



781 Blakely Road • PO Box 55 • Colchester, Vermont • 05446 • 802.264.5500

www.colchestervt.gov

October 7, 2016

Treasurer Beth Pearce
Office of the State Treasurer
Clean Water Fund Board
109 State Street, 4th Floor
Montpelier, VT 05609-6901

Dear Treasurer Pearce:

Thank you for the opportunity to provide the Town of Colchester's perspective on Clean Water Funding. We all share a common goal of improving water quality and appreciate your leadership in evaluating funding needs and options. There is a significant need for funding in this arena and this letter is intended to provide policy makers with one municipality's estimates of costs and our challenges in meeting these goals and complying with various permits and plans.

State Permitting Costs Have Increased

We understand the importance and need for permits. It is a function of every level of government. While we realize that the Clean Water Fund Board, (CWFB) is not a regulatory agency that imposes water quality permits, it is important for the board to understand the financial challenges municipalities face regarding water quality related costs. **Over the past two years, the Town's stormwater permitting fees assessed by the state have increased by 455%. These permit costs now equate to 14% of our entire stormwater operating budget. Therefore, we are opposed to using the property tax or increasing permit fees to pay for water quality improvements.**

Water Quality Operating and Capital Needs

Currently our stormwater operating budget represents 11% of our overall infrastructure maintenance budget. Other infrastructure we currently must maintain includes 100 miles of roadways, 117 pieces of municipal equipment, and 15 public buildings. Through our efforts to develop a stormwater utility, we have projected the need to increase our stormwater maintenance budget by 300% to meet our water quality needs, which include significant regulatory requirements.

The Town also has enormous water quality capital needs as well. Examples include:

- The Flow Restoration Plans required in our Phase II MS4 Permit contain over **\$2 million** in possible improvements. While our hydraulic targets have been largely met within these impaired watersheds, we expect that these improvements will need to be done to meet the significant phosphorus reduction requirements as outlined in the Lake Champlain TMDL.
- We are also planning a comprehensive stormwater management project for Malletts Bay including its upland watersheds. **Preliminary estimates are \$10 million.** We expect this project to play a critical role in meeting the required 20% phosphorus reduction requirements contained in the Lake Champlain TMDL.
- To address bacteria contamination in Malletts Bay, we are advancing a **\$25 million** sewer project which has been determined to be necessary by the VTDEC-WSMD, and accordingly, has referenced the project as a high priority in the Northern Lake Champlain Direct Drainages Tactical Basin Plan.
- The Tactical Basin Plan also identifies 34 sites in Colchester where roadway improvements are needed to reduce erosion and sediment deposits into receiving waters. These improvements will become a requirement of the Municipal Roads General Permit yet to be released by the State. While these plans have not advanced sufficiently to produce even preliminary estimates, the work is expected to be in the hundreds of thousands of dollars, if not millions.



- Looking more globally within our community, our Capital Budget Program has identified the need for **\$8 million in repairs to our existing stormwater systems, and \$15 million in the construction of new systems** in areas where no stormwater management currently exists.

Summary - Total Water Quality Needs Estimated at \$60 million for Colchester

Based upon the best information currently available, we have **preliminarily identified the need for \$60 million in water quality improvements in Colchester**. For perspective, this figure is five times the Town's total annual budget. We are working hard to create this important funding. We are positioned to receive a \$6.5 million pollution abatement grant for the Malletts Bay Sewer project. We have secured low interest loans and grants to begin important planning for these water quality projects. Within our Capital Budget Program, we are proposing an annual \$200,000 appropriation for stormwater capital work beginning in FY18. We are also proposing an annual \$225,000 appropriation for the Town's overall Clean Water Initiative beginning in FY21. While these funds will help, they will fall well short of our actual needs.

Need for Project Development Funds

While considering funding needs, we would encourage the board not to be swayed by what may appear to be the absence of shovel ready projects. Consider that the Lake Champlain Phosphorus TMDL was just released, the Flow Restoration Plans have yet to be approved by the ANR, the Municipal Phosphorus Reduction Plans have yet to be incorporated by the State into municipal permits, and the State's Municipal Roads General Permit has yet to be released. We estimate that these regulatory requirements will begin producing shovel ready projects in 3-5 years. For these types of projects, as well as other water quality projects we are working on, our current needs are mostly for project development funds. However, beginning in about 3 years, we expect to have millions of dollars in shovel ready projects. If there is a process through which we can begin advancing candidate projects for scoring and prioritization similar to what is done by the CCRPC and VTrans for transportation projects, please let us know. We want to work closely with the CWFB on advancing important water quality projects.

We are also aware of the daunting task the CWFB faces to identify and assess the array of funding sources being considered. In doing so, we would encourage the board to recognize the significant contributions already made by communities who have been designated as MS4's, and as well, those communities who have undertaken the difficult task of creating a stormwater utility with the interest of improving water quality. To address our water quality needs both here in Colchester, and on a statewide basis, we will need the trust and cooperation of everyone. This cannot be achieved through constructing a system reliant upon duplicity in fees and double taxation. To reiterate, we do not support an increase in the property tax to fund water quality as it is already being used by communities for these improvements.

In summary:

- Colchester has preliminarily identified \$60 million in water quality projects. We cannot fund these projects without significant assistance.
- Our current need is mostly project development funding. Beginning in about three years, we expect to have millions of dollars in shovel ready projects.
- While developing fee structures, the efforts of designated MS4's and Stormwater Utilities must be recognized, and we must avoid duplicity in fees, double taxation and use of the already tapped property tax.
- We suggest working with ANR and the business community to allow individual stormwater permits within a business park or concentrated commercial area to be combined, and then operated and maintained by business associations.
- Once you have narrowed the revenue sources to a prioritized list, we would like the opportunity to comment again on the proposal.

Thank you for your work on this important issue and the opportunity to provide comments. If you have any questions or require further information, please contact our Public Works Director, Bryan K. Osborne at 264-5619, or bosborne@colchestervt.gov.

Sincerely,

Dawn H. Francis
Town Manager



781 Blakely Road • PO Box 55 • Colchester, Vermont • 05446 • 802.264.5500

www.colchestervt.gov

November 30, 2016

State Treasurer Beth Pearce
Office of the State Treasurer
109 State Street, 4th Floor
Montpelier, VT 05609-6901

Dear Treasurer Pearce:

The Town of Colchester appreciates your efforts to identify a fair, equitable and sustainable funding source for clean water improvements. In a letter previously submitted to you dated October 7th, (enclosed) we have identified over \$60 million in water quality improvements and needs for our community alone.

We recognize that we must all contribute toward this important priority and therefore, we will soon be establishing a storm water utility in addition to the improvements and mitigation efforts we have already implemented. We have reviewed the array of funding sources being evaluated by your study committee and believe it will take many different revenue sources to raise the amount of money needed to tackle this issue. The following represents concerns and issues to be addressed as you consider the two sources of revenue that we as a municipal government, are most knowledgeable about.

Property Tax

We are concerned about using the already overburdened property tax and using municipalities as the fee collection entities for the following reasons:

- 1) Not all properties are taxed – there are many that are tax exempt with Colchester having one of the highest percentages in the state at 150 plus tax exempt properties. These properties should not be exempt from paying their fair share of the impact on water quality because many of them have large impervious surface areas.
- 2) Taxpayers will see a State Clean Water Fee as just another local increase in their taxes; they don't distinguish between the statewide education tax now and blame their ever escalating tax rate on both the school and municipal governments. Colchester has had difficulty in passing both school and municipal budgets within the last 5 years and based on surveys conducted, many people don't know these budgets are prepared by two different entities' and are also subject to a statewide education rate; they simply look at the bottom line on the tax bill.
- 3) If communities have a storm water utility in place, then there should be a delegation of authority to assess and collect fees as well as credits or exemptions from a statewide clean water assessment to avoid double taxation for those that are doing the right thing by taking aggressive measures to address the problem.
- 4) The Vermont Department of Taxes should collect the fee rather than municipalities who would bear the brunt of taxpayer dissatisfaction with increased taxes. If communities are required to collect the fee, then there must be a consistent fee collection system that is not

burdensome or costly to municipalities which may potentially bear all of the administration of same.

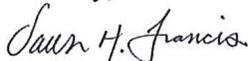
Parcel Fee

If a per parcel fee is implemented, many of the above issues also apply and the following issues need to be addressed:

- 1) If the fee is calculated based on estimated impervious areas how does the amount due make its way to the tax bill? Would the listers and assessors be required to collect such data? Would it be a separate line item and listed as a state fee?
- 2) If it is a separate line item and subject to change depending on the change of the impervious area would a change of assessment notice be required and an appeal process? Not every taxpayer would be willing to accept the calculations and the associated fee. If it is appealable would it be considered an appeal to the Board of Listers and the Board of Civil Authority? What percent of the fee would go to the communities for administrative overhead costs?
- 3) The tax bill consists of a taxable value (based on the value of the property) and rates as multipliers. One rate is the municipal rate; the other is the education rate. Some towns break down their municipal rate into different lines. Would the Clean Water Fee be a separate line? And if it is, would it be collectable from the escrow and mortgage companies? They collect and pay taxes for their customers; will they also pay state fees?
- 4) If the fee is not paid is it subject to penalty and interest at the same rate as the taxes; which can be different in each municipality?
- 5) Would towns be required to pay the fees to the State, whether they have been received or not?
- 6) Currently we do not generate tax bills for exempt properties, yet they should also be assessed a fee. This will add additional burdens and costs to implement.
- 7) Towns have not collected state fees as part of the tax bill in the past. Would we be setting a precedent as we move forward?

Your committee has a complex and difficult task ahead as you sort through these issues and evaluate all of the other revenue sources. We appreciate your thoughtful deliberations and opportunity to comment and raise questions.

Sincerely,



Dawn H. Francis
Town Manager

Copies to:

Selectboard, Karen Richard, Bryan Osborne, Bob Vickery, Karen Horn/VLCT, Charlie Baker/CCRPC



Vermont Council

December 1, 2016

Beth Pearce
State Treasurer
Office of the State Treasurer
109 State Street
Montpelier, VT 05609

Dear Treasurer Pearce:

The Vermont Council of Trout Unlimited (VTTU) writes to comment on the draft Clean Water Revenue Sources for the Legislative Report on Clean Water Funding. Our organization has participated in and commented on the proposed Fund, as well as the annual Clean Water Fund Distribution Priorities, since passage of Act 64. We thank the Office of the State Treasurer, the Department of Taxes, and the Department of Environmental Conservation for their assessment of the possible revenue sources and for their hard work on this Report.

While VTTU is not prepared to endorse specific revenue proposals at this time, we offer some general comments. Specific criteria should be followed when revenue sources are determined. This includes the notion of "all in," in that all Vermonters should be involved; that a revenue source provides stable funding; and, that each revenue source has a nexus to the water pollution. Many of these possible revenue sources fulfill these categories.

