

Guidance Chapter 9 – Adequate Annual Progress, Adequate Maintenance, and CWSP Monitoring

Contents

Introduction	1
Adequate Annual Progress	3
Achievement of Phosphorus Target (Accounting).....	3
A. Inflation	3
B. The “Pipeline” of phosphorus reduction projects	4
C. Other circumstances	4
Monitoring Process.....	8
Quarterly Monitoring	8
Annual Monitoring	9
DEC Programmatic File Review	12
AID Monitoring and Payment Testing	14
CWSP Re-Assignment Review	14
Term-End Review.....	15

Introduction

Supplied with funding through a Formula Grant, Clean Water Service Providers (CWSPs), in conjunction with their Basin Water Quality Councils (BWQCs), are charged with achieving phosphorus reductions into Lake Champlain and Lake Memphremagog by financing non-regulatory (i.e., voluntary) state-defined clean water project types. Finding and implementing non-regulatory projects to meet pollution (phosphorus) reduction targets can be a challenge which was the premise behind the passage of Act 76 in 2019. In order to be successful, CWSPs will need to coordinate and communicate with their BWQC, the DEC Act 76 team, the Agency of Agriculture Food and Markets, other State Agencies, municipalities, other Funding Program Administrators, stakeholders and watershed professionals, project implementers, and the public, all while adhering to the enabling law, the Act 76 Rule, the Act 76 Guidance. The CWSP is also responsible for following the Clean Water Initiative Program Funding Policy, and the terms of their Water Quality Restoration Formula Grant. CWSPs serve for an

assigned 'term'¹, and so long as they are in 'good standing' and make 'adequate annual progress' toward their pollution reduction target, they may apply for re-assignment for another term of service.²

During their term, CWSPs should expect support, guidance, feedback, and oversight from the DEC Act 76 team. More specifically, in terms of oversight, Environmental Protection Rule 39-701(a) states that: "The CWSP shall be subject to the Secretary's review of adequate annual progress toward the CWSP's allocated pollution reductions and five-year target and adequate maintenance of clean water projects, pursuant to 10 V.S.A. §924(f)." Verification and maintenance of a CWSP's clean water projects is required to retain assignment as a CWSP.³

DEC considers the achievement of adequate annual progress as an objective to be measured both quantitatively and qualitatively. Relevant measures include criteria such as: number of projects constructed (and subsequent pollution reduction - i.e., phosphorus reduction achieved), efficiency of expenditures, number of projects approved by the BWQC, BWQC coordination, CWSP governance (i.e., compliance/adherence to applicable law, rule and guidance), project operation and maintenance, and effectiveness of overall project management.

While the achievement of the assigned pollution reduction target is the main purpose for which CWSPs exist, the process by which a CWSP attains their target, and the circumstances that may be within or beyond their control, are also important considerations that must be factored into any review of whether a CWSP is achieving "adequate annual progress."

¹ Vermont Environmental Protection Rule 39-301.

² Vermont Environmental Protection Rule 39-702, 39-801.

³ Vermont Environmental Protection Rule 39-701(f).

Adequate Annual Progress

Adequate progress considers the CWSP's performance in three areas, 1) the progress towards achieving cumulative pollution reduction targets, 2) performance of adequate maintenance of clean water projects, and 3) the CWSP's effective delivery of BWQC Coordination, Governance, and Project Management services. Progress will be evaluated as either: a) adequate or more than adequate, b) adequate subject to conditions, or c) inadequate. Each area of performance is described further below:

Achievement of Phosphorus Target (Accounting)

CWSPs should strive to achieve their cumulative, estimated pollution reduction target by the end of their term with the support of DEC and in conjunction with their respective BWQC. The cumulative target is the sum of the annual pollution reduction allocations assigned to a CWSP in their Formula Grant agreements using DEC's Fund Allocation Methodology over the CWSP's term. CWSPs will have achieved 'adequate progress' of this metric if the assigned, estimated annual pollution (phosphorus) reduction value of all projects implemented or adopted (including actively maintained projects) meets or exceeds the CWSP's cumulative pollution reduction target for their term.

