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FFY2021 DRAFT CWSRF& DWSRF INTENDED USE PLANS & PROJECT PRIORITY LISTS

JUNE 17, 2021



LOGISTICS FOR TODAY

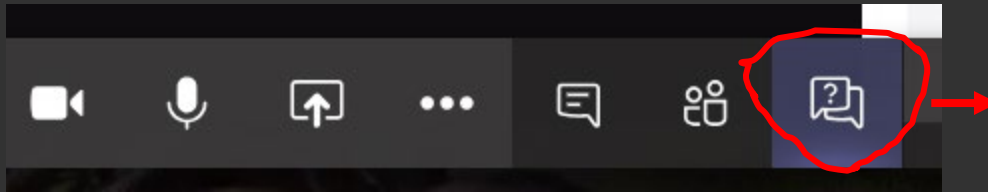
Remote participants: keep yourself muted unless you have a question.

Questions will be accepted at the end of different sections of the presentation.

Please be patient as we respond to people using different modes of participation.

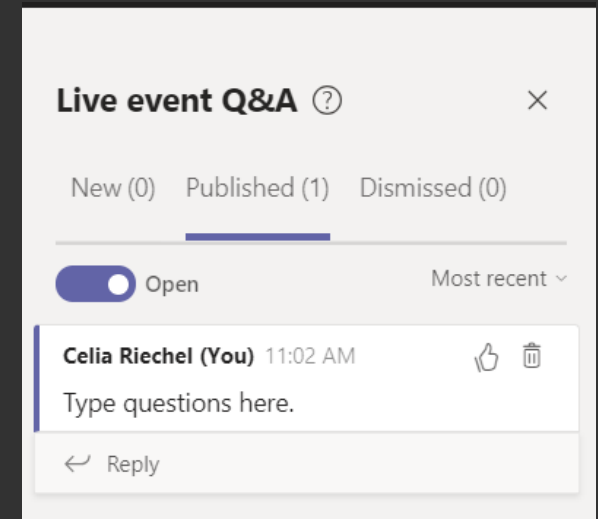
3 WAYS TO ASK QUESTIONS TODAY

1. **Teams:** Submit questions through Teams Q&A



2. **In-person:** step to the microphone/
computer

3. **Phone:** Speak up!



IUP TIMELINE

Public comment deadline: July 1

Anticipated finalization of IUPs, including public comment responsiveness summary: July 15

Anticipated funds availability notification: July 16

COVID-19 RESPONSE

CW & DWSRF Programs reserve the right to work directly with borrowers to modify existing debt service to ensure affordability.

COORDINATION WITH ARPA & OTHER FEDERAL FUNDING

These IUPs were prepared prior to final details being available on ARPA or passage of other federal legislation.

Vermont budget bill H.439

CW & DWSRF Programs reserve the right to amend IUPs as deemed appropriate to accommodate new developments.

We are incentivizing planning and design to get project “shovel worthy” dovetail with ARPA dollars.

SRF UPDATES IN COMMON

- Elimination of interest for all loans
- Reduction in administrative fee for private entities, from 3.0% to 2.75%
- Bond vote not required for principal amounts that will be forgiven
- SRF loan applications will move to ANR Online starting July 1, 2021

ANR ONLINE

WHY? Improve:

- Processing times
- Transparency of review & subsidy process
- Project readiness

Loan application is complete when all required documents are uploaded and you click "Submit" button

ESA review by DEC engineers may take place before completion of other loan documentation, by usual communication methods

<https://anronline.vermont.gov/>



State Revolving Loan Programs Funding Application

Submission HP9-G0W2-7GJ8M Revision 1 Form Version 1.0



Last saved 5 minutes ago



SAVE PROGRESS

Loan Use

Required Attachments

Review

Certify & Submit

Loan Use

CLEAR SECTION

Instructions

Please choose one of the following loan types.

Choose your loan type

DW Step II

Is this a municipal project

☒ Yes

☐ No

Funding Application Instructions

READINESS TO PROCEED/ BYPASS CRITERIA DEADLINES

Submit Step II Loan Application (CW)	11/1/21
Environmental report & 90% design submitted (DW)	12/1/21
Bond Vote Scheduled - copy of warning submitted (CW)	1/30/22
Voter/board debt authorization (Both)	5/1/22
FFY21 Step III Funding Application (Both)	6/30/22

QUESTIONS?

