

House Committee on Natural Resources, Fish and Wildlife: State treasurer's Clean Water Report
February 15, 2017
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Draft 3.3 of the Clean Water Fund Bill includes the formation of a Working Group on Water Quality Funding. The Town of Williston is in support of such a group. However, there is currently no municipal representation proposed for the Working Group. As a central premise of a per-parcel fee is the possible implementation of municipal utilities municipal representation from both a non-MS4 and MS4 with an existing stormwater utility should be added to the group.

It is suggested that the Clean Water Fund Bill incorporate the following positions with regards to a per parcel fee:

- Base the fee on parcel impervious cover and include every owner of property including those which are tax exempt.
- **Don't double-charge existing utilities.** Any statewide fee levied for the purpose of water quality should not reduce funding of municipal stormwater programs/utilities. A statewide fee should exempt a property owner which is paying into a municipal stormwater programs/utility.
- It is important to keep in mind that these costs do not include project planning and development costs or ongoing operating and maintenance costs, which may be as much or more than the capital costs on an annual basis and are ongoing. Knowing this, the Town of Williston agrees with VLCT, the CCRPC and the Mayors' Coalition that the state needs to pay for 80 percent of the cost of capital projects.
- Even if a municipality (MS4 or non-MS4) has established a stormwater utility or some other locally-based revenue raising mechanism, municipalities should be able to access additional state funds as no municipalities have the capacity to raise all of the revenues needed to address ongoing needs.
- **Local collection should not be the only option under consideration.** There is not a correlation between making funding decisions at a local/regional level and collecting the fees. While Williston appreciates the idea of driving the revenue generation and use to a local level, requiring municipalities to collect these funds is problematic.
- It is clear through the review of state reports and testimony that there is a push to mandate collection of state fees at the local level. This is problematic for a number of reasons such as:
 - While the administrative capacity exists to collect property taxes at the local level, that collection system does not collect funds from tax exempt parcels, an essential component of charging a "fee" as opposed to a "tax".
 - While some towns do have a utility billing system these billing systems are linked to the 911 address and not a Map ID or SPAN number. The creation of a new/expanded utility billing database represents significant staff and consulting time.
 - The vast majority of municipalities which do bill for water and sewer do so for a small percentage of the parcels in the town. Unlike urban city centers this results in a significant portion of the town not covered underneath existing utility billing structures.

In short, the majority of municipalities will need to implement a brand new collection system, not utilize an existing one as is suggested.

Whether collection happens at a state or local level Vermont parcel owners will ultimately be responsible for financing the Clean Water Fund. It is the responsibility of those implementing the fund to administer it in the manner that has the lowest administrative costs, whatever that may be. Determining the cheapest administrative route will result in the greatest amount of capital funds to apply to water quality improvements. To ensure Vermonters receive the greatest cost to benefit ratio, the Town of Williston requests that the Working Group on Water Quality Funding commission an analysis by a third party providing a detailed cost comparison between local and state collection of a per parcel fee. The sum of \$75,000 proposed to be appropriated for the Working Group should be sufficient to fund this study.