

**SUMMARY OF PUBLIC COMMENTS ON THE FUND ALLOCATION PRIORITIES FOR
THE CLEAN WATER FUND BOARD**

A. GENERAL COMMENTS

1. Authors: Lake Champlain Committee, Lake Champlain International, Lintilhac Foundation, Sierra Club Vermont Chapter, Vermont Businesses for Social Responsibility, Vermont Conservation Voters and Vermont Natural Resources Council
 - a. The commenters thank the Agency for its hard work to allocate funding. These funds represent a solid start on what is needed to clean up Lake Champlain and Vermont's waters.
Response: Thank you for your participation in this process.

2. Author: Watersheds United of Vermont
 - a. The commenter encourages ANR and the Clean Water Initiative to urge the Legislature to support full level of funding, as presented in "Clean Water Report" published by the Office of the State Treasurer.
Response: This public comment period is specific to the clean water funding priorities and draft FY19 Clean Water Fund allocations, rather than a comment period on revenue options. We will forward these comments to the Working Group on Water Quality Funding that is currently evaluating revenue options.¹

B. GENERAL COMMENTS – THE CLEAN WATER INITIATIVE

1. Author: Conservation Law Foundation
 - a. What is the Clean Water Initiative?
Response: The Vermont Department of Environmental Conservation (DEC) released a legislative report entitled, "Vermont's Clean Water Initiative" (referred to as the Act 97 Report).² This report described the Initiative as a strategy to satisfy the State's legal obligations under the federal Clean Water Act, and to protect Vermont's environment, economy and the wellbeing of its citizens. Since then, DEC's Ecosystem Restoration Program evolved into the Clean Water Initiative Program (CWIP) to coordinate implementation of clean water restoration activities across government, provide funding resources via ecosystem restoration grants and contracts to support pollution abatement statewide, track and report on the State's progress in meeting our clean water goals. For more information, please refer to page 15 of the DEC

¹ Refer to the Clean Water Fund website on long-term funding:

<http://dec.vermont.gov/watershed/cwi/cwf/future>.

² "Vermont's Clean Water Initiative." November 17, 2014.

<http://legislature.vermont.gov/assets/Documents/2016/WorkGroups/Senate%20Natural%20Resources/Reports%20and%20Resources/W~ANR~Act%2097%20Clean%20Water%20Initiative~1-14-2015.pdf>.

Watershed Management Division 2016 Annual Report³ and the CWIP website.⁴

- b. What is the interplay between the Initiative and the Board? How are disputes between the agencies resolved? With these uncertainties, CLF is concerned that the CWF will be mismanaged.

Response: The manager of the CWIP and staff provide administrative support to the Clean Water Fund Board. State agencies communicate on a regular basis (twice monthly) to work on topics of mutual interest and avoid disputes. Additionally, there are two interagency committees that bring staff together to discuss topics of interest, tracking, reporting and communications: (a) Interagency Finance and Reporting Committee; and (b) Interagency Communications Committee.

- c. The commenter recommends that the agencies formalize their relationship through a Memorandum of Understanding (MOU) to include: (a) a leadership framework to ensure accountability for spending; (b) an outline of agency responsibilities; and (c) a mechanism to raise and address potentially conflicting policy positions between agencies. A non-partisan entity above the political fray may be required to lead the charge on clean water.

Response: We will discuss this recommendation at a future CWF Board meeting.

- d. The State needs to place clean water obligations above politics. There is an inherent dysfunction of the Initiative being comprised solely of members of the Governor's administration, as demonstrated by the lack of opposition over the diversion of \$1 million from the Clean Water Fund to support affordable housing.

Response: Although some of the revenues from the property transfer tax surcharge are to support housing, it is important to recognize that the current revenue source for the Clean Water Fund – the property transfer tax surcharge in Act 64 – was to sunset at the end of FY18 (June 30, 2018). H.518 Appropriations Bill, Section 1.8, extends the use of this funding source at this new funding level for another ten years.⁵

- e. It remains unclear whether the Initiative is committed to establishing additional revenue sources, as stated on page 10 of the Investment Report.⁶

³ DEC Watershed Management Division 2016 Annual Report:

http://dec.vermont.gov/sites/dec/files/documents/WSMD_Annual_Report_2016.pdf

⁴ Clean Water Initiative Program website: <http://dec.vermont.gov/watershed/cwi>.

