



Vermont Clean Water Funds and Funding

March 14, 2024

Julie Moore, ANR Secretary

Water Quality in Vermont



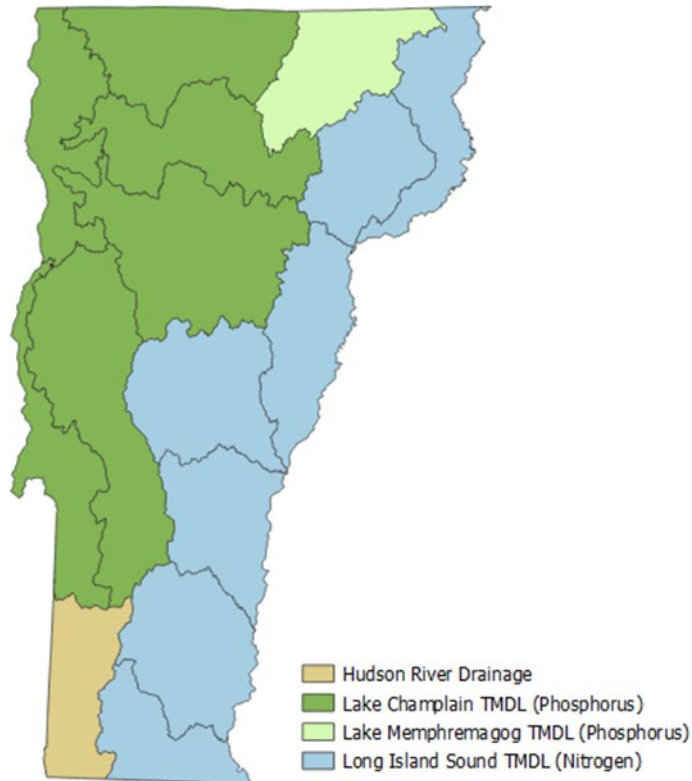
Vermont's waterways vary in quality

- Many waters are of **exceptional quality** and require **protection**
- Some waters suffer from **excess pollution** and require **restoration**
 - Excess nutrient and sediment pollution can create imbalances that impact water quality, including cyanobacteria blooms

Water Quality Concerns Are Not Unique to Vermont

- Nutrient problems exist in many freshwater lakes
 - EPA's 2017 National Lakes Assessment found that 20% of the nation's lakes had high levels of phosphorus or nitrogen.
 - Notable examples include:
 - Lake Pepin, MN
 - Lake Erie
- How does Vermont's response to compare to others?
 - We are taking good, important, meaningful steps
 - Regulatory programs that exceed federal minimums for stormwater and agriculture
 - Committed resources (i.e., Clean Water Fund)

Vermont TMDLs



- Clean water restoration plans — Total Maximum Daily Loads (TMDLs) — identify pollutant reductions required for an impaired waterbody to meet Vermont’s water quality standards
- Vermont has ~29 TMDLs as of December 2023, ranging in pollutant (stormwater, sediment, phosphorus, nitrogen, bacteria, etc.) and receiving water body (streams, lakes, etc.)
 - <https://dec.vermont.gov/watershed/map/tmdl>
- Act 64 (2015) and EPA programmatic oversight are driving factors in the structure of Vermont’s clean water regulatory and financial framework

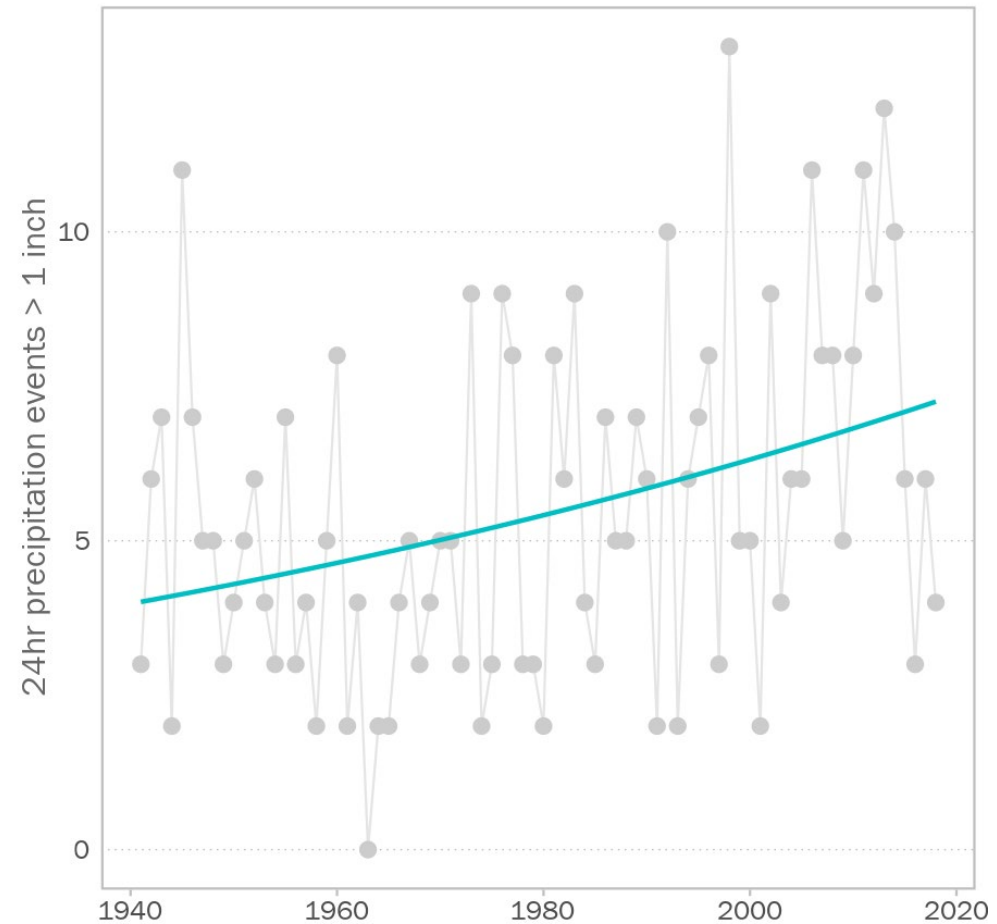
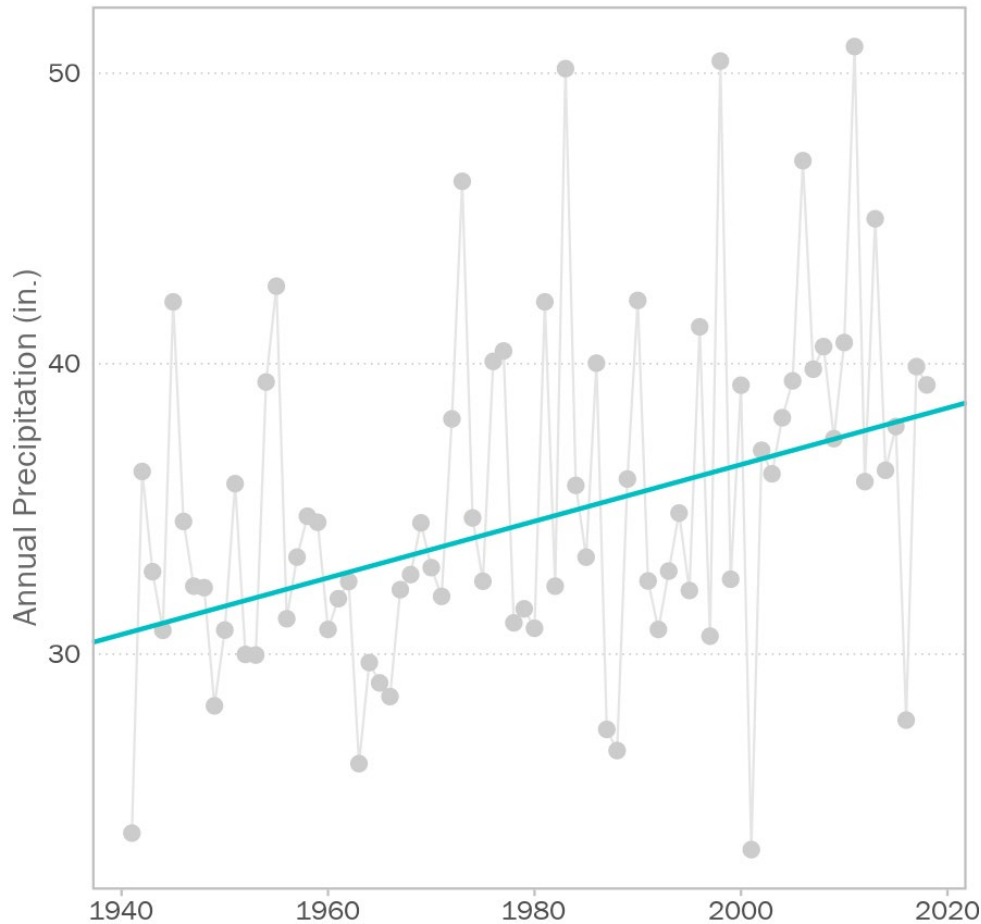
What is Driving Surface Water Pollution in Vermont?

