

Environmental Conservation FY2017

Budget Documents

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Department Mission Statement

The mission of the Vermont Department of Environmental Conservation is to preserve, enhance, restore, and conserve Vermont's natural resources, and protect human health, for the benefit of this and future generations.

Description of Divisions, Appropriations, and Programs

By statute and through delegation from the Agency of Natural Resources, the Department of Environmental Conservation is charged with protecting public health and the environment. The Department meets this challenge through: (1) limiting the impacts of activities that impact the environment through permits, compliance inspections, and enforcement; (2) delivering financial assistance to communities, citizen groups and businesses; (3) providing public education and technical assistance to communities, citizen groups and businesses; (4) monitoring environmental quality and public health; and (5) protecting and restoring natural resources. The Department strives to treat citizens and businesses fairly, honestly and openly, to provide programs that are efficient and cost-effective, to lead by example, and to make timely decisions.

The Department administers various state and federal programs with responsibility for regulating the discharge or emission of pollutants into the air, water or soil. Many of these programs are administered under the authority of federal law with the approval of the United States Environmental Protection Agency. In this way, the State of Vermont retains a central role in decisions affecting its citizens and is eligible to receive federal funds to implement these programs.

The Department has four appropriations. Three appropriations cover the majority of the Department's work in seven divisions. Descriptions of each division are located below under their appropriation. The fourth appropriation is the Connecticut River Valley Flood Control Compact for Tax Losses.

Management and Support Services Appropriation

Commissioner's Office

The Commissioner's Office provides leadership, management, business, policy and planning services for all departmental divisions and programs.

Environmental Compliance Division

The Environmental Compliance Division houses the Environmental Assistance Office and the Environmental Enforcement Office, providing the regulated community the full range of compliance activities. Assistance activities include providing guidance to permit applicants, environmental compliance assistance to Vermont businesses and municipalities, recognition programs for green businesses, and support to municipal household hazardous waste programs. The Division assists businesses, communities, state agencies, and others in identifying effective and economical ways to reduce waste at the source in order to avoid waste treatment and disposal costs and to safeguard human health and the environment. The Division is also charged with enforcing the laws and regulations administered by the Agency of Natural Resources, primarily for the Department of Environmental Conservation, but also for the Department of Forests, Parks and Recreation. The Department of Fish and Wildlife handles most of its own enforcement. The Division also coordinates with the Agency of Agriculture, Food and Markets regarding cases involving that agency's jurisdiction. Enforcement activities include civil and criminal investigations, prosecution of administrative enforcement cases before the Environmental Court, and screening and referrals of criminal and civil cases (as appropriate) to the state's attorneys and the Attorney General. The goal is to integrate all compliance activities in a manner that protects the environment and public health, ensures the integrity of the Agency's regulatory programs, and provides an even playing field for all Vermonters. Providing the full range of compliance strategies under one division allows for the strategic administration of Department compliance services and promotes the recognition of and responsiveness to compliance trends.

Vermont Geological Survey

The Vermont Geological Survey conducts mapping, research and provides aid and advice about the state's geology, mineral resources and topography. The Geologic Survey performs bedrock and surficial mapping, applied studies, digital map products, data distribution, and education. Geological information collected, analyzed and disseminated by the Survey plays a significant role in locating groundwater supplies, arranging waste disposal, understanding the movement of contaminants, and addressing natural hazards such as landslides, radioactivity, erosion, and earthquakes. Public service maps derived from the base geology are used to protect public health and safety.

Administration & Innovation Division

The Administration & Innovation Division encompasses a range of central services functions which serve the entire Department. Those functions include: financial management; operational services including resource allocations (e.g. information technology, personnel, Fleet, records management, procurement, office space and logistics); and Department-wide planning and reporting (e.g. US Environmental Protection Agency Performance Partnership Agreement, strategic planning, results based accountability and performance measures tracking). In addition, the Department's Business Transformation Initiative is led by this division. This Initiative involves coordination with both internal and external entities as DEC undertakes a system of continuous improvement in our business practices. The Initiative is a growth strategy, allowing the Department to free up and shift capacity to higher value work as efficiencies are found. The result is an increase in our level of service to the Vermont public, making it easier for businesses, municipalities and citizens to get permits and assistance. A related goal of this effort will be to increase the transparency of the department's work – making information more readily available and accessible electronically.

