



# The Value of Water Infrastructure in VT

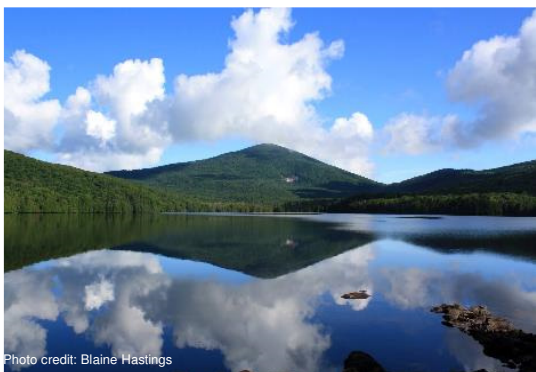
Neil Kamman, Dep. Commissioner  
Eric Blatt, Director of Engineering  
Department of Environmental Conservation

February 6, 2025 Senate Institutions Committee

# Run of Show

- Why Water Infrastructure is Critical
- Orientation to Water Infrastructure Types
- Tour some Facilities
- How Cap. Appropriations Help Finance Infrastructure
- State's Revolving Loan Fund
- How Projects are Prioritized
- Financing Activity this Year

# Vermont Has Some Pretty Spectacular Waterbodies



# Human Activity Can Harm Our Waters



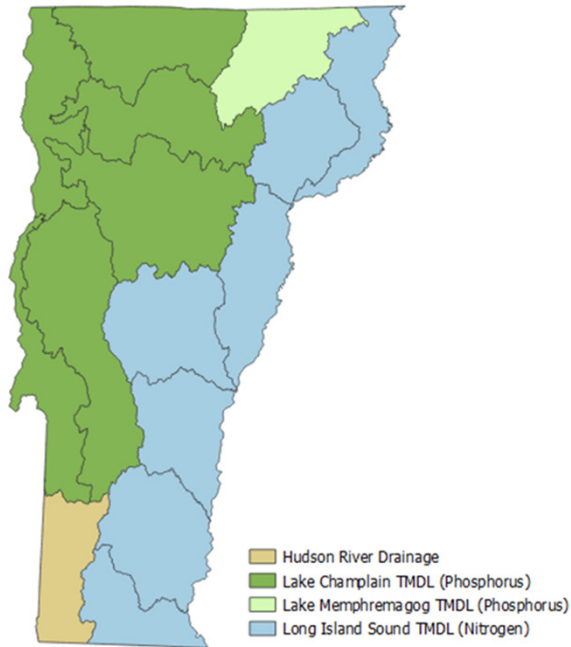
# Water Quality in Vermont



Vermont's waterways vary in quality

- Many waters are of exceptional quality and require protection
- Some waters suffer from excess pollution and require restoration
- Pollution to VT Waterways can be from “Point” or Nonpoint” sources.

# Vermont TMDLs



A “Total Maximum Daily Load” is a Federally required pollution cleanup plan. There are 29 in VT covering larger or smaller rivers and lakes.

