants grant funds and loan value exceed Emerging Contaminants Grant funds, they may receive funding under both the Emerging Contaminants grant and either the General or General Supplemental grants, without a cap on overall loan amount.

11.1.1. Planning Loans Evaluation and Funding Cap

For this Intended Use Plan, "Planning Loans" (Step 1 and/or 2) for General projects (those other than Emerging Contaminants) will be funded using the $5,000,000 put-aside shown in the Priority List. The Clean Water SRF Program is accepting applications for Planning Loans on a rolling basis while funding is available.

The Clean Water SRF Program reserves the ability to make funds under the Planning Loan put-aside available for construction projects in an amount up to the balance of the put-aside less the dollar amount of planning loan applications received by March 1, 2027.

If additional funding is available following the bypass of projects on the Priority List, the Water Investment Division may increase funding for Planning Loans beyond $5,000,000.

11.1.2. Planning Loan Repayment

As of this 2026 Intended Use Plan, repayment of planning loans will generally begin three years following the loan agreement date. Previously, the repayment start date was five years. The Clean Water SRF Program is making this change to ensure that all planning and design loans enter repayment in conformance with applicable guidelines.

The three-year repayment start date accounts for the time necessary to complete pre-construction planning and design, acquire necessary permits and procure construction funding for the project. Construction loan repayment start date is one year after project completion.

11.2. 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, by no later than:

- November 1, 2026: Submit complete Step II/ Final Design Loan Application;
- January 31, 2027: Schedule a bond vote and submit a copy of the warning to the Clean Water SRF Program;
- May 1, 2026: 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, 2027; and,
- May 1, 2027: Submit complete Step III/Construction loan application (all required items have been completed and submitted, including Final Design Approval and Draft Step 3 ESA).

Any projects that confirm to the CWSRF program that they have secured funding through another source will receive notification of bypass.

Projects not meeting 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 sub-projects or sub-components within a priority list application, a Preliminary Engineering Report submittal will be required for all sub-projects, and all sub-projects must meet readiness to proceed guidelines or the entire project will be subject to bypass.

11.3. 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. This excludes Agency of Commerce and Community Development-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.

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 the Clean Water SRF Program on a case-by-case basis.

11.4. ANR Online Funding Application

Loan applications and associated documentation must be submitted through ANR Online ANR Online Link. A loan application will be considered complete when the form and all required documentation are uploaded to ANR Online and the applicant clicks the Submit button. The documentation required for loan applications varies by project step. Applicants with questions about required documentation are encouraged to reach out to a Clean Water Project Developer with questions.

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

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

11.5. State Environmental Review Procedure Update

Vermont is in the process of revising the State Environmental Review Process (SERP) to evaluate the identifiable environmental effects of a project, funded through the Clean Water and Drinking Water Revolving Loan Funds. This will continue to 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 recipient projects, whether through the Clean Water and Drinking Water State Revolving Loan Funds. The purpose of the procedure is to parallel the intentions of the National Environmental Policy Act (NEPA), as enacted in 1969 with subsequent amendments. The revised procedure is currently in internal review and once that review is completed it will go out for 30-day public comment. The revised procedure is subject to US EPA approval. The procedure applies to all Clean Water and Drinking Water State Revolving Loan funded projects, to ensure that state and federal environmental laws and impacts are considered.

11.6. CW SRF Fund Transfer to Onsite Loan Fund

The CWSRF Program will reserve up to $275,000 annually for transfer to the Onsite Loan Fund.

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

EPA undertakes an annual Performance Evaluation review for the Clean Water SRF Program. The most recent Program Evaluation Review conducted by EPA Region 1 covered State Fiscal Year 2025. State Fiscal Year 2025, which runs from 7/1/2024 to 6/30/2025, was covered by the 2024 Intended Use Plan. The Program Evaluation Review identifies Action Items requiring follow up by the Clean Water SRF Program. The following is a summary of open Action Items for the 2025 Performance Evaluation Review. As of the date of this draft Intended Use Plan, EPA's 2025 Performance Evaluation Review report was in draft form. The final Intended Use Plan will be revised to include any changes in the final version of the Performance Evaluation Review report. Additionally, the Clean Water SRF Program issues an Annual Report to EPA that covers program operations and addresses action items identified by EPA in their Review.

2025 Program Evaluation Review (PER) Action Items from US EPA:

Follow Up from 2024 PER Action Items

1. **Action Item:** VT DEC will submit a Corrective Action Plan to EPA by August 29th, 2025.
    a. **Status**: Ongoing. VT DEC submitted the CAP on 10/29/2025. EPA staff held a meeting with VT DEC during the Annual Review and VT concurred with creating an updated CAP for FY26.
2. **Action Item**: Ensure that all crosscutters are included in all construction contracts. Provide EPA a copy of standard front-end documentation by June 30th, 2025, showing that all crosscutters are included.
    a. **Status:** Ongoing. VTDEC provided EPA a copy of new crosscutter guidance on June 12th, 2025. Standard front-end documents have not been developed.
3. **Action Item:** Ensure that the FFATA reporting for the 2023 Base grant is corrected and is not overreported by June 30th, 2025
    a. **Status:** Completed.
4. **Action Item**: If, by 6/30/2025, the minimum GPR amount is not committed for the 2024 capitalization grants, milestones and goals to meet the minimum must be included in the 2025 annual report.
    a. **Status:** Completed for 2024 Base and IIJA Supplemental. No eligible projects for EC, this is considered completed.
5. **Action Item:** Include a list of the projects and amounts committed for GPR in the Annual Report for the prior year's capitalization grants.

    a. **Status:** GPR projects are included, however the projects reported were not signed in or after the year under review. See above section on GPR.