⁵ See H.518: <http://legislature.vermont.gov/assets/Documents/2018/Docs/BILLS/H-0518/H-0518%20As%20Passed%20by%20Both%20House%20and%20Senate%20Official.pdf>

⁶ See: <http://legislature.vermont.gov/assets/Legislative-Reports/2016-Clean-Water-Initiative-Investment-Report.pdf>

Response: The referenced section of the 2016 Investment Report describes the establishment of the Clean Water Fund in 2015, mentions other clean water funding sources, and describes the process by the Office of the State Treasurer to develop a report on long-term funding (as required under Act 64). Note that the Office of the State Treasurer's Clean Water Report had not been completed at the time the Investment Report was submitted to the Legislature, and the topic of clean water funding is ongoing. Act 73 (H.516, Section 26) established a working group on water quality funding, which expects to release a report to the General Assembly this calendar year. These studies are critical to recognize that taxpayer revenues are a finite commodity⁷ and to ensure that state subsidies and other financing options become available when there is heightened demand for funds due to anticipated increases in compliance costs over time.

C. TRANSPARENCY AND ACCOUNTABILITY

1. Authors: Lake Champlain Committee, Lake Champlain International, Lintilhac Foundation, Sierra Club Vermont Chapter, Vermont Businesses for Social Responsibility, Vermont Conservation Voters and Vermont Natural Resources Council

- a. All agencies must exercise transparency, accountability and cost-effectiveness at all decision-making levels, and have in place internal systems and safeguards to support these standards. If an agency cannot meet these standards, responsibility for managing the funds should be transferred to an agency that can meet these standards.

Response: State agencies are working closely to have in place consistent performance measures and tracking protocols to maximize accountability. We also strive to achieve transparency in our processes, and implement projects in the most cost-effective manner possible. Please refer to the inter-agency Vermont Clean Water Initiative Investment Report, which contains comprehensive information about the projects being implemented, the outcomes achieved and the progress we are making towards meeting the states clean water goals.

- b. The state must ensure that block grant programs and aid programs targeting municipal road-related water quality projects maintain the same level of accountability as other grant programs to ensure appropriate and targeted use of clean water funding.

Response: We agree and have established mechanisms to track and report on these funds.

⁷ See reference to revenues as a finite commodity on page 56 of the Office of the State Treasurer Clean Water Report: http://www.vermonttreasurer.gov/sites/treasurer/files/committees-and-reports/FINAL_CleanWaterReport_2017.pdf

2. Author: M. Ohayon, Saxtons River
 - a. The commenter is concerned about the lack of process in engaging the public about the *Vermont Clean Water Fund Fiscal Year 2019 Priorities* online questionnaire. The commenter included a list of 23 citizens who were unaware of the online questionnaire, released for public comment in July 2017.
Response: This year, the CWIP posted questionnaire on our website, used our listserv to draw attention to the questionnaire and public comment period and held an on-line webinar to raise awareness and participation in the process. We will consider other ways to improve the level of awareness and participation in the future.

D. TARGETING CLEAN WATER FUND PRIORITIES

1. Author: Conservation Law Foundation
 - a. The Clean Water Initiative should rely on Tactical Basin Plans (TBP) to set funding and project priorities specific to each sub-basin. TBP are not being used appropriately enough to formulate the draft FY19 Clean Water Fund budget.
Response: The CWF Board process for developing an annual Clean Water Fund budget is focused on the disbursement of clean water funds using existing state funding programs. State agencies then manage those funds to target implementation that is largely based on tactical basin plans.⁸
 - b. Some tactical basin plans make protecting very high-quality waters a top strategy, but the draft FY19 budget does not mention any specific efforts to prevent degradation of Vermont's highest quality waters.
Response: Protecting high quality waters from degradation is a state priority. DEC's Watershed Management Division strategic plan, as described in its Surface Water Management Strategy, is to protect, maintain, enhance and restore all of Vermont's waterways.⁹ DEC uses the Strategy, and the tactical basin plans, to guide and coordinate water resources management actions. The CWIP acknowledges that the state targets most of its available funding to implement those projects that are necessary or aid in meeting Vermont's nutrient-based TMDLs, Act 64 requirements and Combined Sewer Overflow policy using green infrastructure. Nonetheless, we dedicate some resources to support a variety of tools that support protection of high quality waters (e.g., river corridor easements), designations or reclassifications to place restrictions on development or investments (e.g., Outstanding Resource Waters designations, reclassification of wetlands, technical assistance to reduce flood risk using municipal bylaws),