– <https://dec.vermont.gov/watershed/map/tmdl>

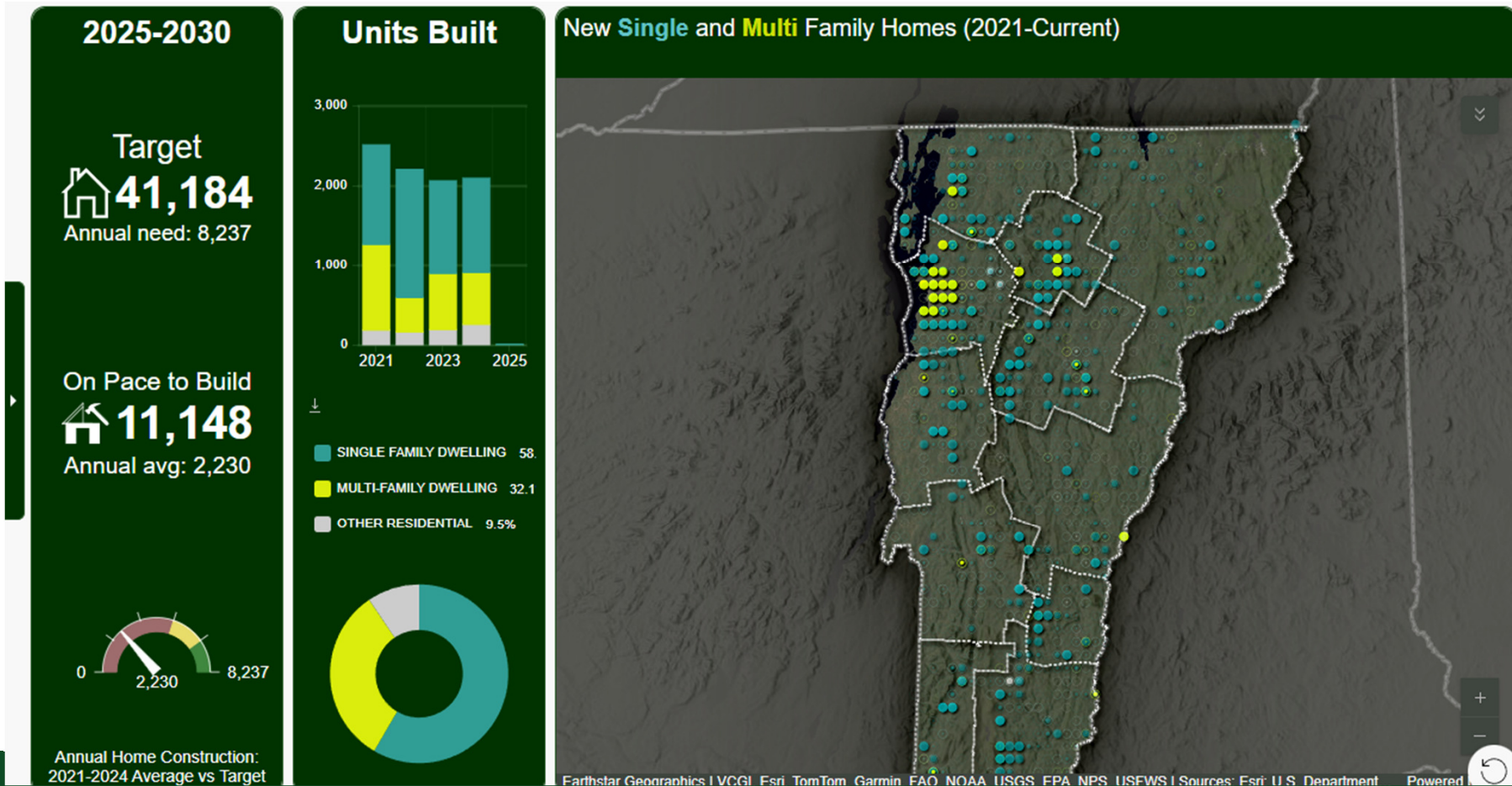
Lake Champlain and Lake Memphremagog phosphorus TMDLs are a driving factor in much of the State’s clean water regulatory and financial framework.

State has responded to these TMDL mandates with State Revolving Loan Funds, a dedicated Clean Water Fund, and in partnership with Federal Agencies.