6. **<u>Action Item:</u>** If, by 9/30/2025, the additional subsidy for the 2022, 2023, or 2024 capitalization grants are not met, milestones and a plan for committing the remaining subsidy for all grants must be included in the 2025 Annual Report.
    a. **Status:** Ongoing. Annual report includes information that the available amount of subsidy for a particular project was increased to be able to use subsidy more effectively. Subsidy for all grant have not yet been met and this will be an action item this year.
7. **<u>Action Item:</u>** Per 40 CFR 35.3570(a)(3)(ix), VT should include a statement about the fees collected and used during the fiscal year of the Annual Report.
    a. **Status:** Completed.
8. **<u>Action Item:</u>** Ensure that progress is being made to meet the binding commitment requirements for the Emerging Contaminant BIL Grants. (Repeat from the FY23 PER)
    a. **Status:** Ongoing. The program has seen additional demand for EC funds, however as of 6/30/2025 the BC requirement was again out of compliance. In the quarter following, the program closed a loan to bring the program into compliance. A new action item has been added.
9. **<u>Action Item</u>**: Ensure that project checklists are formatted in a way that the correct information can be entered. Please complete this update and notify the project officer of the completion by November 1st. (Repeat from the FY23 PER)
    a. **Status:** Completed.
10. **<u>Action Item:</u>** Include a list of the projects that are used to meet equivalency requirements in the Annual Report. (Repeat from the FY23 PER)
    a. **Status:** Completed. State provided this information in the 2025 Annual Report.
11. **<u>Action Item</u>**: The Annual Report must contain an explanation of the reasons for the delay in the additional subsidy commitments into loan executions and provide a plan that identifies the project(s) that will use the remaining subsidy funds, along with milestones for each project showing the path to an executed agreement. The Annual Report should indicate the amount of additional subsidy from the previous years that must still be committed to projects. (Repeat from the FY23 PER)
    a. **Status:** Ongoing. The program has made progress but is still behind on commitments, a new action item is included.

Action Items and Recommendations for the 2025 Review from US EPA:

1. **Repeat Action Item:** Include in the 2026 IUP a plan to meet the Binding Commitment Requirement for the Emerging Contaminant Grants and discuss what progress has been made in the next Annual Report
2. **Action Item:** The State will provide EPA Region 1 with an updated Corrective Action Plan by September 30, 2026.
3. **Action Item:** Notify EPA once VT DEC complies with the Memorandum of Agreement with VBB regarding quarterly reconciliations.
4. **Action Item:** Ensure that all contracts for all projects include crosscutter requirements such as The Age Discrimination Act of 1975, Section 13 of the Federal Water Pollution Control Act Amendments of 1972, Section 504 of the Rehabilitation Act of 1973, Title VI of the Civil Rights Act of 1964, Section 306 of the Clean Air Act, Section 508 of the Clean Water Act.
5. **Action Item**: Ensure that all contracts for all federal projects include federal crosscutter requirements such as DBE, Suspension and Debarment, and other crosscutters as applicable, including environmental crosscutters.
6. **Action Item:** Ensure that the correct Davis-Bacon term and condition is included in all construction contracts.
7. **Recommendation:** Update site inspection checklists to include BABA.
8. **Recommendation:** Work with EPA to develop front-end contract documents to standardize requirements for federally funded project contracts. Additional standard documents can also be developed for non-federally funded projects.
9. **Action Item:** Review FFATA reporting information provided to EPA Region 1 and discuss potential updates during the next EPA/State check-in meeting. Include all updates in the annual report and include assurances in future IUPs that correct reporting will be followed.
10. **Action Item:** Ensure that all GPR projects are identified to the extent possible in the IUP and that all projects reported for GPR meet the requirement for reporting. Work with EPA to correct the 2024 GPR reported projects by 7/30/2026.
11. **Repeat Action Item:** If, by 9/30/2025, the additional subsidy for the 2022, 2023, 2024 capitalization grants were not met, milestones and a plan for committing the remaining subsidy for all grants must be included in the 2026 Annual Report. The plan for all remaining subsidy must also be included in the 2026 IUP.
12. **Action Item:** Work with EPA to develop alternate strategies to increase subsidy commitments and include those strategies in the CAP.
13. **Recommendation**: Continue to advertise for positions for the program, and have current staff attend CIFA meetings, regional workshops, and SRF trainings.
14. **Recommendation**: Delay applying for the FY26 Capitalization Grants until the second year to obligate and expend existing funds.
15. **Recommendation**: Work with the drinking water SRF program to implement changes to the planning loan repayment process through the Corrective Action Plan.

12. Equivalency and Federal Reporting

The term “equivalency” refers to projects funded in the amount equal to an EPA Capitalization Grant. All equivalency projects are reported to the Environmental Protection Agency in conformance with the Federal Funding Transparency Act.

