



CWSRF ELIGIBILITY EXPANSION

H.777 Clean Water State Revolving Fund (CWSRF)

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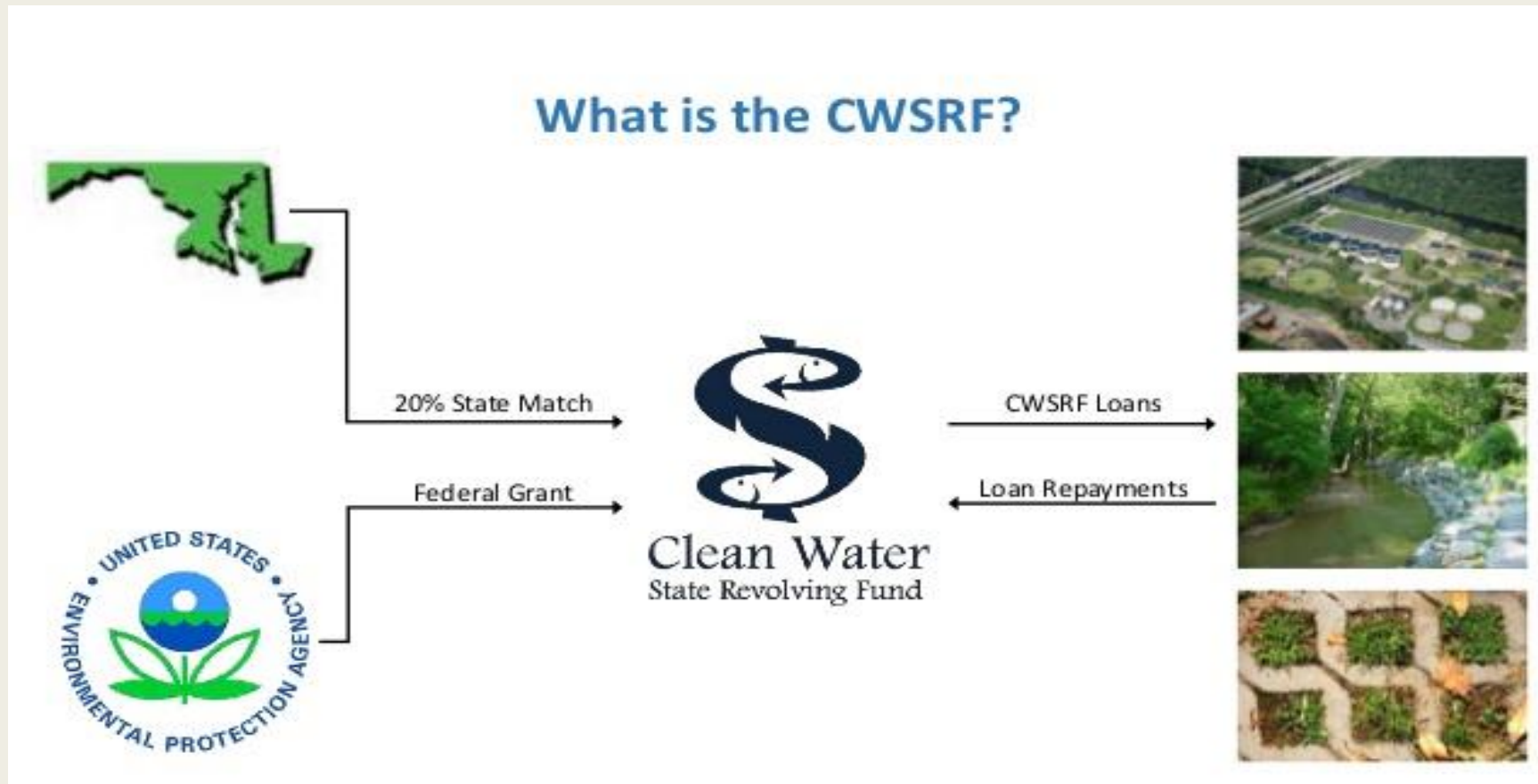
Vermont Department of Environmental Conservation

House Natural Resources Fish & Wildlife Committee

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How does CWSRF work?




Act 103 Priorities

- Compliance with Vermont Water Quality Standards or have a TMDL
- Project identified in a basin plan
- Project that address pollutant affecting public health or addressing emergencies
- Aging infrastructure
- Flood resiliency and sustainability (inc. energy efficiency)
- Cost effectiveness
- Supports designated center
- Affordability

How Projects are Prioritized Annually

- Every year, CWSRF solicits priority list applications. These apps are used to rank projects based on criteria set from Chapter 2 *Municipal Pollution Control Priority System* (eff. 12/1/2017)