# Three major water infrastructure types

- Wastewater
  - Collected, Piped, and Pumped, either municipal or industrial
  - Most often treated clean water, or effluent, is discharged to a river or lake
  - Smaller municipalities have “decentralized” treatment that discharge clean water to the ground
- Stormwater
  - Rainfall runoff and conveyance
  - From public or private lands
  - “Slow, Sink and Spread”
- Drinking Water
  - Sourced, Treated, Distributed, and Consumed

# New Housing in VT Dashboard





# Major funders for Water Infrastructure

- ANR and EPA – the State Revolving Loan Funds
- ANR ARPA
- US Natural Resources Conservation Service – Rural Development
- Lake Champlain Basin Program
- VT Municipal Bond Bank
- Northern Border Regional Commission
- HUD Community Development Block Grants



**AERIAL VIEW OF HINESBURG WWTF AND SURROUNDING COMMUNITY**



**INSTALLATION OF WATER MAIN TO NEW SOURCE TO ADDRESS PFAS CONTAMINATION FOR CRAFTSBURY FD#2 WATER SYSTEM**



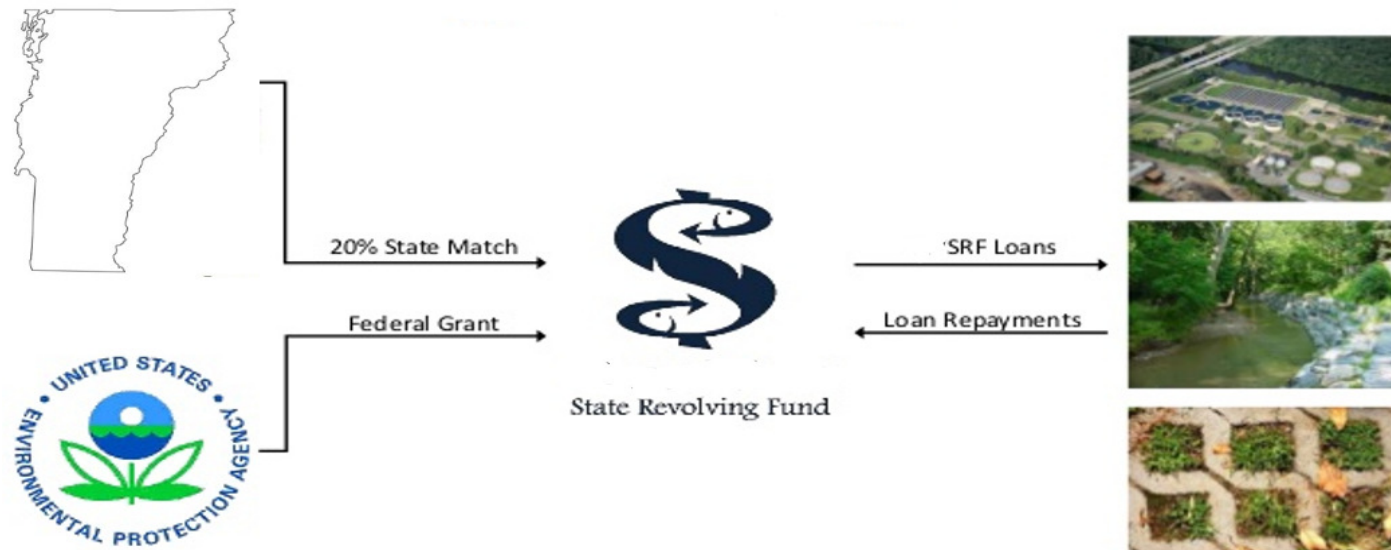
**Waterbury WWTF Phosphorus Upgrade: CoMag® process element located within process building.**

