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**Vermont Department of Environmental Conservation**

*Agency of Natural Resources*

Commissioner's Office

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To: Representative Janet Ancel, Chair, House Ways and Means Committee

From: David Mears, Commissioner, Department of Environmental Conservation

Date: March 17, 2015

Re: H.35 – DEC Water quality fee discussion

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In support of today's discussion on the Department's water quality fee proposal, please find the following attachments:

- 1) **Funding Vermont's Clean Water Initiative summary** presentation (dated 3/10/2015)
- 2) **Funding Vermont's Clean Water Initiative summary** memo (dated 3/10/2015)
- 3) **DEC fee proposal description** memo (updated 2/25/2015)
- 4) **DEC Fee spreadsheet** (updated 2/25/2015)
- 5) **FY16 Water Program Budgets Summary** (dated 2/4/2015)
- 6) **Vermont Watershed Management Division summary of operation efficiencies** (dated 2/19/2015)
- 7) **Additional Information on 13 Clean Water Positions** memo (dated 2/2/2015)
- 8) **Clean water fee comparison to other states** (2/25/15)

# Funding Vermont's Clean Water Initiative



Introduction: The following summary of the budget and revenue proposals pending before the Vermont House of Representatives is provided in response to a series of related inquiries from you and other committee chairs. We have organized the information around the three state funding mechanisms: (1) Clean Water Fund proposal; (2) Operating budget proposal; (3) Capital budget proposals including transportation funding; and, (4) Federal funding sources. For each category, this presentation will summarize both the requested expenditures and proposed sources of revenue. Please refer to the attached memo for background and explanation.

## Clean Water Initiative – Balance Sheet

Category	FY'16	FY'17	FY'18	FY'19	FY'20	FY'21	FY'22
<b>Clean Water Fund</b>							
<b>Clean Water Fund - Needs Estimate</b>	0	\$2,400,000	\$7,400,000	\$7,650,000	\$7,650,000	\$6,800,000	\$5,000,000
<b>AAFM Operating Expenses</b>							
AAFM - 7 Positions - Salary and Benefits	\$680,000						
AAFM - Program and Operating Expenses	\$272,000						
AAFM - Grants to Farmers	\$248,000						
<b>AAFM Operating Expenditures (Increase over FY'15)</b>	<b>\$1,200,000</b>						
<b>AAFM Related Fees</b>							
<b>AAFM Fee Revenue (Increase over FY'15)</b>	<b>\$1,206,000</b>						
<b>DEC Operating Expenses</b>							
DEC - 13 Positions - Salary and Benefits	\$865,000						
DEC - Program and Operating Expenses	\$342,000						
Contracting with Regional Planning Commissions	\$333,000						
<b>DEC Operating Expenditures (Increase over FY'15)</b>	<b>\$1,540,000</b>						
<b>DEC Water-Related Fees</b>							
<b>DEC Water-Related Fees (Increase over FY'15)</b>	<b>\$1,557,756</b>						
<b>Capital Funds</b>							
DEC Ecosystem Restoration Program	\$1,250,000	\$1,250,000					
VAAFM Best Management Practices Program	\$200,000	\$600,000					
<b>Capital Funds Total (Increase over FY'15)</b>	<b>\$1,450,000</b>	<b>\$1,850,000</b>					
<b>Transportation Funds</b>							
AOT Operating - 4 Positions	No new \$	\$360,000					
<b>Transportation Funds Total (Increase over FY'16)</b>	<b>No new \$</b>	<b>\$360,000</b>					

### Notes:

- These numbers reflect requests for new expenditures only and are in addition to existing (i.e. included in FY 15 budgets) expenditures related to clean water programs in the state operating and capital budgets.
- Operating and capital costs are expected to increase over time but we do not have accurate estimates for those costs beyond FY16 for AAFM or DEC given the variables described in the attached memorandum at page 9. Similarly, this chart does not reflect the future operating costs or capital costs for AOT because we do not have accurate estimates for their future costs beyond FY'17 at this time.
- The estimated need for expenditures from the Clean Water Fund is based on the known need. The need may be larger and depends on variables described in the memorandum at page 5.

# Clean Water Fund – State Revenue Needs Estimate

This is not a budget proposal but instead an estimate of demands on the Clean Water Fund not covered by federal or other funds. The Clean Water Fund will be targeted at non-point source pollution.

Category	Strategy	FY'17	FY'18	FY'19	FY'20	FY'21	FY'22	FY'2035
Agricultural Lands	1, 2	\$600,000	\$600,000	\$850,000 <sup>F</sup>	\$850,000	TBD	TBD	TBD
	3 <sup>A</sup>	\$0	\$0	\$0	TBD	TBD	TBD	TBD
Municipal Stormwater	1, 2	\$800,000	\$800,000	\$800,000	\$800,000	\$800,000	\$0	\$0
	3 <sup>B</sup>	TBD <sup>G</sup>	TBD <sup>G</sup>	TBD <sup>G</sup>	TBD <sup>G</sup>	TBD <sup>G</sup>	TBD <sup>G</sup>	TBD <sup>G</sup>
Town Highways - 80% of all road miles in Vermont are managed by towns.	1, 2 <sup>C</sup>	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$0	\$0
	3 <sup>C,D</sup>	\$0	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000
Natural Resources - Privately and publicly held wetlands, forests, and river corridors.	1, 2 <sup>E</sup>	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$0	\$0
	4 <sup>E</sup>	TBD <sup>G</sup>	TBD <sup>G</sup>	TBD <sup>G</sup>	TBD <sup>G</sup>	TBD <sup>G</sup>	TBD <sup>G</sup>	TBD <sup>G</sup>
<b>Minimum known costs</b>		<b>\$2,400,000</b>	<b>\$7,400,000</b>	<b>\$7,650,000</b>	<b>\$7,650,000</b>	<b>\$6,800,000</b>	<b>\$5,000,000</b>	

## Key of Strategies

1 - Mapping, inventory, prioritization and planning

2 - Education, outreach, technical assistance, inspection and enforcement.

3 - Pollution control and abatement - projects and practices to control pollution. Examples include installing rock-lined ditches along gravel roads, installing buffers along farm fields, and re-building paved surfaces to mitigate stormwater run-off.

4 - Restoration and conservation

## Notes

<sup>A</sup> First 4 years of funding for agricultural pollution control projects funded by NRCS and LCBP funds. Beyond that a state share may be needed.

<sup>B</sup> Need in this category is substantial with early estimates totaling tens of millions per year. We propose to assist municipalities in meeting this need through low interest loans from the Clean Water State Revolving Fund and state grants with a local match.

<sup>C</sup> VTrans will administer through an expanded municipal water quality program.

<sup>D</sup> Rough estimate that would be revised based on the first round of planning and inventory development.

<sup>E</sup> Wetland, river, and forest conservation and restoration partially funded through state ERP and federal NRCS programs.

<sup>F</sup> Increase over FY'18 to cover loss of 3 agronomist positions at Lake Champlain Basin Program (LCBP).

<sup>G</sup> Cost estimate available once inventories, prioritization, and planning are complete and policy decisions are made (level of match, loan v. grant, etc).

# VT DEC and AAFM Proposed FY'16 Revenue and Expenditures

Revenue Sources	FY'16
<b>AAFM Fees - Increase over FY'15</b>	<b>\$1,206,000</b>
<b>DEC Water-Related Fees - Increase over FY'15</b>	<b>\$1,557,756</b>

Expenditures	FY'16
AAFM - 7 Positions - Salary and Benefits	\$680,000
DEC - Program and Operating Costs	\$272,000
AAFM - Grants to Farmers	\$248,000
<b>AAFM Total Operating Expenditures</b>	<b>\$1,200,000</b>
DEC - 13 Positions - Salary and Benefits	\$865,000
DEC - Program and Operating Costs	\$342,000
Contracting with Regional Planning Commissions	\$333,000
<b>DEC New Operating Expenditures</b>	<b>\$1,540,000</b>

# Clean Water Programs in Capital and Transportation Bills

See memorandum for descriptions of each program

Revenue Source	FY'15	FY'16 Budget (proposed)	FY'17 Budget (proposed)
Capital Bill – Agriculture (Best Management Practices, Conservation Reserve Enhancement, Critical Source Seeding)	\$1.2M	\$1.4M	\$1.8M
Capital Bill – Ecosystem Restoration Grants	\$2.57M	\$3.75M	\$3.75M
Capital Bill – State Revolving Fund (SRF) Match	~\$1.3M	~\$1.3M	~\$1.3M
Transportation - TS4 Implementation and Clean Water Initiative Support <sup>1</sup>	\$3.2M <sup>2</sup>	\$3.2M <sup>2</sup>	\$3.56M
Transportation Alternatives Fund <sup>3</sup>	\$0	\$1.1M	\$1.1M
Municipal Mitigation Program (includes Better Backroads) <sup>1</sup>	\$872K	\$650K	\$470K <sup>4</sup>

<sup>1</sup>Transportation funds are a mix of state and federal funds (Federal Highway Administration).

<sup>2</sup>Before the TS4 is in place these funds are dedicated to permit compliance.

<sup>3</sup>Transportation Alternatives Fund utilizes no state funds.

<sup>4</sup>Future increases in Better Backroads funding for FY'17 and beyond will come from Clean Water Fund monies.

# Federal Programs that Support Vermont's Clean Water Initiative

Revenue Source	Current FY	FY16 Budget
USDA NRCS – Farm Bill water quality (EQIP) programs for Lake Champlain (almost entirely direct payments to farmers; budget includes \$45M over 4 years which contains \$15M of new funds for Lake Champlain)	\$6.9M	\$8.9M
USDA NRCS – VT/NY Partners Grant (\$16M RCPP 5-year grant)	\$1M	~\$3.5M
USDA NRCS – VACD Partners Nutrient Management Grant (RCPP, 5-year grant)	\$0	\$0.14M
U.S. EPA State Revolving Fund (See Capital Bill slide)	\$6.9M	\$6.9M
Lake Champlain Basin Program Grants (monitoring, research, tech. assistance, grants)	\$1.2M	~\$3.7M
Federal Highways Administration	See Slide 5 Cap. and Trans Fund	See Slide 5 Cap. and Trans. Fund

## Key

- RCPP: Resource Conservation Partnership Program (USDA NRCS partnership grant program)  
 USDA NRCS: U.S. Dept. of Agriculture Natural Resources Conservation Service  
 U.S. EPA: U.S. Environmental Protection Agency

To: Mitzi Johnson, Chair, House Appropriations Committee  
Janet Ancel, Chair, House Ways and Means Committee  
Alice Emmons, Chair, House Corrections and Institutions Committee

Cc: David Deen, Chair, House Fish, Wildlife and Water Resources Committee  
Carolyn Partridge, Chair, House Agriculture and Forest Products Committee  
Patrick Brennan, Chair, House Transportation Committee  
Donna Sweaney, Chair, House Government Operations Committee  
Maxine Grad, Chair, House Judiciary Committee

From: David Mears, Commissioner, Vermont Department of Environmental Conservation

Date: March 10, 2015

Re: Response to Clean Water Bill (H.35) Budget and Revenue Questions

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- I. Introduction: The following summary of the budget and revenue proposals pending before the Vermont House of Representatives is provided in response to a series of related inquiries from you and other committee chairs. It is meant to be read in conjunction with the attached set of tables in a Power Point slide presentation entitled “Funding Vermont’s Clean Water Initiative.”

We have organized the information around the three state funding mechanisms: (1) Clean Water Fund proposal; (2) Operating budget proposal; and (3) Capital budget proposals including transportation funding. For each category, this memorandum will provide a brief background explanation of the need and then describe both the requested expenditures and proposed sources of revenue.

- II. Summary Table: The attached table on page 2 of the slide presentation titled “Clean Water Initiative-Balance Sheet,” provides a simplified synopsis of the state funds being requested from the Vermont General Assembly for implementation of the Vermont Clean Water Initiative in FY 16 with projections for future years based on current information.

- III. General Background

- A. Vermont Clean Water Initiative: In November 2014, we issued a document entitled the [Vermont Clean Water Initiative](#) in response to a request from the



Vermont General Assembly (Act 97). This document describes a strategy for addressing the major sources of water pollution into Vermont's surface waters, including Lake Champlain. There are two important elements to this strategy, relevant to funding decisions:

1. Polluted Stormwater Runoff as the Main Priority: The primary focus of the strategy is on reducing polluted stormwater runoff from developed land, roads, and farms. The tools proposed for addressing these sources of pollution include:

- a. Education, Outreach, Technical Assistance, Mapping, Planning and Prioritization: We will use a mix of these tools to make sure that municipalities, farmers, landowners and other partners have the tools they need to address stormwater pollution, and to ensure that we are spending our implementation dollars in a strategic and cost-effective manner;
- b. Pollution Control and Abatement: Our highest priority is to use a mix of regulatory and funding tools to do the on-the-ground work to control stormwater pollution; and
- c. Natural Resource Conservation: Vermont has natural, cost effective mechanisms for reducing polluted stormwater runoff through restoring and protecting wetlands, forests, floodplains and river corridors. One of our priorities is to increase funding for conservation programs.

2. Staging: To put in place the additional resources to ensure that we invest the pollution control and abatement resources most effectively, we have proposed three stages:

- a. In stage one, we will lay the groundwork for enhancing existing pollution control and abatement, and natural resource conservation investments through increasing organizational capacity for state government and our partner organizations, and building the necessary regulatory and funding mechanisms. This stage will take two to three years.

Stage one overlaps with the first phase of the Lake Champlain restoration plan described below. The State's commitment to funding this plan is one of the first measures of accountability that

EPA will be reviewing when they decide whether to approve the State's plan.

- b. In stage two, we will fully implement the regulatory, funding and outreach programs, building on existing programs; and
- c. In stage three, we will measure and report on the results of those efforts, adapting our implementation plan in response to the results.

B. Federal Obligations Under the Clean Water Act: For waters that are not meeting state water quality standards, such as Lake Champlain which is not meeting the standard for phosphorus, the state is required to have a plan for reducing the sources of pollution that are causing the standards to be exceeded. The state must demonstrate both that the plan, if implemented, would work, and that the state has the resources and authority necessary to implement the plan.

1. Lake Champlain Total Maximum Daily Load (TMDL): The plan that Vermont submitted to EPA in 2002 was found to be inadequate in 2011. Vermont developed and submitted a [Lake Champlain Phosphorus TMDL Phase One Implementation Plan](#) to EPA for approval in May 2014.

2. EPA Approval: EPA is expected to act on the state's proposed plan for Lake Champlain in the late spring/early summer of 2015 after completing its technical review and evaluating whether, as noted above, the state has sufficient capacity and authority to implement the plan.

3. Consequences of Failing to Act: If the state's plan is not accepted by EPA, then EPA will be required to take the primary role in implementing the TMDL. EPA's focus will be on those sources of pollution within their immediate jurisdiction to address including wastewater treatment plants and large stormwater dischargers (large cities, farms and developments). This approach will impose significant costs in a less cost-effective manner and with a loss of control and access to decision-makers for Vermont communities and businesses.

4. Other Impaired Waters: Other major Vermont surface waters that are impaired as a result of nutrient pollution such as Lake Champlain include Lake Memphremagog and the Connecticut River. The State is engaged with EPA in developing and implementing TMDLs for these waters as well. The combined watersheds of Lake Champlain, Lake

Memphremagog and the Connecticut River encompass nearly the entirety of the State. There are smaller lakes and ponds, and specific stream areas within these watersheds that also exhibit nutrient impairment.

IV. Clean Water Fund

A. Background: The attached table on page 3 of the slide presentation titled “Clean Water Fund-State Revenue Needs Estimate,” reflects our best estimates of the known costs that are appropriate for state funding through a Clean Water Fund structure as proposed in H.35.

1.Clean Water Fund Decision-making Process: The process for allocating funds from the Clean Water Fund would involve three discrete steps:

- a. Agency personnel staffing the Clean Water Fund governance board report on funding needs to the board and offer recommendations for expenditures from the fund;
- b. The Clean Water Fund governance board evaluates the information provided by Agency personnel and proposes expenditures to be included in the Governor’s budget proposal; and
- c. The General Assembly appropriates expenditures from the Fund with consideration given to the recommendations of the Clean Water Fund governance board.

2.Timing of Expenditures from Clean Water Fund: Under this model, the soonest that funds could be disbursed from the Clean Water Fund, independent of the source of revenue is FY 17 since those expenditures require General Assembly action on the recommendations of a Clean Water Fund board that has not yet been established. For this reason, this spreadsheet does not include a column for FY 16 and is the reason that the Governor’s proposed budget does not include any proposed expenditures from the Fund for FY 16.

In addition, the Administration proposal for the primary state source of revenue is a parcel-based assessment on non-residential properties. It will take at least until FY 17 before we would be able to have the system in place to collect this assessment.

B. Expenditures:

1.Who: The Clean Water Fund as we have proposed and as reflected in H.35 is intended to be used for assisting the following categories of entities in achieving our shared clean water goals in the following order of priority:

- municipalities;
- partner organizations such as watershed groups, conservation districts and regional planning commissions;
- farmers; and,
- regulated entities such as businesses and owners of developed land.

The order of priority is based on need and availability of other revenues.

2.What: The work that is to be funded under the Clean Water Fund will be directed to addressing polluted stormwater runoff from developed land, roads, farms and streambank erosion through a variety of tools as discussed in the General Background section of this memorandum.

3.How Much: As described in the table on page 3 of the slide presentation, the known costs that could potentially be covered by the Clean Water Fund in the next few years is in the range of \$3-7M. The potential maximum levels of potential state funding opportunities are not yet know and will require the development and gathering of additional information. We know enough about those potential costs, however, to know that a conservative estimate of those costs is likely to be at least in the tens of millions of dollars, particularly as they relate to the municipal costs of controlling polluted stormwater runoff from developed lands and roads. These costs will be borne by some combination of the state, federal and municipal governments, and private businesses and landowners.

