

State Fiscal Year 2023 Clean Water Budget

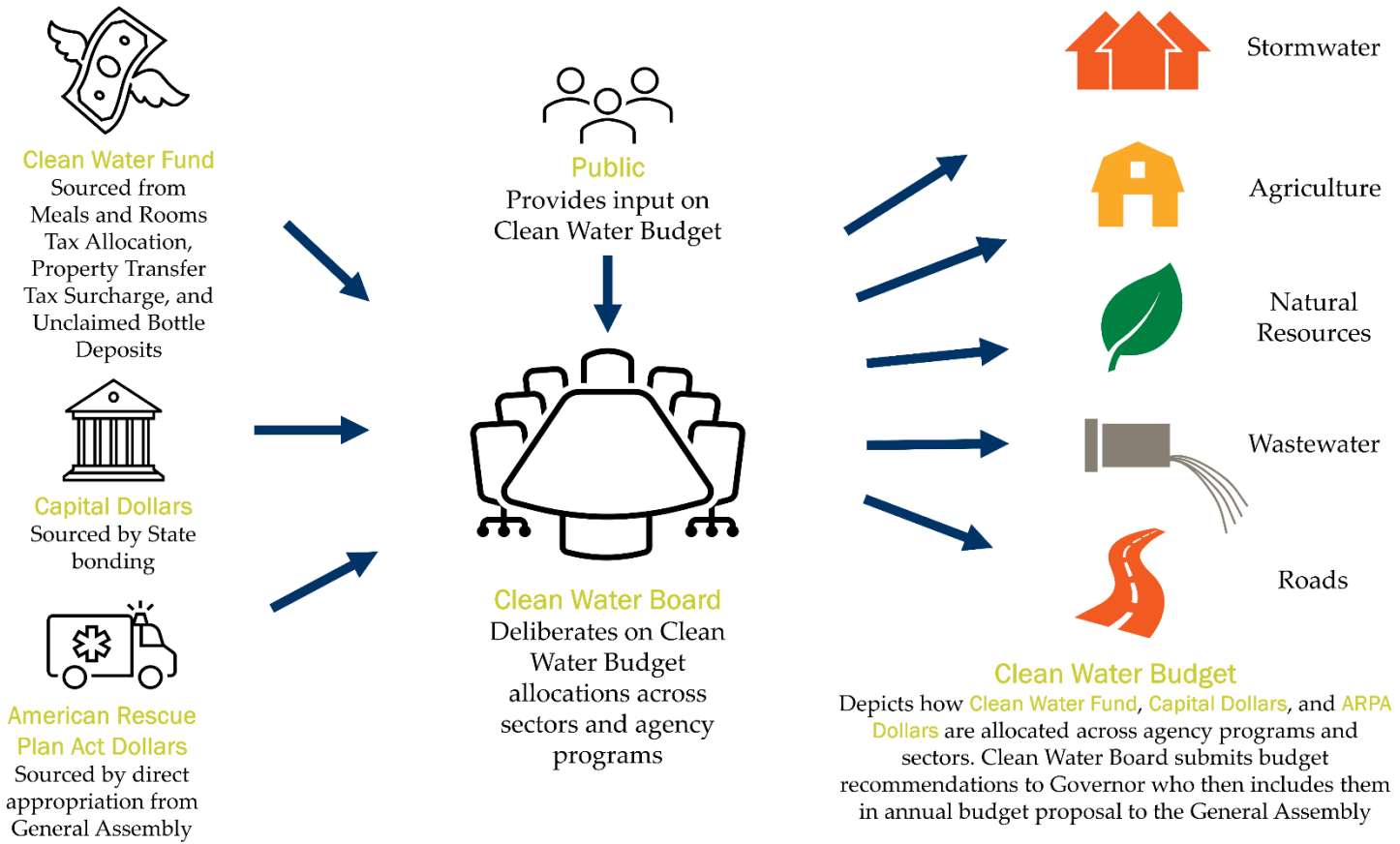
Results of Public Comment Period

Open October 19-November 19, 2021



- AGENCY OF ADMINISTRATION
- AGENCY OF AGRICULTURE, FOOD & MARKETS
- AGENCY OF COMMERCE & COMMUNITY DEVELOPMENT
- AGENCY OF NATURAL RESOURCES
- AGENCY OF TRANSPORTATION