**Installation of new  
water and sewer  
services for the 100-  
home Milton MHC**

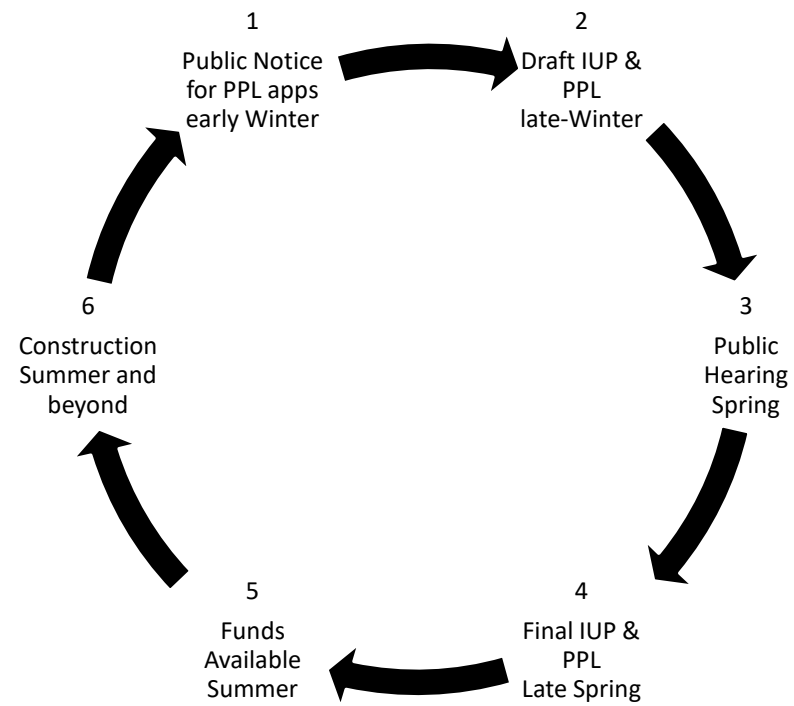
**This \$5.2M water and  
sewer project  
received loans and  
grants from 6 federal  
& state funding  
sources: DWSRF,  
CWSRF, CDS, WIIN,  
VHCB, VCDP.**



# Vermont EPA Drinking Water and Clean Water State Revolving Funds



# SRF Funding Cycle



# Uses of the Clean Water State Revolving Fund

16

- ▶ Municipal Wastewater Treatment and Collection
- ▶ Stormwater
- ▶ Combined Sanitary/Stormwater Sewer Abatement
- ▶ Sewer Line Extensions
- ▶ Natural Resources Projects
- ▶ Preliminary Engineering and Final Design





# Clean Water SRF and Municipal Pollution Control Priority Ranking Criteria

ELIGIBILITY	TECHNICAL	AFFORDABILITY	OTHER
ELIGIBILITY 1	PUBLIC HEALTH 25	> 2% MHI USER RATE, 15	PROJECT READINESS 12
	WATER QUALITY 20	LOW MHI, 10	FISCAL SUSTAINABILITY 7
	REFURBISHMENT 5	UNEMPLOYMENT, 10	
	ENVIRONMENTAL RESILIENCY & SUSTAINABILITY 5	POPULATION LOSS, 5	
	DESIGNATED CENTER & REGIONAL BENEFITS 5	OTHER HARDSHIP, 5	
TOTAL = 1	TOTAL = 60	MAX TOTAL = 20	TOTAL = 19

## PC GRANT FORMULA

TOTAL TECHNICAL POINTS (60 POINTS MAX) MINUS 25 POINTS  
 + AFFORDABILITY POINTS (20 POINTS MAX) MINUS 10 POINTS  
 = TOTAL GRANT ELIGIBILITY POINTS

- GRANT ELIGIBILITY POINTS, IF OVER 10 POINTS & MONEY IS AVAILABLE
- GRANTS CAPPED AT 35%
- ... IF APPROPRIATED BY LEGISLATURE ...

