

e-mail from Eric Blatt 3/22/2016:

Catherine - Below are DEC's recommendations on the two funds in question. Later today, I will provide the additional information that you have requested on the timing of the use of the FY16 & FY17 DEC appropriations.

- The Vermont Pollution Control Revolving Fund, which is capitalized exclusively with state funds, has a current balance of ~ \$500K. To date, we have issued three loans from the fund, all awarded in 1992 and all fully repaid. The Fund was established for projects that could not meet federal SRF requirement. The originally anticipated level of activity never materialized, so I am recommending that these funds be reallocated to help reduce the current unmet pollution control grant need for the six projects that received partial grants (~ 6% of their total eligible amount). The funds should be distributed proportionally to those 6 projects as we have requested in the capital budget adjustment for FY17. This would not be the first time that money has been transferred from the Fund as this was done in 2005 for a similar purpose, i.e. to fill a gap in state grant funding.

- The Vermont Water Source Protection Fund, which is exclusively capitalized with federal dollars, has also had little activity since the initial round of loans were awarded in the early 2000s. Given the lack of municipal interest in or awareness of this Fund, I recommend that the current balance of ~\$200K be transferred to the Vermont Environmental Protection Agency (EPA) Drinking Water State Revolving Fund - our fund for financing public water system construction projects. 24 VSA §4753(b) gives the Agency authority to transfer funds from the Vermont Water Source Protection Fund to Vermont Environmental Protection Agency (EPA) Drinking Water State Revolving Fund. If in the future DEC renewed its outreach to municipalities on use of the Fund for source water protection, and that translated into demand for loans, we could at that time allocate federal set-aside dollars from the next available EPA Drinking Water SRF grant to recapitalize the Fund.

Please let me know if you are looking for more information or clarity on the above.

-----Original Message-----

From: Catherine Benham [<mailto:CBenham@leg.state.vt.us>]

Sent: Friday, March 18, 2016 3:18 PM

To: Blatt, Eric <Eric.Blatt@vermont.gov>

Cc: Terence Macaig <TMacaig@leg.state.vt.us>; Butch Shaw <bshaw@leg.state.vt.us>; Eileen Dickinson <EDickinson@leg.state.vt.us>; Ellis, Rebecca <Rebecca.Ellis@vermont.gov>

Subject: Re: Two funds

Eric,

You are correct. Thank you for checking in and clarifying. I assume you will also address any limitations on what can be done given that federal funds are in the Water Source Protection Loan Fund.

Catherine

Sent from my ipad

Catherine Benham

> On Mar 18, 2016, at 3:14 PM, Blatt, Eric <Eric.Blatt@vermont.gov> wrote:
>
> Catherine -
>
> Before getting back to you and the Sub-Committee, I want to confirm you are referring to the Vermont Pollution Control Revolving Fund, which is capitalized with state dollars only, and the Water Source Protection Loan Fund, which is capitalized with federal funds. I will discuss this w/DEC senior management and get back to you by Tuesday.
>
> -----Original Message-----
> From: Catherine Benham [<mailto:CBenham@leg.state.vt.us>]
> Sent: Friday, March 18, 2016 2:26 PM
> To: Blatt, Eric <Eric.Blatt@vermont.gov>
> Cc: Terence Macaig <TMacaig@leg.state.vt.us>; Butch Shaw <bshaw@leg.state.vt.us>; Eileen Dickinson <EDickinson@leg.state.vt.us>
> Subject: Two funds
>
> Eric,
> There are 2 funds that have not had activity in years with approx \$700,000 combined.
>
> If these funds were eliminated, what would you all like to do with these funds?
>
> We need an answer by Tuesday - the house institutions committee will be voting out a capital bill by the end of next week.
>
> Thank you
> Catherine
>
> Sent from my ipad
> Catherine Benham