

# State FY26/27 Capital Bill Drinking Water & Wastewater Sections 9 & 10

Sec. 9 (d)(1): FY27 State 20% Match to FFY26 DWSRF Grant (Line #85).....	\$590,000
Sec.10 (b): FY26 Municipal Pollution Control Grants (Line #98).....	\$4,000,000
Sec.10 (e): FY27 Clean Water Projects (Line #104).....	\$10,000,000

HOUSE CORRECTIONS AND INSTITUTIONS - FEBRUARY 25, 2025

ERIC BLATT, P.E., DIRECTOR OF ENGINEERING, WATER INVESTMENT DIVISION

PADRAIC MONKS, SRF PROGRAM MANAGER, WATER INVESTMENT DIVISION



**AERIAL VIEW OF HINESBURG WWTF AND SURROUNDING COMMUNITY**





**INSTALLATION OF WATER MAIN TO NEW SOURCE TO ADDRESS PFAS CONTAMINATION FOR CRAFTSBURY FD#2 WATER SYSTEM**





**Waterbury WWTF Phosphorus Upgrade: CoMag® process element located within process building.**

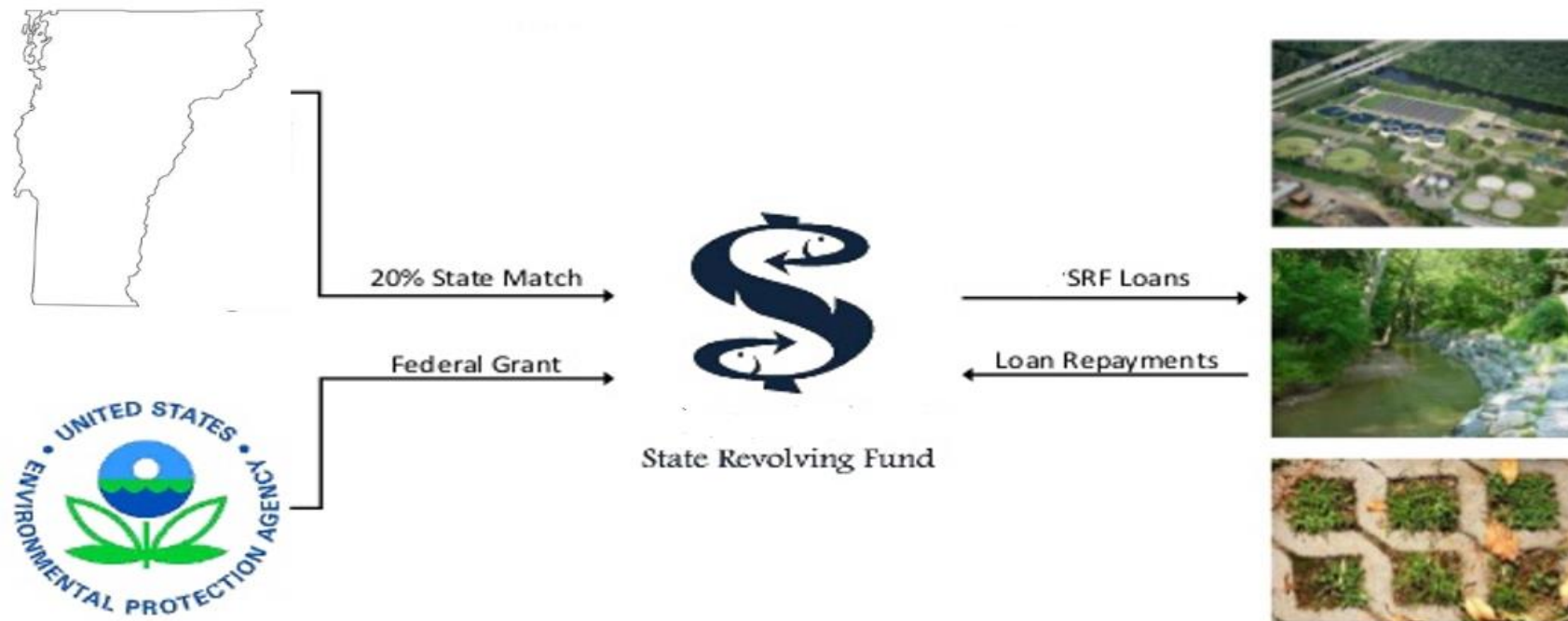


**Installation of new water and sewer services for the 100-home Milton MHC**

**This \$5.2M water and sewer project received loans and grants from 6 federal & state funding sources: DWSRF, CWSRF, CDS, WIIN, VHCB, VCDP.**

