

DWSRF Guidance Document Number 23
DWSRF Loan Capacity Reviews

A DWSRF loan may not be awarded to a water system that lacks Technical, Managerial or Financial (TMF) Capacity unless the water system agrees to make the necessary changes to ensure compliance or the loan will be used to fund projects aimed at bringing the water system into compliance. The following procedures will be followed for the completion, documentation, approval and implementation of capacity evaluations and Capacity Improvement Plans (CIPs).

- A. A site visit will be conducted by either the Capacity Development Specialist (CDS) or the Technical Assistance Provider (TAP). During the visit a capacity evaluation will be completed to assess the three elements of capacity. At the conclusion of the visit, together with the water system, a CIP will be developed to address any weak areas.
- B. The capacity evaluation and CIP will be submitted to the Water Supply Division (WSD) for review. The CDS will be the final approving authority on all CIPs after receiving comments from appropriate WSD staff.
- C. A loan award approval may include conditions for when capacity issues, addressed during the site visit and formally written into a capacity evaluation and CIP, will need to be completed. Reimbursement monies may be withheld if certain loan conditions, based on the CIP, are not progressing or are not met.
- D. Ongoing technical assistance is available throughout the development of the CIP by either the CDS or the TAP.
- E. The CDS is responsible for monitoring the implementation and completion of the CIP over the course of a construction project and providing the appropriate technical assistance when needed.
- F. Final review, which may include an additional site visit, will be conducted prior to final payment or a loan forgiveness determination. Final review will be conducted by the CDS with a summary report sent to the DWSRF Project Development Specialist and Facilities Engineering Division, where appropriate.

This guidance and related environmental information are available electronically via the internet. For information visit us through the Vermont Homepage at <http://www.vermont.gov> or visit VT WSD directly at <http://www.vermontdrinkingwater.org>

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