⁸ DEC established the tactical basin planning process as a coordinated watershed-based technical assessment and planning approach to target implementation of the highest-merit water pollution control projects with available funds. The process uses monitoring and assessment results and planning to identify and prioritize implementation projects. See: <http://dec.vermont.gov/watershed/map/basin-planning>.

⁹ DEC Watershed Management Division 2016 Annual Report: http://dec.vermont.gov/sites/dec/files/documents/WSMD_Annual_Report_2016.pdf; The Surface Water Management Strategy: <http://www.watershedmanagement.ft.gov/swms.html>.

and outreach and training efforts to promote environmental stewardship (e.g., Lake Wise to encourage lake-friendly landscaping on shoreland property).

2. Author: Chittenden County Regional Planning Commission (CCRPC)
 - a. Clean Water Funds should be prioritized for municipal and agricultural projects. The focus in the short term should be on project development.
Response: Implementing clean water improvement projects on municipal properties, including roads, and agricultural lands is a state priority, as described in the Lake Champlain Phosphorus TMDL Implementation Plan and a major focus of Act 64. The Agencies of Agriculture, Food and Markets, Natural Resources, and Transportation have invested in project development work for many years, including road erosion inventories, stormwater master plans, and agricultural critical source area identification. The state will continue to invest in project development work, but is also required to focus efforts on and direct capital funds to project design and implementation.

3. Author: Watersheds United Vermont (WUV)
 - a. The commenter supports more funding for education and outreach beyond technical assistance. Targeted education to encourage landowners, citizens, and municipalities to take action is key to achieving our clean water goals.
Response: We agree that education is important. Farmers, municipalities, businesses, residential owners, commercial property owners and citizens need opportunities to learn about the sources of water pollution, understand their options to address pollution problems, and how to take action. We will continue to evaluate this need and look forward to future conversations with interested parties about strategies to deliver targeted and effective education and outreach programs.

 - b. The comments support using greater amount of the Clean Water Fund revenues from the property transfer tax surcharge to support scoping and design projects.
Response: We acknowledge that identification and design projects are prerequisite steps in the implementation of priority clean water improvement projects. These types of projects also help to build a backlog of construction-ready projects. The CWIP is committed to using a portion of its share of revenues from the Clean Water Fund to continue to support project development.

4. Author: M. Ohayon, Saxtons River
 - a. The commenter is concerned about the extent of littering. The commenter also described a lack of maintenance of culverts, need to support wastewater treatment upgrades, recreational trails along waterways and ways to reduce the use of fertilizers, among other insightful comments. The commenter also noted the importance of education, tracking and accountability to show how these funds are being managed.

Response: These comments identify important issues that many communities across the state are facing. We will give careful consideration to these comments and recommendations.

E. CLEAN WATER FUND GRANT MANAGEMENT

1. Author: Friends of the Winooski River

- a. Consider using a block grant process to more efficiently support the development of multiple priority projects from conceptual design phase to final design, rather than require the applicant to write a separate grant proposal for each project.

Response: We will consider this recommendation in future grant rounds.

2. Authors: Conservation Law Foundation, Watersheds United of Vermont

- a. Despite the influx of funds to support clean water improvement projects, the state is lagging in project implementation due to a bottleneck at the ANR. Many Ecosystem Restoration grant recipients have waited over six months for their grant contracts and therefore have been unable to begin implementation.

