To: Members of the Senate Natural Resources and Energy Committee  
From: Karen Horn, Director, Public Policy and Advocacy  
Date: February 6, 2019  
Re: Clean Water Funding

Thank you for the opportunity to testify regarding funding mechanisms for clean water.

The Vermont League of Cities and Towns joined with the Lake Champlain Committee, Vermont Conservation Voters, Vermont Natural Resources Council, and Lake Champlain Chamber of Commerce last year to urge the legislature to pass legislation that would establish the broad framework of a Clean Water Authority. That did not happen although we continue to believe that it is a good concept.

The need to pass legislation that establishes a long term funding source for cleaning up the waters of the state is more compelling this year than ever. The EPA in its April 3, 2018 letter, said “it is important that the State establish a long term revenue as identified in the TMDL accountability framework, since this is critical to successful and full implementation of the TMDL. EPA intends to evaluate the State’s progress to complete this long-term funding milestone in mid-2019 as mentioned above.”

Any system that is developed to implement clean water programs needs to meet the criteria we as a group established last year. In the words of the VT Conservation Voters, it must deliver resources to high priority projects in a timely manner, and with a transparent and accountable system for tracking results. It must be

- fair, efficient and effective
- protect funds over the long term that the legislature raises and dedicates to clean water
- work with all sectors bearing responsibility for reducing stormwater and phosphorus discharges
- combine and simplify grant and loan regulations
- make cost effective investments based on a priority system that finances projects garnering the biggest bang for the buck first
- realize clean water achievements.

A utility or pooled resources model might accomplish those aims. A utility requirement must leave the decision about which utility to join to individual municipalities. It cannot result in obligations that are not now regulatory requirements being mandated on municipalities. A utility model must accommodate the varying needs and capacities of towns across the state to undertake necessary projects.

Sustained funding is key. We continue to oppose municipal collection of those dollars to sustain the state clean water fund. In the first year that the property transfer tax was increased for clean water, $1 million was taken off the top to address housing. The Transportation budget this year includes a $6.6 million decrease in combined town highway funding just seven months after the legislature passed language prohibiting decreases in that funding and just as the Municipal Roads General Permit takes effect. Municipalities have virtually no faith that the legislature will put dollars behind its clean water commitments in the long term. We hope we are wrong.

Thank you for the opportunity to testify.

Karen Horn