



# VLCT LEGISLATIVE ACTION ALERT

SERVING AND STRENGTHENING VERMONT LOCAL GOVERNMENTS

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**Date** April 1, 2015  
**To** Mayors, Municipal Managers and Administrators, Public Works Directors, Select-board Members  
**From** Karen Horn, Director, Public Policy and Advocacy  
**Re** H.35, the Water Quality Bill

H.35, the Water Quality Bill, is being debated on the House floor today and tomorrow. The bill, which has 54 sections, would implement a suite of programs to clean up Lake Champlain and waters of the state in order to comply with eventual Environmental Protection Agency (EPA) mandates through Total Maximum Daily Loads (TMDLs). It would establish new permit programs for farms and provide for removing parcels from the Use Value Program that fail to comply with agricultural practices to reduce runoff to state waters.

**Please contact your representatives immediately by email** (their addresses can be found at <http://legislature.vermont.gov/people/search/2016>) **or by calling the Sergeant at Arms (802-828-2228) and leaving a message.**

- Urge them to oppose the expansion of permit fees and increases in permit fees assessed on municipalities to pay for new DEC stormwater staff. Emphasize to them that local budgets have already been adopted and do not include funds to pay for increased fees to the agency. Ask them if DEC can realign its priorities to use existing staff to implement stormwater programs. (Sec. 41 of H.35)
- Urge them also to oppose eliminating the requirement that the DEC pay the capital costs of phosphorus removal projects at wastewater treatment facilities, “subject to availability of funds.” (Sec. 44 of H.35)
- Make sure your representatives understand the tremendous amount of work and money that will be required of municipalities to comply with stormwater permits on municipal roads and impervious surfaces.

H.35 would create a new permit to apply to all municipal highways, with permit fees to support state administration, education, and enforcement. The Better Back Roads Program estimates up to 75 percent of all roads need erosion control improvement.

The bill would require permits for any size impervious surface the Secretary of the Agency of Natural Resources determines is appropriate, and require maintenance after development of pre-development runoff characteristics “as nearly as possible.” Impervious surfaces within municipal borders include sidewalks, parking lots, and rooftops. Municipalities will have to reduce erosion along stream banks within their borders.

H.35 would eliminate the statute that requires the Department of Environmental Conservation (DEC) to pay for 100 percent of the capital costs to reduce phosphorus discharges from wastewater treatment facilities.

H.35 would add adherence to policies and actions in DEC basin plans to the list of goals in 24 V.S.A. Chapter 117 that regional plans must address. The bill would double existing fees, institute new fees, expand fees to municipalities, and change the methodology for calculating fees. The fees would raise approximately \$1.5 million in additional revenues in FY16 to pay for 13 new DEC positions. Much if not most of that cost will be borne by municipal property taxpayers and sewer and water system users.

DEC estimates that, in addition to current funding, it will need:

- \$4.1 million for agriculture grants, staffing for DEC, Agency of Agriculture, Food and Markets, and Ecosystem Restoration grants in FY16.
- \$1.8 million for capital projects and \$360,000 for Agency of Transportation staffing in FY17.
- \$7.4 million in FY18.
- \$7.7 million in both FY19 and FY20.
- \$6.8 million in FY21.
- \$5 million in FY22.

H.35 would capitalize a Clean Water Fund for funding implementation projects with a “Clean Water Surcharge” of 0.2 percent on the value of property subject to the property transfer tax, excluding the first \$100,000 of property value for primary residences and the first \$110,000 for Vermont Housing and Finance Agency loans, raising an estimated \$5,700,000 in new revenue in FY16. The surcharge would sunset on July 1, 2012. In the first three years of the fund, assistance to municipalities for complying with water quality requirements would be prioritized. H.35 would include a report on establishing fees based on parcels or impervious surfaces and addressing collection of those fees by January 15, 2016.