Vermont’s Clean Water Board & Budget

Gianna Petito (she/her)
Clean Water Initiative Program Grants Supervisor
Water Investment Division, DEC

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Gianna.petito@vermont.gov; 802-636-7547

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Presentation Outline

• History of Clean Water Board and Vermont’s Commitments to Clean Water
• State Fiscal Year 2025 Clean Water Budget and Board Updates
• Clean Water Budget Line-item Highlights
• Clean Water Reporting
• Key Takeaways & Learn More
History of the Clean Water Board and Vermont’s Commitments to Clean Water
Vermont Clean Water Act
(Act 64 of 2015)

Reasonable assurances to meet nonpoint source targets:

• Water quality regulations
• Clean Water Board and Fund
• Tracking, accounting, and reporting requirements

Clean Water Service Delivery Act
(Act 76 of 2019)

• Clarified purpose of Clean Water Initiative and state’s commitment of $50-60 million annually to support the Initiative
• Added new revenue source for the Clean Water Fund: 6% meals and rooms
• Reset and updated Clean Water Budget priorities
• Four new grant programs including:
  • Water Quality Restoration Formula Grants
  • Water Quality Enhancement Grants
  • Municipal Stormwater Grants
Vermont’s Clean Water Initiative

• Statutorily-defined inter-agency initiative to provide mechanisms, staffing, and financing necessary to achieve and maintain compliance with the Vermont Water Quality Standards for all State waters.

• To ensure success in implementing the Clean Water Initiative, the State should commit to funding the Clean Water Initiative in a manner that ensures the maintenance of effort and that provides an annual appropriation for clean water programs in a range of $50 million to $60 million as adjusted for inflation over the duration of the Initiative (10 V.S.A 1387).

**Clean Water Fund**

- Statutorily defined special fund ([10 V.S.A 1388](#)). The Clean Water Fund shall be used to assist the State in the implementation of the Clean Water Initiative ([10 V.S.A 1387](#)) but is not the only money that supports the Clean Water Initiative. The Clean Water Board is responsible for recommending expenditures out of the Clean Water Fund ([10 V.S.A. 1389](#)).
Clean Water Budget

- Programmatic term used to reference all dollars and expenses recommended by the Clean Water Board on an annual basis. This typically includes the Clean Water Fund and some capital dollars from the Clean Water section of the capital bill (10 V.S.A. 1389). For State Fiscal Years 2022-2024 it also included American Rescue Plan Act dollars appropriated to the Board for budgeting by the legislature (Act 74 of 2021).
Clean Water Budget Process and Timing

**Clean Water Budget**
- Capital Dollars: Sourced by State bonding
- Clean Water Fund: Sourced from Meals and Rooms Tax Allocation, Property Transfer Tax, Clean Water Surcharge, and Unclaimed Bottle Deposits

Public
- Provides input on Clean Water Budget

Clean Water Board
- Deliberates on Clean Water Budget allocations across sectors and agency programs

Governor
- Integrates Clean Water Budget recommendations into fiscal year budget proposal

Legislature
- Authorizes fiscal year budget

Agencies
- Receive spending authority at the start of the fiscal year

**STATE FISCAL YEAR BUDGET TIMELINE**

- **OCTOBER**
  - Board approves draft Fiscal Year Clean Water Budget
  - Public comment period

- **OCTOBER - NOVEMBER**
  - Public comment period

- **DECEMBER**
  - Board reviews public comment and finalizes Fiscal Year Clean Water Budget recommendation

- **JANUARY - APRIL**
  - Legislative review and testimony on Fiscal Year budget recommendations

- **JANUARY**
  - Governor proposes Fiscal Year budget to the Legislature

*Clean Water Board Meeting
Engaging the Public in the Budget Process

Provide online resources
- Visit the Clean Water Board webpage: dec.vermont.gov/water-investment/cwi/board
- Clean Water Stakeholders Listserv: tinyurl.com/87s7tjse

Review available materials
- Draft Clean Water Budget spreadsheet
- Clean Water Budget Overview
- Clean Water Budget Story Map
- Recorded FY2025 Line-Item Presentations

Take public opinion into account
- Via online questionnaire
- Via written submission: anr.cleanwatervt@vermont.gov
- At Public Hearing

Public Comment Period: October 20, 2023 - November 20, 2023
Public Hearing: November 2, 2023
Clean Water Board consideration of public comment: December 5, 2023
State Fiscal Year 2025 Clean Water Budget and Board Updates
(July 1, 2024-June 30, 2025)