- Sewer overflows?
- Agricultural runoff?
- New construction?

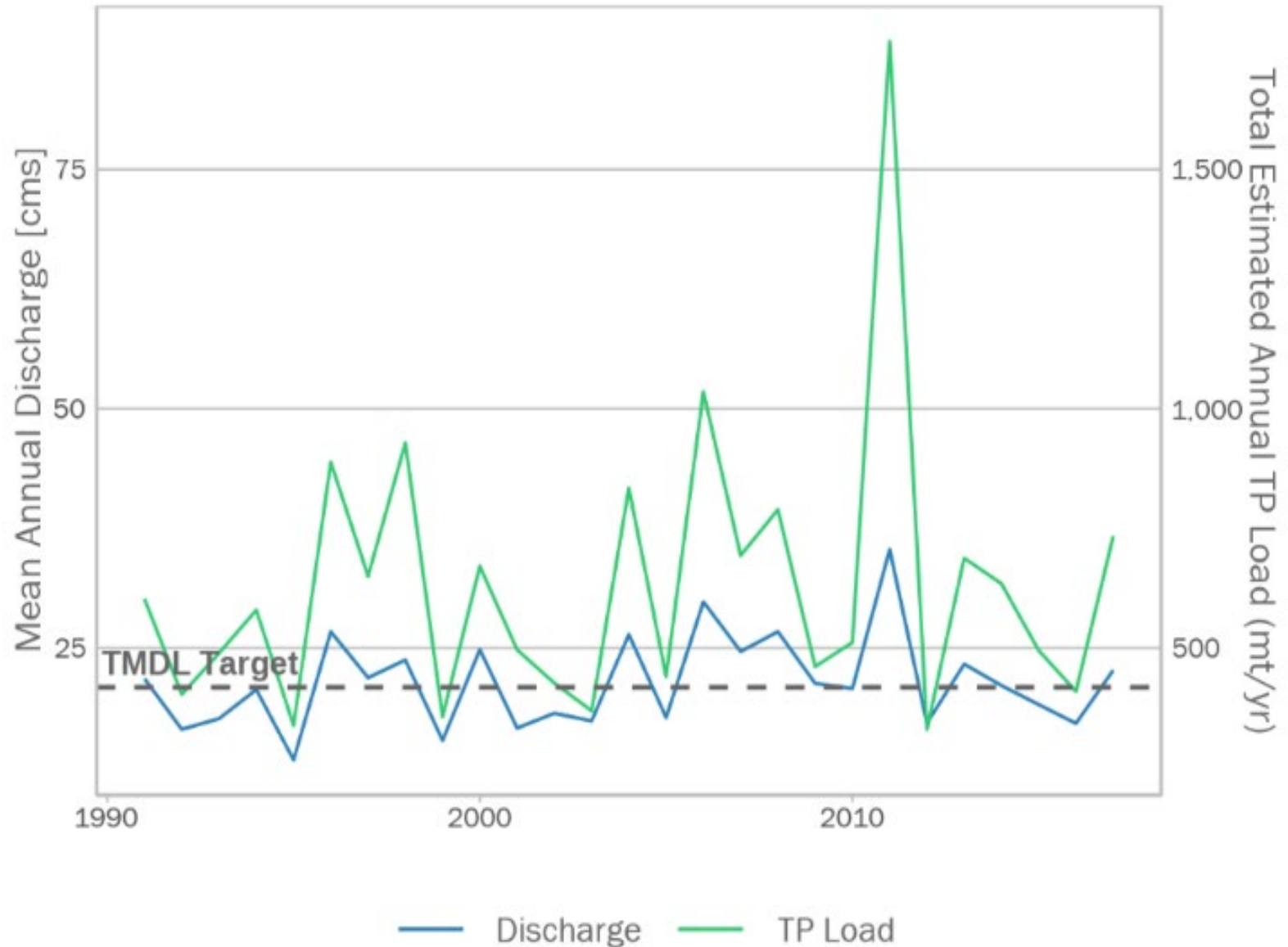
- WEATHER!
 - More rain = more pollution reaching our waterbodies
 - Weather is noisy, so can be hard to detect trends

What is Driving Surface Water Pollution in Vermont?

Significant increases in frequency of intense storms and total annual precipitation.



What is Driving Surface Water Pollution in Vermont?



What Needs to Happen?

