



FFY2024 DRAFT CWSRF& DWSRF INTENDED USE PLANS & PROJECT PRIORITY LISTS

JULY 23, 2024



AGENDA

1:00 – 2:00

Presentation On:

- Clean Water Intended Use Plan (IUP) and Priority List (PPL)
- Drinking Water IUP and PPL
- Design and Construction Engineering Program Updates
- Questions at the end. Please sign in!

2:00 – 3:00

Public Comments on IUPs and Priority Lists

INTENDED USE PLANS (IUP) TIMELINE

- Public comment deadline: July 31, 2024
 - By email to padraic.monks@vermont.gov , or at this meeting.
- Final IUPs, including response to public comment by mid August –hopefully
- Funds availability letters: One week following final IUP

SRF PROGRAM UPDATES

- Bipartisan Infrastructure Law of 2021
 - 5 New EPA SRF Grants (7 total)
 - Year 3 of 5 (FFY 2022 through FFY 2026)
- CDS (Congressionally Directed Spending)
 - Results in a reduction in SRF base grants

SRF PROGRAM UPDATES

- New Online Application System Coming
 - Replace ANR Online for SRF submittals
 - Loan Applications
 - Engineering Service Agreements
 - Reimbursement Requests
 - Late 2024/ early 2025
 - Training

SRF PROGRAM UPDATES

- IUPs are very consistent with 2023 IUPs
- Changes:
 - Proposed reduction in maximum annual administrative fee for Manufactured Home Communities from 2.75% to 1.5%
 - Floodplain Buyout and Restoration Subsidy

CWSRF DRAFT IUP SUMMARY

FFY2024 CWSRF FUNDING SOURCES

Sources	General	General Supplemental	Emerging Contaminants
CWSRF Capitalization Grant (after 604b)	\$4,008,000	\$11,164,000	\$1,043,000
State Match Needed FFY24 Grant	\$801,6000	\$2,232,800	\$0
Repayments (anticipated 7/1/24-6/30/25)	\$13,145,946	\$0	\$0
Interest (anticipated 7/1/24-6/30/25)	\$4,800,000	\$0	\$0
Carry-Forward (anticipated)	\$81,145,352	\$0	\$653,170
<i>TOTAL</i>	\$103,900,898	\$13,396,800	\$1,696,170

FFY2024/SFY2025 CWSRF DRAFT PROJECT PRIORITY LIST

Grants	\$ Available for Loans	Total Funding Request	Funding Shortfall
General, General Supplemental & Emerging Contaminants (combined)	\$118,993,868	\$203,451,943	(\$84,458,075)

CWSRF PROJECT RANKING

- **Environmental Protection Rule, Chapter 2**
 - Regulates Priority List Application Ranking
 - Priority Ranking Points
 - Based on 9 categories including Public Health, Water Quality, Affordability, and Project Readiness
 - Also Used for calculating Pollution Control Grant eligibility percentage
 - Results in Project Priority List
 - Identifies construction projects in fundable range

CWSRF ADDITIONAL SUBSIDY AVAILABLE

2024 Grant	Additional Subsidy Proposed	Eligibility Requirements Per EPA Grant Agreement
General	\$400,800	No Restrictions
	\$1,202,400	AC/603(i)*
General Supplemental	\$5,470,360	AC/603(i)
Emerging Contaminants	\$980,420	No Restrictions

*AC/603(i) = Recipients must meet the State's Affordability Criteria or projects must qualify under Section 603(i) of the Federal Clean Water Act.

CWSRF PROPOSED SUBSIDY BY CATEGORY

Grant	Initiative	Amount	Subsidy Type
General and General Supplemental			
	Planning	\$2,603,200	\$400,800 No restrictions; \$2,202,400 AC/603(i)*
	Lake Champlain TMDL Affordability	\$500,000	AC/603(i)
	Floodplain	\$500,000	AC/603(i)
	Construction	\$6,451,425	AC/603(i)
Emerging Contaminants			
	All eligible activities	\$1,602,220	No restrictions

*AC/603(i) = Recipients must meet the State's Affordability Criteria or projects must qualify under Section 603(i) of the Federal Clean Water Act.

