

Act 73 Working Group and Advisory Council

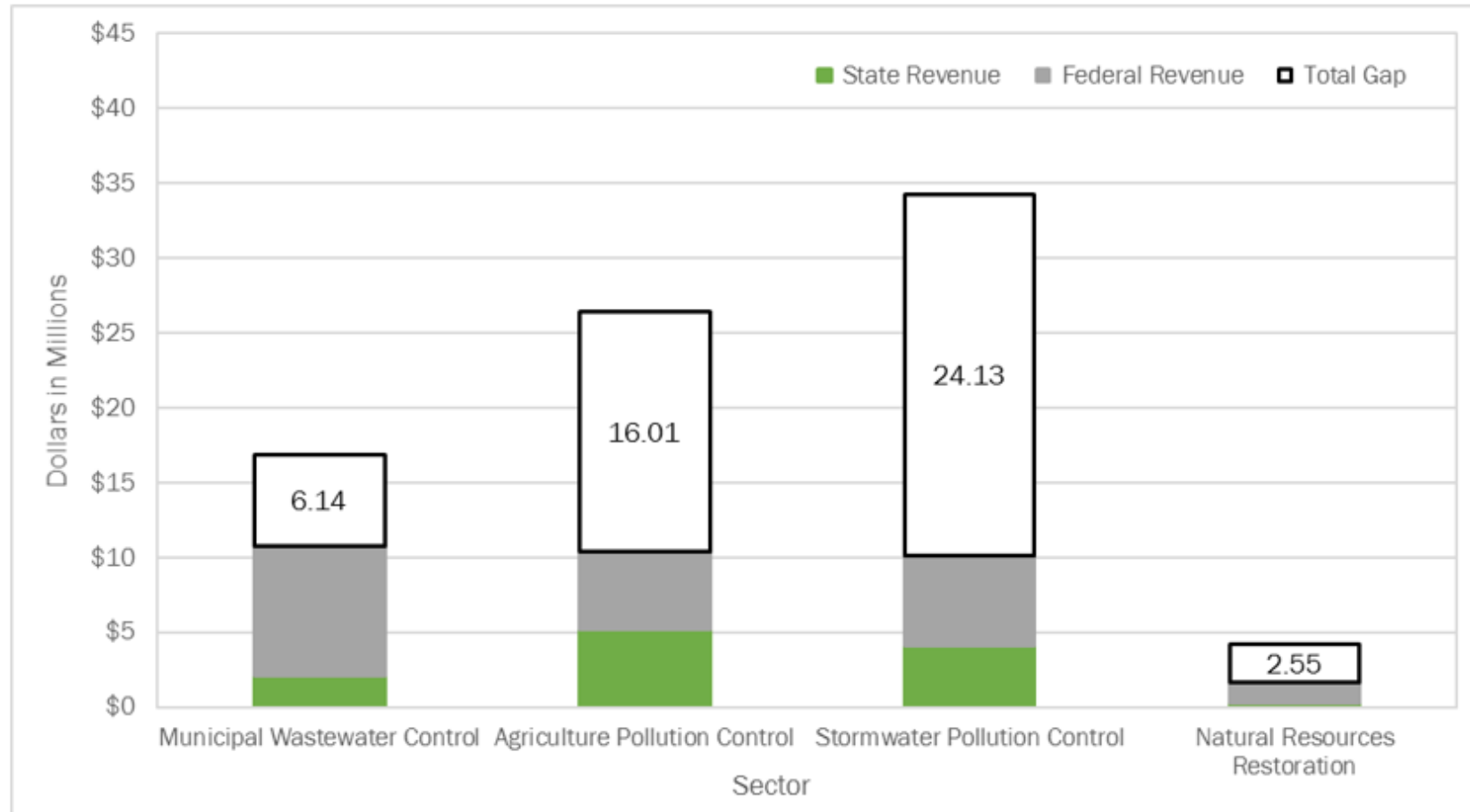
Friday, September 8, 2017

Statutory Mandate – Act 73, section 26

- Working Group (6 members)
- Advisory Council (7 members)
- Report. On or before November 15, 2017, the Working Group on Water Quality Funding shall submit to the General Assembly a summary of its activities, an evaluation of existing sources of funding, and draft legislation to establish equitable and effective long-term funding methods to support clean water efforts in Vermont.