For CWSPs who have not achieved this metric, the State will consider whether a CWSP is on a trajectory to meet their cumulative pollution reduction targets, when they anticipate meeting their cumulative pollution reduction target, and the factors affecting the CWSP achieving their cumulative pollution reduction target. For these CWSPs, the State will review and consider the following conditions and circumstances:

A. Inflation

DEC acknowledges that the Fund Allocation Methodology is based on project data from completed projects that do not reflect current costs, which have risen due to inflation. For instance, the actual costs to achieve phosphorus reduction targets may exceed the average cost of projects determined through the Fund Allocation Methodology. Conducting a full review of the Fund Allocation Methodology is a large task that is not easily addressed on an annual basis. Yet, inflation can and does have a real impact on the Fund Allocation Methodology, and in turn, DEC's target setting for CWSPs.

In the future, DEC intends to incorporate inflation into the Fund Allocation Methodology. DEC will consider how inflation might affect the annual allocation as part of a CWSPs' cumulative pollution reduction target. Final adjustments will occur in conjunction with a CWSP's term-end review. Until then, DEC will include a qualitative analysis of inflation pressures on CWSPs ability to meet targets during CWSPs' annual check ins. DEC will notify CWSPs' of any decision affecting their targets in writing. Should a CWSP exceed the inflation adjusted pollution reduction target, any 'remainder' pollution credit within the same term that results from this adjustment will be credited to the target assigned in the following year's grant agreement.

B. The "Pipeline" of phosphorus reduction projects⁴

CWSPs that have not supported the construction or adoption of projects sufficiently valued to meet their pollution reduction target by the end of their term but who have projects 'in the pipeline' and/or have shown sufficient effort and/or challenges to construct those projects in a timely manner shall be given appropriate consideration for their circumstances, effort, and challenges. DEC will review and assess the estimated pipelined phosphorus credits from projects approved by the BWQC for construction/adoption and in process (number and/or estimated phosphorus reduction value.) Tracking the estimated phosphorus reduction associated with projects in the design phase or yet to be completed implementation phase is the responsibility of the CWSP. For all "pipelined" projects, CWSPs will have the opportunity to provide information on project timeframes. DEC will consider the reasonableness of any mitigating circumstances resulting in project delays (more on this, below).

C. Other circumstances

DEC recognizes that clean water project development is not always straightforward, and unanticipated events occur. CWSPs are encouraged to present justification for why pollution (phosphorus) reduction targets were or may not be met. Despite any challenges that a CWSP might document, they must be able to demonstrate reasonable,

⁴ A pipeline can be defined as a tool in project management that allows project managers to track the status of all their ongoing projects in the project queue. This overview provides clarity to categorize projects into high and low priorities, feasibility, and status. It also allows the project manager to monitor progress and identifies any challenges in the workflow. Project managers can also view the projects that are on track, expected project timeline including projects that may be delayed and require additional more time and/or resources. In addition, a pipeline can be useful in creating and monitoring a cycle of multiple project concepts, their eligibility for funding, development, review, approval, design, and final completion.

incremental progress and identify a plan of action to address any identified challenge(s) going forward. DEC recognizes that this may involve abandonment of a project for which some investment has already been made. For the purpose of this Guidance, “reasonable progress” may be demonstrated with data addressing project dynamics, system dynamics, and CWSP level of effort. It will be incumbent upon the CWSP to keep DEC apprised of their circumstances, effort, and challenges, so that they can be considered during the review process. The DEC will consider the *reasonableness* of a CWSP’s stated justification, circumstances, level of effort, and remediation plan. Other circumstances that a CWSP might note include:

Project dynamics

- i. Recognition of resource-intensive projects that may have an influence on achievement of target due to project complexity and length of time to complete.
- ii. Acknowledgement of project delays and unanticipated challenges outside of CWSP or project managements’ control.
- iii. Recognition of eligible CWSP projects supported in the basin by other funding initiatives.
- iv. Consideration of other, relevant ‘on-the-ground’ barriers to implementation.

Systemic dynamics

- i. Capacity challenges outside of the control of the CWSP
- ii. Lack of feasible project opportunities per sector after demonstrated effort to identify and develop projects in the sector, where project identification/development activities are eligible, and tools are available.
- iii. Consideration for Acts of God.

CWSP Level of Effort:

- i. Valuation of funded/approved identification and development initiatives.
- ii. Acknowledgement of the effort in coordination with BWQC members, project implementors, and prospective landowners.