CW PLANNING SUBSIDY

- **Category 1 Planning**
- 50% Subsidy up to \$100,000 on all preliminary engineering and final design
 - Maximum \$250,000 per borrower
- **Category 2 Planning**
 - 100% Subsidy, Maximum \$125,000 per borrower, for:
 - Seven specific categories (e.g. CSO, Flood Resilience)
- **Category 3 Planning -Emerging Contaminants**
 - 100% subsidy up to \$150,000 per project

LAKE CHAMPLAIN TMDL AFFORDABILITY SUBSIDY

- Lake Champlain TMDL Affordability
 - Municipality needs to meet limits set by Wastewater Permit under 2016 Lake Champlain TMDL
 - User rates to exceed 4% of Median Household Income
 - Provides \$500,000 for up to 4 sequential years, up to \$2M

FLOODPLAIN RESTORATION SUBSIDY

For Floodplain Buyout and Restoration

- Up to \$250,000 per project
- Depends on
 - FEMA Funding Eligibility
 - In Manufactured Housing Community

CW CONSTRUCTION SUBSIDY

General and General Supplemental

- 50% up to \$750,000 per project
- Must meet Affordability Criteria

Emerging Contaminants

- 100%, up to \$1,000,000 per project
- Any eligible projects

QUALIFYING FOR ADDITIONAL SUBSIDY

- Qualifying for subsidy
 - Municipalities Only
 - Subsidy is reserved for a project upon receipt of:
 - Funding Application
 - Qualifications Based Selection Process completed
 - Draft ESA submittal
 - Meeting readiness to proceed criteria
- Addisubsidy is not guaranteed until loan approval and issuance of an Authorized Letter of Funding.

FUNDING FOR NATURAL INFRASTRUCTURE

Traditional Loans

- For conservation and restoration

Interim Finance

- \$2M Put-Aside

Farmland Futures Fund

- Continues funding for Vermont Land Trust for conservation and water quality enhancements

WATER INFRASTRUCTURE SPONSORSHIP PROGRAM – WISPR

- Traditional municipal CWSRF projects “sponsor” a Natural Resource project
 - Additional 10% of loan value can be applied to a natural resource project.
 - Admin fee reduced such that repayment amount is no greater
 - Additional 0.1% administrative fee reduction
 - Program revived and staffed

MS₄ STORMWATER FUNDING GRANT PROGRAM FFY25 IUP

In Partnership with Lake Champlain Basin Program

- Funding for MS₄ Municipalities
 - Implement Phosphorus Control and Flow Restoration Plans
 - \$3 Million Available under 2025 IUP
 - Projects need to submit Priority List Applications
 - Funding may be in form of subsidy under a SRF loan
 - 25% match proposed

DWSRF DRAFT IUP SUMMARY

FFY2024 DWSRF FUNDING SOURCES

Sources	General	General Supplemental	Lead Service Lines	Emerging Contaminants
DWSRF Capitalization Grant Minus Set-Aside	\$3,216,090	\$15,866,345	NA	\$6,639,605
State Match Needed FFY24 Grant	\$932,200	\$4,597,000	NA	\$0
Repayments (anticipated 7/1/24-6/30/25)	\$6,905,435	NA	NA	NA
Interest (anticipated 7/1/24-6/30/25)	\$2,880,000	NA	NA	NA
Carry-Forward (anticipated)	\$5,835,000	Combined w/General	\$21,534,657	\$562,050
<i>TOTAL</i>	\$19,768,725	\$20,463,345	\$21,534,657	\$7,201,655

FFY2024 DWSRF DRAFT PROJECT PRIORITY LIST

Grants	Available for Loans	Total Funding Request	Funding Surplus or (Shortfall)
General, General Supplemental and Emerging Contaminants Combined	\$47,433,725	\$127,395,501	(\$79,961,776)
Lead Service Lines	\$31,498,402	\$1,375,000	\$30,123,402

DWSRF PROJECT RANKING

- **Guidance Document 2**
 - Priority Ranking Criteria
 - Calculates points based on 6 ranking categories, including:
 - Number of Service Connections
 - Affordability and Service Area
 - Deficiencies and Compliance

DWSRF PROPOSED ADDITIONAL SUBSIDY SUMMARY

Grant	Subsidy Proposed	Eligibility Requirements Per EPA Grant Agreement
General	\$652,540	No Restrictions (Additional Subsidy)
	\$1,631,350	Disadvantaged Communities
General Supplemental	\$11,262,650	Disadvantaged Communities
Emerging Contaminants	\$6,805,334	At least 25% of subsidy to Disadvantaged Communities or systems serving < 25,000 persons
Total Available Subsidy	\$20,351,874	

DWSRF PROPOSED SUBSIDY BY CATEGORY

Grant	Initiative	Amount
General		
	Planning (Additional Subsidy)	\$152,540
	Source Protection Loans	\$500,000
	Construction (Disadvantaged Subsidy)	\$1,631,350
General Supplemental		
	Construction (Disadvantaged Subsidy):	\$11,262,650
Lead Service Lines		
	Planning and Construction (Disadvantaged Subsidy)	\$22,204,830
Emerging Contaminants		
	Planning (Additional Subsidy):	\$480,000
	Construction (Additional Subsidy):	\$6,887,384
Total Available Subsidy		\$43,118,754