1. ELIGIBILITY (1 PT MAX)
2. PUBLIC HEALTH (25 PTS MAX)
  - a. DRINKING WATER SOURCES
  - b. SWIMMING AREAS
  - c. CSOs OR SSOs
  - d. FAILED SYSTEMS
  - e. POTW RELEASE
  - f. OTHER THREAT
3. WATER QUALITY (20 PTS MAX)
4. REFURBISHMENT (5 PTS MAX)
5. ENVIRONMENTAL RESILIENCY AND SUSTAINABILITY (5 PTS MAX)
  - a. ENERGY EFFICIENCY AND CONSERVATION.
  - b. FLOOD RESILIENCY.
  - c. STORMWATER INFRASTRUCTURE.
  - d. CREATING RESILIENT WATER UTILITIES PLAN PROJECT
  - e. WATER CONSERVATION AND EFFICIENCY PROJECTS
  - f. ENVIRONMENTALLY INNOVATIVE PROJECTS
6. DESIGNATED CENTERS AND REGIONAL BENEFITS (5 PT MAX)
7. AFFORDABILITY (20 PTS MAX)
  - a. USER RATE is GREATER THAN 2% MHI, 15
  - b. MHI LESS THAN STATEWIDE AVERAGE MHI, 10
  - c. LOW UNEMPLOYMENT RATE, 10
  - d. POPULATION LOSS, 5
  - e. OTHER HARDSHIP, 5
8. PROJECT READINESS (12 PTS MAX)
9. FISCAL SUSTAINABILITY, FINANCIAL CAPACITY, COST-EFFECTIVENESS (7 PTS MAX)

# Uses of the Drinking Water State Revolving Fund (DWSRF)

## DWSRF

- ▶ Planning & Construction Loans for Public Water Systems
- ▶ Municipal and Certain privately owned Public systems serving at least 25 people
- ▶ ~ 700 eligible systems in VT ~ 400 Community Systems and ~ 300 Non-Community systems (roughly half the non-Community Systems are School systems)
- ▶ Set asides for technical assistance and regulatory programs and loan administration



## Drinking Water SRF Priority System Criteria

- ▶ **Major system deficiency or compliance issues receive 120 Points** (microbial contamination, inadequate surface water treatment, inadequate water quantity, or chemical contaminant above a health standard)
- ▶ **Lesser public health deficiencies range from 40 to 100 points** (inadequate disinfection, inadequacy of critical components, components vulnerable to contamination, improving existing system components, Inadequate cross-connection control)
- ▶ **Additional criteria range from 0 to 75 points** (includes Median Household Income, improvement in an Asset Management Plan, flood resilience improvements, adding water meters, population served with higher points awarded for smaller systems, project readiness, improvements for a non-profit school or non-profit person-care facility, and water system consolidation)

# Drinking Water and Clean Water Loans FY24 & FY25

- ▶ 82 DWSRF Loans FY24 thru December 2024.....\$63,000,000
- ▶ Pending DWSRF Loans thru FY25.....\$40,000,000
- ▶ 66 CWSRF Loans FY24 thru December 2024.....\$35,500,000
- ▶ Pending CWSRF Loans thru FY25.....\$37,000,000
- ▶ The Drinking Water and Clean Water SRF Intended Use Plans (IUPs) describe how the funds will be spent and include the annual priority lists and some key program elements such as loan subsidy provisions. Links to the two currently adopted IUPs are included below.

<https://anrweb.vt.gov/DEC/IronPIG/DownloadFile.aspx?DID=210550&DVID=0>

<https://anrweb.vt.gov/DEC/IronPIG/DownloadFile.aspx?DID=209560&DVID=0>

# State FY26/27 Capital Bill Water and Wastewater Projects Sections 9 & 10

Sec. 9 (d): SFY27 State 20% Match to FFY26 DWSRF Grant.....	\$590,000
Sec.10 (b): SFY26 Municipal Pollution Control Grants.....	\$4,000,000
Sec.10 (e): SFY27 Municipal Pollution Control Grants and 20% Match to FFY26 CWSRF Grant.....	Allocation Amounts to be determined

SENATE INSTITUTIONS COMMITTEE - FEBRUARY 6, 2025  
NEIL KAMMAN, DEPUTY COMMISSIONER, DEPT OF ENVIRONMENTAL CONSERVATION  
ERIC BLATT, DIRECTOR OF ENGINEERING, DEPT OF ENVIRONMENTAL CONSERVATION