4.Variables Affecting State Funding Needs: In addition to needing more detailed cost assessments to be able to estimate the potential need for state revenues, there are also policy questions that the General Assembly will want to address and which will affect the level of need for state revenue such as the types of funding mechanisms (grants or loans), recipients of the Clean Water Funds, phasing and geographic distribution of funds. We will develop recommendations to the Clean Water Fund governance board and ultimately to the General Assembly on those questions at the same time that we propose to make expenditures from the Fund.

C. Source of Revenue:

1. Parcel Assessment: The Administration continues to recommend that the General Assembly adopt a version of the parcel assessment recommended in the Governor's budget. The figures in page three of the slide presentation support the Administration's determination that there is at least a need for the \$4-6 million per year in the early years of implementing the Vermont Clean Water Initiative. These figures also support the level of revenue associated with the revenue proposals in H.35 of \$13.2M (as modified by the memorandum from House Fish, Wildlife and Water Resources to House Ways and Means sent on February 26, 2015). Revenues that exceed the ranges described above can accrue to a fund balance to support the costs that will mount in the later years.

2. Other Revenue Sources: When the Clean Water Fund is established, we anticipate that Vermont state government will be able to use those funds to leverage additional private and federal monies. Determining the level of non-state sources of revenue and the conditions on the use of those monies will need to await the creation of the fund and the outcome of discussions with potential funding partners.

V. Operating Budget

A. Background: This discussion summarizes existing state agency responsibilities and is helpful to understanding the requests for new resources described in the attached table on page 4 of the slide presentation titled "VT DEC and AAFM Proposed FY '16 Revenue and Expenditures."

The State agencies with primary responsibility for implementing the Vermont Clean Water Initiative and Lake Champlain Phosphorus TMDL Phase One Implementation Plan are ANR, AAFM and AOT. The Administration's proposal for new resources builds upon a foundation of existing programs. The primary responsibilities for each agency are briefly summarized here:

1. ANR Responsibilities:

a. Stormwater Regulation: administers stormwater regulations applicable to municipalities and owners of developed land;

- b. Forest Stormwater Management Practices: administers the “accepted management practices” program to reduce polluted stormwater runoff from logging operations;
- c. Education and Outreach, Technical Assistance: provides education, outreach, and technical assistance to the regulated community;
- d. Mapping and Planning: monitors water quality, maps natural resources and develops watershed plans to guide regulations and investments for ANR and our partners including AAFM and AOT; and,
- e. Funding: administers low interest loan and grant programs to assist municipalities and partner organizations.

2. AAFM Responsibilities:

- a. Administering Farm Pollution Regulations: administers the accepted agricultural practices (AAPs) program, Medium Farm Operation General Permit and the Large Farm Operation Individual Permit programs;
- b. Education and Outreach, Technical Assistance: provides education, outreach and technical assistance to farmers;
- c. Funding: administers grants program to assist farmers with implementation of pollution control and abatement projects including nutrient management; and,
- d. Mapping and Planning: works with ANR to monitor groundwater quality, maps permitted farm information and guides regulations and investments for non-point source agricultural pollution efforts.

3. AOT Responsibilities:

- a. State Roads: constructing and maintaining state transportation infrastructure in a manner that minimizes polluted stormwater runoff and maintains compliance with various state and federal surface water quality regulations;

b. Training, Education and Outreach, Technical Assistance: provides training, information, support and technical assistance to municipalities relating to design, construction and maintenance of municipally owned transportation infrastructure; and

c. Funding: administers grant and incentive programs to assist municipalities with minimizing polluted stormwater runoff from town highways and related infrastructure.

4. Primary Sources of Existing Revenue for Operating Budgets: Current budgets for the clean water work performed by ANR, AAFM and AOT include state General Fund, fees and federal grants.

B. New Expenditures: The Administration's budget proposal includes proposals to increase capacity for ANR and AAFM in FY16. We are not proposing to increase the capacity or funding for AOT in FY16 but do anticipate increasing AOT's capacity in FY17.

1. ANR: We propose \$1.5M in new or increased regulatory fees to support,

a. New Positions: thirteen (13) permanent positions in the Vermont Department of Environmental Conservation as described in Appendix 1 to this memorandum. These funds will be used to implement new programs as well as to target actions and track results. We will also provide financial, technical and educational assistance to municipalities, businesses and private landowners.

b. Contracting with Regional Planning Commissions (RPCs): approximately \$333,000 for contracting with RPCs to provide assistance to municipalities relating to planning and implementation of stormwater pollution control and abatement for developed lands and town highways.

2. AAFM: We propose \$1.2M in new or increased fees to support

a. New Positions: seven (7) permanent positions as described in Appendix 2;

b. Program and Operating: Create manure application certification program, expand nutrient management planning to small farms,

create a small farm certification program, information technology support, and operational costs for proposed positions; and

c. Grants to Farmers: approximately \$250,000 to supplement federal funds with targeted state grants.

3. Future Year Projections: We are not ready to project future needs given uncertainties. We will, in the future, continue to look for other resources to support the necessary agency capacity including federal funds. In addition, the agencies have embarked on efforts to find more efficient means of providing services and to shift staff and funds when possible in order to minimize the need to request new revenue from the General Assembly.

C. Revenues:

1. DEC Fees: We have proposed a package of new and increased regulatory fees in the amount of \$1.5M to cover the proposed expenditures for ANR above.
2. AAFM Fees: We have proposed a package of new and increased fees in the amount of \$1.2M to cover the proposed expenditures for AAFM above.

VI. Capital and Transportation Budgets (Page 5 of the slide presentation titled “Clean Water Programs in Capital and Transportation Bills”)

- A. Ecosystem Restoration Program: This program provides competitive grants to municipalities and partner organizations (e.g. watershed groups, conservation districts and regional planning commissions) to perform work related to controlling polluted stormwater runoff. In past years, the Capital Budget for this program has been approximately \$2.5M. We propose to increase this by \$1.25M to \$3.75M.
- B. Clean Water State Revolving Fund (CWSRF): The Clean Water State Revolving Fund program combines federal and state funds to provide low interest loans to help communities meet the goals of the Clean Water Act by improving water quality, protecting aquatic wildlife, protecting and restoring drinking water sources, and preserving Vermont's waters for recreational use. EPA dedicates \$6.9 million for Vermont and the state provides a 20% match, or \$1.3 million. Projects



eligible for CWSRF loans include wastewater treatment facility improvement, refurbishment and expansion; combined sewer overflow; dry weather flow; sewer line replacement and expansion; storm water/green infrastructure/nonpoint source pollution; water/energy efficiency; and environmentally innovative projects.

- C. Agricultural Capital Programs: The Best Management Practices (BMPs), Conservation Reserve Enhancement (CREP), and Critical Area Seeding programs were created to provide state financial assistance to Vermont farmers in support of their voluntary construction of on-farm improvements designed to abate non-point agricultural waste discharges. These programs maximize use of federal financial assistance and use least cost methods available to accomplish the abatement required. The Critical Area Seeding program is a proposed change from the current Vermont Agricultural Buffer Program that will focus on critical areas in the landscape that release disproportionately greater amounts of phosphorus.
- D. Better Backroads Program: The Better Backroads Program is a municipal assistance program that supports projects on town highways to improve water quality and lower maintenance costs. The grant funds are currently provided by the AOT and DEC and we propose to increase the level of these grants using Clean Water Fund monies.
- The Vermont Better Backroads Program’s goal is to promote the use of erosion control and maintenance techniques that save money while protecting and enhancing Vermont’s lakes and streams. Funds, subject to availability, are distributed as grants to municipalities and local organizations.
- Funding for this program has fluctuated in recent years depending on availability of funds. The base Transportation Fund level is \$440,000 per year.
- E. Vermont State Transportation Stormwater Permit Compliance and Clean Water Initiative Support: AOT and ANR are collaborating on a new statewide stormwater transportation permit (referred to as a “TS4” permit). This new permitting approach will give greater flexibility to AOT for improving the stormwater management across the state transportation network and increase both the cost effectiveness and pollution reduction benefits of the state’s stormwater management efforts. We propose to add four positions to AOT to implement the TS4 program and provide additional Clean Water Initiative Support. The funding for these positions is included in the \$3.56 million figure on the “Transportation-TS4 Implementation and Clean Water Initiative Support” row, page 5 of the slide presentation.

- F. Transportation Alternatives Program: The federally funded Transportation Alternatives program provides funding for a number of project types including any environmental mitigation activity - including pollution prevention and pollution abatement activities and mitigation to address stormwater management, control, and water pollution prevention or abatement -related to highway construction or due to highway runoff. A set aside of \$1,100,000 has been proposed to provide funding for projects that fit this criteria.
- VII. Federal Funds: We have included a summary of the most significant sources of federal funds that align with the Vermont Clean Water Initiative on page 6 of the slide presentation titled “Federal Programs that Support Vermont’s Clean Water Initiative by Year.” There are other smaller sources of federal funds that support components of our clean water programs including discretionary grant programs from EPA and USDA, and funding from agencies such as the Federal Emergency Management Agency (FEMA), U.S. Army of Engineers, U.S. Geologic Survey, U.S. Fish and Wildlife Service and others.

**Appendix One: Description of DEC Clean Water Initiative Positions**

<b>Program Area</b>	<b># of Positions</b>	<b>Position Description</b>
State Highway Stormwater Regulation	1	The Phase 1 Plan requires the development and implementation of a State Highway (TS4) General Permit, a new program to address stormwater from state highways. The TS4 will include a “phosphorus control plan” covering stormwater discharges from the state highway system. The position is needed to develop the program, provide technical assistance, and review implementation of VTrans’ stormwater plans over a multi-year period.
Municipal Highway Stormwater Regulation	1	This is the key position for a new Municipal Highway General Permit, a new program to address stormwater from local roads. This program will involve public outreach to all communities, development of a general permit and technical and permitting standards, and issuing authorizations under the new general permit.
Developed Land Stormwater Regulation	2	These positions will support development and implementation of a new program to address stormwater runoff from existing developed land that is currently unregulated. This effort will include substantial public outreach, the development and issuance of general and individual permits and the permitting of hundreds of currently unpermitted existing impervious surfaces.
Wastewater	2	These are permit writer positions responsible for writing the permits for and assisting municipalities with the task of upgrading wastewater treatment plants to meet new nutrient requirements. This work is critical to the effective implementation of both the Long Island Sound and Lake Champlain TMDLs due to the need to reissue the 94 expired permits and the associated need to develop innovative solutions to assist municipalities with meeting these new limits.
Rivers	1	The Phase 1 Plan emphasizes the need to regulate municipally exempt activities and Act 250 developments and review all development proposals (under state and municipal jurisdiction) on floodplains in the Lake Champlain basin. With this new position the Program will review more municipal projects, create a regional Certified Floodplain Technician Program, and increase the regulatory and technical assistance capacity for floodplain protection. This position will work with the Program’s river scientists to capitalize on opportunities identified during their regulatory work to

		implement projects involving the removal of river corridor and floodplain encroachments.
Wetlands	1	As part of the Phase I implementation plan, DEC has committed to expand technical, educational and regulatory assistance regarding wetland protection and restoration. DEC has also committed to coordinate with partners to increase wetland restoration throughout the basin, increase permit compliance, and give heightened protection to wetlands within the basin which provide water quality protection and erosion control. This staff addition will increase Wetlands Program capacity to carry out all of these tasks.

Administrative	3	The Phase I TMDL Plan will lead to a large administrative workload in reissuing the current expired Wastewater permits, and implementing the expanded stormwater, rivers, and wetlands permitting programs. These permits also have monitoring and compliance requirements that will also lead to a large increase in the administrative workload.
Monitoring, Assessment, and Planning	2	<p>The Phase I TMDL Plan requires a watershed modeler to conduct geographic and technical source-sector analyses using a critical source area identification system. The results of this modeling will direct implementation in the form of regulatory permitting actions, funding to prioritized target watersheds, and targeted pollution controls.</p> <p>In order to fulfill the state's obligations under the Lake Champlain TMDL, DEC also needs an environmental analyst to track the pollution reductions associated with implementation projects and to link DEC's tracking system to the tracking work that will be done by AAFM and VTrans.</p>

## **Appendix Two: Description of AAFM Clean Water Initiative Positions**

Note: These positions may need to adjust to meet the final outcome of proposed legislation in order to accomplish the expected tasks.

### **Water Quality Permitting and Project Manager**

The Agency currently issues permits to medium and large farm operations. Under the proposed EPA TMDL the agency is expected to create a small farm certification program (5,000+ farms will likely fall under this). This position will assist in the development of the small farm program and align all three farm programs so farms can seamlessly transition from one to the next should they choose to expand. This work will include creating the program, contracting to develop an online registration system for farms to view the permits/certifications, and training for all stakeholders. Additionally, this position will inspect farms for compliance.

### **Water Quality Specialist – Small Farm Inspector**

Currently the inspection capabilities within the agency are insufficient to adequately enforce the current regulations, let alone the proposed changes the State has put forth in the EPA TMDL. These two positions will enhance our ability to be present on farms in order to uphold the regulations. Right now the farm to staff ratio is roughly 715 farms per person. (assumptions include: 1,000 dairies and 4,000 other livestock/backyard farms/crop farms, etc., and 7 FTE's for inspectors).

### **Agriculture Systems Specialist - Ag Engineer**

As inspectors do their job, they inevitably drive workload onto engineering resources as farms need to make improvements in order to maintain compliance with water quality regulations. If the inspectors above are to be hired, a professional certified engineering position is essential in order to complete the progression of getting a farm to resolve water quality issues.

### **Financial Administrator II**

Included in the additional clean water fund budget proposal is an increase in base allocations for programs. Most of these programs are pass-through grants administered by the Agency to partner organizations. If the funds are increased, a position will be needed to administer the grants in the ARMS division and any new initiatives and cooperative agreements the agency enters into.

### **GIS Project Supervisor**

As the Agency performs all of the work in the TMDL, there is a need to show accountability of the progress made. Showing maps is one of the most effective ways to present this information to the public, especially in a natural resource field such as agriculture which is land based. Additionally, the ARM division is about to embark on a new water quality database that will track all of the permitting efforts and this position will ensure a linkage in the permit mapping as well so internal resources can be more efficient in the enforcement process by knowing where farms are situated and the resources they

have at their disposal (i.e. Additional manure pits so we don't have to issue them a spreading exemption in the winter which improves water quality or an understanding of who owns land when a complaint comes in and a more immediate ability to contact the farmer to resolve the issue).

**Senior Agriculture Development Coordinator – Communications and Marketing**

As the Agency increases its presence in water quality regulations and work with farmers, communication of efforts as well as a marketing assistance program will become paramount. This position will work with the Water Quality Specialists, Water Quality Permitting and Project Manager and Ag Resource Management Assistant Director to provide current information on water quality efforts, enforcement actions and programs that can assist farmers to meet water quality goals of the state.

**Vermont Department of Environmental Conservation***Agency of Natural Resources*

Commissioner's Office

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To: Representative David Dean, Chair, House Fish, Wildlife and Water Resources

From: David Mears, Commissioner, Department of Environmental Conservation

Date: March 16, 2015

Re: Department of Environmental Conservation SFY16 – Clean Water Fee Proposal

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The Department fee proposal is outlined below in accordance with the attached fee spreadsheet dated February 25, 2015. As you are aware, the water and dam safety related fee proposals have been removed from the executive fee bill. The Clean Water (TMDL) related fees have been moved into H.35. The total estimated revenue from the proposed fees in H.35 totals approximately \$1,550,000 to fund the Department's share of the responsibilities for implementing the state's Clean Water Initiative, including Lake Champlain restoration efforts.

**CLEAN WATER FEES***Surface Water Pollution Discharge Administrative Processing Fee (Row 1)***Fee Description and Explanation**

Throughout the State of Vermont, surface waters are threatened by discharges of stormwater and wastewater and other discharges. This polluted water harms our ecosystems, rivers, and lakes, and puts drinking water sources at risk. The Department regulates these activities through stormwater, wastewater and wetlands permits. The fee affects multiple programs related to clean water.

Permit applicants, including landowners and developers, currently pay \$120 per application or renewal, at the time of application. Municipalities and State Agencies are currently exempt from this fee. Our proposal is to increase the fee to \$240 and remove the exemptions for municipalities and State Agencies, ensuring all regulated entities pay the fee. These fees are in the category of clean water fees assessed to support the Department's surface water protection programs including the costs of monitoring, basin planning, technical assistance, education and outreach, permitting and oversight.

## **STORMWATER MANAGEMENT PROGRAM**

### **Program Description**

Throughout the State of Vermont, surface waters are threatened by discharges of stormwater. Polluted runoff from stormwater can harm our ecosystems, rivers, and lakes, and put drinking water sources at risk. An example of impacts include increased sediment discharged into surface waters, causing excess nutrient pollution, resulting in among other things, toxic blue-green algae blooms that can harm animals and people, as well as compromise recreational uses, tourism and economic development. The Department regulates these activities through stormwater permitting.

### **Stormwater Discharge - Application Fees (Rows 11-12)**

#### **Fee Description and Explanation**

Stormwater application fees are assessed at the time of initial application to developers and landowners, and when there is substantial modification. Currently, the application fee is \$430 per acre, with the minimum fee \$220 for projects less than one acre. Fees are not assessed on permit renewals.

Our proposal is to increase stormwater application fees to \$860 per acre, with a minimum of \$440 for projects less than one acre. Fees would continue to not be assessed on permit renewals.