- Significant reduction in nutrient loading
 - Lake Champlain = 34%
 - Lake Memphremagog = 29%
 - Connecticut River/Long Island Sound = 50%+
- For perspective...
 - Chesapeake Bay = 24%
 - Gulf of Mexico = 20%
 - Lake Erie = 40%

Leading up to Vermont's Clean Water Act (Act 64 of 2015)

2002

- EPA approved a Lake Champlain TMDL for Vermont

2008

- Conservation Law Foundation challenged the EPA's approval of Vermont's 2002 Lake Champlain TMDL

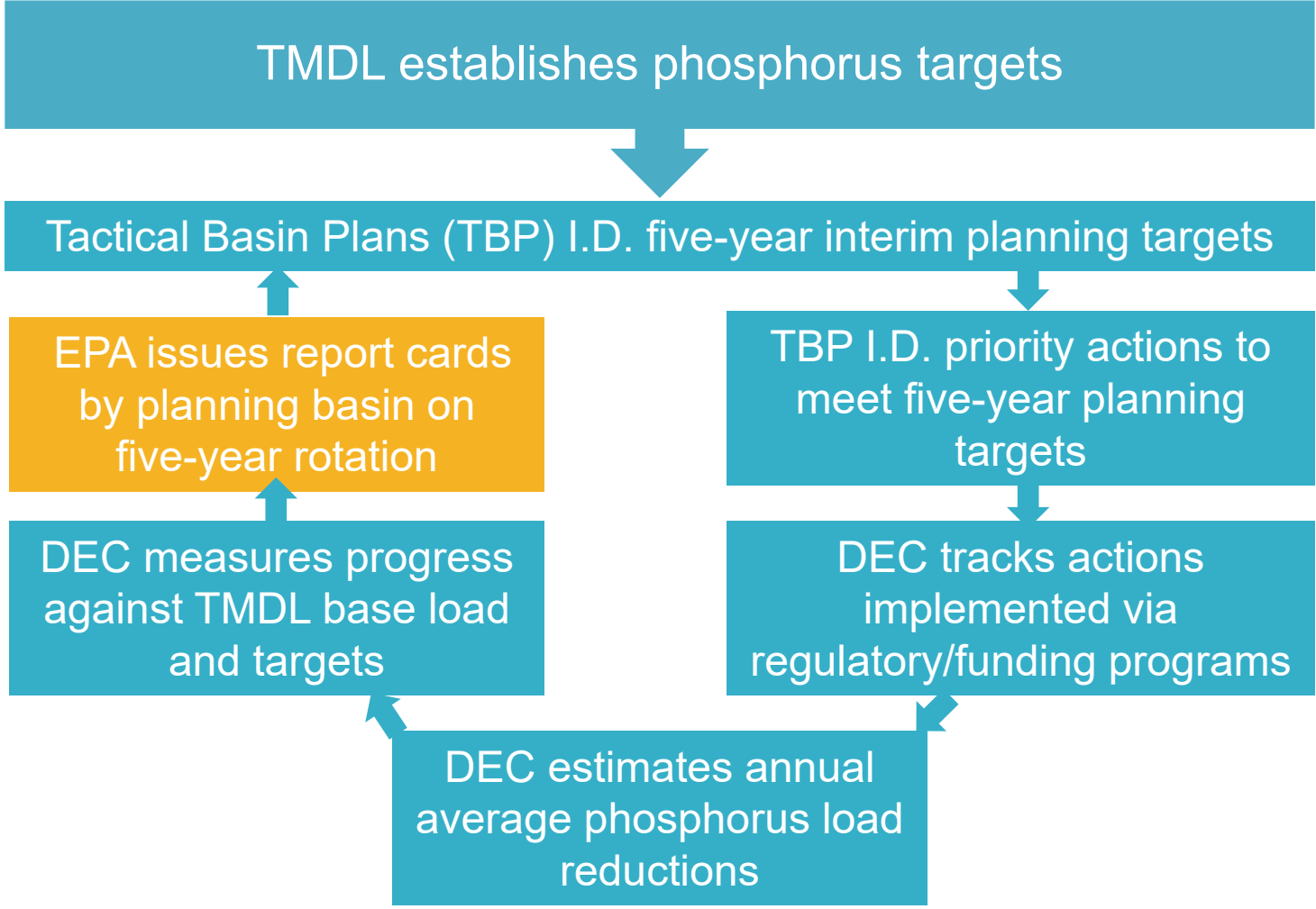
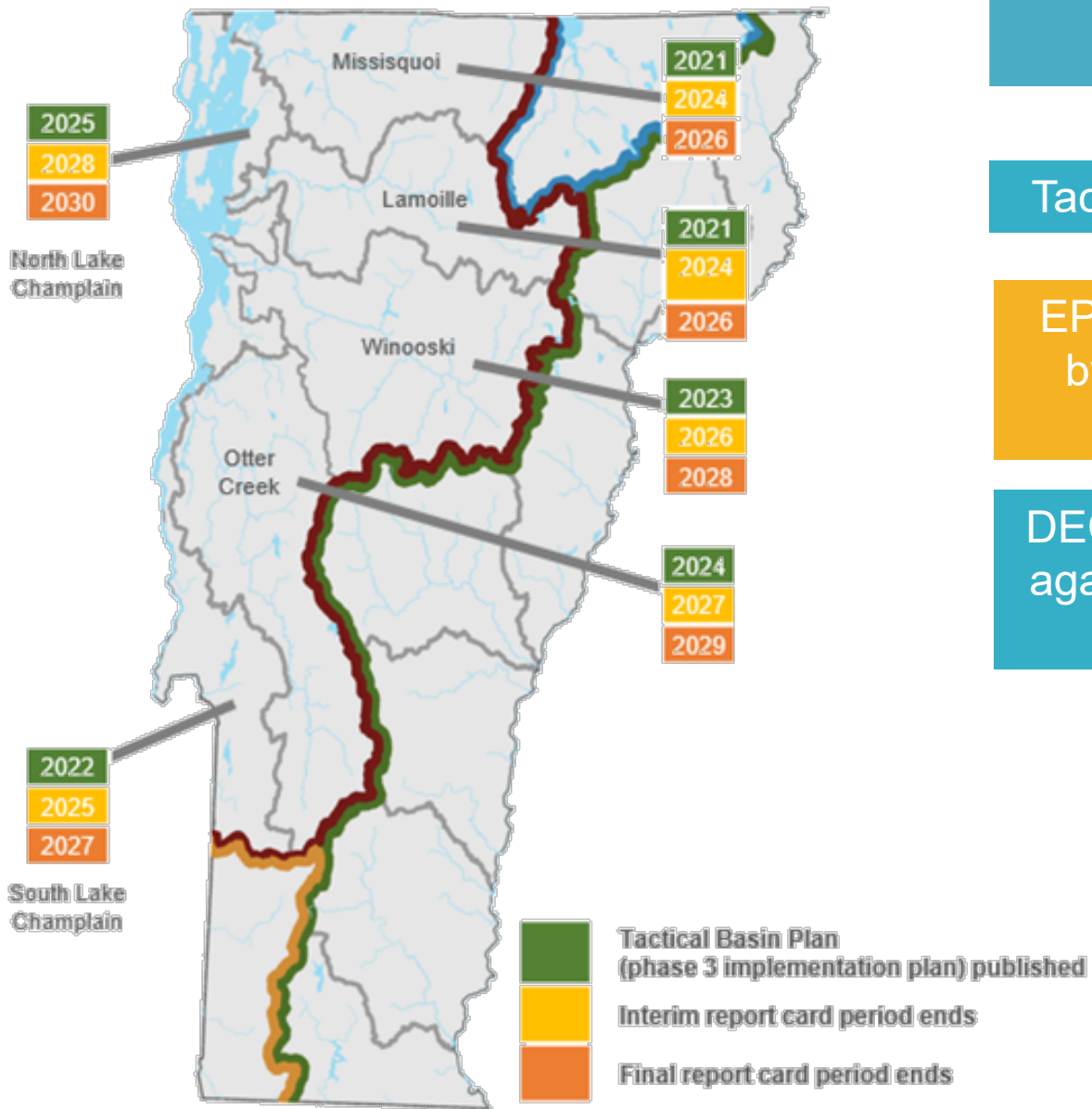
2011

