



# Governor's Recommended FY26- FY27 Capital Budget Section 10: Clean Water Initiatives

**Julie Moore**

Secretary

Agency of Natural Resources

[Julie.Moore@Vermont.gov](mailto:Julie.Moore@Vermont.gov), 802-828-1294 office

**Emily Bird**

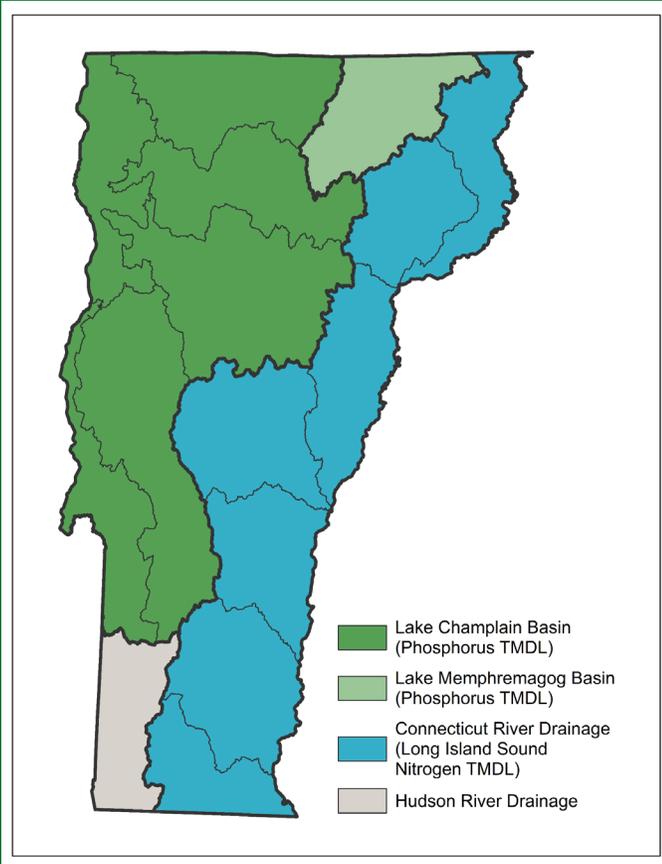
Clean Water Initiative Program Manager

Department of Environmental Conservation

[Emily.Bird@Vermont.gov](mailto:Emily.Bird@Vermont.gov), 802-490-4083

*Senate Committee on Institutions Thursday, April 17, 2025*

# 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 lead to water quality impacts, including cyanobacteria blooms.
- Clean water restoration plans — Total Maximum Daily Loads (TMDLs) — identify pollutant reductions required for an impaired waterbody to meet the State of Vermont's water quality standards.

## Vermont Clean Water Act (Act 64 of 2015)

- Water quality regulations
- **Clean Water Board and Fund**
- Tracking, accounting, and reporting requirements

## Clean Water Service Delivery Act (Act 76 of 2019)

- Clarified purpose of **Clean Water Initiative** and state's commitment of \$50-60 million annually to support the Initiative
- Reset and updated Clean Water Budget priorities



# Clean Water Budget – All Sources

## State Fiscal Year 2026 Clean Water Budget by Funding Source

$$\begin{matrix} \$28.5 & + & \$10 & + & \$7.5 & = & \text{\$} & 46 \\ \text{MILLION} & & \text{MILLION} & & \text{MILLION} & & \text{MILLION} \end{matrix}$$

Estimated SFY 2026 Clean Water Fund revenue from Meals and Rooms Tax, Property Transfer Tax Clean Water Surcharge, and Unclaimed Bottle Deposits.

Estimated SFY 2026 funds from the clean water section of the Capital Bill.

Estimated SFY 2026 “one-time” funds from unallocated/unreserved Clean Water Fund revenue and projected interest income.

