



State Fiscal Year 2023 Clean Water Budget Public Hearing

Clean Water Board, November 4, 2021

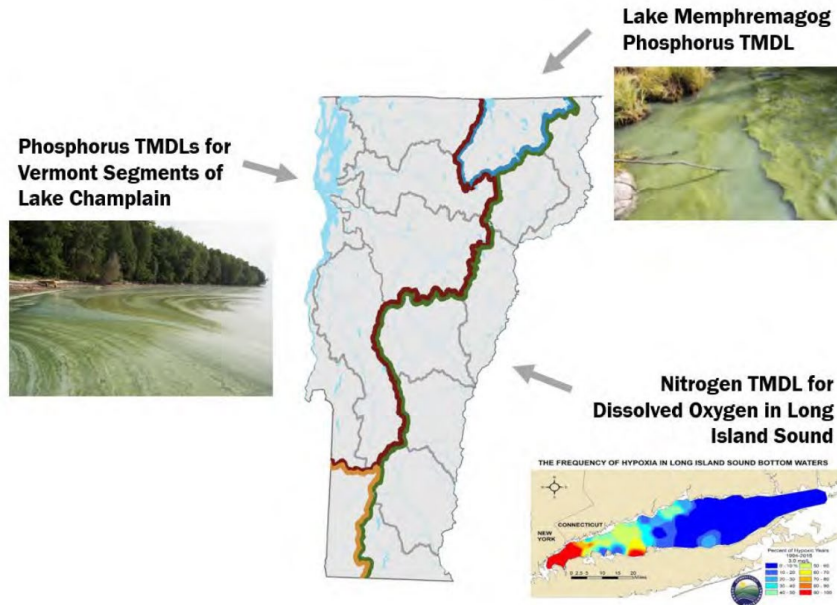


AGENCY OF ADMINISTRATION
AGENCY OF AGRICULTURE, FOOD & MARKETS
AGENCY OF COMMERCE & COMMUNITY DEVELOPMENT
AGENCY OF NATURAL RESOURCES
AGENCY OF TRANSPORTATION