- iii. Recognition of in-depth project research, including outreach to other Funding Program Administrators, basin planners, and project partners among other stakeholders (consultants)
- iv. Appreciation for public outreach, including environmental justice-related efforts.

CWSP performance that is inconsistent with the Act 76 Rule and/ or ineffective, insufficient, and/or lacking in justification will be considered inadequate progress and may be grounds for the issuance of a formal letter to the CWSP, a corrective action plan, and/or de-assignment.

DEC's overarching preference is to work with CWSPs to support the achievement of targets or to assist in addressing systemic concerns. De-assignment and corrective action plans are appropriate where there is a clear challenge with the management of the CWSP that significantly affects performance, such as fraud, an unwillingness to address challenges, or other similarly serious situations. CWSPs should document challenges early and often, along with their approach and level of effort, so that together, the CWSP and State can work to address those challenges as proactively as possible.⁵

Adequate Maintenance

CWSPs are expected to adequately maintain constructed projects that are funded via Formula Grants, together with the projects that they 'adopt'. More on this responsibility will be provided in Chapter 7 of Act 76 Guidance ("Operation and Maintenance").

BWQC Coordination, Governance, and Project Management

BWQC coordination and collaboration, governance, and project management are key performance measures for CWSPs. While these measures are largely 'qualitative' in nature, they are a core responsibility of CWSP performance, and DEC considers them to be a part of a CWSPs' 'adequate progress.' DEC will monitor performance in these areas to support effective and functional operations. DEC will strive to communicate feedback promptly, and support CWSP learning and growth. Any formal action that is

⁵ Proactive problem solving is an important consideration that will be reviewed when evaluating the reasonableness of a CWSP's circumstances, level of effort, and remediation efforts.

taken by DEC will follow the process outlined in Chapter 10 of Guidance. Qualitative metrics that DEC will review include:

A. BWQC Coordination:

- i. Meeting coordination/organization
- ii. Meeting facilitation/relationship management
- iii. Outreach efforts, including incorporation of environmental justice/JEDI prioritization⁶

B. Governance:

- i. Act/Guidance/Funding Policy/Grant Agreement compliance
- ii. Fiscal/Budget management
- iii. Procurement
- iv. Conflict of Interest implementation/compliance
- v. General organization

C. Project Oversight:

- i. Relationship with project managers, subgrantees, and subcontractors
- ii. Problem solving
- iii. Communications

In addition to ongoing communication with the CWSPs, DEC will solicit input on CWSP performance on these metrics from the BWQC and other stakeholders in the watershed, including project implementers and the watershed planner for the basin. The formal process for DEC monitoring and communications with the CWSP follows below.

⁶ DEC will issue guidance on environmental justice under Act 154, that may affect this responsibility.

Monitoring Process

The following sections outline what reporting and deliverables will be requested and the frequency of review that will contribute to DEC's evaluation of the CWSP's adequate progress as defined above. DEC will monitor CWSPs through the review of quarterly reports, annual reports, a reassignment review and end of term review. The phases of monitoring and review are depicted in Figure 1 below and reporting requirements described in more detail in the sections below.

