

Clean Water Initiative Program State Fiscal Year (SFY) 2023 Funding Policy Summary of Notable Updates and Clarifications

January, 2023



The following table summarizes notable *Vermont Clean Water Initiative Program (CWIP) State Fiscal Year (SFY) 2023 Funding Policy* updates and clarifications compared to the prior Funding Policy (SFY 2021). While this document highlights notable updates/clarifications, it is not a comprehensive overview of the Funding Policy. Current/prospective grant/contract recipients are responsible for reviewing and complying with the Funding Policy.

The Funding Policy is available electronically at: <https://dec.vermont.gov/water-investment/cwi/grants>.

Table 1. Summary of CWIP SFY 2023 Funding Policy updates and clarifications.

Section	Page No.	Updates and Clarifications
State Fiscal Year (SFY) 2023 Funding Policy - Applicability	9	a) Clarifies where Funding Policy is and is not applicable. The SFY 2023 Funding Policy directly applies to the CWIP-administered clean water funding programs listed on page 9. This is a narrower scope than the applicability of the SFY 2021 Funding Policy. Additionally, CWIP may determine whether the Funding Policy applies to additional funding programs on an ongoing or as needed basis.

Section	Page No.	Updates and Clarifications
Determination of Eligibility	9	<p>b) Reorganizes section into eight eligibility criteria. To be eligible for CWIP funding, clean water projects must meet this series of eligibility criteria</p> <p>c) Updates all criteria to highlight specific yes/no decision points to simplify eligibility determinations. Critical guidance irrelevant to an <i>eligibility</i> determination was moved to other new sections of the Funding Policy including the new Grant Recipient Responsibilities and Guidance and the new Budget Definitions and Guidance sections.</p>
Eligibility Criteria # 1: Project Purpose	9	<p>d) Updates project purpose language. Removes reference to a “primary” purpose. It is no longer a requirement that “a project’s primary purpose must be to improve water quality by reducing nutrient and sediment pollution.” Instead, project purpose must more broadly address at least one of the four objectives listed in Vermont’s Surface Water Management Strategy.</p>
Eligibility Criteria #2: Project Types and Standards	10	<p>e) Adds a new requirement to the “Definitions and Standards” section that a project must be listed as an eligible project type <u>for the applicable grant funding program</u>. The updated CWIP Project Types Table lists applicable funding programs for every project type.</p> <p>f) Removes private roads and driveways from the ineligible projects list. Clean water projects on private roads and driveways should meet the Roads project type definition in the Appendix B: CWIP Project Types Table to be eligible.</p>

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Eligibility Criteria # 3: Watershed Projects Database	11	<p>g) Adds requirement for projects to have a WPD-ID. This is standard practice for CWIP grant-making and has been added as a new eligibility criteria for clarity to project proponents. To the greatest extent possible, the assignment of new WPD-IDs for the same project across its phases has been integrated as a standard deliverable to streamline this process.</p> <p>h) Removes DEC Programmatic Staff consultation as a stand-alone eligibility requirement. In consideration of assigning a WPD-ID a Watershed Planner may request documented comments on project or design plans from the applicable DEC Programmatic Staff. See pages 12 – 13 of the Funding Policy on this dynamic and be sure to include DEC Programmatic Staff consultations in project development timelines to account for this. The Watershed Planner is responsible for reviewing and considering DEC Programmatic Staff comments when deciding whether to assign a new WPD-ID. DEC Programmatic Staff support for the project is no longer a stand-alone requirement/decision point for eligibility. DEC programmatic staff consultations are now integrated as standard milestones for the Rivers, Wetlands, and Lake Shoreland project types.</p>

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Eligibility Criteria #4: Natural Resource Impacts	13	<ul style="list-style-type: none"><li data-bbox="597 331 1468 695">i) Removes DEC Programmatic Staff support for the project as a stand-alone requirement/decision point for eligibility. Projects now meet this eligibility criteria if they are reasonably considered permit-able by all applicable ANR <u>permitting</u> programs and/or if the project proposal demonstrates how permitting staff feedback will be integrated into designs to ensure final projects are permit-able.<li data-bbox="597 726 1468 947">j) In cases where this screening may have already occurred in a prior project phase, project proponents may supply attachments or links to relevant permit needs assessment documents in place of completing Table 4 in the Project Eligibility Screening Form.

