

November 1, 2017



Julie Moore, Agency Secretary
Agency of Natural Resources
1 National Life Drive, Davis 2
Montpelier, VT 05620-3901

Dear Secretary Moore:

Thank you for your efforts to focus on the probable funding needs established as a result of Act 64, the Vermont Clean Water Act, and the funding sources that are in place now. The task of developing an accurate picture of the state of water quality funding and needs today is a tremendously difficult task all by itself.

As we said in our meeting on October 19, we believe that the draft report fails in its first assignment: “to recommend to the General Assembly draft legislation to establish equitable and effective long-term funding methods to support clean water efforts in Vermont” (Act 73 section 26 (d)). The report must address needs beyond the five-year time frame highlighted in the draft report if we do not want to face a cliff in funding in five years. We believe it is appropriate to state that, in the larger context of budgeting for all of Vermont’s programs and Vermonters’ current tax burdens, this is a difficult task. In furtherance of establishing long-term financing and administration of Vermont Clean Water Act programs, we urge you to endorse the concept of a statewide authority in the report.

It is imperative that the report make clear that municipal dollars to fund stormwater infrastructure, as well as its design and scoping, are not in place now and must be represented as a gap in funding. The Treasurer’s Clean Water Report issued last January did not include staffing costs at a municipal level for implementation, operations, or maintenance. Under current law and financing schemes, it is assumed that O&M costs will be borne by the project owner (p. 12 and other locations in draft report).

Act 64 establishes an “all in” approach. As the act is currently written, it is more “all in” for cities and towns and private property owners than for some other sectors, such as agriculture. Dollars are presumed to be available for municipal shares, which would be an enormous commitment in addition to the many other issues – public safety, education funding, land use planning and regulation, general highway, asset maintenance – that municipal governments address. As you know, Vermont is a highly taxed state.

Following are our comments on specific sections of the report.

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Casualty Intermunicipal
Fund, Inc.

We urge you to consolidate grants to municipalities and to standardize criteria and local share matches, including MS4 share. (p. 3, 17)

Life cycle activities (operations, maintenance, planning, scoping, design) must be eligible for ongoing funding. While the issue is raised in some sections of the report, we believe it needs to be emphasized every time that project funding is mentioned. (p. 7)

The Clean Water Fund Board clearly needs to include local representation. (p. 7)

We note that General Fund dollars are available for the Farm Agronomics Practices Program. General Fund money is also an appropriate source for municipal stormwater infrastructure operations and maintenance activities. (p. 8)

Serving and Strengthening Vermont Local Governments

Please clarify that the Clean Water State Revolving Fund (CWSRF) is a loan fund and municipalities will need to repay those funds. (p. 9)

We urge you to consolidate the Transportation Alternatives and Muni Highway and Stormwater Mitigation Grant programs. (p. 10)

The report notes municipal revenue sources as sewer rates, stormwater utility fees, and property taxes. (p. 11) Additionally, we think the following recommendations are reasonable:

- Expand the impact fee statute (24 V.S.A. Ch. 131) and eliminate the time limit (six years) for redistribution of funds.
- Expand local option tax authority to every municipality.

Please note that in the charts beginning on page 20, the funds anticipated from cities and towns are not existing resources and must be voted by the municipal voters. (p.35) Those municipal (and private) shares must be considered a gap. (p. 18, 19, 20)

The draft report states that “Act 73 Report does not include DEC or AAFM staff costs.” There was a tremendous increase in and expansion of fees passed as part of Act 64 in 2015 to pay for those costs. At the time, the agency expected to raise \$1,557,716 in FY16 to pay for 13 Department of Environmental Conservation positions, regional commission basin planning work, and ongoing operating costs. (p. 19)

We urge you to encourage the Vermont Legislature to adopt a resolution supporting integrated planning legislation currently being considered in Congress. (p. 32)

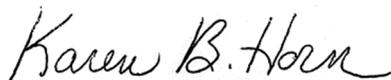
The draft report recommends municipal adoption of stormwater zoning standards and tiered grant incentives to encourage the adoption. We believe the legislature and ANR need to standardize local share matches across programs and then provide an additional 10 percent incentive to adopt standards. (p. 33)

We urge you to state unequivocally that the Clean Water Fund may not be raided for any purpose. Clean water is *the* priority, according to Act 64. (p. 36)

We believe that the statement “In conclusion, the Act 73 working group found that existing revenues are generally adequate to address clean water needs through FY 21, and with the exception of agriculture, to address clean water needs through FY 24.” (p. 37) is, unfortunately, not the case, particularly if recent challenges to wastewater treatment facility permits prevail.

Thank you for your attention to these comments.

Sincerely,



Karen Horn, Director
Public Policy and Advocacy