Increased revenues would be used to cover the technical review needed for applications and design materials, as well as technical oversight and support, basin planning, hydraulic modeling, and monitoring Stormwater management is a critical component of the State's clean water initiative and Lake Champlain restoration plan. The increase in fees across all stormwater programs will support our efforts to more effectively target polluted stormwater runoff as a major contributor to degraded water quality in state waters including Lake Champlain.

### **Stormwater Discharge - Operating Fees (Rows 38-41)**

#### **Fee Description and Explanation**

Operating fees are annual fees that cover the operation of an ongoing discharge of stormwater from a regulated project. Property owners, developers, municipalities, statewide will be impacted by this fee increase. For discharges to Class A waters, the highest quality waters in the state, the current fee is \$255 per acre, with a minimum of \$235 per site. For discharges to Class B waters, the majority of waters in the state, the current fee is \$80 per acre, with a minimum of \$80 per site.

Under this proposal, the fee for discharges to Class A waters will be increased to \$310 per acre with a minimum fee of \$310. Fees associated with discharges to Class B waters will be increased to \$160 per acre with a minimum of \$160 per site. Stormwater operating fees with discharges to Class B waters fee affects over 2,000 projects, including residential, commercial, industrial and transportation.



Revenues from these fees would be used to cover the technical review needed for applications and design materials, perform site visits and inspections, ensure compliance, provide technical oversight and support, and to support other activities such as basin planning, hydraulic modeling, and monitoring.

Stormwater management is a critical component of the State's clean water initiative and Lake Champlain restoration plan. The increase in fees across all stormwater programs will support our efforts to more effectively target polluted stormwater runoff as a major contributor to degraded water quality in state waters including Lake Champlain.

**Stormwater Discharge - Construction General Permit Application Fees (Rows 15-20)**

**Fee Description and Explanation**

Coverage under the construction general permit are required for projects that disturb more than one acre during construction activities and includes both low pollution risk and moderate pollution risk sites.

Currently, fees are assessed on landowners and developers based on the risk of water pollution. The fee for a low risk site is currently \$50 and a moderate risk site is \$360.

Our proposal is to also take into account the size of the project when assessing a fee. For low risk sites less than five acres, the fee would increase to \$100. For low risk sites greater than five acres, the fee would increase to \$220. For moderate risk sites, the fee would increase to \$480 for projects less than five acres, and to \$640 for projects greater than five acres.

Increased revenues from this fee would be used to cover the technical review needed for applications and design materials, perform site visits and inspections, ensure compliance, provide technical oversight and support, and to support other activities such as basin planning, hydraulic modeling, and monitoring.

Stormwater management is a critical component of the State's clean water initiative and Lake Champlain restoration plan. The increase in fees across all stormwater programs will support our efforts to more effectively target polluted stormwater runoff as a major contributor to degraded water quality in state waters including Lake Champlain.

**Stormwater Discharge - Individual Construction Permit Application Fees (Rows 21-23)**

**Fee Description and Explanation**

The Stormwater Discharge Individual Construction Permit Application is for sites not eligible for coverage under the general permit.

Currently, landowners and developers pay \$720 for an individual construction permit application fee. Among other costs of administering the stormwater program, these funds support the work of program staff to review applications, which is time-intensive due to the size and complexity of these sites.

Our proposal is to also take into account the size of the project when assessing a fee. Projects less than 10 acres will be charged \$1,200, and the largest and most complicated projects over 10 acres will be charged \$1,800.

Increased revenues from this fee would be used to cover the technical review needed for applications and design materials, perform site visits and inspections, ensure compliance, provide technical oversight and support, and to support other activities such as basin planning, hydraulic modeling, and monitoring.

Stormwater management is a critical component of the State's clean water initiative and Lake Champlain restoration plan. The increase in fees across all stormwater programs will support our efforts to more effectively target polluted stormwater runoff as a major contributor to degraded water quality in state waters including Lake Champlain.

**Stormwater Multisector General Permit - Application Fee (Row 23)**

**Fee description and explanation**

Currently, an application fee of \$220 is required for multisector general permit applications. Applicants include industrial facilities, identified by category in federal regulations, which are required to control polluted stormwater. Our proposal is to increase the application fee on these industrial facilities to \$440.

Increased revenues from this fee would be used to cover the technical review needed for applications and design materials, perform site visits and inspections, ensure compliance, provide technical oversight and support, and to support other activities such as basin planning, hydraulic modeling, and monitoring.

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**Stormwater Multi Sector General Permit (MSGP) - Operating Fees (Row 42)**

**Fee Description and Explanation**

Operating fees are annual fees that cover the operation of an ongoing discharge of stormwater from a regulated project. Currently industrial facilities with discharges regulated under the MSGP pay \$80 per year per facility. Under our proposal, this industrial facility fee would be increased to \$160 per facility. This fee affects over 261 industrial facilities designated by federal regulations.

Revenues from these fees would be used to cover the technical review needed for applications and design materials, perform site visits and inspections, ensure compliance, provide technical oversight and support, and to support other activities such as basin planning, hydraulic modeling, and monitoring.

Stormwater management is a critical component of the State's clean water initiative and Lake Champlain restoration plan. The increase in fees across all stormwater programs will support our efforts to more effectively target polluted stormwater runoff as a major contributor to degraded water quality in state waters including Lake Champlain.

**Municipal Separate Stormwater (MS4) Permits - Application Fee (Row 24)**

**Fee Description and Explanation**

The Municipal Separate Storm Sewer System Permit is also called MS4 and applies to certain municipalities which have been designated as requiring a MS4 permit based on their size and location.

Currently, MS4 fees are assessed on Burlington, South Burlington, Colchester, Essex, Essex Junction, Milton, Shelburne, Williston, Winooski, Burlington International Airport, UVM, Rutland Town, Rutland City, St. Albans's Town, St. Alban's City, and VTrans. The application fee is \$1,200, assessed when a project is initiated or if there is a significant change or amendment to activities. Our proposal is to increase the fee to \$2,400.

Increased revenues from this fee would be used to cover the technical review needed for applications, plan submissions, and design materials, perform site visits and inspections, ensure compliance, provide technical oversight and support, and to support other activities such as basin planning, hydraulic modeling, and monitoring.

Stormwater management is a critical component of the State's clean water initiative and Lake Champlain restoration plan. The increase in fees across all stormwater programs will support our efforts to more effectively target polluted stormwater runoff as a major contributor to degraded water quality in state waters including Lake Champlain.

**Municipal Separate Stormwater (MS4) Permits - Operating Fees (Rows 43-44)**

**Fee description and explanation**

The Municipal Separate Storm Sewer System Permit is also called MS4 and applies to certain municipalities which have been designated as requiring an MS4 permit based on their size and location.

Operating fees are currently assessed annually. The current fee is \$80 per community. Only municipalities that fall under the MS4 permit requirement will be assessed these fees. The MS4 fee currently impacts Burlington, South Burlington, Colchester, Essex, Essex Junction, Milton, Shelburne, Williston, Winooski, Rutland Town, Rutland City, St. Alban's Town, St. Alban's City, Burlington International Airport, UVM, and VTrans.

Under our proposal, the existing fee of \$80 per community will be replaced with a fee of \$10 per acre of impervious surface. The fees will vary depending on the level of development in a MS4 municipality.

Revenues from these fees would be used to cover the technical review needed for applications and design materials, perform site visits and inspections, ensure compliance, provide technical oversight and support, and to support other activities such as basin planning, hydraulic modeling, and monitoring.

Stormwater management is a critical component of the State’s clean water initiative and Lake Champlain restoration plan. The increase in fees across all stormwater programs will support our efforts to more effectively target polluted stormwater runoff as a major contributor to degraded water quality in state waters including Lake Champlain.

**Residual Designation Authority Permits - Application Fees (Rows 25-28)**

**Fee description and explanation**

Residual designation authority (RDA) program mitigates impacts from stormwater runoff from impervious surfaces that contributes pollution to an impaired water. Regulation of these sites is part of the Department’s strategy to improve impaired surface waters in the state.

Landowners of existing development designated as requiring permit coverage due to their impacts to impaired waters currently pay a fee. Class A waters are designated as the highest quality in the state, or waters that could be used for drinking water supplies. Surface water that is not listed as Class A is considered Class B. For discharges to Class B waters, the fee is \$430 per acre, with a minimum fee of \$220. For discharges into Class A waters, the fee is \$1,400 per acre, with a minimum fee of \$1,400. There are very few instances where RDA designation applies to a Class A water.

Our proposal is to increase the fees to \$1,700 per acre with a minimum fee of \$1,700 for Class A waters and \$860 per acre for Class B waters with a minimum fee of \$280 per site. This is an existing fee which will be expanded to more properties in the future, particularly in the Lake Champlain watershed.

Increased revenues from this fee would be used to cover the technical review needed for applications and design materials, perform site visits and inspections, ensure compliance, provide technical oversight and support, and to support other activities such as basin planning, hydraulic modeling, and monitoring.

Stormwater management is a critical component of the State’s clean water initiative and Lake Champlain restoration plan. The increase in fees across all stormwater programs will support our efforts to more effectively target polluted stormwater runoff as a major contributor to degraded water quality in state waters including Lake Champlain.

**Residual Designation Authority Permit - Operating Fees (Rows 45-48)**

**Fee Description and Explanation**

This residual designation authority (RDA) program mitigates impacts from stormwater runoff from impervious surfaces that contributes pollution to an impaired water. Residual designation includes existing development. Regulation of these sites is part of the Department’s strategy to improve impaired surface waters in the state.

The fee impacts land owners of existing development designated as requiring permit coverage due to their impacts to impaired waters. The current annual fee for discharges to Class A waters, this highest quality waters in the state, is \$255 per acre with a minimum fee of \$255. For discharges to Class B waters, the majority of surface waters in the state, the annual operating fee is \$80 per acre with an \$80 minimum.

Our proposal is to increase the operating fee to be consistent with the proposal for other stormwater operating fees. The per acre fee for discharges to Class B waters will be increased to \$160 per acre with a minimum fee of \$160. Fees for discharges to Class A waters would increase from to \$310, with a minimum fee of \$310. Existing sites that have previously not been required a stormwater discharge permit would be required to pay annual operating fees. These fees do not currently affect a large number of projects but may affect a larger number in the future as the program addresses management of impaired waterways under the new Clean Water Initiative and TMDL implementation plan.

Revenues from these fees would be used to cover the technical review needed for applications and design materials, perform site visits and inspections, ensure compliance, provide technical oversight and support, and to support other activities such as basin planning, hydraulic modeling, and monitoring.

Stormwater management is a critical component of the State's clean water initiative and Lake Champlain restoration plan. The increase in fees across all stormwater programs will support our efforts to more effectively target polluted stormwater runoff as a major contributor to degraded water quality in state waters including Lake Champlain.

### Municipal Roads and State Roads (TS4) Permits - Application Fee (Rows 29-30)

#### **Fee Description and Explanation**

The Municipal Roads and State Roads (TS4) Permit is a new regulatory program that will target reduction of sediment and phosphorus discharges to surface water by ensuring that best management practices including proper sizing of culverts and erosion control are implemented by VTrans and municipalities.

Municipal and state roads do not currently require a stormwater permit, unless they expand or redevelop one acre of road surface, yet account for a significant portion of pollution into the State's waters. The proposed municipal roads fee would initially apply to all municipalities in the Lake Champlain watershed, payable on a five year basis (\$400 every five years), every time a new general permit is issued. Over time, the state intends to expand this program to operate statewide. The state roads, or TS4, \$1,200 per application fee would affect VTrans, and would be offset in part, as VTrans would no longer pay application fees under other stormwater discharge permits. This fee would also be paid once every 5 years.

Revenues from these new fees would be used to cover the technical review needed for applications and design materials, perform site visits and inspections, ensure compliance, provide technical oversight and support, and to support other activities such as basin planning, hydraulic modeling, and monitoring.

Stormwater management is a critical component of the State’s clean water initiative and Lake Champlain restoration plan. The increase in fees across all stormwater programs will support our efforts to more effectively target polluted stormwater runoff as a major contributor to degraded water quality in state waters including Lake Champlain.

**Municipal Roads and State Roads (TS4) Permits - Operating Fee (Rows 49-50)**

**Fee Description and Explanation**

The Municipal Roads and State Roads (TS4) Permit is a new regulatory program that will target reduction of sediment and phosphorus discharges to surface water by ensuring that best management practices including proper sizing of culverts and erosion control are implemented by VTrans and municipalities.

These are new fees. The municipal roads fee would initially apply to all municipalities in the Lake Champlain watershed though the State intends to expand this program to operate statewide over time. In this first stage of the program, each municipality in the Lake Champlain watershed would be assessed a fee of \$2,000 per municipality annually. While there are over 100 municipalities in the Lake Champlain watershed it is anticipated that not all municipalities will immediately fall into the need for this authorization but will be phased in over the next several years. The State Roads (TS4) operating fee is a new annual fee of \$90,000 per year that affects VTrans. The \$90,000 increase in annual fees would be offset in part because VTrans would no longer pay operating fees under other stormwater discharge permits.

Revenues from these new fees would be used to cover the technical review needed for applications and design materials, perform site visits and inspections, ensure compliance, provide technical oversight and support, and to support other activities such as basin planning, hydraulic modeling, and monitoring. Stormwater management is a critical component of the State’s clean water initiative and Lake Champlain restoration plan. The increase in fees across all stormwater programs will support our efforts to more effectively target polluted stormwater runoff as a major contributor to degraded water quality in state waters including Lake Champlain.

**Stormwater VTrans and Municipal Application Fee Exemption Removal – (Rows 13-14, 18-19)**

**Fee Description and Explanation**

Currently, VTrans and municipalities do not pay fees for application review and approval. Our proposal is to remove this exemption to make fees paid by VTrans and municipalities consistent with other facilities. Specific fees that would fall under this exemption removal are: \$860 stormwater discharge permit application fee, \$440 construction permit application fee and \$240 for the administrative processing fee for discharges.

Revenues from removing this exemption would be used to cover the technical review needed for applications and design materials, perform site visits and inspections, ensure compliance,

provide technical oversight and support, and to support other activities such as basin planning, hydraulic modeling, and monitoring. Stormwater management is a critical component of the State's clean water initiative and Lake Champlain restoration plan. The increase in fees across all stormwater programs will support our efforts to more effectively target polluted stormwater runoff as a major contributor to degraded water quality in state waters including Lake Champlain.

## **WASTEWATER MANAGEMENT PROGRAM**

### **Program Description**

Throughout the State of Vermont, surface waters are threatened by discharges of wastewater. This pollution harms our ecosystems, rivers, and lakes, and puts drinking water sources at risk. Impacts from wastewater treatment plants can include fish kills and beach closures due to high levels of E. Coli, a public health threat when not properly managed. The Department regulates these activities through municipal and industrial wastewater treatment plant permits.

### **Wastewater Treatment Plant Discharge Permit - Application Fees (Rows 2-6)**

#### **Fee Description and Explanation**

Currently the Department regulates 226 municipal and industrial facilities that discharge to surface waters. The current fee is \$0.0023/gallon, with a minimum fee of \$50 and maximum fee of \$30,000. The fees are used to cover initial application reviews and process changes. Fees are not charged for renewal, transfer of ownership, or minor amendments.

Our proposal is to raise the minimum (\$50 to \$100) and per gallon fee (\$0.0023/gallon to \$0.003/gallon), with no increase to the maximum fee. We propose a new fee that will charge for renewals, transfers of ownership, and minor amendments of \$0.002/gallon, with a minimum fee of \$50 and maximum of \$5,000. Revenues generated under this fee will support DEC's clean water initiative and Lake Champlain restoration plan implementation. Increased revenues would be used to cover the technical review needed for applications and design materials, permitting, inspection, operator training as well as technical oversight and support, basin planning, hydraulic modeling, and monitoring.

### **Wastewater Pretreatment Discharge - Application Fees (Rows 7-10)**

#### **Fee description and explanation**

Industrial facilities sometimes produce wastewater that must be pre-treated before it is discharged into municipal sewer systems. These facilities produce wastewater that cannot be effectively managed at the municipal wastewater system without pretreatment first. The requirement for pretreatment protects the infrastructure of the wastewater treatment plant, and the ultimate discharge to surface waters. If left untreated, these sources of wastewater could cause damage to the facilities and result in violations for a municipal facility that could result in additional costs to the municipality or rate payers. The Department regulates these activities through wastewater pretreatment discharge permits.

There are 44 industrial pre-treatment facilities that discharge into a municipal collection system. They pay \$0.12/gallon in fees, with a minimum fee of \$50 per application. Renewal, transfer and minor amendments are currently not charged a fee. These fees are used to cover permitting, inspection, and regulatory oversight costs.

Our proposal is to increase the per gallon fee to \$0.20/gallon, and the minimum fee to \$100 per application. We propose to charge a renewal, transfer and minor amendment fee of \$0.002/gallon to be consistent with the wastewater pollution discharge application fee and for ease of administration, with a minimum of \$50.

Revenues generated under this fee will support DEC's clean water initiative and Lake Champlain restoration plan implementation. Increased revenues would be used to cover the technical review needed for applications and design materials, permitting, inspection, operator training, as well as technical oversight and support, basin planning, hydraulic modeling, and monitoring.

#### Wastewater Discharge Pretreatment - Operating Fees (Rows 36-37)

##### **Fee description and explanation**

Industrial facilities that pre-treat wastes prior to discharge into a municipal collection system currently pay \$0.0385/gallon of permitted capacity with an minimum fee of \$150 with a maximum fee of \$27,500.

Our proposal is to raise the rate to \$0.040/gallon and the minimum fee from \$150 to \$200. No increase in the maximum fee (\$27,500) is proposed.

Revenues generated under this fee will support DEC's clean water initiative and Lake Champlain restoration plan implementation. Increased revenues would be used to cover the technical review needed for applications and design materials, permitting, inspection, operator training, as well as technical oversight and support, basin planning, hydraulic modeling, and monitoring.

