



CWSRF ELIGIBILITY EXPANSION

2018 CWSRF Intended Use Plan



H.777 Proposed Changes

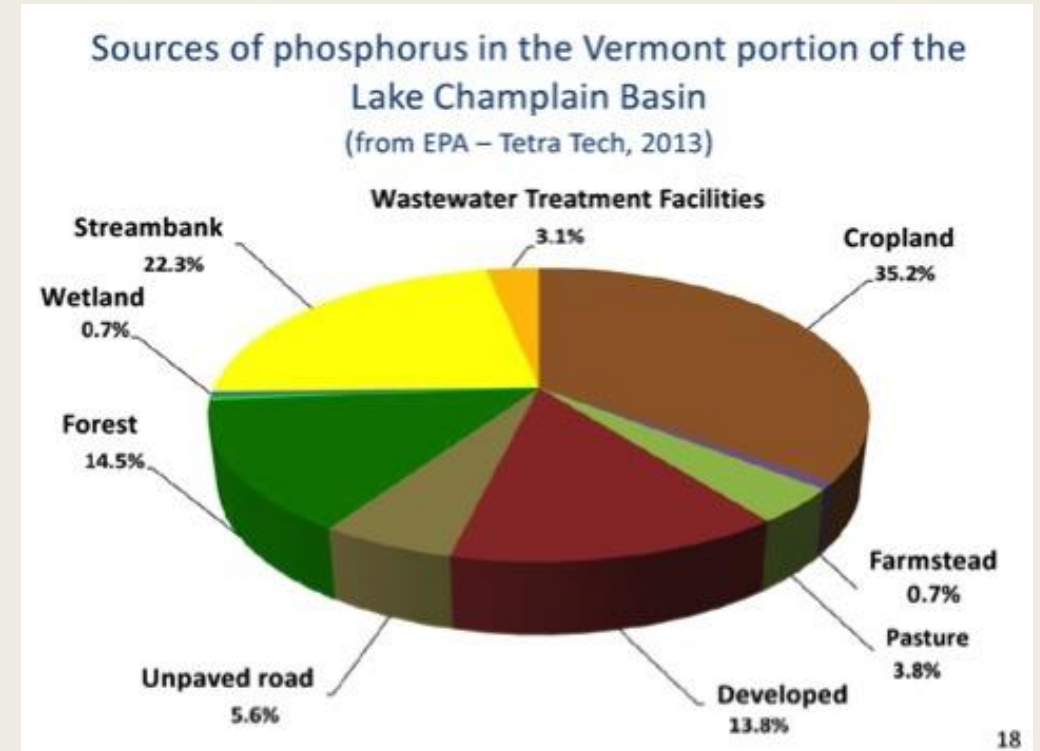
- Expand eligibility to include natural resource project types
- Expand eligibility of CWSRF to allow for direct lending to private entities for all project types

How does CWSRF work?



Background

- CWSRF can currently only fund 3% of sources of phosphorous
- Municipalities are grappling with impending costs of SW, for themselves, schools, and industrial sites
- Amount of “additional subsidy” is relatively small for the amount of projects that need completed
- Private entities lack access to capital to fund their portion of clean up
- CWSRF monies are currently underutilized



Proposals to expand utilization of CWSRF in Vermont...





Expand
Eligibility to
Natural
Resource
Projects

- Current statute restricts CWSRF eligibility to only “project related” nonpoint sources and green stormwater infrastructure
- These projects have no rate payers to generate revenue but are generally the best “bang for the buck” in terms of water quality improvement



Expand Eligibility to Private Entities

- Provide access to capital for upcoming “tsunami” of costs related to 3 acre SW permit
- Charge the private entities an interest rate below market but higher than municipalities
- Generate extra fund income to supplement “lost” revenue for sponsorship
- Opens door to sponsorship with non-profits (TNC, Friends of Winooski, etc.)

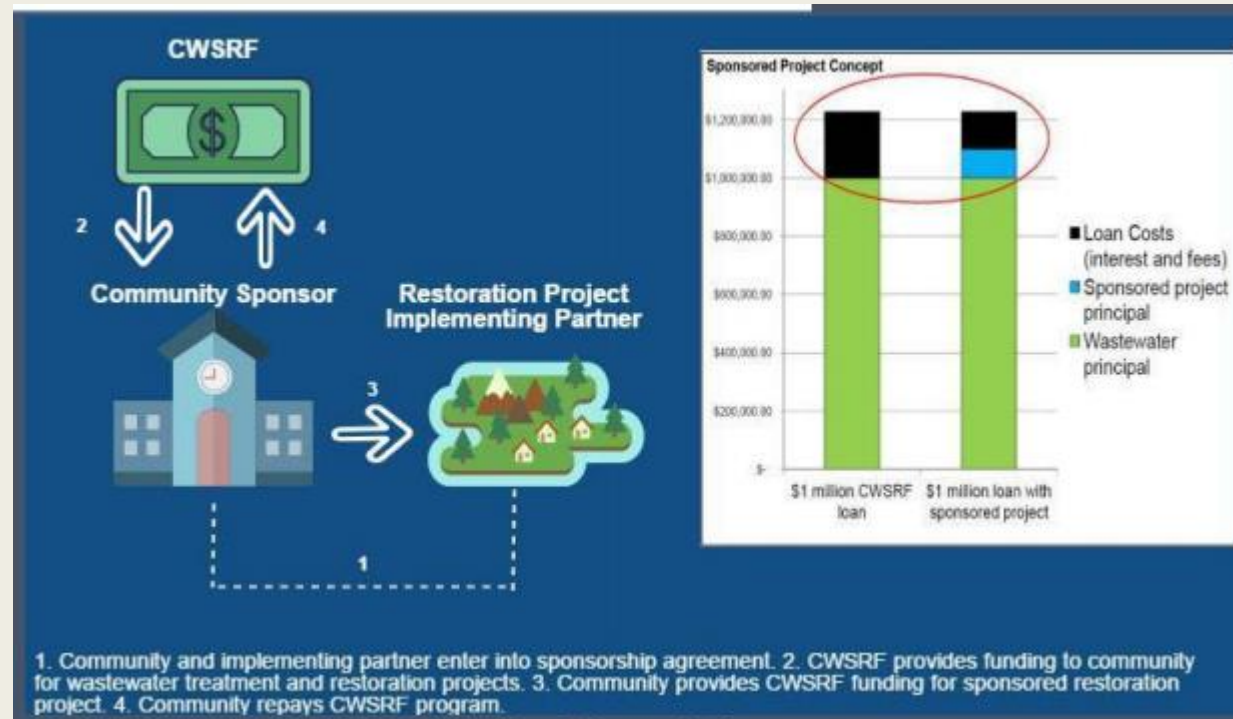
Who are Private Entities?