Find other Clean Water Board Recommended Budgets by State Fiscal Year on the Clean Water Board site page:
https://dec.vermont.gov/water-investment/cwi/clean-water-board
Clean Water Budget Organized Into Priority Tiers

To meet the intent of the Clean Water Fund statutory priorities (10 V.S.A. § 1389):

- Roughly 60:30:10 split of overall funds across priority tiers

Priority Tier 1

- Roughly 60:30:10 split of overall funds across priority tiers

Priority Tier 2

Priority Tier 3

Other Priorities Tier

*Please note that the table contains detailed budget allocations for each priority tier and other priorities.*
SFY 2025 Line Item Updates

- **(1.52) Program and Partner Support**: $300,000 boost in one-time funds some of which may support potential flood recovery needs.

- **(2.22) Municipal Better Roads**: $1,000,000 boost in one-time for Road Erosion Inventory re-assessments.

- **(2.4) Partially support Alum Treatment in Lake Carmi**: pending results of feasibility study and permitting.
Risk Management with the Clean Water Fund

• When revenues underperform, the Clean Water Board relies on the existence of a Contingency Reserve to make whole previously executed financial commitments.

• The Clean Water Fund Contingency Reserve Guidelines documents when and how Contingency Reserve Funds are accessed by the Board and rules for replenishment.
  – The most current Clean Water Fund Contingency Reserve Guidelines can be found on the Clean Water Board site page: https://dec.vermont.gov/water-investment/cwi(clean-water-board)

• Guidelines were updated February 2024 to create a mechanism to fund project repair/restoration in the case of clean water project losses
Clean Water Budget Line-item Highlights
• (1.1) Water Quality Restoration Formula Grants to CWSPs and O&M*
• (1.31) Statewide Non-Regulatory Clean Water Projects*
• (1.52) Program and Partner Support
• (2.24) Municipal Three-Acre General Permit and MS4*
• (3.1) Developed Lands Implementation Grants*
We are the Clean Water Initiative Program (CWIP)!

Align & coordinate clean water efforts statewide

Capture, assess, & communicate the progress & impact of clean water efforts

Develop financial & technical resources to implement and sustain projects
Geography of Primary CWIP Funding Programs

**Blue =** (2.24 Municipal Three Acre General Permit and MS4) MS4 Community Formula Grants

**Purple =**
- (2.24 Municipal Three Acre General Permit and MS4 and 3.1 Developed Lands Implementation Grants) Three-Acre Regulatory Assistance Programs,
- (1.1 Water Quality Restoration Formula Grants to CWSPS and O&M) CWSP Formula Grants*

**Yellow =**
- (1.31 Statewide Non-Regulatory Clean Water Projects) Water Quality Enhancement Grants
- (1.52 Program and Partner Support) Clean Water Workforce Capacity Development Block Grant
MS4 Community Formula Grant

SFYs 2023 – 2024, CWF & ARPA | $7,487,000.00

• **Purpose:** assist MS4 communities with permit compliance to reduce adverse impacts to water quality

• **Eligible Entities:** 15 MS4 Regulated Communities

• **Total Program Budget:** split across 15 MS4s based on formula

• **Projects:** design and/or implement eligible stormwater practices to make progress towards MS4 phosphorus reduction targets
<table>
<thead>
<tr>
<th>Program</th>
<th>Budget</th>
<th>Funding Source</th>
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</thead>
<tbody>
<tr>
<td>Green Schools Initiative</td>
<td>$29,672,045.00</td>
<td>ARPA, LCBP-EPA</td>
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<tr>
<td>Public-Private Partnerships</td>
<td>$3,079,717.00</td>
<td>ARPA</td>
</tr>
<tr>
<td>Phase 1 Engineering Services for Manufactured Housing Communities</td>
<td>$480,656.00</td>
<td>ARPA</td>
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<tr>
<td>Permit Obtainment Assistance</td>
<td>$12,377,627.00</td>
<td>ARPA</td>
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<tr>
<td>Phase 2 Construction Assistance for high need sites</td>
<td>$5,684,080.00</td>
<td>ARPA</td>
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<tr>
<td>Total</td>
<td>$51,294,125.00</td>
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Act 74 of 2021, Act 185 of 2022
Water Quality Restoration Formula Grants

Albs * B$/lb + Clbs * D$/lb + Elbs * F$/lb + Glbs * H$/lb
Water Quality Enhancement Grants

- “This program shall be a competitive grant program to fund projects that
  - protect high quality waters,
  - maintain or improve water quality in all waters,
  - restore degraded or stressed waters,
  - create resilient watersheds and communities, and
  - support the public’s use and enjoyment of the State’s waters.”