- Upon re-review EPA disapproved the 2002 TMDL citing a few reasons one of which was the lack of "reasonable assurances." **Reasonable assurances would need to include policy levers and funding** to address non-point source pollution
- EPA led the re-write of the Lake Champlain TMDL, finalized in 2016

2013-
2016

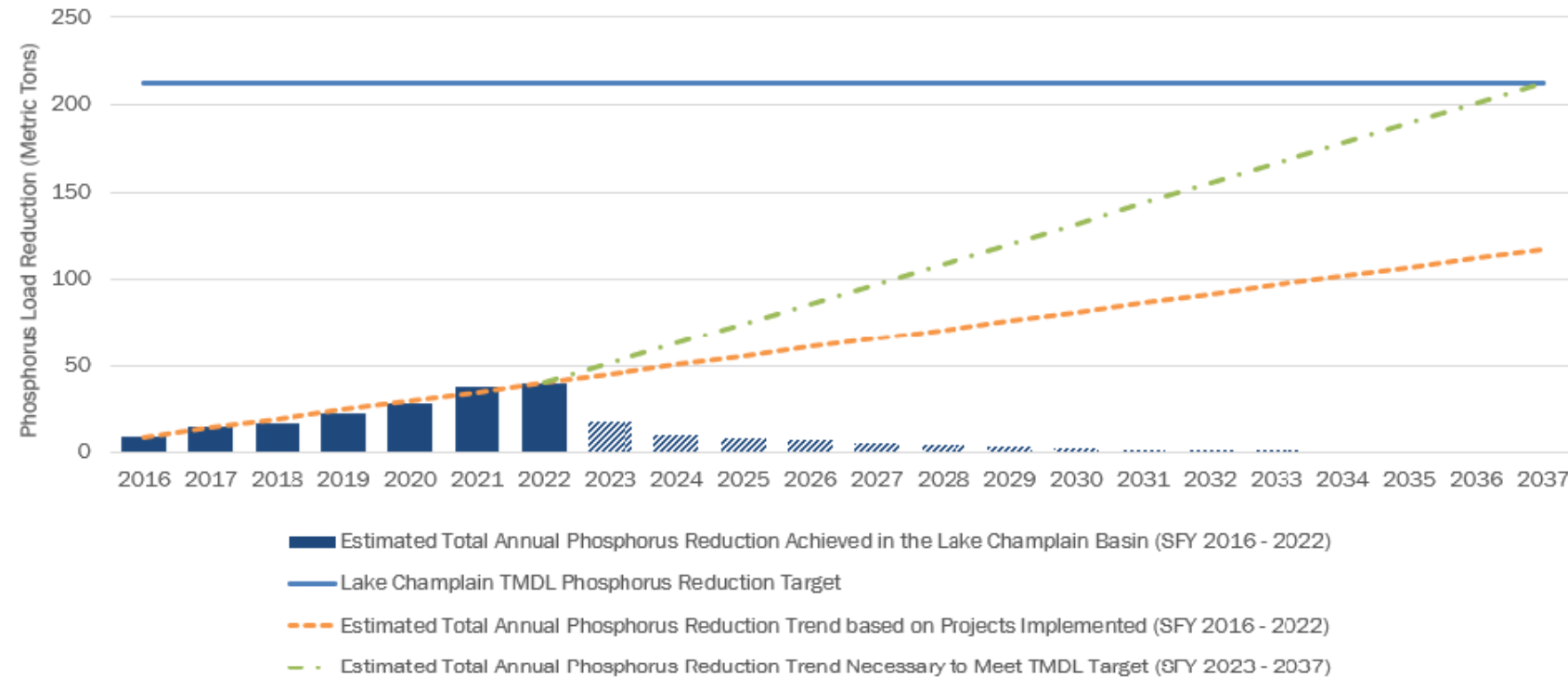
- ANR worked to update the TMDL Phase 1 implementation plan to address programmatic milestones/commitments to implement the TMDL and provide reasonable assurances
 - Plan development included significant public involvement
- Act 64 codified the implementation plan into law

Lake Champlain TMDL Accountability Framework



Lake Champlain TMDL Progress and Projections

Lake Champlain TMDL Progress Projection



The gap between these lines indicates the need to increase clean water project implementation rates to stay on pace with regulatory requirements.

