

Set-Aside Proposal FFY2018 IUP

The State of Vermont plans to set aside \$3,233,802 (39.37%) of the Capitalization Grant for various non-construction related activities that are authorized in the Safe Drinking Water Act Amendments of 1996. The proposed set-aside amount exceeds the 31% limit because we are using \$608,732 in banked authority for program management. These activities are often vital to water systems so that they can develop and maintain the financial, technical, and managerial capacity to run their system effectively. A portion of the set-aside money will be used to develop and implement programs within state government necessary to implement the DWSRF and the SDWA Amendments of 1996. The following outlines the allocations and provides a brief description of the proposed activities in each of the four set-asides.

Program Management Set-Aside

Up to 10% of the capitalization grant can be used for the DWSRF Program Management (PM) Set-Aside. We propose to take the full 10%, \$824,100, allowed under the grant, plus an additional \$608,732 in banked authority to support 10.66 FTEs and partner agencies. Duties of the FTEs include capacity development, consumer confidence report assistance, adoption and implementation of new regulations, implementation of new and existing federal rules, source water assessment and protection, planning, outreach, data management, engineering, compliance supervision, and other drinking water program activities.

Additional uses of PM proceeds include \$5,650 to support the Association of State Drinking Water Administrators (ASDWA) and \$20,000 to support the Vermont Department of Health as outlined in the Memorandum of Understanding (MOU).

The one-to-one state match that was previously required for this set-aside has been eliminated beginning with the FFY17 grant.

Administrative Set-Aside

Up to 4% of the capitalization grant can be used for the DWSRF Administrative Set-Aside. Changes to the FY17 grant requirement allows the program to take 4%, or .002 x total net position or \$400,000. The program will be taking \$400,000 to support approximately 3 FTEs within the Facilities Engineering Division. These positions provide project development, construction oversight, loan administration, and financial management services for the operation of the DWSRF. Additionally, administrative funds are used to pay for the services of the Vermont Municipal Bond Bank, which is responsible for the overall fund and is a party to all loan awards to municipal applicants, and the Vermont Economic Development Authority,

which is responsible for conducting creditworthiness reviews of loan applicants for privately-owned water systems and is a party to those loans.

Technical Assistance Set-Aside

Up to 2% of the capitalization grant can be used for the DWSRF Technical Assistance (TA) Set-Aside. TA funds are to be used for systems less than 10,000 population. The program will take the full 2%, \$164,820, to provide technical assistance to small public water systems. The following activities are proposed:

WATER SYSTEM OPERATOR TRAINING CONTRACT

We are proposing to allocate \$140,000 for a contract to provide professional training to public water system owners and operators in Vermont. These training efforts support the Vermont Water Operator Certification Program administered by the DWGWPD.

TECHNICAL STAFF TRAINING

We are proposing to allocate \$24,820 to provide technical training for DWGWPD staff to enable personnel to provide direct technical assistance to small public water systems.

Local Assistance Set-Aside

Up to 15% of the capitalization grant, or \$1,236,150 can be used for the DWSRF Local Assistance Set-Aside with a further limitation that no more than 10% can be used to fund any one specific activity. The program is proposing to use the full 14.76%, or \$1,216,007, to fund local assistance activities. The following activities are proposed:

Capacity Activity:

WATER LOSS CONTROL

We are proposing to allocate \$50,000 to provide a combination of: workshops to train public water system officials on AWWA water auditing techniques and procedures; provide leak detection services; and promote water conservation efforts. The training assistance provider would also be available to provide direct on-site assistance to the participating water systems during water audits.

DRINKING WATER EDUCATION

We are proposing to allocate \$10,000 to provide for the development of outreach and education activities regarding the importance of safe, clean drinking water

STANDBY POWER EVALUATION

We are proposing to allocate \$50,000 to provide for the evaluation of the need for and affordability of standby power at public drinking water systems

VALVE CONDITION AND LOCATION ASSESSMENT

We are proposing to allocate \$30,000 to provide for condition assessment of distribution system valves and assistance with locating valves to effectively manage distribution system flows

LEAD AND COPPER AND EMERGING CONTAMINANT STUDIES

We are proposing to allocate \$50,000 to study lead and copper and other emerging contaminants. This project could entail a series of case studies or include a broader scoping study for the State of Vermont. Project elements could include distribution and source water inventorying and mapping, non-compliance sampling, and public outreach and education

CAPACITY PROGRAM ASSET MANAGEMENT INITIATIVES

We are proposing to allocate \$50,000 to asset management initiatives administered by FED and DWGWPD. Initiatives could include an extension of the asset management training program funded through previous grants, or new initiatives to further the overall objective of increasing the practice of infrastructure asset management at Vermont's public water systems

TNC GENERAL PERMITTING PROCESSING

We are proposing to allocate \$20,000 to provide TNC general permitting processing assistance

RTCR LEVEL 2

We are proposing to allocate \$35,000 to provide technical assistance to public water systems for RTCR Level 2 compliance

TNC TECHNICAL ASSISTANCE

We are proposing to allocate \$10,000 to provide technical assistance to TNCs

CAPACITY PROGRAM POSITIONS

We are proposing to allocate \$232,862 to capacity development program positions within the DWGWPD and FED. These positions work directly with public water systems to develop and implement technical, managerial, and financial capacity measures.

Wellhead Protection Activity:

GEOLOGY, WATER RESOURCES AND REGIONAL OFFICE POSITIONS

We are proposing to allocate \$678,145 to the Geology Division, Water Resources Section and the Regional Offices to support their activities in supporting public water systems in source water protection.