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November 9, 2015

FUND ALLOCATION PRIORITIES FOR CLEAN WATER FUND BOARD

Purpose: As directed by Act 64, the Vermont Clean Water Fund Board is to develop an annual revenue estimate and propose a budget for the Clean Water Fund.

Implementation Policies: The Clean Water Fund provides additional state funds above current allocation levels to complement, enhance and leverage existing resources. The use of the Fund is to maximize opportunities for the restoration and protection of Vermont's water ways by prioritizing and targeting resources. To maximize the effectiveness of this Fund, the Fund should strengthen and complement existing state assistance programs (e.g., grant and loan pass-through programs), wherever feasible.

Priorities: The Board shall make its recommendation based on the following priorities, as stated in Act 64 Sec. 37 (10 VSA §1389(e)) and further described in Table One:

- A. Address sources of water pollution in waters listed as impaired (33 U.S.C. §1313(d));
- B. Address sources of water pollution identified as significant contributors of water pollution;
- C. Restore riparian (lands adjacent to waterways) conditions to minimize the risk of flood damage;
- D. Support state and municipal compliance with road-related stormwater permit requirements;
- E. Provide education and outreach regarding the implementation of water quality requirements;
- F. Support Innovative or alternative technologies or practices to improve water quality;
- G. Purchase land in order to take land out of practice when State requirements cannot be remediated through Best Management Practices;
- H. Award or assist municipalities in compliance with water quality requirements during the first three years of the Clean Water Fund; and,
- I. After satisfying the above priorities, attempt to provide for equitable apportionment of awards to all regions of the State and for control of all point and nonpoint pollution sources in the State.

Priority	Description
A: Sources of water pollution in Impaired Waters	Restores surface water impairment through grants, contracts or loans, targeting sources of pollution that are contributing to the water quality impairment
B. Significant sources of water pollution	Promotes cost-effectiveness by targeting sources of pollution that are significant contributors to water quality degradation
C. Riparian buffer restoration	Purchases permanent conservation easements on lands adjacent to waterways (river corridors, wetlands, riparian areas) and establish minimum of 50-foot buffers with native vegetation
D. Compliance with road permit	Supports road-related stormwater runoff and erosion control practices that assist municipalities and VTrans in achieving compliance with the State road general permit requirements
E. Education, outreach	Provides technical and educational support to municipal officials and road crews, farmers, loggers, homeowners and others about sources of water pollution, cost-effective solutions to mitigate impacts and implementation support
F. Innovative technologies	Supports technologies that enhance BMP implementation to reduce water pollution from farms, municipalities' developed lands, logging areas and other sources
G. Land acquisition	Purchases land in order to take land out of practice when water quality remediation is not achievable
H. Municipal assistance	Aids municipalities in understanding critical sources of water pollution, identifying and implementing priority water pollution controls
I. Geographic equity	Adds to this set of priorities some consideration of location in the distribution of funds to support regional equity

#	Sector	Agency	Funding Program	Activities	Other Leveraged Funds	Priorities										State FY16	State FY17		
						A	B	C	D	E	F	G	H	I					
1	Agriculture	AAFM	On-Farm Implementation (Grants & Contracts)	Farm water quality capital improvements, matching USDA funds in Lake Champlain Basin (LCB) and supporting priority projects outside of the LCB; Farm agronomic practices (FAP) that exceed existing state and USDA funding resources	USDA match	X	X											\$600,000	
2	Agriculture	AAFM	Grants & Contracts	Incentives for farmers to implement phosphorus reduction practices above regulatory requirements; Technology or other infrastructure that facilitates nutrient management development, data management and record keeping on farms; Creation of a Research Farm to study water quality runoff impacts from farm management systems and conservation practices; Alternative phosphorus reduction strategies (e.g., grassed-based farms, phosphorus separation strategies); Support for farm acquisition in order to overlay a conservation easement to establish agricultural practices that reduce phosphorus loading	Potential for USDA match	X	X					X						\$225,000	\$925,000
3	Agriculture	AAFM	Operating	Increased on farm oversight to enforce regulatory requirements, ensure all statewide investments on agricultural operations are on compliant farms, and meeting legal requirements for water quality.		X	X											\$450,000	\$450,000
SUBTOTAL (FY16, FY17) = \$2,650,000													\$675,000	\$1,975,000					

for only 2 years

then need for bill

*45
363
BA*

*Ed short \$60M -
V. Oronoish Bank
RFP
RUP*

*Federal Resources
1. \$45M to NRCS target to Lake Champlain
2. RFP Partnership, USDA*

LCAP \$3M

\$35M

\$1.1M + 20M VT

#	Sector	Agency	Funding Program	Activities	Other Leveraged Funds	Priorities										State FY16	State FY17
						A	B	C	D	E	F	G	H	I			
4	All Sectors	ANR	Ecosystem Restoration Program, Grants & Contracts	Partner support for project implementation (partners include conservation districts, extension services, watershed groups, farmer coalitions), involving delivery of technical and implementation services for agricultural and municipal projects that are identified and prioritized in Tactical Basin Plans		X	X	X		X	X		X	X	\$100,000	\$885,000	
5	All Sectors	ANR	Ecosystem Restoration Program, Grants & Contracts	Improved water quality monitoring to track effectiveness of implementation using watershed associations and the LaRosa Partnership		X	X	X	X	X			X	X	--	\$200,000	
SUBTOTAL (FY16, FY17) = \$1,185,000															\$100,000	\$1,085,000	