DWSRF PROGRAM SUMMARY

DWSRF FUNDING BREAKDOWN

EPA Grant FY21	\$11,001,000
EPA FY19 Grant Reallotment	\$99,000
Total new grant	\$11,100,000
Set-Asides (used or banked)	(\$3,432,090)
State Match (FFY21 & FFY19)	\$2,220,000
Revolving Funds (estimated)	\$6,500,000
Carry Forward (anticipated)	\$24,428,458
Total Proposed Project Funds	\$40,941,368

SET-ASIDE FUND DISTRIBUTION

DWSRF Set-Asides for FFY21			
Set-aside (Maximum 31% total)	Funds Available	Grant Request	Banked
Administration	\$440,040	\$440,040	—
Technical Assistance (2%)	\$220,020	\$96,315	\$123,705
Program Management (10%)	\$1,100,100	\$1,100,100	\$0
Local Assistance (15%)	\$1,650,150	\$1,650,150	—
Total (29.9%)	\$3,410,310	\$3,286,605	\$123,705

SET-ASIDE FUND DISTRIBUTION

DWSRF Set-Asides for FFY19 Reallotment

Set-aside (Maximum 31% total)	Funds Available	Grant Request	Banked
Administration	\$3,960	\$0	—
Technical Assistance (2%)	\$1,980	\$0	\$1,980
Program Management (10%)	\$9,900	\$0	\$9,900
Local Assistance (15%)	\$14,850	\$9,900	—
Total (29.9%)	\$30,690	\$9,900	\$11,880

TECHNICAL ASSISTANCE SET-ASIDE

For systems serving fewer than 10,000 people

Activity	Amount
Revised Total Coliform Rule (RTCR) Level 2	\$35,000
DWGWPD staff – technical assistance	\$41,315
TNC technical assistance	\$15,000
Total	\$96,315

Includes both FFY21 and FFY19 Reallotment

LOCAL ASSISTANCE SET-ASIDE

Activity	Amount
Capacity activity	
Staff – Local Assistance Capacity Program	\$293,483
Water loss control	\$52,563
Capacity Program asset management training	\$50,000
Valve condition & location assessment	\$50,000
Water system operator training contract	\$140,000
Lead service line identification	\$383,380
Wellhead protection activity	
Staff – Geology Division (groundwater mapping)	\$615,624
Source Protection Plans assistance	\$50,000
Hydrogeologic investigations	\$25,000
Total	\$1,660,050

Includes both FFY21 and FFY19 Reallotment

FFY2019 DWSRF DRAFT PROJECT PRIORITY LIST



Total available for construction: \$40,936,418



Draft priority list:
Fundable: 26 projects
Comprehensive list: 25 eligible projects



Total eligible request: \$76,439,746



No additional projects added during public comment period

ADDITIONAL SUBSIDY

- **Additional Subsidy “anyone” (Add Sub)**
 - **\$1,559,940 total available**
 - 14% of FFY21 grant + 20% of FFY19 grant reallocation
- **Disadvantaged Subsidy (Dis Sub)**
 - **\$3,885,000 available (max)**
 - 35% of FFY21 & FFY19

SECURING ADDITIONAL SUBSIDY

- All Subsidy is first come (with complete loan application & approved ESA), first served
- A complete loan application is:

Step I	Step II	Step III
Application form	Application form	Application form
Draft ESA	Draft ESA	Draft ESA
	PER approval	Debt authorization
		Construction permit
		Environmental review
		All permits
		Other engineering approvals as required

* Subsidy is not *obligated* until the loan has been approved

ADDITIONAL SUBSIDY “ANYONE”

Planning projects (Steps I/II) only

- Include hydraulic evaluation of complete distribution network:
100% forgiveness, up to \$100,000
- All other planning projects:
50% forgiveness, up to \$100,000