Clean Water Budget Background & Introduction

Clean Water Fund Purpose

Large-scale TMDLs requiring nutrient pollutant reductions

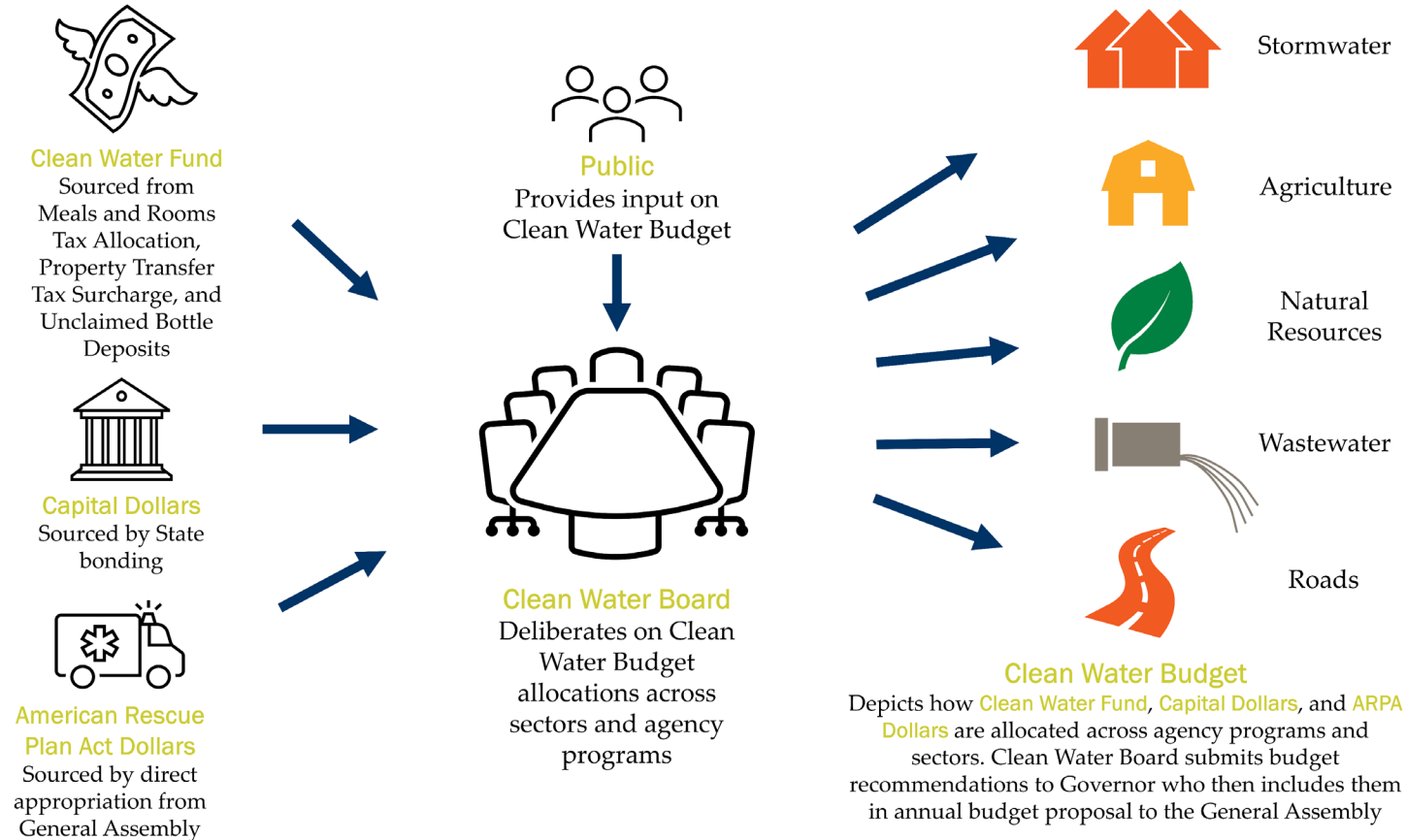


Vermont's Tactical Basin Planning process

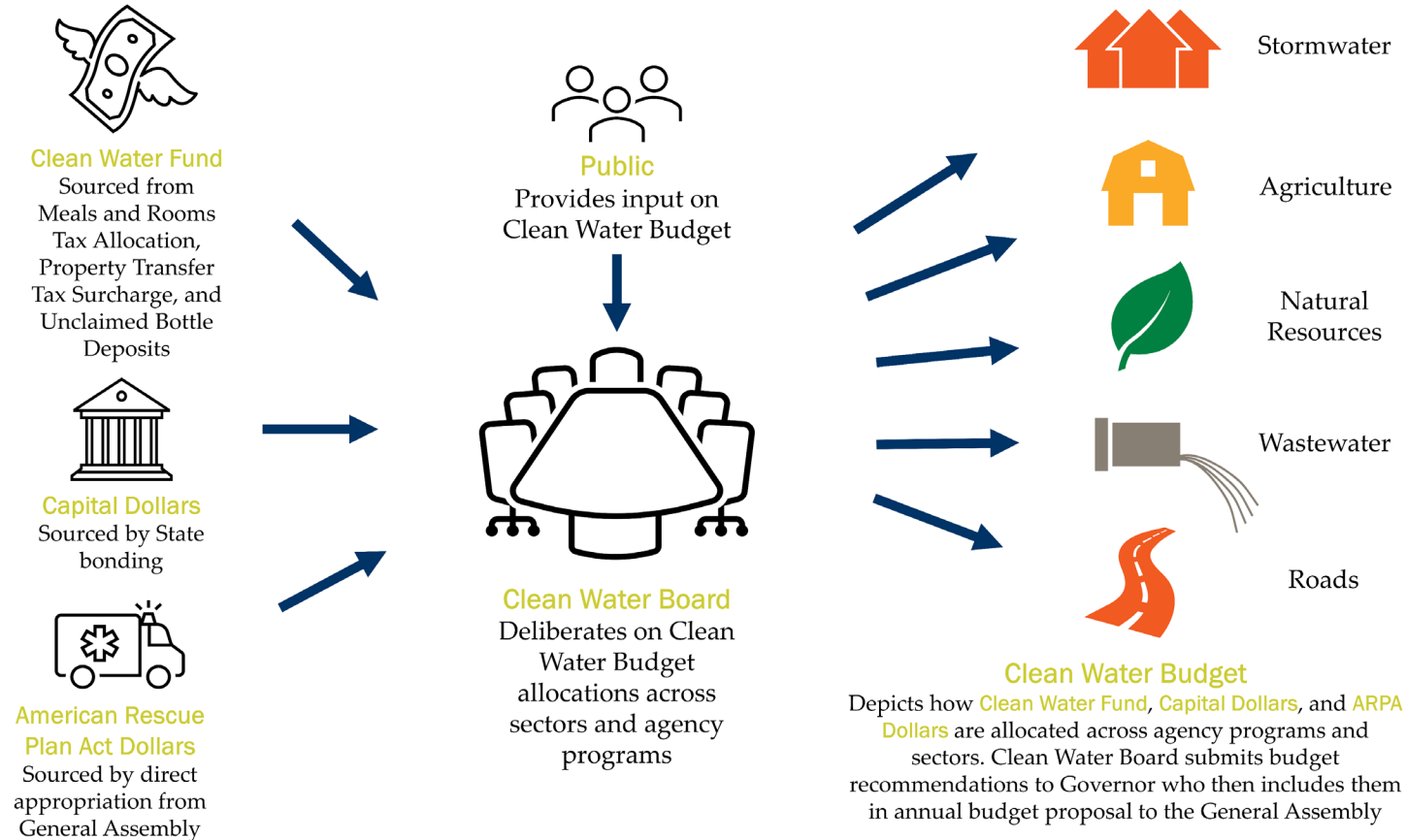


- Goal to restore, protect, and maintain water quality in all of Vermont's waters
- Clean water funding helps municipalities, farmers, and others implement projects that will reduce pollution washing into Vermont's waters
- Implement clean water restoration plans known as "Total Maximum Daily Loads" (TMDLs)
- Vermont's Tactical Basin Planning process identifies and prioritizes specific actions necessary to achieve pollutant reduction targets