Equivalency projects are required to comply with several requirements collectively referred to as “cross-cutters.” Additionally, certain cross-cutters apply to individual projects regardless if the project is reported per the Federal Funding Transparency Act.

All projects receiving federal funds are required to comply with the requirements of the federal Single Audit Act, Fiscal Sustainability Plans, EPA SRFY Signage Guidelines and Qualifications Based Selection, except for specifically designated projects.

All projects must comply with a National Environmental Protection Act-like review, Telecommunications Prohibition (Telecom Equipment & Services 2 CFR 200.21), Federal Flood Risk Management Standard (FFRMS), Disadvantaged Business Enterprise reporting, Davis-Bacon, American Iron and Steel, and other required federal crosscutters, as applicable, except for specifically designated non-treatment works projects.

All treatment works projects are required to meet all cross-cutters, except Build America Buy America requirements, as noted below.

Build America Buy America requirements apply to all projects reported for purposes of the Federal Funding Transparency Act. The Program will identify such projects as necessary to comply with equivalency reporting requirements.

13. Green Project Reserve

The Vermont requirement for Green Project Reserve (GPR) for FFY 2026 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	$350,700
General Supplemental	$1,209,400
Emerging Contaminants	$107,200

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, the Intended Use Plan and in the environmental review process. The Intended Use Plan is typically developed and adopted annually along with the Priority List using the same public participation procedure 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 State Environmental Review Procedure. This procedure was approved by the EPA Regional Administrator in accordance with the August 2, 1989, Clean Water SRF Operating Agreement between the State of Vermont and the U.S. Environmental Protection Agency, Region I.

On January 8, 2026, the Clean Water SRF Program notified municipalities and other interested parties to apply to be included on the Municipal Pollution Control Projects Priority List for State Fiscal Year 2027 with a due date of February 6, 2026, for inclusion in the draft Pollution Control Priority List.

The draft Intended Use Plan was released on DATE, 2026. A public hearing invitation to participate was sent via email to all entities in the contact list and directions to participate via Microsoft Teams, telephone, or in person were posted on the SRF website and on the state library public hearing calendar. A hybrid virtual/in-person public hearing will be held on DAY, DATE, 2026, at Time, at the Catamount Room of the National Life Building, 1 National Life Drive, Montpelier. Public comments on this draft IUP will be accepted at the public hearing and in writing until 5:00 PM on DATE, 2026.

15. Responsiveness Summary

The final Intended Use Plan will include a response to all public comments submitted regarding this draft Intended Use Plan.

16. Revisions to the Final Intended Use Plan

The final Intended Use Plan will identify all revisions made relative to the draft Intended Use Plan.

17. Tables: Municipalities and NPDES Regulated Facilities

Tables Identifying Vermont municipalities and NPDES regulated facilities. Attached.

18. Project Priority Lists

General Projects (General, General Supplemental and Emerging Contaminants combined). Attached.