Air and Waste Management Appropriation

Air Quality and Climate Division

The Air Quality and Climate Division (AQCD) implements state and federal programs to protect and improve air quality, with the goal of protecting public health and the environment. As part of this implementation, the AQCD monitors air quality and air pollution sources, conducts emissions inventories and modeling, proposes regulations to improve existing air quality, ensures compliance with the regulations, and issues permits to control pollution from sources of air contaminants across the state. Additionally, the AQCD has been actively involved at the national level in efforts to document and reduce the impact of out-of-state coal-fired power plants on public health and the environment in Vermont. The Division has worked with neighboring jurisdictions to develop a regional climate action plan, and participates in the Regional Greenhouse Gas Initiative (RGGI), the first market-based regulatory program in the US to reduce greenhouse gas emissions. The Division actively advances strategies to reduce sources of air pollution in Vermont, including efforts to increase zero emission vehicles and the corresponding infrastructure in Vermont, and to decrease particulate matter emissions from outdoor wood boilers and wood stoves. The Division has been at the forefront of greenhouse gas reduction initiatives and is one of a small number of states that have joined with California in adopting Low Emission Vehicles Rules. The AQCD's five Sections (Planning, Monitoring, Compliance, Permitting, and Mobile Sources) coordinate to protect and improve air quality through identification, characterization, and management of risks and impacts to public health and the environment.

Waste Management and Prevention Division

Through a combination of assistance, planning, regulation, permitting, and inspections, the Waste Management and Prevention Division oversees the management of solid and hazardous wastes to protect the public health and the environment. Hazardous and solid waste programs are managed to meet Vermont environmental law and regulatory standards and U.S. Environmental Protection Agency standards for the Resource Conservation Recovery Act. This program also implements the State's Materials and Solid Waste Management Plan with a focus on helping Vermont households and businesses find convenient, affordable ways to divert organic material (yard and food waste) and recyclables away from landfills and into economically valuable uses. The Division also oversees the investigation and remediation of sites contaminated by hazardous wastes from petroleum, chemical, and industrial release. The Petroleum Clean-up Fund is managed to remediate sites contaminated by petroleum. The Brownfield Program promotes and assists in the clean-up and reuse of contaminated properties. The Underground Storage Tank Program is responsible for overseeing the management of underground storage tanks. In addition, the division maintains a 24-hour Spill Response Team to provide assistance in the control and clean-up of spills.

Office of Water Appropriation

Facilities Engineering Division

The Facilities Engineering Division assists in the planning, design, construction and first year operation phases for the new construction or upgrade of municipal and private potable water supply systems (including schools) and municipal wastewater systems. The Division also administers the state and federal grant and revolving loan programs that fund this work. It plans and implements the original construction or improvement projects for state-owned dams, and for the Departments of Fish and Wildlife and Forests, Parks and Recreation projects such as fishing access areas, fish culture stations, and state park facilities. In addition, the Division administers the Dam Safety and Hydrology Program, which involves safety inspections of non-power generating dams, and review and permitting for dam alteration or construction projects.

Watershed Management Division

The Watershed Management Division is responsible for managing surface water quality and quantity for over 800 significant lakes and ponds, 23,000 miles of rivers and streams, and 300,000 acres of wetlands that exist within Vermont. To accomplish this mission, the Division's eight major programs act to protect, maintain, enhance, and restore surface waters in the following ways.

The Division provides regulatory oversight and technical assistance to ensure proper design and construction of storm water treatment and control practices as well as construction-related erosion prevention and sediment control practices, necessary to minimize the adverse impacts of storm water runoff to surface waters throughout Vermont. It also administers the federally delegated permitting programs for municipal and industrial wastewater discharges, and the state permitting programs for residuals management. The Division oversees the wastewater operator certification program.

The Division conducts chemical, physical and biological environmental monitoring and provides guidance to citizen monitoring programs to determine current quality and threats to that quality. It publishes assessments of streams, rivers, lakes and wetlands and prepares watershed plans for each basin through public-private collaborations that work to identify waters that are experiencing difficulties and to develop and implement corrective strategies. It uses these assessments in issuing grants and providing technical assistance for local nonpoint source pollution management activities in lake and river watersheds.

The Division is responsible for identifying and protecting wetlands and the functions and values they provide. Activities to achieve these goals include education and permitting. Similarly, the Division protects lakes and through providing assistance regarding lake management and protection to municipalities, lake associations, and individuals. Finally, the Division protects river systems and floodplains to protect their ecological integrity and recover equilibrium conditions. The Division provides technical and regulatory assistance for projects in river corridor and floodplains to avoid and mitigate flood and erosion hazards, and to increase retention of sediments, nutrients, and riparian habitat. This program also coordinates hydroelectric dam licensing reviews, and assures that stream flows below dams, water withdrawals, and hydropower reservoirs meet minimum standards.