DISADVANTAGED SUBSIDY

- **Disadvantaged Subsidy**
 - Traditional Dis Sub calculations
 - 50% ALV/\$1,000,000 (whichever lower) max
- **Municipally-owned school water systems**
 - Categorically disadvantaged
 - Max \$25,000

DWSRF PROGRAM CHANGES

- **Priority List ranking**
 - PER or acceptable equivalent required to be ranked.
- **Readiness to proceed requirements**
 - Environmental report & 90% design – Dec. 1, 2021
 - Debt authorization – May 1, 2022
 - Complete Step III funding application – June 30, 2022

Projects that do not meet these requirements will be bypassed

Planning loans Put-Aside: \$3,000,000

Max \$250,000 per project

No Planning Loan forgiveness (except AMPs)

DWSRF PROGRAM CHANGES

Elimination of proportionality for federal capitalization grant draws

We will fully disburse state match funds before federal funds are disbursed or drawn.

QUESTIONS?

CWSRF PROGRAM SUMMARY

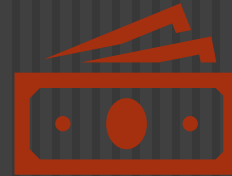
CWSRF FUNDING BREAKDOWN

Source	Amount
CWSRF Capitalization Grant (after 604b)	\$7,779,000
State Match FFY2021	\$1,555,800
Repayments	\$11,656,451
Carry Forward	\$38,219,517
Total Proposed Project Funds	59,210,768

FFY2021 CWSRF DRAFT PROJECT PRIORITY LIST



\$59M available for projects



Draft priority list breakdown

28 municipal projects, totaling \$54M, plus \$2M for Farmland Futures and about \$3M for private projects until municipal projects are bypassed

38 additional projects will be looking for \$4.6M for planning funds

CWSRF PROJECT RANKING

- **No changes to State EPR Chapter 2 ranking**
 - Chapter 2 of EPRs is the regulating document
 - Priority Ranking Points
 - Calculates points based on 9 Ranking categories including Public Health, Water Quality, Affordability, and Project Readiness, etc.
 - Points are used for loan priority ranking
 - Points are used for PC Grant % calculation

PROPOSED CWSRF PROGRAM CHANGES

- Affordability Criteria Revision:
 - Non-profit and coop owned MHCs now to meet the State's affordability criteria (note: only the municipal borrowers can obtain additional subsidy)
- Annual Cap on Loans:
 - \$3M cap except for equivalency loans
 - Excess of \$3M in need will give the project continuing status in the next PPL
- Equivalency:
 - Federal Grant Requirement that we historically applied to all projects.
 - Now only being applied to projects in order to meet the minimum requirement
 - Equivalency projects must follow cross cutters (Single Audit, FSP, QBS, NEPA, DBE, DBA, AIS, etc.
 - Equivalency projects receive a 0.1% reduction in administrative fee %.
 - Non-Equivalency Projects do not have to follow most of the federal crosscutters.

CWSRF PROPOSED ADDITIONAL SUBSIDY SUMMARY

- **This year's proposed amount - \$3.1M (maximum allowed)**
 - Planning Subsidy - \$1,611,600
 - Thermal TMDL - \$500,000
 - Floodplain Restoration - \$500,000
 - Lake Champlain TMDL Affordability - \$500,000
- Previous Year's unused subsidy - \$2.6M
 - Combined Sewer Overflow (CSO) Abatement/Elimination
 - Village Wastewater Initiative
 - Private Entity 3-Acre Stormwater Retrofits (GP 3-9050)
- All Additional Subsidy is First-Come-First-Served

PLANNING SUBSIDY

- **\$1,611,600 For Planning :**
 - **50% Planning Subsidy up to \$100,000** on all preliminary engineering and final design
 - **100% Planning Subsidy up to \$125,000 for these initiatives:**
 - CSO - Long term control plans/H&H modeling– Rain Gauges for CSO Rule compliance, CSO flow monitoring equipment, etc.
 - 3-Acre Stormwater Retrofit Design and Permit Obtainment
 - Village Wastewater Planning and Design
- Maximum Forgiveness \$250K per borrower