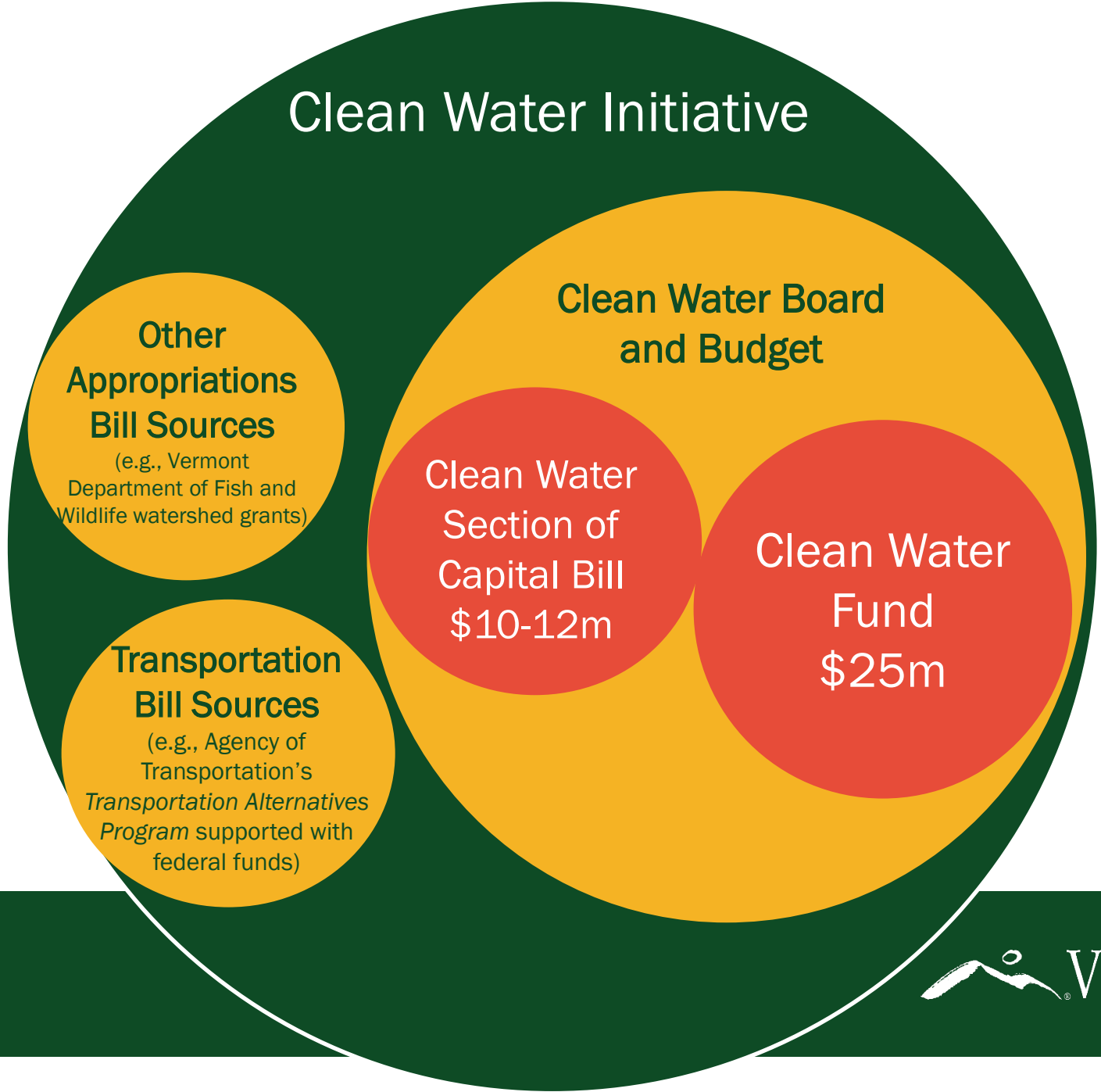
Data as presented in the Vermont Clean Water Initiative 2022 Performance Report.

implementation tables for the South Lake Champlain TBP, the current pace of phosphorus reductions needs to increase to meet TMDL reductions by 2037. Thus, we urge DEC to ensure that the pace of reductions will accelerate as envisioned. We understand that the state transitioned a significant portion of its TMDL implementation efforts to a service provider model that provides block grants to support implementation in each basin. It will be important in the coming year to learn if this model begins yielding strong results, and if together with the state's expanded regulatory, financial, and technical assistance programs it accelerates phosphorus reductions. EPA looks forward to working with DEC in the coming year to keep apprised of progress by the service providers.

EPA continues to track the amount of funding dedicated to support implementation of the 2016 Lake Champlain TMDL. In State Fiscal Year (SFY) 2021, EPA observed a drop in funding available for clean water activities largely due to the impact of COVID-19 and its effects on the economy. Funding increased in SFY 2022, though only by a modest \$1.4 million. The 2022 Performance Report outlines the additional federal funding received through ARPA, the Infrastructure Investment and Jobs Act and increased Clean Water Fund revenue that may drive program expansion in 2023. As EPA has expressed previously, continued funding support will be critical to achieving the reductions still required to meet the TMDL.

Excerpt from EPA's Lake Champlain TMDL Implementation Interim Report Card for the Otter Creek, Little Otter Creek, and Lewis Creek (Basin 3) and Final Report Card for South Lake Champlain (Basins 2 and 4) (April 2023)

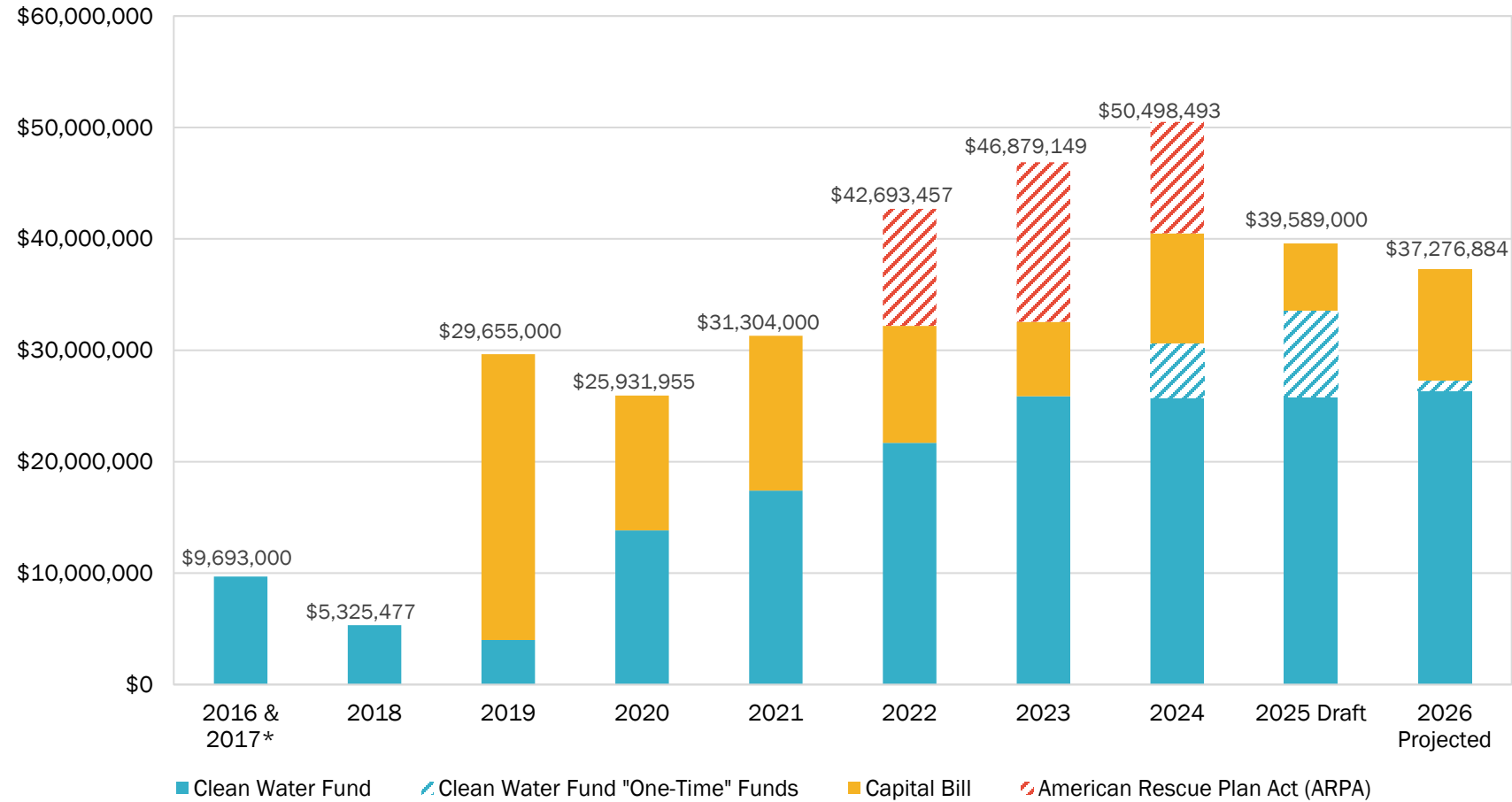
**State
commitment to
fund the Clean
Water Initiative
at \$50-60
million per year**



