

**DRAFT VERMONT CLEAN WATER FUND SFY18 DISTRIBUTION PRIORITIES**

Purpose: As directed by Act 64 (2015) and modified by H.876 (2016), the Vermont Clean Water Fund Board is to develop an annual revenue estimate and propose a budget for the Clean Water Fund.

Implementation Policies: The Clean Water Fund provides additional state funds above current allocation levels to complement, enhance and leverage existing resources. The use of the Fund is to maximize opportunities for the restoration and protection of Vermont’s water ways by prioritizing and targeting resources. To maximize the effectiveness of this Fund, the Fund should strengthen and complement existing state assistance programs (e.g., grant and loan pass-through programs), wherever feasible.

Contingency to Avoid Overruns: Ten percent of the annual Clean Water Funds are set aside as a contingency to avoid the risk of spending more funds than the amount available for that fiscal year.

Priorities: The Board shall make its recommendation based on the following priorities, as stated in Act 64 Sec. 37 (10 VSA §1389(e)) and further described in Table One:

- A. Address sources of water pollution in waters listed as impaired (33 U.S.C. §1313(d));
- B. Address sources of water pollution identified as significant contributors of water pollution;
- C. Restore riparian (lands adjacent to waterways) conditions to minimize the risk of flood damage;
- D. Support state and municipal compliance with road-related stormwater permit requirements;
- E. Provide education and outreach regarding the implementation of water quality requirements;
- F. Support Innovative or alternative technologies or practices to improve water quality;
- G. Purchase land in order to take land out of practice when State requirements cannot be remediated through Best Management Practices;
- H. Assist municipalities in the establishment and operation of stormwater utilities;
- I. Prioritize awards to municipalities for compliance with water quality requirements during the first three years of the Clean Water Fund; and,
- J. After satisfying the above priorities, attempt to provide for equitable apportionment of awards to all regions of the State and for control of all point and nonpoint pollution sources in the State.

**Table 1: Summary of Clean Water Fund Priorities**

Priority	Description
A: Sources of water pollution in Impaired Waters	Restores surface water impairment through grants, contracts or loans, targeting sources of pollution that are contributing to the water quality impairment
B. Significant sources of water pollution	Promotes cost-effectiveness by targeting sources of pollution that are significant contributors to water quality degradation
C. Riparian buffer restoration	Purchases permanent conservation easements on lands adjacent to waterways (river corridors, wetlands, riparian areas) and establishes minimum of 50-foot buffers with native vegetation
D. Compliance with municipal and State road permits	Aids municipalities and the State in implementing stormwater control practices for compliance with the municipal roads general permit and the stormwater permit pertaining to state highways
E. Education, outreach	Provides technical and educational support to municipal officials and road crews, farmers, loggers, homeowners and others about sources of water pollution, cost-effective solutions to mitigate impacts and implementation support
F. Innovative technologies	Supports innovative technologies or practices to reduce water pollution from farms, municipalities’ developed lands, logging areas and other sources
G. Land acquisition	Purchases land in order to take land out of practice when water quality remediation is not achievable through agricultural Best Management Practices
H. Municipal Stormwater Utilities	Provide assistance for municipalities in establishing and operating stormwater utilities
I. Municipal assistance	Aids municipalities in understanding critical sources of water pollution, and in identifying, planning and implementing priority water pollution controls
J. Geographic equity	Adds to this set of priorities some consideration of location in the distribution of funds to support regional equity

## Acronyms

AAFM: Vermont Agency of Agriculture, Food and Markets

ACAP: Vermont DEC's Agronomy and Conservation Assistance Program, a program that provides support to partners in the delivery of agronomic (soil and nutrient management) assistance to farmers

ACCD: Vermont Agency of Commerce and Community Development

ANR: Agency of Natural Resources

BMP: Best Management Practices, activities to address water quality impacts from land-based sources that are the result of precipitation-driven runoff and erosion.