Clean Water Budget Process



*Clean Water Board Meeting

Public Comment Period Participation

- November 4, 2021 Public Hearing attended by 20 (excluding Board members and state staff) with 13 commenters
- Online questionnaire open October 19-November 19, 2021 received 95 responses
- 8 letters/emails received October 19-November 19, 2021 (*1 additional letter received after deadline, included in December 14, 2021 meeting materials*)

**Summary of State Fiscal Year (SFY) 2023
Clean Water Budget
Public Comment Themes and Responses**

*Refer to “State Fiscal Year (SFY) 2023 Clean Water Budget
Public Comment Responsiveness Summary” for more detail.*

Summary of Public Comment Themes (underline responses resulting in budget changes)

Theme	Comment Summary & Response
1. Clean Water Fund Revenue	39% of online questionnaire response recommended other Clean Water Fund revenue value; average recommended value \$49.5 million (compared to \$25.9 million current value). No change recommended in SFY 2023 due to available federal funds and pending outcomes of analysis to refine estimated costs.
2. Fund allocation across High, Medium, and Low/Other budget priorities	48% of online questionnaire responses recommended average change of -7% for High, -1% for Medium, and +8% for Low/Other priorities. Comments also highlighted statutory requirement to fully fund High priority budget items before funding Medium and Low/Other priority items. <u>Revised draft SFY 2023 budget proposes shift of \$2 million from Medium to High priority (see Theme #7 for detail).</u> Federal sources available to support Medium and Low priority stormwater regulatory needs.
3. Clean Water Service Provider (CWSPs) sufficient progress determination	Comments questioned if premature to fund Municipal Stormwater Implementation and Developed Lands Implementation Grants, if CWSPs have not yet made sufficient progress (10 V.S.A. §§927, 928). Clarified CWSPs' sufficient progress in SFY 2023 defined as active participation in start-up activities and should not impact authorization of other line items.
4. Project identification, prioritization, and development funds	Comments highlighted importance of project ID, prioritization, and development funds to build project "pipeline" for non-regulatory projects. Clarified that these activities are incorporated in the Water Quality Restoration Formula Grants and Enhancement Grants.

Summary of Public Comment Themes (underline responses resulting in budget changes)

Theme	Comment Summary & Response
5. Formula Grants to CWSPs for Operation and Maintenance (O&M) of clean water projects (line 1.2)	Comments anticipated increase in O&M costs over time and asked for basis of SFY 2023 cost estimates. Clarified that DEC anticipates year 1 level of effort to equate to approximately 0.3 FTE/\$30,000 per each of the 7 basins to establish program and conduct initial inspection and verification activities.
6. Basin Planning, Basin Water Quality Council (BWQC) Participation, Education, and Outreach (line 1.3)	Comments recommended increase to cover costs of all BWQC members' participation; fills gap for 2 municipal and 1 land conservation members per each of the 7 basins. DEC estimates cost of \$2,000 per BWQC member per year (approximately \$50,000 for 21 BWQC members). <u>Revised draft SFY 2023 budget proposes \$50,000 increase to line 1.3, shifting funds from Medium priority Municipal Stormwater Implementation Grants line 2.23.</u>
7. Water Quality Enhancement Grants (line 1.41)	Comments recommended increase in line 1.41 from \$3 million to \$5 million from Clean Water Fund to meet \$5 million ceiling (10 V.S.A. § 1389). Comments disagreed with approach for VHCB's line 1.42 to contribute toward Enhancement \$5 million ceiling. <u>Revised draft SFY 2023 budget proposes \$2 million increase to line 1.41 funded from Medium priority Municipal Stormwater Implementation Grants line 2.23. Line 2.23 was then increased by \$0.5 million American Rescue Plan Act (ARPA) from Developed Lands Implementation Grants line 3.1.</u> This is based on statutory requirement to fully fund High priority items before funding Medium/Low items and ability of lines 2.23 and 3.1 to leverage significant federal ARPA and Infrastructure Investment and Jobs Act (IIJA) funds.