Clean Water Budget Process



Clean Water Budget Process

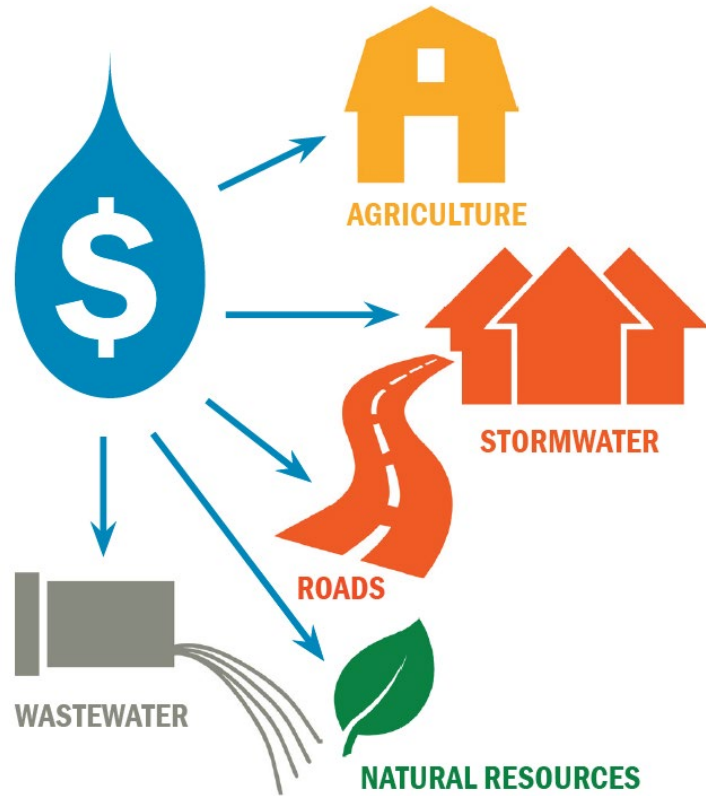












STATE FISCAL YEAR (SFY) 2023 BUDGET PROCESS



*Clean Water Board Meeting

Clean Water Projects Across Land Use Sectors

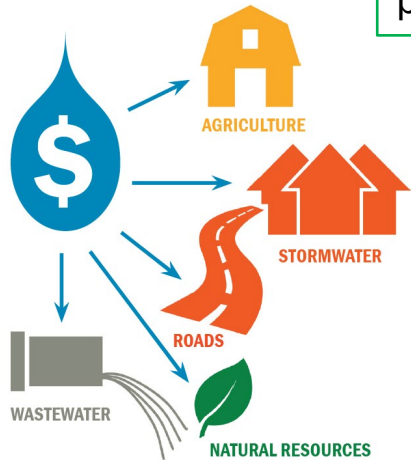


Land Use	Clean Water Project Objectives and Example Project Images	Additional Benefits
 AGRICULTURE	Addresses runoff and soil erosion from farm production areas and farm fields. 	<ul style="list-style-type: none"> • Supports Clean Water Act compliance • Cost-effective • Leverages federal funds • Supports agricultural economy
 NATURAL RESOURCES	Restores functions of “natural infrastructure”—river channels, floodplains, lakeshores, and wetlands 	<ul style="list-style-type: none"> • Supports Clean Water Act compliance • Cost-effective • Increases flood resilience • Improves habitat • Enhances recreation
 STORMWATER	Addresses stormwater runoff from developed lands, such as parking lots, sidewalks, and rooftops 	<ul style="list-style-type: none"> • Supports Clean Water Act compliance • Increases flood resilience • May enhance aesthetic appeal
 ROADS	Addresses stormwater runoff from roads 	<ul style="list-style-type: none"> • Supports Clean Water Act compliance • Cost-effective • Increases flood resilience • Leverages federal funds • Reduces future road maintenance costs
 WASTEWATER	Decreases nutrients (phosphorus and nitrogen) through enhanced wastewater treatment and addresses aging infrastructure 	<ul style="list-style-type: none"> • Protects public health and safety • Supports Clean Water Act compliance • Leverages federal funds

Clean Water Project Tracking, Accounting, & Reporting

1

Clean Water Budget distributes funds to agencies

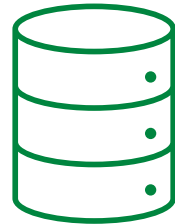


2

Agencies grant, contract, & loan funds to partners to implement projects

3

Agencies submit data on funded and completed projects to DEC; DEC compiles data in the Clean Water Reporting Framework database



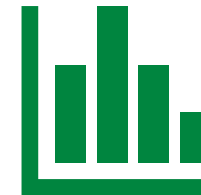
Clean Water Reporting Framework

4

Clean Water Reporting Framework data on project investments & results are presented publicly through the following tools, accessible from the [Clean Water Projects webpage](#).