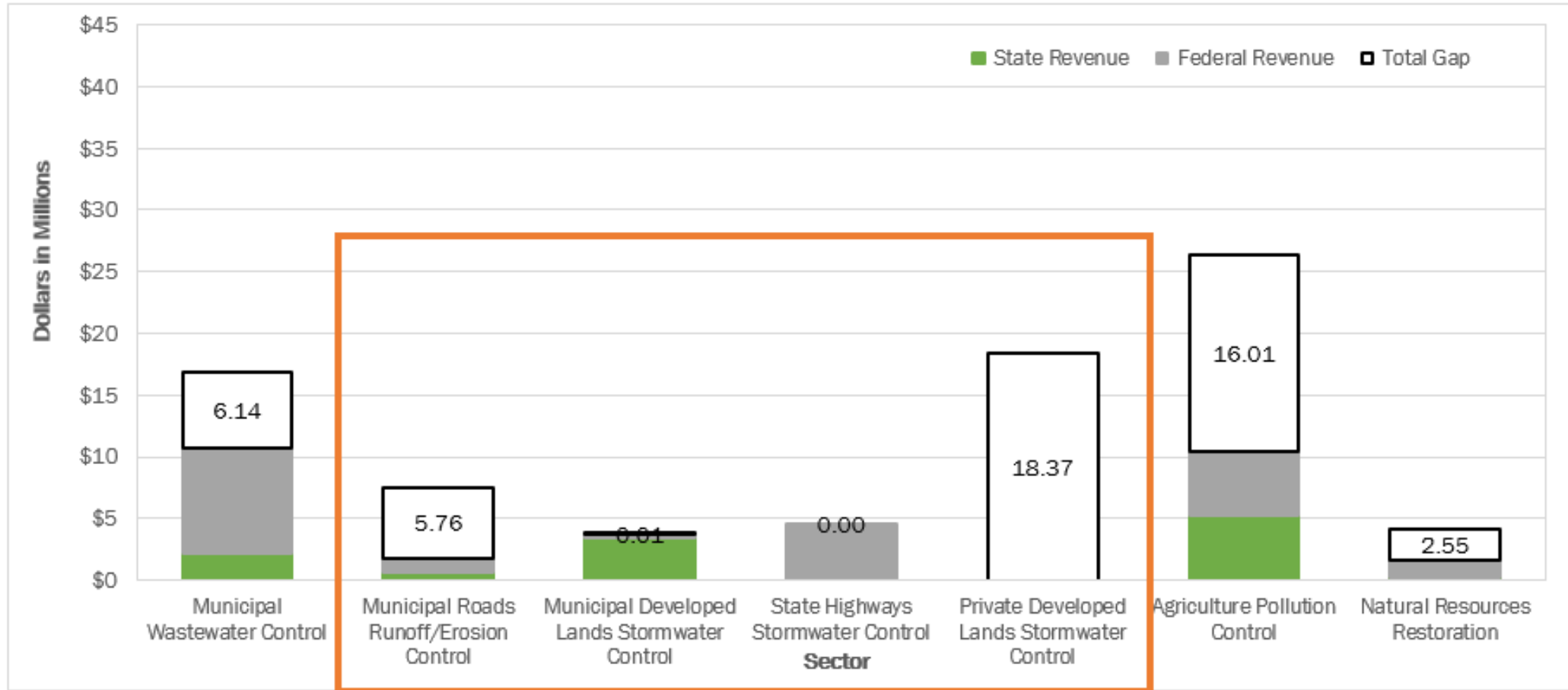
Treasurer's Report – Tier I Gap (By Sector)

