

Below are proposed amendments to the Recommendations section. If supported by the working group, the balance of the document would need to be tweaked to reflect these recommendations.

I. Recommendations

1. The Act 73 Working Group finds that we have a narrow window during which existing revenues are adequate. We emphasize that this is primarily due to regulatory timelines, not the magnitude of the problem.
2. We believe additional revenues will likely be needed beginning in FY 20. We prefer fees to taxes. Fees would likely have two components: one portion that recognizes the collective impact of all citizens that use the developed landscape, and a second portion that recognizes the impact of property owners with larger amounts of impervious surface and/or agricultural runoff.
3. We encourage the Legislature to actively explore the creation of a Clean Water Authority as outlined in the enclosed proposal from stakeholders. The Authority would be expected to begin collecting revenues beginning in FY 20 unless otherwise re-directed by the Legislature.

The Authority should work in close collaboration with the Vermont Center for Geographic Information to develop the methodology of fee assessment. The Authority should also be responsible for developing operational and capital budgets that would be supported by the fees beginning in FY 20. Budgets must consider not just the capital costs of water quality projects but equitable funding of ongoing operations and maintenance costs.

4. Until FY 20, the working group recommends utilizing existing revenue sources to fund clean water investments.
5. The Act 73 Working Group recommends an adaptive management approach and periodic report back so the Legislature. The Act 73 Working Group suggests that the Legislature revisit clean water costs every two to four years to incorporate new data from water quality monitoring, geospatial mapping, and actual costs of implementation.
6. The Act 73 Working Group recommends that the Legislature take the following actions to provide the maximum flexibility to state agencies working to implement clean water programs:
 - Expand eligibility for CWSRF loans to private entities to the extent authorized by federal law;

- Allow capital dollars to be spent on private lands and equipment;
- Authorize DEC's Ecosystem Restoration Protection (ERP) program to fund private projects that are regulatorily required;
- Explore the possibility of a private activity bond to increase access to capital by private landowners who are implementing clean water practices to comply with Act 64 and the TMDLs.

7. The Act 73 Working Group recommends that the Legislature and Executive Agencies continue to pursue technological and regulatory innovations to reduce costs and accelerate results. Specifically, the Act 73 Working Group advises that the state continue to investigate options and opportunities for nutrient recovery, with particular attention to improving the nutrient mass balance on a watershed-by-watershed basis across Vermont.

We complete this report encouraged by what has been accomplished so far, and buoyed by the hard work and effort of many people dedicated to seeing this effort through to the end.