

# State FY24/25 Capital Budget Proposal

## Section 10 Lines 116 & 117

**HOUSE CORRECTIONS & INSTITUTIONS COMMITTEE**

**ERIC BLATT, DEPT OF ENVIRONMENTAL CONSERVATION**

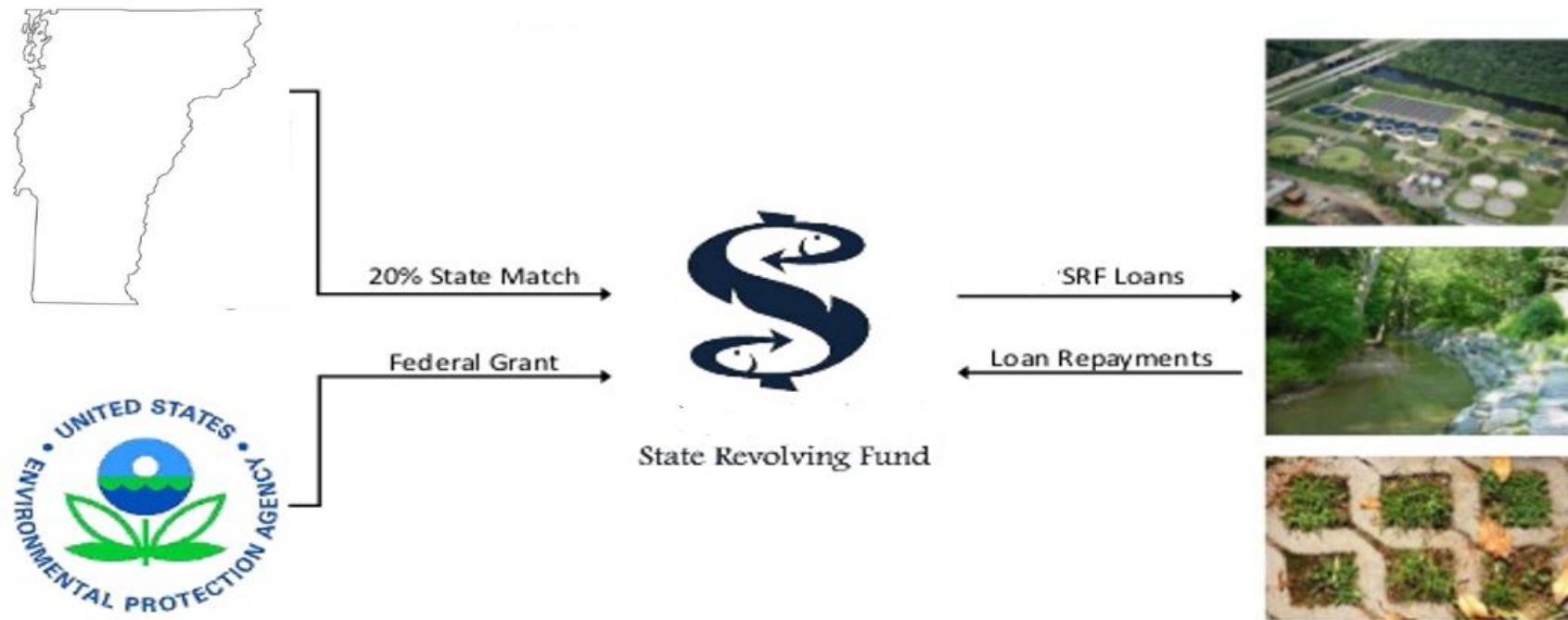
**FEBRUARY 8, 2023**

# Section 10 – Capital Budget Proposal CWSRF Match and Pollution Control Grants

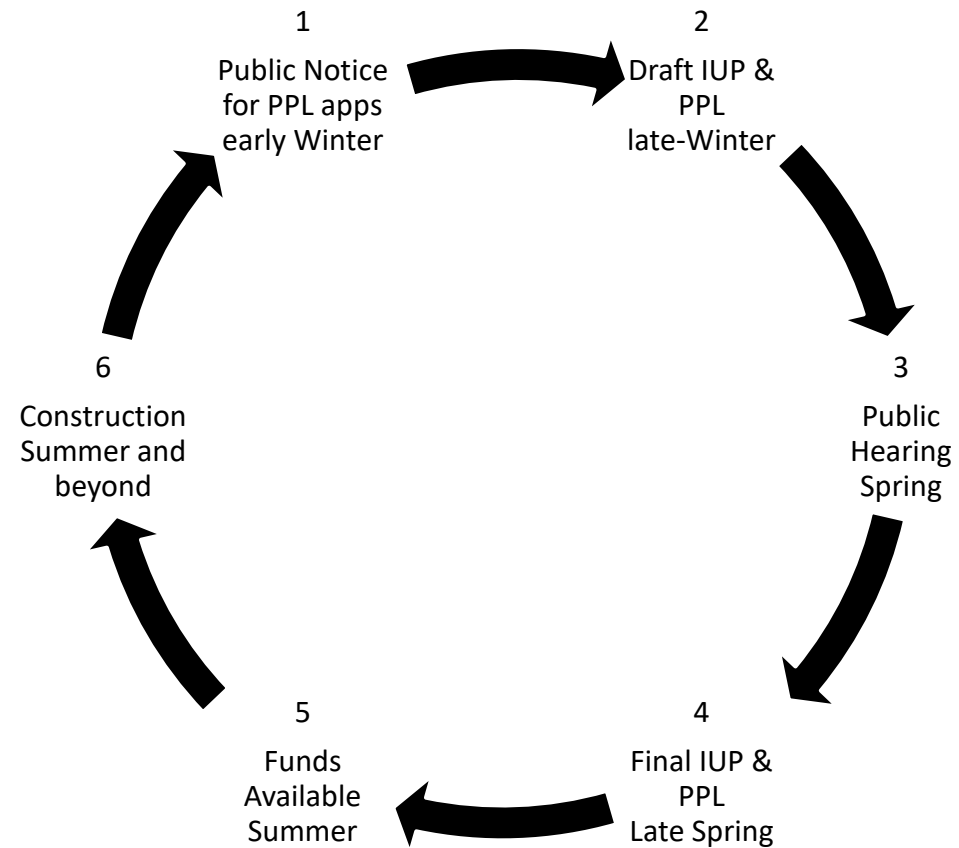
## Section 10 Clean Water

- ▶ Line 116 CWSRF 20% State Match.....\$332,981  
Balance needed to fully match FFY23 Base Grant
  
- ▶ Line 117 Municipal Pollution Control Grants.....\$10,000,000  
Requesting One-Time Non-Bonded \$s for the Capital Expenditure Cash Fund

# Vermont EPA CW & DW Revolving Funds



# SRF Funding Cycle



# Uses and Administration of the CWSRF

CWSRF (See also description on Page 57 of the Budget Proposal)

- ▶ Planning & Construction loans for Municipal Wastewater, Stormwater, Combined Sewer Overflows – includes plant refurbishment and treatment upgrades, collection system rehab
- ▶ Planning & Construction Loans for Private Clean Water Projects
- ▶ Can use up to 2% for Technical assistance and 4% for Loan Administration
- ▶ Program was authorized in 1987 and has continuously received annual federal grants since.
- ▶ Enabling state law is at 24 VSA Chapter 120
- ▶ Vermont Bond Bank and Vermont Economic Development Authority Underwrite CWSRF Loans

# CWSRF Loan Terms

- ▶ 30 Year max term and cannot exceed useful life of funded project
- ▶ Current municipal loan rate is 0% interest plus up to 2% admin fee
- ▶ Current private loan rate is 0% interest plus up to 2.75% admin fee
- ▶ Awaiting EPA Allotment, but if similar to prior year, expect subsidy of 10% minimum and 40% maximum for municipal recipients
- ▶ Two broad categories of subsidy – 10% unrestricted and 30% must go to systems that lack affordability ~ \$0.37M to \$1.48M
- ▶ Affordability based on community median household income, user rate, unemployment, population trend, and unforeseen hardship