First, the concept of "all in" is important. As everyone benefits from clean rivers and lakes, and everyone contributes to water pollution to some degree (although certainly some more than others), everyone should help pay for the restoration of our rivers and lakes to some degree. The parcel fees and broader taxes represent this notion of "all in," as everyone will have to pay something to assist in the cleanup programs. But, some actors should pay more than others, even if these revenues stay within that sector. For example, a fertilizer fee would mostly be paid by the agricultural sector, which makes a significant contribution to water pollution, but these funds could then be dedicated solely to agricultural programs.

Second, the funding must be stable and predictable. Since the Clean Water Fund is at a minimum a twenty-year revenue program, stable funding will allow for the future planning of programs. Some of these possible revenues sources are stable, but some cannot be accurately projected from year to year, resulting in a risk that key programs could face an unexpected funding shortfall.

Third, the funding source should have a nexus to the pollution source. In other words, the fee or tax should come from an activity that contributes to water pollution. Here, some of the proposed revenue sources can be directly linked to water pollution, some have a more moderate nexus by a matter of degrees, while some have no link to pollution.

Overall, VTTU is encouraged that many of these possible revenue sources fulfill these criteria and therefore should be seriously considered by the Vermont Legislature as the process moves forward. Thank you again for your hard work on this Report.

Sincerely,

A handwritten signature in black ink, appearing to read 'Jared Carpenter', with a stylized flourish at the end.

Jared Carpenter
National Leadership Committee Representative
Vermont Council of Trout Unlimited



December 1, 2016

Beth Pearce
State Treasurer
Office of the State Treasurer
109 State Street
Montpelier, VT 05609

Sent via email: Treasurers.Office@vermont.gov

Re: CLF Comments on Revenue Options for Clean Water Funding Legislative Report

Dear Treasurer Pearce:

The Vermont Natural Resources Council (VNRC) and Vermont Conservation Voters have participated in the debate over how to fund the Vermont Clean Water Act since the enactment of Act 64. VNRC and VCV have consistently advocated that without adequate funding, Act 64 will not be a success, and Vermont will not be able to meet its legal obligations under the federal Clean Water Act to implement the Lake Champlain TMDL and restore water quality in Lake Champlain.

VNRC has followed closely the development of the State Treasurer's Report on Long-term Financing of Statewide Water Quality Improvement (Treasurer's Report). We greatly appreciate the effort that the Office of the Treasurer, the Department of Taxes, and the Department of Environmental Conservation have put into developing detailed information about different revenue sources.

At this point in the process, our focus is to ensure that the revenue sources that are chosen are sufficient to fully fund the implementation of Act 64, reflect an "all in" approach to protecting Vermont's public trust waters, the funding sources are stable, and that the revenue source is connected to water pollution sources. In addition, we believe that because polluters have contributed to the pollution of Lake Champlain, they should pay an additional surcharge to the fund. This "polluter pays" principle creates equity in holding polluters accountable for their actions, in addition to providing needed

revenue for the fund. We will urge the Legislature to use these criteria in reviewing the proposals in the Treasurer's Report.

Thank you for the opportunity to comment on the report.

Sincerely,

A handwritten signature in black ink, appearing to read 'Jon Groveman', with a long horizontal line extending to the right.

Jon Groveman
Policy and Water Program Director, Vermont Natural Resources Council

A handwritten signature in black ink, appearing to read 'Lauren Hierl'.

Lauren Hierl
Political Director, Vermont Conservation Voters



Office of Mayor Miro Weinberger

December 1, 2016

Tim Lueders-Dumont
Policy Director
Office of the State Treasurer
109 State Street, 4th Floor
Montpelier, VT 05609-6901

Re: Public Comments on Clean Water Revenue Source Options

Dear Mr. Lueders-Dumont:

I would like to offer the City's sincere thanks to Treasurer Beth Pearce and her team for leading this initiative to find a sustainable way of funding critical clean water efforts. I am grateful for the attention the Treasurer is providing to a collective challenge that will materially impact municipalities around the State. Enclosed you will find the City of Burlington's comments on the clean water revenue source options being considered based on the stakeholder input you received. In addition, in this letter I would like to highlight several key points.

First and most importantly, I want to emphasize, as I have from the start, the importance of establishing a target State funding percentage for each TMDL investment area. Without fixing a target annual funding level the State is committed to reaching, it will be very difficult to settle on an appropriate funding strategy. I support the position taken by the Vermont Mayor's Coalition prior to the 2016 Legislative Session that the State should assume 80 percent of the future costs, with municipalities increasing their contribution to 20 percent. Until 2015, the State was committed to paying for all wastewater facility discharges. Not only does the State have far greater options for raising revenues than municipalities have and thus a greater ability to fund this necessary work, but the implementation of our collective TMDL-reduction efforts will be more effective and efficient if the State is responsible for a fair share of the system's financial burden.

A clear target will also be a major factor in determining which of the different revenue sources under consideration is the most equitable and sufficient to cover the costs of the water quality improvement programs that will be required to meet State and federal requirements over the next 20 years. To be sustainable, the revenue sources should be tied, as clearly as possible, to stable revenue sources that are fair, progressive in nature, and have a nexus with clean water. A tiered per parcel fee or charge by a new statewide stormwater utility that accounts for factors such as size the degree to which activities on the land contribute to problematic runoff would seem to be the fairest and most sustainable source of the options under consideration. Any new parcel or stormwater utility fee should include a credit for property owners within municipalities with existing stormwater utilities in recognition that some municipalities will also be responsible for raising local revenues to pay for TMDL mitigation efforts.

The City of Burlington is strongly opposed to the State increasing the sales and use or rooms, meals, and alcoholic beverage taxes, as those are already primary sources of municipal revenue. There also should be some cost/benefit analysis of the final proposals, as the revenues associated with some of the proposals may be significantly reduced by such factors as increased staff time to administer the program or the level of difficulty of administration by the taxpayer. There should also be some consideration of tapping into sources that reach out-of-state visitors, whose transportation patterns and use of the lake may play heavily into the clean water analysis.

As mayor, I am concerned that certain funding schemes, and omission of recognition of existing stormwater utilities, may place a significant burden on a municipality such as Burlington—a burden that may be greater than the taxpayers can shoulder while trying to also fund schools, streets, and public safety. Whatever the sources, the costs need to be spread in a way that is fair to our cities, as well as our rural communities.

Thank you for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read 'M. Weinberger', with a large, stylized flourish at the end.

Miro Weinberger
Mayor

CLEAN WATER REVENUE SOURCES

COB = City of Burlington

NOTE: These sources were proposed through the stakeholder process and are not recommendations or endorsements by the Treasurer's Office. The projections and descriptions are provided for the purpose of public information and discussion.

	Description of Criteria	Revenue Amount	Comments
CATEGORY ONE: EXISTING REVENUE SOURCE			
1	Clean Water Surcharge on Property Transfers	0.2% surcharge on the transfer of certain properties = \$4.7M-\$5M	The City opposes this fee on the grounds that it unfairly burdens a small subset of property owners, and provides an insufficient and problematically elastic source of funding.
CATEGORY TWO: ACT 138 (2013) AND ACT 97 (2014) LEGISLATIVE REPORTS			
2	\$50 Annual Flat Parcel Fee	\$16.7 million	Per parcel fees of some kind appear to be best option for raising amounts needed. However, annual flat fee could potentially unfairly penalize larger municipalities (large number of small parcels). Tiering amount of fee by factors such as size of parcel or adjusting fees for multi-occupant households might make it more equitable. Prefer option 3 if parcel only based fee. Credit for contributions to stormwater utility should also be incorporated.
3	\$3 Per Acre Per Parcel Fee	\$15 million	This option among the parcel based options appears most progressive and equitable (across property owners and also urban vs. rural) Tiering amount of fee by certain factors might increase equitability. Credit for contributions to stormwater utility should also be incorporated.
4	Impervious Surface Tiered Acreage Fee	\$18 million	Tying a portion of fee to some measure of imperviousness or other impactful factor may be acceptable, but burden should not fall solely on cities, whose public impervious surfaces are used by many more Vermonters than just parcel owners or municipal taxpayers. A cost-benefit study for administration and more evaluation of impact on some residential land use classes would be warranted before serious consideration. Credit for contributions to stormwater utility should also be incorporated.
5	Impervious Surface Tiered Parcel Fee	\$18 million	See comment above. Apparently, administration is less difficult, but burden must not fall more heavily on cities. Credit for contributions to stormwater utility should also be incorporated.
6	Excise Tax on Pesticides	\$70,000-\$140,000	No position.
7	Property tax	\$0.01 property tax increase = \$8M annually.	Strongly oppose. The property tax is already an overburdened tax and is the primary source of funding for both municipal services and the State Education Fund.
8	Personal Income Tax	<ul style="list-style-type: none"> ▪ \$7M - 1% of current revenues. ▪ \$13.3M - .1% increase applied to the rate of each tax bracket (i.e. 3.55% increased to 3.65%) ▪ \$5.5M: Bottom tax rate remains at 3.55% and other rates increased by .1%. ▪ \$2.8M: Bottom two brackets remain at 3.55% 	This option does not impact residents and non-residents fairly and is more elastic than other options. This should only be considered as part of an overall analysis of State's taxing scheme.

ote: See general comments for items highlighted in green.

City of Burlington

ame (Optional): _____

Send comments by 12/1/16 to:
Treasurers.Office@vermont.gov

CLEAN WATER REVENUE SOURCES

NOTE: These sources were proposed through the stakeholder process and are not recommendations or endorsements by the Treasurer's Office. The projections and descriptions are provided for the purpose of public information and discussion.