Vermont Clean Water Initiative Performance Report



Clean Water Interactive Dashboard



Clean Water Project Explorer

Draft State Fiscal Year (SFY) 2023

Clean Water Budget Overview

[SFY 2023 = July 1, 2022 – June 30, 2023]

SFY 2023 Clean Water Budget Targets

$$\begin{array}{ccccccc} \$25.9 & + & \$11 & + & \$10 & = & \text{\$} 46.9 \\ \text{MILLION} & & \text{MILLION} & & \text{MILLION} & & \text{MILLION} \end{array}$$

Estimated SFY 2023 Clean Water Fund revenue from Meals and Rooms Tax, Property Transfer Tax Surcharge, and Unclaimed Bottle Deposits.

Estimated SFY 2023 funds from the clean water section of the Capital Bill.

Federal American Rescue Plan Act (ARPA) dollars appropriated to the clean water budget.

Estimated State Fiscal Year 2023 Clean Water Budget.

State Law (Act 76 of 2019) Updated Budget Framework, Effective in SFY 2023 Budget

- Established long term clean water funding sources
- Updated Clean Water Fund priorities
- Established four new grant programs

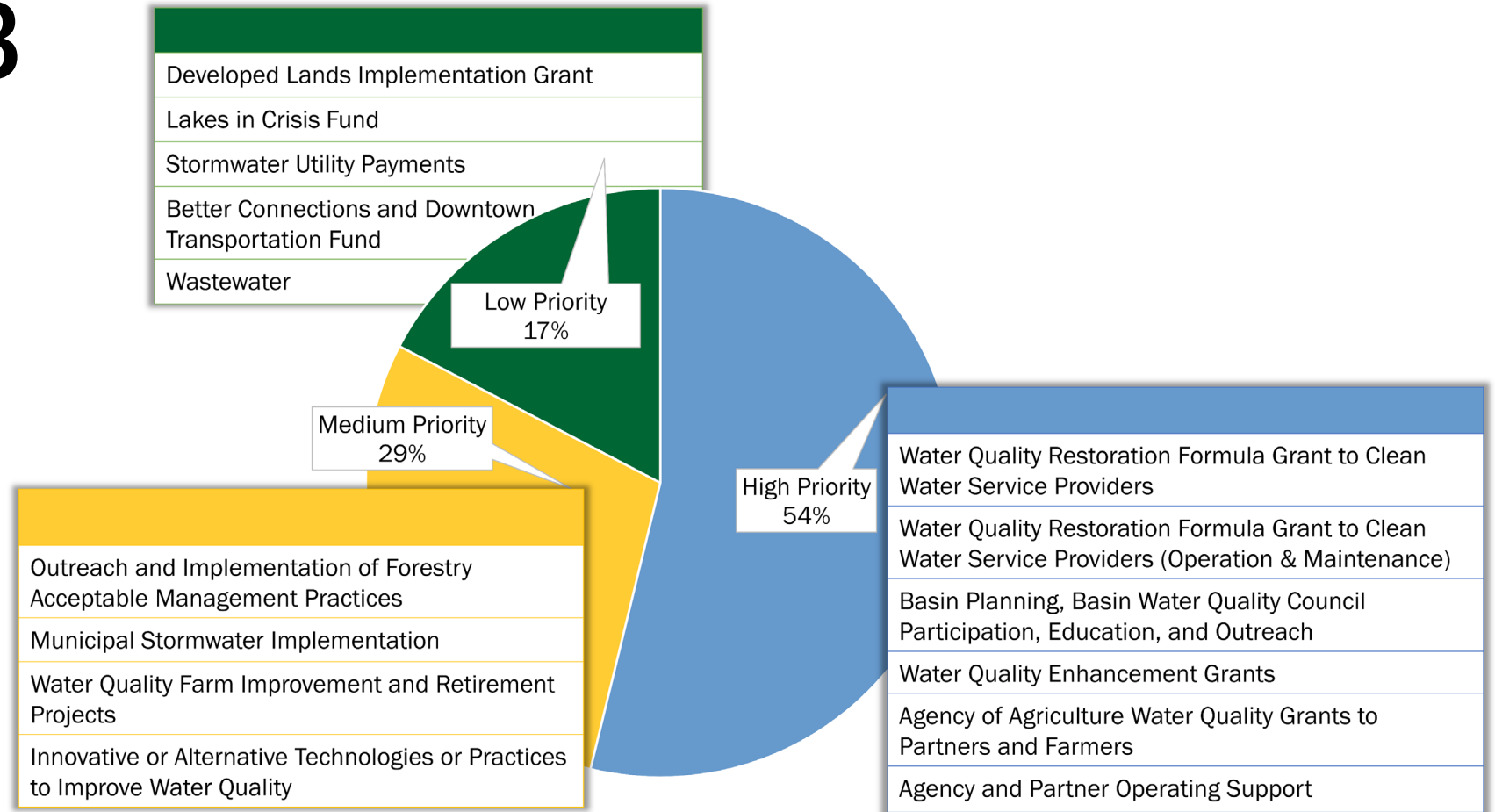
Clean Water Funding Priorities Established in Law