Response: CWIP acknowledges this concern. The delays are fundamentally due to a vacancy in grant administration, the time it takes to prepare individual grant agreements and contracts, and the increase in administrative costs to manage the increase in funds at current staffing levels. The CWIP has taken the following steps to find efficiencies and improve the grant award process: (a) launched two new innovative grant award programs – a block grant program for project implementation and a Grants-in-Aid pilot project to award funds directly to municipalities via the regional planning commissions for road-related projects; (b) recently filled a vacancy to support grant administration; and (c) standardized performance measures and payment milestones based on project type. We are also evaluating an administrative fee to help build the state’s grant administration and management capacity.

- b. The Clean Water Fund risks being underutilized because Vermont’s larger municipalities under a state municipal stormwater control permit called a Municipal Separate Storm Sewer System (MS4) permit are waiting on DEC to approve the Flow Restoration Plans – stormwater abatement plans that contain priority stormwater control projects.

Response: This public comment period is specific to the clean water funding priorities and draft FY19 Clean Water Fund allocations, rather than a comment period on DEC permit processes. Nonetheless, some MS4 municipalities are already applying for ecosystem restoration grants, and we anticipate demand for funding assistance to grow, following the state’s approval of the MS4 communities’ flow restoration plans.

3. Authors: Lake Champlain Committee, Lake Champlain International, Lintilhac Foundation, Sierra Club Vermont Chapter, Vermont Businesses for Social Responsibility, Vermont Conservation Voters and Vermont Natural Resources Council
 - a. Funds from the property transfer tax clean water surcharge should be allocated to programs that cannot utilize capital funds.
Response: We agree and manage the uses of these funds in this manner.

4. Authors: Chittenden County Regional Planning Commission (CCRPC)
 - a. DEC's new funding programs did not provide enough time for municipalities to plan or budget for them.
Response: A progress report on state clean water spending is due to the Vermont General Assembly by November 1st. To meet this challenge, DEC unveiled two new funding programs (the Municipal Roads Grants in Aid pilot and the Clean Water Block Grant program), moved its ecosystem restoration grants to a rolling grant process throughout the year (and published its timeline), released "FY18 Round One" Ecosystem Restoration Grants Request for Proposals (RFP), is preparing to release its "Round Two" RFP, and made improvements to its projects database. We are confident that moving forward, municipalities and other applicants will have more time in the future to take full advantage of these programs.

 - b. DEC's staff did not coordinate well in seeking information from municipalities for potential clean water improvement projects.
Response: DEC is committed to improving internal and external communications and coordination, as it works with municipalities through the tactical basin planning process to identify and rank projects and list them in the state projects database for implementation.

 - c. DEC only offers municipalities that are subject to the Municipal Separate Storm Sewer System (MS4) permit a grant up to 50 percent of the cost for non-road-related stormwater control projects. This level of support punishes those communities that have performed the most advanced planning and have "shovel ready" projects for implementation.
Response: CWIP provides some funding (up to 50 percent) via its ecosystem restoration grant to municipalities under an MS4 permit. This level of grant funding ensures: (a) a maximum use of available, federally funded low-cost financing; (b) leveraging of state funds with other funds (such as federal and local funds, subsequently increasing the number of projects state funds can support; and (c) some ability to offer grants across the state, rather than concentrating funds in population centers within a handful of counties.

F. GENERAL COMMENTS REGARDING DRAFT CLEAN WATER FUND FY19 ALLOCATIONS

1. Authors: Lake Champlain Committee, Lake Champlain International, Lintilhac Foundation, Sierra Club Vermont Chapter, Vermont Businesses for Social Responsibility, Vermont Conservation Voters and Vermont Natural Resources Council
 - a. More of the property transfer tax surcharge funds should be shifted to agricultural programs, particularly for technical assistance for farmers.
Response: We agree with the commenter that this investment is important. Current proposed funding allocations support delivery of technical assistance to farmers. Current funding levels reflect staff capacity at the Agency of Agriculture, Food and Markets (AAFM) to manage funds. The Department of Environmental Conservation (DEC) provides additional support in delivering technical assistance to farmers via the Agronomy and Conservation Assistance Program (ACAP).