Annualized Average over 20 Years

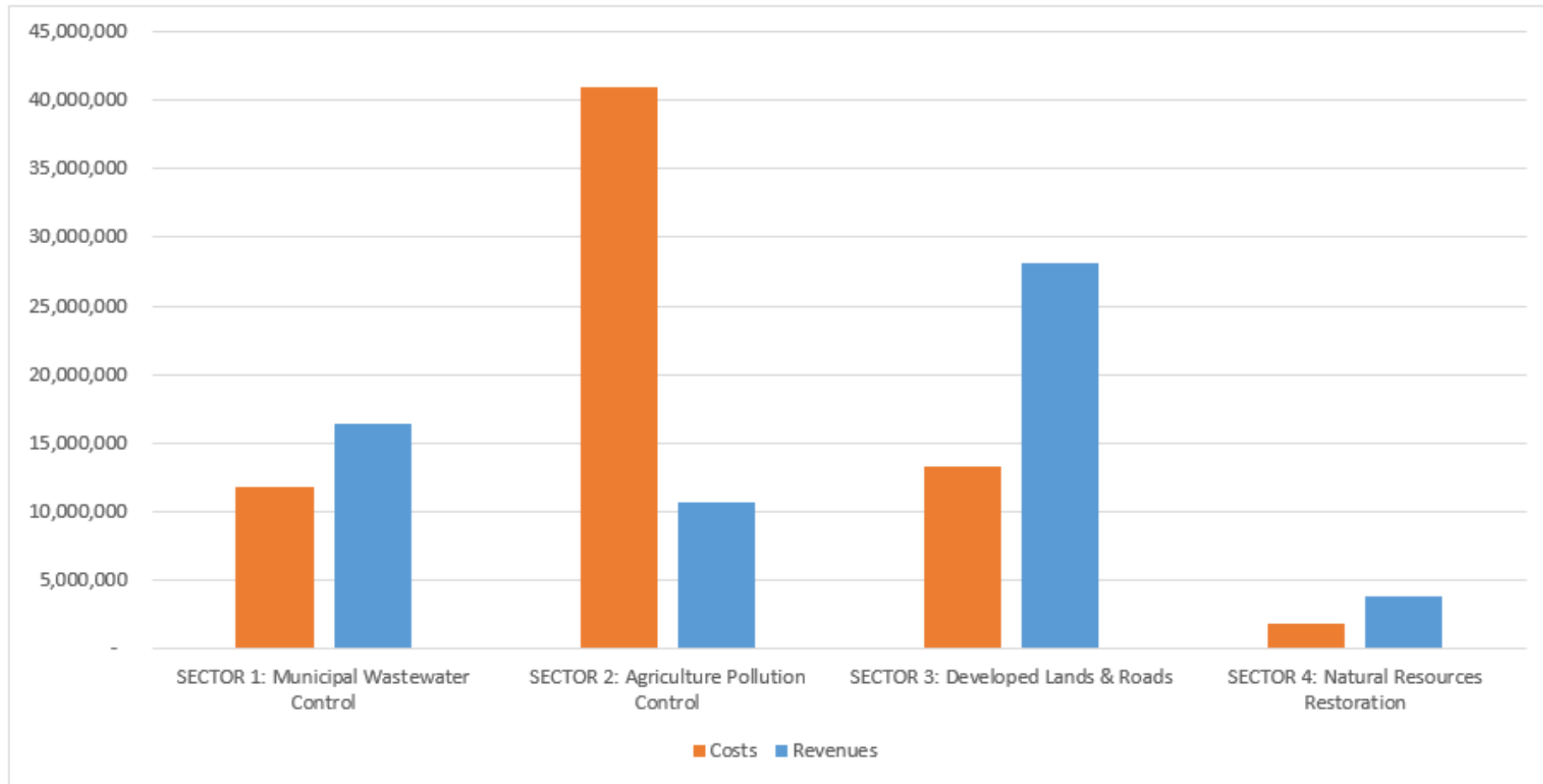


Treasurer's Report - Tier I Gap (By Land Owner Type)