- Enhancement Grants Subgroup and Grants Summary Document
Clean Water Workforce Capacity Development Initiative

- Pilot program – extensive design and partner engagement
- $1,000,000
Clean Water Reporting

Align & coordinate clean water efforts statewide

Capture, assess, & communicate the progress & impact of clean water efforts

Develop financial & technical resources to implement and sustain projects
## Vermont’s Clean Water Initiative Performance Report

### Table 2: State of Vermont funding programs reported by state agencies and affiliates.

<table>
<thead>
<tr>
<th>Agency or Affiliate</th>
<th>Clean Water Funding Programs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agency of Administration (AoA)</td>
<td>Stormwater Utility Incentive Payments</td>
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<tr>
<td>Agency of Agriculture, Food &amp; Markets (AAFM)</td>
<td>Agricultural Clean Water Initiative Program</td>
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<td>Best Management Practice (BMP) Program</td>
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<td>Capital Equipment Assistance Program (CEAP)</td>
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<td>Clean Water Fund Operational Funds</td>
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<td>Conservation Reserve Enhancement Program (CREP)</td>
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<td>Farm Agronomic Practice (FAP) Program</td>
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<td>Grassed Waterway and Filter Strip (GWFS) Program</td>
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<td></td>
<td>Pasture Surface Water Fencing (PSWF) Program</td>
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<td>Water Quality (WQ) Grants</td>
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<td>Vermont Farmer Ecosystem Services Program</td>
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<td>Vermont Phosphorus Innovation Challenge (VFIC)</td>
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<td></td>
<td>Vermont Pay for Performance (VPFP) Program</td>
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<td>Agency of Commerce and Community Development (ACCD)</td>
<td>Better Connections Planning Grant</td>
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<td>Downtown Transportation Fund</td>
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<td>Vermont Center for Geographic Information (VCGL)</td>
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<td>Agency of Natural Resources (ANR)</td>
<td>Clean Water Initiative Program Funding Programs</td>
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<td></td>
<td>Clean Water State Revolving Fund (CWSRF) Loans</td>
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<td></td>
<td>CWSRF Land Conservation Interim Financing Program</td>
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<td></td>
<td>Department of Forests, Parks and Recreation</td>
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<td>Fish and Wildlife Department Watershed Grants</td>
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<td>Municipal Pollution Control Grants</td>
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<tr>
<td>Agency of Transportation (VTtrans)</td>
<td>Better Roads Program</td>
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<td>Municipal Highway Stormwater Mitigation Program</td>
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<td></td>
<td>Transportation Alternatives Program (TAP)</td>
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<tr>
<td>Vermont Housing and Conservation Board (VHCB)</td>
<td>Conservation Grants</td>
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<td></td>
<td>Farmland Protection Grants</td>
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<td></td>
<td>Water Quality Grants</td>
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<tr>
<td>Multi-Agency Programs</td>
<td>American Rescue Plan Act (ARPA) Programs</td>
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<td></td>
<td>Municipal Roads Grants-in-Aid Program</td>
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Key Takeaways

• Vermont has made a long-term commitment to support the Clean Water Initiative at roughly $50-60 million per year

• Clean Water Budget is comprised of Clean Water Fund revenues as well as contributions from the clean water section of the capital bill. It presents a portion but not all the state’s commitments to fund and make progress on our clean water goals.

• The scale of the Clean Water Budget line items is at the program or initiative-level, the Clean Water Board does not make decisions about individual projects or practices.

• The Board requests annual input from the public on its Budget and CWIP welcomes partnerships to help spread the word about this opportunity.

• The Budget line-items represent multi-year spending initiatives which fund a diversity of project types on different land uses, both regulatory and non-regulatory all in support of clean water.

• Many line-items are also supported with funds sourced from outside the Clean Water Budget
Learn more

• Clean Water Board
  – Site page: https://dec.vermont.gov/water-investment/cwi/clean-water-board
  – November public hearing recording providing an overview of the SFY 2025 Clean Water Budget line items: https://www.youtube.com/watch?v=uG_ignK44uQ
  – Clean Water Board Story Map: https://storymaps.arcgis.com/stories/37d89baeb8e546d5879f15188f703429

• Clean Water Initiative Program
  – Site page: https://dec.vermont.gov/water-investment/cwi
  – Clean Water Stakeholder Listserv: tinyurl.com/87s7tjse