DRAFT 2027 Pollution Control Priority and Planning List

Applicant	Applicant Type	Project Name	Priority Points	Project Category	2027 Step I	2027 Step II	2027 Step III	2027 Total Project Cost	Green Project Reserve	Grant Source
Londonderry, Town of*	M	So Londonderry Community Wastewater	96	NPS - IDS	0	0	1,086,213	1,086,213	1,086,213	GB
Hinesburg, Town of	M	WWTF Upgrade Contract No. 2	92	TW- AT	0	0	0	0	0	-
Montgomery, Town of*	M	Montgomery Center Community Wastewater Project	88	NPS - IDS	0	0	0	0	11,265,580	-
Waitsfield, Town of*	M	Waitsfield Community Wastewater	86	NPS - IDS	0	0	0	13,324,563	18,834,740	-
Wolcott, Town of*	M	Wolcott Village Decentralized Wastewater Project	85	NPS - IDS	0	0	5,009,900	5,009,900	5,749,000	GB
Vergennes, City of	M	Vergennes WWTF Hydraulic Upgrade	84	TW - ST	0	0	0	14,299,925	100,000	-
Colchester, Town of	M	Malletts Bay Sewer Project - Phase 1	81	TW - NCS	0	0	0	0	0	-
Colchester, Town of	M	Malletts Bay Sewer Project - Phase 2	81	TW - NCS	0	0	0	0	0	-
Shelburne, Town of	M	WWTF Consolidation Contract No. 1	79	TW- AT	0	0	0	10,200,000	0	-
Shelburne, Town of	M	WWTF Consolidation C#2	79	TW - AT	0	0	0	34,202,000	0	-
Saint Albans, City of*	M	Houghton Park CSO Storage Tank	77	TW - CSOC	0	0	0	4,685,858	0	-
Proctor, Town of*	M	Proctor WWTF Upgrade Contract No. 1	76	TW- AT	0	0	0	699,438	0	-
Proctor, Town of*	M	Proctor WWTF Upgrade Contract No. 2	76	TW- AT	0	0	0	5,166,000	0	-
Swanton, Village of*	M	WWTF Upgrade and Phosphorous Improvements	76	TW- AT	0	0	0	0	0	-
Rutland, City of*	M	Meadow Street Combined Sewer Separation	76	TW - CSOC	0	0	0	0	0	-
Middlebury, Town of	M	WWTF MPS & SBR Controls	72	TW - SSR	0	0	0	6,172,000	0	-
Barre, City of*	M	WWTF Headworks	71	TW - ST	0	0	0	8,847,600	0	-
Brighton, Town of* **	M	Brighton Wastewater Treatment Facility Refurbishment	70	TW-AT	0	0	0	0	0	-
Burlington, City of	M	WWTFs Stage 0 Headworks Improvements	69	TW - ST	0	0	0	0	0	-
South Burlington, City of	M	Bartlett Bay WWTFRefurbishment	67	TW- AT	0	0	12,173,884	42,376,354	4,200,000	GS
Chester, Town of*	M	First Ave Force Main, Pump Station and Gravity Main	62	TW - SSR	0	0	0	2,982,900	0	-
Morrisville, Village of*	M	Jersey Heights Pump Station Upgrade	48	TW - SSR	0	0	0	1,410,752	0	-
Essex, Town of	M	Center Rd Sewer Force Main Replacement	35	TW - SSR	0	0	0	0	0	-
South Burlington, City of	M	Solids Handling Upgrades	26	TW- AT	0	0	0	0	0	-
Bolton Valley Community W&S	PNP	BVCWS WWTF Upgrade	18	TW - ST	0	0	0	0	150,000	-
Planning Put Aside	NA	Planning Loan Put-Aside	NA	NA	0	0	5,000,000	0	NA	NA
Pownal, Town of*	M	Pownal Landfill Remediation (Emerging Contaminants)	46	NPS - B	115,000	156,000	3,000,000	3,500,000	0	EC
Hinesburg, Town of	M	WWTF Upgrade, Contract No. 4	94	TW - AT	0	0	1,061,500	1,061,500	0	GB
Vergennes, City of	M	Vergennes WWTF Contract 2	84	TW - ST	0	0	5,437,735	5,437,735	100,000	GS
Londonderry, Town of*	M	No Londonderry Community Wastewater	77	NPS - IDS	0	0	282,000	282,000	282,000	GS
Poultney, Village of*	M	Poultney Interceptor Sewer Improvements	76	TW -I/I	0	0	762,500	762,500	847,000	GS
Berlin, Town of	M	Riverton Village Community Wastewater	75	NPS - IDS	0	0	0	908,000	0	GS
Berlin, Town of	M	Weston's MHC Wastewater Project	74	TW - NCS	0	0	2,254,291	2,254,291	0	GS
Rutland, City of*	M	Connor Park CSO Storage	73	TW - CSOC	0	0	7,060,000	7,060,000	0	GS
Rutland, City of*	M	Stormwater and Wastewater Improvements	72	TW - CSOC	0	0	1,535,000	1,535,000	0	GS
Barton, Village of*	M	WWTF Improvements	71	TW - ST	0	513,000	10,267,400	10,780,400	0	GS
Vergennes, City of	M	Macdonough Dr.Pump Station Force Main Improvements	71	TW - SSR	0	1,205,650	7,156,350	8,362,000	100,000	GS
Vergennes, City of	M	North Main Sewer Rehabilitation	70	TW - SSR	0	180,000	1,116,600	1,296,600	0	GB