#### Wastewater Industrial Discharge - Operating Fees (Rows 31-32)

##### **Fee description and explanation**

Industrial facilities that discharge to surface waters currently pay operating fees \$0.0010/gallon with a minimum fee of \$150 and a maximum fee of \$210,000. There are currently 31 industrial facilities that pay operating fees. Our proposal is to increase the per gallon fee to \$0.0015/gallon with a minimum fee of \$200.

No increase in the maximum fee (\$210,000) is proposed. Vermont Yankee has been the only facility to reach the maximum fee, and once the company's discharge ceases.

Revenues generated under this fee will support DEC's clean water initiative and Lake Champlain restoration plan implementation. Increased revenues would be used to cover the technical review needed for applications and design materials, permitting, inspection, operator training, as well as technical oversight and support, basin planning, hydraulic modeling, and monitoring.



**Wastewater Discharge Municipal - Operating Fees (Rows 34-36)**

**Fee description and explanation**

There are currently 88 municipal facilities that pay operating fees. The program currently collects annual operating fees based on per gallon of wastewater flows through a municipal wastewater system. The current fee is \$0.003 per gallon with a minimum fee of \$150, and a maximum fee of \$12,500.

Under our proposal, the minimum operating fee will increase to \$200 and the maximum fee will remain the same. The per gallon fee will also remain \$0.003/gallon; however, the basis for the calculation of these fees will change. Current fees are based on actual flows instead of design flows, or permitted capacity. We propose that the fees be based on design capacity.

Revenues generated under this fee will support DEC's clean water initiative and Lake Champlain restoration plan implementation. Increased revenues would be used to cover the technical review needed for applications and design materials, permitting, inspection, operator training, as well as technical oversight and support, basin planning, hydraulic modeling, and monitoring.

**Wastewater Management – Certification of Sewage Treatment Plant Operators (Row 61)**

**Fee Description and Explanation**

All treatment facilities require the employment of at least one, and in some cases as many as 20 certified operators. The current fee is \$110, operators are required to obtain initial certification and renew their certification once every five years at this rate.

Under our proposal, the fee will be increased from \$110 to \$125. DEC staff provides training, certification and support of wastewater treatment plant operators. Municipalities, businesses with industrial wastewater discharge or contract operators will be impacted by this fee increase.

**Wastewater Management – Sludge or Septage Facility Certifications (Rows 62-63)**

**Fee Description and Explanation**

Approximately 17 percent, of residual solids from wastewater treatment plants are land applied for agronomic benefit, or undergo advanced treatment. This Program ensures that residual (sewage and sludge) treatment, storage and land application occurs responsibly with no impact to human health, groundwater or surface resources.

Fees for applications for certification of sludge and septage land application facilities and for facilities that treat sludge or septage to pathogen reduction standards are proposed to be raised from \$950 to \$1,000, and fees for all other regulated septage and sludge storage and treatment facilities are raised from \$110 to \$125.

The fee for land application facilities is assessed only during the initial application and upon renewal of the certification which can be valid for up to 10 years. The fees for all other facilities will be increased from \$110 to \$125 per application.

Revenues generated under this fee will support DEC's clean water initiative and Lake Champlain restoration plan implementation. Increased revenues would be used to cover the technical review needed for applications and design materials, permitting, inspection, operator training, as well as technical oversight and support, basin planning, hydraulic modeling, and monitoring.

### Wastewater Management - Septic Tank Pumping Fee (Row 70)

#### **Fee Description and Application**

Approximately 55 percent of Vermont's population uses land based system to treat sewage from their homes, businesses and schools that are not connected to municipal sewer systems. Improper management of sewage can lead to significant health risks and harm to ecosystems. Landowners with soil based wastewater disposal systems typically have their septic tanks pumped out by a residuals (solid waste) hauler approximately once every five to seven years. These residuals must be treated at a certified wastewater treatment plant or solid waste management facility.

Under this new fee, residuals haulers will be assessed a fee of \$10 per 1,000 gallons of septage (residuals) hauled. The average homeowner septic tank is typically holds up to 1,000 gallons of septage. While this fee will be assessed against septage (also known as residuals) haulers, the cost will likely be passed onto homeowners when they have their septic tank pumped. An average single family home would see an increase of approximately \$10 that would be assessed every five to seven years, which is the recommended period for having your septic tank pumped. Since residuals haulers already bill homeowners and report quarterly to the DEC, administrative costs to the haulers should not be overly burdensome.

Revenues generated under this fee will support DEC's clean water initiative and Lake Champlain restoration plan implementation. Increased revenues would be used to cover the technical review needed for applications and design materials, permitting, inspection, operator training, as well as technical oversight and support, basin planning, hydraulic modeling, and monitoring.

## **WETLANDS PROGRAM**

### **Program Description**

A wetland is a unique surface water feature that provides vital functions to our environment such as flood storage, water quality protection, aesthetics and recreation and supports diverse species of both plant and animals. Only 5 percent of Vermont's land surface is classified as wetlands. It is of critical importance to protect this valuable resource. Where development occurs within or near wetlands, the program works with the developers and issues permits to authorize projects if the work can be completed with no effect on the wetland function.

**Wetlands Municipal Exemption Removal (Rows 64-65)**

**Fee Description and Explanation**

Currently, developer and landowners that disturb a wetland are required to pay \$0.75 per square foot for area within a class I or II wetland and \$0.25 per square foot for area within a wetland buffer. Class I and Class II wetlands are considered to be of highest value and are regulated by DEC. Class III wetlands, also often involved in development, some are typically regulated by the Army Corps of Engineers. A wetland buffer is the area adjacent to a wetland which protects the wetland from outside disturbances.

Under this proposal, the per acre fees will not change, however, the exemption for municipalities will be removed. The current fee of \$0.75 per square foot of proposed impact to Class I or II wetlands and \$0.25 per square foot of proposed impact to Class I or Class II wetland buffers will remain the same.

These fees will support the state's clean water initiative and Lake Champlain restoration plan implementation. Increased revenues will be used to support technical review and site inspections necessary for permitting and related approvals.

**Wetlands VTrans Exemption Removal (Rows 66-67)**

**Fee Description and Explanation**

Similar to the municipal exemption removal described above, the per acre fees will not change, however, VTrans have previously been exempt from paying this fee. The current fee of \$0.75 per square foot of proposed impact to Class I or II wetlands and \$0.25 per square foot of proposed impact to Class I or Class II wetland buffers will remain the same.

These fees will support the state's clean water initiative and Lake Champlain restoration plan implementation. Increased revenues will be used to support technical review and site inspections necessary for permitting and related approvals.

**Wetlands After the Fact Permit Fees and Application Resubmittal (Row 68)**

**Fee Description and Explanation**

Landowners and developers that seek approval from the wetlands program after disturbance to the wetland has already occurred pay the same square foot fees of \$0.75 for activity in a Class I or Class II wetland and \$0.25 per square foot in a wetland buffer. This is the same fee as people who have gone through the proper permitting review process.

We are proposing to increase this fee to \$1.50 per square foot. When a violation occurs, in a few instances, the best solution is to leave the activity in place rather than disturb the wetland again. After the Fact Permits receive a more intensive review and require more staff time. After the Fact permitting and violations can often hold up the development process for those seeking permits before construction because DEC staff review time is spent addressing after the fact permitting and violations. Discouraging this activity by seeking guidance and technical assistance prior to undertaking a project will provide benefit to the environment and those who are appropriately moving through the permitting process.

This increase fee pays for staff time working towards project compliance which is more time consuming than the regular permitting process. Increased revenues will be used to support technical review and site inspections necessary for permitting and related approvals, basin planning and modelling. These fees will support the state's clean water initiative and Lake Champlain restoration plan implementation.

Wetlands Application Revision Fee (Row 69)

**Fee Description and Application**

This proposal includes a new \$100 fee charged for each wetland application revision. While, this fee will not create a large amount of revenue, it will lead to better initial applications and fewer submittals for staff to review. The program currently processes approximately 100 permits per year, it is estimated that about half of these are returned to the applicant for revision.

Property owners, municipalities, and developers applying for wetlands permits will be impacted by this fee. These fees will support the state's clean water initiative and Lake Champlain restoration plan implementation. Increased revenues will be used to support technical review and site inspections necessary for permitting and related approvals, basin planning and modelling.

**RIVERS PROGRAM**

**Program Description**

Vermont's rivers and streams are valued not only for aesthetics and recreation, but also for their important role in mitigating flood hazards. Changes to the morphology of a river can alter the path of and velocity of water flow resulting in increased sedimentation, flooding and aquatic ecosystem destruction. The Rivers program regulates activities that occur within rivers and streams that include greater than 10 cubic yards of fill. Typically these stream alteration projects include new or replacement bridges and culverts, stream bed and bank stabilization projects and stream channel realignment projects.

Stream Alteration Permits (Rows 52-55)

**Fee Description and Explanation**

This program is implemented under both a general permit for emergency projects (necessary to address imminent or next flood threats to improved property) and individual permits for more technically complex projects. Applicants currently pay \$225 for an individual stream alteration permit. There is currently no fee assessed for the general permit, and the program is heavily general funded. Municipalities and VTrans are exempt from the individual permit fees landowners pay.

Under our fee proposal, all applicants would pay \$200 for coverage under the general permit and \$350 for an individual permit. This is a one-time fee at the time of initial application. Municipalities and VTrans would no longer be exempt from these fees.

Services provided by the program include review, and inspection of projects to assure affected landowners and general public benefit by maintaining stream standards to reduce flood and fluvial erosion hazards and significant damage to fish and wildlife.

Managing activities in rivers and streams is part of state's clean water initiative and Lake Champlain TMDL implementation plan. The River Management provides permitting services, technical assistance and outreach to applicants, and provides monitoring and oversight.

### **Flood Hazard Area Permits (Rows 56-59)**

#### **Fee Description and Explanation**

Vermont's rivers and streams are valued not only for aesthetics and recreation, but also for their important role in mitigating flood hazards. Development in flood hazard areas and river corridors can have serious consequences, to human health, land quality, and fish and wild life if not properly managed. This program regulates development and state facility encroachments within flood hazard areas and river corridors requiring an individual permit under the Flood Hazard Area and River Corridor Rules.

This is a new fee removing the exemption for state facilities, and projects located in a municipality that are not subject to municipal regulation, in flood hazard areas and river corridors. The permit fees will range from \$200 to \$350 under an Individual Permit for state facilities, depending if detailed engineering and technical (hydraulic and hydrologic) modeling is required.

Services provided by the Program include review, and inspection of projects to assure affected landowners and general public benefit by minimizing risk to flood hazard areas as a result of development.

Managing activities in rivers and streams is part of state's clean water initiative and Lake Champlain TMDL implementation plan. The Rivers Program provides permitting services, technical assistance and outreach to applicants, and provides monitoring and oversight.

By having the opportunity to conduct technical modelling of stream equilibrium conditions, the development community, municipalities and general public benefit by the assurance that proposed developments will meet state standards designed to reduce new flood and fluvial erosion hazards.

### **Rivers Program River Corridor Map Amendment (Row 60)**

#### **Fee Description and Explanation**

Vermont's rivers and streams are valued not only for aesthetics and recreation, but also for their important role in mitigating flood hazards. Development in flood hazard areas and river corridors can have serious consequences, to human health, land quality, and fish and wild life if not properly managed. The purpose of this program is to review and approve proposed major changes to flood hazard areas and river corridors during the Act 250 permitting process or municipal flood hazard area and river corridor bylaws reviews.

Currently developers with projects requiring Act 250 or municipal land use permits who wish to challenge the Agency's published river corridor base maps are not assessed a fee.

Under our proposal, there will be a fee of \$350 to cover staff time associated with these reviews and amendments to the Agency's base map. It is estimated that we will review 10 projects per year.

## **LAKES AND PONDS PROGRAM**

### **Program Description**

The Lake Encroachment Permit program has jurisdiction over work in the public water of lakes, ponds and reservoirs. Permit conditions aim to reduce impact to public trust resources (including water quality, habitat, and recreation/navigation) and to minimize new fill in lakes. Projects typically include retaining walls, marinas, bridges, dredge and fill, and access area work. Municipal projects usually include installation of dry hydrants and stabilization of road banks along lakes.

Throughout the State of Vermont, lakes, ponds and reservoirs are challenged with development along their shorelines which can cause unintended consequences such as water pollution and harm to fisheries and shoreline habitat for birds and other wildlife.

### **Lake Encroachment Permit VTrans and Municipal Exemption Removal (Row 71-73)**

#### **Fee Description and Explanation**

While the proposal does not change the fees, it does involve the removal of an exemption for municipalities and VTrans projects so that both entities will pay the same fees as private landowners. VTrans projects usually include replacement bridges and stabilization of road banks along lakes. Typical municipal projects include retaining walls, shoreline stabilization along town roads, town marinas, bridges, dredge and fill and possibly town boat ramp work.

Under this proposal, VTrans and municipalities are required to pay a fee ranging from \$155 to \$300 depending on the type of project. Review of VTrans and some municipal projects often involves substantial staff time. Particularly when a project is reviewed in the design phase, lake and shoreland protection can be maximized.

Managing activities along shorelines is part of the state's clean water initiative and Lake Champlain TMDL implementation plan. The Lakes and Ponds program provides permitting services, technical assistance and outreach to applicants, and provides monitoring and oversight.

## **DRINKING WATER**

### Public Community Water Systems - Construction Permits Exemption Removal with DWSRF Loan Funding – (Row 74-75)

#### **Fee Description and Explanation**

The Department administers the federal Safe Drinking Water Act and state laws regulating drinking water quality and quantity, effectively protecting human health and the environment. DEC also administers the Drinking Water State Revolving Loan Fund (DWSRF) Program by which DEC provides low and negative interest loans to community drinking water systems for infrastructure improvements. Drinking water construction permits are required for these projects and ensure the review of the construction of new public drinking water systems and line extensions that are a part of those systems meet the required construction standards.

Currently, drinking water construction projects that are funded by the DWSRF are not required to pay a construction permit fee. Our proposal is to remove this exemption, ensuring that all projects, including municipal water systems, pay the \$900 flat fee to obtain a construction permit. This fee would be included as part of the total amount of the loan from the DWSRF program. The additional fee revenue would be used to cover the cost of the technical and engineering review of the proposed system prior to its construction.

