







SMALL SYSTEM CAPACITY & RESILIENCY PROGRAM - TIER 2

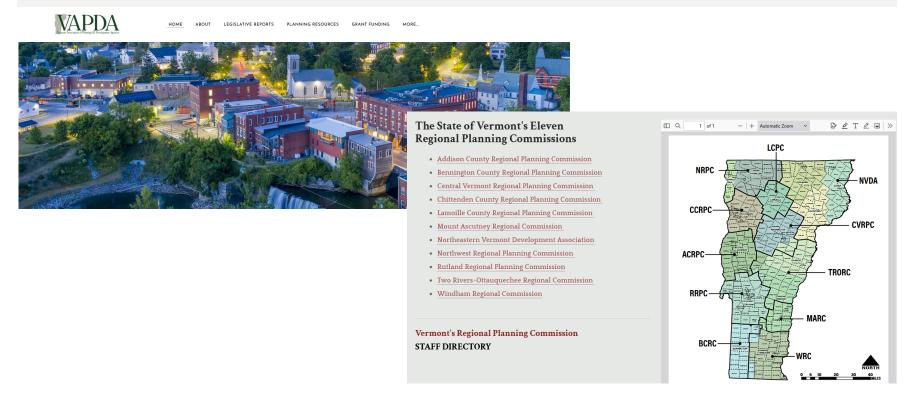
SCRP Tier 2 – Round 2 Webinar September 10, 2025

What is SCRP?

- The Small System Capacity & Resiliency Program is **the result of an ARPA grant** to the Bond Bank from VT DEC.
- The original legislative authorization was to **provide grants to small water systems at risk of failure**. In response to the flooding in 2023, it was expanded to help water and wastewater systems rebuild.
- The **Tier I** program was designed to provide **flood impacted water and wastewater systems** with **partially forgivable loans**, at a 0% interest rate, to bridge FEMA reimbursement or otherwise accelerate rebuilding.
- The **Tier II** program was designed to use repayments from Tier I loans (from FEMA or state reimbursement) for grants to **small water systems** to do necessary repairs that reduce the risk of system failure.
 - Application criteria will be used to identify systems ranking high in the Vermont Community Index (VCI) and low in affordability.
 - Application will prioritize small systems with sound financial planning!
 - Initial round made \$1 million available. This round will make another \$1 million available.
- Grant will also be used to engage technical assistance providers to prioritize repairs and ensure long term financial sustainability.
- Guidelines have been informed by stakeholder interviews and meetings.

RPC Technical Assistance Available

- For both general administrative support and assistance with the grant application
- General administrative support could be for addressing issues related to governance, succession planning, financial management, capital planning, rate setting, etc.
- To identify your Regional Planning Commission (RPC) contact, go to the <u>Vermont Association of Planning and Development Agencies (VAPDA) website</u>. Use the map to identify the RPC that serves your town/service area and click on that RPC's name.



Tier II Eligibility

Eligibility for the program is limited to public drinking water systems serving 10,000 or fewer (largely residential) customers.

| Eligible Activities | | Re | Requirements | |
|---------------------|---|----|--|--|
| | Preliminary engineering evaluations | • | Recipient must be a Vermont | |
| • | Engineering design and bid | | governmental unit serving 10,000 or | |
| | specification | | fewer (largely residential) customers | |
| • | Permitting | | with drinking water | |
| • | Construction for small drinking water | • | Requirement for all construction | |
| | systems at risk of failure, serving largely | | employees working on the project to | |
| | residential users | | receive prevailing wage unless | |
| • | Activities that comport with the | | otherwise required to comply with | |
| | Drinking Water State Revolving Loan | | Davis-Bacon Act through other | |
| | Fund's eligible project types as outlined | | funding/financing sources used | |
| | in the "DWSRF Handbook." | • | Preference but not a requirement for | |
| • | Projects completed since 7/1/2023 as | | domestic content under 2 CFR Part 200; | |
| | well as projects yet to be completed | | borrower may have requirements | |
| | | | under other funding/financing sources | |
| | | • | Recipient must own and operate | |
| | | | projects throughout their useful life | |

Tier II Terms

| Amount | Up to \$250k |
|-------------------|--|
| Approval / Review | Subject to Bond Bank review; inc. Bond Bank consulting engineer review to verify conformity with DWSRF handbook |
| Flow of Funds | Requisition requests with invoices reviewed and approved by Bond Bank and/or consulting engineer prior to release |
| Reporting | Project completion report describing project outcomes and explaining the financial and managerial sustainability plan required. Additional updates (financial, progress, etc.) may also be required upon request of the Bond Bank. |