	Description of Criteria	Revenue Amount	Comments
9	Gas tax	<ul style="list-style-type: none"> ▪ \$0.01 increase / gallon of gas = \$3M. ▪ \$0.01 tax/gallon of diesel = \$690,000 	This option has a reasonable nexus to clean water and captures impacts by non-residents. At present, it also appears to be fairly stable.
10	Fertilizer tonnage fee	<ul style="list-style-type: none"> ▪ Doubling the Ag fertilizer tonnage fee from \$0.50 to \$1 = \$19,000 in new revenue. ▪ Increasing the Ag fee to \$25 = \$930,000 in new revenue. ▪ Increasing the non-Ag fee by \$1 = \$6,000 in new revenue. 	No position
11	Excise Tax on Flushable Consumer Products	1% excise tax = \$1.35M	Choosing individual products or services on which to impose specific excise taxes requires a comprehensive look at all possible excise taxes. While nexus with clean water seems clear, a cost-benefit analysis of implementation (identifying and tracking which products are included), administration, and effects on small businesses and low income residents would be warranted before serious consideration.
12	Excise Tax on Bottled Water Containers	\$0.01 per container = \$1M	Concept of disincentivizing bottled water usage is positive environmental policy mechanism, but nexus with Lake's water quality is not strong (phosphorus problem is greater) and tax is regressive.
13	Escheating Unclaimed Beverage Container Deposits	\$1.5M-\$2M annually.	Nexus to water quality is a stretch, and this would potentially impact small businesses heavily.
14	DEC Fines for non-compliance	\$200,000	Too small to rely on for funding capital. Could be used to fund staff/programmatic support.
15	Agency of Agriculture Food and Markets Fines for non-compliance	<ul style="list-style-type: none"> ▪ Agency of Agriculture penalties = \$175K-\$230K. ▪ Vermont Office of Attorney General Water quality violations totaled \$24.75K in 2016 and \$118K in 2014. 	Too small to rely on for funding capital, but these fees could be used to fund staff/programmatic support.
CATEGORY THREE: STAKEHOLDER SUGGESTIONS			
16	Sales Tax on Nail Salons	\$2.23M	Any expansion of sales or service taxes needs to be part of a comprehensive review of the State's sales/service tax system. Additionally, this tax would affect primarily women-owned and patronized small businesses that support many local people.

CLEAN WATER REVENUE SOURCES

NOTE: These sources were proposed through the stakeholder process and are not recommendations or endorsements by the Treasurer's Office. The projections and descriptions are provided for the purpose of public information and discussion.

	Description of Criteria	Revenue Amount	Comments
17	Sales Tax on Beauty Salon Services	\$4.3M	Same comment as previous option.
18	End Exemption on Ski Lifts and Snowmaking Equipment	\$1.5-\$2M	No position.
19	Current Use: Apply a 90% discount to all property enrolled in current use.	\$4.5M	No position.
20	Sales Tax on Marinas	\$210,000	Any expansion of sales or service taxes needs to be part of a comprehensive review of the State's sales/service tax system.
21	Pharmaceutical Medicine Excise Tax	1% excise on prescription drugs = \$5.5M; 1% excise tax on non-prescription drugs = \$600,000	There is nexus with pharmaceutical contaminants that affect clean water, but tax on prescriptions would fall heavily on Vermonters with disabilities and seniors and therefore would be disfavored.
22	Sales Tax on Parking (Lots and Garages)	\$280,000	Strongly opposed. Taxing garage use would negatively impact municipal efforts to consolidate parking and reduce surface parking lots (impervious surfaces).
23	Sales Tax on Limousine Services	\$610,000	Any expansion of sales or service taxes needs to be part of a comprehensive review of the State's sales/service tax system and be equitable with those in similar businesses such as taxis and ride-sharing companies.
24	Sales Tax on Storage Units	\$940,000	Any expansion of sales or service taxes needs to be part of a comprehensive review of the State's sales/service tax system.

CLEAN WATER REVENUE SOURCES

NOTE: These sources were proposed through the stakeholder process and are not recommendations or endorsements by the Treasurer's Office. The projections and descriptions are provided for the purpose of public information and discussion.

	Description of Criteria	Revenue Amount	Comments
25	Sales tax on new car dealer labor charges, work under warranty, and value of service contracts	\$4.8M	Any expansion of sales or service taxes needs to be part of a comprehensive review of the State's sales/service tax system and be equitable.
26	Sales Tax on General Auto Repair	\$6.2M	Any expansion of sales or service taxes needs to be part of a comprehensive review of the State's sales/service tax system.
27	Inspection Sticker Fee	\$1 increase = \$585K.	Relatively small amount of funding as proposed.
28	Surtax on Rental Cars	1% surtax on rental vehicles = \$480,000.	Any expansion of sales or service taxes needs to be part of a comprehensive review of the State's sales/service tax system.
29	Surtax/Increase to Sales & Use Tax	.1% increase = \$6M.	Strongly opposed. It would have a negative impact on municipalities, particularly those with a local options tax, and would adversely affect small businesses with small profit margins, particularly those near the borders
30	Dollar Surcharge on Rooms	\$1 surcharge on rooms = \$3.6M	Strongly opposed. This would have a negative impact on municipalities, particularly those with a local gross receipts tax on rooms.
31	Surtax/Increase to Meals, Rooms, and Alcoholic Beverages	.25% increase = \$4.2M	Strongly opposed. This would have a negative impact on municipalities, particularly those with a local gross receipts tax on rooms.
32	Voluntary Contribution Line Item on the Personal Income Tax Form	\$30K-\$100K	No drawbacks.

CLEAN WATER REVENUE SOURCES

NOTE: These sources were proposed through the stakeholder process and are not recommendations or endorsements by the Treasurer's Office. The projections and descriptions are provided for the purpose of public information and discussion.

	Description of Criteria	Revenue Amount	Comments
33	Affinity Card		No position.
CATEGORY FOUR: REAPPROPRIATION OF EXISTING SOURCES			
31	Reappropriation of Current Expenditures	The City would support consideration of this option.	The City would support consideration of this option.

General Comments:

The City of Burlington has evaluated the options presented above with the following criteria in mind: 1) clear nexus to water quality 2) equity through ties to parcel size and impervious 3) non elastic (i.e. stable funding) 4) progressive in nature vs. regressive, and 5) affects residents and non-residents alike.

Burlington generally supports the options highlighted in green (options 2-5) if property owners in communities such as Burlington who already pay a water quality-related fee through their stormwater utility receive some credit so that they are not doubly charged.

Burlington is generally supportive of the concept of use of impervious surface as a factor in the fee structure, but not until some cost-benefit analyses were done of the increased administrative burden (options 4 and 5). there may be benefit in starting with the Per Acre Parcel Based Fee (potentially modified to be a tiered vs. direct acreage assessment) and keeping this as a "base" charge, and then bringing in the impervious- related portion of a fee at a later date once the cost-benefit is analyzed. An agricultural corollary for impervious surface should also be considered. For instance, in the same way that impervious surface is directly linked to water quality degradation, certain agricultural practices (corn production on poorly drained soils) and locations also have a direct linkage. This would better support the concept of Vermonters being truly "all in."

Burlington would also recommend consideration of an approach used by many stormwater utilities, including Burlington's, whereby administrative burden is reduced by applying a flat fee (based on average amount of impervious surface) for land use codes that have the majority of parcels - and then applying a more directly assessed approach for the remainder. Burlington applies a flat fee for our single family, duplex and triplex properties that is based on the average amount of impervious surface associated with those types of land use codes - and then directly assesses (charges based on the exact amount of impervious surface - but this could be based on standardized tiers) the remainder of the parcels.



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Middlebury, VT 05753

Tel (802) 388-314
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December 1, 2016

Tim Lueders-Dumont
Policy Director
Office of the State Treasurer
109 State Street, 4th Floor
Montpelier, VT 05609-6901

RE: Long-Term Water Quality Funding Recommendations

Dear Tim,

Thank you and team in the State Treasurer's Office, Department of Environmental Conservation, Tax Department, and the Administration on your efforts to develop sustainable revenue to implement the water quality requirements statewide. Please consider the following comments on behalf of VAPDA as the State Treasurer develops her recommendations to the Legislature.

- It is important that this conversation have a state-wide perspective and not just focus on Lake Champlain.
- There are significant funding gaps for municipalities and other regulated entities to achieve compliance. These compliance efforts will be most assisted by meeting a significant portion of the cost through statewide revenues. For municipalities, it would be helpful, as with many other funding programs like transportation, if the State could invest 80% in these efforts. This will allow for equal revenue raising statewide and decrease the amount of inequity amongst municipalities participating in raising sufficient revenue to implement what needs to be done.
- Raising the majority of needed funding statewide will allow the State to best manage investments that have the "biggest bang for the buck." This is important to most cost effectively meet our Clean Water objectives.
- Please keep in mind that any municipal costs that are not covered by the State will still be borne by taxpayers at the municipal level, but probably in very unequal ways as some towns move fully ahead and some lag behind.
- Most of these same issues apply to farmers and large landowners as we work to protect the unique landscape qualities of Vermont.
- While we haven't had full deliberation on the individual potential revenues, we see the value in all property owners participating in this effort and in additional revenues that come from users.

Thank you very much for your consideration.

Best regards,



Charlie Baker
Natural Resource Committee Chair

Strengthening the capability of governments...



December 1, 2016

Ms. Beth Pearce
State Treasurer
109 State Street
Montpelier, Vermont 05609

Re: Public Comments on Long-Term Water Quality Funding Recommendations

Dear Treasurer Pearce,

As a small-scale farmer, an educator, and as Chair of the Board of Directors for Rural Vermont, a grassroots organization that advocates for economic and ecological justice for Vermont's rural communities, I am appreciative of the efforts put in by this interdepartmental team. It is encouraging to see this collaboration in the State House, as well as the efforts made to include a "stakeholder" input process. Assuring extended and diversified stakeholder processes—reaching out to underserved communities and regions of the State, extending the time period and points of access to allow for working class people to be involved—can ensure outcomes that are more broadly representative. At a time during which the vast majority of the people in Vermont and the greater United States are, and feel, unheard and unrepresented in both Montpelier and Washington, this will be crucial to developing results which will be considered legitimate and democratic.

It was made clear in the public hearing on November 16th that the proposals presented by the Office of the State Treasurer, the Department of Taxes, and the Department of Environmental Conservation do not represent final recommendations, but rather the input of stakeholders throughout the process. In that vein, I submit the following comments on the proposals presented at that meeting:

- **"All-In"**
This phrase has been used repeatedly throughout the drafting of Act 64 and the development of the Required Agricultural Practices that followed. Truly, we are irrevocably all-in on this planet Earth and in the health of its waters, soils, biologies, air, and other vital life-sustaining "services". However, as we see with climate change around the world or with the water crisis in Flint, Michigan: we are not all affected evenly. Likewise, as we see with these environmental crises, we are not all equal contributors to their genesis—nor do we all have equitable access to resources to meet the needs presented by the problems, or to fund or advocate for particular opportunities for solutions. The State has presented its findings as to who and what shares primary responsibility for the nutrient run-off toxifying Lake Champlain (looking in particular at phosphorous, and not including an adequate analysis or concern for other pollutants: persistent pollutants, agrochemicals, heavy metals, etc.). The State has rightly indicated that agriculture, as well as other sectors, are significant contributors.

