



Small System Capacity and Resiliency Program (SCRP) Tier 2 Round 3 Grant Application Period Now Open

The Vermont Bond Bank (VBB) is now accepting applications for a third round of Small System Capacity and Resiliency Program (SCRP) Tier 2 grants to small drinking water systems at risk of failure.

The Bond Bank anticipates awarding approximately \$5.7 million in Tier 2 grants over time, with \$250,000 available in this round. SCRCP was created with a State of Vermont American Rescue Plan Act (ARPA) grant in collaboration with the Vermont Department of Environmental Conservation (DEC). All public Vermont drinking water systems serving 10,000 or fewer (largely residential) customers are eligible.

Applications for this round of SCRCP Tier 2 grants are due October 26, 2026, by the end of the day. Awards will be announced in early December. Funds will be available soon after for requisition.

SCRCP Tier 2 Overview

The intent of SCRCP Tier 2 is to provide small drinking water systems with grants for the repair or replacement of infrastructure at risk of failure. Small, complete projects with big impact will be prioritized. Please review the following tables for details regarding eligibility, requirements, terms, and prioritization criteria.

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

SCRIP Tier 2 Round 3 Terms	
Amount	Up to \$50,000
Eligible Applicants	Vermont governmental units serving 10,000 or fewer (largely residential) customers with drinking water
Eligible Uses	Planning for and replacement of drinking water infrastructure in compliance with the EPA's DWSRF handbook
Approval / Review	Subject to Bond Bank review – inc. Bond Bank consulting engineer review to verify conformity with the 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 of Available Funding

The Bond Bank anticipates oversubscription and will make every effort to provide meaningful funding to the greatest number of communities and individuals – with the following criteria used to inform the prioritization process. The Bond Bank reserves the right to modify these criteria to advance program objectives.

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

Application Timeline

Application Due Date	October 26, 2026 (end of day) – apply here
Award Notification	Early December
Funds Available for Requisition	Early December

Application Help Available

In addition to grants, the Small System Capacity and Resiliency Program has been designed to provide Technical Assistance for small water systems as well - and the Bond Bank has arranged for free grant application assistance from your Regional Planning Commission (RPC). To identify your RPC, see the [Vermont Association of Planning and Development Agencies \(VAPDA\) website](#). (Scroll down on the homepage until you see the map of Vermont. Use the map to identify which RPC serves your town/service area, then click on that RPC's name to get to their contact information.)

For additional information, please contact Vermont Bond Bank Loan Officer Ken Linge at ken@vtbondagency.org