Attachment I: H.35 DEC Fee spreadsheet

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
Row #	H.35 Sec. #	Statutory Reference	Fee Name/ Description	Year Last Changed (Legislative Session)	Current Fee	Proposed Fee	% Fee Incr	# Of units (if applicable)		FY14 Fee Receipts (Actual)	FY15 Fee Receipts (Estimate)	FY16 Fee Receipts (Projected)	\$ Revenue Change FY16 over FY15	Fund of Deposit	Service or Product Provided, or Regulatory Function Performed	Who Pays Fee?	Other Notes
<b>ANR/ENVIRONMENTAL CONSERVATION - DAVID MEARS, COMMISSIONER</b>																	
1	42	3 VSA Sec. 2822(j)(2)	Watershed management - administrative processing fee; all discharge permits	2012	120.00	240.00	100%	550	Applications	31,000	66,000	132,000	66,000	Enviro. Permit Fund	This fee covers staff time associated with reviewing applications for discharge permits including stormwater, wetlands and wastewater.	Developers and landowners; municipalities	
2	42	3 VSA Sec. 2822(j)(2)(A)(i)(I)	Watershed management - application review fee: <b>original applications, amendment applications for increased flow or change in treatment process</b> for municipal, industrial, noncontact cooling water, and thermal direct discharge permits: <b>\$0.0023/gallon design flow.</b>		0.0023	0.0030	30%	967,305	Gallons	2,225	2,225	2,902	677	Enviro. Permit Fund	Permitting, inspection, and regulatory oversight of municipal and industrial facilities that discharge directly to surface waters.	Municipalities, rate payers on municipal sewer systems, industrial dischargers	
3	42	3 VSA Sec. 2822(j)(2)(A)(i)(I)	Watershed management - application review fee: <b>original applications, amendment applications for increased flow or change in treatment process</b> for municipal, industrial, noncontact cooling water, and thermal direct discharge permits: <b>\$50/outfall minimum flow.</b>		50.00	100.00	100%	1	Applications	50	50	100	50	Enviro. Permit Fund	See above	See above	
4	42	3 VSA Sec. 2822(j)(2)(A)(i)(II)	Watershed management - application review fee: renew applications and for permit amendments not currently charged a fee for municipal, industrial, noncontact cooling water, and thermal direct discharge permits: <b>\$50 per outfall minimum</b>	<b>New Fee</b>		50.00		10	Applications	-	-	500	500	Enviro. Permit Fund	See above	municipalities, the rate payers on municipal sewage systems, and industrial dischargers.	
5	42	3 VSA Sec. 2822(j)(2)(A)(i)(II)	Watershed management - application review fee: renew applications and for permit amendments not currently charged a fee for municipal, industrial, noncontact cooling water, and thermal direct discharge permits: <b>fee per gallon of design flow</b>	<b>New Fee</b>		0.0020		3,671,000	Gallons	-	-	7,342	7,342	Enviro. Permit Fund	See above	See above	
6	42	3 VSA Sec. 2822(j)(2)(A)(i)(II)	Watershed management - application review fee: renew applications and for permit amendments not currently charged a fee for municipal, industrial, noncontact cooling water, and thermal direct discharge permits: <b>\$5,000 maximum</b>	<b>New Fee</b>		5,000.00		1	Applications	-	-	5,000	5,000	Enviro. Permit Fund	See above	See above	
7	42	3 VSA Sec. 2822(j)(2)(A)(ii)(I)	Watershed management; application review fee: <b>original applications, amendment applications for increased flow or change in treatment process</b> ; pretreatment discharges: <b>fee per gallon of design flow, no maximum</b>		0.12	0.20	67%	57,700	Gallons	6,924	6,924	11,540	4,616	Enviro. Permit Fund	Permitting, inspection, and regulatory oversight of industrial pre-treatment facilities that discharge directly into a municipal collection system, as well as regulatory oversight of the management of the residual wastes (wastewater treatment biosolids, septage, wood ash, and short paper fiber) they produce.	Industrial dischargers of pre-treated wastes into municipal collection systems.	
8	42	3 VSA Sec. 2822(j)(2)(A)(ii)(I)	Watershed management; application review fee: <b>original applications, amendment applications for increased flow or change in treatment process</b> ; pretreatment discharges: <b>minimum \$50 per outfall, no maximum</b>		50.00	100.00	100%	1	Applications	-	50	100	50	Enviro. Permit Fund	See above	See above	
9	42	3 VSA Sec. 2822(j)(2)(A)(ii)(II)	Watershed management; application review fee; pretreatment discharges: renewal applications and amendments not currently charged a fee only: <b>\$50 minimum per outfall/no maximum</b>	<b>New Fee</b>		50.00		-	Applications	-	-	-	-	Enviro. Permit Fund	permitting, inspection, and regulatory oversight of industrial facilities that pre-treat wastes prior to discharge directly into a municipal collection system, as well as regulatory oversight of the management of residual wastes (wastewater treatment biosolids, septage, wood ash, and short paper fiber)	Impact industrial dischargers who pre-treat wastes prior to discharge to a municipal collection system.	
10	42	3 VSA Sec. 2822(j)(2)(A)(ii)(II)	Watershed management; application review fee; pretreatment discharges: renewal applications and amendments not currently charged a fee only: <b>fee per gallon of design flow</b>	<b>New Fee</b>		0.0020		62,500	Gallons	-	-	125	125	Enviro. Permit Fund	See above	See above	
11	42	3 VSA Sec 2822(j)(2)(A)(iii)(I)	Stormwater discharge permit; application fee; Class B waters; per acre	2012	430.00	860.00	100%	136	Acres	58,582	58,480	116,960	58,480	Enviro. Permit Fund	Mitigation of stormwater run-off from impervious surfaces (ex. Roofs, roads, parking lots) to reduce impacts to surface water	Developers and landowners	
12	42	3 VSA Sec 2822(j)(2)(A)(iii)(I)	Stormwater discharge permit; application fee; Class B waters; min. fee	2012	220.00	440.00	100%	34	Applications	7,372	7,480	14,960	7,480	Enviro. Permit Fund	See above	See above	
13	43	32 VSA Sec 701 (a); 3 VSA Sec 2822(j)(2)(A)(iii)(I)	Legislative Approved Transportation Funds Fee Exemption Removal. Application review fee; stormwater discharge permit Class B	<b>New Fee</b>	0.00	860.00		12	Acres	-	-	10,320	10,320	Enviro. Permit Fund	Review of stormwater permit applications for projects creating new impervious surfaces (ex. Roofs, roads and parking lots)	Vtrans	Exemption Removal
14	43	32 VSA Sec 701 (b)(2); 3 VSA Sec 2822(j)(2)(A)(iii)(I)	Capital Construction Funds Fee Exemption Removal Municipal Projects; Stormwater, Fee Removal, Vtrans; application review fee; stormwater discharge permit Class B	<b>New Fee</b>	0.00	860.00		5	Acres	-	-	4,300	4,300	Enviro. Permit Fund	Review of stormwater permit applications for projects creating new impervious surfaces (ex. Roofs, roads and parking lots)	Municipalities	Exemption Removal
15	42	3 VSA Sec 2822(j)(2)(A)(iii)(III)(aa)	Stormwater discharge permit; application fee; CGP; low risk < 5acres	2012	50.00	100.00	100%	232	Applications	11,600	11,600	23,200	11,600	Enviro. Permit Fund	See above	See above	
16	42	3 VSA Sec 2822(j)(2)(A)(iii)(III)(bb)	Stormwater discharge permit; application fee; CGP; low risk; > 5 acres	2012	50.00	220.00	340%	10	Applications		500	2,200	1,700	Enviro. Permit Fund	See above	See above	
17	42	3 VSA Sec 2822(j)(2)(A)(iii)(III)(cc)	Stormwater discharge permit; application fee; CGP; moderate risk; < 5acres	2012	360.00	480.00	33%	31	Applications	11,060	11,060	14,747	3,687	Enviro. Permit Fund	See above	See above	
18	43	32 VSA Sec 701 (a); 3 VSA Sec 2822(j)(2)(A)(iii)(III)(cc)	Capital Construction Funds Fee Exemption Removal State Projects; Stormwater discharge permit; application fee; CGP; moderate risk; < 5acres	<b>New Fee</b>	0.00	480.00		14	Applications	-	-	6,720	6,720	Enviro. Permit Fund	Review of stormwater permit applications for construction permits to mitigate stormwater run-off from construction sites	Vtrans	Exemption Removal
19	43	32 VSA Sec 701 (b)(2); 3 VSA Sec 2822(j)(2)(A)(iii)(III)(cc)	Capital Construction Funds Fee Exemption Removal Municipal Projects; Stormwater discharge permit; application fee; CGP; moderate risk; < 5acres	<b>New Fee</b>	0.0000	480.00		4	Applications	-	-	1,920	1,920	Enviro. Permit Fund	Review of stormwater permit applications for construction permits to mitigate stormwater run-off from construction sites	Municipalities	Exemption Removal
20	42	3 VSA Sec 2822(j)(2)(A)(iii)(III)(dd)	Stormwater discharge permit; application fee; CGP; moderate risk; > 5 acres	2012	360.00	640.00	78%	5	Applications		1,800	3,200	1,400	Enviro. Permit Fund	See above	See above	
21	42	3 VSA Sec 2822(j)(2)(A)(iii)(III)(ee)	Stormwater discharge permit; application fee; Individual Construction Permit; 10 acres or less	2012	720.00	1,200.00	67%	10	Applications	8,640	7,200	12,000	4,800	Enviro. Permit Fund	Mitigation of stormwater run-off from construction sites to reduce impacts to surface water	Developers and landowners	
22	42	3 VSA Sec 2822(j)(2)(A)(iii)(III)(ff)	Stormwater discharge permit; application fee; Individual Construction Permit; >10 acres disturbance	2012	720.00	1,800.00	150%	5	Applications		3,600	9,000	5,400	Enviro. Permit Fund	See above	See above	



## Attachment I: H.35 DEC Fee spreadsheet

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
Row #	H.35 Sec. #	Statutory Reference	Fee Name/ Description	Year Last Changed (Legislative Session)	Current Fee	Proposed Fee	% Fee Incr	# Of units (if applicable)		FY14 Fee Receipts (Actual)	FY15 Fee Receipts (Estimate)	FY16 Fee Receipts (Projected)	\$ Revenue Change FY16 over FY15	Fund of Deposit	Service or Product Provided, or Regulatory Function Performed	Who Pays Fee?	Other Notes
23	42	3 VSA Sec 2822(j)(2)(A)(iii)(IV)	Stormwater discharge permit; application fee; MSGP	2012	220.00	440.00	100%	22	Applications	4,840	4,840	9,680	4,840	Enviro. Permit Fund	Mitigation of stormwater run-off from industrial sites to reduce impacts to surface water	Industrial facilities	
24	42	3 VSA Sec 2822(j)(2)(A)(iii)(V)	Stormwater discharge permit; application fee; MS4	2012	1,200.00	2,400.00	100%	14	Applications	16,800	16,800	33,600	16,800	Enviro. Permit Fund	Mitigation of stormwater run-off from municipal stormwater systems to reduce impacts to surface water	Municipalities: Burlington, South Burlington, Colchester, Essex, Essex Junction, Milton, Shelburne, Williston, Winooski, Burlington Municipal Airport and UVM	
25	42	3 VSA Sec 2822(j)(2)(A)(iii)(VI)(aa)	Stormwater discharge; residual designation; application fee; class B waters (RDA)	2012	430.00	860.00	100%	300	Acres	-	-	-	-	Enviro. Permit Fund	Mitigation of stormwater run-off from impervious surfaces (ex. Roofs, roads and parking lots) that contribute to impaired waters. It affects existing development.	Owners of existing development required to seek permit coverage because of their impact to impaired waters	Note that the fee receipts projected will be as a result of new permit development and issuance, and as such will probably not be realized until FY 17 or later. Revenue generated after FY16 is estimated at \$258,000.
26	42	3 VSA Sec 2822(j)(2)(A)(iii)(VI)(aa)	Stormwater discharge; residual designation; application fee; class B waters; min fee; (RDA)	2012	220.00	280.00	27%	-	Applications	-	-	-	-	Enviro. Permit Fund	See above	See above	
27	42	3 VSA Sec 2822(j)(2)(A)(iii)(VI)(bb)	Stormwater discharge; residual designation; application fee; class A waters; (RDA)	2012	1,400.00	1,400.00	0%	-	Acres	-	-	-	-	Enviro. Permit Fund	See above	See above	
28	42	3 VSA Sec 2822(j)(2)(A)(iii)(VI)(bb)	Stormwater discharge; residual designation; application fee; class A waters; min fee; (RDA)	2012	1,400.00	1,400.00	0%	-	Acres	-	-	-	-	Enviro. Permit Fund	See above	See above	
29	42	3 VSA Sec 2822(j)(2)(A)(iv)(VIII)	Stormwater discharge permit; application fee; municipal roads general permit	<b>New Fee</b>		400.00		25	Applications	-	-	-	-	Enviro. Permit Fund	See above	See above	Note that the fee receipts projected will be as a result of new permit development and issuance, and as such will probably not be realized until FY 17 or later. Estimated revenue is \$10,000 based on current information.
30	42	3 VSA Sec 2822(j)(2)(A)(iv)(IX)	Stormwater discharge permit; application fee; TS4	<b>New Fee</b>		1,200.00		1	Permits	-	-	1,200	1,200	Enviro. Permit Fund	See above	See above	
31	42	3 VSA Sec. 2822(j)(2)(B)(i)	Watershed Management - operating fee: industrial direct discharge: <b>\$150 minimum</b>	2012	150.00	200.00	33%	31	Facilities	4,650	4,650	6,200	1,550	Enviro. Permit Fund	permitting, inspection, and regulatory oversight of industrial facilities that discharge directly to surface waters.	industrial facilities that discharge directly to a surface water	
32	42	3 VSA Sec. 2822(j)(2)(B)(i)	Watershed Management - operating fee: industrial direct discharge: <b>fee per gallon design flow</b>	2012	0.0010	0.0015	50%	63,560,667	Gallons	60,415	63,561	95,341	31,780	Enviro. Permit Fund	See above	See above	
33	42	3 VSA Sec. 2822(j)(2)(B)(ii)	Watershed Management - operating fee: municipal direct discharge: <b>\$150 minimum</b>		150.00	200.00	33%	31	Facilities	4,650	4,650	6,200	1,550	Enviro. Permit Fund	permitting, inspection, and regulatory oversight of municipal facilities that discharge directly to surface waters.	municipalities and the rate payers on municipal sewage systems.	
34	42	3 VSA Sec. 2822(j)(2)(B)(ii)	Watershed Management - operating fee: municipal direct discharge: <b>fee per gallon of design flow</b>	2010	0.003	0.000	-100%	40,430,333	Gallons	121,291	121,291	-	(121,291)	Enviro. Permit Fund	See above	See above	No increase in fees. Changing from actual flows to design flows.
35	42	3 VSA Sec. 2822(j)(2)(B)(ii)	Watershed Management - operating fee: municipal direct discharge: <b>fee per gallon of permitted flow</b>	see above	-	0.003		76,736,000	Gallons	-	-	230,208	230,208	Enviro. Permit Fund	See above	See above	Fee basis changed from actual flow to design flow.
36	42	3 VSA Sec. 2822(j)(2)(B)(iii)	Watershed Management - operating fee; pretreatment discharger; <b>\$150 minimum</b>	2010	150.00	200.00	33%	11	Facilities	1,650	1,650	2,200	550	Enviro. Permit Fund	permitting, inspection, and regulatory oversight of industrial facilities that discharge pre-treated wastes directly into a municipal collection system.	industrial dischargers that pre-treat wastes prior to discharge into a municipal collection system.	
37	42	3 VSA Sec. 2822(j)(2)(B)(iii)	Watershed Management - operating fee; pretreatment discharger; <b>fee per gallon design flow</b>	2010	0.0385	0.0400	4%	2,372,200	Gallons	88,948	91,330	94,888	3,558	Enviro. Permit Fund	See above	See above	
38	42	3 VSA Sec 2822(j)(2)(B)(iv)(I)	Stormwater discharge permit; operating fee; Class A waters	2012	255.00	310.00	22%	1	Acres	286	255	310	55	Enviro. Permit Fund	Mitigation of impacts from stormwater run-off from impervious surfaces, construction sites, industrial sites, and municipalities. Operating fees apply to all programs except construction permits.	Property owners, municipalities, and developers with an ongoing stormwater discharge	
39	42	3 VSA Sec 2822(j)(2)(B)(iv)(I)	Stormwater discharge permit; operating fee; Class A waters; min. fee	2012	235.00	310.00	32%	1	Acres	235	235	310	75	Enviro. Permit Fund	See above	See above	
40	42	3 VSA Sec 2822(j)(2)(B)(iv)(II)	Stormwater discharge permit; operating fee; Class B waters	2012	80.00	160.00	100%	5,432	Acres	434,538	434,560	869,120	434,560	Enviro. Permit Fund	See above	See above	
41	42	3 VSA Sec 2822(j)(2)(B)(iv)(II)	Stormwater discharge permit; operating fee; Class B waters; min. fee	2012	80.00	160.00	100%	382	Acres	30,580	30,560	61,120	30,560	Enviro. Permit Fund	See above	See above	
42	42	3 VSA Sec 2822(j)(2)(B)(iv)(III)	Stormwater discharge permit; operating fee; MSGP	2012	80.00	160.00	100%	261	Permits	20,852	20,880	41,760	20,880	Enviro. Permit Fund	See above	Industrial facilities	
43	42	3 VSA Sec 2822(j)(2)(B)(iv)(IV)	Stormwater discharge permit; operating fee; MS4 ( <b>fee change from per system to per acre impervious</b> )- see below	2012	80.00		-100%	8	Municipalities	2,187	640	-	(640)	Enviro. Permit Fund	See above	Municipalities	
44	42	3 VSA Sec 2822(j)(2)(B)(iv)(IV)	Stormwater discharge permit; operating fee; MS4 ( <b>fee change from per system to per acre impervious</b> )	see above		10.00		9,630	Acres	-	-	96,300	96,300	Enviro. Permit Fund	See above	Municipalities	
45	42	3 VSA Sec 2822(j)(2)(B)(iv)(V)(aa)	Stormwater discharge permit, operating fee; Class A waters; RDA min fee	2012	255.00	310.00	22%	-	Acres	-	-	-	-	Enviro. Permit Fund		Owners of existing development required to seek permit coverage because of their impact to impaired waters	
46	42	3 VSA Sec 2822(j)(2)(B)(iv)(V)(aa)	Stormwater discharge permit, operating fee; Class A waters; RDA	2012	255.00	310.00	22%	-	Acres	-	-	-	-	Enviro. Permit Fund		See above	
47	42	3 VSA Sec 2822(j)(2)(B)(iv)(V)(bb)	Stormwater discharge permit, operating fee; Class B waters; RDA min fee	2012	80.00	160.00	100%	3	Acres	240	240	480	240	Enviro. Permit Fund	Mitigation of stormwater run-off from impervious surfaces (ex. Roofs, roads and parking lots) that contribute to impaired waters. Annual operating fees will be assessed on existing development.	Owners of existing development required to seek permit coverage because of their impact to impaired waters	
48	42	3 VSA Sec 2822(j)(2)(B)(iv)(V)(bb)	Stormwater discharge permit, operating fee; Class B waters; RDA - See Notes	2012	80.00	160.00	100%	101	Acres	8,046	8,080	16,160	8,080	Enviro. Permit Fund	See above	See above	
49	42	3 VSA Sec 2822(j)(2)(B)(iv)(VI);	Stormwater discharge permit, operating fee; municipal roads general permit	<b>New Fee</b>		2,000		25	Permits	-	-	-	-	Enviro. Permit Fund	Mitigation of stormwater run-off from municipal roads to reduce impacts to surface water	Municipalities	Note that the fee receipts projected will be as a result of new permit development and issuance, and as such will probably not be realized until FY 17 or later. Estimated revenue is \$50,000 based on current information.
50	42	3 VSA Sec 2822(j)(2)(B)(iv)(VII)	Stormwater discharge permit, operating fee; TS4	<b>New Fee</b>		90,000		1	Permits	-	-	-	-	Enviro. Permit Fund	Mitigation of stormwater run-off from the state highway system to reduce impacts to surface water	Vtrans	Operating fee revenue from this program will be offset, in part, by loss of roughly \$57k in operating fee revenue under "operating permit" because the TS4 will supersede operating permits.
51	42,43	3 VSA Sec. 2822(j)(11)(A); 32 VSA Sec 701	Stream Alteration Individual Permit	2005	225.00	350.00	56%	15	Permits	2,375	3,375	5,250	1,875	Enviro. Permit Fund	Regulation of instream activities through individual permits that involve the movement or fill of greater than 10 cubic yards of instream material - typically includes bridge and culvert projects.	Riparian landowners initiating work to stabilize or cross a stream	