Shelburne, Town of	M	WWTF Consolidation C#3	68	TW - AT	0	0	1,727,986	1,727,986	0	GB
Springfield, Town of*	M	Main Street Sewer Replacement Design	67	TW - SSR	0	0	3,016,100	3,016,100	0	GB
Vergennes, City of	M	Otter Creek Interceptor Sewer Rehabilitation	67	TW - SSR	0	130,000	1,600,000	1,730,000	0	GB
Saint Albans, City of*	M	Federal Street Connector - Sewer Utility	65	TW - CSOC	0	0	2,000,000	2,000,000	0	GB
Burlington, City of	M	Pump Station Refurbishment Phase II (Next 3)	64	TW - SSR	0	0	3,730,000	5,730,000	0	GB
Rutland, City of*	M	CSO Check Valves	63	TW - CSOC	0	0	1,150,000	1,150,000	0	GB
Burlington, City of	M	Wastewater Collection System Improvements	61	TW - SSR	0	200,000	2,000,000	2,200,000	0	GB
Burlington, City of	M	Stormwater Collection System Improvements	58	SW - Gray	0	200,000	2,000,000	2,200,000	0	GB
Burlington, City of	M	WWTF Improvements - East Plant Conveyance, Cherry St	58	TW - SSR	0	0	2,791,500	2,791,500	0	GB
Springfield, Town of*	M	WWTF and Solids Handling Upgrade Phases 1-3	58	TW - AT	0	300,000	6,000,000	6,300,000	0	GB
Woodstock, Town of	M	Main WWTF Upgrade	58	TW - AT	0	0	31,934,000	31,934,000	0	GB
Poultney, Village of*	M	WWTF Upgrade	58	TW - AT	0	0	4,708,700	4,708,700	0	GB
Bennington, Town of*	M	WWTF Phosphorus Removal Upgrade	58	TW - AT	0	165,000	4,800,000	4,965,000	0	GB
Fairfax, Town of	M	WWTF Upgrade	57	TW - ST	0	128,700	1,650,870	1,779,570	0	GB
Saint Albans, City of*	M	Lower Welden Stormwater Treatment Facility	56	SW - Green	0	0	3,000,000	3,000,000	1,500,000	GB
Rutland, City of*	M	Moon Brook Pond Modifications	56	NPS - H	0	0	1,500,000	1,500,000	212,000	GB
Saint Johnsbury, Town of*	M	Mount Pleasant MHC Wastewater Replacement	54	NPS - IDS	0	258,920	1,618,250	1,877,170	1,877,170	GB
Chelsea, Town of*	M	WWTF Upgrade	53	TW - ST	0	56,000	465,000	521,000	0	GB
Middlebury, Town of	M	South St Sewer and Stormwater	52	TW - SSR	0	0	3,250,000	3,250,000	0	GB
Burlington, City of	M	Manhattan Drive Outfalls Project - Step III	51	SW - Gray	0	0	1,069,576	1,069,576	0	GB
Cabot, Town of*	M	WWTF Refurbishment	50	TW - AT	0	32,300	400,000	432,300	0	GB
Sherburne Fire District #1	M	RBC and Effluent Pump upgrade	49	TW - ST	0	0	3,300,000	3,300,000	0	GB
Chester, Town of*	M	WWTF Upgrade	49	TW - ST	0	310,000	6,160,000	6,470,000	0	GB
Saint Johnsbury, Town of*	M	Sludge Management Improvements	49	TW - ST	0	0	2,253,700	2,253,700	0	GB
Richmond, Town of	M	WWTF Upgrade	46	TW - ST	80,900	869,844	13,000,000	13,950,744	1,662,000	GB
Rutland, City of*	M	Terrill St Sewer Improvements	46	TW - SSR	0	0	650,000	650,000	0	GB
Bellows Falls Village Corp*	M	WWTF Upgrade	44	TW - ST	0	335,000	6,672,400	7,007,400	0	GB
Berlin, Town of	M	Rte 302 WW Pump Station Replacement	41	TW - SSR	0	0	1,699,700	1,699,700	0	GB
Hardwick, Town of*	M	Pump Station Rebuild and Flood Mitigation	39	TW - AT	20,000	100,000	2,000,000	2,120,000	0	GB
Montpelier, City of	M	Pump Station #1 Replacement	38	TW - SSR	0	0	1,571,265	1,571,265	0	GB
Essex Junction, City of	M	Maple and River Street Pump Stations	37	TW - SSR	0	0	960,000	960,000	0	GB
Danville, Town of*	M	WWTF Upgrades	31	TW - AT	0	125,000	1,900,000	2,025,000	0	GB
Saint George Community Coop	PNP	Wastewater System Replacement	60	NPS - IDS	0	0	2,371,600	2,371,600	0	GB
Hillcrest Community	PNP	Wastewater System Replacement	33	NPS - IDS	0	210,584	1,156,590	1,367,174	0	GB
Subtotal SFY2027 Projects Requesting Construction Funding					**215,900**	**5,475,998**	**187,310,610**		**47,965,703**	
				Forecasted SFY27 Planning Need	5,169,000	14,549,236		**19,718,236**		
				Total	**5,384,900**	**20,025,234**	**187,310,610**	**212,720,744**		
				Total SRF Funding Request	**212,720,744**					
				Total Available Funds	**81,492,067**					
				Annual SRF Surplus/Shortfal	**(131,228,677)**					