The State did not, however, indicate which types of agriculture, which practices in particular, and which locations are responsible for the majority of nutrient (and other) run-off. Though all sizes of farms bear some burden, it is clear that small, medium, and large confinement dairy farms (a type of farm vs. a size) present a suite of practices which are broadly understood to be the most detrimental to water quality, and to the greater human, animal and environmental health. Unfortunately, the Agency of Agriculture has, for the most part, taken a size-based approach rather than a practice-based approach to inform their "all-in" response. Regenerative agricultural practices—such as adaptive multi-paddock grazing, silvopasture, multi-strata agroforestry, perennial polycultures, alley cropping, bioregionally



based food processing and storage infrastructure, choosing where on the landscape to locate particular forms of agriculture, localized direct marketing, viable pricing for goods produced, sizing herds to land, grass based ruminant management—do more than mitigate the damage of the predominant existing agricultural models in Vermont. They present net positive gains in carbon sequestration, water quality infrastructure (soil and perennial biological development in particular), health of animals, wildlife and pollinator habitat diversification and expansion, local economies and livelihoods, educational opportunities for all ages, and a reduction in fossil fuel usage and costs. This is important to consider in relation to water quality in general, in particular when suggesting a per / acre fee that does not take rational or objective account of the actual role of a particular land base and its management regime in an ecosystem or social ecology in relationship to water quality.

There are various funding solutions presented here that offer an “all in” solution economically - we all pay; or they present a solution which taxes the end user or service provider vs. the producer and manufacturer of the product itself which does the polluting. When all people, all Vermonters in this case, have an “all in” share of economic wealth and access in Vermont; when all small businesses have the same ability to achieve the profit margins and privileges of multinational corporations - then perhaps we can begin to look at solutions that ask everyone to pay evenly. It is imperative - especially in the worsening economic climate of VT and increasing levels of unaffordability to native Vermonters and the working class - that the history of an unjust and systematic distribution of wealth, land, access, and power to a small minority of people in the United States be considered with much deference; and furthermore, that those in Montpelier representing Vermonters begin the task of disassembling this unjust economic system which designs, promises and realizes ecological devastation, and human impoverishment. One must look at “ability to pay” and economic justice as a key feature in the calculus for funding solutions; and reimagine and restructure our economic model in relatively short order in order to assure a future of clean and just water solutions.

- **Urgency informing the “All-In” approach**

The urgency that seems to be primarily informing this “all-in” expression, and the general cleanup effort, is founded in the threat made by the federal government to take over Vermont’s water quality oversight if we do not improve our own regulatory and mitigation framework. I am excited about any urgency to change our relationship with our waters. However, it is imperative that our urgency and understanding of our water crises be founded in concerns for short- and long-term environmental health, social justice and human rights, and equity. In this regard, we must move towards and soon realize a just and rational economic model in this State which accounts for the ecological, social, and health costs and benefits of any enterprise or activity of particular scale or affect. It is unrealistic and inefficient to take things on piecemeal in response to crises that stem from the same economic, political, and environmental models. It is critical that the State make massive efforts to collaboratively organize, envision, and implement a comprehensive and radical approach to the diversity of challenges we face with respect to climate change, and the various types of pollution we face in our waters, soils, air, and food.

There is the real potential that the next Presidential Administration will relinquish this threat driving the current urgency. Our urgency and the resulting policy must be informed by the real needs presented by, and the real threats to, the human and other biological residents of Vermont, this region, and the world. In this respect there are many actions with respect to policy, funding, and otherwise that the State can take that would affect the global situation with respect to water quality and justice: rescinding its support for the western corridor VT Gas Pipeline, divesting from



fossil fuels and other exploitative industries such as weapons manufacturing, investing our money in a State bank vs. corporate multi-national banks, and more. The IPCC has stated that successful mitigation of climate change requires “decoupling human well-being from economic growth” - we must begin to take steps in policy and practice that are founded upon the fact that economic growth (that we may depend on some of the industries mentioned above) is not synonymous, and is often inherently opposed to, human and greater biological well-being. In terms of climate, and economic reality for the vast majority of us, time is limited - we must act now to radically change how we approach, consider, and act upon these problems.

Thank you for your attention to these comments, and for your engagement of all stakeholders throughout this process. I look forward to working with you further to ensure that any funding mechanisms for water quality address the true root causes of the problem, and puts Vermont on a path to lasting environmental and economic sustainability.

Sincerely,

Graham Unangst-Rufnacht
Chair, Rural Vermont Board of Directors

Enclosure: “Fillable Comment Form – Clean Water Revenue Sources”

CLEAN WATER REVENUE SOURCES

NOTE: These sources were proposed through the stakeholder process and are not recommendations or endorsements by the Treasurer's Office. The projections and descriptions are provided for the purpose of public information and discussion.

	Description of Criteria	Revenue Amount	Comments
CATEGORY ONE: EXISTING REVENUE SOURCE			
1	Clean Water Surcharge on Property Transfers	0.2% surcharge on the transfer of certain properties = \$4.7M-\$5M	
CATEGORY TWO: ACT 138 (2013) AND ACT 97 (2014) LEGISLATIVE REPORTS			
2	\$50 Annual Flat Parcel Fee	\$16.7 million	This is not an appropriate funding source. It does not take into account relationship to water quality, or economic ability or history.
3	\$3 Per Acre Per Parcel Fee	\$15 million	This is not an appropriate funding source. It does not take into account the practices occurring on the land which may contribute to water quality or the degeneration of water quality; nor does it take into account the economic ability or history of the landowner.
4	Impervious Surface Tiered Acreage Fee	\$18 million	This is an appropriate place to look. Impervious surfaces of all sizes and are certainly causative of water pollution of all sorts. I suggest integrating factors such as proximity to waterways / water infrastructure / drainage, biological filtration methods being used to mitigate infiltration of pollutants, and economic ability and history into a model for determining how to charge in relation to impervious surfaces.
5	Impervious Surface Tiered Parcel Fee	\$18 million	It seems more appropriate to do this based on size of lot, proximity to waters, degree of use / pollution, efforts to biologically filter and otherwise mitigate pollution, and economic ability and history.
6	Excise Tax on Pesticides	\$70,000-\$140,000	Pesticides are certainly a substantial and dangerous pollutant in our waterways. I support taxes on these unnecessary and toxic products. However, in the case of agricultural use - considering the dire economic situation of the farming community, I propose that the State consider supporting farmers and homeowners phasing out pesticide use over time and providing support for this process (technical, financial, educational, etc.). Rather than tax the users, can we tax the producers and distributors of the pesticides?
7	Property tax	\$0.01 property tax increase = \$8M annually.	Property taxes are unrealistically expensive in Vermont - and as a person who was born and raised here, farms, and does not own land; I can tell you that they are prohibitively expensive. We need to find ways to more accurately determine which properties contribute to the problem, why, and which are most able to pay.
8	Personal Income Tax	<ul style="list-style-type: none"> ▪ \$7M - 1% of current revenues. ▪ \$13.3M - .1% increase applied to the rate of each tax bracket (i.e. 3.55% increased to 3.65%) ▪ \$5.5M: Bottom tax rate remains at 3.55% and other rates increased by .1%. ▪ \$2.8M: Bottom two brackets remain at 3.55% 	I support leaving the bottom tax rate, potentially the bottom two, untouched and increasing the rate to the top brackets.

Name (Optional): _____

Send comments by 12/1/16 to:
Treasurers.Office@vermont.gov

CLEAN WATER REVENUE SOURCES

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	Description of Criteria	Revenue Amount	Comments
9	Gas tax	<ul style="list-style-type: none"> ▪ \$0.01 increase / gallon of gas = \$3M. ▪ \$0.01 tax/gallon of diesel = \$690,000 	Again - this affects everybody equally, regardless of ability to pay. In Vermont, car use is basically mandatory until the State radically improves public transit to rural areas and throughout the State in general. This should be a priority for the State of Vermont. Ridership on public lines is substantial and we need more options for transport.
10	Fertilizer tonnage fee	<ul style="list-style-type: none"> ▪ Doubling the Ag fertilizer tonnage fee from \$0.50 to \$1 = \$19,000 in new revenue. ▪ Increasing the Ag fee to \$25 = \$930,000 in new revenue. ▪ Increasing the non-Ag fee by \$1 = \$6,000 in new revenue. 	Does this affect compost? I suggest - as in other cases - charging the manufacturer and distributors of these products (not compost) as they are involved in the pollution here and where they are mined (or otherwise sourced) and processed; and because they make substantial profits due to the externalization of these costs and not distributing profits down the chain - they can pay and should. Fees for farmers and the economic impoverishment experienced by many farming have only increased in recent years - farmers who use chemical fertilizers need help transitioning off of these addictive substances, not fees.
11	Excise Tax on Flushable Consumer Products	1% excise tax = \$1.35M	Charge the manufacturer, not consumer - and offer the consumer other options.
12	Excise Tax on Bottled Water Containers	\$0.01 per container = \$1M	This is a great idea - but only if we charge the manufacturers of bottled water. This is one of the most exploitative industries on the planet (in particular as relates to water justice issues) - VT needs to be in the lead on phasing out bottled water, and integrating other methods of access to healthy water. There are many examples of this.
13	Escheating Unclaimed Beverage Container Deposits	\$1.5M-\$2M annually.	
14	DEC Fines for non-compliance	\$200,000	
15	Agency of Agriculture Food and Markets Fines for non-compliance	<ul style="list-style-type: none"> ▪ Agency of Agriculture penalties = \$175K-\$230K. ▪ Vermont Office of Attorney General Water quality violations totaled \$24.75K in 2016 and \$118K in 2014. 	Again - who can pay, and what are the political and economic histories which have led farmers to embracing practices which are not healthy to the water, animals, and their own personal and community's health and economy? We must account for this, and not continue to punish farmers for decisions policy makers and the Agency are complicit with. Yes - sometimes it is appropriate to fine farmers - absolutely. But we must also do our best to support the transformation of management of these farms as a priority.
CATEGORY THREE: STAKEHOLDER SUGGESTIONS			
16	Sales Tax on Nail Salons	\$2.23M	Again - if these products are toxic, then we must target their producers, and support the salons in responsible clean up. However, if nail salons have remained absent of responsibility to a sales tax for products used, perhaps this is worth considering.

