

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

A. GENERAL COMMENTS – THE CLEAN WATER INITIATIVE

1. Author: Northwest Regional Planning Commission, Catherine Dimitruk, Executive Director
 - a. The state should provide detailed, easily accessible public information about projects and publicizing successes will build support and encourage greater participation.
Response: The Vermont Department of Environmental Conservation (DEC) Clean Water Initiative Program (CWIP) is working on a web-based portal to improve sharing of information with the public. We also are enhancing our annual report to contain more information about projects and successes for each watershed. We welcome additional input on this topic.

2. Author: James Maroney, Leicester, VT
 - a. The commenter notes that Vermont passed Act 64, the Clean Water Law, yet the law has not been funded.
Response: Since the passage of Act 64 in June of 2015, the state is making progress in ramping up new programs, permits and project implementation. The state continues to evaluate the amount of state subsidy needed to support clean water improvements across the state to meet state and federal requirements. The Office of the State Treasurer, in consultation with state agencies, released a report on this topic earlier this year.¹ Subsequently, the Vermont General Assembly established a Working Group on Water Quality Funding, pursuant to Act 73, Section 26. The mission of the Group is to continue to evaluate the state's clean water funding needs, the timing of those needs, and how to best meet those needs in the short term and over time. A report is due to the General Assembly by mid-December 2017.

B. TARGETING CLEAN WATER FUND PRIORITIES

1. Author: Lake Champlain Committee, Lori Fisher, Executive Director, Sierra Club Vermont Chapter, Mark Nelson, Chair
 - a. The \$2,259,988 in “FY19 Capital Bill, Bond premium from sale of bonds” has not been allocated to any sectors or programs. More funds need to be allocated to the Agricultural Pollution Control and the Natural Resources Restoration sectors, noting that the programs in these sectors cannot utilize restricted money from capital bonds or transportation funding. While these funds are restricted in use, it should allow more unrestricted funds from the Property Transfer Tax Clean Water Surcharge to be shifted to the agricultural and natural resources sectors.

¹ State of Vermont, Office of the State Treasurer, Clean Water Report, Required by Act 64 of 2015, January 15, 2017: http://www.vermonttreasurer.gov/sites/treasurer/files/committees-and-reports/FINAL_CleanWaterReport_2017.pdf

Response: Please note that we are achieving the state's natural resources restoration goals using a combination of DEC ecosystem restoration grants targeted at priority areas and the Vermont Housing and Conservation Board's capital funds for water quality purposes. Also note that each sector benefits from having some amount of flexible funding, such as the preparation of stormwater master plans within the stormwater sector. Please refer to the draft memorandum that outlines some priorities for the bond premium funds (which are to be managed as capital funds). These funds could provide added support for the agricultural, stormwater and natural resources sectors.

- b. The commenter stated that is inequitable that municipalities have received abundant funds for pollution reduction from roads and other impervious surfaces while the agricultural community is facing a \$14 million gap because of expediency and low political risk of capital funds. This sector contributes the highest percentage of any sector to the phosphorus and sediment runoff that pollutes Vermont's waters. Reduction of these sources are among the most cost-effective actions.

Response: Please note that federal and state agricultural funding to support the delivery of technical assistance to farmers is substantially higher than in past years, and is increasing the level of agricultural management practice implementation. Federal funding for agriculture water quality improvements in Vermont is approximately \$22 million this year, compared to approximately \$8 million in past years. The state continues to pursue additional funding opportunities such as the USDA Regional Conservation Partnership Program (RCP), which currently is bringing \$16 million to Vermont for agricultural water quality improvement.

2. Author: Nancy Mongeur, Franklin VT

- a. The commenter raises concerns that Lake Carmi's water quality is deplorable and deadly. Carmi is the 4th largest lake fully situated in Vermont and a source of drinking water for some property owners. Please include funding to enforce already established laws, help landowners and farmers do the right thing, fund research and fund remedial solutions to clean up the Lake.

