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?

What is the CWSRF?

- 20% State Match
- Federal Grant
- CWSRF Loans
- Loan Repayments
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...
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.
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?

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