



Testimony of Jared Carpenter
Water Protection Advocate, Lake Champlain Committee
Before the House Natural Resources, Fish and Wildlife Committee
March 22, 2018

Good Morning, Chair Deen and Members of the Committee,

Thank you for the opportunity to testify on S.260, an act relating to funding the cleanup of State waters, and on clean water funding in general. Funding for clean water projects and programs is the crucial missing piece from the enactment of Act 64 and the Lake Champlain TMDL, as successful restoration and protection of Vermont’s waters rests on stable, long-term funding.

The Lake Champlain Committee (LCC) is a bi-state nonprofit working for a clean, accessible lake since 1963. We use science-based advocacy, education and collaborative action to protect water quality, safeguard natural habitats, provide access and foster stewardship. LCC is the home organization for the Lake Champlain Paddlers' Trail and, in 2003, initiated the Lake Champlain citizen cyanobacteria monitoring program. The program has grown every year and we now monitor over 100 sites on Lake Champlain and also provide monitor training and oversight for several inland Vermont lakes.

Enacted in 2015, Act 64 established an “all-in” approach across sectors that have an impact on water quality, including agriculture, roads and developed lands, wastewater systems, and natural resources. But adequate funding was excluded and left for another Legislative Session. Without adequate funding, Act 64 is hollow and will not be fully effective. Just like the Act, this funding needs to be “all-in” as well, and provide a stable revenue source to allow for planning for the next two decades.

For some property owners, this debate over funding for projects to restore water quality is becoming less academic and more reality. This past summer saw severe blooms in many areas. For

more and more people, pollution generated by others and beyond their control is impacting their lives and their property. If Act 64 is not fully implemented and funded in a timely manner, any delay will only cause pollution to get worse, with greater environmental and economic impacts, and make cleanup and restoration increasingly expensive.

The Secretary of the Agency of Natural Resources has said that additional funding is not needed right now. Technically, this may be true. Proposed by the State Treasurer, and subsequently supported by the Governor, the Legislature authorized “bridge funding” last year in the Capital Bill for clean water projects and programs, including \$21.9 million for FY18 and \$23.4 million for FY19. With this, there is likely enough funding for FY18 and FY19, but not because it is the maximum funding amount needed for identified projects, but, as the agencies have admitted, they do not have the staff capacity to distribute additional funds. However, this “bridge funding” is not a long-term solution and the Administration has not proposed a long-term funding source or mechanism.

When the FY19 capital funds end, only the roughly \$4 million from the Property Transfer Tax Clean Water Surcharge will remain. Implementation of a long-term revenue source, including mechanisms for assessment, administration and distribution, cannot be established overnight, but may take a year or more. As of right now, there will be a severe gap in the funding needed, with the only \$4 million Surcharge as a funding source, but many projects that require funding. We ask this committee to establish the necessary steps and actions to develop and implement long-term funding.

Support for a Clean Water Authority with Legislative Oversight

LCC supports the Clean Water Authority proposal, and spoke in favor of the approach at a press conference along side members of the business community, municipal representatives, and environmental advocates. As envisioned, the Authority is a third-party entity, similar to the Vermont Housing and Conservation Board, which would assess, collect and distribute a clean water fee for projects and programs. An important reason for the Authority is to remove, as much as possible, the political process that currently weighs down the system. Political concerns have always influenced the choices by the Legislature of a source of funds. And, the current Clean Water Fund Board consists of the Governor’s Cabinet, so the overall priorities of the Governor, regardless of party, will naturally influence the decisions of the Board. An Authority of citizen-experts, perhaps with the

State Treasurer as an ex officio member, would lead to decisions that would focus just on what is needed for clean water, and not political influences.

S.260 calls for two more studies, one by a Legislative Committee and one by a modified Clean Water Fund Board. LCC is generally opposed to more broad studies, but instead advocates for the analysis of a specific revenue source and administrative mechanisms. The studies proposed in S260 raises matters regarding administration of a fund that must be addressed, including how a fund will be assessed, collected and distributed by any body, including an independent Authority. But, the bill contains a large number of these topics that need to be addressed and LCC would ask that this committee take time to thin those out to some specific asks for study. These are not only related to the specific fees, but also how the structure will be 'stood up:' how will the fees be assessed? What will the assessment be based on? How will the revenue be collected? How will funds be distributed and how will sectors and programs be prioritized?

LCC asks that this committee to make some determinations of the best routes to accomplish these goals, limit the questions and issues proposed in S260 down to fewer options, and pose them to an Authority of experts to analyze. We would also ask that this Authority examine the implementation of tiered per parcel fee as the funding mechanism to provide an equitable means of raising revenue. During this study period, regular check-ins could occur with a Legislative Oversight Committee, similar to the one that exists on Health Reform and on other issues, which would offer guidance and input throughout the study process.

Conclusion

In conclusion, LCC asks that the Committee make the necessary decisions to establish the groundwork that will be needed to implement a program for stable, long-term clean water funding. We would ask that an Authority of citizen-experts be established to examine the narrow provisions necessary to implement and administer a stable, long-term clean water funding program.