

### Source Protection Loan Program

**Eligible organizations:** Municipal Water Systems

**Eligible Projects:**

- For purchasing land or conservation easements to protect public water sources and ensure compliance with state and federal drinking water standards.
- Source must have hydrogeologically-delineated source protection area (no 3000' radius source protection areas) and an approved Source Protection Plan prior to loan award.
- Water system must demonstrate how the project will directly promote public health protection or compliance with national drinking water regulations.

**Loan Terms and Rates:** 3% interest, 20 year term

**Loan Amounts:** Maximum loan amount is \$200,000. There is no minimum loan amount.

**Project Ranking:**

A project priority list is maintained by the Water Supply Division. A priority score is established for each eligible project by assigning points based on established criteria. The criteria, most of which are the same as for construction projects, include the following general categories: (1) Population; (2) Financial need/affordability; (3) Downtown area preference; and (4) Source protection.

**Priority List Applications:** Applications accepted on a continuing basis.

**Loan Recipients:** The highest priority projects on the priority list are funded as funds become available.

**Loan Applications:** Water systems are required to submit a project schedule for approval by the Water Supply Division within 30 days of notification of available funding.

**Loan Conditions:**

- Management in accordance with Source Protection Plan;
- Prohibition of sale as long as source remains a state-permitted public water source;
- Requirement for an annual inspection and report.

**Procurement Requirements:**

- A minimum of two appraisals required for evaluation purposes;
- Proposed easements and purchase agreements require review and approval by WSD;
- Normal closing requirements, such as title search, apply;
- Purchase must be from a willing seller.

**Repayment:** Payments begin one year after last loan disbursement.

**More Information:**

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This fact sheet 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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