Tier 1 (High Priority)	Tier 2 (Medium Priority)	Tier 3 (Low Priority)
Inspection, verification, operation, and maintenance*	Repair riparian conditions for flood resiliency	Developed Lands Implementation Grants*
Water Quality Restoration Formula Grants*	Education and outreach for Acceptable Management Practices (AMPs) for Maintaining Water Quality on Logging Jobs	
Agency of Agriculture, Food and Markets water quality programs	Municipal Stormwater Implementation Grants*	
Water Quality Enhancement Grants*	Innovative/alternative technologies or practices	
Basin planning and basin water quality council participation	Purchase agricultural land	

SFY 2023 Clean Water Budget Approach

- Reviewed existing programs for alignment with updated funding priorities
- Introduced new line items for new funding/financing programs to the appropriate priority tier
- Allocated highest % of funds to Tier 1 priority, and progressively less across Tiers 2, 3, and other

Draft SFY 2023 Clean Water Budget by Priority Tier



How to Participate in the Budget Process

1. Visit the Clean Water Board webpage at <https://dec.vermont.gov/water-investment/cwi/board> to view the draft SFY 2023 Clean Water Budget and comment via online questionnaire
2. Comment at today's Public Hearing

Participate in the State Fiscal Year 2023 Clean Water Budget Process

Comment on the Draft SFY 2023 Clean Water Budget October 19–November 19, 2021

Vermont's Clean Water Board is requesting public input on its draft State Fiscal Year 2023 clean water budget, October 19–November 19, 2021. Public input will help the Board prioritize funding for projects that improve water quality in Vermont's lakes, streams, and wetlands.

View the [draft State Fiscal Year 2023 clean water budget](#).

Complete the brief [online questionnaire](#) by Friday, November 19, 2021 at 4:00 pm.

To request a printed copy of the questionnaire, email ANR.CleanWaterVT@vermont.gov with subject line "SFY 2023 Clean Water Budget Public Comment." Print copy questionnaire responses must be postmarked by Friday, November 19th and mailed to:

Attention: [Vermont Clean Water Initiative Program](#)
[Department of Environmental Conservation](#)
One National Life Drive, Davis 3
Montpelier, VT 05620-3510

Attend the Clean Water Budget Public Hearing – November 4, 2021

The public is invited to learn more about clean water funding and the budget process and comment on the draft State Fiscal Year 2023 clean water budget at the Clean Water Budget Public Hearing on Thursday, November 4, 2021 at 10:30 am. Visit the [Clean Water Board Meetings webpage](#) for details and to RSVP.

Contact ANR.CleanWaterVT@vermont.gov with subject line "SFY 2023 Clean Water Budget Public Comment" with questions about the clean water budget public comment period and public hearing.



SFY 2023 Clean Water Budget Public Comment Questionnaire

- Do you think funding levels sufficient, and if not, what additional funding is recommended?
- Do you agree with the proposed % allocation of funds across Tier 1 (high), Tier 2 (medium), and Tier 3 (low) budget priorities, and if not, what % breakdown is recommended?
- Do you agree with the proposed ranking of budget line items within each priority tier, and if not, what ranking is recommended?
- General comments: weigh-in on unmet needs and/or recommendations for development/use of innovative techniques and share other comments

Draft State Fiscal Year (SFY) 2023 Clean Water Budget Line Items

Presented by agency in alphabetical order

Line Title (Line #, Priority Tier)