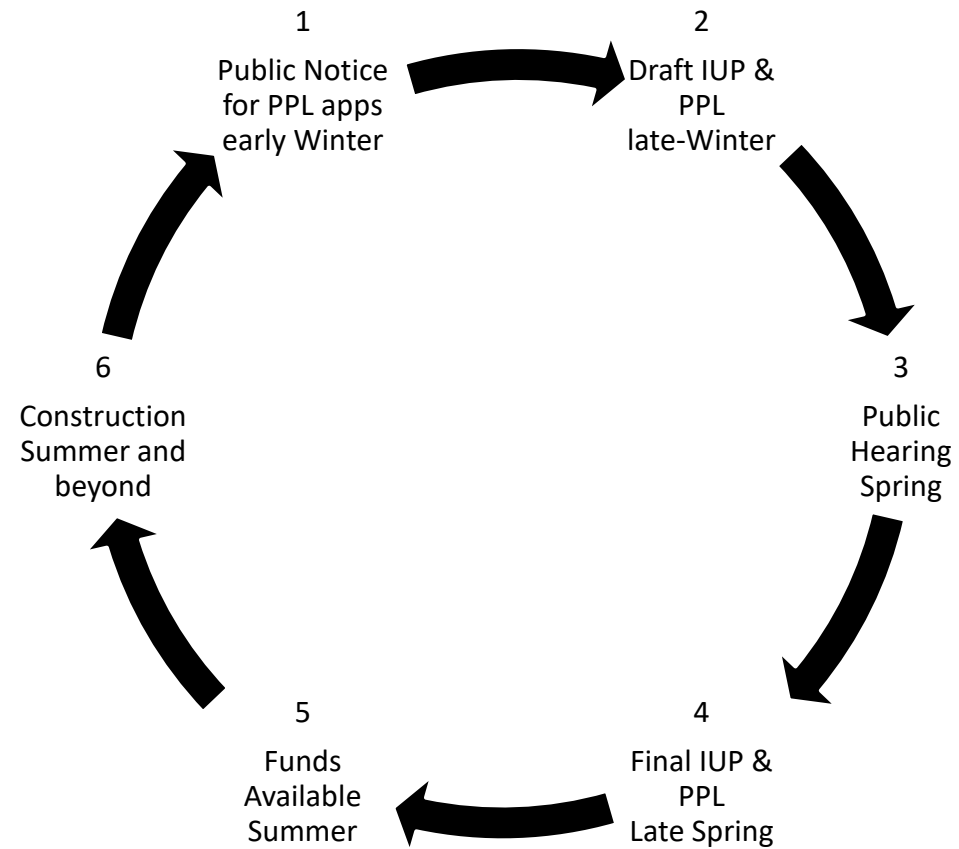


# Vermont EPA Drinking Water and Clean Water State Revolving Funds





# SRF Funding Cycle



# Uses of the Clean Water State Revolving Fund

8

- ▶ Municipal Wastewater Treatment and Collection
- ▶ Stormwater
- ▶ Combined Sanitary/Stormwater Sewer Abatement
- ▶ Sewer Line Extensions
- ▶ Natural Resources Projects
- ▶ Preliminary Engineering and Final Design





# Clean Water SRF and Municipal Pollution Control Priority Ranking Criteria

ELIGIBILITY	TECHNICAL	AFFORDABILITY	OTHER
ELIGIBILITY 1	PUBLIC HEALTH 25	> 2% MHI USER RATE, 15	PROJECT READINESS 12
	WATER QUALITY 20	LOW MHI, 10	FISCAL SUSTAINABILITY 7
	REFURBISHMENT 5	UNEMPLOYMENT, 10	
	ENVIRONMENTAL RESILIENCY & SUSTAINABILITY 5	POPULATION LOSS, 5	
	DESIGNATED CENTER & REGIONAL BENEFITS 5	OTHER HARDSHIP, 5	
TOTAL = 1	TOTAL = 60	MAX TOTAL = 20	TOTAL = 19

## PC GRANT FORMULA

TOTAL TECHNICAL POINTS (60 POINTS MAX) MINUS 25 POINTS  
 + AFFORDABILITY POINTS (20 POINTS MAX) MINUS 10 POINTS  
 = TOTAL GRANT ELIGIBILITY POINTS

- GRANT ELIGIBILITY POINTS, IF OVER 10 POINTS & MONEY IS AVAILABLE
- GRANTS CAPPED AT 35%
- ... IF APPROPRIATED BY LEGISLATURE ...

1. ELIGIBILITY (1 PT MAX)
2. PUBLIC HEALTH (25 PTS MAX)
  - a. DRINKING WATER SOURCES
  - b. SWIMMING AREAS
  - c. CSOs OR SSOs
  - d. FAILED SYSTEMS
  - e. POTW RELEASE
  - f. OTHER THREAT
3. WATER QUALITY (20 PTS MAX)
4. REFURBISHMENT (5 PTS MAX)
5. ENVIRONMENTAL RESILIENCY AND SUSTAINABILITY (5 PTS MAX)
  - a. ENERGY EFFICIENCY AND CONSERVATION.
  - b. FLOOD RESILIENCY.
  - c. STORMWATER INFRASTRUCTURE.
  - d. CREATING RESILIENT WATER UTILITIES PLAN PROJECT
  - e. WATER CONSERVATION AND EFFICIENCY PROJECTS
  - f. ENVIRONMENTALLY INNOVATIVE PROJECTS
6. DESIGNATED CENTERS AND REGIONAL BENEFITS (5 PT MAX)
7. AFFORDABILITY (20 PTS MAX)
  - a. USER RATE is GREATER THAN 2% MHI, 15
  - b. MHI LESS THAN STATEWIDE AVERAGE MHI, 10
  - c. LOW UNEMPLOYMENT RATE, 10
  - d. POPULATION LOSS, 5
  - e. OTHER HARDSHIP, 5
8. PROJECT READINESS (12 PTS MAX)
9. FISCAL SUSTAINABILITY, FINANCIAL CAPACITY, COST-EFFECTIVENESS (7 PTS MAX)