Groundwater and Drinking Water Protection Division

The Division's drinking water programs are responsible for ensuring that Vermont's 1,400 public water systems provide clean and safe water to their customers. It does this through permitting all aspects of source water development, construction and operation. In addition, public health protection is provided by performing sanitary survey inspections, providing technical assistance, performing compliance assistance, certifying public water systems operators (including

operator training), performing implementation management of EPA regulations of the Safe Drinking Water Act, and developing a public water system's managerial, technical and financial capability of operating (otherwise known as the capacity development program). Some recent successes of the capacity development program were providing leak detection services and asset management training, which helped water systems target needs for improvements and funding. For example, the Drinking Water State Revolving Fund is a low interest loan program that has been used to help finance technical and compliance issues. In support of the Groundwater Public Trust concept, the Division also oversees the state's groundwater protection and well driller's regulatory programs, and regulates large groundwater withdrawals.

The Division administers the wastewater system and potable water supply rules from its five regional offices. These rules regulate soil-based wastewater systems and on-site water supplies with a design capacity of less than 6,500 gallons per day as well as all connections to the municipal water and wastewater systems. The program currently covers all single family residences, commercial development, public buildings, mobile home parks, and campgrounds and issues approximately 3,000 permits annually. This division also licenses the designers of the systems it permits.

The Division issues Underground Injection Control permits that regulate the discharge of non-sanitary wastewater into the ground. The Division also issues permits for land-based sewage treatment and disposal systems greater than 6,499 gallons per day, including septic tanks, leachfields, and treatment plants and spray disposal systems

Connecticut River Valley Flood Control Compact - Tax Losses Appropriation

The Connecticut Valley Flood Control Compact appropriation facilitates the management of receipts from Connecticut and Massachusetts for tax losses in Vermont towns where the U.S. Corps of Engineers has built flood control projects.

Department Key Budget Issues

The Department of Environmental Conservation (DEC) FY'17 budget reflects a substantial reduction of general funds from FY'16 to FY'17. Within this reduction, we are also managing upward pressures and achieving strategic priorities through a combination of efficiency measures and a reduction in operating costs related to savings we expect to realize due to reduced fuel costs. The budget includes a decline of approximately \$981,000 in general funds due mainly to the labor savings adjustments that occurred during FY'16 (\$722,000) and the annualized general fund share of the retirement savings (\$286,000).

The additional savings that are anticipated in our special funds and federal funds due to retirements has been reallocated to cover increased operating costs and anticipated budget pressures in FY'17. This shift allows us to avoid further workforce and program reductions. The Agency of Transportation is also proposing a fee modification aimed at enabling the Department to maintain a consistent level of service in our air programs and meet critical strategic air and climate priorities. The Department continues to advance business process improvement strategies to curb against the impacts of these reductions.

Our budget this year will also show an increase in spending authority for our clean water and drinking water state revolving loan programs. We had been using an on-demand spending authority method that required a complex back-office process involving the need to forecast demand several times a year. As a result of a recent Lean event, we discovered that we can radically simplify the process by including the loan programs in our budget.

The Department continues to strive to meet our obligations to protect Vermont's air, water and soil, while providing effective and efficient service to the regulated community and the public.

Fiscal Year 2017 Budget Development Form - Department of Environmental Conservation