G. SPECIFIC COMMENTS REGARDING DRAFT CLEAN WATER FUND FY19 ALLOCATIONS (REFER TO TABLES 2-7)

Allocation #3 (Table 3), ANR: Agronomy and Conservation Assistance Program (ACAP)

1. Author: Lake Champlain Committee, Lake Champlain International, Lintilhac Foundation, Sierra Club Vermont Chapter, Vermont Businesses for Social Responsibility, Vermont Conservation Voters and Vermont Natural Resources Council
 - a. The commenter understands that DEC seeks to shift the ACAP program to the AAFM. The commenter supports AAFM can efficiently and effectively manage the program, and suggests a block grant as a mechanism to manage the program.
Response: The Clean Water Fund Board moved the program into the Agency of Agriculture, Food and Market's Allocation #2. This adjustment reduces administrative costs by eliminating the redundancy of having two agencies manage similar work.

Allocation #3 (Table 3), Agency of Natural Resources (ANR): Partner Support

1. Authors: Friends of the Winooski River, Watershed United of Vermont
 - b. The state should broaden the organizations that can apply for funding under this category including watershed organizations.
Response: DEC will consider this recommendation, although funding is limited.
2. Author: Lake Champlain Committee, Lake Champlain International, Lintilhac Foundation, Sierra Club Vermont Chapter, Vermont Businesses for Social Responsibility, Vermont Conservation Voters and Vermont Natural Resources Council
 - a. The doubling of the partner funds will increase technical assistance and increase the demand for funding.

Response: DEC intends to use this allocation to support the tactical basin planning process, as described in Act 64,¹⁰ as well as partner support that focuses on implementation.

Allocation #4 (Table 3), ANR: Improved Water Quality Monitoring, Mapping and Tracking

1. Author: Lake Champlain Committee, Lake Champlain International, Lintilhac Foundation, Sierra Club Vermont Chapter, Vermont Businesses for Social Responsibility, Vermont Conservation Voters and Vermont Natural Resources Council
 - a. The commenter supports this allocation which aids in monitoring effectiveness of clean water investments. The commenter recommends increasing this allocation in future years.

Response: We agree with the commenter that this is an important priority and will continue to support these categories with available funds.

Allocation #5 (Table 3), ANR: Investments in Innovative Technologies

1. Author: Lake Champlain Committee, Lake Champlain International, Lintilhac Foundation, Sierra Club Vermont Chapter, Vermont Businesses for Social Responsibility, Vermont Conservation Voters and Vermont Natural Resources Council
 - a. The commenter asks for more details, inquiring into the cost-effectiveness in using a relatively modest amount of funds in this manner. The commenter recommends reallocating these funds to provide more technical assistance for farmers.

Response: The CWIP will consider this recommendation.

Allocation #7 (Table 3), ANR: Municipal Roads Grants-in-Aid Pilot Project

1. Author: Lake Champlain Committee, Lake Champlain International, Lintilhac Foundation, Sierra Club Vermont Chapter, Vermont Businesses for Social Responsibility, Vermont Conservation Voters and Vermont Natural Resources Council
 - a. The commenter requests close tracking to ensure that these funds target municipalities' water quality needs and are cost-effective.

Response: The CWIP has established tracking protocols to monitor investments including projects being implemented under this grant program.

Allocation #8 (Table 3), ANR: Investments Natural Resources Restoration

1. Author: Conservation Law Foundation
 - a. The FY19 budget only awards \$200,000 or 5 percent of funds specifically to natural resource restoration, which seems incongruous with the climate resilience objectives in the tactical basin plans.

¹⁰ Refer to Act 64, Section 26 (10 V.S.A. § 1253:
<http://legislature.vermont.gov/assets/Documents/2016/Docs/ACTS/ACT064/ACT064%20As%20Enacted.pdf>.

2. Author: Lake Champlain Committee, Lake Champlain International, Lintilhac Foundation, Sierra Club Vermont Chapter, Vermont Businesses for Social Responsibility, Vermont Conservation Voters and Vermont Natural Resources Council
 - a. The commenter supports increasing funds for this use, and to use the Clean Water Funds to identify projects, and capital funds for implementation.
4. Author: Watershed United of Vermont
 - a. Natural resources restoration is cost-effective and provides important co-benefits including flood resiliency.