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Eligibility Criteria #6: Budget	14	<p>k) Updates criteria to focus on the list of ineligible expenses. Additional budgeting guidance was moved to a new section called Budget Definitions and Guidance.</p> <p>l) Expenses or cost-increases that support project co-benefits have been removed from the ineligible expense list. Co-benefit expenses are now eligible.</p> <p>m) Tools and equipment are now eligible under specific circumstances. The intent of tool or equipment must be to assist with implementation of clean water projects or to assist with operation and maintenance of clean water projects (in cases where operation and maintenance is eligible). Eligible tool or equipment purchases must have an expected useful life of more than one year. Tools are defined as having a per unit cost of less than \$5,000 and are not subject to DEC’s Equipment Purchase Policy. Tools may be sold, or otherwise disposed of with no further obligation to DEC. Items with a per unit cost of equal to or greater than \$5,000 are defined as “equipment” and subject to DEC’s Equipment Purchase Policy available in Appendix D. This only applies to any eligible equipment purchased or furnished with CWIP funds under a direct grant agreement from the state. Funding Program Administrators are now required to maintain a standardized processes to manage equipment ownership and disposition in a manner that ensures sub-grantees commit to using retained equipment for the same purpose as originally granted. Funding Program Administrators may mirror the state’s procedure or develop their own processes to manage equipment ownership and disposition.</p>
Eligibility Criteria #7: Leveraging Requirements	15	<p>n) Broadens eligible sources of leverage to increase flexibility for regulated entities. See page 16 for more details.</p>

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Eligibility by Project Phase	18	<p>o) Clarifies which eligibility criteria apply based on the phase of the project. Projects proposed for assessment or development funds have a lower eligibility threshold than projects seeking design and implementation funds recognizing less is known in early project stages.</p>
Eligible Grant Recipients	21	<p>p) Updates the list of eligible and ineligible <u>grant</u> recipients to remove for-profit environmental consulting firms from the eligible list. This restricted eligibility list does not apply for contracts, master contracts, or subcontracts.</p> <p>q) Page 62 of Appendix D of this Funding Policy provides more clarity on the distinction between grant recipients and contractors. Depending on the CWIP Funding Program, the Funding Program Administrators may have the authority to utilize either or both subgrants and subcontracts. Funding Program Administrators are encouraged to use State of Vermont Agency of Administration Guidance to determine the best agreement vehicle based on the substance of the relationship. If holding an open granting round, Funding Program Administrators should use Table 1 on page 22 as a guide to determine eligible subgrant recipients.</p>

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Budget Definitions and Guidance	22	<ul style="list-style-type: none"> r) Program delivery and project completion costs definitions have been updated with underlined emphasis to clarify the distinction between the two. Program delivery supports all costs associated with administering a block grant initiative. Project completion supports subgrantee/subcontractor costs associated with individual projects. Both cost categories may include indirect expenses. s) A third cost category has been added, called technical assistance. Depending on the nature of the technical assistance provided, the expenses associated with this technical assistance might be better suited for program delivery, project completion, or a third budget category to be determined. Expense allowances for the use of this additional technical assistance as well as the appropriate budgeting category will be outlined in CWIP Requests for Proposals and resulting agreements for specific funding programs. t) CWIP has added new optional guidance for managing project spending and clarified Funding Program Administrator roles in this effort. u) CWIP has added a new section clarifying distinctions between match and leverage. CWIP does not require match on any projects funded through CWIP-administered programs. CWIP sets policy on what CWIP requires for leveraging and what CWIP will accept as leveraging on grant agreements funded through CWIP-administered programs. CWIP also sets policy on which CWIP funds can be used by the grant recipient as a match commitment against non-CWIP administered programs.

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State Historic Preservation Review	27	<p>v) This new section guides project proponents through the Vermont Division for Historic Preservation (VDHP) Project Review Process. VDHP is authorized under 22 V.S.A. § 723(10) to perform regulatory review on all projects involving federal or state funding. This Funding Policy update clarifies this project review requirement, integrates these requirements into all applicable milestones and deliverables, and provides pathways for exempt and conditionally exempt project types. CWIP will coordinate additional training on this new content.</p>
Appendix A: CWIP Project Eligibility Screening Form		<p>w) The Project Eligibility Screening Form is designed to assist with project review by systematically walking through all eligibility criteria. This form historically has been used by our design/implementation block grant holders. The Funding Policy expands use of this form to all applicable funding programs. Funding Program Administrators should use the most up-to-date form at the point of their next project solicitation round. Alternatively, the form may be completed by a project proponent during project development or an open/currently funded design stage to allow for more time for ANR program input and review. Please find a fillable PDF version of this form on the Grant Applicant and Recipient Resources webpage: https://dec.vermont.gov/water-investment/cwi/grants/resources</p>