Response: We agree that the current condition of Lake Carmi is unacceptable. We are committed to continuing work already in progress and ramping up additional efforts to protect Lake Carmi. DEC is collaborating with the Agency of Agriculture, Foods, and Markets (AAF) to identify and fund projects necessary to meet requirements of the [Lake Carmi Phosphorus TMDL](#)² as well as the [Lake Champlain Phosphorus TMDL](#).³ With approval of the Lake Champlain TMDL in 2016,

² Vermont Department of Environmental Conservation, Phosphorus Total Maximum Daily Load (TMDL) for Lake Carmi, October 2008:

http://dec.vermont.gov/sites/dec/files/documents/WSMD_mapp_2009_Carmi%20P%20tmdl.pdf

³ US Environmental Protection Agency, Phosphorus TMDLs for Vermont Segments of Lake Champlain, June 20, 2016: <https://www.epa.gov/tmdl/lake-champlain-phosphorus-tmdl-commitment-clean-water>

additional resources became available for clean water projects across the Lake Champlain Basin. In the Lake Carmi watershed, these projects largely entail intercepting and rerouting phosphorus-laden sediments eroding from agricultural fields, roads, and shoreland properties. Examples include planting cover crops on agricultural lands, restoring buffers between agricultural fields and waterways, installing best management practices on municipal and private roads, and incorporating lake-friendly practices into shoreland management. Extensive educational outreach and farm inspection efforts are in place, with the expectation that enforcement will ramp up as farmers become familiar with new Required Agricultural Practices. In addition, important manure cleanup projects are in progress under the auspices of AAFM, and wetland conservation/restoration projects are in the pipeline for clean water funding. Additionally, we are also pursuing a project that involves the design and installation of an in-lake phosphorus management project.

3. Author: Town of St. Albans, Albin Voegele, Town of St. Albans Representative to the Northwest Regional Planning Commission
 - a. The Town of St. Albans is appreciative of the assistance and support from the Northwest Regional Planning Commission to address difficult and expensive projects necessary as part of the state stormwater permit referred to as the Municipal Separate Storm Sewer System (MS4) permit. The Town of St. Albans hopes that funding via the Clean Water Initiative Program continues to help municipalities meet MS4 requirements for stormwater mitigation. The Town would like the Northwest Regional Planning Commission to receive the financial resources it needs to support municipalities comply with permits and restore ecosystems caused by neglect and historical lack of educational information.
Response: The State of Vermont recognizes the important role that the regional planning commissions (RPCs) play in providing technical assistance to the municipalities in their region. We are conducting two pilot projects – a Municipal Grant-in-Aid project and a Clean Water Block Grant pilot project – as potentially efficient ways to continue to leverage our partnerships with the RPCs and other organizations to support municipalities’ efforts to implement clean water improvement projects.

4. Authors: Northwest Regional Planning Commission, Catherine Dimitruk, Executive Director, Bennington County Regional Commission, Jim Sullivan, Executive Director
 - a. The state should target significant investment in project development. Relying solely on grant applications from willing partners will not result in developing the most effective projects. Vermont should fund the development of projects identified as high priorities in Basin Planning Process.
Response: DEC has developed a process to add priority projects from basin planning and permit-based inventories and plans into the projects data base. We also recognize the value of project development in developing and implementing sound and cost-effective clean water improvement projects.

5. Author: Bennington County Regional Commission, Jim Sullivan, Executive Director, and Lamoille County Regional Commission, Tasha Wallis, Executive Director

a. Scoping project to assess needs, benefits and costs, similar to scoping of transportation projects, help to ensure that the most important projects move forward. Project development ensure that there are “shovel ready” projects in the future. Most communities have neither the personnel or financial resources to complete project scoping and development without state support. Project development also identifies opportunities to integrate water quality improvements into other municipal investments, which maximizes the project’s public benefit.