	General \$\$	Special \$\$	Federal \$\$	Interdept'l Transfer \$\$	Total \$\$
FY 2016 Budget	9,039,973	25,441,808	11,467,602	6,086,612	52,035,994
FY'16 to FY'17 Salary & Benefit Changes - Net result of all salary and benefit changes including the removal of the (14) retirement positions (General fund reduction related to retirement incentive \$-286k), FY'16 labor savings adjustment of \$-722K and reallocation of all other funding sources.	(1,009,578)	(220,639)	1,423,407	172,738	365,928
Reduce Vacancy Savings (was \$1.06m in FY16 reducing by \$465k in FY17 for new VS total of \$592k = equals approximately 7 FTEs)	60,721	27,218	125,534	251,683	465,156
Standard adjustments: DII, DHR, VISION/HRMS, Insurances, Fee For Space, Fleet, Single Audit	(46,563)	0	0	0	(46,563)
Transfer of Green Up Vermont support (\$19,400 SF) from ANR-CO to DEC and Transfer of Vermont Citizens Advisory Board on the future of Lake Champlain (VTCAC) support (\$6,900 GF) from ANR-CO to DEC	6,900	19,400	0	0	26,300
Contracts Adjustment: The major contributing activity affecting contracts are the following: a net increase in special funds due to increase of \$110K for Air Toxics Program related to monitoring and assessment activity coupled against a decrease (-\$333k) due to a line item change from contracts to grants as well as funding source (SF to Federal) for non point source projects and increase of \$500K due to FY16 BAA for Clean Water Fund; Net decrease in federal funds due to completion of National Environmental Information Exchange Network (NEIEN) one time project (-\$332K) as well as completion of one time United State Geological Survey LIDAR project (-\$250K); Net increase in interdepartmental funds for the receipt of the AmeriCorps match portion from host sites for member living allowances of \$104K.	0	270,918	(596,873)	104,000	(221,955)
Grants adjustments: The major contributing activity affecting grants are the following: net increase in special funds due to reduction in settlement funds and contaminated waste efforts sites (-\$170k), increase in the Agronomy & Conservation Assistance Program (\$63K) and increase in Clean Water Fund due to FY'16 BAA of \$400K; Net decrease in federal funds due to the completion of one time projects (-\$542K) and reallocation of passthrough program in our Performance Partnership 319 agreement (\$333k); Increase in Interdepartmental due to MOU w/DOH for Crisis Fuel Tank Replacements (\$75k)	0	293,305	(228,736)	75,000	139,569
Operating Adjustments and Related Funding Adjustments: Slight decrease in various operating (-\$109K) such as other purchases services, office supplies; equipment; out of state travel; gasoline, etc. and their related funding allocations.	(1,132)	(88,820)	53,147	(72,368)	(109,172)
FY'17 Clean Water Fund Initiative (Act 64): Priority proposals approved by the CWF Board in November 2015 and will be administered by DEC in FY17. In FY'16 we will receive \$900K through the FY'16 BAA and in FY'17 we are proposing a total of \$4.955M, for a net increase of \$4.055M. FY'17 Grants \$4.45M and Contracts \$500K.	0	4,055,000	0	0	4,055,000
Annual federal share of Clean Water and Drinking Water State Revolving Loan Fund projects (CWSRF & DWSRF). This is an accounting practice change that came out a Lean event aimed at business process improvement around administration of the CWSRF & DWSRF grant/loan programs. Historically this has been administered under a month-to-month demand driven spending authority process as opposed to an annual budget appropriated process. This change allows for a more efficient and transparent process in addition to allowing the funds to revolve more timely.	0	0	20,000,000	0	20,000,000
TOTAL INCREASES/DECREASES	(989,652)	4,356,382	20,776,479	531,053	24,674,264
Environmental Conservation FY 2017 Governor Recommend	8,050,322	29,798,189	32,244,081	6,617,666	76,710,258
% Change from FY'16 Appropriated Budget	-10.9%	17.1%	181.2%	8.7%	47.4%

Fiscal Year 2017 Budget Development Form - Department of Environmental Conservation

	General \$\$	Special \$\$	Federal \$\$	Interdept'l Transfer \$\$	Total \$\$
Approp #1 Mangement & Support Services: FY16 Budget	354,188	445,630	1,110,742	4,599,645	6,510,205
FY'16 to FY'17 Salary & Benefit Changes - Net result of all salary and benefit changes including the removal of the (14) retirement positions	33,672	(51,478)	(83,490)	334,374	233,078
Reduce Vacancy Savings				241,111	241,111
Standard adjustments: † See details on rollup	(8,070)				(8,070)
Contracts Adjustment: Decrease in federal funds due to completion of NEIEN due to one time project \$-332k and increase in interdepartmental funds due to inclusion of receipt of AmeriCorps match portion of member living allowances received from host sites of \$104K,			(332,123)	104,000	(228,123)
Grants adjustments: New USGS Water Data Grant (\$48K)			48,720		48,720
Operating Adjustments and Related Funding Adjustments: Decreases in fleet costs and gasoline and their related funding allocations	(5,423)	(8,378)	(19,655)	(71,999)	(105,455)
Motor Vehicle Registration Fee					0
Approp #2: Air & Waste FY 2016 Budget	442,163	16,555,651	3,634,737	151,869	20,784,420
FY'16 to FY'17 Salary & Benefit Changes - Net result of all salary and benefit changes including the removal of the (14) retirement positions	(189,143)	151,115	(35,327)	(8,653)	(82,008)
Reduce Vacancy Savings	1,330	27,218	10,935	457	39,940
Standard adjustments: † See details on rollup	(11,671)				(11,671)
Contracts Adjustment: Increase due to Air Quality and Climate work related to Air Toxics (\$100k).		109,034			109,034
Grants adjustments: Reduction in expected use of settlements (-\$170k), Increase due to MOU w/DOH for Crisis Fuel Tank Replacements (\$75k)		(169,761)		75,000	(94,761)
Transfer of Green Up Vermont support from ANR-CO to DEC		19,400			19,400
Operating Adjustments and Related Funding Adjustments: Decreases in environmental site work and related funding allocations	(152,207)	34,127	19,356	(4,405)	(103,129)
Subtotal of increases/decreases	(351,691)	171,133	(5,036)	62,399	(123,195)
FY 2017 Governor Recommend	90,472	16,726,784	3,629,701	214,269	20,661,226

