Funding Opportunities for Wastewater System Planning

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Good planning helps communities make informed decisions about their wastewater systems and prepare for future investments. Whether your community is planning a new wastewater system, planning for infrastructure upgrades, addressing regulatory requirements, expanding service capacity, or replacing aging equipment, funding may be available to help. This page highlights grants, loans, and other financial resources that can support wastewater projects.

Consult program-specific guidance for additional information. Links to other sites offered in this document are provided to assist municipalities: the inclusion of a link does not imply endorsement or approval of the linked site or product.

Funding Opportunities

VRWA Circuit Rider – Vermont Rural Water Association (VRWA), through a USDA grant, can provide for Board training, management/finance, operations/maintenance, water treatment, regulatory compliance, facility security, loan application and reporting, and disaster/emergency assistance on an as-needed basis. Eligible applicants are public bodies, non-profit corporations or Indian tribe with the legal authority to own and operate a water facility and serving an area with a population of 10,000 or less. Contact VRWA at 802-660-4988 or info@vtruralwater.org.

RCAP Solutions Wastewater Services – RCAP Solutions, through a USDA grant, can provide for Board training, management/finance, operations/maintenance, drinking water treatment, rates studies and recommendations, regulatory compliance, facility security, loan application and reporting, and disaster/emergency assistance on an as-needed basis. Eligible applicants are public bodies, non-profit corporations or Indian tribe with the legal authority to own and operate a water facility and serving an area with a population of 10,000 or less. Contact John Kiernan, Vermont State Manager, at 802-377-5938 or jkiernan@rcapsolutions.org.

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New England Water Infrastructure Network Technical Assistance - Provides free technical assistance to achieve safe, affordable, and resilient drinking water, wastewater, and stormwater systems by developing projects and securing funding. Assistance includes community engagement and partnerships, planning and assessment of systems, project development, funding and financial management, and implementation support. Submit a water technical assistance request online at www.neefc.org/water-infrastructure or contact Laura Collins at laura.collins@maine.edu or 207-780-5717.

VHCB Rural Economic Development Initiative - REDI provides consultant-based services to rural communities and working lands businesses interested in applying for federal funds and other funding sources when applicable. REDI helps you take one step forward. It can hire a grant writer, complete a necessary step to make a grant application more competitive (such as a business plan, archeological assessment, or engineering). It also helps make a fundraising plan for a project in some instances. Municipalities in communities of 5,000 people or less are eligible for services.

ACCD Municipal Planning Grant – This annual State program supports planning and revitalization for municipalities. The program usually is announced in July with applications due in November/December. Single municipalities can apply for an amount between $2,500 and $50,000. A consortium (group) of municipalities may apply for a grant of any amount between $2,500 and $65,000. A cash match of 10% of total project cost is required for both. Project priorities vary each year.

EPA Closing America's Wastewater Access Gap – This grant of consultant services may include: conducting an assessment of the community's wastewater needs; evaluating the feasibility of wastewater solutions, including performing a rate study; identifying funding options, such as grants and financing; helping with completing the preliminary engineering and paperwork requirements for funding applications; assisting community/county with establishing an ordinance for wastewater management; conducting trainings to identify funding and support structures for the

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long-term operations and maintenance of a wastewater system; and assisting interested entities in applying for federal funding to make solutions a reality.

DEC Clean Water State Revolving Fund – Provides no to low interest loans to municipalities and private entities for eligible projects, including planning, final design, construction, and natural infrastructure. There are a variety of programs, and ANR staff match communities to the appropriate program. Projects must address public health or environmental risk and projects must be listed in the Vermont Intended Used Plan (a.k.a. IUP or state priority list) to be eligible for funding. To be listed in the IUP, projects must be submitted/resubmitted annually by March 1. This funding source also can address cybersecurity and energy efficiency of the wastewater system.

DEC Engineering Planning Advance - Municipalities without existing water or sewer rate payers wishing to plan for a community-based drinking water or wastewater solution, can receive an Engineering Planning Advance to finance the costs of a Feasibility Study or a Preliminary Engineering Report. Repayment does not start unless and until the project goes to construction, if no project is built, no repayment is obligated. No maximum grant. 25% of the amount borrowed can be used to pay for managerial assistance from the Regional Planning Commission. Applications are first come, first serve. Contact Lynnette Claudon, Engineering Planning Advance Lead at Lynnette.Claudon@Vermont.gov.

DEC Pollution Control Fund – Supports projects for municipalities that might not be able to meet requirement of the Clean Water State Revolving Fund (CWSRF). The program operates similar to the CWSRF but without federal requirements. Applications are accepted on a rolling basis. Maximum award is 25% to 50% of total project cost. This fund is not always capitalized, so municipalities should speak with DEC about availability. Contact Tom Brown at Thomas.Brown@vermont.gov or 802-622-4205.

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USDA Rural Development Predevelopment Planning Grants - This program helps eligible low-income communities plan and develop applications for proposed USDA Rural Development water or waste disposal projects. Rural areas and towns with populations of 10,000 or less are eligible. These grants do not have to be paid back if the application for USDA assistance is not successful. Up to $25,000 or 75% of the predevelopment planning costs. 25% match required. Rolling applications.

USDA Rural Development SEARCH Grants - Helps very small, financially distressed rural communities with predevelopment feasibility studies, design and technical assistance on proposed water and waste disposal (wastewater, solid waste, stormwater) projects. Supports predevelopment planning costs, including feasibility studies to support funding applications, preliminary design and engineering analysis, and technical assistance for developing a funding application. Areas to be served must have a rural population of 2,500 or less and a median household income below the poverty line or less than 80% of the statewide non-metropolitan MHI based on the latest Census data. Applications are accepted year-round.

