**ARPA FAQS: Developing Community-Scale Drinking Water and Wastewater Systems**

Vermont Agency of Natural Resources

**What is the max and min awards?**

Awards are intended as gap funding. All systems are anticipated to have a combination of loans and grants. Funding from other agencies is encouraged.

**Who are eligible applicants?**

Municipalities with Designated Villages that need new community systems for public drinking water or wastewater disposal to serve the Designated Villages.

**Is there a grant match and if so, what is the percentage and the type of funds that can be used as match?**

While there is not a percentage match requirement, communities are expected to pay affordable rates for the new utilities with some debt repayment via a loan program.

**Do local ARPA funds have to be included in the project? If so, at what level and when do they need to enter the project – seed or close?**

No, there is no requirement to use local ARPA funds. Communities may choose to use local APRA funds.

**What is the IUP?**

The IUP is the Intended Use Plan. Both the Clean Water (CWSRF) and Drinking Water State Revolving Fund (DWSRF) Programs use the IUP to indicate how they will use subsidies and the capitalization of the funds from EPA’s grants. Policies and funding opportunities change annual and involve a public process and a call for projects.

**What are the steps for the IUP?**

The IUP process starts with a call for projects. That call went out on 1/18/22 by email and is posted on our [website](https://dec.vermont.gov/public-notices/%EF%BB%BFcall-priority-list-applications). Applications for each list (Clean Water (for wastewater projects) or Drinking Water for drinking water projects must be completed and submitted by 2/28/22. The applications are then processed and a draft of each IUP and each Project Priority List is issued for public comment along with a public hearing. The IUPs are each tied to a state fiscal year (SFY).

**If a town is already on the IUP, do they need to complete any of the steps that you mentioned so far?**

The towns should sign up for ARPA notifications on the [ARPA interest form](https://forms.office.com/Pages/ResponsePage.aspx?id=O5O0IK26PEOcAnDtzHVZxiKMNQjBCCVMll_RkP0v2i5UNzJGRTNBU001M09XU0YwUVNUNVRaMElVRi4u), and projects on a current IUP will be funded in the order that they are ranked. Project applicants need to apply annually for each IUP to be considered if any additional funding is requested. Construction funds and land purchase funds must be listed.

**Is it possible to see what towns have projects on the IUP list?**

Yes, [this list](https://dec.vermont.gov/water-investment/water-financing/srf/intended-use-plans) shows current and past IUPs.

**Is there a minimum number of users needed for State Village ARPA to fund a community water system?**

The definition of a public community water system is that it serves 15 or more connections, or at least 25 year-round residents. ARPA Village Drinking Water projects must be DWSRF eligible, and that eligibility requires the system to be a public community water system. For the CWSRF, there is no minimum system size and communities are encouraged to consider a wide variety of solutions which may include combinations of individual systems, small cluster systems, large cluster systems, and Indirect Discharge Systems (more than 6500 gallons per day).

**Generally, what is the minimum number of users that would be needed to support a community scale system in a sustainable way?**

This is highly variable between wastewater and drinking water. Typically, more connected users will lead to more affordable user rates. However, the simplicity of the system and any permitting or energy requirements also change the project costs.

**Are environmental justice issues addressed in the eligibility parameters?**

Villages have been self-selecting for inclusion in the [Village Wastewater Solutions Initiative](https://dec.vermont.gov/village-wastewater). Grants are calculated to support an affordable user base for the future system users. Affordability is a metric developed by EPA and is equal to the User Rate divided by the System Median Household Income (MHI). Grant formulas are scaled if the community falls below the statewide average MHI.

**Is extending a neighboring town’s wastewater system into an area in our town eligible?**

One solution for communities that are close to a municipal collection system in a different town is to explore connecting to that municipal system. This type of project is called a Sewer Extension. The Village ARPA Grants are being administered in accordance with the Environmental Protection Rules Chapter 2, which requires Sewer Extension projects to meet certain demonstration requirements to achieve eligibility beyond the planning phase of a project. Projects successfully completing that demonstration would be considered for the State Village ARPA Grant.

**Is affordability based on total annual cost with O&M?**

Yes, and the [Project Cost Summary](https://anrweb.vt.gov/DEC/IronPIG/DownloadFile.aspx?DID=175611&DVID=0) template has been revised to include affordability with capital debt service and O&M costs.

**Are the ARPA funds in addition to the $125,000 available under the forgivable planning grant?**

The ARPA funds are separate from the CWSRF planning subsidies and may be in addition to on a case-by-case basis. Projects receiving Village ARPA funding will have a full Project Cost Summary considered in the affordability and grant calculation process.

**Can you elaborate on the "Documented health risk" required for drinking water SRF eligibility?**

The project must “address existing public health problems with serious risk caused by unsafe drinking water.”

**Is it possible to use reports of testing results at our town's small water system to document a public health risk? Are there thresholds?**

Yes, test results from wells in a town may be used to demonstrate unsafe drinking water. Please refer to the Primary Contaminants in the Vermont Water Supply Rule for thresholds.

*More information:*

* [Intended Use Plan for CWSRF](•%09https:/anrweb.vt.gov/DEC/IronPIG/DownloadFile.aspx?DID=191229&DVID=0)
* [WID Project Cost Summary](•%09https:/anrweb.vt.gov/DEC/IronPIG/DownloadFile.aspx?DID=175611&DVID=0)
* Current contacts for DWSRF and CWSRF IUP questions:

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