Picture of Example Project
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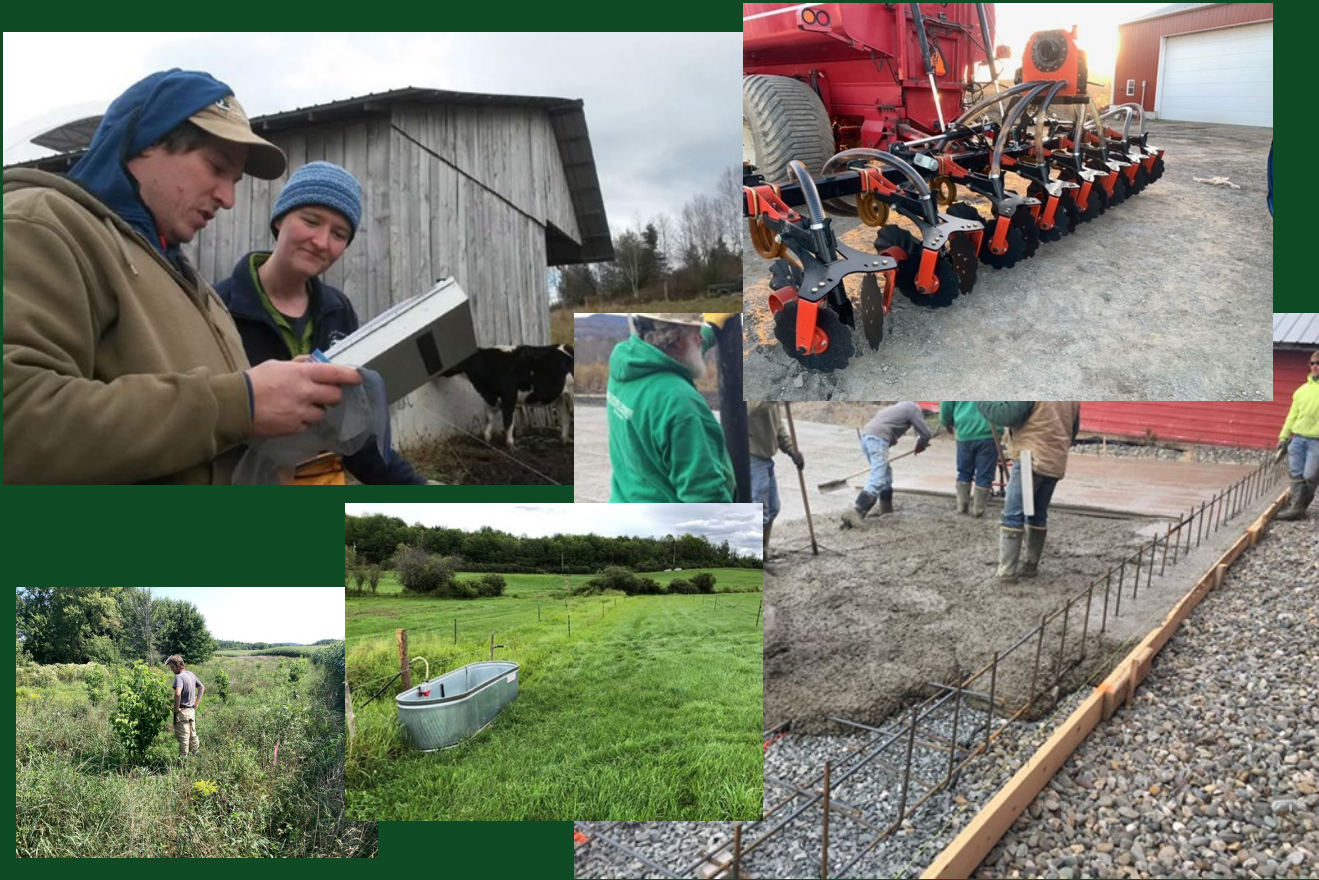
- Types of Projects
- Funding recipients
- Voluntary or regulatory
- Fun fact (e.g. total phosphorus reduced, total # of projects funded, etc.)

Stormwater Utility Payments (Line #4.2, Tier “Other”)



- Supports the establishment and maintenance of stormwater utilities, \$25,000 for five years
- Utilities help raise local revenue to construct, operate, and maintain stormwater infrastructure
- No longer a statutory priority of the Clean Water Fund
- SFY 2023 budget reflects 4th year payment to the town of St. Albans, VT
- *Other recipients, Williston, Colchester, South Burlington, and Burlington, have received 5 years of incentive payments through SFY 2022*

Water Quality Grants to Partners and Farmers (Line 1.5, Tier 1)



- Structural, agronomic, technical assistance, equipment, education and research
- Provides funding to Partners and Farmers
- Supports both voluntary and regulatory actions
- *Agriculture contributed 96% of total phosphorus reductions across all land use sectors reported in the [Vermont Clean Water Initiative 2020 Performance Report](#)*

Agriculture: Program Support (Line 1.61, Tier 1)

- Regulatory Accountability, Financial Assistance and Technical Assistance Support
- Funds Agency of Agriculture Employees
- Supports voluntary and regulatory actions
- *Staff and enforcement actions have tripled since the CWF; staff have obtained over \$12 million in additional federal funding towards WQ efforts*



Better Connections and Downtown Transportation Fund (Line 4.3, Tier “Other”)



- Stormwater planning, design, and construction projects to help municipalities incorporate stormwater management strategies into downtown and village center transportation and community revitalization plans
- Provides funding to municipalities
- May support voluntary and regulatory projects

Water Quality Restoration Formula Grant to Clean Water Service Providers (Line 1.1, Tier 1)—*New Program in SFY 2023*

- Funds distributed to watershed-based Clean Water Service Providers (CWSPs) in the Lake Champlain and Lake Memphremagog basins through formula based on non-regulatory phosphorus reduction target and cost/unit phosphorus reduced
- Funds non-regulatory clean water projects with phosphorus reduction value, such as floodplain or wetland restoration, rain gardens, tree buffer plantings, & natural lakeshore stabilization projects
- CWSPs, advised by Basin Water Quality Councils, subgrant to project implementors including watershed groups, natural resource conservation districts, municipalities, and regional planning commissions
- *Program provides assurances that non-regulatory phosphorus reductions, required to restore Lake Champlain and Lake Memphremagog, will be achieved*