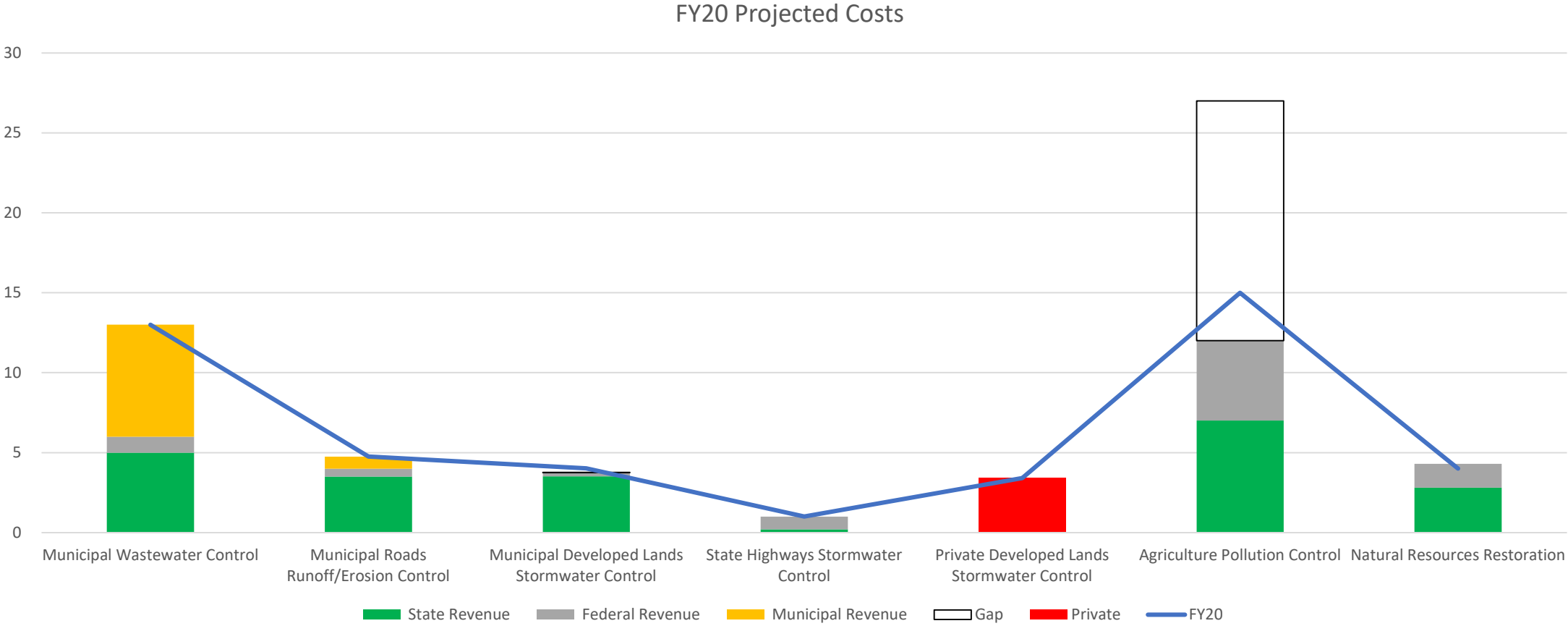
Annualized Average over 20 years



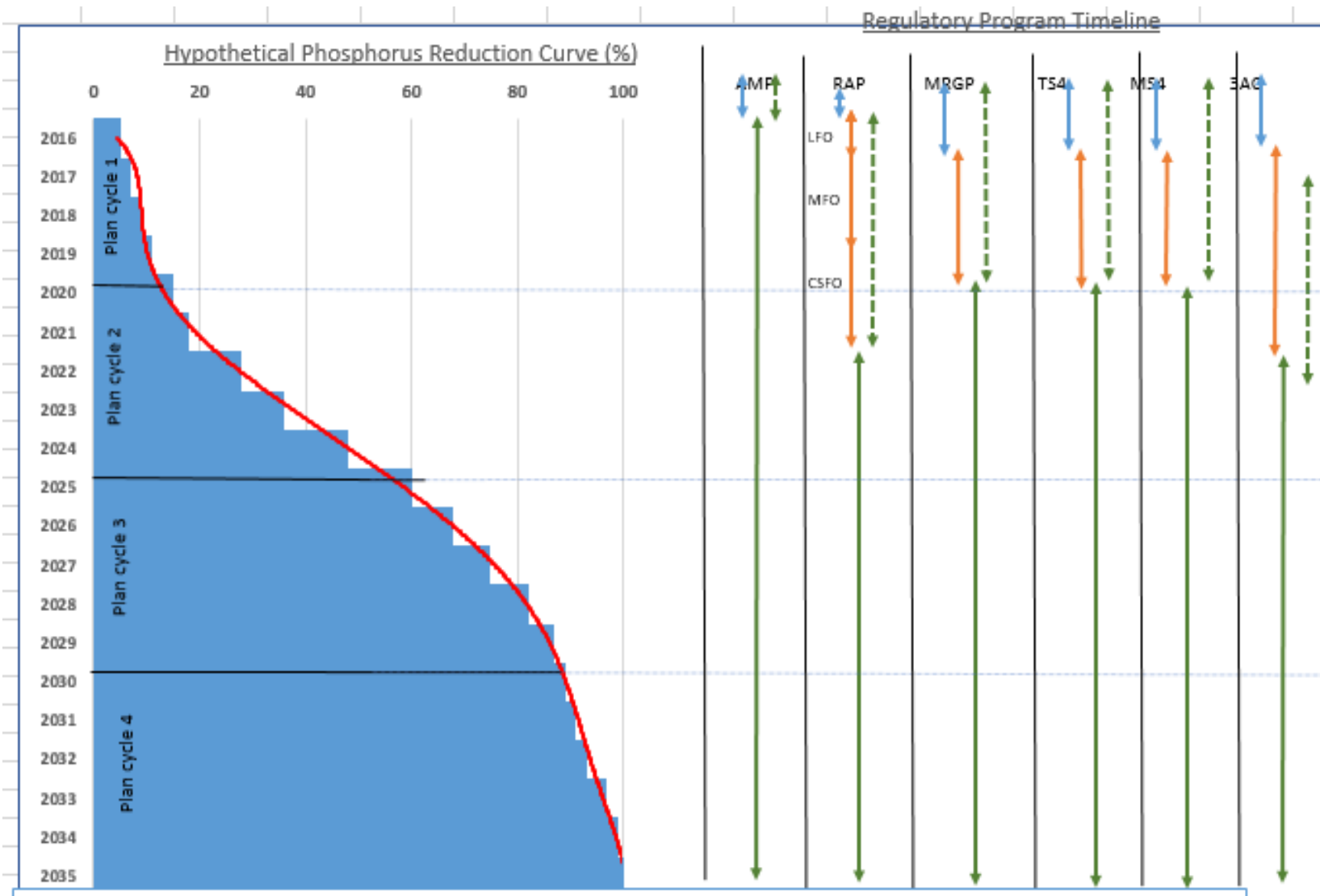
**FY18 TREASURER'S REPORT ESTIMATED COSTS &
FY18 STATE APPROPRIATIONS (DRAFT AS OF 4/7/2017)**



Task #1: Review costs



	Estimated Costs	
SECTOR	Treasurer 20-yr avg	Act 73 5-yr avg
1. Wastewater (Tier I)	\$ 17	\$ 15
Wastewater (Tier II)		\$ 14
2. Agriculture	\$ 26	\$ 15
3. Developed Lands	\$ 35	\$ 22
4. Natural Resources	\$ 4	\$ 4
	\$ 82	\$ 70



