

The background of the slide is a light gray gradient with several realistic water droplets of various sizes scattered across it. The droplets have highlights and shadows, giving them a three-dimensional appearance. The main title is centered in the upper half of the slide.

# CLEAN WATER FUNDING FOR MUNICIPALITIES THROUGH VTRANS

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MARCH 17, 2017

<b>New funding:</b>				
Revenue Source	FY2018	FY2019	Total	comment
FHWA - Transportation Alternatives (TA)	\$1,100,000	\$1,100,000	\$2,200,000	Eligible projects for FHWA TA Program (23 U.S.C. 133(h)) includes stormwater mitigation on municipal highways. VTrans receives \$2.2M annually in FHWA TA funds. Currently, \$1.1M of the funds are set aside for stormwater projects. This proposes to set aside the entire \$2.2M annually for municipal stormwater projects. The federal FAST Act makes this program viable through FFY2020, but there is little risk that the program will not continue in the next federal transportation authorization act. These funds are only eligible for highway related projects.
FHWA - Annual formula STPG diverted to Municipal Mitigation Assistance Program	\$5,242,342	\$5,242,342	\$10,484,684	Eligible projects for FHWA Surface Transportation Block Grant Program funds (STBG) includes stormwater mitigation on municipal highways (23 U.S.C. 133(b)(15)). VTrans receives \$58M annually in FHWA STBG funds. Currently, the entire \$58M of the funds are used on VTrans' highway projects. This proposes to set aside \$5.2M annually from STBG funds for municipal stormwater projects. The federal FAST Act makes this program viable through FFY2020, but there is little risk that the program will not continue in the next federal transportation authorization act. Although VTrans currently utilizes FHWA funds for municipal stormwater grants under authority established in federal statute, VTrans will propose amending 19 VSA Sec. 306 (i) to provide greater clarity. These funds are only eligible for highway related projects.
Transportation Funds increase for Municipal Mitigation Assistance Program	\$400,000	\$400,000	\$800,000	\$1.44M annually of Transportation funds are currently included in VTrans' Municipal Mitigation Assistance Program and Better Roads Program. This proposes to increase that amount by \$400K annually. For background, last year the Legislature increased local funding by \$400K to the TH Class 2 Roadway (paving) Program. Beginning FY2018, this \$400K will be redirected to municipal stormwater projects. VTrans will propose amending 19 VSA Sec. 306 (i) to provide greater clarity. These funds are only eligible for highway related projects.
	\$6,742,342	\$6,742,342	\$13,484,684	
<b>Existing funding:</b>				
State system	\$4,600,000	\$4,600,000	\$9,200,000	current estimated annual VTrans expenditure on state system (TF + federal)
Municipal Mitigation Assistance	\$1,000,000	\$1,000,000	\$2,000,000	Grants to municipalities (TF)
Better Roads Program	\$440,000	\$440,000	\$880,000	Grants to municipalities (TF)
Transportation Alternatives set aside	\$1,100,000	\$1,100,000	\$2,200,000	50% of TA program already dedicated to stormwater

### **FY18 Transportation budget H.494 clean water spending for Municipalities**

<b>Program</b>	<b>TFunds</b>	<b>Clean Water fund</b>	<b>Federal</b>	<b>Total</b>
Municipal Mitigation Assistance Program	1,640,000	1,100,000	5,442,342	8,182,342
Transportation Alternatives Program*			2,200,000	<u>2,200,000</u>
			Total towns	10,382,342

\*Grants to be awarded in FY18 with spending to follow as recipients develop projects. H.494 provides that all grants in FY18 and FY19 shall be limited to municipal stormwater projects

Adapted from document from Neil Schickner / JFO Mar 3, 2017

# FEDERAL FUNDING ELIGIBILITY

TRANSPORTATION ALTERNATIVES (TA) AND FLEXED FEDERAL \$ FOR TA ELIGIBLE PROJECTS.