Before (top) & after (below) Beecher Hill Brook floodplain restoration by Lewis Creek Association. Project restored 1.3 acres of floodplain

Water Quality Restoration Formula Grants to Clean Water Service Providers (O&M) (Line 1.2, Tier 1)—*New Program in SFY 2023*

- Funds operation and maintenance (O&M), inspection, and verification of non-regulatory clean water projects post-construction to ensure long term performance
- Funds are allocated to Clean Water Service Providers (CWSPs) who may subgrant activities to local professionals
- Long term O&M is required for CWSPs to meet non-regulatory phosphorus reduction targets
- *Program provides assurances that non-regulatory phosphorus reductions, required to restore Lake Champlain and Lake Memphremagog, will be achieved*



Clean Water Initiative Program staff field testing clean water project O&M verification procedures

Basin Planning, Basin Water Quality Council Participation, Education, and Outreach (Line 1.3, Tier 1)



- DEC's Tactical Basin Plans identify and prioritize actions to protect and improve water quality; these funds support local partners' participation in the planning process, including providing input on regional watershed targets and priority actions
- Funds provided to statutorily-listed basin planning partners: watershed groups, natural resource conservation districts, and regional planning commissions
- *Learn about Tactical Basin Planning through this interactive [Story Map](#)*

Statewide Non-regulatory Clean Water Projects (Line 1.42, Tier 1)

New Program in SFY 2023

- Funds non-regulatory clean water projects statewide (not to overlap with Formula Grants), such as floodplain or wetland restoration, rain gardens, tree buffer plantings, & natural lakeshore stabilization projects
- Provides funding to eligible entities, including watershed groups, natural resource conservation districts, municipalities, and regional planning commissions
- *This program, along with Vermont Housing and Conservation Board's Land Conservation and Water Quality Projects program, is proposed to meet the goals/outcomes of Water Quality Enhancement Grants established in Act 76 of 2019*



Before (top) & after (below) Norwich Reservoir dam removal by Connecticut River Conservancy; project reconnected 44 miles of river and planted 1.75 acres of buffer

Program and Partner Support (Line 1.62, Tier 1)



- Funds initiatives that support success of clean water project partner network and requirements of Act 76 of 2019; includes project tracking, accounting, and prioritization improvements, lab analytics for partner water quality sampling efforts, partner organizational capacity development, and wastewater treatment facility optimization support
- Provides funding to eligible entities, including watershed groups, natural resource conservation districts, municipalities, and regional planning commissions
- *The LaRosa Volunteer Water Quality Monitoring Analytical Services Partnership has helped partners pay for lab analyses since 2003; community members engage with local streams, learn about water quality issues, and identify where impacts are present*

Municipal Three-Acre General Permit and MS4 (Line 2.23, Tier 2)

New Program in SFY 2023

- Funds/finances design, permitting, and construction of stormwater treatment required to comply with the Three-Acre General Permit and the Municipal Separate Storm Sewer System (MS4) Permit
- Provides funding/financing to assist municipalities in meeting regulatory stormwater requirements
- Projects are regulatory–required by VT Clean Water Act (Act 64 of 2015)
- *This program, along with VTrans' road programs, is proposed to meet the goals/outcomes of Municipal Stormwater Implementation Grants established in Act 76 of 2019*



Innovative or Alternative Technologies or Practices to Improve Water Quality (Line 2.4, Tier 2)



- Supports development and use of technologies, practices, or policies that facilitate, optimize, or accelerate cost-effective nutrient pollution removal strategies
- No funding need projected for SFY 2023; Agency of Agriculture, Food & Markets' (AAFM) Phosphorus Innovation Challenge is ongoing with prior year funds
- *AAFM's Phosphorus Innovation Challenge funded roughly \$900,000 in innovation projects through SFY 2021; for example, Agrilab Technologies Inc. is developing a business plan and equipment (pictured here) to produce and sell compost products made from phosphorus containing ingredients, such as livestock manure*

Developed Lands Implementation Grants (Line 3.1, Tier 3)

New Program in SFY 2023



- Funds/finances design, permitting, and construction of stormwater treatment for existing development, required to comply with the “Three-Acre General Permit”
- Provides funding/financing to assist “Three-Acre Sites”
- Projects are regulatory–required by VT Clean Water Act (Act 64 of 2015)
- *Stormwater from developed lands accounts for roughly 20% of the phosphorus entering Lake Champlain*

Lakes in Crisis Fund (Line 4.1, “Other” Tier)



Manure Injection on fields in Lake Carmi Watershed

- Lake Carmi is designated as a “Lake in Crisis”
- Project Types: Lake Carmi Water Quality Monitoring, Aeration System Operation, agricultural equipment
- Funds awarded to Town of Franklin VT, University of Vermont Extension, Vermont Agriculture and Environmental Laboratory (VAEL)
- Funds support implementation of the *Lake Carmi Crisis Response Plan* and the Lake Carmi Phosphorus Total Maximum Daily Load (TMDL)
- *As of July 2020, an estimated 41% of phosphorus reductions required in TMDL were achieved*