Response: We agree and are developing tools to help prioritize projects based on cost-effectiveness in achieving water quality goals. Note that the state can use Clean Water Fund revenues to support project scoping, although those funds are limited.

6. Author: James Maroney, Leicester, VT

a. Conventional dairy is the largest contributor to lake pollution and greenhouse gas generation, yet Act 64 imposes no material constraints upon the conventional dairy industry.

Response: Thank you for your comment. Please note that the scope of this comment period focuses on the FY2019 clean water allocations. Please refer to the State of Vermont response to comments on the 2017 Final TMDL Phase I Implementation Plan⁴ and EPA’s TMDL Response to Comments⁵ on this topic. Please note that we have shared your comments with the Agency of Agriculture, Food and Markets. We welcome your continued engagement on this topic.

b. State support for the conventional dairy industry has been based on 50 years of helping farmers lower costs, which have been converted into more land and cows in milk production. The surplus of milk and falling prices are causing a decline in small and medium-size farms and an increase number of larger conventional farmers who are spreading NPK fertilizer, the principal cause of lake and atmospheric pollution.

Response: Thank you for your comment. The scope of this comment period focuses on the FY2019 clean water allocations. However, we have also shared your comments with the Agency of Agriculture, Food and Markets. We appreciate your engagement in discussions about the agricultural economy in Vermont.

⁴ Vermont Lake Champlain Phosphorus TMDLs Phase I Implementation Plan Response to Public Comments, March 1, 2017: <http://dec.vermont.gov/sites/dec/files/wsm/erp/docs/2017-03-01Phase1PlanResponsetoComments.pdf>

⁵ Environmental Protection Agency, Phosphorus TMDLs for Vermont Segments of Lake Champlain: Response to Comments, June 17, 2016: https://ofmpub.epa.gov/waters10/attains_impaired_waters.show_tmdl_document?p_tmdl_doc_blobs_id=79165

7. Author: Steven Judge, Royalton
 - a. Here are five simple steps for cleaning up Lake Champlain Watershed and the Lake: (1) require cover crops for tilled agricultural land that would be left open in the late fall, winter and early spring; (2) prohibit manure spreading on bare ground that lack cover crops outside the growing season; (3) allow manure spreading until Dec. 1st and after April 1st only in field that have cover crops or perennial crops that are capable of preventing runoff; (4) provide incentives for farmers to plant perennial forage crops instead of corn and limit plowing to every 3-5 years; and (5) In 2014, 50,000 tons of commercial fertilizer were applied to Vermont cropland. Carefully regulate spreading and require formal training and certification for commercial fertilizer applicators.
Response: Thank you for your comment. The scope of this comment period focuses on the FY2019 clean water allocations. However, I have shared your comments with the Agency of Agriculture, Food and Markets. We welcome your continued engagement on this topic.

C. CLEAN WATER FUND GRANT MANAGEMENT

1. Author: Vermont Association of Planning and Development Agencies (VAPDA), filed by Chittenden County Regional Planning Commission, Charlie Baker, Executive Director
 - a. The commenter would like DEC and the Vermont Transportation Agency (VTrans) to evaluate the number and timing of grant application cycles in order to better correspond with municipal budget cycles. The commenter also recommends two separate grant types (transportation and non-transportation-related) to help applicants determine the most appropriate funding source.
Response: State agencies have different grants to address a variety of purposes. The intent of DEC holding multiple grant rounds is to allow project proponents to select a grant cycle that best meets their needs and to secure accurate cost information for each project. DEC will consider these comments and anticipates supporting a minimum of three grant rounds per year. We also see value in improved coordination of state grant programs and will consider this recommendation.
2. Author: Addison County Regional Planning Commission (ACRPC), Adam Lougee, Executive Director, and Windham Regional Commission Chris Campany, Executive Director
 - a. Commenters recommend that DEC dedicate funding to create a project pipeline that supports: (a) project identification and prioritization, the interim of planning and engineering and (b) construction. ACRPC notes that the Vermont Transportation Agency (VTrans) and the Department of Buildings and General Services (BGS) have in place a process to support a multi-year project pipeline. Project scoping and engineering design of projects is essential. DEC should consider VTrans Project Definition Process Guidebook as a reference.