Fiscal Year 2017 Budget Development Form - Department of Environmental Conservation

	General \$\$	Special \$\$	Federal \$\$	Interdept'l Transfer \$\$	Total \$\$
Approp #3 Office of Water Programs: FY 2016 Budget	8,240,152	8,409,296	6,722,123	1,335,098	24,706,669
FY'16 to FY'17 Salary & Benefit Changes - Net result of all salary and benefit changes including the removal of the (14) retirement positions and FY'16 labor savings adjustment of \$722K of general fund.	(854,107)	(320,276)	1,542,224	(152,983)	214,858
Reduce Vacancy Savings	59,391	0	114,599	10,115	184,105
Standard adjustments: † See details on rollup	(26,822)				(26,822)
Contracts Adjustment: Decrease in special funds due to line item change from contracts to salaries for non point source work, as this work will now be funded by federal funds as grant agreements rather than contracts. Net decrease in federal funds due mostly to completion of one time United State Geological Survey LIDAR project (-\$250K).		161,884	(264,750)		(102,866)
Grants adjustments: There is a small Increase in special funds due mailly to New England Interstate Water Pollution grant for new one time project (ACAP sub grants \$63K), Net decrease in federal funds due to the completion of one time projects (-\$542K) and reallocation of passthrough program in our Performance Partnership 319 agreement (\$333k).		463,066	(277,456)		185,610
Transfer of Vermont Citizens Advisory Board on the future of Lake Champlain (VTCAC) support from ANR-CO to DEC	6,900				6,900
Operating Adjustments and Related Funding Adjustments: Slight increase in various operating which includes other purchases services, office supplies; equipment; out of state travel; gasoline, etc. and their related funding allocations.	156,499	(114,568)	53,446	4,035	99,412
FY'17 Clean Water Fund Initiative (Act 64): Priority proposals approved by the CWF Board in November 2015 and will be administered by DEC in FY17. In FY'16 we will receive \$900K throught the FY'16 BAA and in FY'17 we are proposing a total of \$4.955M, for a net increase of \$4.055M. FY'17 Grants \$4.45M and Contracts \$500K.		4,055,000			4,055,000
Annual federal share of Clean Water and Drinking Water State Revolving Loan Fund projects (CWSRF & DWSRF). This is an accounting practice change that came out a Lean event aimed at business process improvement around administration of the CWSRF & DWSRF grant/loan programs. Historically this has been administered under a month-to-month demand driven spending authority process as opposed to an annual budget appropriated process. This change allows for a more efficient and transparent process in addition to allowing the funds to revolve more timely.			20,000,000		20,000,000
Subtotal of increases/decreases	(658,139)	4,245,106	21,168,063	(138,833)	24,616,197
FY 2017 Governor Recommend	7,582,013	12,654,402	27,890,186	1,196,265	49,322,866
Approp #4 Tax Loss - Connecticut River: FY 2016 Appropriated	3,470	31,230	0	0	34,700
Subtotal of increases/decreases	0	0	0	0	0
FY 2017 Governor Recommend	3,470	31,230	0	0	34,700
DEC FY 2016 Total Adjusted Budget	9,039,973	25,441,806	11,467,601	6,086,613	52,035,994
TOTAL INCREASES/DECREASES	(989,652)	4,356,382	20,776,479	531,053	24,674,264
DEC FY 2017 Governor Recommend	8,050,321	29,798,189	32,244,081	6,617,666	76,710,258