Name (Optional): _____

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	Description of Criteria	Revenue Amount	Comments
17	Sales Tax on Beauty Salon Services	\$4.3M	
18	End Exemption on Ski Lifts and Snowmaking Equipment	\$1.5-\$2M	The ski industry in VT - though under threat from Global Climate Change - is extremely profitable for its owners, and is a threat to local water quality and justice in terms of access and use. There is no reason that this industry should have an exemption for their equipment that is applied to other industry.
19	Current Use: Apply a 90% discount to all property enrolled in current use.	\$4.5M	Current use is under threat as it is - please do not try to take money from this program.
20	Sales Tax on Marinas	\$210,000	This seems like an appropriate place to seek some funding. Marinas contribute to water pollution, and occupy public space on the lake, though they are used primarily by people of upper incomes who can access water equipment of this scale and afford to use a marina. This would also diversify sources of revenue to include non-Vermonters and thereby rightly include those visiting in our clean up efforts.
21	Pharmaceutical Medicine Excise Tax	1% excise on prescription drugs = \$5.5M; 1% excise tax on non-prescription drugs = \$600,000	This is another great example of the need to target this industry, and require that it develop and implement safe technology to filter its dangerous products out of our public water supply. It is not the responsibility of sick people already overburdened by health care costs to take care of downstream effects of this industry's products. This industry reaps immense profits off of our backs - they must pay.
22	Sales Tax on Parking (Lots and Garages)	\$280,000	
23	Sales Tax on Limousine Services	\$610,000	
24	Sales Tax on Storage Units	\$940,000	This is a rental service that many common people use. It is not a sale. I do not think that this is a very reasonable funding source unless it is directed at particular storage units which affect water quality.

name (Optional): _____

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	Description of Criteria	Revenue Amount	Comments
25	Sales tax on new car dealer labor charges, work under warranty, and value of service contracts	\$4.8M	To ask for sales tax to be charged to a customer for work under warranty sounds unreasonable - perhaps the taxes for this work could come from the company which actually guarantees the work under warranty?
26	Sales Tax on General Auto Repair	\$6.2M	This is a tax which will likely affect Vermonters of lower incomes harder than others as working class people have older vehicles which tend to require more maintenance. Automobiles certainly greatly contribute to water pollution, perhaps there are other ways to get revenue from this sector from those grossly profiting within the sector as opposed to those people whom the costs (environmental, and otherwise) of this sector are externalized upon. Likewise, dramatically improving public transit in VT could reduce the pollution pressure of so many vehicles on Vermont's roadways.
27	Inspection Sticker Fee	\$1 increase = \$585K.	Again - this is a flat tax essentially and increases the already substantial economic burden being put on the economically disadvantaged populations which predominantly inhabit this State.
28	Surtax on Rental Cars	1% surtax on rental vehicles = \$480,000.	Or even particular types and classes of rental vehicles? For example, luxury and sports vs. utility and function.
29	Surtax/Increase to Sales & Use Tax	.1% increase = \$6M.	
30	Dollar Surcharge on Rooms	\$1 surcharge on rooms = \$3.6M	
31	Surtax/Increase to Meals, Rooms, and Alcoholic Beverages	.25% increase = \$4.2M	
32	Voluntary Contribution Line Item on the Personal Income Tax Form	\$30K-\$100K	Why not!?

name (Optional): _____

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	Description of Criteria	Revenue Amount	Comments
33	Affinity Card		
CATEGORY FOUR: REAPPROPRIATION OF EXISTING SOURCES			
31	Reappropriation of Current Expenditures		

General Comments:

Sources not considered include:

- Reappropriation of subsidies to large companies which are serious players globally in water pollution and greater environmental and social injustice issues and have substantial economic privilege and ability such as: General Dynamics, Global Foundaries, IBM, Green Mountain Power, Gaz Metro and Vermont Gas, etc. I do not have a list of all of the companies who are more than financially profitable (on the disproportionately underpaid backs of the vast majority of people working for them and in comparison to most Vermonters), are clearly involved in environmental degradation and social and economic injustices on a global scale, but are currently financial support from the State of VT. But i'm sure that information is out there in State Government.

ame (Optional): _____

Send comments by 12/1/16 to:
Treasurers.Office@vermont.gov



December 01, 2016

The Honorable Beth Pearce Vermont State Treasurer
Office of the State Treasurer
109 State Street FL 4
Montpelier, VT 05609-6200
Treasurers.Office@Vermont.gov

Dear Treasurer Pearce,

The Vermont Chapter of the Sierra Club thanks the diligence of the Treasurer's office, the Department of Environmental Conservation and the Department of Taxes in calculating projected revenue sources to fund the requirements of Act 64, An Act Relating to Improving the Quality of State Waters. We understand the challenges in finding revenue sources that are long term and sustainable, however we request that the Treasurer's Office prioritize and highlight funding sources that have a logical nexus to the sources of pollution in all water bodies throughout the state.

These mechanisms include:

- a fee on development of impervious surfaces;
- per-ton fees on fertilizer and pesticides; and
- permitting fees for operations that will further contribute to our state's water quality problems.

We also strongly recommend sources that take an "all-in" approach. While we necessarily do not oppose other mechanisms, we strongly support the above linked mechanisms. We are especially appreciative of your extensive engagement of all stakeholders and coordinated efforts to determine all possible sources of funding.

Thank you again for your attention. Please feel free to contact us with any questions.

Sincerely,

Robb Kidd,
Conservation Program Manager
Vermont Chapter of the Sierra Club
robb.kidd@sierraclub.org

Lueders-Dumont, Tim

From: Robb Kidd <robb.kidd@sierraclub.org>
Sent: Wednesday, October 26, 2016 10:44 AM
To: Lueders-Dumont, Tim
Subject: Water success stories

Hey Tim and Beth,

As a follow up with my conversations with you here are some suggestions for you to include success stories in the clean water funding report.

I asked my group of collaborators and these were the responses I received.

Robb

Steve Libby of the River Conservancy and Mike Klein can contribute many stories about the benefits and success stories regarding their efforts with the river corridor easement donation program.

Beth Pearce can get all the past ERP success stories from Kari and AAFM/Laura.
Not sure if the lcbp funded projects get added into the dec database...

As required for the 2017 ERP grant application, LCA just listed these 5 recent implementation projects in an erp app going in today. See quotations below.

In today's ERP 2017- Round 2 grant apps, LCA is requesting support to complete **3 more implementation projects** and **5 final**

designs planned for implementation in 2018. New metrics are established now for people like Beth and legislators to track "success" trends over time.

.....

"Recent LCA water quality improvement projects that were proposed for scoping, design and implementation using ERP, VTrans and LCBP funds have been successfully implemented within in the time allotted and within budget.

They include:

Munroe Brook Watershed, Shelburne's Brook Lane Road Ditch Project, 2016. Successfully increased stormwater infiltration, P reduction and soil mobilization reduction.

Mack Farm and E Thompson's Point Road Swale and Bioretention Project, 2016. Successfully increased stormwater infiltration, P reduction and soil mobilization reduction.

Hinesburg Two Tiered Rain Garden Project, 2015. Successfully increased stormwater infiltration, P reduction and soil mobilization reduction.

Last Resort Farm Gully Stabilization Project, 2014. Successfully increased stormwater infiltration, P reduction and soil mobilization reduction.

All projects incrementally contribute to nearby stream corridor stability, reduce erosion and P, while contributing to flow restoration and the stream's capacity to regain equilibrium conditions.

LCA has a 20 year history of working closely with VT DEC and VTFWD to develop and carry out monitoring, assessment, planning and protection measures relating to enhancing VT water quality, natural habitat areas and stream corridor assets. This long term relationship has grown from the mutual desire to use and promote best available science and the most cost effective, proactive and innovative lines of thought.

In 2015-2016, LCA received ERP and LCBP funds to scope and design 14 water quality improvement sites as watershed wide demonstration sites for compelling all property owners to enhance their properties' capacity to protect all surface water systems in the Lake Champlain Valley. With 14 "developed lands" demonstration sites to use for watershed wide education purposes, LCA will promote an ethic of long term land stewardship using these demonstration sites and informational materials funded with support from local partners, UVM Sea Grants and Milone & MacBroom."

Another thought is to connect with Gaye Symington of High Meadows Fund -- they've put quite a bit of funding of late into community-level water projects (with a focus on flood resiliency, but there are also water quality implications). She's probably got good success stories written up from having to submit reports to the High Meadows Fund Board.

--

Robb Kidd
Sierra Club
Vermont Chapter Conservation Representative/Program Manager
802-505-1540 robb.kidd@sierraclub.org

Lueders-Dumont, Tim

From: Scott Woodward <scott@forestandwater.com>
Sent: Thursday, November 17, 2016 9:55 AM
To: TRE - Treasurers Office
Subject: Public Comment: Lake Champlain Clean-up Funding
Attachments: ohio_wrrsp.pdf

Dear Treasurer Pearce,

I respectfully submit the following public comment pursuant to Sec. 40 of Act 64 (2015).

While a student at Vermont Law School, I studied under Professor [Michael Curley](#) who is an expert on environmental financing. In the process of my studies, I learned that Vermont is among the states that do not leverage federal funding under the Clean Water State Revolving Fund (CWSRF) and Drinking Water State Revolving Fund (DWSRF). According to the EPA, 28 states leverage CWSRF funds having resulted in 34.5 billion in additional federal funding. Since 2011, I've advocated that Vermont should leverage its SRF funding and I believe our current situation provides an excellent opportunity to begin doing so. There's a wide variety of environmental goals that can be achieved through leveraging even beyond the cleanup of Lake Champlain. Leveraging CWSRF dollars could very well lessen the burden on taxpayers to absorb the substantial costs required to accomplish the EPA's TMDL requirements.

One of the advantages of leveraging is that the interest on SRF loans can be put to use immediately on eligible projects that could likely aid in the cleanup of Lake Champlain (see attached example from Ohio's program). For example, stormwater or wastewater projects can be joined with restoration projects. This is one model of leveraging. There are others as well, including measures related to bonding and loan guarantees. I strongly encourage Vermont to join the ranks of those states that leverage both CWSRF and DWSRF federal funding. See the following link as a reference:

<https://www.epa.gov/waterfinancecenter/leading-edge-financing-water-infrastructure>

Sincerely,
Scott Woodward
Pomfret, Vermont

**ACTIVITY
UPDATE****Ohio's Restoration Sponsor Program Integrates
Point Source & Nonpoint Source Projects**

Communities in Ohio that take advantage of this program recognize that wastewater treatment system improvements and restoration projects are working toward the same end – improved water quality



With funding through the USEPA's Office of Water, Clean Water State Revolving Fund (CWSRF) loan program, the Ohio EPA has worked to fund both point and nonpoint source projects through a newly developed Water Resource Restoration Sponsor Program (WRRSP). As a result of this innovative program, communities in Ohio have used \$24 million of CWSRF loan funds to protect and restore 1,850 acres of riparian lands and wetlands and 38 miles of Ohio's stream corridors in the last two years. The WRRSP offers communities very low interest rates on loans for wastewater treatment plant improvements if the communities also sponsor projects that protect or restore water resources.

Although Ohio has addressed many of its worst water quality problems, the state's best available data indicate that nonpoint source runoff, habitat degradation, and watershed

disturbances are impeding future improvements and threatening past successes. In response, Ohio designed the WRRSP to help prevent the loss of biological diversity and ecological health. To date, the WRRSP has supported projects that have acquired wetlands and riparian lands, acquired conservation easements, restored habitat, and modified dams. The WRRSP restoration plans ensure that projects undertaken result in protection or restoration of valuable watershed resources.