Response: We agree, and have adopted a multi-step approach to create a pipeline. We will continue to evaluate how to improve our project development processes.

3. Author: Windham Regional Commission, Chris Company, Executive Director
 - a. DEC may want to consider a contracting process similar to the VTrans design-build initiative to complete projects in an efficient manner and on time.
Response: DEC will evaluate this initiative. Note that DEC currently has a contracting process, although limited staff capacity to manage contracts. DEC also launched a block grant process with the regional planning commissions and conservation districts to support both contract and grant-based project implementation.

4. Author: Northwest Regional Planning Commission, Catherine Dimitruk, Executive Director; Two Rivers-Ottawaquechee Regional Commission, Peter Gregory, Executive Director
 - a. Consider lowering or eliminating cost share for high priority projects identified during basin planning or other project development processes. Greater flexibility will help to incent communities to invest in projects.
Response: DEC will evaluate this recommendation.

 - b. We encourage the agencies to work together to develop common application materials and streamlined coordinated application processes.
Response: DEC will evaluate this recommendation.

5. Author: Two Rivers-Ottawaquechee Regional Commission, Peter Gregory, Executive Director
 - a. The Clean Water Initiative should strongly consider devoting funding for project development, including preliminary feasibility analysis, project scoping and design and cost estimation. Devoting funds for project development will ensure that there are projects ready for construction in the future.
Response: We agree, and have adopted a multi-step approach to create a pipeline. We will evaluate how to improve this process.

 - b. Are you statutorily directed to require 50% match on Lake Champlain municipal projects? If not, why would a program be established to dampen enthusiasm to implement projects that can assist in achieving the goals of the TMDL?
Response: We will evaluate this recommendation, especially with respect to catalyzing early adoption of water quality best practices. Note, however, that DEC is committed to maximizing outcomes associated with state investments by leveraging wherever possible, federal and local funds. Leveraging funds helps to achieve local project stewardship. We also want to ensure geographic equity by making available resources to achieve clean water improvements across the state. Additionally, we are committed to maximizing the use of other funding

options to support clean water improvement projects, such as low interest financing.

- c. Consider having the RPCs manage those “state-sponsored” pollution abatement projects that do not have a sponsor. These projects should be funded by the state with no match requirement. For example, RPCs have experience in road-related construction management and ACD HUD-funded disaster construction projects.

Response: We will evaluate this recommendation.

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

Allocation #2 (Table 2), Agency of Agriculture, Food and Markets (AAFM): Agricultural Support

1. Author: Lake Champlain Committee, Lori Fisher, Executive Director, Sierra Club Vermont Chapter, Mark Nelson, Chair
 - a. More unrestricted funds should be shifted to agricultural programs, particularly technical assistance for farmers. If AAFM is at distribution capacity due to limited staff, the funds for programs such as the Agronomy and Conservation Assistance Program (ACAP) should be managed as a block grant.

Response: Thank you for your comment. The need for technical assistance for farmers is ongoing. We swapped VTrans Clean Water Fund allocations with AAFM capital funds to provide more flexibility to the AAFM. As stated above, the additional federal and state funds is helping to meet this need. For example, the USDA Regional Conservation Partnership Program (RCPP), which is bringing \$16 million to Vermont for agricultural water quality improvement, includes over \$3 million in technical assistance. The ACAP program, included in this allocation, will help the state continue to provide technical assistance.