Response: It is important to realize that some of the TMDL requirements are costly to implement (e.g., stormwater controls and wastewater treatment), requiring a greater level of funding for these programs than natural resource restoration. Nonetheless, the State continues to rely on a combination of capital funds and Clean Water Funds to support natural resource restoration projects. The FY19 proposal includes the following natural resource-based allocations: (a) CWIP Ecosystem Restoration: \$950,000; (b) ANR Forests, Parks and Recreation Department: \$50,000; and (c) Vermont Housing and Conservation Board: \$3,750,000. The state also helps Vermont communities take steps to improve their resilience to future flooding using enhanced policies, such as: (a) new state floodplain rules for activities that are exempt from municipal regulation; (b) improvements to stream alteration statutes that expand state jurisdiction to all perennial streams and improve regulation of emergency protective measures; (c) improvements to the Emergency Relief and Assistance Fund to include incentives that encourage municipalities to adopt flood resilience-based bylaws; and (d) requirements that municipal and regional land use plans include protection and restoration of floodplains.¹¹

Allocation #13 (Table 4), Vermont Transportation Agency (VTrans): Municipal Mitigation Assistance Program

1. Author: Lake Champlain Committee, Lake Champlain International, Lintilhac Foundation, Sierra Club Vermont Chapter, Vermont Businesses for Social Responsibility, Vermont Conservation Voters and Vermont Natural Resources Council
 - a. The commenter requests that these funds are closely tracked to ensure that these funds target water quality projects and are cost-effective.
Response: VTrans is working with CWIP to track these investments.

Allocation #15 (Table 5), Agency of Administration: Stormwater Payments to Municipalities with Stormwater Utilities

1. Author: Lake Champlain Committee, Lake Champlain International, Lintilhac Foundation, Sierra Club Vermont Chapter, Vermont Businesses for Social Responsibility, Vermont Conservation Voters and Vermont Natural Resources Council

¹¹ Refer to Vermont Lake Champlain Phosphorus TMDL Phase 1 Implementation plan, September 2016, pp. 163-164: http://dec.vermont.gov/sites/dec/files/wsm/erp/docs/160915_Phase_1_Implementation_Plan_Final.pdf

- a. There is some benefit in offering funding assistance to municipalities seeking to establish stormwater utilities. However, the commenter requests justification for providing funds to municipalities that already have stormwater utilities, in recognition of competing demands among priority needs for clean water funding.

Response: Offering grant funds to support municipalities seeking to establish stormwater utility in their town or region is described in statute as an eligible use of the Clean Water Fund (10 V.S.A. § 1389(1)(H)). CWIP anticipates offering grant funds to support this use in this fiscal year. However, this allocation is to provide payments to municipalities with stormwater utilities. The general purpose of these funds is to mitigate potential impacts from stormwater runoff coming from state highways or other state-owned facilities. We will further evaluate the usefulness of this allocation.

Allocation #16 (Table 6) Agency of Commerce and Community Development (ACCD): Pilot Funding for ACCD/VTrans Better Connections

1. Author: Lake Champlain Committee, Lake Champlain International, Lintilhac Foundation, Sierra Club Vermont Chapter, Vermont Businesses for Social Responsibility, Vermont Conservation Voters and Vermont Natural Resources Council
 - a. The commenter requests justification for this allocation, in recognition of competing demands among priority needs for clean water funding. The commenter also inquires into whether this allocation is redundant with existing municipal land use or economic plans.

Response: This allocation provides an opportunity to expand inter-agency partnerships and find efficiencies by integrating stormwater management practices into existing multi-agency land use and economic development planning processes. Our plan is to pilot this project and monitor the merit of this program closely.