Summary of Public Comment Themes (underline responses resulting in budget changes)

Theme	Comment Summary & Response
8. Enforcement to address agricultural sources of pollution (line 1.61)	Comments expressed support for focus on agricultural efforts and urged increase in enforcement of regulations. Enforcement is beyond the scope of the budget. Acknowledged importance of funding technical assistance to support compliance. AAFM's Program Support line 1.61 funds staff conducting farm inspections and technical assistance.
9. <i>Point of budget clarification:</i> funds for municipal roads equipment (line 2.23)	DEC learned of additional demand to continue municipal roads equipment in SFY 2023 to give all Municipal Roads General Permit (MRGP) communities a final opportunity to participate. <u>Revised line item descriptions propose to broaden scope of line 2.23 to support equipment purchase.</u>
10. Innovative or Alternative Technologies or Practices to Improve Water Quality (line 2.4)	Comments recommended investment in innovative techniques/technologies to address water pollution. This line item is populated with funds on an as-needed basis. No funding needs are projected for SFY 2023, as the AAFM-administered VPIC is still in progress with prior year funding. This line item will be revisited in the SFY 2024 budget. Acknowledged that innovation is not isolated to this line item and is incorporated throughout many funding programs and projects.

Summary of Public Comment Themes (underline responses resulting in budget changes)

Theme	Comment Summary & Response
11. Lakes in Crisis Fund (line 4.1)— <i>focused comment summary and responses on items within scope of the Clean Water Budget</i>	
11a. Lakes in Crisis funding levels	Comments recommended increase in line 4.1; some recommended increase to \$100,000. No change is proposed to line 4.1 in the SFY 2023 budget as: (1) Fund is intended for initial response to Lake in Crisis designation; (2) Fund requires 35% match; other sources available with lower/no match; (3) projects reducing phosphorus in Lake Carmi watershed eligible through DEC Formula Grants and AAFM Water Quality Grants to Partners and Farmers; and (4) Missisquoi Tactical Basin Plan and Lake Carmi Crisis Response Plan identify Lake Carmi watershed as priority area for investment.
11b. High frequency monitoring and enhanced monitoring of nutrients	Comments requested additional year of funds for high frequency monitoring of the Lake Carmi aerator system. ANR-DEC has obligated funds to extend monitoring in 2022 field season. ANR-DEC Lakes and Ponds Program continues to monitor Lake Carmi and tributaries to track changes in phosphorus concentrations and other water quality parameters.
11c. Franklin Watershed Committee capacity	Comments requested additional funds for Franklin Watershed Committee to expand its Coordinator position to full time. ANR-DEC plans to offer organizational capacity development funds in SFY 2022-2023; these funds could support capacity building of watershed organizations.
11d. Lake Carmi aerator extended maintenance contract	Comments requested funds for extended aerator maintenance contract. ANR-DEC recognizes importance of successful long-term O&M. ANR-DEC is using \$10,000 of Lakes in Crisis Funds annually to support half the electricity costs. ANR-DEC used \$50,000 of remaining aerator Capital Bill funds to extend Everblue Lakes contract by 2 years to conduct O&M and train Franklin Town on O&M. ANR-DEC will consider funding an annual maintenance contract beyond 2022 aeration season.

Summary of Public Comment Themes (underline responses resulting in budget changes)

Theme	Comment Summary & Response
12. State Match to Clean Water State Revolving Fund (CWSRF) Federal Grant (line 4.4) and Municipal Pollution Control Grants (line 4.5)	<p>Comments expressed support for investments to eliminate CSOs, improve private onsite wastewater systems (e.g., septic systems), and assist municipal wastewater systems in treatment of emerging contaminants (e.g., PFAS). No change is proposed to lines 4.4 and 4.5 in the SFY 2023 budget as substantial federal funds are available to address these needs outside the Clean Water Budget. Significant ARPA funds are programmed to address CSOs and onsite water/wastewater. Infrastructure Investment and Jobs Act (IIJA) is anticipated to result in \$8 million/year over five years to support remediation of PFAS in drinking water systems, and \$1 million/year over five years to remediate PFAS in wastewater systems. These funds come with no matching requirements and are required to be issued at 100% CWSRF loan subsidy.</p>

See Clean Water Board Draft SFY 2023
Clean Water Budget Overview, Page 5

CLEAN WATER BOARD
DRAFT State Fiscal Year (SFY) 2023 Clean Water Budget (12/14/2021)

