

January 28, 2016

**Testimony to Vermont House Committee on Fish, Wildlife and Water Resources
Re: H.518 - Conservation and development; water resources; Clean Water Fund Board
Chip Sawyer, Director of Planning & Development, City of St. Albans, Vermont**

Thank you, Mister Chairman and to the members of the Vermont House Committee on Fish, Wildlife and Water Resources for your time this morning. My name is Chip Sawyer, and I am the Director of Planning & Development of the City of St. Albans. I appear before you today with the blessing of our Mayor Elizabeth Gamache, and I will be able to provide input similar to what you would hear from other Vermont communities represented by the Mayor's Coalition. Communities with mayors in this state share a unique perspective when it comes to Vermont's water quality goals.

One of the perspectives that our communities share is that the bulk of municipal work in water quality will fall on our shoulders. We also share the fact that there is relatively little federal or state assistance available for the challenges we are readying ourselves to address. I would like to discuss one particular funding source, the Clean Water Fund, and bill H.518, which proposes to strengthen municipal representation on the Clean Water Fund Board. I am very much in favor of the intent of H.518.

I was as happy as anyone last year when Act 64 was passed. The law was a representation of Vermont taking on water quality challenges with an "all-in" mentality, it provided much-needed context for the way forward, and it bolstered much-needed financial assistance, if only incrementally. But more work is needed now.

State law directs the Clean Water Fund Board during the first three years of its existence to "prioritize awards or assistance to municipalities for municipal compliance with water quality requirements." In their November 9, 2015 recommendations, the Clean Water Fund Board allocated 43-46% of the \$10.4 million in the fund to municipally-related needs. The majority of the allocation for municipalities is in competitive grant programs, which cannot be counted on as project funding unless grant applications are successfully awarded. While thankful for any assistance we can get, I was among many disappointed in the allocation for municipalities. We were expecting to see more from the Clean Water Fund for municipalities in light of the funding source available elsewhere for other sectors.

Vermont's water quality goals will not be met without action by our municipalities, and yet local tax-payers cannot pass the additional costs of water quality efforts onto other parties. There is a relative dearth of available financial assistance to alleviate the effects on property taxes. There are loan programs available for municipalities, but these programs do not alleviate the impact of water quality project debt service costs on a community's property taxes. If our water quality efforts are depending on the passage of the municipal bonds that will be necessary for tackling water quality issues, then we need to ensure that local voters will see more assistance from state and federal sources.

Our water quality goals are statewide in nature, and yet much of the work ahead will be mandated for a handful of Vermont communities. Furthermore our wastewater treatment

facilities will face even more stringent requirements from the EPA if the State is not successful with other water quality efforts. In order to reflect the broad-based benefit of any one community's water quality projects, federal and state *grant* funds are needed to share the burden of costs among more than just one municipality's tax-payers. The Clean Water Fund is perhaps the most critical of state grant funding sources available. As far as I'm aware, all other announcements of large pots of federal and state funds for water quality are intended for recipients other than municipalities.

The allocation of critically-needed funds for municipalities from the Clean Water Fund cannot be allowed to rely solely on the hope that municipal voices will be heard in the clamor of a public comment process. Municipalities must be specifically represented on the Clean Water Fund Board.

The state agencies represented on the Clean Water Fund Board provide valuable input, however there is no state agency that specifically advocates for municipalities. No one knows better than municipalities how to best target funding for the most effective water quality work in our sector. We provide unmatched familiarity with what happens when the interests of various state agencies intersect at the local level. We are best able to provide input on the competing contexts of addressing combined sewer overflows while also reducing the flows of untreated stormwater, or on the unintended consequences of new stormwater rules on the form and character of our celebrated historic centers, or on a myriad other topics that will be critical to successful implementation at the local level. And I will add that we need to be at the table whenever the Board must adjust allocations due to downgraded revenues.

As you are probably aware the State's own cost estimates for needed water quality projects in municipal stormwater and wastewater treatment are alarming and trending upward, and we will need more financial assistance than what has been announced thus far. Of the sources that do exist, the Clean Water Fund is critical to municipalities. I urge this committee to support the intent of H.518 and provide for direct municipal representation on the Clean Water Fund Board.

Thank you for your time, and I welcome any questions and discussion.