

**DWSRF Guidance Document Number 4
Project Bypass Procedures**

- I. Systems on any priority list may be bypassed and the funds used for other high priority projects. Reasons for bypassing include the following:
 - A. Failure to submit an acceptable project timeline or application following notification of funds availability
 - B. Lacking readiness to proceed
 - (1) Failure to demonstrate financial capacity (i.e., positive bond vote or resolution of governing body)
 - (2) Has not met specific dates on an approved project timeline
 - (3) Generally, projects requiring bond votes will be bypassed if there is not a positive bond vote by April 1st of the funding year.
 - C. Project funding will exceed maximum allowed for the year by State or Federal requirements for a particular type of project
 - (1) A maximum of 20% of available funds can go to privately-owned water systems.
 - (2) A minimum of 15% of available funds have to go to water systems serving fewer than 10,000 persons.
 - (3) Disadvantaged communities can receive an annual maximum of 30% principal loan forgiveness. If the 30% annual maximum has been reached the disadvantaged community can elect to be bypassed or pursue funding without principal loan forgiveness.
 - D. Systems either on or off priority list that experience an emergency resulting in an imminent and substantial threat to public health may bypass all other projects and be assigned top priority. The emergency addition(s) to the priority list will result in the lower priority projects identified as an anticipated loan recipient being bypassed.
- II. Bypass determinations will be made by DWSRF Program Specialist.
- III. Compliance with project timelines will be monitored to determine acceptable progress by DWSRF Program Specialist with assistance from WSD staff.
- IV. A letter with a 15-day response time will be used to notify systems of a bypass. The DWSRF Program Specialist will also maintain a spreadsheet to track bypassed projects and establish a bypass folder for each fiscal year. All bypass notification letters and a copy of the final bypass spreadsheet will be located in the bypass folder.

Honorable Jim Douglas, Governor George Crombie, ANR Secretary Jeffrey Wennberg, DEC Commissioner
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>

Water Supply Division 103 South Main Street, Waterbury, VT 05671-0403
Toll free 1-800-823-6500 Out of State 1-802-241-3400 Fax 1-802-241-3284