Prioritization & Timeline

| Criteria | Description | Weight |
|----------------------|--------------------------------------|--------|
| System Vulnerability | Ranking on the State of VT | 25% |
| | Community Index | |
| Household Rate | Combined household cost of total | 25% |
| Burden | urden utility rate burden | |
| Commitment to | Commitment to sound financial and | 25% |
| Sustainability | managerial planning | |
| System Size | Smaller systems will receive greater | 25% |
| | consideration | |
| | | |

- Wednesday, October 29, 2025 Applications Due
- Early December Notification of Approvals
- Early December Funding available for requisition

Application

- Applicant name (gov. unit), contact info, EIN, amount of request
- Narrative Questions:
 - Describe the proposed use of funds.
 - Describe the history, issues, events, etc. that contributed to the current crisis.
 - How will the proposed project resolve the crisis and reduce the risk of failure?
 - Why is the proposed project the best solution?
 - What else do you plan to do to reduce failure risk moving forward? (Describe any plans for improving the sustainability / resiliency of infrastructure, operations, and/or administration practices as appropriate.)
- Sources and uses (with description of commitments and terms)

Application

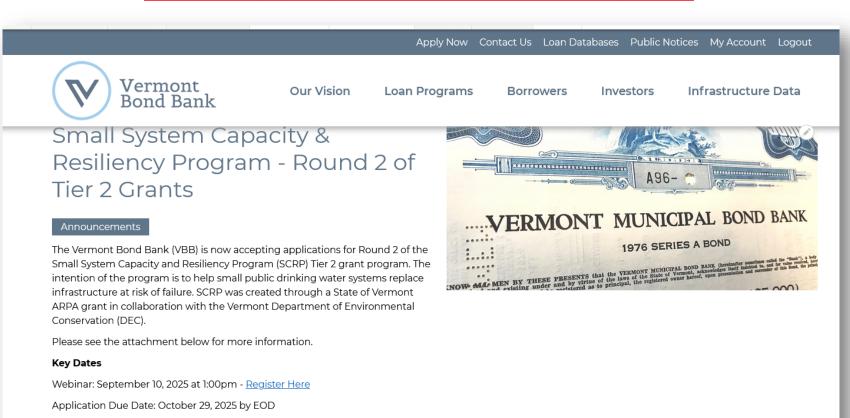
- Estimated project start and completion dates
- Docs for upload:
 - Docs supporting request amount (contracts, bids, etc.)
 - FY24 Financials audited if possible
 - YTD or FY25 Financials audited if possible
 - Financial projections inc. at least one post-project completion year showing operating expenses, debt service expenses, and revenues sufficient to cover all expenses. (A model is available @ https://www.vtbondbank.org/sites/default/files/2024-03/EnterpriseModelFinancialProjection FINAL 20240307.xlsx.)
 - Description of plans for realizing projections (inc. changes to rates, number of connections, etc.)
- Top 5 rate payers w/ revenues from each
- Number of customers w/ breakdown by type
- Number of households served if different
- Average annual household drinking water cost
- Number of people whose drinking water will be improved by project

Program Website

Funding notification and availability of funds: Early December

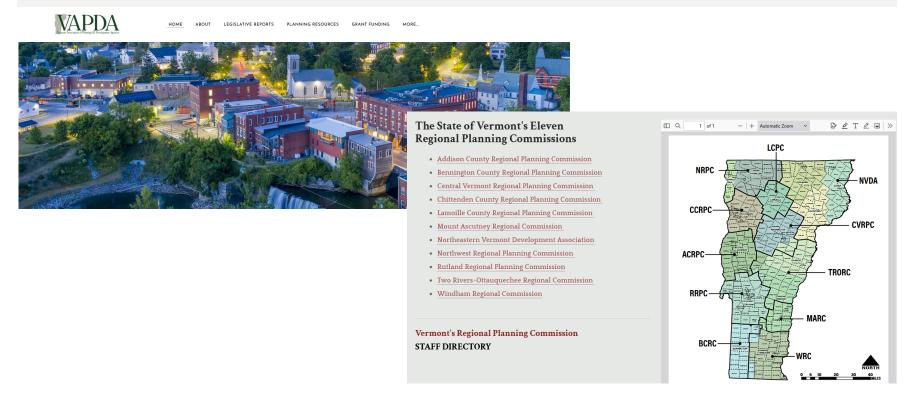
Apply Here

https://www.vtbondbank.org/resource/small-system-capacity-resiliency-program-round-2-tier-2-grants



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www.vtbondbank.org



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