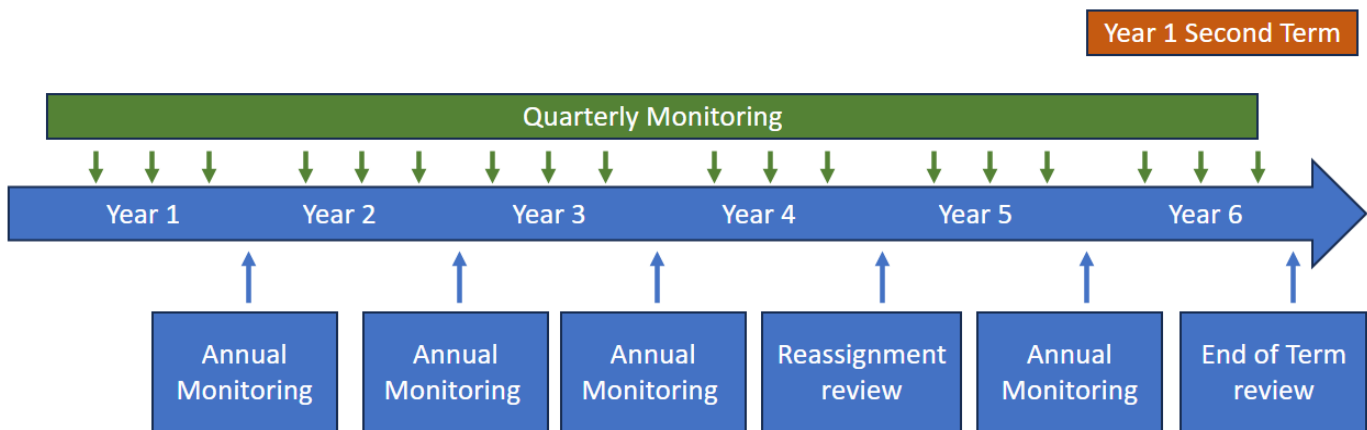


Figure 1. Timing of quarterly, annual monitoring events as well as reassignment and end of term review for a typical 5-year assignment (with an additional year for close out).

Quarterly Monitoring

To support ongoing communications, CWSPs will submit a report to DEC's Formula Grant Technical Project Manager (TPM) on a quarterly basis. These reports are to be submitted within six (6) weeks of the close of the previous quarter, and include the following:

- A narrative report on CWSP activity over the last quarter, including updates on projects approved by the BWQC, procurement activities, successes, and challenges.
- An up-to-date record in the WPD of projects that were funded/completed.
- A completed Act 76 State Financial Reporting Form (SFRF)
- Financial details for expenditures of CWSP funds, itemized by project (tab 2 of the SFRF), including O&M expense reporting.
- Links to BWQC minutes for meetings held since the last quarterly report.
- Anything else requested by the State.

The TPM and watershed planner for the basin will meet regularly with CWSPs to check in on questions, successes, challenges, and any other topics that are appropriate. These meetings will typically occur quarterly but may be scheduled less frequently by mutual agreement of the CWSP and the TPM. This check in is a good time to discuss CWSP coordination (with DEC staff, project developers, their BWQC, etc.), review guidance, the Rule, or the CWIP Funding Policy, or discuss any project specific questions or challenges (e.g., project approvals, etc.). Progress or setbacks on finding, developing, scoping, designing, and building projects should be discussed, including the progression towards achieving the CWSP's annual pollution reduction targets.

Documentation of successes and challenges in these quarterly reports will help DEC understand the level of effort necessary to implement the work of the CWSP. CWSPs should also take advantage of check-ins with DEC to identify needs for assistance and/or information. Documenting challenges, as well as efforts initiated to solve those problems, will help to inform DEC of what is happening in the basin and create a record for future consideration. Proactive communication is especially important.

Annual Monitoring

Annually, DEC shall conduct monitoring of CWSPs that includes the following:

- CWSP Annual Report
- Required annual Verification and Maintenance Reporting spreadsheet)
- A list of all subgrants and subcontracts issued by the CWSP during the last fiscal year.
- DEC Programmatic File Review and DEC- Administration and Innovation Division (AID) Grant File Review
- DEC check-in with the BWQC chair
- Annual year-end review meeting
- DEC-AID payment testing and internal controls monitoring.

Formula grants are issued once per year, for each year of a CWSPs' term. Each grant is budgeted to provide one year's worth of administration (program delivery) and project completion funds. Administration funds are funds required by the host organization to operate the CWSP. Project completion funds are flexible based on CWSP and BWQC needs and can be used across a project's lifespan from project ID and development to design, implementation, maintenance and verification. Formula Grants may be written

for a two-year timeframe, to allow time for overlap between years, to allow time for ramping up of operations, and for grant close out.

CWSPs shall prepare a year-end report, whether or not their Formula Grant has been fully spent down. The report shall address each/all grants that have been funded during the reporting period of performance by documenting activities, progress, and challenges. The annual report should be submitted within 6 weeks of the end of the State fiscal year. The CWSP annual report will be substantively the same as a quarterly report, noted earlier, except for the reporting period (1 year), and information on projects (see below), and shall include the same submissions (State Financial Reporting Form, project level expenses, BWQC minutes, etc.), and the inclusion of the annual Verification and Maintenance reporting spreadsheet data. The final grant close-out may not align with the annual report, given uncertainties of when grants have been fully expended.