Attachment I: H.35 DEC Fee spreadsheet

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	
Row #	H.35 Sec. #	Statutory Reference	Fee Name/ Description	Year Last Changed (Legislative Session)	Current Fee	Proposed Fee	% Fee Incr	# Of units (if applicable)		FY14 Fee Receipts (Actual)	FY15 Fee Receipts (Estimate)	FY16 Fee Receipts (Projected)	\$ Revenue Change FY16 over FY15	Fund of Deposit	Service or Product Provided, or Regulatory Function Performed	Who Pays Fee?	Other Notes	
52	42.43	3 VSA Sec. 2822(j)(11)(B); 32 VSA Sec 701	Stream Alteration GP Activity Reported with Application	New Fee		200.00		5	Permits		-	1,000	1,000	Enviro. Permit Fund	Regulation of instream activities through a general permit that involve the movement or fill of greater than 10 cubic yards of instream material - typically includes bridge and culvert projects.	Riparian landowners initiating work to stabilize or cross a stream		
53	42.43	3 VSA Sec. 2822(j)(11)(c); 32 VSA Sec 701	Municipal Bridge, Culvert, and Unimproved Property Protection requiring an Individual Stream Alteration Permit	New Fee		350.00		10	Permits		-	3,500	3,500	Enviro. Permit Fund	Regulation of instream activities through individual permits that involve the movement or fill of greater than 10 cubic yards of instream material - typically includes bridge and culvert projects.	Municipality initiating work to stabilize or cross a stream	Fee also removes municipal fee exemption in 3 VSA Sec 2822 (i) and capital/Transportation capital exemption in 32 VSA Sec 701.	
54	42.43	3 VSA Sec. 2822(j)(11)(D); 32 VSA Sec 701(b)	Municipal Bridge, Culvert, and Unimproved Property Protection authorized under the Stream Alteration General Permit	New Fee		200.00		50	Permits		-	10,000	10,000	Enviro. Permit Fund	Regulation of instream activities through a general permit that involve the movement or fill of greater than 10 cubic yards of instream material - typically includes bridge and culvert projects.	Municipality initiating work to stabilize or cross a stream	Fee also removes municipal fee exemption in 3 VSA Sec 2822 (i) and capital/Transportation capital exemption in 32 VSA Sec 701.	
55	42.43	3 VSA Sec. 2822(j)(11)(C); 32 VSA Sec 701	VTrans Title 19 - Stream Alteration Reviews (Bridge, Culvert, and high risk Individual Permit sized projects) May include H&H and compensatory storage reviews.	New Fee		350.00		35	Permits		-	12,250	12,250	Enviro. Permit Fund	Consultation of instream Vtrans activities that involve the movement or fill of greater than 10 cubic yards of instream material - typically includes bridge and culvert projects.	VTrans initiating work to stabilize or cross a stream	Fee also removes municipal fee exemption in 3 VSA Sec 2822 (i) and capital/Transportation capital exemption in 32 VSA Sec 701.	
56	42.43	3 VSA Sec. 2822(j)(11)(F); 32 VSA Sec 701	Flood Hazard Area Individual Permit -- State Facilities (incl.Vtrans projects), AAFM, and Sec 248 projects. Those projects requiring a review of Hydraulic / Hydrologic (H&H) modeling, compensatory storage volumetric analysis, or river corridor equilibrium analysis. (# units VTrans =20; # units non-VTrans = 20)	New Fee		350.00		40	Permits		-	14,000	14,000	Enviro. Permit Fund	Regulation of development and encroachment within flood hazard areas and river corridors under individual permits	Section 248 project developers, farm and logging projects and state agencies	Fee also removes municipal fee exemption in 3 VSA Sec 2822 (i) and capital/Transportation capital exemption in 32 VSA Sec 701.	
57	42.43	3 VSA Sec. 2822(j)(11)(G); 32 VSA Sec 701	Flood Hazard Area Individual Permit no H&H -- State Facilities (incl. Vtrans projects), AAFM, and Sec 248 projects. No hydraulic / hydrologic modeling, volumetric analysis, or equilibrium analysis. (# units VTrans = 10; # units non-VTrans = 20)	New Fee		200.00		30	Permits		-	6,000	6,000	Enviro. Permit Fund	Regulation of development and encroachment within flood hazard areas and river corridors under a general permit	Section 248 project developers, farm and logging projects and state agencies	Fee also removes municipal fee exemption in 3 VSA Sec 2822 (i) and capital/Transportation capital exemption in 32 VSA Sec 701.	
58	42.43	3 VSA Sec. 2822(j)(11)(H); 32 VSA Sec 701	Municipal Flood Hazard Area Reviews -- projects requiring a review of Hydraulic / Hydrologic (H&H) modeling, compensatory storage volumetric analysis, or river corridor equilibrium analysis.	New Fee		350.00		25	Permits		-	8,750	8,750	Enviro. Permit Fund	Provide technical review and comment on development proposals within flood hazard areas and river corridors requiring a permit under Act 250, or municipal regulations.	Developers	Fee also removes municipal fee exemption in 3 VSA Sec 2822 (i) and capital/Transportation capital exemption in 32 VSA Sec 701.	
59	42.43	3 VSA Sec. 2822(j)(11)(I); 32 VSA Sec 701	Municipal Flood Hazard Area Reviews no H&H -- Project with risk equivalent to projects under state rules that would require an Individual Permit but no hydraulic / hydrologic modeling, volumetric analysis, or equilibrium analysis.	New Fee		200.00		100	Permits		-	20,000	20,000	Enviro. Permit Fund	See above	See above	Fee also removes municipal fee exemption in 3 VSA Sec 2822 (i) and capital/Transportation capital exemption in 32 VSA Sec 701.	
60	42	3 VSA Sec. 2822(j)(11)(J);	River Corridor (major) Map Amendment	New Fee		350.00		10	Permits		-	3,500	3,500	Enviro. Permit Fund	Review and approve major amendments to flood hazard areas and river corridors during project review for Act 250 and municipal flood hazards and river corridor bylaws	Developers		
61	42	3 VSA Sec. 2822(j)(14)	Watershed management - certification of sewage treatment plant operators; original or renewal application		2010	110.00	125.00	14%	100	Certification	9,900	11,000	12,500	1,500	Enviro. Permit Fund	Oversee certification program for sewer treatment plant operators	Sewage treatment plant operators (including municipalities)	
62	42	3 VSA Sec. 2822(j)(15)(A)	Watershed management - sludge or septage facility certifications; land application sites; facilities using processes to further reduce pathogens; disposal facilities		2010	950.00	1,000.00	5%	3	Applications	1,900	2,850	3,000	150	Enviro. Permit Fund	permitting, inspection, and regulatory oversight of municipal and industrial facilities that produce and manage of residual wastes (wastewater treatment biosolids, septage, wood ash, and short paper fiber)	Municipalities, the rate payers on municipal sewage systems, industrial dischargers that manage residual wastes via land application or treatment in a PFRP pathogen reduction process or which operate certain other treatment or storage facilities for these wastes.	
63	42	3 VSA Sec. 2822(j)(15)(B)	Watershed management - sludge or septage facility certifications;all other facilities		2010	110.00	125.00	14%	3	Applications	440	330	375	45	Enviro. Permit Fund	See above	See above	
64	42	3 VSA Sec. 2822(j)(26); 32 VSA Sec 701	Wetland Municipal Fee Exemption Removal Wetland Impact	New Fee		0.75		17,242	SqFt		-	12,932	12,932	Enviro. Permit Fund	Review of permit applications to protect wetlands and the significant functions and values they provide	Vtrans	Fee also removes municipal fee exemption in 3 VSA Sec 2822 (i) and capital/Transportation capital exemption in 32 VSA Sec 701.	
65	42	3 VSA Sec. 2822(j)(26); 32 VSA Sec 701	Wetland Municipal Fee Exemption Removal Wetland Buffer Impact	New Fee		0.25		48,929	SqFt		-	12,232	12,232	Enviro. Permit Fund	Review of permit applications to protect wetlands and the significant functions and values they provide	Municipalities	Fee also removes municipal fee exemption in 3 VSA Sec 2822 (i) and capital/Transportation capital exemption in 32 VSA Sec 701.	
66	42	3 VSA Sec. 2822(j)(26); 32 VSA Sec 701	Vtrans Fee Exemption Removal Wetland Impact	New Fee		0.75		18,000	SqFt Wetland		-	13,500	13,500	Enviro. Permit Fund	Review of permit applications to protect wetlands and the significant functions and values they provide	Vtrans	Fee also removes municipal fee exemption in 3 VSA Sec 2822 (i) and capital/Transportation capital exemption in 32 VSA Sec 701.	
67	42	3 VSA Sec. 2822(j)(26); 32 VSA Sec 701	Vtrans Fee Exemption Removal Wetland Buffer Impact	New Fee		0.25		54,000	SqFt Buffer		-	13,500	13,500	Enviro. Permit Fund	Review of permit applications to protect wetlands and the significant functions and values they provide	Vtrans	Fee also removes municipal fee exemption in 3 VSA Sec 2822 (i) and capital/Transportation capital exemption in 32 VSA Sec 701.	
68	42	3 VSA Sec. 2822(j)(26)(E)	After the fact Wetland permit fee - Wetland Impact		2012	0.75	1.50	100%	3,000	SqFt Wetland		2,250	4,500	2,250	Enviro. Permit Fund	Review of permit applications to protect wetlands and the significant functions and values they provide	Property owners, municipalities, and developers	Currently permittees that come in for a permit after having completed the project are only assessed the impact fee of \$0.75 -- under this proposal the fee would be revised specifically for these situations whereby an assessment of \$1.50 would be required.
69	42	3 VSA Sec. 2822(j)(26)(F)	Wetlands - Applicant Supplement Fee	New Fee		100.00		45	Supplmnt'l Application		-	4,500	4,500	Enviro. Permit Fund	Review of permit applications to protect wetlands and the significant functions and values they provide	Property owners, municipalities, and developers	Lean identified a need for a fee to provide a disincentive for applicants to apply before all needed information in application is obtained. We want to encourage applicants to reach out to us for help before applying, but after an application is deemed administratively complete there can be many iterations of the application which is difficult for us to keep track and means that an application is read multiple times, reducing our efficiency. Fee will be administered each time supplemental information is added. For instance, if a site plan changes twice, \$100 will be charged each time for a total of \$200.	
70	42	3 VSA Sec. 2822(j)(33)	Watershed Management - operating fee; \$10 per 1000 gallons pumped based upon the rated capacity of the tank being pumped rounded to the nearest 1000 gallons	New Fee		10.00		44,000	1000 Gallon tanks		-	440,000	440,000	Enviro. Permit Fund	Permitting, inspection, and regulatory oversight of municipal and industrial facilities that produce and manage of residual wastes (wastewater treatment biosolids, septage, wood ash, and short paper fiber)	Residents/entities who are not on municipal systems when their septic systems are pumped.	New fee. Will increase the cost of a typical residential tank pumping by \$10 per tank, typically pumped on a 5 - 7 year cycle.	
71	43	32 VSA Sec 701 (a); 3 VSA Sec 2822(i)(10)(A)	Transportation Funds Fee Exemption Removal. Lakes, Encroachment, Fee Removal, Vtrans; Lake Encroachment Permit Application Fee - Non-Structural Erosion Control	New Fee		155.00		2	Applications		-	310	310	Enviro. Permit Fund	Regulation of work in public water including lakes, ponds and reservoirs. Typical projects include replacement bridges and stabilization of road banks along edges.	Vtrans		
72	43	32 VSA Sec 701 (a); 3 VSA Sec 2822(i)(10)(B)	Transportation Funds Fee Exemption Removal. Lakes, Encroachment, Fee Removal, Vtrans; Lake Encroachment Permit Application Fee - Structural Erosion Control	New Fee		250.00		-	Applications		-	-	-	Enviro. Permit Fund	See above	Vtrans		

Attachment I: H.35 DEC Fee spreadsheet

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
Row #	H.35 Sec. #	Statutory Reference	Fee Name/ Description	Year Last Changed (Legislative Session)	Current Fee	Proposed Fee	% Fee Incr	# Of units (if applicable)		FY14 Fee Receipts (Actual)	FY15 Fee Receipts (Estimate)	FY16 Fee Receipts (Projected)	\$ Revenue Change FY16 over FY15	Fund of Deposit	Service or Product Provided, or Regulatory Function Performed	Who Pays Fee?	Other Notes
73	43	32 VSA Sec 701 (a); 3 VSA Sec 2822(j)(10)(C)	Transportation Funds Fee Exemption Removal. Lakes, Encroachment, Fee Removal, Vtrans; Lake Encroachment Permit Application Fee - Other Projects	New Fee		300.00		1	Applications	-	-	300	300	Enviro. Permit Fund	See above	Vtrans	Fee is 300 + 0.01 of project cost, which makes this fee highly variable and project specific. Most common projects in this category for Vtrans associated with bridges, for instance recent bridges permitted include the Crown Pt Bridge and Newport South Bay bridge. Projected FY16 based on \$300 base fee only.
74	43	32 VSA Sec 701 (b)(2); 3 VSA Sec 2822(j)(7)(A)	Capital Construction Funds Fee Exemption Removal Municipal Projects; DWGWP; construction permits; flat fee; remove exemption for municipal DWSRF loan projects	New Fee		900.00		14	# permits	-	-	12,600	12,600	Enviro. Permit Fund	Public water supply construction permits assure that sanitary engineering principles are followed, and the Water Supply Rule is met.	Municipalities that are water system owners	This is an existing fee for public water system construction projects. This exemption removal will include new drinking water treatment plants projects that are funded by the drinking water state revolving loan fund (DWSRF) program. Based on average number of projects that go through Drinking Water State Revolving Fund program annually
75	43	33 VSA Sec 701 (b)(2); 3 VSA Sec 2822(j)(7)(B)	Capital Construction Funds Fee Exemption Removal Municipal Projects; DWGWP; construction permits for water treatment plants; per gallon; remove exemption for municipal DWSRF loan projects	New Fee	0.03	0.03	0%		# gallons	-	-	0	0	Enviro. Permit Fund	Public water supply construction permits assure that sanitary engineering principles are followed, and the Water Supply Rule is met.	Municipalities that are water system owners	This is an existing fee for drinking water treatment plant. This exemption removal will include new drinking water treatment plants projects that are funded by the drinking water state revolving loan fund (DWSRF) program. No fees/projects are anticipated in FY16.

1,545,116	TMDL revenue
12,600	Operating revenue
1,557,716	Total

Department of Environmental Conservation -- Water Programs Proposed FY16 Budget & Related Funds  
 David K. Mears, Commissioner -- 2/4/2015

<b>Program Name:</b>	<b>General Funds</b>	<b>Permit Fees</b>	<b>Other Special Funds</b>	<b>Federal Funds</b>	<b>Inter-departmental Funds</b>	<b>Total Proposed FY16 Program Budget</b>
Lakes & Ponds Program	1,000,294	176,706	573,079	727,822	-	2,477,901
Stormwater Program	764,637	1,497,517	200,000	103,436	-	2,565,590
Rivers Program	2,126,237	117,375	174,000	348,633	416,474	3,182,719
Residuals Program	-	5,929	295,797	-	-	301,726
Direct Discharge (WasteWater) Program	200,000	744,092	-	568,623	-	1,512,715
Wetlands Program	137,173	633,032	-	85,270	-	855,475
Ecosystem Restoration Program	361,200	-	-	242,687	279,593	883,480
Surface Water Monitoring & Assessment Program	1,508,799	209,000	-	832,467	-	2,550,266
<b>Total Funds:</b>	<b>6,098,340</b>	<b>3,383,651</b>	<b>1,242,876</b>	<b>2,908,938</b>	<b>696,067</b>	<b>14,329,872</b>
<b>% of Programs:</b>	<b>42.6%</b>	<b>23.6%</b>	<b>8.7%</b>	<b>20.3%</b>	<b>4.9%</b>	

**Vermont Department of Environmental Conservation  
Organizational and Operational Changes to  
Increase Efficiencies Utilizing Existing Staff**

**Watershed Management Division-Level Organizational and  
Operational Efforts to Garner Efficiencies**

- In 2012, the Watershed Management Division (WSMD) assimilated the Clean Water Act Direct Discharge Permit Program (that was formerly housed in the Drinking Water & Wastewater Program) so that it would be within the same division as the Stormwater Clean Water Act Permit Program. This has resulted in the sharing of regulatory information, and increased efficiency in permit processing due to the cross-training and sharing of admin staff.
- The WSMD Business and Operational Support Services (BOSS) Program was recently reorganized, using Lean tools, to garner efficiencies, and better align admin services to increase permit review and processing efforts. This process examined work flow and resulted in the restructuring of the program, moving to subject matter and not media specific support, identification and prioritization of IT solutions to streamline processes, and implementing cross training so that absences or retirements would not disrupt admin functions.
- WSMD's monitoring and planning programs were merged into a single Monitoring, Assessment and Planning Program (MAPP) in order to better integrate the monitoring, assessment and planning activities of the Division. This has resulted in coordinated monitoring efforts across WSMD, sharing of resources, and a more integrated approach to rivers and lakes monitoring. In addition, monitoring is more closely tied to the development of tactical basin plans, and the identification of priority projects for enhancement and restoration of Vermont's surface waters.
- In 2014, WSMD re-described a position to create a 401 Program Coordinator. This new 401 Program coordinates the technical and administrative work necessary to issue Section 401 water quality certifications for major projects impacting Vermont's aquatic resources. This work involves coordinating technical and legal input from staff in WSMD's Wetlands, Stormwater, Rivers, and Lakes Programs and the Dept. of Fish & Wildlife.
- The former Clean & Clear program that was formerly housed in the Agency Secretary's office was transferred to the WSMD in order to promote synergy between the technical aspects of project identification and funding. The program was renamed the Ecosystem Restoration Program (ERP) and was created from existing positions within the Division.