Northern Borders Regional Commission Catalyst – Supports projects that address transportation, telecommunications, energy, and basic public infrastructure; business and workforce development; health care, nutrition and food security, and other public services; resource conservation; tourism; recreation; and open space preservation consistent with economic development. This grant will fund basic public infrastructure, including public meeting spaces. Incorporating the project's relationship to economic activity will increase application competitiveness.

Applications are accepted in the spring and fall. NBRC prioritizes construction-ready projects and prefers job-creation projects that help reduce poverty, unemployment, and outmigration. Focusing on project benefits in these areas helps an application be more competitive. Letters from businesses that support job creation or retention provide excellent supporting documentation. Other elements that can increase a project's competitiveness include a project's listing as a Regional Project Priority as

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and incorporating the project's relationship to job retention in the Designated Village Center.

ACCD Community Development Block Grants – Supports planning ($3,000 to $60,000), accessibility modifications ($5,000-$150,000), and implementation ($50,000 to $1 million – max $500,000 for community public facilities) for projects related to housing, economic development, public facilities, public services, and handicapped accessibility. Match for economic development loans, accessibility modifications, and slums and blight is 10%. For municipally owned facilities, no match amount is prescribed, but municipalities must contribute. The amount has bearing on an application's competitiveness. Funds must primarily benefit persons of low and moderate income. See HUD Low-and Moderate-Income Area Data for eligibility. Accessibility projects automatically qualify under this criterion. Both the Selectboard and Planning Commission must sign an application resolution.

VEPC Community and Housing Infrastructure Program (CHIP) is a new statewide tax increment financing tool designed to help Vermont communities unlock housing opportunities by investing in critical public infrastructure. CHIP enables municipalities to finance essential infrastructure (like water, sewer, roads, and stormwater systems) that supports new housing development, with the preferential consideration of affordable and moderate-income primary housing. CHIP allows municipalities to retain a portion of the property tax revenue resulting from increased values within a defined Housing Development Site. These funds may be used to repay the debt incurred for, or otherwise pay for, eligible infrastructure improvements. For inquiries related to CHIP, please email ACCD.CHIP@vermont.gov. Municipalities may access technical assistance through VLCT's CHIP IN VT service through 2029.

US ACOE Watershed Restoration Project Program - Provides assistance with planning, designing and implementation of large-scale projects that protect and enhance water quality, water supply, ecosystem integrity and other water related issues within the Lake Champlain watershed. The Lake Champlain Basin Program is the administrative

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partner of the USACE to implement this program. Through this program, the USACOE designs and/or builds the project. ACOE must review and accept project design from another source; the review process will increase the project cost. Projects must cost at least $500,000; projects costing at least $1.5 to $2 million are best. Local match is 35% although it can be lowered to 10% for economically disadvantaged communities. Berlin won't qualify, but you can ask if an income survey could be done for the community to qualify it for services. USACE benefit-cost analysis required. Other federal funding sources can be used as local match with permission of the other funder. Contact Jennifer Curran at jennifer.l.curran@usace.army.mil or 917-790-6202 or Maya Dehner at maya.e.dehner@usace.army.mil or 917-790-8630.

FEMA Hazard Mitigation Funding Opportunities - Hazard mitigation funds are available to municipalities and other organizations to help reduce or eliminate loss of life and property by taking measures to reduce the impacts of future disasters. Wastewater systems are eligible. Funding for these programs has been in flux since 2025. Questions can be directed to DPS.HazardMitigation@vermont.gov.

Vermont Bond Bank Pooled Loan Program – This program provides low-cost loans to Vermont governmental units for long-term capital projects. Loans are primarily funded through the issuance of highly rated tax-exempt bonds by the Bond Bank. Common uses of loans issued through the program include facilities renovation and construction projects, road and highway improvements, energy efficiency upgrades, equipment purchases, and general infrastructure. Voter approval is required. The Bond Bank assists municipalities with determining their debt capacity. Contact Ken Linge at ken@vtbondagency.org for assistance.

Vermont Bond Bank Housing Infrastructure Loan Program - Provides low-cost and flexible capital for municipalities to extend and increase the capacity of water, sewer, transportation, and other public infrastructure where a lack of capacity or extension is a barrier to new housing development. Can be used for preliminary engineering and planning, engineering design and bid specifications, construction of improvements,

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and purchase/conveyance of eligible improvements. Loans up to $3.5 million. Applications reviewed quarterly. Contact Ken Linge at ken@vtbondagency.org.

NRWA Rural Water Loan Fund – Funds small, public water and wastewater utilities serving up to 10,000 persons or in rural areas with no population limits via low-cost loans. Eligible activities include for short-term repair costs, small capital projects, pre-development (planning) costs associated with larger projects, energy efficiency projects, and disaster recovery or other emergency projects. Funds up to $200,000 or 75% of total project cost, whichever is less. 10 -year minimum repayment period. Emergency loans are no interest with immediate turnaround on applications. No administrative or processing fees. Vermont applicants may contact Vermont Rural Water Association for assistance in preparing and submitting the required documents.

Where to Find Help

Need one-on-one help advancing your local project or to narrow funding opportunities? If so, you can schedule a convenient time to meet with our Project & Funding Specialist by booking time directly into her calendar or emailing bwaninger@vlct.org. Whether your project is just in the idea phase, has started to gain momentum, has stalled completely, or you just need help prioritizing projects before you get started, let us help you.

Many municipalities lack capacity for grant writing and administration. VLCT's resource, *Increasing Municipal Capacity for Grants*, offers ideas for assistance with grants. Many of the capacity builders also provide project management services. Hiring experienced project management services can increase the speed of project development and help avoid cost, permitting, and other development surprises.

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