# CWSRF Base Grant and State Match

## Clean Water Federal SRF Base Grants and State Match Schedule (7/1/23 - 6/30/25)

Last Updated 2/7/2023

DEC - Eric Blatt, Water Investment Division

1	2	3	4	5	6
Annual Federal CWSRF Grants Award Schedule	Federal Grant	State Match Required 20%	State Match Previously Appropriated	Requested State Match Appropriation	
				FY24	FY25
Pollution Control Loan Funds (CWSRF)					
FFY23 EPA CWSRF Grant (available 10/1/22 - 9/30/24)	3,717,555	743,511	412,019	331,492	
FFY24 EPA CWSRF Grant (available 10/1/23 - 9/30/25)	7,780,000	1,556,000			See note below
Total CWSRF FFY23 - FFY24	11,497,555	2,299,511	412,019	331,492	
Estimated Bond Cost				1,489	
Appropriation Needed				332,981	

Note: The FFY24 Grant amount shown assumes no reduction due to Congressionally Directed Spending (CDS project earmarks) and funding level returns to recent historical level prior to CDS in FFY22. State match requirement is 20% and any future request is subject to the Clean Water Board review process.

# CWSRF: Projected Available Funds SFY24



**FFY23 FEDERAL BASE  
GRANT**



**FFY23 FEDERAL  
SUPPLEMENTAL  
GRANTS**



**STATE MATCH SFY23  
CW (Base and  
Supplemental via IIJA)**

Additional Sources:

Carry forward funds from SFY 23 IUP: \$TBD

Repayments during SFY 24: Approximately \$10M



# Anticipated State FY24 Municipal Pollution Control Grants

- ▶ \$10M for qualifying projects on the SFY24 Project Priority List (PPL)
- ▶ Grants range from 10% to 35% of eligible cost for projects that qualify
- ▶ Applications for inclusion on the SFY24 PPL due by 3/1/2023
- ▶ Expect some projects on SFY23 PPL that qualify for grants and did not proceed to reapply for the SFY24 PPL
- ▶ Total grant need on the SFY23 PPL exceeds available funds
- ▶ <https://anrweb.vt.gov/DEC/IronPIG/DownloadFile.aspx?DID=196693&DVID=0> (Refer to Page 45 of the IUP for the SFY PPL)

Questions?