Task #2

Review existing revenue sources

FY18-19 VERMONT CLEAN WATER APPROPRIATIONS

	A Baseline (2 year total)	C As Passed House & Senate (5/5/2017)		D FY18 & FY19	E Filling Gap= D-A (2 year total)
		B FY18	FY19		
1 Capital Bill, H.519 Section 11: Clean Water Investments					
2 (a)(1) & (e)(1) AAFM BMP & CREP	\$ 3,800,000	\$ 3,450,000	\$ 2,000,000	\$ 5,450,000	\$ 1,650,000
3 (a)(2) AAFM Water Quality Grants & Contracts	\$ -	\$ 600,000	\$ -	\$ 600,000	\$ 600,000
4 (b)(1)&(f)(1) DEC Clean Water State Revolving Fund (SRF)	\$ 2,400,000	\$ 1,000,000	\$ 1,200,000	\$ 2,200,000	\$ (200,000)
5 (b)(2)&(f)(2) DEC Ecosystem Restoration Grants	\$ 7,460,000	\$ 6,000,000	\$ 5,000,000	\$ 11,000,000	\$ 3,540,000
6 (b)(3) DEC Municipal Pollution Control Grants (prior)	\$ 35,000	\$ 2,982,384	\$ -	\$ 2,982,384	\$ 2,947,384
7 (b)(4)&(f)(3) DEC Municipal Pollution Control Grants (new)	\$ 3,306,500	\$ 2,704,232	\$ 1,407,268	\$ 4,111,500	\$ 805,000
8 (c) VTrans Municipal Mitigation Program	\$ -	\$ 1,400,000	\$ -	\$ 1,400,000	\$ 1,400,000
9 (d)(1) VHCB: water quality projects	\$ 3,750,000	\$ 2,800,000	\$ 2,750,000	\$ 5,550,000	\$ 1,800,000
10 (d)(2) VHCB: farm grants or fee purchase water quality projects	\$ -	\$ 1,000,000	\$ -	\$ 1,000,000	\$ 1,000,000
11 (f)(4) FY19 Statewide Clean Water Implementation	\$ -	\$ -	\$ 11,112,944	\$ 11,112,944	\$ 11,112,944
12	\$ 20,751,500	\$ 21,936,616	\$ 23,470,212	\$ 45,406,828	\$ 24,655,328
13					
14 Transportation Bill H.494					
15 State Highway Compliance	\$ 16,280,000	\$ 8,140,000	\$ 8,140,000	\$ 16,280,000	\$ - *
16 Section 14: Transportation Alternatives (for stormwater)	\$ 2,200,000	\$ 2,200,000	\$ 2,200,000	\$ 4,400,000	\$ 2,200,000 *
17 Section 8: Municipal Mitigation (for stormwater)	\$ 2,880,000	\$ 1,240,000	\$ 1,840,000	\$ 3,080,000	\$ 200,000 *
18 Section 8: Municipal Mitigation from Federal Hgwy STBG Fund	\$ -	\$ 5,442,342	\$ 5,242,342	\$ 10,684,684	\$ 10,684,684 *
19	\$ 21,360,000	\$ 17,022,342	\$ 17,422,342	\$ 34,444,684	\$ 13,084,684 *
20					
21 Appropriations Bill					
22 DEC Federal match pass through for DEC Clean Water SRF	\$ 20,000,000	\$ 10,000,000	\$ 10,000,000	\$ 20,000,000	\$ - *
23 DF&W Watershed Grants Program	\$ 70,000	\$ 35,000	\$ 35,000	\$ 70,000	\$ - *
24 AAFM Farm Agronomic Practices Program	\$ 300,000	\$ 150,000	\$ 150,000	\$ 300,000	\$ - *
25 AAFM Water Quality Grants and Contracts	\$ 594,000	\$ 297,000	\$ 297,000	\$ 594,000	\$ - *
26 AAFM Operational Funds	\$ 750,000	\$ 375,000	\$ 375,000	\$ 750,000	\$ - *
27 Clean Water Fund	\$ -	\$ 4,000,000	\$ 4,000,000	\$ 8,000,000	\$ 8,000,000
28 FY19 Capital Bill: Bond premium from sale of bonds	\$ -	\$ -	\$ 2,259,988	\$ 2,259,988	\$ 2,259,988 *
29					
30 GRAND TOTAL	\$ 63,825,500	\$ 53,815,958	\$ 58,009,542	\$ 111,825,500	\$ 48,000,000

* Rows 15-18, 22-26, 28: Appropriations for FY19 are projected

Vermont's baseline annual spending on clean water projects is close to \$32 million, including more than \$15 million in federal funds.

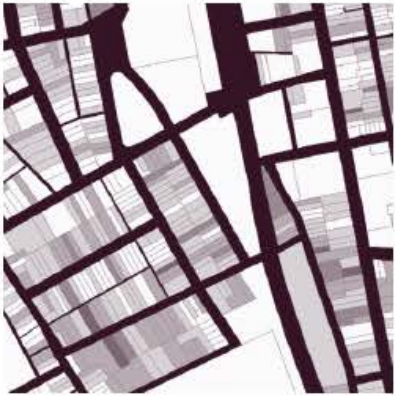
In FY18, Vermont has appropriated \$54 million for clean water projects (state and federal funds).

In FY19, Vermont is projected to spend \$58 million on clean water efforts (state and federal funds).

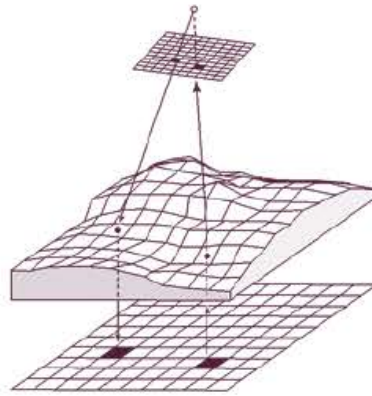
Over 2 years, this represents an increase of \$48 million over baseline spending, or \$24 million average annual increase (state and federal funds).