This program actively works with MAPP and other WSMD programs to assist in identifying and funding priority projects.

- WSMD utilizes student interns from UVM's Rubenstein School to assist the Division. WSMD will have five UVM interns this summer. We hope to increase the number of interns moving forward in recognition of the fact that WSMD needs help during field season while providing educational and recruitment benefits. WSMD is also working with Vermont Technical College to hopefully build a similar internship program with the hope of increasing intern capacity.
- WSMD created the Vermont Surface Water Management Strategy to describe the management of pollutants and stressors that affect the uses and values of Vermont's surface waters. The Strategy presents the Division's goals, objectives and approaches for the protection and management of Vermont's surface waters, and helps to guide the Division's future decision-making to ensure efficient, predictable, consistent and coordinated management actions. This cross-pollination and coordination among WSMD's permitting and resource programs has significantly increased efficiencies within the Division.

## **Lean Events and Outcomes**

### **Completed Lean Events**

- WSMD participated in the recent Lean Event that evaluated the public notice and comment process across all DEC permits to identify commonalities, enhance transparency and streamline these processes as much as possible. WSMD proposed ways to streamline the public notice and comment process across WSMD permit programs.
- WSMD admin staff in the Business and Operational Support Services (BOSS) Program participated in a recent Lean event to evaluate how over \$11 million in receipts is handled within DEC. The event identified ways to reduce errors, processing time, data entry, and move from paper to paperless processing. Identified efficiencies are being implemented by WSMD admin staff and others across DEC.
- WSMD's Ecosystem Restoration Program participated in a Lean event examining ways to more efficiently and effectively process grants and contracts. Many opportunities were identified by the Lean event related to standardization (including application, distribution, submittal & data entry), training, evaluation, tracking, and streamlining the overall process including invoice payments and amendments. A major component of this new process involved shifting an existing ERP staff member into the DEC Grants Management Specialist role to serve as the "hub" for administering all DEC grant/contract activity.
- WSMD's Stormwater Program undertook a Lean event to explore its existing stormwater permitting business processes. The Stormwater General Permit applies to all new, expanded and redeveloped projects with over one acre of impervious surface. This

permitting program is high-volume, including a mix of relatively simple and highly complex projects. As a result of this event, in November 2014, the Program updated general permit application materials with the goal of increasing the percentage of complete applications. Program staff completed the first stage of “tiered review” guidelines, which will utilize designer certification versus in-depth application review for simpler projects. Those projects will move through the process more quickly, allowing staff to focus on higher value work. Testing and development of the Program’s new database continues, which will be central to several process improvements, including automated billing and notification of reporting and renewal requirements.

- WSMD’s Wetlands Program held a Lean event to explore how to shift staff time from inefficient processes to higher value work. Because of a lack of standardization, the Program has been consumed with recreating correspondence, permitting feedback loops, and re-entering data in multiple locations, resulting in frustrated applicants and less public awareness of the importance of wetlands. Wetlands staff time is better spent on more proactive work, such as training, education, restoration, mapping, and on-the-ground technical assistance. Since the Lean event, the Program has made many significant changes to the Wetlands website and databases. Today the public can easily find online answers to commonly asked questions. A new database with much improved functionality has greatly reduced staff search and data entry time. Tablet phones are now used in the field, which can generate standard correspondence letters to landowners

### **Upcoming Lean Events**

- In March 2015, WSMD’s Rivers Program will participate in a week-long joint Lean event with VTrans in order to explore ways to streamline the Title 19 approval process for VTrans’ projects.
- In March 2015, WSMD’s MAPP Program and ERP Program will participate in a week-long Lean event to explore ways to better integrate the tactical basin planning priority project identification process with the ERP funding process to ensure that priority projects are best identified and scoped, and to structure the grant issuance process so as to facilitate successful remediation projects

## **Additional Program-specific Efforts to Garner Efficiencies**

### **Monitoring, Assessment and Planning Program**

- During 2011, MAPP realigned its planning functions to accommodate the 2009 reduction of two basin planner positions, while tightening the plan issuance cycle, and increasing the precision of Plan implementation actions. MAPP also consolidated data management functions for water monitoring to ensure cohesive data access and availability, Department-wide and publically.

- During 2012, MAPP re-aligned its monitoring functions to support permitting functions of other Division programs. The Program also revised the duties of one staff to directly support the permitting functions.
- During 2012, MAPP consolidated two technician positions into one single permanent position, at reduced cost to Federal funding sources, and at no cost to the general fund, to support state and federal water monitoring requirements. During 2013, MAPP assisted the Lakes Program to accomplish the same.
- During 2013, MAPP collaborated with other Division programs to redefine the duties of the Division Hydrologist, to improve optimize the work of that position and ensure that all Division needs were met.
- Starting in 2012, MAPP began partnering with the Ecosystem Restoration Program (ERP) to improve the process by which restoration funds are targeted to the highest priority projects. This has significantly reduced the burden on staff to champion the development of project proposals. Additional efficiencies are expected to result from an upcoming Lean event involving these two programs in March.
- In 2014, MAPP streamlined required federal Clean Water Act reporting, reducing staff time spent on these activities. The capacity freed-up by this was reallocated to improved support for tactical basin planning.

### **Business & Operational Support Services (BOSS) Program**

- As described above, the Program recently reorganized to more efficiently use its existing staff to provide admin and compliance services to WSMD.
- The Program is actively working with ANR IT staff to develop electronic application and reporting forms to cut down on admin processing and duplicative data entry. These electronic forms are used by the public to apply for permits, make payments, submit monitoring data required under permits, etc.
- The Program recently created an administrative “dashboard” to automate much of the Stormwater and Wetlands Programs public noticing and permit issuance processes to cut down on administrative processing and duplicative data entry. The plan is to expand this dashboard to include the Wastewater Program in the near future.

### **Wetlands Program**

- The Wetlands Program has recently undertaken the following to increase Program efficiency:
  - Redistricting wetland ecologists to reduce travel times to sites and moving staff to district offices.
  - Using Go-To-Meetings to reduce travel time for meetings
  - Implementing revisions to Program website to allow public to find answers to their questions online



- Creating inquiry forms and checklists so users get the most out of staff site visits and submitted applications
- Redistributing administrative-type tasks to the BOSS Program
- Creating and implementing in-field data collection by phone
- Creating a new database for tracking projects more efficiently.
- Creation of allowed use guidance documents and standard operating procedures to provide clarity within the program and streamline work.

#### Lake Encroachment and Shoreland Permitting

- In 2014, Lake Encroachment and Shoreland Permitting duties were regionalized across the state. The legislature had established three new positions for implementation of the Shoreland Protection Act. The Program hired only 2 of the 3 based on permit fee revenue and projections for the coming year, and combined Shoreland Permitting duties with Lake Encroachment, which only had one existing position for implementation of Lake Encroachment for the entire state. The three positions in total now manage both Lake Encroachment and Shoreland Permitting within three regions of the state, which is a more efficient use of staff time and division resources to more effectively implement both regulations statewide.
- 2014/2015: In cooperation with IT, the Program developed a new Shoreland permit database for effectively managing the processing of Shoreland applications. The database is planned (2015) to be expanded to include Encroachment Permitting to replace the existing outdated database, which will save staff time, and allow for more effective management of both Shoreland and Encroachment Permitting.
- In 2014, the Program established the [ANR.WSMDSshoreland@state.vt.us](mailto:ANR.WSMDSshoreland@state.vt.us) email account that all regional permit analysts, amongst a few other staff have access to, to allow for efficient and timely response to the public. The shared email creates a central portal for email concerning both Lake Encroachment and Shoreland Permitting and allows staff to be more efficient, thus allowing staff to operate with less.

**Department of Environmental Conservation**

David K. Mears, Commissioner

Telephone: 802-828-1556

February 4, 2015

**TO:** House Fish, Wildlife and Water Resources Committee

**SUBJECT:** Additional Information on 13 New Clean Water Related Positions

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Additional information was requested around the staffing and operational needs associated with the Clean Water Phase One Implementation Plan for FY 2016 which includes 13 new staff positions to meet the state’s obligations under the Clean Water Act and the Lake Champlain Phosphorus TMDL. Below we have provided a list of the positions along with a brief description outlining some of the work they’ll be performing. The total amount of fee revenue being proposed is \$1.54M which will be used to cover all of the related personnel and operating costs associated with these 13 positions and approximately \$330k for contracting with local Regional Planning Commissions to help get them started with planning efforts for municipalities especially around the transportation related permits.

It is important for us to clarify that there are several aspects and related support functions which are intertwined and necessary for us to carry out our requirements under this Plan. For example, there will be a significant need to conduct “modelling” to identify necessary implementation opportunities to reduce phosphorus to both Lake Champlain and other surface waters across Vermont, as well as to assist in tracking the “best management practices” (BMP) implementation under Phase 1. These efforts are extremely critical to the Stormwater and Wastewater programs as well Rivers and Wetlands. We will also be providing a great deal of financial, technical and educational assistance in reducing nonpoint source phosphorus contributions to Vermont’s surface waters, including activities under the Phase I Implementation Plan.

<b>Program Area</b>	<b># of Positions</b>	<b>Position Description</b>
State Highway Stormwater Regulation	1	The Phase 1 Plan requires the development and implementation of a State Highway (TS4) General Permit, a new program to address stormwater from state highways. The TS4 will include a “phosphorus control plan” covering stormwater discharges from the state highway system. The position is needed to develop the program, provide technical assistance, and review implementation of VTrans’ stormwater plans over a multi-year period.

Municipal Highway Stormwater Regulation	1	This is the key position for a new Municipal Highway General Permit, a new program to address stormwater from local roads. This program will involve public outreach to all communities, development of a general permit and technical and permitting standards, and issuing authorizations under the new general permit.
Developed Land Stormwater Regulation	2	These positions will support development and implementation of a new program to address stormwater runoff from existing developed land that is currently unregulated. This effort will include substantial public outreach, the development and issuance of general and individual permits and the permitting of hundreds of currently unpermitted existing impervious surfaces.
Wastewater	2	These are permit writer positions responsible for writing the permits for and assisting municipalities with the task of upgrading wastewater treatment plants to meet new nutrient requirements. This work is critical to the effective implementation of both the Long Island Sound and Lake Champlain TMDLs due to the need to reissue the 94 expired permits and the associated need to develop innovative solutions to assist municipalities with meeting these new limits.
Rivers	1	The Phase 1 Plan emphasizes the need to regulate municipally exempt activities and Act 250 developments and review all development proposals (under state and municipal jurisdiction) on floodplains in the Lake Champlain basin. With this new position the Program will review more municipal projects, create a regional Certified Floodplain Technician Program, and increase the regulatory and technical assistance capacity for floodplain protection. This position will work with the Program's river scientists to capitalize on opportunities identified during their regulatory work to implement projects involving the removal of river corridor and floodplain encroachments.
Wetlands	1	As part of the Phase I implementation plan, DEC has committed to expand technical, educational and regulatory assistance regarding wetland protection and restoration. DEC has also committed to coordinate with partners to increase wetland restoration throughout the basin, increase permit compliance, and give heightened protection to wetlands within the basin which provide water quality protection and erosion control. This staff addition will increase Wetlands Program capacity to carry out all of these tasks.

Administrative	3	<p>The Phase I TMDL Plan will lead to a large administrative workload in reissuing the current expired Wastewater permits, and implementing the expanded stormwater, rivers, and wetlands programs.</p>
Monitoring, Assessment, and Planning	2	<p>The Phase I TMDL Plan requires a watershed modeler to conduct geographic and technical source-sector analyses using a critical source area identification system. The results of this modeling will direct implementation in the form of regulatory permitting actions, funding to prioritized target watersheds, and targeted pollution controls.</p> <p>In order to fulfill the state's obligations under the Lake Champlain TMDL, DEC also needs an environmental analyst to track the pollution reductions associated with implementation projects and to link DEC's tracking system to the tracking work that will be done by AAFM and VTrans.</p>

# Water Quality Fee Comparison to Other States

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## **VERMONT STORMWATER**

### VT Discharge Permit

Current Application Fee: \$430 per acre, \$220 minimum  
Proposed Application Fee: \$860 per acre, \$430 minimum

Current Operating Fee: Class A: \$255 per acre, \$255 minimum; Class B: \$80 per acre, \$80 minimum  
Proposed Operating Fee: Class A: \$310 per acre, \$310 minimum; Class B: \$160 per acre, \$160 minimum

### Construction Permit

Current Fee: Low Risk - \$50; Moderate risk - \$360  
Proposed Fee: Low Risk - \$100; Low risk >5 acres - \$220  
Moderate risk \$360; Moderate risk > 5 acres \$640

### Multi-Sector General Permit (MSGP)

Current Application Fee: \$220 per site  
Proposed Application Fee: \$440 per site

Current Operating Fee: \$80 per site  
Proposed Operating Fee: \$160 per site

### Municipal Separate Storm Sewer System Permit (MS4)

Current Application Fee: \$1200 per municipality  
Proposed Application Fee: \$2400 per municipality

Current Operating Fee: \$80 per municipality  
Proposed Operating Fee: \$10 per acre of impervious surface

## **MAINE**

Similar to Vermont, Maine is an EPA NPDES delegated state and administers the Construction, MSGP, and MS4 permitting programs. Maine also runs a small TS4 program for the state highways and runs an operational permit program for new impervious surfaces.

### Discharge Permit

Maine operates a similar stormwater program to Vermont for the development of impervious surfaces. Maine's Stormwater Management Law provides stormwater standards for projects located in organized areas that include one acre or more of disturbed area. Fees are dependent on risk, size of disturbance and type of BMP required.

Fees range from \$222 + \$111 per additional acre for vegetative BMPs to \$444 + \$222 per additional acre for structural BMPs. Vermont does not differentiate between the type of BMP required as most projects require structural BMPs. Maine's annual fees for structural BMPs are \$111 + \$55 additional acre. These fees are lower than Vermont's.

### Construction Permit

Maine administers the NPDES Construction General Permit, but assesses fees based solely on the size of disturbance. Vermont uses a more detailed risk assessment in combination with the size of a project.

Fees in Maine are \$100 for 1-3 acres of disturbance and \$133 for 3-5 acres of disturbance. These fees are comparable to Vermont's Low Risk construction projects. Fees for VT's Moderate Risk projects are higher as they require a more detailed review and analysis of project conditions prior to approval.

### Multi-Sector General Permit (MSGP)

Maine assesses an annual operating fee of \$314/year with no application fee. Over the 5 year NPDES permit term, Maine's fee is 6% higher than Vermont's. This accounts for the combination of Vermont's application and annual operating fees.

### Municipal Separate Storm Sewer System Permit (MS4)

Maine's MS4 annual operating fee is \$176/year, which is limited to annual increases tied to CPI. According to the Program Manager in Maine, this annual fee does not cover the operation of the program. Maine must borrow from other permitting programs to cover the cost of administering the MS4 program. The TS4 permit fee is also \$176/year.

## **NEW HAMPSHIRE**

New Hampshire relies on EPA to manage and issue the NPDES permitting programs. The one additional stormwater permit that New Hampshire does manage is the Alteration of Terrain Permit. This permit is triggered if a project disturbs approximately 2 acres, or 1 acre within a protected shoreline.

### Discharge Permit

New Hampshire does not require a stand-alone discharge permit, but does require permanent stormwater BMPs as part of the Alteration of Terrain Permit, described below.

### Construction Permit

The Alteration of Terrain Permit requires a one-time application fee, similar to Vermont's construction permit. Fees are based on area of disturbance and range from \$272 - \$1000/acre. This is comparable to large and Moderate Risk construction projects in VT and exceeds the fee for small, Low Risk projects in VT.

### Multi-Sector General Permit (MSGP)

Administered by EPA. EPA does not charge fees for permits.

### Municipal Separate Storm Sewer System Permit (MS4)

Administered by EPA. EPA does not charge fees for permits.

## **MASSACHUSETTS**

Massachusetts also relies on EPA to manage and issue the NPDES permits.

## **NEW YORK**

New York State is an EPA NPDES delegated state and administers the Construction, MSGP and MS4 permitting programs. In addition to the NPDES permits, NY also reviews and assesses fees for future impervious surfaces. This is similar to the application fee for Vermont's Discharge permit.

### Discharge Permit

Administered through the Construction General Permit, NY assesses a onetime fee of \$600 per future impervious acre. New York also requires that projects located within regulated MS4s submit copies of application materials to the local municipality for their review. It is unknown if there are additional local fees associated with this review and approval.

### Construction Permit

New York assesses an initial fee of \$100 per disturbed acre at construction sites and also assesses \$100 per year of construction operation. The initial fee similar to the application fee for Low Risk projects in Vermont; however, Vermont does not assess annual fees for construction operations.

### Multi-Sector General Permit (MSGP)

New York assesses a fee of \$100 year per MSGP regulated facility. This is slightly less than VT's fee. NY does not assess an application fee for MSGP sites.

### Municipal Separate Storm Sewer System Permit (MS4)

New York does not assess a fee for the MS4 permit. NY does rely on partner organizations such as Conservation Districts and NY Sea Grant to implement the MS4 permit. More research is needed to fully assess the funding source for the program.



## **CONNECTICUT**

Connecticut is an EPA NPDES delegated state and administers the Construction, MSGP and MS4 permitting programs. It does not have a separate discharge permit for impervious surfaces.

### Construction Permit

Connecticut's construction permit fee is based on disturbance area and ranges from \$625 - \$5000 per project. For example, the fee for projects reviewed by the state that disturb between 1 and 20 acres is \$3,000. Some municipalities have been delegated to review and approve projects that disturb between 1 and 5 acres. In these cases, the municipality may charge a fee while the state does not.

### Multi-Sector General Permit (MSGP)

Connecticut assesses MSGP application fees by the number of employees at a facility. The fee ranges from \$500 - \$1000 per facility. There is not an operating fee associated with the MSGP.