TMDL SUBSIDY

- \$500,000 For Thermal Total Maximum Daily Load (TMDL):
 - Project must be on the EPA approved TMDL to address thermal impairment to Section 303(d)-listed waters.
 - 100% forgiveness up to \$500K
- \$500,000 For Lake Champlain TMDL Affordability:
 - Municipality needing to meet multiple effluent limits set by NPDES under 2016 TMDL
 - Post Project User rates to exceed 4% of MHI
 - Apply for construction by 6/30/22
 - 100% forgiveness up to \$500K for up to 4 sequential funding years up to \$2M maximum
 - Administrative fee will be 0%

FLOOD PLAIN RESTORATION SUBSIDY

- **\$500,000 For Flood Plain Restoration**
 - **FEMA Eligible:**
 - **Manufactured Home Community (MHC) – 100% forgiveness up to 50% of TPC or \$250K, whichever is lower.**
 - **Non-MHC – 100% forgiveness up to 25% of TPC or \$100K, whichever is lower**
 - **FEMA Ineligible:**
 - **MHC – 100% forgiveness up to \$250K**
 - **Non-MHC – 100% forgiveness up to \$100K**

PRIOR YEAR UNUSED SUBSIDY

- \$2,687,000 Prior Years' :
 - Project Types eligible for 100% Additional Subsidy up to \$125K:
 - For CSO Abatement/Elimination
 - Village Wastewater
 - Private Entity 3-Acre Stormwater Design and Permitting (GP 3-9050)
 - Municipal or Municipally sponsored only
 - Maximum Forgiveness of \$250K per borrower (except for Village Wastewater, which is a maximum of \$125K)
 - This is another effort to dovetail with future ARPA Funding

QUALIFYING FOR ADDITIONAL SUBSIDY

- Qualifying for additional subsidy
 - Municipal Only
 - Additional Subsidy is considered reserved for a project upon receipt of the following:
 - Funding Application
 - Qualifications Based Selection Process complete and approved
 - Draft ESA submittal
 - Meeting readiness to proceed criteria
 - Additional subsidy is not guaranteed to an applicant until it is obligated by the program following loan approval by the Department and an Authorized Letter of Funding is issued from the program.

QUESTIONS?

NATURAL INFRASTRUCTURE FUNDING

Eligible projects:

Forestland conservation

River corridor easements

Other land conservation

Dam removal

Gully stabilization

Wetland restoration

Floodplain/stream restoration

Woody buffer plantings

Lake shoreland retrofit – LakeWise

- **Must provide a water quality benefit**
- **Must meet definition of non-point source pollution project (Section 319)**
 - If in doubt, contact us

NATURAL INFRASTRUCTURE FUNDING

3 ways to fund:

1. Water Infrastructure Sponsorship Program
2. Interim Financing
3. “Regular” loan

Use Tier 2 (Repayment) funds

INTERIM FINANCING

\$5M Put-Aside

- Municipalities at 0%
 - Private entities at 0.6%
 - 5-year loan
 - Very low payments years 1-4
 - Balloon payment year 5
-
- First come, first served

\$2M for Vermont Land Trust – Farmland Futures Fund

WATER INFRASTRUCTURE SPONSORSHIP PROGRAM – WISPR

- Traditional municipal CWSRF projects “sponsor” a Natural Infrastructure project
- Sponsorship saves money: 0.1% administrative fee reduction for sponsoring municipality
- Natural Infrastructure project 100% forgiven
- Separate loan for private sponsored projects – must have:
 - Municipal support letter & commitment resolution
 - Sponsoring loan bond vote

2022 NATIONAL CLEAN WATERSHEDS NEEDS SURVEY

Who: All Vermont Municipalities and people that need to comply with the Clean Water Act (CWA)

What: Clean Watersheds Needs Survey collects information on all of the funding and projects needed to comply with the CWA. There is more collection of NPS needs in this survey.

When: Start Date: March 1, 2022

Why: To provide Congress with the infrastructure needs information for funding decisions that are made for States to support the CWA.

How: Municipalities submit documents to DEC for reporting. Documents include PERs, Feasibility Studies, Capital Improvement Plans, and other project and fiscal planning documents.

QUESTIONS?

THANK YOU!

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