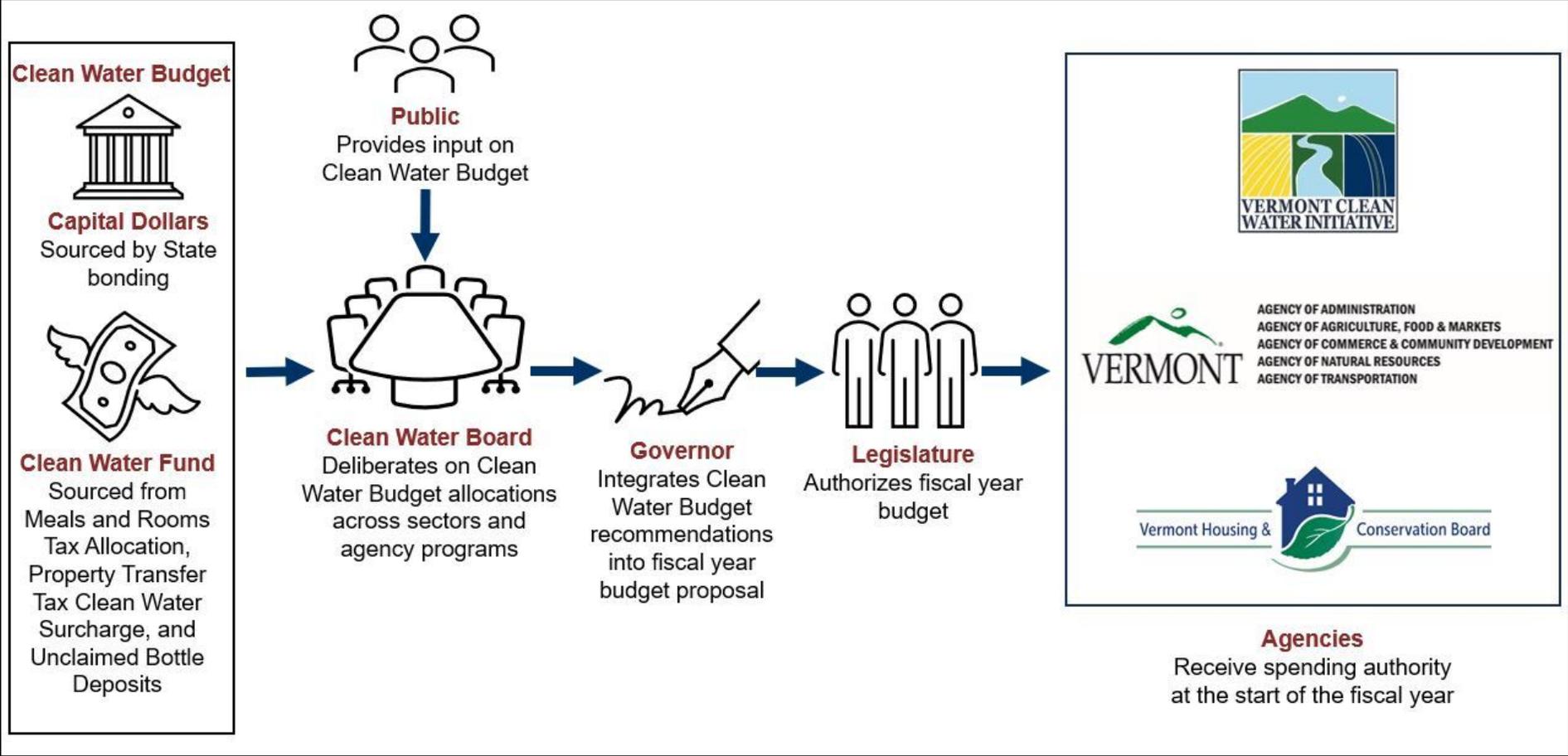
Estimated SFY 2026 Clean Water Budget.

**Recommended  
by Clean Water  
Board**

Also contributing to Clean Water Initiative funding:

- Lake Champlain Basin Program (LCBP)/Leahy Appropriation \$8,000,000 (100% federal)
- Work funded through the T-Bill to address runoff from state highways

# Clean Water Board Annual Budget Process



Learn more at: <https://dec.vermont.gov/water-investment/cwi/clean-water-board>

# Clean Water Budget – All Sources

## State Fiscal Year 2026 Clean Water Budget by Funding Source

**\$28.5** + **\$10** + **\$7.5** =  **46**  
MILLION MILLION MILLION MILLION

Estimated SFY 2026 Clean Water Fund revenue from Meals and Rooms Tax, Property Transfer Tax Clean Water Surcharge, and Unclaimed Bottle Deposits.