The year-end report must document CWSP progress in meeting phosphorus reduction targets. Measurement of progress can and should include projects in the following project phase or state, from Project Identification/Assessment to Post Active Implementation. Whenever possible, reports must tally the phosphorus-reduction attributable to CWSP-funded projects (i.e., Act 76 Water Quality Restoration Formula Grants) as well as those projects that are funded using non-Formula Grant funding, but which have a quantifiable phosphorus reduction value, and which have been adopted by the CWSP. Year-end reports may include details on any of the following (as applicable):

- 1) Projects with an active operating period (i.e., still functioning per their design life and/or O&M) and their associated estimated phosphorus reductions from projects implemented with Formula Grant funding (including projects and associated proportional estimated phosphorus reduction for co-funded projects as is described in Guidance Chapter 6).
- 2) Projects with an active operating period and their associated estimated phosphorus reductions from adopted projects.
- 3) Projects and associated estimated phosphorus reductions for past and current projects that have been approved by the BWQC for implementation.
- 4) Projects and associated estimated phosphorus reduction for projects that have been approved for design by the BWQC.
- 5) Projects that have been approved for funding by the BWQC (for either project development or project identification).

- 6) Inspection, verification, maintenance, and repair activities of projects and whether those projects continue to operate in accordance with their design.⁷
- 7) Projects installed and/or adopted and then lost or decommissioned, and an explanation of why.⁸
- 8) Projects and associated phosphorus reductions for projects that have been awarded Formula Grant funding but are not moving toward implementation due to some barrier.

More specific reporting requirements may be enumerated in the CWSPs Formula Grant award. Note that information on funded and/or completed projects may be partially available through data submission tools or a query of the Watershed Project Database (WPD), but some information may not be included in the queried report and some narrative context may need to be added. DEC will continue to consider improvements to data submission tools and WPD to facilitate more streamlined tracking and reporting.

For projects with estimated phosphorus reduction values not yet available in Watershed Projects Database, CWSPs should report predicted phosphorus reductions using DEC provided calculator tools consistent with DEC phosphorus accounting methodologies. The CWSP shall provide a coarse estimate of predicted phosphorus reductions relative to accumulated targets to be achieved over the CWSP term based on existing phosphorus reduction calculator tools, best available information, project implementation and design life schedules. In the early years of the CWSP assignment it is understood that there may not be sufficient information to make projections of cumulative phosphorus reductions expected over the CWSP term, but these projections should be more refined in the latter years of the CWSP assignment, especially as projects move towards final design and implementation.

CWSPs shall also submit audited year-end financial statements for the entire CWSP host entity, with CWSP activity broken out as a separate fund. These financials may be submitted up to 180 days after the end of the fiscal year, although earlier submission is welcome and appreciated.

⁷ This summary of information will be submitted via the Annual Verification and Maintenance Reporting spreadsheet.

⁸ DEC should receive notice of failed projects prior to initiation of the Clean Water Budget process, the timing of which can vary from year-to-year. CWSPs should submit this information as part of the Annual Verification and Maintenance Reporting spreadsheet but may be requested to provide this information earlier if needed by DEC.

The TPM should meet with the CWSP for a year-end check-in on performance in August or September of the following fiscal year. At this time, the watershed planner for the CWSP basin might also discuss CWSP project advancement and BWQC prioritization efforts within the context of the basin plan. DEC will also look for feedback on the CWSP from the BWQC and project implementers/stakeholders at this time. Due to the timing for submission of audited financial statements, the CWSP TPM will conduct a supplemental year-end desk review that includes a review of the financial statements. This supplemental review will typically take place in January of the following fiscal year. Additional review or follow-up may be appropriate if any questions are raised.

As with quarterly reporting, CWSPs are encouraged to be proactive in communicating project development efforts, successes and challenges, partner activities, and overall progress towards meeting their p-reduction target. Proactive communication will help inform DEC awareness of trends in performance related to achieving adequate annual progress. DEC will review the annual reporting for trends in level of effort expended, progress in standing up and verifying and maintaining projects to achieve the CWSPs pollution reduction targets, BWQC and community relations, and compliance with required governance practices. DEC will also share relevant data and information, including the results of DEC analyses, modeling, and contract work that could support the CWSP.