### Municipal Separate Storm Sewer System Permit (MS4)

The MS4 application fee is \$250 per municipality and \$187 annually.

## **MINNESOTA**

Minnesota is an EPA NPDES delegated state and administers the Construction, MSGP and MS4 permitting programs. It does not have a separate discharge permit for impervious surfaces.

### Construction Permit

Minnesota assesses a \$400 application fee assessed for all construction projects, regardless of risk or size of disturbance. This is comparable to a Moderate Risk project in Vermont.

### Multi-Sector General Permit (MSGP)

Minnesota assesses a \$400 application fee and a \$400 annual operating fee. Vermont's application fee is similar at \$440, but Vermont is proposing a much lower (\$160) annual operating fee.

### Municipal Separate Storm Sewer System Permit (MS4)

Minnesota assesses a \$400 application fee for MS4s.

## **WASHINGTON**

Washington is an EPA NPDES delegated state and administers the Construction, MSGP and MS4 permitting programs. While Washington does not administer a separate TS4 permit, it does identify the WADOT for specific fees in the MS4 permit.

### Construction Permit

The fee for construction permits in Washington is dependent on disturbed area and ranges from \$568 for less than 5 acres of disturbance to \$2,000 for over 20 acres. Washington's lowest fee is comparable the fees in Vermont for the larger, Moderate Risk projects. Smaller project and those that are lower risk in Vermont are assessed lower fees.

### Multi-Sector General Permit (MSGP)

Washington bases the fee for its MSGP on the business' gross revenue. The fees range from \$140/year for a business with a revenue of less than \$100,000/yr to a fee of \$2000/year for a business with a revenue greater than \$10,000,000. Vermont does not differentiate MSGP facilities based on revenue, and instead charges the same application fee and annual fee to all businesses. In Vermont, the annual operating fee is similar to the lowest annual fee charged by Washington.

### Municipal Separate Storm Sewer System Permit (MS4)

Similarly to the MSGP, Washington sets the fees for the MS4 permit based on municipal operating budgets. The MS4 fees range from \$385/year for municipalities with operating budgets less than \$100,000 to the state's largest municipalities which are assessed \$50,000/year. The Washington Department of Transportation is also assessed the large MS4 fee of \$50,000.

## **VERMONT WASTEWATER MANAGEMENT**

### Municipal Direct Discharge Operating and Permitting Fee

Current Initial Permitting Fee: \$120 admin processing + \$.0023/gallon design flow + \$50/outfall (\$30,000 max)

Proposed Initial Permitting fee: \$240 admin fee + \$0.003/gallon design flow + \$100/outfall (\$30,000 max)

Current Permit Renewal Fee: \$120 admin processing

Proposed Permit Renewal Fee: \$240 admin fee + \$.002/gallon design flow + \$50/outfall (\$2500 max)

Current Operating Fee: \$0.003 per gallon Actual Flow

Proposed Operating Fee: \$0.003 per gallon Permitted Flow

### Industrial Direct Discharge Operating and Permitting Fees

Current Initial Permitting Fee: \$120 admin processing + \$.0023/gallon design flow + \$50/outfall (\$30,000 max)

Proposed Initial Permitting fee: \$240 admin fee + \$0.003/gallon design flow + \$100/outfall (\$30,000 max)

Current Permit Renewal Fee: \$120 admin processing

Proposed Permit Renewal Fee: \$240 admin fee + \$.002/gallon design flow + \$50/outfall (\$2500 max)

Current Operating Fee: \$0.0010 per gallon Permitted Flow

Proposed Operating Fee: \$0.0015 per gallon Permitted Flow

### SEPTAGE PUMPING FEE

Current Fee: None

Proposed Fee: \$10 per 1,000 gallons pumped

## **MAINE**

Maine is delegated by USEPA to administer the NPDES direct and industrial discharge programs. Direct discharge permits are processed and issued by Maine DEP. Industrial pretreatment discharge permits are processed and issued at the municipal level by municipalities that have state approved pretreatment programs. Maine does not charge application fees.

### Municipal Direct Discharge Operating and Permitting Fees

Maine establishes annual operating fees based on type of facility, which in some cases is further broken down based on design flow. Categories pertinent to Vermont facilities include publicly owned treatment works (POTW) in five flow ranges, major industrial facilities, minor industrial facilities, fish rearing facilities in two flow ranges, non-contact cooling water, non-process industrial discharges, log storage facilities, combined sewer overflow outfalls, and the creation of mixing zones. State annual operating fees for new facilities are based on the median fee paid by existing facilities in the year that the new facility is permitted (2013 assumed here). The annual fee for existing facilities increases each year with the CPI.

Annual operating fees (2013 median base) range from \$336 for a POTW with a design flow of <0.01 million gallons per day (MGD) up to \$5015 for a POTW with a design flow of >5 MGD and which receives significant industrial waste.

#### Industrial Direct Discharge Operating and Permitting Fees

Pretreatment permitting and associated fees are done/collected at the municipal level by those municipalities with delegated programs. State annual operating fees for new facilities are based on the median fee paid by existing facilities in the year that the new facility is permitted (2013 assumed here). The annual fee for existing facilities increases each year with the CPI.

Annual operating fees (2013 median base) range from \$211 for log storage facilities up to \$21,667 for major industrial discharges.

#### Septage Pumping Fee

Maine does not assess a septage fee at the state level.

### **NEW HAMPSHIRE**

New Hampshire is not delegated by USEPA to administer the NPDES permitting program. All NPDES discharge permits are issued by USEPA Region 1.

#### Municipal Direct Discharge Operating and Permitting Fees

New Hampshire does not charge permit application fees or annual operating fees.

#### Industrial Direct Discharge Operating and Permitting Fees

New Hampshire does not charge permit application fees or annual operating fees.

### Septage Pumping Fee

New Hampshire does not assess a septage fee at the state level. However, New Hampshire does assess an annual fee of \$105 per pumping vehicle.

## **MASSACHUSETTS**

Massachusetts is not delegated by USEPA to administer the NPDES permitting program. All NPDES discharge permits are issued by USEPA Region 1. However Massachusetts does perform its own review of all applications for NPDES discharge permits. Massachusetts' review fee schedule (79 pages) is based on the type of facility, flow, individual components of a system needing review, and myriad other factors. Review fees for facilities similar to those found in Vermont range from approximately \$3200 - \$6100 for facilities receiving their first permit, and from approximately \$1450 - \$3030 for the repermitting of existing facilities.

### Municipal Direct Discharge Operating and Permitting Fees

Massachusetts charges an annual operating fee of \$10,800 for POTWs, regardless of flow.

### Industrial Direct Discharge Operating and Permitting Fees

Massachusetts charges an annual operating fee of \$10,800 for industrial discharges, regardless of flow.

### Septage Pumping Fee

Massachusetts does not assess a septage fee at the state level.

## **NEW YORK**

New York is delegated by USEPA to administer the NPDES direct and industrial discharge programs. New York does not charge application fees. Fee derived support for the program is obtained solely through the large number of high flow facilities paying annual operating fees. Direct discharge permits are processed and issued by New York DEC. Industrial pretreatment discharge permits are processed and issued at the municipal level by municipalities that have state approved pretreatment programs.

### Municipal Direct Discharge Operating and Permitting Fees

New York assesses annual operating fees for POTWs based on flow ranges.

Annual operating fees range from \$375 for a POTW with a design flow of <0.2 MGD up to \$7500 for a POTW with a design flow in the range 1 MGD – 5 MGD.

### Industrial Direct Discharge Operating and Permitting Fees

New York assesses annual operating fees for industrial direct discharges based on flow ranges.

Annual operating fees range from \$375 for an industrial discharge with a design flow of <0.01 MGD up to \$40,000 for any discharge for power plants regardless of flow.

### Septage Pumping Fee

New York assesses an annual per vehicle fee of \$250 for the first vehicle and \$100 for each additional vehicle. In addition, each county licenses septage haulers with a typical fee of \$200/year.

## **CONNECTICUT**

Connecticut is delegated by USEPA to administer the NPDES direct and industrial discharge programs. Connecticut charges application fees. Direct discharge permits are processed and issued by Connecticut DEEP. Industrial pretreatment discharge permits are processed and issued at the municipal level by municipalities that have state approved pretreatment programs. For POTWs, application fees are based on design flow. Application fees for facilities similar to those found in Vermont range from \$5750 for a POTW with a design flow of <0.02 MGD up to \$7,675 for a POTW with a design flow in the range 1 MGD – 4MGD.

### Municipal Direct Discharge Operating and Permitting Fees

Connecticut assesses annual operating fees for POTWs based on flow ranges.

Annual operating fees range from \$375 for a POTW with a design flow of <0.2 MGD up to \$7500 for a POTW with a design flow in the range 1 MGD – 5 MGD.

### Industrial Direct Discharge Operating and Permitting Fees

Connecticut assesses annual operating fees for industrial direct discharges based on flow ranges.

Annual operating fees range from \$2,725 for an industrial discharge with a design flow of <0.02 MGD up to \$5,365 for an industrial discharge with a design flow in the range 5 MGD – 10 MGD.

### Septage Pumping Fee

Connecticut does not assess a septage fee at the state level.

## **MINNESOTA**

Minnesota is delegated by USEPA to administer the NPDES discharge programs. Minnesota permit application fees are established via a point system under which the components of a project are scored according to factors such as the size and complexity, with each point = \$310. Additional points are assessed for antidegradation reviews (20 points), Environmental Assessments (70 points), and several other miscellaneous aspects of permitting (minor points, not included above) that would be required of all new direct discharge facilities.

### Municipal Direct Discharge Operating and Permitting Fees

Minnesota assesses annual operating fees for POTWs based on flow ranges.

Annual operating fees range from \$505 for a minor POTW with a design flow of <0.1 MGD up to \$5900 for a major POTW with a design flow of <5 MGD.

### Industrial Direct Discharge Operating and Permitting Fees

Minnesota assesses annual operating fees for POTWs based on flow ranges.

Annual operating fees range from \$1230 for a minor industrial discharge up to \$18,250 for a major industrial discharge with a design flow in the range 5 MGD – 20 MGD.

### Septage Pumping Fee

Minnesota assesses an annual fee of \$400 maximum per septage hauler.

## **WASHINGTON**

Washington is delegated by USEPA to administer the NPDES discharge programs. Direct discharge permits are processed and issued by Washington DoE. Industrial pretreatment discharge permits are processed and issued at the municipal level by municipalities that have state approved pretreatment programs. Permit application fees for new POTWs are based on design flow and range from \$181 for a facility with a design flow of <0.1 MGD to \$22,723 for a facility with a design flow in the range 1 MGD – 5 MGD. Industrial discharge application fees for new facilities are based on the type of facility and design flow ranges. Application fees for a new industrial discharge permit range from \$836 for a facility with a design flow of <0.2 MGD up to \$50,133 for a metal finishing facility with a design flow >0.5 MGD. . The application fee for municipal WWTFs, which is charged to new applicants only, is set at the greater of 25% of the annual operating fee when based on design flow or \$250.

### Municipal Direct Discharge Operating and Permitting Fees

Washington assesses annual operating fees for POTWs based on flow ranges.

POTW annual operating fees are based on Residential Equivalents (RE) at \$2.16/RE, which is most simply calculated by dividing the average daily influent flow (in gallons) by 250. In addition, if the municipal wastewater system has CSO outfalls, the single annual operating fee for the outfalls is based on the acreage that contributes stormwater to the collection system. These fees range from \$3342 for <50 acres to \$13,368 for 500 acres or greater. None of the example facilities in the attached table have CSO outfalls.

### Industrial Direct Discharge Operating and Permitting Fees

Washington assesses annual operating fees for industrial discharges based on the type of facility and flow ranges.

Annual operating fees range from \$3342 for a minor brewery type discharge up to \$50,135 for a major industrial discharge with a design flow in the range 5 MGD – 20 MGD.

### Septage Pumping Fee

Washington does not assess a septage fee at the state level.

## **PENNSYLVANIA**

Pennsylvania is delegated by USEPA to administer the NPDES discharge programs. Permit application fees for POTWs range from \$500 for a facility with a design flow of <0.05 MGD up to \$5,000 for a facility with a design flow in the range 1 MGD – 5 MGD. Permit reissuance fees are 50% of the fee for a new facility permit. Industrial discharge permit application fees are based on design flow and range from \$1000 for a facility with a design flow of <0.05 MGD up to \$10,000 for a facility with a design flow of <250 MGD. Permit reissuance fees are 50% of the fee for a new facility permit.

### Municipal Direct Discharge Operating and Permitting Fees

Pennsylvania assesses annual operating fees for POTWs based on flow ranges.

POTW annual operating fees range from \$250 for a POTW with a design flow <0.05 MGD up to \$1250 for a POTW with a design flow in the range 1 MGD – 5 MGD. Minor POTWs with CSO outfalls are assessed and additional fee of \$750 per year and major POTWs with CSO outfalls are assessed and additional \$5000 per year. None of the example facilities in the attached table have CSO outfalls.



### Industrial Direct Discharge Operating and Permitting Fees

Pennsylvania assesses annual operating fees for industrial discharges based on flow ranges.

Annual operating fees range from \$500 for a minor facility up to \$5000 for a major industrial discharge with a design flow of <250 MGD.

### Septage Pumping Fee

Pennsylvania does not assess a septage fee at the state level.

## **RHODE ISLAND**

Rhode Island is delegated by USEPA to administer the NPDES discharge programs. Permit application fees for POTWs range from \$14000 for a new facility with a design flow of <1 MGD up to \$16,000 for a facility with a design flow in the range 1 MGD – 15 MGD. Rhode Island does not assess permit reissuance fees. Industrial discharge permit application fees are based on design flow and range from \$11,000 for a facility with a design flow of <0.01 MGD up to \$16,000 for a facility with a design flow in the range of 1 MGD – 15 MGD. Rhode Island does not assess permit reissuance fees.

### Municipal Direct Discharge Operating and Permitting Fees

Rhode Island assesses annual operating fees for POTWs based on flow ranges.

Direct discharge annual operating fees range from \$1500 for a POTW with a design flow <1 MGD up to \$3000 for a discharge with a design flow in the range 1 MGD – 15 MGD.

### Industrial Direct Discharge Operating and Permitting Fees

Rhode Island assesses annual operating fees for industrial pretreatment discharges based on flow ranges.

Annual operating fees range from \$400 for a facility discharging <0.01 MGD up to \$1000 for a pretreatment discharge with a design flow of >0.1 MGD.

### Septage Pumping Fee

Rhode Island assess a septage fee at the state level. The fee is set at \$10/1000 gallons, the same as proposed in VT.

## FEE COMPARISON CHART OF SELECT VERMONT FACILITIES

This chart shows a comparison of existing fees and proposed fees included in DEC's Clean Water Initiative Fee Proposal. Specifically, how several example facilities will be impacted by the proposed fee increase and how those fees compare to other states.

<b>EXISTING FACILITY PERMIT RENEWAL</b>						
<b>This fee is assessed once every 5 years upon renewal of a wastewater discharge permit (municipal, industrial and pretreatment)</b>						
	<b>BARRE</b>	<b>RICHMOND</b>	<b>CABOT</b>	<b>IBM</b>	<b>ALCHEMIST</b>	<b>AGRIMARK - MIDDLEBURY</b>
VT (current)	\$120	\$120	\$120	\$120	\$120	\$120
VT (proposed)	\$8,340	\$784	\$440	\$17,090	\$292	\$1190
CT	\$7,675	\$5,750	\$5,750	\$13,800	\$4,900	\$9,800
RI (recertifications with/without modifications)	\$6000/ \$1000	\$6000/ \$1000	\$6000/ \$1000	\$6000/ \$1000	\$6000/ \$1000	\$6000/ \$1000
NY	\$0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
MA (recertifications with/without modifications)	\$3030/ \$1445	\$3030/ \$1445	\$3030/ \$1445	\$3030/ \$1445	\$3030/ \$1445	\$3030/ \$1445
MN (recertifications with/without modifications)	\$2480/ \$1240	\$2480/ \$1240	\$2480/ \$1240	\$2480/ \$1240	\$2480/ \$1240	\$2480/ \$1240
ME	\$0	\$0	\$0	\$0	\$0	\$0
PA	\$1,250	\$500	\$500	\$5,000	\$500	\$5,000
WA	\$0	\$0	\$0	\$0	\$0	\$0

<b>ANNUAL OPERATING FEES</b>						
<b>This fee is assessed annually for all facilities that are required to maintain a permit for wastewater discharges (municipal, industrial and pretreatment)</b>						
	<b>BARRE</b>	<b>RICHMOND</b>	<b>CABOT</b>	<b>IBM</b>	<b>ALCHEMIST</b>	<b>AGRIMARK - MIDDLEBURY</b>
VT (current)	\$7,890	\$180	\$150	\$8,000	\$150	\$17,325
VT (proposed)	\$12,000	\$666	\$150	\$12,000	\$200	\$18,000
CT	\$2,368	\$1,722	\$1,722	\$6,135	\$2,725	\$5,450
RI	\$3,000	\$1,500	\$1,500	\$3,000	\$400	\$1,000
NY	\$7,500	\$1,875	\$375	\$18,750	\$375	\$3,750
MA	\$10,800	\$10,800	\$8,320	\$10,800	\$10,800	\$10,800
MN	\$5,900	\$1,450	\$505	\$18,250	\$1,230	\$8,450
ME (see notes explaining fee basis)	\$1,432	\$679	\$440	\$21,667	\$1,337	\$21,667
PA	\$1,250	\$250	\$250	\$5,000	\$500	\$1,500
WA	\$22,723	\$518	\$181	\$50,135	\$3,342	\$21,997