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Appendix B: CWIP Project Types Table	43	<p>x) The Project Types Table has been merged with the Milestones and Deliverables table for consistency. This has been pulled from the Funding Policy PDF and is now a standalone Microsoft Excel file that can be accessed here: https://dec.vermont.gov/water-investment/cwi/grants/resources#ProjectTypes</p> <p>y) This table now includes a new column that indicates which funding programs can support each project type. Eligibility Criteria # 2 now specifies that a project must be listed as an eligible project type <u>for the applicable grant funding program</u>, in reference to this column.</p> <p>z) Project type definitions have been updated to reference applicable standards and resources. Definitions, milestones, and deliverables have been updated to align across sectors and project stages where feasible.</p> <p>aa) Removes all requirements for “interim reporting” where feasible.</p> <p>bb) Items throughout the table have been bolded. These items are listed in alphabetical order in Appendix C with accompanying additional information.</p> <p>cc) Batch Import File/New Project Forms have been added as a deliverable to more project steps. This is to ensure that a project gets a new WPD-ID assigned to it for the proceeding project phase if recommended.</p> <p>dd) Roads/Stormwater Gully is a new project type to distinguish from in-stream channel stabilization work. Gullies must not otherwise be considered an intermittent or perennial stream by the DEC Rivers Program therefore project proponent must show documentation of this determination in order to select this project type in Appendix A. Project must be done in tandem with upstream stormwater mitigation.</p>

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<p>Appendix C: Project Types Table Explanation of Items</p>	<p>43</p>	<p>ee) ANR Online Clean Water Project - Project Update Form. Once available, these forms will be the new mechanism by which Funding Program Administrators will report on funding decisions. Information from this form will auto-populate the Watershed Projects Database and link individual projects with a parent funding agreement or block grant. This has also been added as a standard deliverable for Block Grant agreements in Appendix B: CWIP Project Types Table.</p> <p>ff) Final Performance Report/Project Closeout Form. This project closeout form is required for all CWIP agreements and sub-agreements and allows CWIP to collect the data needed to report on progress towards achieving water quality goals. All final project reporting is transitioning to the ANR Online Portal via a new nForm called the Project Closeout Form. Until this form is available, all project implementers should use the Final Performance Report. This is an Excel template. This Excel file replaces the Final Performance Report for block grants and includes the Stormwater Best Management Practice Report and the Riparian Buffer Planting BMP Report. <u>CWIP is no longer using the PDF version of this form.</u> Note this Excel form is updated as of January 2023 and includes new data requirements for some project types.</p> <p>gg) Media announcements no longer need to be a press release.</p> <p>hh) Preliminary and Final Design Reports. This section now provides suggested standard content for Preliminary and Final Design Reports. Note Design Reports are a separate deliverable from Performance Reports.</p>

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Appendix D: Other Information	54	ii) Most background/contextual information or optional guidance has been moved to Appendix D. Two sections of this Appendix remain mandatory: 1) Further Guidance for Three-Acre General Permit and Roads/Stormwater Gully Project Types; and 2) DEC’s Equipment Purchase Policy.
Appendix D: Clean Water Initiative Program Project Phase Terminology and Design Guidance	55	jj) Includes definitions for project stages from development through preliminary, final design, and implementation. This section provides basic information on what tasks generally fall into these phases which can be used for project planning and budgeting but does not dictate what must fall in these phases (at a minimum, however, a project must achieve the milestones and deliverables listed in Appendix B. CWIP Project Types Table). CWIP relies on the expertise of project proponents in consultation with DEC staff to indicate a proposed project’s complexity and to identify which project phases are appropriate/applicable.
CWIP Spending Plan	--	kk) Removes the CWIP Spending Plan, as well as the list of CWIP-administered clean water projects funded by the U.S. Environmental Protection Agency through the Lake Champlain Basin Program. These documents are updated on a timeframe separate from the Funding Policy and are available as separate documents on the CWIP website.