Finally, in preparation of annual reporting, the CWSP should update and confirm that all data required to be supplied in the Watershed Projects Database (see Chapter 8) is there and is accurate. This review and confirmation must take place in accordance with the Clean Water Initiative Program's annual reporting schedule requirements. For more on Data Management, see Chapter 8 of this Guidance.

DEC Programmatic File Review

Annually, the TPM, in coordination with the watershed planner, may choose to conduct a file review. The point of the review is to evaluate whether the CWSP is complying with applicable terms and conditions of their grant, including the required elements listed in Law, Rule and Guidance for Clean Water Service Providers, as well as compliance with the applicable Clean Water Initiative Program Funding Policy. Among other things, the TPM may look to confirm compliance with the following requirements:

- The applicable Funding Policy.
- Use of Performance Bonds
- Banking and financial management guidance.
- Subaward monitoring documents.
- Procurement requirements per the Act and the Rule.
- Project Developer or subcontractor State insurance coverage limits.
- Pre-qualification opportunities
- Chapter 6 guidance on project solicitation, eligibility screening, and prioritization

The TPM and watershed planner may conduct this review by looking at one or more project files and reviewing relevant documentation, to confirm compliance. While conducting this review, the TPM may also review other quality control related items, such as whether a project is on budget, whether the CWSP is proactively addressing project-level problems, or that documentation of matching funds allowable for third-party projects is complete and accurate.

As part of DEC's programmatic file review and related records retention policy, DEC recommends the following guidance that is also reflected in guidance Chapters 2 (Operational and Financial Management) and 8 (Data Management). CWSPs should keep all project files accurate and up to date to enable this programmatic file review and support review of their compliance with the CWIP Funding Policy. This includes retaining all project proposal paperwork, eligibility checklists including agricultural project determinations where applicable, subgrant and subcontract agreements, substantive communications around project status, all standard deliverables for each project as outlined in the CWIP Funding Policy by project type, and project invoices.

CWSPs should retain all materials associated with project solicitation, eligibility screening, and prioritization to support review of their compliance with Guidance Chapter 6. This includes but is not limited to the annual project solicitation schedule developed with their BWQC, documentation of collaboration and coordination with other Funding Program Administrators (FPAs), project solicitation communications, subgranting policy, documentation on their BWQC's cost-effectiveness threshold for project funding, documentation supporting the project's non-regulatory determination if applicable, and the CWSP and BWQC's project ranking schedule and scoring process.

AID Monitoring and Payment Testing

DEC's Administration and Innovation Division (AID) conducts regular reviews of all DEC grantees, randomly selecting grantees for monitoring. Due to the unique nature of CWSPs, AID may conduct standard internal controls review of each CWSP in their first year of service, consisting of:

- 1) A CWSP Internal Controls Self-Assessment,
- 2) Standard Internal Controls/Financial Procedures Review,
- 3) Internal-Controls Review pursuant to the CWSP Rule, and
- 4) Payment Testing.

The CWSP Rule and other guidance chapters (e.g., Chapter 3 – Financial Management) contain specific requirements on Internal Controls, that AID will also monitor for, including:

- Internal controls must at least address separation of duties for financial activities, use of an electronic accounting system, budget reconciliation, tracking of staff time, procurement procedures, authorizations for purchasing and procurement, written accounting procedures, financial reporting, personnel policies, and safeguarding of assets.⁹
- Three key duties should be separated between three separate employees: custody of assets (including financial accounts) and accounting/recordkeeping, authorization of use of the assets (i.e., signing checks, approving procurement), and reconciliation.¹⁰
- Reconciliation of CWSP formula funds - should be performed frequently, but by a separate staff member from the person who is the custodian of assets, such as the financial staff member recording transactions, or the CWSP Director.¹¹

CWSP Re-Assignment Review

CWSPs who desire to serve another term shall indicate their interest in re-appointment by submitting a letter to the CWSP TPM dated no later than July 30 of the fiscal year that their [CWSP term ends](#). DEC shall conduct a term-end review for all CWSPs, whether or not they indicate interest in re-appointment. This review will take place in

⁹ Vermont Environmental Protection Rule §39-306(f)

¹⁰ Vermont Environmental Protection Rule §39-306(f) and CWSP Guidance Chapter 3

¹¹ CWSP Guidance Chapter 3

the final year of a CWSP's term of service. For CWSPs who indicate an interest in reappointment, this review shall serve as the primary mechanism for determining whether or not a CWSP will be re-appointed to another term of service.