Continuing Projects
Municipal Projects Yet To Be Funded
Private Projects Yet To Be Funded
The bold line on line 50 is the fundable line

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

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

* denotes borrower expected to meet affordability critera

Project Type	Code
CWT - CSO Correction	TW-CSOC
CWT - Sewer System Rehabilitation	TW-SSR
CWT - Secondary Treatment	TW-ST
CWT - Advanced Treatment	TW-AT
CWT - New Collector Sewers	TW-NCS
CWT - Infiltration/Inflow	TW - I/I
NPS - Individual Decentralized Systems	NPS-IDS
NPS - Hydromodification	NPS-H
NPS - Brownfields	NPS-B
Stormwater - Gray Infrastructure	SW-Gray
Stormwater - Green Infrastructure	SW-Green

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

Note 2: Where a project includes multiple categories, the category that accounts for the highest dollar need is shown.

Note 3: There are projects on this list that have been added as continuing projects that did not provide priority list applications.

DRAFT Forecasted 2027 Pollution Control Priority and Planning List

Applicant	Applicant Type	Project Name	Priority Points	Project Category	2027 Step I	2027 Step II	2028 Step III	2029 Step III	2030 Step III
Burlington, City of	M	WW Collection System Asset Management	57	TW - SSR	1,000,000	0	0	0	0
Burlington, City of	M	SW Collection System Asset Management	53	TW - SSR	1,000,000	0	0	0	0
Burlington, City of	M	College St Stormwater Separation Project	31	SW - Gray	450,000	0	0	0	0
Burlington, City of	M	Long Term Control Plan Revision	31	TW - SSR	250,000	0	0	0	0
Richford, Village of	M	WWTF Lagoon System Upgrade	20	TW - ST	49,500	0	0	0	0
Fair Haven, Town of	M	Collection System and Adam St PS	20	TW - SSR	100,000	0	0	0	0
Winooski, City of	M	WWTF Flood Mitigation Study	10	TW - AT	40,000	0	0	0	0
Middlebury, Town of	M	WWTF Upgrade	80	TW - ST	1,126,000	2,530,000	41,806,000	0	0
Saint Johnsbury, Town of	M	Portland St. Storm and Sewer Improvements	73	TW - CSOC	0	0	1,550,000	0	0
Saint Johnsbury, Town of	M	Railroad St.Storm and Sewer Improvements	73	TW - CSOC	0	0	473,000	0	0
South Hero, Town of	M	Community Wastewater System	69	NPS - IDS	0	275,000	4,850,000	0	0
Saint Albans, City of	M	Catherine St CSO Storage Tank	67	TW - CSOC	0	408,500	8,850,000	0	0
Jericho, Town of	M	Community Wastewater Project	67	NPS - IDS	0	331,345	6,358,655	6,690,000	25%
Burlington, City of	M	Pine Street CSO Separation and Storage	61	TW - CSOC	0	0	14,000,000	0	0
Richmond, Town of	M	Bridge St Pump Station and Forcemain Upgrade	59	TW - SSR	0	350,000	2,618,000	2,968,000	19%
Reading, Town of	M	Felchville Community Wastewater	58	NPS - IDS	0	154,100	3,347,300	0	0
Hardwick, Town of	M	WWTF Relocation	58	TW - AT	150,000	1,000,000	25,000,000	0	0
Burlington, City of	M	SW Outfall Improvements Group 2	55	SW - Gray	0	150,000	1,500,000	0	0
Burlington, City of	M	SW Outfall Improvements Group 3	55	SW - Gray	0	300,000	1,500,000	0	0
Burlington, City of	M	SW Outfall Improvements Group 1	52	SW - Gray	0	150,000	1,000,000	0	0
Middlebury, Town of	M	Rogers Road Pump Station Upgrade	50	TW - SSR	0	0	2,000,000	2,000,000	0%
Brattleboro, Town of	M	WWTF Biosolids Improvements	46	TW - ST	15,000	100,000	3,925,000	0	0
Stowe, Town of	M	Lower Village Pump Station Replacement	40	TW - SSR	0	285,000	3,000,000	0	0
Essex Junction, City of	M	West Street Pump Station	38	TW - SSR	0	0	1,907,000	0	0
Ludlow, Village of	M	Lower High Street Sewer Project	33	TW - SSR	0	25,000	300,000	0	0
Ludlow, Village of	M	Orion-Thompson Avenue Sewer Improvements	30	TW - SSR	16,500	40,000	560,000	0	0
Barre, City of	M	Washington St Sewer Improvements	20	TW - SSR	50,000	150,000	2,750,000	0	0
Castleton, Town of	M	Rte 30 North Gravity Sewer Rehabilitation	20	TW - SSR	30,000	130,000	2,300,000	0	0
Alburgh, Village of	M	Groundwater Monitoring Wells	20		12,000	30,000	200,000	0	0
Saint Albans, City of	M	WWTF Solids Handeling Improvements	20	TW - AT	30,000	150,000	2,500,000	0	0
Pawlet, Town of	M	WWTF Sludge Storage Project	20	TW - ST	0	130,000	1,360,000	0	0
Johnson, Village of	M	WWTF Relocation	20	TW - AT	100,000	905,000	25,000,000	0	0
Alburgh, Village of	M	Infiltration and Inflow Reduction	20	TW - SSR	0	60,000	500,000	0	0
Ludlow, Village of	M	Wastewater System Improvements	20	TW - SSR	150,000	1,000,000	23,000,000	0	0
Burlington, City of	M	Stage 1 Main WWTF Improvements	10	TW - AT	0	5,000,000	120,500,000	0	0
South Burlington, City of	M	Pump Station and Force Main Replacement	0	TW - SSR	0	675,000	6,075,000	0	0
Edward Farrar UD	M	Sludge Management Project	0	TW - AT	0	160,000	4,000,000	0	0
Saint Albans, Town of	M	St. Albans Bay Sewer Extension	0	TW - NCS	600,000	0	850,000	20,950,000	0
Burlington, City of	M	Stage 2 East to Main Conveyance	10	TW - AT	0	741,636	0	15,862,631	0
Burlington, City of	M	Stage 2 East Pump Station & Decomissioning	10	TW - AT	0	0	255,933	0	4,689,210
Burlington, City of	M	WWTF Stage 2 North Improvements	10	TW - AT	0	0	0	718,333	14,263,944
Burlington, City of	M	WWTF Stage 1 Dewatering Improvements	10	TW - AT	0	0	0	217,277	8,513,961
Shoreham, Town of	M	Wastewater System Upgrades	6	TW - SSR	0	0	0	0	0
TOTALS					**5,169,000**	**15,230,581**	**313,835,888**	**49,406,241**	**27,467,115**

	2028 Step III	2029 Step III	2030 Step III
Total Anticipated Commitments	(313,835,888)	(49,406,241)	(27,467,115)
Administrative Expenses	(400,000)	(400,000)	(400,000)
Federal Funds	3,507,000	3,507,000	3,507,000
State Matching Funds	701,400	701,400	701,400
Repayment Funds	9,908,375	9,908,375	9,908,375
Carry Forward	0	0	0
Total Available Funds	14,116,775	14,116,775	14,116,775
Total Annual Suprlus/Deficit	(300,119,113)	(35,689,466)	(13,750,340)