SUMMARY OF WATER-QUALITY GRANT MATCH & ELIGIBILITY			
Type of Project	State or Federal	Maxium Match	Program Name
Municipal Regulatory Projects			
Municipal Roads		80%	VTrans Better Roads
Municipal Roads		80%	DEC/Ecosystem Restoration Program
WWTF Construction		35%	FED Municipal Pollution Control Grants
Stormwater - MS4s		50%	DEC/Ecosystem Restoration Program
Stormwater - developed lands permits (≥ 3 acre)		50%	DEC/Ecosystem Restoration Program**
Stormwater - new & redevelopment permits (≥ 1 acre)		0%	See note**
Municipal Non-Regulatory project			
Stormwater - Non-MS4		35%	FED Municipal Pollution Control Grants
Stormwater - Non-MS4		80%	DEC/Ecosystem Restoration Program*
Natural Resources Projects		80%	DEC/Ecosystem Restoration Program*
Private Regulatory Projects			
Stormwater - developed lands permits (≥ 3 acre)		0%	See note**
Stormwater - new & redevelopment permits (≥ 1 acre)		0%	See note**
Agriculture Regulatory Projects			
Construction		65%	State AAFM Grant (15%) /Federal NRCS (50%)
Non Construction		65%	State AAFM Grant (15%) /Federal NRCS (50%)
Equipment		100%	AAFM Capital Equipment Ag Practice (CEAP)
Nonregulatory Projects (municipal, municipally sponsored, and non-profit)			
Municipal and municipally-sponsored planning*		80%	DEC/Ecosystem Restoration Program
Non-profit planning		80%	DEC/Ecosystem Restoration Program
Construction or implementation		80%	DEC/Ecosystem Restoration Program
Notes			
* Definition of municipally sponsored:			
1. Municipality assumes full legal responsibility, or			
2. Municipality is a co-permittee and agreement identifies O&M responsibility			
** Might need to pay impact fees, or be eligible to receive impact fees, under proposed stormwater rule			

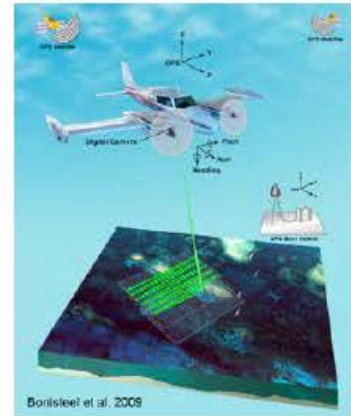
Task #3: Explore new revenue sources



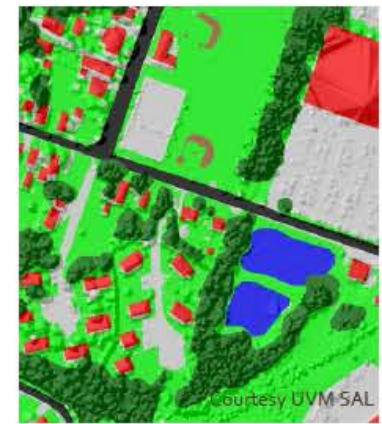
PARCELS



ORTHOIMAGERY



LIDAR



LAND COVER /
IMPERVIOUS SURFACE

Options for Administering Parcel or Impervious Surface Stormwater Fee

- **Local administration.** State currently pays \$5 - \$6 million to municipalities for help in collecting the statewide education property tax. Cost to set up new local billing systems ~\$2 to \$7 million.
- **State administration.** Tax Dept would collect both statewide property education tax and stormwater parcel or impervious parcel fee. See Tax Dept memo on “considerations.”
- **Parallel administration.** Municipalities would continue to collect statewide property education tax; Tax Dept would collect stormwater parcel or impervious parcel fee. Tax Dept administration would cost roughly \$4.
- **Local, Regional, Agricultural or Statewide Utility System.** Separate billing system; cost will depend on extent and scale.

Discussion