



Federal FY21 DWSRF Program Overview State FY22 Capital Request

HOUSE CORRECTIONS & INSTITUTIONS COMMITTEE

ERIC BLATT, DEPT OF ENVIRONMENTAL CONSERVATION

FEBRUARY 17, 2021

DWSRF: SFY2021 & SFY2022 In 3 Numbers:



\$59M

**AMOUNT ANTICIPATED
TO BE FUNDED BY
6/30/21**



\$31.8M

**SFY2021: Loan
forgiveness to VT
Public Water Systems
for mini-stimulus
(Covid relief)**



\$31.4M

**Amount upcoming
SFY2022 Intended Use
Plan/Project Priority List
will make available for
drinking water loans**

Breakdown of SFY2022 Funding

▶ FFY2021 Federal Grant:	\$ 11,011,000
▶ Minus Set Aside Initiatives	\$ (3,413,410)
▶ State 20% Match:	\$ 2,202,200
▶ Carryforward from FFY20 IUP:	\$ 14,881,323
▶ Anticipated Repayments in SFY22:	<u>\$ 6,726,063</u>
▶ Total Projected Available:	\$ 31,407,176

FY22 Capital Budget Request

Currently soliciting applications for upcoming list
until February 25

~\$31.4M available for funding

Budget request is \$2,215,714, which would be
used for the 20% state match requirement
needed to secure federal grants totaling ~\$11M

State Match Requested

Drinking Water Federal SRF Grant and State Match Schedule (7/1/21 - 6/30/23)

Last Updated 2/17/2021							
DEC - Eric Blatt, Water Investment Division							
1	2	3	4	5	6	7	8
Annual Federal DWSRF Grants Award Schedule	Federal Grant	State Match Required 20%	State Match Previously Appropriated	Requested State Match Appropriation		State Match Total Appropriation FY22 & FY23	Balance of State Match Need/(Excess)
				FY22	FY23		
Drinking Water Loan Funds							
FFY20 EPA DWSRF Grant (awarded 7/15/20)	11,011,000	2,202,200	2,199,709	2,491	0	2,491	0
FFY21 EPA DWSRF Grant (available 10/1/20 - 9/30/22)	11,011,000	2,202,200	0	2,202,200	0	2,202,200	0
FFY22 EPA DWSRF Grant (available 10/1/21 - 9/30/23)	11,011,000	2,202,200	0	0	2,202,200	2,202,200	0
Total DWSRF FFY20 - FFY22	33,033,000	6,606,600	2,199,709	2,204,691	2,202,200	4,406,891	0
Assume 0.5% bond cost				11,023	11,011	22,034	0
Appropriation Needed				2,215,714	2,213,211	4,428,925	0



DWSRF Highlights: Bennington

- ▶ Bennington: 100% forgiven loan to completely replace their lead service lines: \$11M anticipated to be awarded

A 2017 mapping effort by the Town of Bennington and MSK Engineers revealed that approximately 1,600 service lines in the Bennington water system were originally constructed of lead pipe or of unknown materials. The Bennington Service Line Replacement Project is an effort to find and replace these lead lines. The entire project is currently funded by the State of Vermont, at no cost to homeowners.

DWSRF Highlights: PFAS



- ▶ Several public water systems, including schools, across the state have detected PFAS in their drinking water. Vermont has set a maximum contaminant level of 20 ppt for PFAS, which is a known health risk. The SFY21 IUP matched state funds (Contaminants of Emerging Concern Fund grants) appropriated in the same SFY with DWSRF 100% forgivable loans.
- ▶ Five systems are solving the contamination problem thru treatment or new source development. Between award of PFAS grants and DWSRF loans with forgiveness, the capital costs have been minimal for the systems.
- ▶ DWSRF contributed \$436,000 to these PFAS projects

DWSRF Highlights: Hardship Communities



- ▶ Barnet Fire District #2: This small fire district needs significant investment in their drinking water system, with few users to pay for increased debt.
- ▶ In 2019, the definition of a hardship community was added to the DWSRF state statute to provide relief to small systems with high user rates. As such, the DWSRF program combined generous loan forgiveness terms under the past year IUP with hardship provisions and BFD#2 will receive a \$500k loan with approximately \$425K of forgiveness.