DRAFT 2027 Pollution Control Grant Priority List

Applicant	Applicant Type	Project Name	Priority Points	2027 Total Project Cost	PC Grant %	PC Grant Amount
Londonderry, Town of*	M	So Londonderry Community Wastewater	96	1,086,213	35%	380,175
Hinesburg, Town of	M	WWTF Upgrade Contract No. 2	92	0	35%	0
Montgomery, Town of*	M	Montgomery Center Community Wastewater Project	88	0	35%	885,610
Waitsfield, Town of*	M	Waitsfield Community Wastewater	86	13,324,563	35%	4,663,597
Wolcott, Town of*	M	Wolcott Village Decentralized Wastewater Project	85	5,009,900	35%	1,753,465
Vergennes, City of	M	Vergennes WWTF Hydraulic Upgrade	84	14,299,925	34%	4,861,974
Colchester, Town of	M	Malletts Bay Sewer Project - Phase 1	81	0	35%	0
Shelburne, Town of	M	WWTF Consolidation C#2	79	34,202,000	35%	11,970,700
Shelburne, Town of	M	WWTF Consolidation Contract No. 1	79	10,200,000	35%	3,570,000
Saint Albans, City of*	M	Houghton Park CSO Storage Tank	77	4,685,858	24%	1,124,606
Proctor, Town of*	M	Proctor WWTF Upgrade Contract No. 1	76	699,438	27%	188,848
Proctor, Town of*	M	Proctor WWTF Upgrade Contract No. 2	76	5,166,000	27%	1,394,820
Rutland, City of*	M	Meadow Street Combined Sewer Separation	76	0	21%	149,730
Swanton, Village of*	M	WWTF Upgrade and Phosphorous Improvements	76	0	22%	0
Middlebury, Town of	M	Main Pump Station and SBR Controls Upgrade	72	6,172,000	24%	1,481,280
Barre, City of*	M	WWTF Headworks	71	8,847,600	23%	2,034,948
Burlington, City of	M	WWTFs Stage 0 Headworks Improvements	69	0	15%	0
South Burlington, City of	M	Bartlett Bay WWTFRefurbishment	67	42,376,354	28%	11,865,379
Chester, Town of*	M	First Ave Force Main, Pump Station and Gravity Main	62	2,982,900	10%	298,290
Morrisville, Village of*	M	Jersey Heights Pump Station Upgrade	48	1,410,752	10%	141,075
Pownal, Town of*	M	Pownal Landfill Remediation (Emerging Contaminants)	46	3,000,000	10%	327,100
Hinesburg, Town of	M	WWTF Upgrade, Contract No. 4	94	1,061,500	35%	371,525
Vergennes, City of	M	Vergennes WWTF Contract 2	84	5,437,735	34%	1,848,830
Londonderry, Town of*	M	No Londonderry Community Wastewater	77	282,000	29%	81,780
Poultney, Village of*	M	Poultney Interceptor Sewer Improvements	76	762,500	32%	244,000
Berlin, Town of	M	Riverton Village Community Wastewater	75	908,000	32%	290,560
Berlin, Town of	M	Weston's MHC Wastewater Project	74	2,254,291	32%	721,373
Rutland, City of*	M	Connor Park CSO Storage	73	7,060,000	18%	1,270,800
Rutland, City of*	M	Stormwater and Wastewater Improvements	72	1,535,000	24%	368,400
Barton, Village of*	M	WWTF Improvements	71	10,780,400	24%	2,587,296
Vergennes, City of	M	Macdonough Dr.Pump Station Force Main Improvements	71	8,362,000	23%	1,923,260
Vergennes, City of	M	North Main Sewer Rehabilitation	70	1,296,600	22%	285,252
Shelburne, Town of	M	WWTF Consolidation C#3	68	1,727,986	35%	604,795
Springfield, Town of*	M	Main Street Sewer Replacement Design	67	3,016,100	20%	603,220
Vergennes, City of	M	Otter Creek Interceptor Sewer Rehabilitation	67	1,730,000	22%	380,600
Saint Albans, City of*	M	Federal Street Connector - Sewer Utility Design	65	2,000,000	26%	520,000
Burlington, City of	M	Pump Station Refurbishment Phase II (Next 3)	64	5,730,000	10%	573,000
Rutland, City of*	M	CSO Check Valves	63	1,150,000	17%	195,500
Springfield, Town of*	M	WWTF and Solids Handling Upgrade Phases 1-3	58	6,300,000	20%	1,260,000
Woodstock, Town of	M	Main WWTF Upgrade	58	31,934,000	13%	4,151,420
Poultney, Village of*	M	WWTF Upgrade	58	4,708,700	10%	470,870
Bennington, Town of*	M	WWTF Phosphorus Removal Upgrade	58	4,965,000	17%	844,050
Fairfax, Town of	M	WWTF Upgrade	57	1,779,570	27%	480,484
Saint Albans, City of*	M	Lower Welden Stormwater Treatment Facility	56	3,000,000	18%	540,000
Rutland, City of*	M	Moon Brook Pond Modifications	56	1,500,000	11%	165,000
Saint Johnsbury, Town of*	M	Mount Pleasant MHC Wastewater Replacement	54	1,877,170	16%	300,347
Chelsea, Town of*	M	WWTF Upgrade	53	521,000	16%	83,360
Middlebury, Town of	M	South St Sewer and Stormwater	52	3,250,000	11%	357,500
Cabot, Town of*	M	WWTF Refurbishment	50	432,300	14%	60,522
Sherburne Fire District #1	M	RBC and Effluent Pump upgrade	49	3,300,000	11%	363,000
Chester, Town of*	M	WWTF Upgrade	49	6,470,000	10%	647,000
Saint Johnsbury, Town of*	M	Sludge Management Improvements	49	2,253,700	10%	225,370
Rutland, City of*	M	Terrill St Sewer Improvements	46	650,000	10%	65,000
Bellows Falls Village Corp*	M	WWTF Upgrade	44	7,007,400	10%	700,740
SFY2027 Pollution Control Grant Eligibility						**70,676,451**

Note 1: $4 million in SFY 27 is available for PC Grants, therefore the full need will not be funded at this time.