CWF: State of Vermont Clean Water Fund

DEC: Vermont Department of Environmental Conservation, a department under ANR

FAP: Farm Agronomic Practices, a set of practices for farmers to employ to minimize losses of soil, nutrients and agricultural waste from runoff and erosion to enhance soil health

FED: Vermont DEC's Facilities Engineering Division

LCB: Lake Champlain Basin. Vermont's portion of the LCB represents approximately half the land mass of Vermont

LiDAR: Standing for "Light Detection And Ranging," is a state-of-the-art mapping technology that produces high resolution maps as baseline information to aid in identifying priority water quality needs. Other applications include flood and erosion hazard mapping, landslide hazard mapping and transportation project support

LCBP: Lake Champlain Basin Program

Stormwater Utilities: is a system adopted by a municipality or group of municipalities under 24 V.S.A. chapter 97, 101 or 105 for the management of stormwater runoff.

TMDL: Total Maximum Daily Load; a pollution budget that establishes the maximum amount of a pollutant a waterbody can receive from many different sources of that pollutant while still meeting water quality standards. Federal Water Pollution Control Act of 1972, 33 U.S.C. Section 1251 et seq., Section 303(d)

USDA: United States Department of Agriculture, which, as part of the federal Farm Bill, offers a number of conservation programs to protect water quality and improve soil health

VTrans: Vermont Transportation Agency

**Table 2: Recommendations – Agency of Agriculture, Food and Markets**

#	Sector (Agency)	Funding Program	Activities	Other Funds	Priorities										State FY18			
					A	B	C	D	E	F	G	H	I	J				
1	Agriculture (AAFM)	On-Farm Implementation (Grants & Contracts)	Farm water quality capital improvements, matching USDA funds in Lake Champlain Basin (LCB) and supporting priority projects outside of the LCB; Farm agronomic practices (FAP) that exceed existing state and USDA funding resources	USDA <sup>1</sup>	X	X											X	\$400,000
2	Agriculture (AAFM)	Grants & Contracts	Incentives for farmers to implement phosphorus reduction practices above regulatory requirements, including riparian and wetland restoration programs; Technology or other infrastructure that facilitates nutrient management development, data management and record keeping on farms; Creation of a Research Farm to study water quality runoff impacts from farm management systems and conservation practices; Alternative phosphorus reduction strategies (e.g., grassed-based farms, phosphorus separation strategies); Support for farm acquisition in order to overlay a conservation easement to establish agricultural practices that reduce phosphorus loading	USDA <sup>1</sup>	X	X					X							\$450,000
<b>SUBTOTAL (FY18) =</b>																	<b>\$850,000</b>	

1. Funds are complementary, supporting implementation of similar projects.

**Table 3: Recommendations – Agency of Natural Resources**

#	Sector (Agency)	Funding Program	Activities	Other Funds	Priorities										State FY18	
					A	B	C	D	E	F	G	H	I	J		
3	Agriculture (ANR)	Ecosystem Restoration Grants & Contracts	Support for the Agronomy and Conservation Assistance Program (ACAP) – contract to continue delivering agronomic (field-based) technical support to farmers in the Lake Champlain Basin		X	X	X		X						X	\$234,600 <sup>2</sup>
4	All Sectors (ANR)	Ecosystem Restoration Grants & Contracts	Partner support for project implementation (partners include a variety of organizations such as conservation districts, regional planning commissions, municipal organizations, extension services, watershed groups and alliances, farmer coalitions), involving delivery of technical and implementation services for projects that are identified and prioritized in Tactical Basin Plans		X	X	X		X	X				X	X	\$370,000
5	All Sectors (ANR)	Ecosystem Restoration Grants & Contracts	Improved water quality monitoring, mapping and tracking to evaluate effectiveness of implementation, including the use of watershed associations and the LaRosa Partnership		X	X	X	X	X					X	X	\$300,000
<b>SUBTOTAL (FY18) =</b>															<b>\$904,600</b>	

2. DEC is currently managing this program in the Lake Champlain Basin using federal funds from the Lake Champlain Basin Program (LCBP). Since these funds will no longer be available to support this program, this allocation is necessary to transition the management of this program using state funds. DEC will manage these funds using a competitive process.