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

1. Author: Vermont Association of Planning and Development Agencies (VAPDA), filed by Chittenden County Regional Planning Commission, Charlie Baker, Executive Director
 - a. VAPDA would like to see an increase from \$330,000 to \$500,000 for this allocation to fully support the integration of partners (RPCs, conservation districts, watershed associations, municipalities) into the tactical basin planning process.

Response: Thank you. Current funding levels attempt to balance funding for the tactical basin planning process and funding for project implementation.

Allocation #6 (Table 3), ANR: Stormwater planning/implementation;

1. Author: Vermont Association of Planning and Development Agencies (VAPDA), filed by Chittenden County Regional Planning Commission, Charlie Baker, Executive Director
 - a. VAPDA recommends increasing the investment in identification, planning and preliminary engineering for non-transportation projects to \$460,000 - \$900,000.
Response: We have adopted a multi-step approach to support these steps. We also merged together planning and implementation projects to allow for an optimization among projects involving identification, planning, engineering and construction.

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

1. Author: Vermont Association of Planning and Development Agencies (VAPDA), filed by Chittenden County Regional Planning Commission, Charlie Baker, Executive Director, Northwest Regional Planning Commission, Catherine Dimitruk, Executive Director
 - a. VAPDA and NWRPC support the increase of funding for this pilot project, which has been extremely successful in its first year as a pilot program.
 - b. Commenters support having DEC manage this pilot project to provide continuity of the program.
Response: We appreciate your feedback on this pilot project.
2. Author: Windham Regional Commission, Chris Campany, Executive Director
 - a. WRC acknowledges the value and exceptionally smooth roll out of this pilot project. It was an excellent means of raising awareness of the Municipal Roads General Permit and help them get work underway to understand the permit.
Response: We appreciate your feedback on this pilot project.
3. Author: Northwest Regional Planning Commission, Catherine Dimitruk, Executive Director
 - a. The Municipal Roads Grants in Aid pilot project could serve as a model for project delivery in future years.
Response: Thank you for your suggestion.
4. Author: Two Rivers-Ottawaquechee Regional Commission, Peter Gregory, Executive Director
 - a. This program has been extremely popular and successful, with 27 of our 30 towns participating this year. We recommend that the Clean Water Initiative Program continue to expand the Grants-in-Aid Program, as municipal roads are a large source of sediment pollution. As municipalities work towards improving their roads to meet the Municipal Roads General Permit, more money should be devoted to road-related projects.
Response: We appreciate your feedback.

5. Author: Bob Buermann, South Hero
 - a. The Grants in Aid pilot project had a very successful first year. Additional funding as proposed would be welcome. The partnership between DEC and the RPCs has ensure a simple and efficient program. South Hero constructed 10 new BMPs on two connected road segments. South Hero will be interested in participating in future years, and the approach could be a model for providing future grants to municipalities.
Response: We appreciate your feedback.

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

1. Author: Lake Champlain Committee, Lori Fisher, Executive Director, Sierra Club Vermont Chapter, Mark Nelson, Chair
 - a. More funds need to be allocated to this sector. The most effective way to protect water quality, particularly with respect to agricultural cropland, is to ease or purchase floodplain and river corridor land and take these lands out of production from willing sellers.
Response: Thank you for your comment. We are considering the use of the bond premium funds to further support this sector. We will continue to look for those restoration opportunities with willing landowners.
 - b. The commenter continues to highlight the need for more unrestricted funds to help identify willing sellers of lands in river corridors and floodplains that can be purchased with capital funds in future years.
Response: As stated above, we recognize that each sector benefits from having some amount of flexible funding. We attempted to arrive at a set of allocations that can support this need across all sectors. The state is committed to meeting the expected pollutant load reduction targets associated with natural resources restoration, as described in the Lake Champlain TMDL and other restoration plans. We are achieving the state's natural resources restoration goals using a combination of DEC ecosystem restoration grants targeted at priority areas and the Vermont Housing and Conservation Board's capital funds for water quality purposes.