Continuing Projects
Municipal Projects Yet To Be Funded

Note 2: The PC Grant eligibilities shown are estimates based on the submitted priority list application.
The PC grant amounts will be finalized upon issuance of the project's final design approval.

Windham Regional Commission Act 151 Overview for Municipalities

July 16, 2026

Overview

Act 181 was passed into law in June 2024 and significantly overhauled Vermont's framework for coordinating state, regional, and municipal land use planning. During the 2026 legislative session, the Legislature revised sections of Act 181, including the full repeal of the new Act 250 framework related to Tier 3 areas and the "Road Rule" jurisdiction. The 2026 legislation is known as Act 152 – An Act Relating to Regional Planning and Act 250 Tier Jurisdiction. The following is a summary of Act 152 for municipalities. If you have any questions, please contact Matt Bachler, at mbachler@windhamregional.org or 802-257-4547, ext. 112.

Act 250 Amendments

Act 152 fully repeals the Tier 3 area and "Road Rule" jurisdiction included in the new Act 250 framework. The purpose of the Tier 3 designation was to ensure protection of critical natural resources and jurisdiction under Act 250 would have increased in these areas. The "Road Rule" would have required an Act 250 permit for new development including roads and driveways of a certain length to reduce fragmentation of undeveloped lands.

The State Land Use Review Board was responsible for mapping Tier 3 areas and for the rulemaking process for Tier 3 and Road Rule jurisdiction. The Windham Regional Commission was not involved in the Tier 3 mapping process and our Regional Plan had no connection with Tier 3 designation or the Road Rule. With the passage of Act 152, the Land Use Review Board has now stopped their work related to Tier 3 and the Road Rule.

The Tier 1A and Tier 1B exemption areas in the new Act 250 framework remain in place. Tier 1A provides full exemption from Act 250 permitting and Tier 1B exempts residential development with 50 dwelling units or less on 10 acres of land or less. Windham Regional Commission has been working with towns in the region to map areas on our Future Land Use Map that may be eligible for Tier 1A or Tier 1B (Downtown Centers, Village Centers, Planned Growth Areas, and Village Areas) if other criteria in statute are also met. We are also offering to work with those towns that would like to be Tier 1A or 1B eligible, but don't currently meet the statutory requirements (such as having subdivision regulations).

Regional Future Land Use Area Updates

Act 152 revised the definitions for the Downtown Center and Village Center regional future land use categories so they can now include "planned or emerging" centers in addition to traditional and historic town centers. The legislation also clarifies that the Village Area land use category does not need to have municipal water or wastewater if the area has adequate soils for on-site wastewater treatment.

Regional Future Land Use Map Amendment Process

Act 152 simplifies the process for WRC to amend the Regional Future Land Use Map after the Regional Plan is adopted. Minor amendments to the Regional Future And Use Map consist of any change in land use category impacting fewer than 10 acres of land. WRC can submit a request for a minor amendment to the boundaries of a future land use area to the Land Use Review Board with a letter of support from the municipality. The request must have an affirmative vote of the Selectboard and WRC.

Non-minor amendments to the Regional Future Land Use Map consist of a change in land use category impacting 10 acres of land or more. WRC is required to hold a public hearing on these types of map amendments before it considers approval. After adoption of the regional plan amendment, WRC must submit a request to the Land Use Review Board for an affirmative determination of regional plan compliance for the amendment. The Land Use Review Board is then required to hold a public hearing within 30 days after receiving the request and issue a determination within 30 days after the hearing.

Tier 1B Requests

WRC can submit requests for Tier 1B exemption on behalf of towns when WRC submits its Regional Plan to the Land Use Review Board for approval. The town Selectboard must first pass a resolution in support of requesting Tier 1B status. WRC can provide your town with a template resolution. Once the Regional Plan is approved by the LURB, the exemption for qualifying Tier 1B areas automatically goes into effect.

Following the approval of the Regional Plan by the LURB, stand-alone requests for Tier 1B status can be submitted to the LURB at any time after WRC holds a public hearing on the request. The LURB is then required to hold a public hearing within 30 days after receiving the request and issue a determination within 30 days after the hearing.

Municipal Plans

Act 152 provides an extension for town plans set to expire in 2026 or 2027 to December 31, 2027. This provision was added to provide towns with more time to coordinate their local planning with the Regional Plan updates being completed by WRC to comply with Act 181. If your town plan has already expired in 2026, or is set to expire between now and the end of 2027, your current town plan will remain in effect until December 31, 2027. Please note, this provision does not apply to any town plans that expired before January 1, 2026.