No.	Sector	Agency	Activity	Clean Water Fund	Capital Bill	American Rescue Plan Act (ARPA)**	Total SFY 2023
Clean Water Budget Statutory Priority Tier 1 (Items of Equal Priority)							
1.1	Multi-Sector	ANR-DEC (CWIP)	Water Quality Restoration Formula Grants to Clean Water Service Providers*	7,000,000			7,000,000
1.2	Multi-Sector	ANR-DEC (CWIP)	Water Quality Restoration Formula Grants to Clean Water Service Providers (O&M)*	210,000			210,000
1.3	Multi-Sector	ANR-DEC (CWIP)	Basin Planning, Basin Water Quality Council Participation, Education, and Outreach	650,000			650,000
<i>1.4 Water Quality Enhancement Grants</i>							
1.41	Multi-Sector	ANR-DEC (CWIP)	Statewide Non-regulatory Clean Water Projects (not to Overlap with Formula Grants)*	5,000,000			5,000,000
1.42	Natural Resources	VHCB	Land Conservation and Water Quality Projects		2,000,000		2,000,000
1.5	Agriculture	AAFM	Water Quality Grants to Partners and Farmers	4,991,111	2,651,781	3,000,000	10,642,892
<i>1.6 Agency and Partner Operating Support</i>							
1.61	Agriculture	AAFM	Program Support	825,000			825,000
1.62	Multi-Sector	ANR-DEC (CWIP)	Program and Partner Support	950,540			950,540
Tier 1 SUBTOTAL				19,626,651	4,651,781	3,000,000	27,278,432
Tier 1 % of Total				76%	42%	30%	58%
Clean Water Budget Statutory Priority Tier 2 (Items of Equal Priority)							
<i>2.1 Outreach and Implementation of Forestry Acceptable Management Practices for Maintaining Water Quality</i>							
2.11	Natural Resources	ANR-FPR	Forestry and Portable Skidder Bridges and Water Quality Practices	110,000			110,000
2.12	Natural Resources	ANR-FPR	Implement BMPs at State Forests, Parks, and Recreational Access Roads		700,000		700,000
<i>2.2 Municipal Stormwater Implementation</i>							
2.21	Roads	VTrans	Municipal Roads Grants-in-Aid (MRGP)	3,317,498			3,317,498
2.22	Roads	VTrans	Municipal Better Roads (MRGP)	1,000,000			1,000,000
2.23	Stormwater	ANR-DEC (WIFP & CWIP)	Municipal Three-Acre General Permit and MS4*	1,550,000		4,500,000	6,050,000
2.3	Agriculture	VHCB	Water Quality Farm Improvement and Retirement Projects		800,000		800,000
2.4	Multi-Sector	ANR-DEC (CWIP)	Innovative or Alternative Technologies or Practices to Improve Water Quality				-
Tier 2 SUBTOTAL				5,977,498	1,500,000	4,500,000	11,977,498
Tier 2 % of Total				23%	14%	45%	26%
Clean Water Budget Statutory Priority Tier 3							
3.1	Stormwater	ANR-DEC (WIFP)	Developed Lands Implementation Grants*			2,500,000	2,500,000
Tier 3 SUBTOTAL				-	-	2,500,000	2,500,000
Tier 3 % of Total				0%	0%	25%	5%
Clean Water Budget Other Priorities							
4.1	Multi-Sector	ANR-DEC (Lakes)	Lakes in Crisis Fund	50,000			50,000
4.2	Stormwater	AoA	Stormwater Utility Payments (\$25K each)	25,000			25,000
4.3	Stormwater	ACCD	Better Connections and Downtown Transportation Fund	200,000			200,000
Capital Bill Priorities							
4.4	Wastewater	ANR-DEC (WIFP)	State Match to Clean Water State Revolving Fund (CWSRF) Federal Grant		1,548,219		1,548,219
4.5	Wastewater	ANR-DEC (WIFP)	Municipal Pollution Control Grants		3,300,000		3,300,000
Other SUBTOTAL				275,000	4,848,219	-	5,123,219
Other % of Total				1%	44%	0%	11%
Total Requested				25,879,149	11,000,000	10,000,000	46,879,149
Anticipated SFY 2023 Revenue				25,879,149	11,000,000	10,000,000	46,879,149