- MUST HAVE A STRONG TRANSPORTATION LINK
- DOES NOT HAVE TO BE FOR A PROJECT ON A FEDERAL AID HIGHWAY
- MUST MEET CRITERIA OF:
  - ANY ENVIRONMENTAL MITIGATION ACTIVITY, INCLUDING POLLUTION PREVENTION AND POLLUTION ABATEMENT ACTIVITIES AND MITIGATION TO--
  - (I) ADDRESS STORMWATER MANAGEMENT, CONTROL, AND WATER POLLUTION PREVENTION OR ABATEMENT RELATED TO HIGHWAY CONSTRUCTION OR DUE TO HIGHWAY RUNOFF

# WHAT TYPES OF PROJECTS HAVE WE FUNDED WITH FEDERAL DOLLARS?

- UPSIZED CULVERTS
- STORMWATER INFILTRATION BASINS AND TRENCHES/ GRAVEL WETLANDS/ DETENTION PONDS
- MUNICIPAL SAND AND SALT SHEDS

# PROJECT CHALLENGES FOR TREATING STORMWATER

- MUNICIPALITIES NEED TO TREAT CO-MINGLED STORMWATER
- FEDERAL FUNDS CAN ONLY PARTICIPATE IN THE PORTION OF STORMWATER DIRECTLY FROM THE HIGHWAY SYSTEM
- FROM 2 PROJECT APPLICATIONS SUBMITTED THIS PAST YEAR, MUNICIPALITIES ESTIMATED THAT THE PERCENTAGE OF STORMWATER DIRECTLY FROM THE HIGHWAY SYSTEM IS 40 – 50% OF THE STORMWATER THEY WISH TO TREAT WITH ONE CONSTRUCTED PROJECT
- MUNICIPALITIES THEREFORE FACING FUNDING CHALLENGES TO COMPLETE PROJECT

# CAPITAL BILL PROPOSAL FOR CLEAN WATER

	FY18	FY19	Total
Governor's Proposed Capital Budget			
10.1.F. Clean Water Appropriation	\$ 10,497,664	\$ 11,217,664	\$ 21,715,328
Reallocation			
10.1.E. Municipal Pollution Control Grants			
Continuation of prior year partially funded projects	\$ 2,947,384		
New projects	2,830,232		
Move baseline spending from FY19 to FY18	(586,482)		
10.1.C. Ecosystem Restoration Program	2,000,000		
VTrans Municipal Mitigation Program	1,000,000		
13.1 Agriculture: Best Management Practices and CREP	1,650,000		
Agriculture: Water Quality Grants & Contracts	600,000		
Clean Water Fund FY19		11,274,194	
	\$ 10,441,134	11,274,194	\$ 21,715,328

Source – March 14, 2017 Memorandum from DEC Senior Counsel for Governmental Affairs, Rebecca Ellis, to House Corrections & Institutions Committee

# WHAT WILL EXTRA PROPOSED ALLOCATION FUND?

THIS WILL ALLOW MUNICIPALITIES TO USE A COMBINATION OF CAPITAL BILL FUNDS AND FEDERAL FUNDS TO TREAT ALL STORMWATER WITHIN ONE TREATMENT SYSTEM, AND WILL ENABLE VTRANS TO FUND 80% OF A MUNICIPALITIES' TOTAL PROJECT COSTS.

THESE FUNDS WILL BE ALLOCATED THROUGH A NEW GRANT PROGRAM WITHIN MUNICIPAL MITIGATION ASSISTANCE PROGRAM. THE BETTER ROADS PROGRAM WILL REMAIN AS IS – MORE SUITABLE FOR SMALLER SCALE PROJECTS.



# OVERALL SUMMARY FOR PROPOSED MUNICIPAL FUNDING FROM VTRANS

			FY18 Gov Budget Baseline	FY18 Gov Budget - Clean Water ("Filling the Gap")	FY18 Gov Budget Total	Funding Source (Fed, State)
<b>Agency of Transportation</b>						
	Municipal Roads					
		Municipal Mitigation - Better Roads Grant Program (State Funds)	440,000	400,000	840,000	State Transportation Funds
		Municipal Mitigation - Better Roads Grant Program (Clean Water Fund)	-	1,025,000	1,025,000	Clean Water Fund
		Municipal Mitigation - Grants & VTrans Stormwater Utility Payments (State/Fed Funds)	1,000,000	-	1,000,000	State Transport Funds/Federal
		Transportation Alternatives Program (TAP) - Municipal Grants (Fed Funds)	1,100,000	1,100,000	2,200,000	Federal
		Municipal Mitigation - Municipal Grants (Federal Highway Admin STBG Funds)		5,242,342	5,242,342	Federal
		Municipal Mitigation - Municipal Grants to support STBG-Funded Projects		1,000,000	1,000,000	Capital Bill
		Stormwater utility incentive payments to Municipalities (Clean Water Fund)	-	75,000	75,000	Clean Water Fund

Excerpt from table prepared by DEC

# QUESTIONS?

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