- Mobile home parks
- Ski resorts
- Homeowner's associations
- Both for-profit and non-profit businesses (certain exclusions apply)

What is sponsorship?

Create Sponsorship Pilot

- Pairs a traditional treatment works project with a nonpoint source project in exchange for an interest rate discount.



Why sponsorship?

This
Generates
Revenue



Why sponsorship?

This
Doesn't

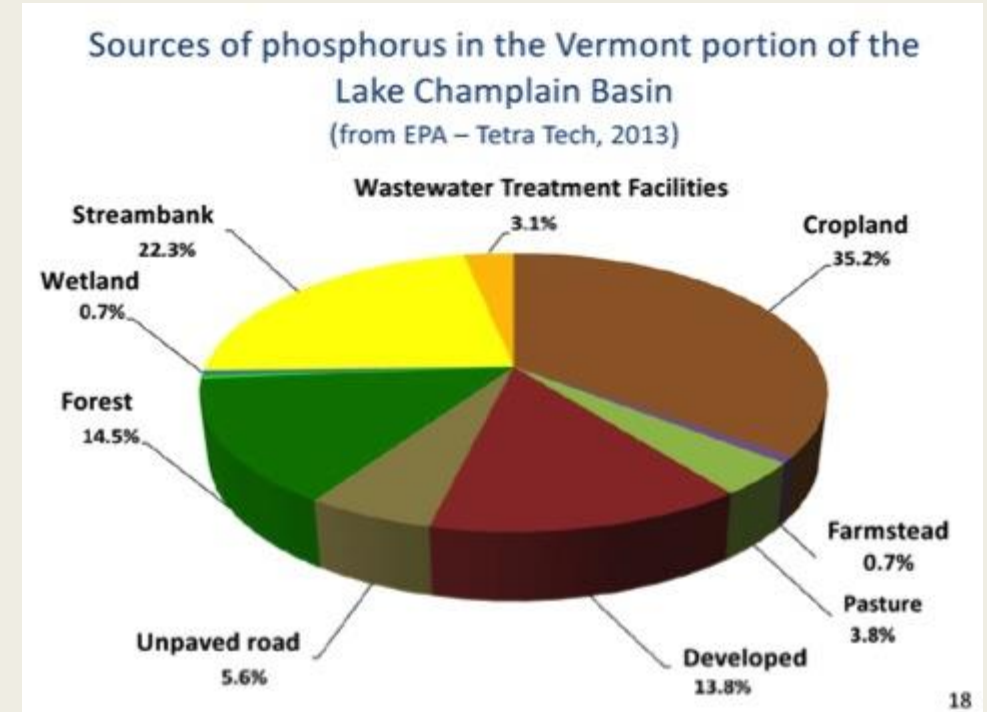


Challenge:



Why sponsorship?

- CWSRF is currently only focusing on WWTF, small % of pollution in Lake Champlain.
- Encourages “green” water restoration or protection projects
- Provides funding source to projects that otherwise wouldn’t be pursued
- Encourages the concept of Public-Private Partnerships
- Provides water quality improvements needed by municipalities and preserves “additional subsidy”



What kinds of projects could sponsor?

Traditional project examples (the “sponsoring” project):

- *Collection system improvements*
- *Wastewater treatment facility upgrades*
- *Grey stormwater facilities*
- *Interceptor, force main or pump station projects*

Sponsored projects can be municipally owned and maintained or owned and maintained by a private non-profit such as the nature conservancy (public-private partnership)

What projects could be sponsored?

- Green stormwater infrastructure
- Protection or restoration of streamside (riparian) areas and wetlands
- Acquiring riparian lands or wetlands
- Developing and acquiring conservation easements
- Alterations to stream banks and habitat improvements
- Improvement to nonpoint source polluted runoff
- Source water protection

Potential expert testimony?

- Martha Sheils, Univ. of Maine, Environmental Finance Center
- Tahne Corcutt, Northbridge Environmental Management