Estimated SFY 2026 funds from the clean water section of the Capital Bill.

Estimated SFY 2026 “one-time” funds from unallocated/unreserved Clean Water Fund revenue and projected interest income.

Estimated SFY 2026 Clean Water Budget.

**Recommended  
by Clean Water  
Board**

Also contributing to Clean Water Initiative funding:

- Lake Champlain Basin Program (LCBP)/Leahy Appropriation \$8,000,000 (100% federal)
- Work funded through the T-Bill to address runoff from state highways

# FY26 Governor Capital Bill Recommend

Line #	Section 10: Clean Water	FY 2026	FY 2027
	<b>Agency of Agriculture, Food &amp; Markets</b>		
95	Water Quality Grants	\$3,000,000	
	<b>Agency of Natural Resources - Department of Environmental Conservation</b>		
97	Clean Water State Revolving Fund – CWSRF	-	
98	Municipal Pollution Control Grants	\$4,000,000	
	<b>Agency of Natural Resources - Forest, Parks and Recreation</b>		
100	Forestry Access Road Water Quality Improvements	\$200,000	
	<b>Vermont Housing and Conservation Board</b>		
102	Agricultural Water Quality	\$800,000	
103	Land Conservation and Water Quality Projects	\$2,000,000	
104	Clean Water FY 2027 Request	-	\$10,000,000
	<b>Total</b>	<b>\$10,000,000</b>	<b>\$10,000,000</b>

# Water Quality Grants – Line 95, \$3 million



*Before (top) and after (bottom) installation of a Heavy Use Area Protection practice to address runoff and erosion risks in the Missisquoi watershed.*

- Capital eligible agricultural pollution prevention projects
- Farms, Agricultural Service Providers, Agricultural Associations, Watershed Organizations and more
- Projects support statutory and regulatory requirements

**Agency of Agriculture, Food and Markets  
Water Quality Division**

April 17, 2025 | 8

# State Match to Clean Water State Revolving Fund Federal Grant – Line 97, \$0 in FY26



- State match leverages federal CWSRF funds. CWSRF finances Wastewater Treatment Plant Refurbishment & Upgrade; Sewer Collection System Refurbishment, Combined Sewer Overflow Abatement, Stormwater Conveyance and Treatment, & Natural Resources Projects.
- CWSRF provides low interest loans to municipalities and private entities.
- The Bipartisan Infrastructure Law (BIL) provides for approximately \$58.3M in additional SRF funding in FFY '22 through FFY '26.

Agency of Natural Resources, Department of Environmental Conservation, Water Infrastructure Finance Program

# Municipal Pollution Control Grants – Line 98, \$4 million



- Funds Wastewater Treatment Plant Refurbishment & Upgrade; Sewer Collection System Refurbishment, Combined Sewer Overflow Abatement, and Stormwater Conveyance and Treatment Projects
- Provides funding to municipalities
- Grants are used to offset up to 35% of a municipal project cost financed through a CWSRF loan

**Agency of Natural Resources, Department of Environmental Conservation, Water Infrastructure Finance Program**

# Forestry Access Road Water Quality Improvements

## – Line 100, \$200,000



- Funding to manage and implement Capital eligible projects
- Road infrastructure improvement include correcting surface drainage, repairing ditches and installing ditch relief culverts, improving stream crossings, and closeout of sensitive roads
- Supports forest management and recreational users
- Targeting over 900 miles of roads, 1,500 miles of trails
- Roads have been inventoried for erosion & prioritized; road upgrade design and construction underway

Agency of Natural Resources - Department of Forests,  
Parks, and Recreation Watershed Forestry Program