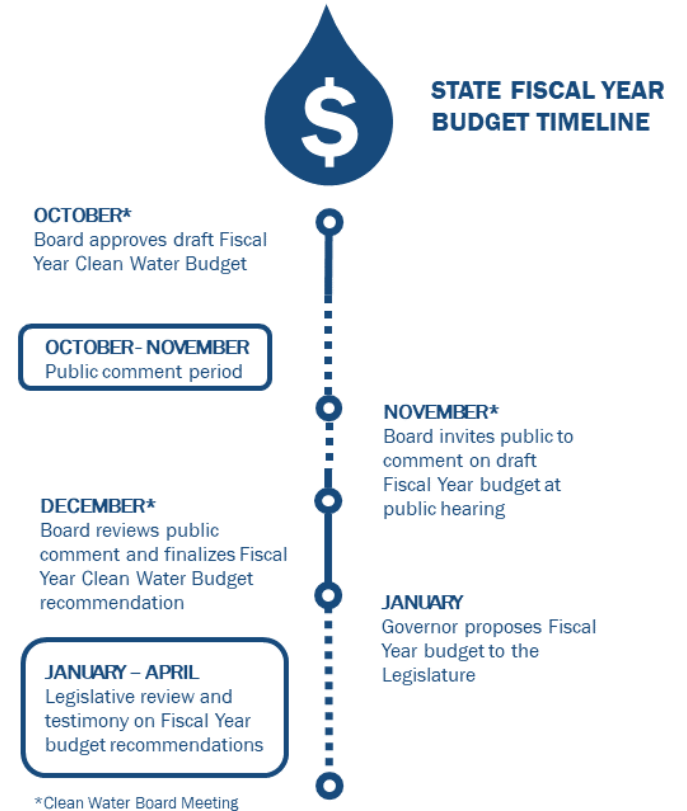
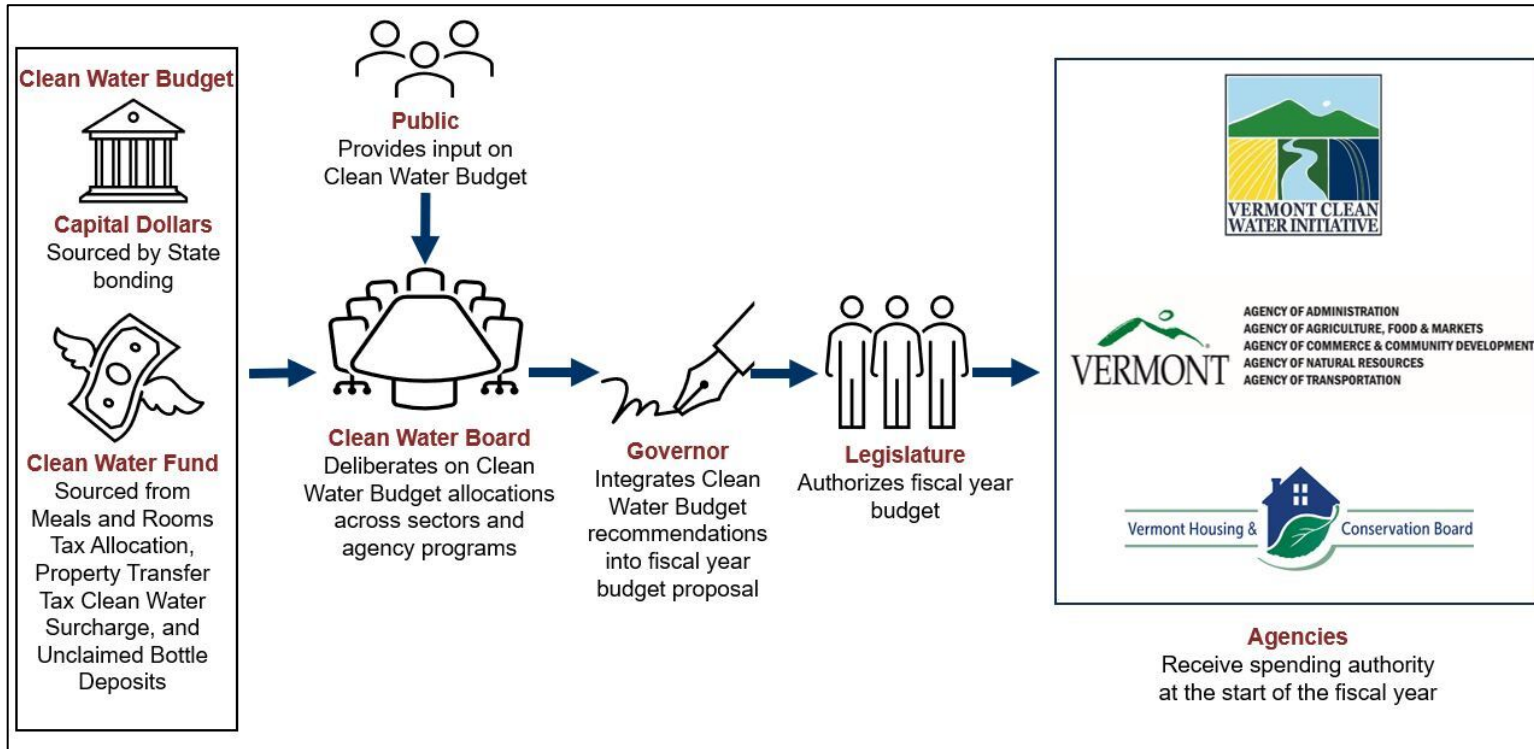
Clean Water Budget

- Includes all dollars and expenses recommended by the Clean Water Board on an annual basis
- 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](#))