Allocation #17 (Table 6), ACCD: Pilot Funding for VTrans/ANR Downtown Transportation Fund

1. Author: Lake Champlain Committee, Lake Champlain International, Lintilhac Foundation, Sierra Club Vermont Chapter, Vermont Businesses for Social Responsibility, Vermont Conservation Voters and Vermont Natural Resources Council
 - a. The commenter requested justification for this allocation, in recognition of competing demands among priority needs for clean water funding

Response: This allocation provides an opportunity to expand an inter-agency partnership and find efficiencies by integrating stormwater management practices into an existing multi-agency, streetscape redevelopment program for designated downtowns. We will pilot this project and monitor the merit of this program closely. If successful, we may consider working with ACCD to expand this pilot program to other programs, such as ACCD's designated village centers program.

Allocation #18 (Table 7), Vermont Housing and Conservation Board (VHCB): Clean Water Conservation and Farm Improvements

1. Author: Lake Champlain Committee, Lake Champlain International, Lintilhac Foundation, Sierra Club Vermont Chapter, Vermont Businesses for Social Responsibility, Vermont Conservation Voters and Vermont Natural Resources Council

- a. Funding for this program must be used in coordination with Tactical Basin Plans to ensure targeting of funds for priority clean water improvement projects. The commenter acknowledges that the Vermont Housing and Conservation Board (VHCB) has some flexibility in using these funds, but requests that they target clean water improvement projects and not other conservation projects, “in the spirit and intent” of the funds.

Response: We welcome VHCB as a new partner to the Clean Water Initiative. VHCB’s participations helps the state to effectively ensure integration of state priorities. The Clean Water Initiative has already begun working closely with VHCB on project prioritization and review, and to develop consistent tracking protocols. We will monitor and report on the use of these funds.

H. Other Comments: Revenues

1. Author: Chittenden County Regional Planning Commission (CCRPC)

- a. The commenter offered several comments related to a statewide stormwater fee as a revenue mechanism for the Clean Water Fund, including an endorsement of statewide per-parcel fee, recognition of municipalities with stormwater utilities, the need to avoid “double charging” property owners, collection of fees, and considerations related to operation and maintenance costs.

Response: This public comment period is specific to the clean water funding priorities and draft FY19 Clean Water Fund allocations, rather than a comment period on revenue options. We will forward these comments to the Working Group on Water Quality Funding that is currently evaluating revenue options.¹²

I. Other Comments: Rule-Making on the Management of Tile Drains

1. Author: Conservation Law Foundation

- a. The commenter raised concerns about delaying rulemaking on the management of tile drains (required in Act 64 and the Lake Champlain Phosphorus TMDL Phase I Plan) until 2022.

Response: This public comment period is specific to the clean water funding priorities and draft FY19 Clean Water Fund allocations, rather than a comment period on state water quality policy priorities. Nonetheless, the state periodically reviews and updates the summary of the policy commitments contained in the Vermont Lake Champlain Phosphorus TMDL Phase I Implementation Plan. This past spring, state agencies supported the delay in rulemaking to allow farmers

¹² Refer to the Clean Water Fund website on long-term funding:
<http://dec.vermont.gov/watershed/cwi/cwf/future>.

more time to become familiar with the Required Agricultural Practices before reopening them again to address water quality impacts from tile drainage.

I. OTHER COMMENTS FROM VERMONT CLEAN WATER FUND FISCAL YEAR 2019 PRIORITIES QUESTIONNAIRE

1. General

- a. Clean Water is everyone's issue.
- b. Geographic Distribution of Funds
 - i. Clean Water is a statewide problem.
 - ii. It is not fair to focus only on Lake Champlain.
 - iii. The public in southern Vermont is beginning to become resentful of their dollars being spent elsewhere.
 - iv. The Connecticut River is not so bad; your focus should be on Lake Champlain.
 - v. I would like to see other watersheds receive support.
 - vi. You must ensure an equitable distribution of funding statewide.
- c. There is no quick fix. It would be more beneficial and cost-effective to take a progressive approach rather than a band-aid quick fix-based approach.
- d. These costs for clean water are not new; we have been ignoring these costs, or have been passing these costs onto our neighbors or nature. They are tired of getting our bills.
- e. Look to see other state models, such as Florida, in managing stormwater.
- f. There are many opportunities for water-based recreation. We should remove gravel from the river to create better swimming holes.
- g. We are all in this together. Let's focus on the low hanging fruit and build sustainability into BMPs.
- h. Keep the Clean Water Fund with clean water and not affordable housing.