Fundable Line 

Williston, Town of	Allen Brook Flow Restoration Plan Projects	42	Stormwater - Gray Infrastructure			
So. Burlington, City of	Bartlett Bay Wastewater Treatment Facility Refurbishment Project	42	CWT - Advanced Treatment	400,000		
Brandon, Town of	Park Street Infrastructure Improvements	42	CWT - Sewer System Rehabilitation			
Hinesburg, Town of	Wastewater treatment facility upgrade and expansion	39	CWT - Advanced Treatment	300,000		
Chester, Town of	Chester Stormwater System Development	38	Stormwater - Gray Infrastructure	20,000	70,000	920,000
Addison, Town of	Addison Community Wastewater System	34	NPS - Individual/Decentralized Sewage Treatment	61,298	56,974	498,000
Fair Haven, Town of	Wastewater Treatment Facility Refurbishment	34	CWT - Secondary Treatment	50,000	100,000	2,000,000
Hartford, Town of	South Main Street, Gates Stormwater Improvements	33	Stormwater - Gray Infrastructure	25,000	75,000	900,000

- A “fundable line” is established based on available funds
- This priority list is incorporated into the Intended Use Plan (IUP) that tells EPA how the program intends to spend the grant.
- The program works with projects to assess their readiness to proceed; if the fundable projects are progressing, they get bypassed for a project below the fundable line

H.777 Proposed Changes

- Expand eligibility to include natural resource project types
- Expand eligibility of Clean Water State Revolving Fund (CWSRF) to allow for direct lending to private entities for all project types
- Creation of a sponsorship program

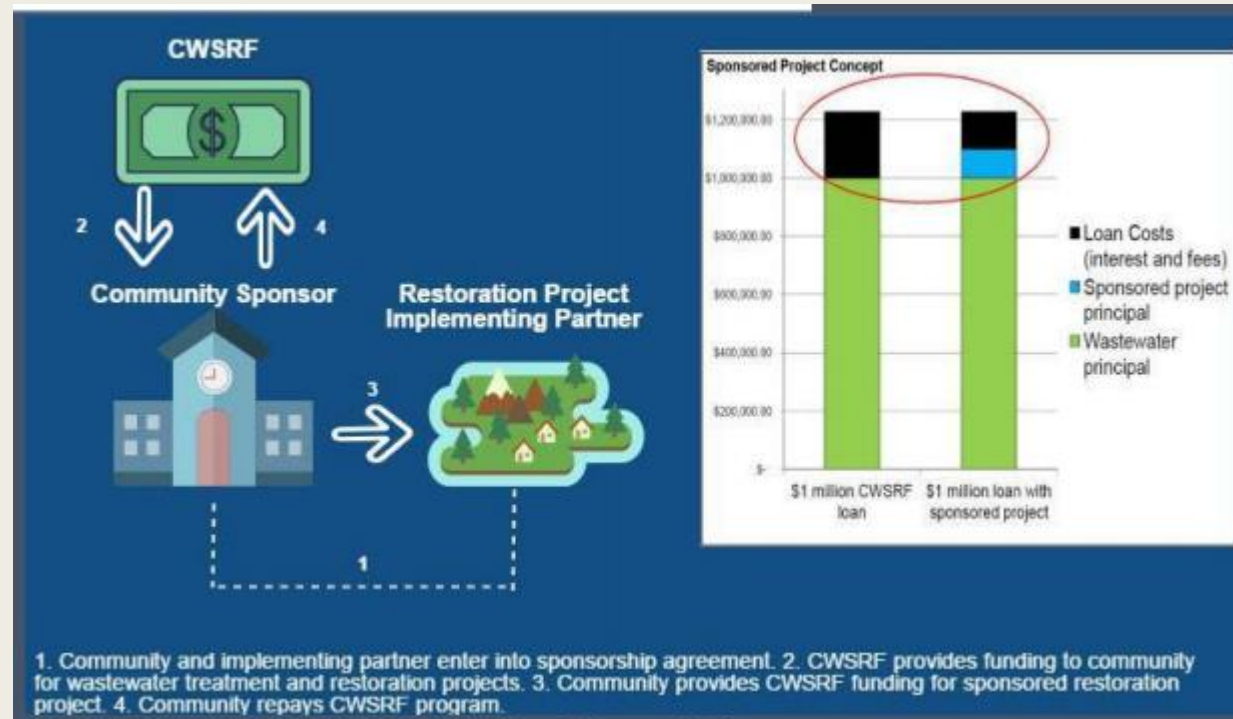
Proposals to expand utilization of CWSRF in Vermont...



What is sponsorship?

Enable Sponsorship

- Pairs a traditional treatment works project with a natural resource restoration project in exchange for an interest rate discount.



Why sponsorship?

This
Generates
Revenue



Why sponsorship?