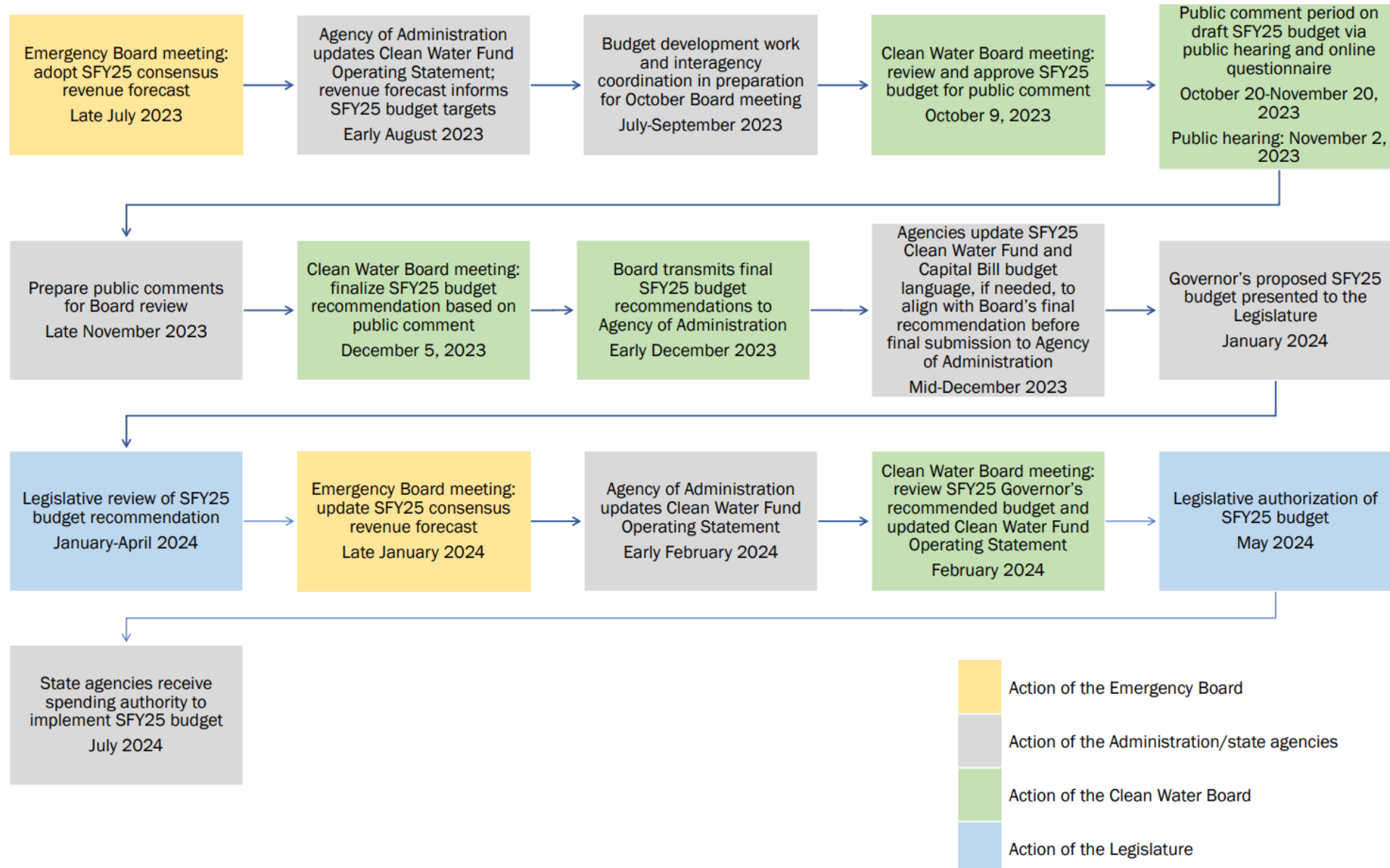
Clean Water Budget Allocations by Funding Source & State Fiscal Year



Clean Water Budget Process and Timing



SFY25 Clean Water Budget Process



Clean Water Budget Organized Into Priority Tiers (10 V.S.A. § 1389)

No.	Agency	Activity	SFY25 BASE FUNDS				SFY25 Compared to SFY24 Base Funds	SFY25 ONE-TIME FUNDS			SFY25 Compared to SFY24 One-Time Funds	Total SFY25 (Base + One-Time)	SFY25 Total Compared to SFY24 Total
			Clean Water Fund	Capital Bill (SFY25 Capital Budget Target = \$6m) ¹	Filling the \$4m Base Gap from SFY25 Capital Bill with Clean Water Fund Unallocated/Unreserved	Subtotal Base Funds		Clean Water Fund Prior Year Unallocated/Unreserved	American Rescue Plan Act (ARPA) ²	Subtotal One-Time Funds			
Clean Water Budget Statutory Priority Tier 1 (Items of Equal Priority)													
1.1	ANR-DEC (CWIP)	Water Quality Restoration Formula Grants to Clean Water Service Providers & O&M	7,210,000			7,210,000	-	1,150,000		1,150,000	-	8,360,000	-
1.2	ANR-DEC (CWIP)	Basin Planning, Basin Water Quality Council Participation, Education, and Outreach	750,000			750,000	100,000				-	750,000	100,000
1.3	Water Quality Enhancement Grants												
1.31	ANR-DEC (CWIP)	Statewide Non-regulatory Clean Water Projects	5,000,000			5,000,000	-				-	5,000,000	-
1.32	VHCB	Land Conservation and Water Quality Projects			2,000,000	2,000,000	-				-	2,000,000	-
1.4	AAFM	Water Quality Grants to Partners and Farmers	6,696,887	550,000	1,200,000	8,446,887	426,238	213,113		213,113	(2,786,837)	8,660,000	(2,360,649)
1.5	Agency and Partner Operating Support												
1.51	AAFM	Program Support	900,000			900,000	33,750				-	900,000	33,750
1.52	ANR-DEC (CWIP)	Program and Partner Support	930,000			930,000	(23,750)	700,000		700,000	296,750	1,630,000	275,000
Tier 1 SUBTOTAL			21,486,887	550,000	3,200,000	25,236,887	536,238	2,063,113	-	2,063,113	(2,488,137)	27,300,000	(1,961,899)
Tier 1 % of Total			83%	9%	80%	71%		54%		54%		69%	
Clean Water Budget Statutory Priority Tier 2 (Items of Equal Priority)													
2.1	Outreach and implementation of Forestry Acceptable Management Practices for Maintaining Water Quality												
2.11	ANR-FPR	Forestry Water Quality Practices and Portable Skidder Bridges	144,000			144,000	387				-	144,000	387
2.12	ANR-FPR	Implement BMPs at State Forests, Parks, and Recreational Access Roads		550,000		550,000	-				-	550,000	-
2.2	Municipal Stormwater Implementation												
2.21	VTrans	Municipal Roads Grants-In-Aid (MRGP)	3,000,000			3,000,000	-				-	3,000,000	-
2.22	VTrans	Municipal Better Roads (MRGP)	1,000,000			1,000,000	-	1,000,000		1,000,000	1,000,000	2,000,000	1,000,000
2.23	VTrans	Missisquoi Bay Federal Earmark (Non-Federal Match) ³					-				(1,000,000)	-	(1,000,000)
2.24	ANR-DEC (CWIP)	Municipal Three-Acre General Permit and MS4 ⁴					(1,000,000)				(7,000,000)	-	(8,000,000)
2.3	VHCB	Water Quality Farm Improvement and Retirement Projects			800,000	800,000	-				-	800,000	-
2.4	ANR-DEC (CWIP)	Innovative or Alternative Technologies or Practices to Improve Water Quality					-	750,000		750,000	550,000	750,000	550,000
Tier 2 SUBTOTAL			4,144,000	550,000	800,000	5,494,000	(999,613)	1,750,000	-	1,750,000	(6,450,000)	7,244,000	(7,449,613)
Tier 2 % of Total			16%	9%	20%	15%		46%		46%		18%	
Clean Water Budget Statutory Priority Tier 3													
3.1	ANR-DEC (WIFP)	Developed Lands Implementation Grants ⁵					-				-	-	-
Tier 3 SUBTOTAL			-	-	-	-	-	-	-	-	-	-	-
Tier 3 % of Total			0%	0%	0%	0%		0%		0%		0%	
Clean Water Budget Other Priorities													
4.1	ANR-DEC (Lakes)	Lakes in Crisis Fund	120,000			120,000					-	120,000	-
4.2	AoA	Stormwater Utility Payments (\$25K each)	25,000			25,000	25,000				(100,000)	25,000	(75,000)
4.3	ACCD	Better Connections and Downtown Transportation Fund					-				-	-	-
Capital Bill Priorities													
4.4	ANR-DEC (WIFP)	State Match to Clean Water State Revolving Fund (CWSRF) Federal Grant ⁶		1,600,000		1,600,000	1,267,019				-	1,600,000	1,267,019
4.5	ANR-DEC (WIFP)	Municipal Pollution Control Grants		3,300,000		3,300,000	(700,000)				-	3,300,000	(700,000)
Other SUBTOTAL			145,000	4,900,000	-	5,045,000	592,019	-	-	-	(100,000)	5,045,000	492,019
Other % of Total			0.6%	82%	0%	14%		0%		0%		13%	
Total Proposed for Appropriation⁷			25,775,887	6,000,000	4,000,000	35,775,887	128,644	3,813,113	-	3,813,113	(9,038,137)	39,589,000	(8,909,493)
Anticipated SFY25 Revenue/Sources			25,495,887	6,000,000		31,495,887					-	31,495,887	
Estimated Unallocated/Unreserved Clean Water Fund Revenue			280,000		4,000,000	4,280,000		4,161,669		4,161,669		8,441,669	
Anticipated Total Available⁸			25,775,887	6,000,000	4,000,000	35,775,887	-	4,161,669	-	4,161,669	-	39,937,556	-
Balance=Total Available-Total Requested			-	-	-	-		348,556		348,556		348,556	