Linking Wastewater Treatment with Water Resource Restoration

To participate in the Water Resource Restoration Sponsor Program, a community applies to the CWSRF program for a loan to support wastewater treatment system improvements and also for WRRSP assistance for water resource restoration activities. If the CWSRF program determines that the restoration action meets program eligibility criteria of either fully restoring or protecting water resources already attaining their designated uses, and the water resource project ranks in the fundable range on a priority list of restoration projects, the CWSRF provides financial support for both projects. To reward the community for sponsoring the restoration project,



Contact:
Bob Monsarrat
Ohio EPA
614-644-3655

the CWSRF reduces the community's interest rate on the total borrowed for both projects so that repayments are slightly lower than they would have been with a standard CWSRF loan for only the wastewater treatment project. However, the interest rate on the total loan is always greater than zero percent.

The sponsorship agreement requires that the implementing partner develop and implement this plan to permanently and fully restore watershed resources, but it does not require the implementing partner to make any repayments on the CWSRF loan. The sponsoring community makes all repayments to the CWSRF (Fig. 1).

A community that participates in the WRRSP does not typically implement a restoration project itself. A community typically enters into a sponsorship agreement with an implementing partner, such as a land trust or a park district, that develops and implements a habitat protection and restoration plan.

Communities in Ohio that take advantage of the WRRSP recognize that wastewater treatment system improvements and restoration projects are working toward the same end—improved water quality. By considering water quality problems in an integrated

After reviewing cash flow projections completed by a financial advisor, Ohio has decided to allocate \$15 million to the Water Resource Restoration Sponsor Program each year

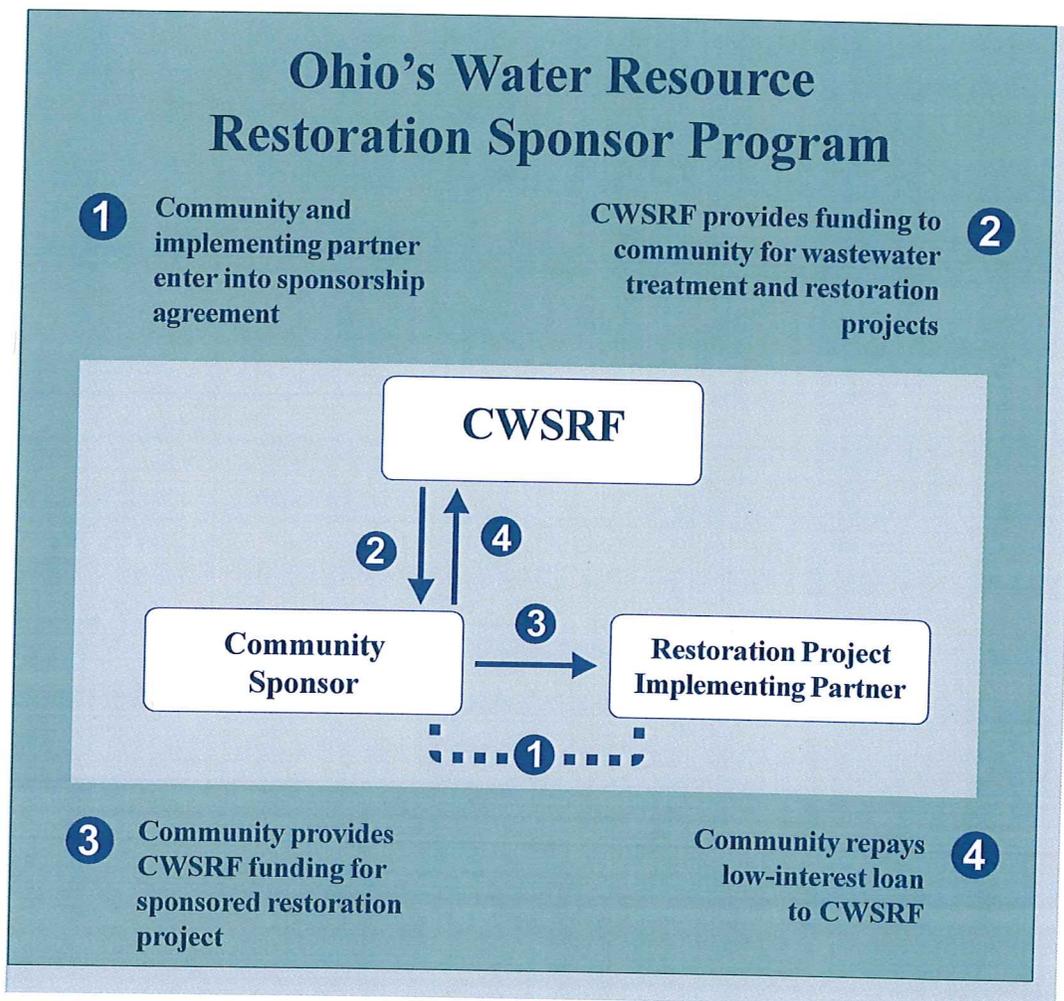


Figure 1. Ohio's Water Resource Restoration Sponsor Program

How Does Ohio Set Interest Rates for a Joint Project?

Example: \$1 million for a wastewater treatment project and \$393,442 for a resoration project

- 1) Given: If this community did not participate in the WRRSP program, the \$1,000,000 wastewater treatment project would receive a **3.8% loan**. This scenario would result in a total loan repayment amount of \$1,436,707 over the course of the repayment term.
- 2) However, if the community undertakes both projects, \$1,000,000 for the wastewater treatment project and \$393,442 for the restoration project, the CWSRF could reduce the interest rate to 0.3% so the community would suffer no hardship and still repay only \$1,436,707 over the course of the loan repayment term.
- 3) However, the CWSRF provides still further incentive by **reducing the community's interest rate from 0.3% to 0.2%**.
- 4) In this scenario, the community completes a wastewater treatment project, supports a watershed restoration project, and **saves \$14,514**.

fashion, communities will be better able to address the water quality problems of the future.

Monitoring the Program's Impact on CWSRF Funding Capacity

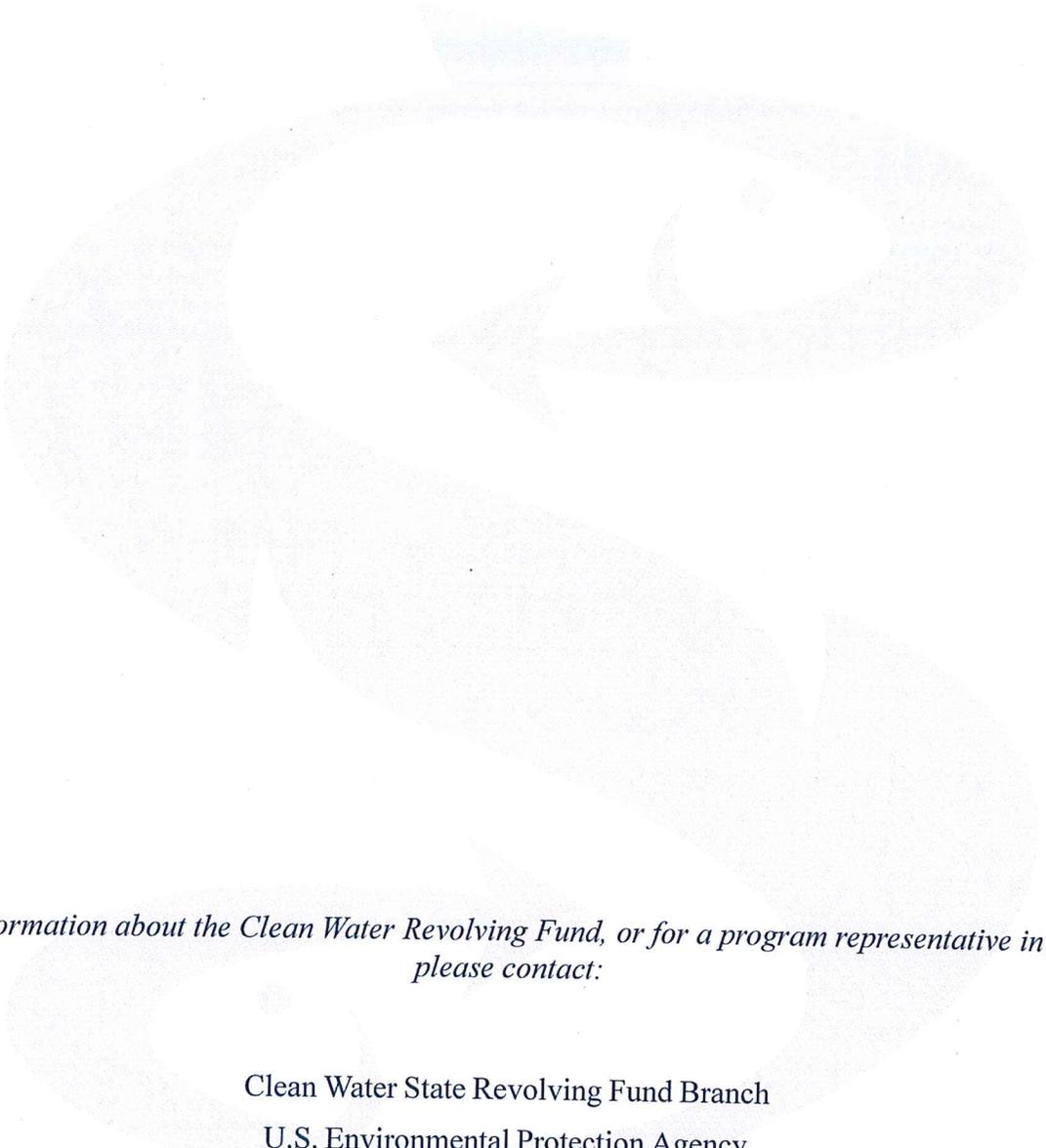
Since the Water Resource Restoration Sponsor Program offers loans with interest rates as low as 0.2 percent, the lack of interest earnings affects the future funding capacity of Ohio's CWSRF program. CWSRF program management has considered these impacts. After reviewing cash flow projections completed by a financial advisor, Ohio has decided to allocate \$15 million (about 7.5 percent of the funds available for 2002) to the Water Resource Restoration Sponsor Program each year. The CWSRF program will

develop new cash flow projections each year to reassess the impact of WRRSP assistance on funding capacity.

A Precursor of the Future?

Ohio's Water Resource Restoration Sponsor Program reinforces the idea that wastewater treatment plant improvements and water resource restoration projects are complementary efforts. Although strongly induced by the state, communities that participate in the WRRSP program provide the first examples of how wastewater user fees can support water resource restoration projects. In the future, other communities around the country may consider this model as they search for funding sources for a wide variety of water quality projects.