This
Doesn't

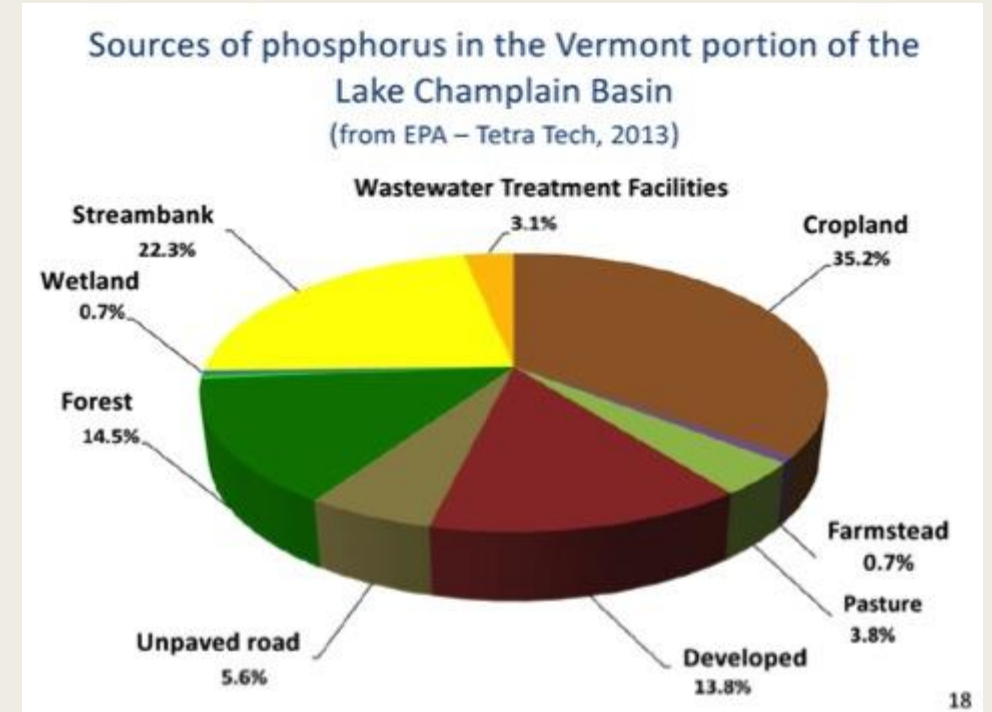


Challenge:



Why sponsorship?

- CWSRF is currently focusing on Waste Water Treatment Facilities (WWTF), small % of pollution in Lake Champlain.
- Encourages water restoration or protection projects
- Provides funding source to projects that otherwise wouldn't be pursued
- Encourages the concept of Public-Private Partnerships
- Provides water quality improvements needed by municipalities and preserves “additional subsidy”



What kinds of projects could sponsor?

Traditional project examples (the “sponsoring” project):

- *Collection system improvements*
- *Wastewater treatment facility upgrades*
- *Grey stormwater facilities*
- *Interceptor, force main or pump station projects*

Sponsored projects can be municipally owned and maintained or owned and maintained by a private non-profit such as the nature conservancy (public-private partnership)

What projects could be sponsored?

- Protection or restoration of streamside (riparian) areas and wetlands
- Acquiring riparian lands or wetlands
- Developing and acquiring conservation easements
- Restoration of floodplains and habitat improvements
- Improvement to nonpoint source polluted runoff
- Source water protection



Expand
Eligibility to
Natural
Resource
Projects

- Current statute restricts CWSRF eligibility to only “project related” nonpoint sources and green stormwater infrastructure
- These natural resource projects have no rate payers to generate revenue but are generally the best “bang for the buck” in terms of water quality improvement



Expand Eligibility to Private Entities

- Provide access to capital for upcoming costs related to 3 acre SW permit
- Charge the private entities an interest rate below market but higher than municipalities
- Generate extra fund income to supplement “lost” revenue for sponsorship
- Opens door to sponsorship with non-profits (The Nature Conservancy, Friends of Winooski, etc.)

Who are Private Entities?

- Mobile home parks
- Ski resorts
- Homeowner's associations
- Both for-profit and non-profit businesses (certain exclusions apply)

Prioritization of Sponsorship Projects

- Under the revised Environmental Protection Rules, Chapter 2 *Municipal Pollution Control Priority System* (eff. 12/1/2017), the two projects (sponsoring and sponsored) will be ranked together.
- For example, in the example of a \$1M sponsoring project and a \$100k sponsored project, they would submit a priority list application for both projects, for a total of \$1.1M. In this scenario, the main sponsoring project would likely receive additional prioritization due to water quality improvement elements.

Prioritization of Municipal Projects over Private Entity Projects

- Private projects will utilize the same criteria as municipal projects, but all municipal projects are prioritized over private projects.

Fundable
Line



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- The priority list will rank in this order: municipal projects highest to lowest, then private entity projects.

Prioritization of Municipal Projects over Private Entity Projects

- The CWSRF program will utilize a bypass criteria to determine which projects are ready to proceed to construction.
- Once all municipal projects have been bypassed, and if funding remains, private entities will receive notification of funds availability.
- Regardless of municipal request, H.777 restricts private loan activity to no more than 20% of available funds.
- Additional, H.777 requires a letter of municipal support for the private projects to ensure cohesive planning.

And the winners are....

- *Municipalities get “free” additional water quality projects and remain a priority for funding*
- *Private entities that have access to funding*
- *Stronger public-private partnerships*
- *CWSRF program increases utilization*
- *State of Vermont: Changes CWSRF focus from “clean up” (treatment) to prevention, which is cheaper*