

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.

CLEAN WATER FUNDING FOR MUNICIPALITIES THROUGH VTRANS

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| New funding: | | | | |
|--|-------------|-------------|--------------|--|
| 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 | |

| Existing funding: | | | | |
|---------------------------------------|-------------|-------------|-------------|--|
| 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

| Program | TFunds | Clean Water fund | Federal | Total |
|---|---------------|-------------------------|----------------|------------------|
| 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

MUNICIPAL MITIGATION ASSISTANCE PROGRAM

FY18 Transportation budget clean water spending for Municipalities as Originally Proposed

| Program | TFunds | Clean Water fund | Federal | Total |
|---|---------------|-------------------------|----------------|--------------|
| Municipal Mitigation Assistance Program | 1,640,000 | 1,100,000 | 5,442,342 | 8,182,342 |

FY18 Transportation budget clean water spending for Municipalities as Modified with Capital Bill Funds

| Program | TFunds | Clean Water fund | Federal | Capital Funds | Total |
|---|---------------|-------------------------|----------------|----------------------|--------------|
| Municipal Mitigation Assistance Program | 1,240,000 | 1,100,000 | 5,442,342 | 1,400,000 | 9,182,342 |

*

WHAT WILL EXTRA PROPOSED ALLOCATION FUND?

\$1,000,000 OF CAPITAL BILL FUNDS 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.

\$400,000 OF CAPITAL BILL FUNDS WILL REPLACE AN EQUAL AMOUNT OF THE TRANSPORTATION FUNDS SHOWN ON SLIDE 2 – REDUCING AMOUNT OF TRANSPORTATION FUNDS FROM \$1,640,000 TO \$1,240,000. THESE FUNDS WILL BE USED IN THE BETTER ROADS PROGRAM.