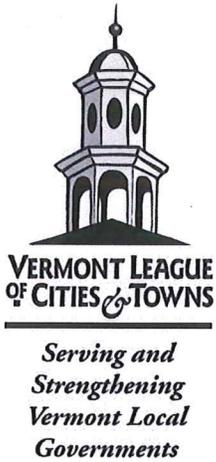


For more information about the Clean Water Revolving Fund, or for a program representative in your State, please contact:

Clean Water State Revolving Fund Branch
U.S. Environmental Protection Agency
1201 Constitution Avenue, NW (Mailcode 4204M)
Washington, DC 20004
Phone: (202) 564-0752 **Fax:** (202) 501-2403
Internet: <http://www.epa.gov/owm>



Clean Water
State Revolving Fund



September 20, 2016

Beth Pearce, State Treasurer
Office of the State Treasurer
109 State Street
Montpelier, VT 05609

Dear Treasurer Pearce:

Thank you for joining us at both the VLCT Board and VLCT Water Quality meetings on September 8 and 20, and especially for your commitment to finding funding sources to pay for the many mandates imposed by the Vermont Clean Water Act (Act 64) and the U.S. Environmental Protection Agency's Total Maximum Daily Loads (TMDLs) for Lake Champlain, the Connecticut River, Lake Memphremagog, and other Vermont waters.

As you have heard on multiple occasions, including at the Board and VLCT Water Quality Committee meetings, local governments are exceedingly worried about the prospect of inadequate long-term funding to cover the costs of implementing the TMDLs, the Clean Water Act, and the Lake Champlain Phase 1 Implementation Plan. Every dollar that is not appropriated from the state legislature to address these mandates is one that must be raised by the property tax under current law. The capacity of the property tax to assume those burdens is minimal, something we believe you will keep in mind. The obligations are enormous (\$2.53 billion over 20 years). According to the Agency of Natural Resources, the estimated gap in funding over that span of time is \$1.36 billion. On an annualized basis, the gap is estimated at \$68.1 million, with 41 percent of that gap attributable to the somewhat amorphous category of "Stormwater," and an additional seven percent attributable to the entirely clear category of municipal water pollution control (wastewater treatment facilities). Based upon estimates from some of our member municipalities, we believe even these daunting figures may be low.

The Agency of Natural Resources has been clear that, in their opinion, the obligations remain whether or not the funding to pay for them is in place.

Your report to the legislature on funding sources will set the stage for discussions in 2017 on how to pay for the cleanup. We believe – and the Board of Directors asked me to formally convey this to you – that the state needs to assume responsibility for a substantial share of the obligation to clean up the waters of the state and use state broad-based revenue sources to accomplish that end. We recognize that state revenues will not provide all the funds needed to implement required cleanup programs. To that end we urge you to strongly encourage the legislature to provide municipalities the authority to enact local option taxes to help pay for stormwater management.

Thank you for your attention to this most serious and concerning matter.

Sincerely

Karen B. Horn
Director, Public Policy and Advocacy



To: Treasurer Beth Pearce

From: Parker Riehle, President – VSAA

Date: December 1st, 2016

Re: Vermont Ski Areas Association Comments on Clean Water Revenue Sources

Thank you for the opportunity to comment on behalf of the Vermont ski industry on the following Clean Water Revenue Sources to be presented to the 2017 Legislature:

#18: End Exemption on Ski Lifts and Snowmaking Equipment

The Vermont Ski Areas Association opposes this revenue source for the following reasons:

(1) Excluding Only Ski Areas from this Exemption is Patently Unfair

If this proposed revenue source is based on the misconception that the education property tax exemption for ski lifts and snowmaking equipment is special treatment available only to ski areas, that is not the case; rather, this exemption is simply part of the personal property, machinery and equipment tax exemption from the definition of nonresidential property for the purposes of the education property tax enjoyed by businesses and manufacturers all across the state under 32 V.S.A. Sec. 5401(10)(D):

(D) Personal property, machinery, inventory and equipment, ski lifts, and snow-making equipment for a ski area;

Therefore, if this revenue source is mistakenly meant to end some special exemption just for ski areas that thwarts the “all-in” approach sought in this list of revenue sources, then this suggestion should be disregarded and removed from the list.

If, however, this proposed revenue source is meant to target the ski industry and exclude only their machinery and equipment from this general exemption enjoyed by all, then that is patently unfair policy and should be disregarded and removed from this list. To do otherwise would be like imposing an increase in the rooms and meals tax ONLY on ski areas, hardly consistent with fairness, equity and the “all-in” approach that is sought in this clean water funding.

Vermont’s ski industry is critical to our economy, heritage and way of life. The Vermont Department of Tourism and Marketing’s most recent benchmark study puts direct winter spending at over \$900 million, more than 1/3 of the annual \$2.5 billion tourism economy. See: <http://accd.vermont.gov/sites/accdnew/files/documents/VDTM-Research-2013BenchmarkStudyFullReport.pdf>

In addition, Vermont's ski areas themselves make significant expenditures into the economy and to state government in their annual operations: \$250 million spent with over 2,500 Vermont companies and vendors; nearly \$10 million in property taxes; over \$2 million annually in lease payments by the seven ski areas on state land to support the state parks system; over \$130 million in annual payroll while providing over 12,000 jobs to help offset winter unemployment. Vermont's ski areas are trying to get back on their feet after suffering the worst season in 35 years last year, so it would be very difficult to explain why they are being singled out and excluded from this broad exemption.

When contemplating which machinery and equipment is the most critical to our ski industry's survival, clearly the most indispensable categories would be chairlifts and snowmaking equipment – one ensures that the ski area can actually operate and transport skiers uphill while the other ensures the ski area's survival and sustainability in the near and long term. And, it is this snowmaking equipment that enabled Vermont to rise above other major resorts for the recent World Cup event at Killington. While Beaver Creek in Colorado and Lake Louise in Alberta, Canada had to cancel their World Cup events recently due to lack of snow, Killington had the snowmaking firepower to host the event and put Vermont on the world stage with record attendance, immeasurably benefiting our state's economy for months and years to come. Therefore, to target this crucial operational aspect of the ski industry that is so critical to the economy would be completely contrary to sound public policy.

(2) The Ski Areas Pay Sales Tax on this Equipment

Vermont's ski areas pay sales tax on the purchase of all lifts and snowmaking equipment, whereas manufacturing businesses do not pay sales tax on their machinery and equipment purchases under 32 V.S.A. Sec. 9741(14). It is not only difficult to imagine paying property tax on equipment that was purchased at retail, but it would be doubly unfair to pay both of these taxes on the same equipment while other businesses are exempt from both.

(3) Several Ski Towns Already Tax this Equipment as Personal Property

Of the long list of towns which tax machinery and equipment as personal property, several are ski towns: Bolton (Bolton Valley Ski Area), Bridgewater and Killington (Killington Resort), Hancock (Middlebury College Snow Bowl), Peru (Bromley Ski Area) and Warren (Sugarbush Resort). See: <http://tax.vermont.gov/sites/tax/files/documents/PersonalPropertyTaxation.pdf>

These ski towns tax the lifts, snowmaking equipment and other machinery and equipment at those ski areas as personal property. This not only supports the notion that this machinery and equipment should properly be considered personal property at the state level and exempt from the nonresidential property tax, but to remove that exemption would mean those ski areas would pay both the personal property tax and the nonresidential property tax for the same equipment.

(4) The Legislature Has Recognized this Exemption Should Remain Intact

The Vermont Legislature's Tax Expenditure Report history shows that the Legislature has recognized that this machinery and equipment exemption for ski areas should not be considered

in that report separate and apart from the rest of Vermont businesses and manufacturers who enjoy that exemption from the education property tax. In the Legislature's **2015 Tax Expenditures Biennial Report**, the exemption for ski lifts and snowmaking equipment is specifically excluded from the Report in Appendix B (starting on page 83) as not falling under the definition of tax expenditures for statutory review and scrutiny by the legislature: <http://www.leg.state.vt.us/jfo/reports/2015%20Tax%20Expenditure%20Report%20FINAL%201-15-2015.pdf>

As such, the ensuing **2016 Tax Expenditure Review Report** does not list this machinery and equipment exemption at all: <http://www.leg.state.vt.us/jfo/reports/2016-01%20Tax-Expenditure-Review-Report.pdf>

Given that the Legislature's Tax Expenditure Report is clear that the ski lifts and snowmaking equipment exemption from the non-residential education property tax should not be disturbed, this proposed revenue source should be disregarded and removed from the list. To do otherwise would be to propose ending an exemption that is actually the only exemption listed as excluded from tax expenditures consideration in the 2015 Report (Appendix B) referenced above.

#29: Surtax/Increase to Sales & Use Tax

#30: Dollar Surcharge on Rooms

#31: Surtax/Increase to Meals, Rooms and Alcoholic Beverages

The Vermont Ski Areas Association joins the many other businesses and organizations in the tourism and hospitality industry to oppose any increases in these consumption tax categories. Vermont ski areas are already at a competitive disadvantage as the only ski state in the northeast with a sales tax on lift tickets and season passes, and any increase in that rate would only aggravate this disadvantage with our surrounding states that tap into the same core market for our skiers and snowboarders. In addition, our meals & rooms and alcohol taxes are already high enough at 9% and 10% respectively, and to increase those would be detrimental to our industry as we try to rebound from last season and remain competitive with surrounding ski states. In addition to the impact on routine retail sales, increases in the rooms tax is particularly challenging for all resort destinations in Vermont for hosting meetings, conventions and weddings when that tax line item becomes a real issue when compared with other states.

Lueders-Dumont, Tim

From: James Sherrard <jsherrard@willistonvt.org>
Sent: Wednesday, November 9, 2016 10:56 AM
To: Lueders-Dumont, Tim
Subject: Town of Williston Success Story Bullets
Attachments: Memo Two Tier System_3 31 15_v2.pdf

Tim,

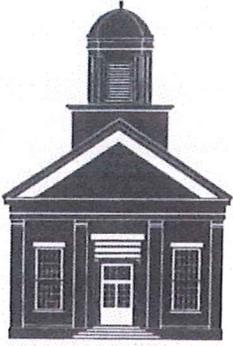
Sorry for the delay. Hopefully it's not too late to submit some thoughts on Williston's success stories. I may think of some more in the coming days. Your comments, suggestions and requests for clarification are encouraged.

