

Minimum Cost Effectiveness Policy

Background

The Vermont Department of Environmental Conservation (DEC) provides funding to Clean Water Service Providers (CWSPs) for projects aimed at improving water quality. CWSPs work with Basin Water Quality Councils (BWQCs) to prioritize projects that will receive these funds. These projects are intended to reduce nutrient and sediment pollution, primarily from nonpoint sources. To ensure that resources are used efficiently and effectively, it is important to consider the cost-effectiveness of proposed projects. CWSPs are encouraged to identify and publicize a minimum acceptable phosphorus reduction cost-effectiveness for projects they are willing to consider. The cost-effectiveness threshold helps determine if a project is a better fit for Water Quality “Formula” grants versus other grants.

Proposed Minimum Cost Effectiveness Policy

To ensure that clean water projects funded by the Missisquoi CWSP achieve the greatest water quality benefit for the resources invested, the following minimum cost-effectiveness threshold will be applied:

- **Minimum Cost-Effectiveness Threshold:** All projects seeking financial support from the CWSP and endorsement from the BWQC must demonstrate they meet a minimum cost-effectiveness threshold. The threshold is **\$50,000 per kilogram for stormwater projects**. The threshold is **\$30,000 per kilogram for all other projects**.
- **Partial Funding Provision.** The cost-effectiveness threshold applies specifically to the portion of the project seeking CWSP funding. Where a proposed project exceeds the threshold in total, the CWSP may consider awarding partial funding, if the applicant arranges for funding from “non reporting” entities for the remaining project costs. The CWSP will work with grantees to identify feasible funding arrangements.
- **Special Exceptions.** The CWSP may elect to fund a project that exceeds the cost-effectiveness threshold in very limited and compelling circumstances. Such exceptions will be considered by the CWSP Director only if: 1) a project demonstrates superlative co-benefits and alignment with other high-priority initiatives; 2) there is a clear, documented justification for why the project’s benefits outweigh its higher cost; and 3) no other source of funding is available.

This policy is intended to ensure that the Missisquoi CWSP receives applications, and the BWQC prioritizes projects, that provide the greatest phosphorus reduction benefits for the resources invested.

Adoption and Amendment

This Policy may be amended.

Approved 6/25/25
Date

by *Catherine Dimitrova*
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