DW PLANNING SUBSIDY

- General and General Supplemental
 - 25% forgiveness up to \$70,000 on all preliminary engineering and final design
- Lead Service Line Planning and Design
 - 100% forgiveness up to \$100,000, 50% over \$100,000
 - For Disadvantaged Communities
- Emerging Contaminants
 - 100% forgiveness

DW CONSTRUCTION SUBSIDY

- General and General Supplemental
 - Disadvantaged communities: up to 50% subsidy
- Lead Service Lines
 - Disadvantaged communities: up to 50% subsidy
- Emerging Contaminants
 - Project-specific caps
 - 100% subsidy

READINESS TO PROCEED/ BYPASS CRITERIA DEADLINES

Submit Step II Loan Application (CW)	11/1/24
Submit a complete Environmental Information Document	12/1/24
Submit 90% design drawings to DWGPD (or have construction permit) (DW)	1/1/25
Bond Vote Scheduled - copy of warning submitted (CW & DW)	1/31/25
Voter/board debt authorization (CW & DW)	5/1/25
Submit Step III Funding Application (CW & DW)	6/30/25

SRF Design Engineering Announcements

Reminders

- Submit loan deliverable submittals through ANR document, <https://gs.anr.vermont.gov/messageportal#/dropoff>
- [Clean Water - PPL Priority Points](#) and PC Grant Review Process – PERs need to include an evaluation of the priority points the recommended project is anticipated to receive, and the resulting eligible PC grant % should be included in the discussion of funding sources including that funding for PC grants may not be available. Please plan a specific meeting to discuss points around the 90% PER and 90% Design to confirm points. Reminder to include documentation for any potentially eligible points in the PER. PPL points will be reassessed at end of final design to establish PC grant eligibility, if any.
- [Draft Engineering Service Agreement Submittals](#) – via [ANR Online](#)

Work in Progress

- New Submittal Portal in the Works (LGMS).
- Current Floodplain EO Required, Guidance Document 37 (Pending)
- ESA Edits for Federal Requirements - Guidance Document 39 (Pending)
- Clarified SHPO Procedures
 - New Section 106 Consultation Form



SRF Construction Engineering Announcements

- **Limited staff will impact projects**
- [BABA Requirements](#)
 - Reminder - BABA **and** AIS are required.
- [BABA Adjustment Period Waiver Certification Form](#)
 - Needs a list of items covered by the waiver
 - Expiration of BABA Adjustment Period Waiver
 - Projects Funded Under the Federal Cap Grant from this IUP are not eligible.
- [EJCDC ESAs 2018 Accepted](#)
 - Remember to modify draft ESAs per federal requirements
 - Amendments may require federal requirement clarifications
- [BIL Signage Required](#)
 - Investing in American Brand Guide
 - 5/24/23 Controller's Alert
 - Signage required terms and conditions
- **Reminder to Use Current Standard Form 1444** DBA Classifications Request, updated with a new expiration date

DCE Run Grant Programs

Overflow Sewer Grant (OSG)

- Small Federal grant for CSO abatement projects with preference for:
 - Rural and Financially Disadvantaged Communities, Green Stormwater Infrastructure, and Green Project Reserve project elements
 - Awarded based on PPL scoring related to the above criteria
 - Anticipate awarding 1 OSG

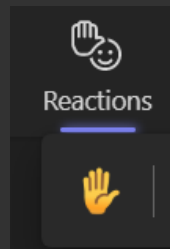
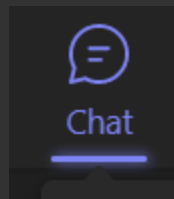
Village ARPA Grants

- Village Wastewater projects are for unsewered villages with Village Center Designation
- [Guidance Document 38](#) Village WW Eligibility, 3/28/2023
- Trickle down funding
 - SFY 24 deobligated funds have been reallocated to projects moving to construction in the current IUP
 - SFY 25 additional deobligated funds may be used for design and construction activities

QUESTIONS?

Questions, in this order:

- Phone
- In-person
- Raised “hands” in Teams
- Teams chat



The presentation is being recorded and will be made available following the meeting.

PUBLIC COMMENT ON DRINKING WATER SRF IUP CLEAN WATER SRF IUP

• Public Comments

How

- Today, verbally
 - Please sign in!
- In writing, through July 31, 2024
 - To padraic.monks@vermont.gov

*If providing verbal comments it is helpful if you can let us know if they will also be in writing

Response to Comments

- **The Department will respond to all comments in the final Intended Use Plans**