The CWSP TPM will coordinate this process. Financial and grant management performance data from DEC's AID, data management and verification and maintenance performance data from CWIP, feedback from the basin's BWQC, input from the watershed planner, and prior reviews of performance shall be collected by the TPM for aggregation into a term-end review and recommendation on whether the CWSP should be re-appointed.

The results of the report will inform whether a CWSP will be reappointed for another term of service. Because the review and decision to reappoint a CWSP happens in the final year of service, DEC will also conduct a post-term 'close-out' once the prior full term has expired, reviewing the final deliverables and performance. This post-term 'close-out' will help provide an accurate picture of the CWSP performance in that term, which will in turn help identify opportunities for process improvement for all CWSPs.

A decision on whether or not to reappoint a CWSP to another term of service shall be communicated to the CWSP in a timely manner and noted in the CWSP file.

Term-End Review

To avoid a gap in coverage, DEC cannot wait for a CWSP term to end to review performance and decide whether or not to reappoint that CWSP to another term. Accordingly, the decision to re-appoint a CWSP will be made without the availability of complete information, as work will be ongoing in the final year of the CWSP term. Yet, DEC will want to include the final year of the term of service, in order to inform opportunities for improvement, to close the books on the previous term, and to accurately understand the CWSP performance and project details in the prior term.

Accordingly, CWSPs may be asked to provide information on the previous term in order to complete reporting and record keeping, as appropriate. Items that a CWSP may be asked to provide final information on include:

Projects:

- i. Implemented project pollution (phosphorus) reduction value (as a percentage of the CWSP's cumulative pollution reduction target (including co-funded projects and adopted projects, as allowed))

- ii. Projects approved by the BWQC for implementation (number and/or Phosphorus reduction value)
- iii. Design-phase projects approved by the BWQC (number and/or Phosphorus reduction value)
- iv. Identification and development-phase projects approved by the BWQC (number and/or Phosphorus reduction value)

Outreach:

- i. Funded identification and development initiatives
- ii. Coordination with prospective landowners
- iii. Project research, including outreach to DIBG holders, watershed planners, others, etc.
- iv. Other outreach, including environmental justice-related efforts.

Project dynamics

- i. BWQC prioritization of inefficient P reduction projects
- ii. Project failure(s) or delays outside of the CWSPs' control.
- iii. Eligible CWSP projects funded in the basin by other funding initiatives.

Systemic dynamics

- i. Inflation. DEC acknowledges that the Cost Rate Methodology is based on project data from completed projects and may not reflect current costs that may vary due to geographic region and other variables. DEC will adjust annual targets to account for inflation and will also periodically update the Cost Rate Methodology.
- ii. Lack of systemic capacity (e.g., staffing) on project development, implementation, etc.
- iii. Acts of God (i.e., natural disasters)

Table 1. Summary of review components per milestone

item	Quarterly	Annual	Reassign- ment	End of Term
A narrative report on CWSP activity, including updates on projects approved by the BWQC, procurement activities, successes, and challenges.	•	•	•	•
A filled-out Act 76 State Financial Reporting Form (SFRF)	•	•	•	•
Financials on expenditures of CWSP funds, itemized by project (tab 2 of the SFRF), including	•	•	•	•
O&M expense report as generated by the SFRF	•	•	•	•
Annual Verification and Maintenance Reporting Spreadsheet		•	•	•
DEC Programmatic File Review and DEC-AID Grant File Review/Internal Controls Check		•	TBD	TBD
DEC check-in with the BWQC chair		•	•	•
BWQC feedback to CWSP		•	•	
Year-in review meeting		•	•	•
AID payment testing and internal controls monitoring		•	•	•
Progress Towards Phosphorus Reduction Target		•	•	•
Review of BWQC Coordination and Facilitation		•	•	•
Review of CWSP Governance		•	•	•
Review of Project Management and oversight		•	•	•
Review of Project O&M/Performance		•	•	•
DEC check-in with BWQC/other stakeholders			•	
Projection of total CWSP target achieved by end of term			•	
Final evaluation of CWSP targets and financials				•