State Match to the Clean Water State Revolving Fund (CWSRF) (Line 4.4, Tier “Other”)



- State match leverages federal CWSRF funds. CWSRF finances Wastewater Treatment Plant Refurbishment & Upgrade; Sewer Collection System Refurbishment, Combined Sewer Overflow Abatement, Stormwater Conveyance and Treatment, & Natural Resources Projects
- CWSRF provides low interest loans to municipalities and private entities
- CWSRF finances voluntary and regulatory projects
- *In 2018, Act 185 expanded eligibility to private entities and natural resources projects; in 2020, \$11 million in interim financing was provided to conserve ~11,000 acres of upland forest land protecting Lake Champlain Basin headwaters*

Municipal Pollution Control Grants (Line 4.5, Tier “Other”)

- Funds Wastewater Treatment Plant Refurbishment & Upgrade; Sewer Collection System Refurbishment, Combined Sewer Overflow Abatement, and Stormwater Conveyance and Treatment Projects
- Provides funding to municipalities
- Funds voluntary and regulatory projects
- *Grants are used to offset up to 35% of a municipal project cost financed through a CWSRF loan; in 2017, the Priority System for these grants was amended to rank and establish the grant %, capped at 35%*



Forest and Portable Skidder Bridges and Water Quality Practices (Line 2.11, Tier 2)



- Funds steel and wood skidder bridges, and education and technical assistance for Acceptable Management Practices (AMPs)
- Provides funding to forestry sector
- Aids with regulatory compliance
- *AMP complaints are decreasing while technical assistance requests are increasing*

Implement BMPs on State Forests, Parks and Recreational Access Roads (Line 2.12, Tier 2)

- Supports road infrastructure improvements including stream crossings, ditches, culverts, and road closings
- Supports forest management and recreational users
- Funds voluntary projects on state land
- *Over 600 miles of roads and 1,500 miles of trails*
- *15 projects in the pipeline*
- *Road prioritization assessment is underway*



Municipal Roads Grants-in-Aid (MRGP) (Line 2.21, Tier 2)



- Implementation of Best Management Practices on hydrologically connected roadways in accordance with the Municipal Roads General Permit (MRGP)
- Provides funding to all municipalities required to comply with MRGP that choose to participate
- Funds regulatory projects to comply with MRGP
- *In SFY 2022 funding was provided to 230 out of 260 eligible municipalities*

Municipal Better Roads (MRGP) (Line 2.22, Tier 2)

- Implementation of Best Management Practices on hydrologically connected roadways in accordance with the Municipal Roads General Permit (MRGP)
- Competitive grant funding is open to all municipalities
- Funds regulatory projects to comply with MRGP
- *In the last 6 fiscal years of the Better Roads Program, Clean Water Funds have helped fund 278 grants and \$6.9 million in projects*



Land Conservation and Water Quality Projects (Line 1.42 Tier 1)



- Land acquisition and conservation easements with provisions that permanently protect water quality such as riparian buffers and wetland protection zones; includes agricultural conservation easements
- Grants to municipalities, conservation non-profits, and state agencies
- Voluntary, non-regulatory
- *Example: The Vermont River Conservancy conserved 9 acres of floodplain and restored 2,615' of this eroded stream bank along the Third Branch of the White River in Bethel. During Tropical Storm Irene, the majority of flood damage in Bethel was from erosion along small streams rather than from inundation in valley bottoms. This stretch is stressed by excess nutrients and sediment due to land erosion, nutrient loading, encroachment, and channel erosion and is in a sub-basin listed as a Priority Water for Restoration in the latest Tactical Basin Plan.*

Water Quality Farm Improvement and Retirement Projects (Line 2.3, Tier 2)



- Infrastructure projects and equipment to protect and improve water quality on farms such as manure management and production area improvements. Typically used for project costs not eligible for other state and federal funding.
- Grants to farmers
- Voluntary, non-regulatory
- Example: Fairmont Farms used a water quality grant to purchase injection technology to apply manure more efficiently and reduce soil compaction and nutrient loss.
- *Since SFY 2018, this program resulted in installation of 18 best management practices at barnyards/production areas and approximately 1,745 acres of agricultural land treated/improved for water quality through use of equipment*

Water Quality Farm Improvement and Retirement Projects (Line 2.3, Tier 2)



- Grants for the acquisition and conservation of land that is difficult to farm without adversely affecting water quality to take it out of production and allow for restoration. In coordination with AAFM and ANR.
- Grants to municipalities, conservation non-profits, and state agencies
- Voluntary, non-regulatory
- *Example: Tree planting at the site of a farm retirement project in Colchester along the banks of the Winooski in an area that was frequently flooded; restoration and management by Dept. Fish & Wildlife as a Wildlife Management Area*