



Presentation to the  
House Committee on  
Corrections & Institutions

Private Loans for Clean Water Projects  
*Thursday, February 23, 2023*

Jared Carpenter  
Lake Champlain  
Committee



## **Current Statutory Language From Act 185 (2018)**

### **An act relating to the Clean Water State Revolving Loan Fund**

#### **Sec. 12. SUSPENSION OF PRIVATE LOANS FOR CLEAN WATER PROJECTS**

(a) Neither the Vermont Economic Development Authority (VEDA) nor the Secretary of Natural Resources shall accept, review, or act on any applications for loans to private entities under 24 V.S.A. chapter 120, subchapter 4 submitted after June 30, 2023. However, VEDA and the Secretary shall continue to review and act on initial applications submitted on or before June 30, 2023, as well as any amendments to timely initial applications.

(b) It is the intent of the General Assembly that the private loans under 24 V.S.A. chapter 120, subchapter 4, the expansion of 24 V.S.A. chapter 120 to provide funding for natural resources projects, and the sponsorship program defined at 24 V.S.A. § 4752(18) shall all be reviewed during the 2023 legislative session.

## Act 185 expanded the definition of Clean Water Projects eligible for the Clean Water State Revolving Loan Fund



24 VSA 4753(a)(1) The Vermont Environmental Protection Agency (EPA) Pollution Control Revolving Fund, which shall be used, consistent with federal law, to provide loans for planning and construction of clean water projects, including acquisitions of project-related easements, land, options to purchase land, and temporary or permanent rights-of-way, and for implementing related management programs.

24 VSA § 4752 (11) “Clean water project” means “water pollution abatement and control facilities,” as defined in 10 V.S.A. § 1571, and such equipment, conveyances, structural or nonstructural facilities, and natural resources projects that are needed for and appurtenant to the prevention, management, treatment, storage, or disposal of stormwater, sewage, or waste, or that provide water quality benefits, including a wastewater treatment facility, combined sewer separation facilities, an indirect discharge system, a wastewater system, flood resiliency work related to a structural facility, or a groundwater protection project.



## With this, Act 185 created the structure for the Water Infrastructure Sponsorship Program (WISPr)

WISPr provides for the pairing of a 'gray' infrastructure project, such as the upgrade of a wastewater facility, with a 'green' natural resources project, both with the goal of improving water quality.

A municipality undertaking the 'gray' project partners with a non-profit organization that will perform and maintain the 'green' project.

While the municipality is the sponsor of the green project as a portion of the loan from the CWSRF is used to finance the green project, the non-profit organization is responsible for the green project, including the continued maintenance for that green project after it is complete.

Eligible green projects have a water quality benefit,  
but many also have a climate-resiliency co-benefit



Eligible projects include:

- Wetland restoration
- Floodplain/stream restoration
- River corridor easements
- Woody buffer plantings
- Dam removal
- Lake shoreland restoration, erosion repair using Lake Wise principles
- Forest restoration
- Water resource protection through land acquisition or easements

*As established by U.S. Environmental Protection Agency CWSRF Guidance*



## Shift from ARPA to IIJA for Water Infrastructure Funding

The supplemental SRF funding provided by the federal Infrastructure Investment and Jobs Act (IIJA) will provide funding continued gray wastewater and drinking water projects, but also the opportunity for a large number of sponsored green projects.

In the FY22 and FY23 State Budgets, the Vermont Legislature provided a total of \$219 in federal American Rescue Plan Act (ARPA) funds for water infrastructure projects through 2024.

The supplemental SRF funding provided by the IIJA will fill the gap of the ARPA funds, providing for continued progress in addressing a backlog of water infrastructure projects.

## IIJA/BIL – Projected Funding Matrix

Note – these figures may deviate slightly from those noted in the accompanying position spreadsheet as they reflect best available estimates, based on allocation formulas established in Federal law (SRF) or communications for Federal granting agencies.

	Program Area	FFY 2022	FFY 2023	FFY 2024	FFY 2025	FFY 2026	Total
Water Infrastructure	Clean Water SRF-Supplemental	\$8,809,000	\$10,198,444	\$11,129,291	\$12,055,997	\$12,055,997	\$54,248,729
	CWSRF Supplemental State Match	\$880,900*	\$1,019,844	\$2,225,858	\$2,411,199	\$2,411,199	\$8,949,000
	Clean Water SRF Emerging Contaminants (no match)	\$462,000	\$1,040,000	\$1,040,000	\$1,040,000	\$1,040,000	\$4,622,000
	Drinking Water SRF-Supplemental	\$17,955,000	\$20,787,042	\$22,684,347	\$24,573,213	\$24,573,213	\$110,572,815
	DWSRF Supplemental State Match	\$1,795,500*	\$2,078,704	\$4,536,869	\$4,914,643	\$4,914,643	\$18,240,359
	Drinking Water SRF Lead Reduction (no match)	\$28,000,000	\$28,000,000	\$28,000,000	\$28,000,000	\$28,000,000	\$140,000,000
	Drinking Water SRF Emerging Contaminants (no match)	\$7,450,000	\$7,450,000	\$7,450,000	\$7,450,000	\$7,450,000	\$37,250,000
	EPA Lake Champlain Basin Program Chapter 120 (no match)**	\$9,361,106	\$9,000,000	9,000,000	TBD	TBD	\$27,361,106
	<b>Total for Federal for Water Infrastructure</b>						<b>\$374,054,650**</b>
Dam Safety	Dam Safety General Program Support – FEMA (no match)	\$100,000	\$320,000	\$320,000	\$320,000	\$320,000	\$1,380,000
	<b>Total for Dam Safety</b>						<b>\$1,340,000</b>
Waste Management	Brownfields Support Grants to DEC (no match)	\$1,339,000	\$1,339,000	\$1,339,000	\$1,339,000	\$1,339,000	\$6,695,000
	Superfund Support Grants to DEC (no match)	\$11,600,000	\$300,000	\$300,000	\$300,000	\$300,000	\$12,800,000
	<b>Total for Waste Management</b>						<b>\$ 15,300,000</b>

\*) Funds for the supplemental state match were appropriated in the Capital budget adjustment, Section 9, Act 180 of 2022.

\*\*) State match for LCBP awards is covered by complimentary investments from the Clean Water Fund that pay for clean water projects in the Lake Champlain Basin. “Hard” match is not required for this source.

\*\*\*) Not including State match

# Vermont Water Infrastructure Needs



Wastewater repairs / upgrades	\$490 mil
Drinking water repairs / upgrades	\$374 mil
Three-acre stormwater retrofit	\$260 mil
Privately-owned dams	\$170 mil
Stormwater-impaired waters	\$130 mil
Muni roads stormwater (MRGP)	\$130 mil
Village DW / WW systems and pretreatment	\$100 mil
State-owned dams	\$100 mil
CSO / SSO abatement	\$90 mil
MS4 Communities Stormwater	\$65 mil
Mobile Home Park water / wastewater	\$50 mil
Lead service line abatement	\$45 mil
<b>Total</b>	<b>\$2.004 bil</b>

*Based on testimony by DEC Commissioner Peter Walke before the Senate Natural Resources & Energy Committee on May, 5, 2021, and by ANR Secretary Julie Moore before House Appropriations Committee on December 16, 2021.*





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## Proposed Language Change

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Thank you very much.  
Lake Champlain Committee  
[www.lakechamplaincommittee.org](http://www.lakechamplaincommittee.org)

Any further questions:  
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*Photo: Lindsey Carlson, Lake Champlain Committee*