#	Sector (Agency)	Funding Program	Activities	Other Funds	Priorities										State FY18
					A	B	C	D	E	F	G	H	I	J	
6	Municipal Stormwater (ANR)	Ecosystem Restoration Grants & Contracts	Municipal stormwater planning and implementation, with support from a partner <sup>3</sup> when requested, including: (a) project identification, prioritization and planning for implementation; (b) Planning assistance for municipalities pursuing stormwater utilities; and (c) Project implementation to mitigate impacts from stormwater runoff being generated from municipalities' developed areas		X	X		X	X			X	X	X	\$760,000
7	Municipal Stormwater (ANR)	Ecosystem Restoration Grants & Contracts	Municipal Capital Equipment Assistance help purchase equipment that enhances local water quality-focused Best Management Practice implementation, such as hydroseeders	Local funds as match	X	X		X	X	X		X	X	X	\$100,000
8	Natural Resources (ANR)	Ecosystem Restoration Grants & Contracts	Flood resilience/Water Quality and Forest Health Projects, targeting the restoration of wetlands, river corridors, floodplains and riparian areas as well as forest health projects. Projects will focus on: (a) improvements in resilience and water quality; (b) restoration of unstable stream channels to natural stability (equilibrium conditions); (c) portable skidder bridge rental program to reduce nonpoint source pollution associated with logging operations; (d) urban forestry water quality projects; and (e) trainings in compliance with logging practices that protect water quality	USDA <sup>4</sup>	X	X	X		X		X			X	\$225,400
9	Wastewater Treatment (ANR)	Facilities Engineering Division	Municipal assistance in compliance with TMDLs, such as asset management – a process to determine how, where and when to make clean water infrastructure improvements		X	X				X			X		\$100,000 <sup>5</sup>
<b>SUBTOTAL (FY18) =</b>														<b>\$1,185,400</b>	

3. Refer to the "Activities" description in Allocation #4 for a list of potential partners.

4. As described in Footnote 1 above, the USDA funds are complementary, supporting implementation of similar projects.

5. DEC is able to support a second year of this program using federal funds (totaling \$190,000) from the Lake Champlain Basin Program (LCBP).

Table 4: Recommendations – Agency of Commerce and Community Development														
#	Sector (Agency)	Funding Program	Activities	Other Funds	Priorities								State FY18	
					A	B	C	D	E	F	G	H		I
10	Technical Support (ACCD)	Vermont Center for Geographic Information	LiDAR Mapping of the State of Vermont, Next Phase, to support agriculture, stormwater, river, forest road mapping	Federal (USGS)	X	X	X		X	X				\$460,000
<b>SUBTOTAL (FY18) =</b>													<b>\$460,000</b>	

Table 5: Recommendations – Agency of Transportation															
#	Sector (Agency)	Funding Program	Activities	Other Funds	Priorities								State FY18		
					A	B	C	D	E	F	G	H		I	J
11	Municipal Roads (VTrans)	Municipal Mitigation Assistance Program	Inventory, prioritization and implementation to address municipal gravel and non-gravel road-related stormwater mitigation projects, in compliance with state road general permit, and including replacement of undersized culverts	Local funds as match	X	X		X	X	X			X	X	\$1,025,000
12	State Roads (VTrans)	Municipal Mitigation Assistance Program	Stormwater incentive payments to municipalities with stormwater utilities (\$25,000 per municipality with a stormwater utility)	Local funds as match		X		X		X		X	X	\$75,000	
<b>SUBTOTAL (FY18) =</b>													<b>\$1,100,000</b>		

<b>Table 6: Recommendations by Sector*</b>	
	<b>State FY18</b>
Agriculture	<b>\$1,084,600</b>
Municipal (roads and stormwater management)	<b>\$1,960,000</b>
Municipal Wastewater	<b>\$100,000</b>
Natural Resources	<b>\$225,400</b>
All Sectors – LiDAR Mapping	<b>\$460,000</b>
All Sectors Support	<b>\$670,000</b>
10% Contingency Reserve*	<b>\$500,000</b>
<b>TOTAL</b>	<b>\$5,000,000</b>

<b>Table 7: Recommendations by Administering Agency*</b>	
	<b>State FY18</b>
Agency of Agriculture	<b>\$850,000</b>
Agency of Natural Resources	<b>\$2,090,000</b>
Agency of Commerce and Community Development	<b>\$460,000</b>
Agency of Transportation	<b>\$1,100,000</b>
10% Contingency Reserve*	<b>\$500,000</b>
<b>TOTAL</b>	<b>\$5,000,000</b>

\* As mentioned on page one, ten percent of the annual Clean Water Funds are set aside as a contingency to avoid the risk of spending more funds than are available in the fiscal year.