# Agricultural Water Quality – Line 102, \$800,000



- Infrastructure and equipment projects to protect and improve water quality on farms such as manure management and production area improvements. Typically used for project costs not eligible for other state and federal funding.
- Grants to farmers
- VHCB Water Quality Grant dollars have leveraged over 6 times their amount in state, federal, or local funding.
- *Example: Sprague Ranch built a roof over their calf housing, preventing manure runoff from entering the White River while keeping calves and workers more comfortable.*

**Vermont Housing & Conservation Board/Farm & Forest Viability Program/Water Quality Grants**

April 17, 2025 | 12

# Land Conservation and Water Quality Projects – Line 103, \$2 million



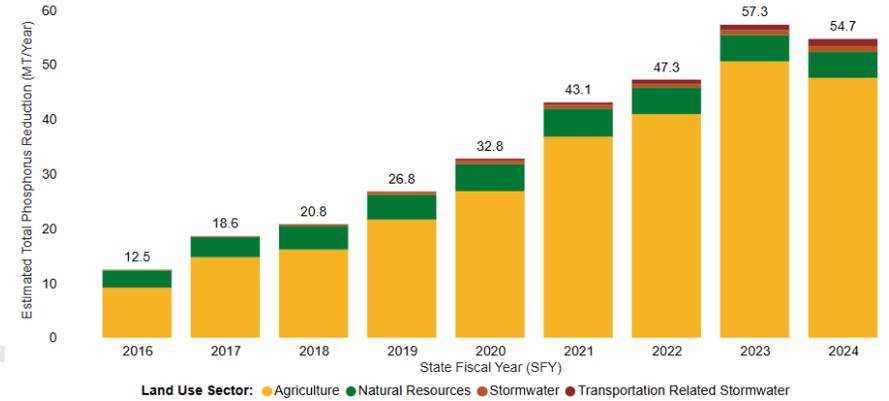
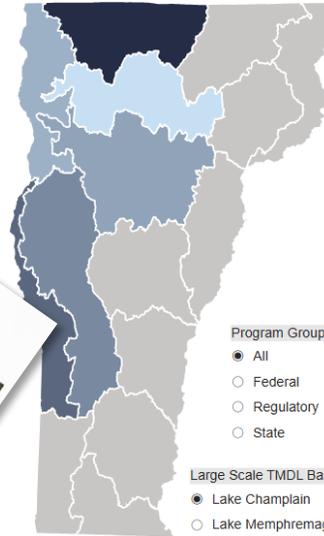
- Land acquisition and conservation easements with provisions that permanently protect water quality such as riparian buffers and wetland protection zones; includes agricultural conservation easements.
- Grants to municipalities, conservation non-profits, and state agencies
- Example: 615-acre Lily Pond Highlands project in Athens, Brookline, and Townsend. Conserved by Windmill Pinnacle Association. Includes 100 ac. of water protection zones. High elevation headwaters on the parcel include 6,600 feet of stream frontage, 22 total acres of wetland comprised of vernal pools, beaver ponds, and portions of Lily and Town Line Ponds.

**Vermont Housing & Conservation Board  
Conservation Program**

April 17, 2025 | 13

# Clean Water Initiative Annual Performance Report & Dashboard

Welcome to the Clean Water Interactive Dashboard!



Water quality restoration plans, called Total Maximum Daily Loads (TMDLs), identify pollution reductions required for an impaired waterbody to meet the State of Vermont's water quality standards. TMDLs set up long term pollutant reduction targets to mitigate both point source and nonpoint source pollution. In the Lake Champlain and Lake Memphremagog basins, TMDLs focus on phosphorus pollution reduction to address cyanobacteria blooms and other excess algae and aquatic plant growth over a 20 year implementation period.

Phosphorus reductions required in the Lake Champlain basin = 212.4 metric tons per year by the end of 2036  
Phosphorus reductions required in the Lake Memphremagog basin = 15.2 metric tons per year by the end of 2037



Learn more:

- Read the [Clean Water Initiative 2024 Performance Report](#)
- View the data in the [Clean Water Interactive Dashboard](#)
- Tune in to the [2025 Clean Water Conversation Series](#)