Priority Tier 1

Priority Tier 2

Priority Tier 3

Other Priorities Tier

Vermont's Clean Water Initiative Performance Report

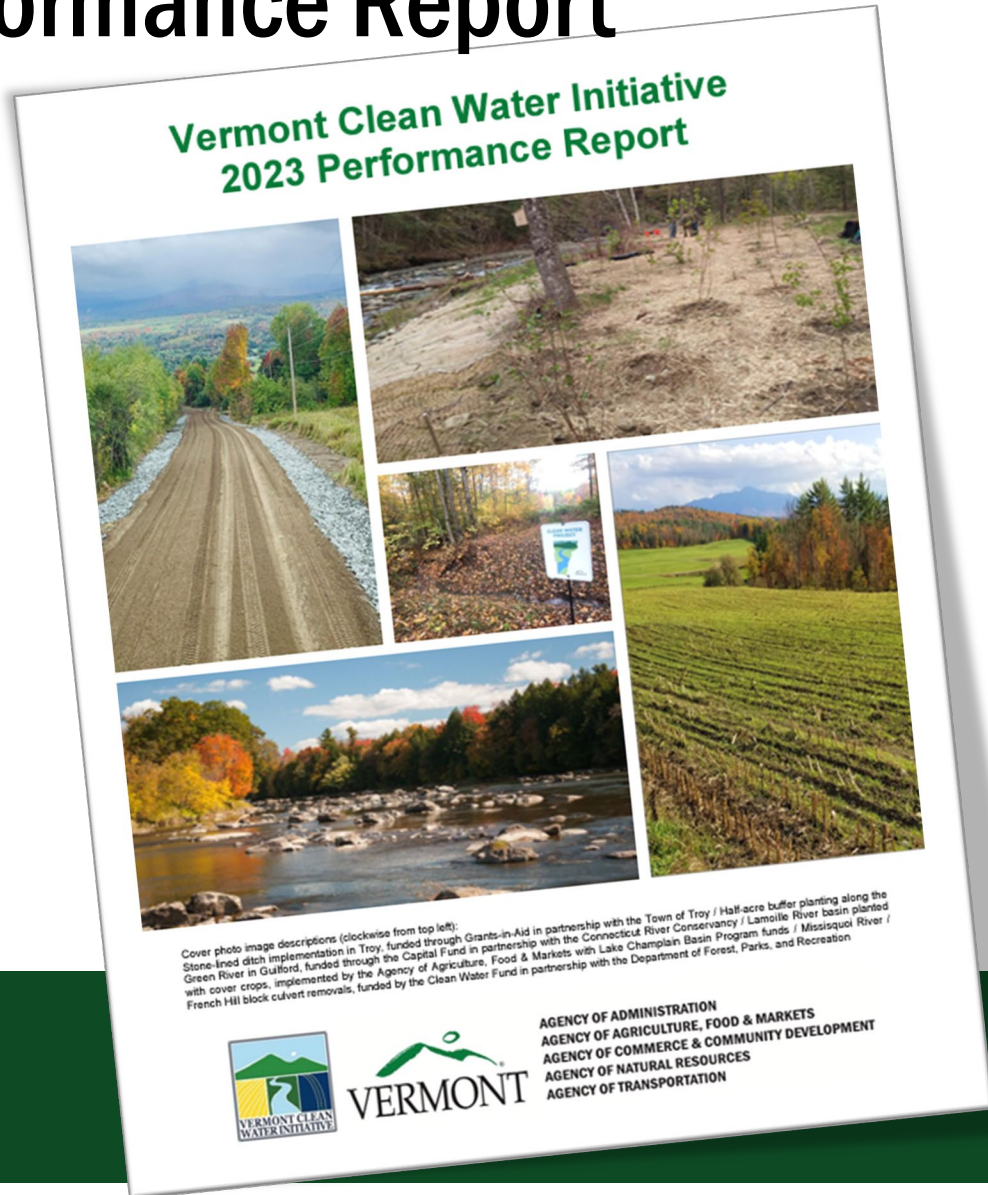


Table 2: State of Vermont funding programs reported by state agencies and affiliates.

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