# Uses of the Drinking Water State Revolving Fund (DWSRF)

## DWSRF

- ▶ Planning & Construction Loans for Public Water Systems
- ▶ Municipal and Certain privately owned Public systems serving at least 25 people
- ▶ ~ 700 eligible systems in VT ~ 400 Community Systems and ~ 300 Non-Community systems (roughly half the non-Community Systems are School systems)
- ▶ Set asides for technical assistance and regulatory programs and loan administration



# Drinking Water SRF Priority System Criteria

- ▶ **Major system deficiency or compliance issues receive 120 Points** (microbial contamination, inadequate surface water treatment, inadequate water quantity, or chemical contaminant above a health standard)
- ▶ **Lesser public health deficiencies range from 40 to 100 points** (inadequate disinfection, inadequacy of critical components, components vulnerable to contamination, improving existing system components, Inadequate cross-connection control)
- ▶ **Additional criteria range from 0 to 75 points** (includes Median Household Income, improvement in an Asset Management Plan, flood resilience improvements, adding water meters, population served with higher points awarded for smaller systems, project readiness, improvements for a non-profit school or non-profit person-care facility, and water system consolidation)



# Drinking Water and Clean Water Loans FY24 & FY25

- ▶ 82 DWSRF Loans FY24 thru December 2024.....\$63,000,000
- ▶ Pending DWSRF Loans thru FY25.....\$40,000,000
- ▶ 66 CWSRF Loans FY24 thru December 2024.....\$35,500,000
- ▶ Pending CWSRF Loans thru FY25.....\$37,000,000
- ▶ The Drinking Water and Clean Water SRF Intended Use Plans (IUPs) describe how the funds will be spent and include the annual priority lists and some key program elements such as loan subsidy provisions. Links to the two currently adopted IUPs are included below.
- ▶ [FFY 2024/SFY 2025 CW Intended Use Plan and Priority List](#)
- ▶ [FFY 2024 DW Intended Use Plan and Priority List](#)

# Anticipated Drinking Water Loans SFY 2026

- ▶ SFY 2026 Priority List Applications
  - ▶ 83 Applications, total demand about \$150 Million
- ▶ Available Funding
  - ▶ Anticipated Federal Cap Grants: \$24 Million
  - ▶ Existing Funds (Repayment, etc.) \$25 Million
  - ▶ Total Estimated Available: \$49 Million
- ▶ Overall Need
  - ▶ Demand based on Priority List Applications: \$141 Million
  - ▶ Unmet Need: \$92 Million
  - ▶ \*All values are estimates, final values to be established in FFY 2025 IUP.



# IIJA 5-Year CW & DW SRF Summary

## Bipartisan Infrastructure Law/Infrastructure Investment and Jobs Act of 2021 (BIL/IIJA)

### FFY22 - FFY26 CWSRF & DWSRF Federal Grants and State Match Summary 2/25/2025

	SFY23	SFY24	SFY25	SFY26	SFY27	
Fed Grant & State Match	FFY22	FFY23	FFY24	FFY25	FFY26	Total
CW General Supplemental Grants	8,738,000	10,233,000	11,164,000	12,093,172	12,093,172	54,321,344
CW Emerging Contaminants Grants	459,000	1,043,000	1,043,000	1,043,000	1,043,000	4,631,000
DW General Supplemental Grants	17,992,000	21,055,000	22,985,000	24,898,025	24,898,025	111,828,050
DW Emerging Contaminants Grants	7,555,000	7,640,000	7,640,000	7,640,000	7,640,000	38,115,000
DW Lead Service Line Remediation Grants	28,350,000	28,650,000	28,650,000	28,650,000	28,650,000	142,950,000
<b>Total Federal BIL/IIJA SRF Grants</b>	<b>63,094,000</b>	<b>68,621,000</b>	<b>71,482,000</b>	<b>74,324,197</b>	<b>74,324,197</b>	<b>351,845,394</b>
State Match Rate	10%	10%	20%	20%	20%	
State Match Amount	2,673,000	3,128,800	6,829,800	7,398,239	7,398,239	27,428,078
<b>Total Fed + State</b>	<b>65,767,000</b>	<b>71,749,800</b>	<b>78,311,800</b>	<b>81,722,436</b>	<b>81,722,436</b>	<b>379,273,472</b>
State Appropriation	2,833,980	9,800,000				12,633,980
State Cash Reserves for Match				14,500,000		14,500,000