2. General Comments – Clean Water Initiative

- a. Not having public representation on the CWF Board is an error. You want us to participate but you do not allow representation on the Board that controls the process.
- b. You need to give municipalities and RPCs more than 30 days to provide meaningful input.

3. Priorities

a. General

- i. The three most important water quality control issues are barnyard runoff, sewer treatment plants and roadway runoff.
- ii. We need legislative action and monitoring to address farmland runoff and municipalities that are allowed under a permit to discharge.
- iii. Make homeowner associations a low priority.
- iv. BMPs do not happen without education, training and funding. You need to monitor for improvements.

- v. Focus on RAP use, reduce runoff from municipal and private roads around lakes, improve wastewater and septic treatment, purchase of conservation easements where there are water quality problems.
- b. Natural Resources
 - i. Restore or protect natural systems.
 - ii. Focus on riparian (water-side) restoration. Consider PSAs to focus on best practices.
 - iii. Focus on forest health and actions to increase infiltration
- c. Agriculture
 - i. Consider complementing USDA implementation funds by supporting technical assistance
 - ii. Funding to help farmers comply with RAPs
 - iii. Agricultural sources of pollution must be a priority. Work with farmers to reduce nutrient pollution.
 - iv. Some agricultural lands are in unsuitable locations.
 - v. Make agricultural runoff the top priority.
 - vi. We need to help farmers look for alternative agricultural crops that are sustainable economically and environmentally.
- d. Developed Lands/Stormwater
 - i. Focus on stormwater management in designated downtowns and village centers
- e. Roads
 - i. Towns are implementing road and bridge standards since 2011. The new municipal road general permit standards are identical and simply to justify levying a permit fee. Please do not recreate another layer of bureaucracy that will slow down our progress.
 - ii. Funding for private roads would help water quality.
- f. Wastewater Treatment
 - i. Many municipalities have inadequate municipal waste treatment facilities. Concerned about untreated waste being dumped into the environment.
- g. Other
 - i. Although there is much focus on stormwater management, we need to look at hydro-modification – soil compaction, concentration of flow, ditching and direct discharges.
- h. Enforcement
 - i. Agriculture
 - 1. I do not see vegetated buffers on agricultural lands; you need enforcement.
 - 2. Farmers need assistance but need to be held accountable for the damage they are causing.
 - 3. Enforcement is important, and to guard against regulatory capture in the area of agricultural enforcement.
 - ii. Stormwater

1. Municipal offenders should get fined for discharging. The funds raised from fines could award farmers that are reducing runoff from their farms.
4. Grant Management
 - a. Use models similar to VTrans paving funds to provide direct aid to municipalities.
 - b. You need to invest in a “pipeline” of projects, similar to VTrans and BGS budgets.
 - c. Do not support ACCD’s programs. ACCD is not an environmental organization that can help with lake cleanup. Spend funds on projects that will clean up the Lake.
 - d. Do not require MS4 communities to provide 50 percent cost share for projects while other communities are only required to provide a 20 percent cost share. Funding decisions should be based on merit.
 - e. Funding for municipalities should be provided at no less than 90 percent (with 10 percent match). Municipalities are already covering the long-term operation and maintenance costs.
5. General Allocations
 - a. Consider financial incentives for homeowners to manage stormwater on their waterfront properties.
 - b. Consider financial incentives for property owners to implement stormwater controls and improvements to septic systems. Landowners with approved 5-year plans could receive an award or a tax credit.
6. Specific Allocations
 - a. Allocations #16 & #17 ACCD: Pilot Funding for Better Connections and Downtown Transportation Fund: efficient to use existing program to integrate clean water components. These programs also can offer technical assistance.
7. Revenues
 - a. Charging a fee to municipalities for permitting places a burden on small towns who are struggling to keep taxes in check.
 - b. Consider applying a small usage fee to those who recreate on Lake Champlain.
 - c. We will support taxes and fees for clean water if our local waters are being cleaned up also.