

Testimony: House Natural Resources, Fish and Wildlife Committee February 7, 2017
James Juras
Village of Essex Junction Water Quality Superintendent
Stormwater, Wastewater Treatment and Water Quality

Vermonters all know we must make a substantial investment to improve the water quality in the State. We know this because of ongoing educational efforts started by this Natural Resources, Fish and Wildlife Committee in processing Vermont's Water Quality Bill, Act 64. Clearly all communities need help in accomplishing this water quality goal. Funding will be exceptionally complicated and challenging. The Treasurer took on this challenging topic. Treasurer Pierce embraced the task, initiated an exceptionally inclusive process that generated the options presented in the "Clean Water Report" that you are currently considering. The Treasurers' work was an outstanding effort that generated a very robust package of options for consideration. The group of solutions presented is focused on loans and supplemental grants that will carry the clean water goals forward.

In recent years, delays and uncertainty were created by appeals. During this time, work has been ongoing silently and consistently with little recognition by many, including environmental groups. This work is expensive and takes a lot of detailed planning, especially in urban areas. Essex and Essex Junction have been working diligently to improve water quality infrastructure for stormwater and wastewater for more than 15 years. Both communities are permitted as Municipal Separate Storm Sewer Systems (MS4's). We have enacted tough development standards to ensure maximum retention of stormwater water on project sites in anticipation of future stormwater regulatory standards. We own a 3.3 Million Gallon per Day regional Wastewater Treatment Facility that services both communities and the Town of Williston. The Wastewater Facility just completed a \$15.3 M maintenance project to rehabilitate our facility. We can now comply with pending Phosphorus requirements under the Lake Champlain TMDL for the near future. Millions of Essex and Essex Junction rate payer dollars and tax payer dollars have been invested in clean water and the work continues. The millions of dollars noted do not include the cost to operate and maintain these infrastructure improvements.

The EPA regulated communities like Essex and Essex Junction have clear interest in meeting the water quality goals. We must show progress to prevent possible next steps pledged by EPA for lack of compliance with the Lake Champlain TMDL accountability framework. Funding of water quality improvements must maintain flexibility to allow the regulated to find the best phosphorus reductions that meet their community and asset management objectives. EPA has clearly stated that any future action for noncompliance would be directed towards wastewater facilities and MS4 Stormwater communities as this is their only recourse under the law. Such action would be ineffective, requiring additional Wastewater and MS4 stormwater improvements at significant cost without measureable benefit to the overall phosphorus removal effort required under the Lake Champlain TMDL.

The Treasurers report supports the reality that the Water Quality improvements are a costly and a long term investment by all Vermonters. Everyone wants clean water now. The reality is that TMDL implementation is a long term process. I respectfully note that the Treasurers report is loan centered with the entire burden of loan costs remaining within the local community to bear. In order to accelerate the work, there need to be early grants and other means to incentivize early compliance for these improvements for benefit to the Waters of the State. Funding must also be flexible to allow for effective storm water system improvements that are relatively low in cost ranging from tens of thousands of dollars to less than a few hundred thousand dollars. These types of projects fall below the

effective threshold for historic loan programs and the results can best be achieved through matching local funds and grants at 50% to 80%.

While we all focus on implementation, there is still some regulatory uncertainty. Regulatory uncertainty noted is related to rules and measurements still outstanding for municipalities to complete their own compliance planning. Outstanding issues to date include:

- Phosphorus allocation to MS4 communities (25% reduction of what?)
- Residual Designated Authority Permit details
- Acceptance of submitted Flow Restoration Plans
- Phosphorus removal metrics for Phosphorus reduction planning
- Resolution of conflicting requirements within State rules that impact water quality improvement projects – groundwater, stream discharge, wetlands issues
- Wastewater NPDES Phosphorus
 - Final Load Allocation for wastewater facilities
 - Method tracking: Annual average, moving average, etc
- Stormwater and wastewater: TMDL related permit conditions
- other

It will take time to identify and develop projects, complete studies, investigate funding sources and (if needed) secure bond votes, bid the projects and construct improvements. Implementation funds must be allocated with high scrutiny on the technical aspects of required TMDL nutrient reduction. Funds will also face competition from projects that update aging infrastructure. Failure to effectively and efficiently allocate funds now will increase compliance cost over the long term. With the overall cost of this developing program, communities must also consider their capacity to pay.

Essex and Essex Junction Support

- Continued use of the 2% property transfer tax while funding details are sorted out.
- Clear milestones for positive action during this bridge period
- Substantially support earlier testimony by Rutland City, South Burlington and Burlington
- Strong link between the fees and water quality
- Strong emphasis on the greatest nutrient or water volume reduction for dollars spent
- A centralized method of fee collection with a keen eye on the total administration costs of method selected
- A statewide and equitable solution to funding Water Quality
- H.38 which adds members of the public on the Clean Water Fund Board
- Water Quality investments that support the TMDL Accountability Framework
- Early grants tied to targeted reductions in order to kick start the compliance process
- Strong consideration of a community's ability to pay
- Implementation of Nutrient Offsets as a compliance tool (similar to stormwater offsets currently in statute)
- Cost effective offsets funding across all permit sectors
- Recognition that most MS4 communities already spend and have spent large sums of money for improving water quality. These populations should not be “double-taxed” both by the local community and through a state-wide tax or fee system.
- A final funding solution that is adaptable to the long term needs of this Water Quality Commitment

LET THE COMMUNITIES DETERMINE:

- The need or lack of need for a local or regional utility structure (13 MS4's, 3 utilities)
- Flexible administrative and implementation strategies based on local compliance needs and opportunities
- Collaborative efforts that make sense to that community
 - Essex/Essex Jct consolidated Public Works
 - Chittenden County Regional Stormwater Education Program
 - Chittenden County Stream Team
- Innovative compliance approaches still to be determined

INCENTIVIZE:

- Large Phosphorus reduction projects
- Early Phosphorus reduction enablers
- Broader cooperative pollution reduction and pollution prevention efforts
- Innovative design projects that move Phosphorus and other nutrients out of the basin
- Anaerobic Digester projects that export nutrients out of the basin

Thank you for the opportunity to provide testimony to the Committee. If you have any questions, please feel free to contact me.

James Jutras

jim@essexjunction.org

802-878-6943 ext 101