#	Sector	Agency	Funding Program	Activities	Other Leveraged Funds	Priorities									State FY16	State FY17		
						A	B	C	D	E	F	G	H	I				
6	Agriculture	ANR	Ecosystem Restoration Program, Grants & Contracts	Agronomy & Conservation Assistance Program (ACAP) – contract to continue delivering agronomic technical and financial support of three agronomists in Lake Champlain Basin and BMP financial assistance in livestock exclusion <i>3 agronomists</i>	<i>ACAP (contractors)</i>	X	X	X		X							\$485,000	
7	Municipal Stormwater	ANR	Ecosystem Restoration Program, Grants & Contracts	Municipal stormwater project identification and prioritization methodology used in Tactical Basin Planning and TMDL implementation	<i>not state employees</i>	X	X		X	X			X	X			\$400,000	\$500,000
8	Municipal Stormwater	ANR	Ecosystem Restoration Program, Grants & Contracts	Project implementation to mitigate impacts from stormwater runoff being generated from municipalities' developed areas		X	X		X	X	X		X	X			\$400,000	\$840,000
9	Municipal Stormwater	ANR	Ecosystem Restoration Program, Grants & Contracts	Municipal Capital Equipment Assistance to assist municipalities in purchasing equipment that enhances local water quality-focused Best Management Practice implementation, such as hydroseeders, high efficiency vacuum street sweepers and vacuum (vactor) trucks	Local funds	X	X		X	X	X		X	X				\$395,000

addition to those from \$450 or part of B authorized.

#	Sector	Agency	Funding Program	Activities	Other Leveraged Funds	Priorities										State FY16	State FY17
						A	B	C	D	E	F	G	H	I			
10	Natural Resources	ANR	Ecosystem Restoration Program, Grants & Contracts	Flood resilience/Water Quality and Forest Health Projects, targeting the restoration of wetlands, river corridors, floodplains and riparian areas as well as forest health projects. Projects will focus on: (a) improvements in resilience and water quality; (b) restoration of unstable stream channels back to natural stability (referred to as equilibrium conditions); (c) portable skidder bridge rental program to reduce nonpoint source pollution associated with logging operations; (d) urban forestry water quality projects; and (e) trainings in compliance with logging practices that protect water quality	USDA	X	X	X		X		X		X	--	\$1,150,000	
11	Wastewater Treatment	ANR	FED State Revolving Fund Loan Program	Help leverage additional federal funds to provide some municipal assistance in compliance with TMDLs		X	X				X		X			\$500,000	
SUBTOTAL (FY16, FY17) = \$4,670,000															\$800,000	\$3,870,000	

A Handled vs. Constructed

Table 2: State Agency Recommendations – Agency of Commerce and Community Development																
#	Sector	Agency	Funding Program	Activities	Other Leveraged Funds	Priorities									State FY16	State FY17
						A	B	C	D	E	F	G	H	I		
12	Technical Support	ACCD	Vermont Center for Geographic Information	LiDAR Mapping of the State of Vermont, Next Phase, to support agriculture, stormwater, river, forest road mapping	Federal (USGS, SPR Program)	X	X	X		X	X				\$430,000	--
SUBTOTAL (FY16, FY17) = \$430,000															\$430,000	--

Table 2: State Agency Recommendations – Agency of Transportation																
#	Sector	Agency	Funding Program	Activities	Other Leveraged Funds	Priorities									State FY16	State FY17
						A	B	C	D	E	F	G	H	I		
13	Municipal Roads	VTrans	Municipal Mitigation Grant Program	Inventory, prioritization and implementation to address municipal gravel road-related stormwater mitigation projects, in compliance with state road general permit	Local funds	X	X		X	X	X		X	X	--	\$570,000
14	Municipal Roads	VTrans	Municipal Mitigation Grant Program	Inventory, prioritization and implementation to address municipalities' non-gravel road-related stormwater mitigation projects, in compliance with state road general permit, and including replacement of undersized culverts	Local funds	X	X			X	X		X		--	\$895,000
SUBTOTAL (FY16, FY17) = \$1,465,000															--	\$1,465,000

Table 2: State Agency Recommendations by Sector

Agency Summary	State FY16	State FY17	Total
Agriculture	\$675,000	\$2,460,000	\$3,135,000
Municipal (roads, stormwater)	\$800,000	\$3,200,000	\$4,000,000
Municipal Wastewater	--	\$500,000	\$500,000
Natural Resources	--	\$1,150,000	\$1,150,000
All Sectors – LiDAR Mapping	\$430,000	--	\$430,000
All Sectors – Partner Support	\$100,000	\$1,085,000	\$1,185,000
TOTAL	\$2,005,000	\$8,395,000	\$10,400,000

Table 2: State Agency Recommendations by Administering Agency

Agency Summary	State FY16	State FY17	Total
Agency of Agriculture	\$675,000	\$1,975,000	\$2,650,000
Agency of Natural Resources	\$900,000	\$4,955,000	\$5,855,000
Agency of Commerce and Community Development	\$430,000	--	\$430,000
Agency of Transportation	--	\$1,465,000	\$1,465,000
TOTAL	\$2,005,000	\$8,395,000	\$10,400,000