James

- Billing
 - The Town determined that the most adequate and equitable funding source for the improved stormwater program would be the establishment of a stormwater fee. Stormwater cost are funded through service charges (fees) rather than tax dollars. The concept of a stormwater fee is based on the reality that each property generates runoff that flows into the stormwater system and places a "demand" on the stormwater system of catch basins, pipes, ditches, channels, ponds, and streams. Furthermore, residents benefit from a properly functioning stormwater system through the use of Town maintained roadways. As such, the stormwater system must be maintained, repaired and regulated by the Town of Williston in order to protect streets and buildings from flooding, reduce non-point source pollution, protect local water resources and comply with State and Federal-mandated regulatory requirements.
 - Of the roughly 4,000 stormwater bills sent out in early 2015 Town Staff received feedback from 300-400 utility customers (around 10% of the total). Comments varied however the majority of the comments focused around the following questions;
 - "I never heard about this..."
 - "I am on private sewer and water, I don't have any stormwater..."
 - "All my runoff infiltrates before entering a stream..."
 - Since the initial billing (we bill quarterly) comments have continued to trickle in but on the order of 2-3 a cycle as opposed to 300-400.
 - While the Town had a number of lessons learned, in hindsight the transition to a SW Utility went quite smoothly.
- Two Tier Adjustment
 - Originally the Town had residential properties set into two tiers for billing, the top 10% of impervious cover and the bottom 90%. For a variety of reasons (Memo attached) we decided to adjust our ordinance to remove the two tier system. Williston's recognition, timely response and action on this issue was decisive and served to further mold a viable SW utility.
- Ag Community Stormwater Credit/Grant
 - Similarly to the two tier adjustment, the Town responded to outreach from the agriculture community with regards to the SW bills. Our credit manual, which at the time reflected that of Burlington and S. Burlington, was not well suited to credit agricultural operations. After input and discussion we implemented a dedicated SW credit linked directly to farms mandatory compliance with State RAPs. This credit requires no additional work on the part of the farmer, simply a documentation that state requirements are met.
 - Furthermore, the Town agreed to link a grant program (funded through the general fund and the the SW budget) to provide further relief to farm owners from their sw bill. This grant simply requires that

farmer have a valid stormwater credit through the credit program (which essentially links the grant back to compliance with the state RAPs).

- VTrans Payment
 - This is most certainly a success for not just Williston but all municipalities with or considering implementing a sw utility. VTrans was of the opinion that they were exempt from payment due to past precedent with other VT SW utilities and not linked to statute. The Town of Williston chose to fight that opinion and succeeded in getting both a 1) settlement payment for the first 1.5 years to drop our litigation and 2) an end result of a determination that VTrans is responsible for payment to municipal SW utilities less a 35% credit. For Williston this results in approximately \$40,000 of revenue/year
- Flow Restoration Plan
 - Williston has been a leader in the formulation of a FRP for our SW impaired waterway. We submitted the draft FRP in 2012 and submitted a comprehensive Final FRP this past October including final design plans, permitting and legal agreements with the Town to perform the required improvements. To my knowledge no other municipality has put so much upfront effort into the creation of a detailed FRP. We anticipate acceptance of our submitted FRP in the coming months.



Town of Williston
7900 Williston Road
Williston, VT 05495
1763
Public Works
(802) 878-1239

TOWN OF WILLISTON

MEMORANDUM

TO: Rick McGuire, Town Manager

FROM: James Sherrard, Stormwater Coordinator

CC: Bruce K. Hoar, Public Works Director
Lisa Sheltra, Assistant Public Works Director

DATE: March 31, 2015

RE: Two Tier Single Family Residential Stormwater Fee

During the course of the Town of Williston's initial stormwater fee billing cycle, the Stormwater Program Office has received significant feedback surrounding the two tier single family residential (SFR) billing system. Many residents have stated their confusion, surprise and disagreement over being placed in the upper 10th percentile of SFRs. This feedback in and of itself would not, in my opinion, require the following staff recommendations. However, the aspects of two tiered billing that have caused my reconsideration of this approach include those listed below;

- the sliding scale in which the top 10th percentile is determined,
- the predominance of situations which place a parcel in the 10th percentile through driveway contribution as opposed to rooftop contribution,
- and the issue of impervious cover from access right of ways (ROWS) which may allocate costs to the owner of the parcel as opposed to the resident who benefits from said access.

Town Stormwater Staff performed an analysis to determine which SFR parcels fell in the top 10th percentile in accordance with the Towns Ordinance Regulating the Use of Public and Private Stormwater Systems. This analysis resulted in the determination that all SFRs with more than 9,534 ft² would be considered in the top 10th percentile. What this means is, that as the number of SFRs and the impervious cover associated with the SFRs changes, the value of 9,534 ft² will change accordingly. This may cause properties near the cutoff to change from 1 to 2 ERUs (or vice versa) between analyses with NO change in impervious cover. In addition, considerable staff time is anticipated to address billing adjustments.

It is the understanding of the Stormwater Office that the intent of the two tiered system was designed to capture those properties contributing the most impervious cover on a parcel by parcel basis and allocate costs accordingly. While this specific intent is being met with the current approach, it should be noted that the majority of inquires as to why a particular parcel was placed in the top 10th percentile has resulted in the determination that gravel driveways, as opposed to

rooftop, is the leading cause for being placed in the upper tier. The Stormwater Office urges the Selectboard to consider this while reviewing the Ordinance.

A number of requests have come into the Stormwater Office for the removal of ROW impervious cover from the parcel the ROW is located on. This issue has manifested itself in many distinct forms, however the basic premise remains the same. A parcel owner has granted a ROW across their property so a neighboring parcel can access their home. The impervious cover associated with the ROW is applied to parcel the ROW is physically located on and not to the resident which benefits from access on the ROW. Currently it is the understanding of the Stormwater Office that any and all impervious cover on your property is your responsibility, regardless of legal easements. Unless actual ownership can be documented, the costs are attributed to the owner.

With the benefit of the initial billing cycle, and public feedback (between 5-10% of all bills sent out) there are two possible approaches to deal with this issue;

1. Removal of the two tiered billing cycle.
 - a. If the Ordinance was adjusted to remove the two tier SFR system the number of SFR ERUs would be reduced by 236 ERUs (approximately 9.1% of SFR total) resulting in a reduction in revenues of \$12,036/year.
2. Clarification of the two tiered system
 - a. Set a hard cap on impervious cover between the two tiers in lieu use a sliding scale. This will ensure that property shifts between tiers will be relegated to changes in site specific impervious cover.
 - i. If the tiered system was capped at 9,500 ft² the anticipated funds garnered from the two tiered system would not change.
 - b. Since impervious area is determined by parcel ownership make it explicit that the owner of a parcel is responsible for the impervious cover on that parcel regardless of easements or agreements to other properties. This will eliminate the need to reassign impervious cover between parcels based on which property owner has easements on any given property. This is more a clarification issue since this is the methodology that has been used to date.

Due to lack of clarity in regards to ROWs over property, the unanticipated issues surrounding the sliding scale of the tiered system and through the placement of many Williston homes into the second tier due to driveway contributions rather than rooftop contributions Staff recommends approach number 1 as described above.

CLEAN WATER REVENUE SOURCES

NOTE: These sources were proposed through the stakeholder process and are not recommendations or endorsements by the Treasurer's Office. The projections and descriptions are provided for the purpose of public information and discussion.

	Description of Criteria	Revenue Amount	Comments
CATEGORY ONE: EXISTING REVENUE SOURCE			
1	Clean Water Surcharge on Property Transfers	0.2% surcharge on the transfer of certain properties = \$4.7M-\$5M	
CATEGORY TWO: ACT 138 (2013) AND ACT 97 (2014) LEGISLATIVE REPORTS			
2	\$50 Annual Flat Parcel Fee	\$16.7 million	Any parcel based fee (e.g. flat fee, per square foot of impervious) should take into account existing parcel based fees at the municipal level. Specifically, in recognition of existing stormwater utilities, any state wide parcel fee should be waived for municipalities which have previously implemented a fee. In the event that a state wide fee is greater than the municipal fee it may be appropriate for the municipal parcel owners to contribute the difference to the state fund. For example, if a municipal fee is charged at \$50/year and a state fee is \$60/year, the municipal residents should receive at maximum a \$10/year state fee. Additionally, for all parcel based fee approaches the impervious cover covered underneath a valid INDS permit should be credited for its stormwater mitigation efforts.
3	\$3 Per Acre Per Parcel Fee	\$15 million	Any parcel based fee (e.g. flat fee, per square foot of impervious) should take into account existing parcel based fees at the municipal level. Specifically, in recognition of existing stormwater utilities, any state wide parcel fee should be waived for municipalities which have previously implemented a fee. In the event that a state wide fee is greater than the municipal fee it may be appropriate for the municipal parcel owners to contribute the difference to the state fund. For example, if a municipal fee is charged at \$50/year and a state fee is \$60/year, the municipal residents should receive at maximum a \$10/year state fee. Additionally, for all parcel based fee approaches the impervious cover covered underneath a valid INDS permit should be credited for its stormwater mitigation efforts.
4	Impervious Surface Tiered Acreage Fee	\$18 million	Any parcel based fee (e.g. flat fee, per square foot of impervious) should take into account existing parcel based fees at the municipal level. Specifically, in recognition of existing stormwater utilities, any state wide parcel fee should be waived for municipalities which have previously implemented a fee. In the event that a state wide fee is greater than the municipal fee it may be appropriate for the municipal parcel owners to contribute the difference to the state fund. For example, if a municipal fee is charged at \$50/year and a state fee is \$60/year, the municipal residents should receive at maximum a \$10/year state fee. Additionally, for all parcel based fee approaches the impervious cover covered underneath a valid INDS permit should be credited for its stormwater mitigation efforts. Please describe the differences between the Tiered Acreage Fee and the Tiered Parcel Fee
5	Impervious Surface Tiered Parcel Fee	\$18 million	Any parcel based fee (e.g. flat fee, per square foot of impervious) should take into account existing parcel based fees at the municipal level. Specifically, in recognition of existing stormwater utilities, any state wide parcel fee should be waived for municipalities which have previously implemented a fee. In the event that a state wide fee is greater than the municipal fee it may be appropriate for the municipal parcel owners to contribute the difference to the state fund. For example, if a municipal fee is charged at \$50/year and a state fee is \$60/year, the municipal residents should receive at maximum a \$10/year state fee. Additionally, for all parcel based fee approaches the impervious cover covered underneath a valid INDS permit should be credited for its stormwater mitigation efforts. Please describe the differences between the Tiered Acreage Fee and the Tiered Parcel Fee
6	Excise Tax on Pesticides	\$70,000-\$140,000	
7	Property tax	\$0.01 property tax increase = \$8M annually.	
8	Personal Income Tax	<ul style="list-style-type: none"> ▪ \$7M - 1% of current revenues. ▪ \$13.3M - .1% increase applied to the rate of each tax bracket (i.e. 3.55% increased to 3.65%) ▪ \$5.5M: Bottom tax rate remains at 3.55% and other rates increased by .1%. ▪ \$2.8M: Bottom two brackets remain at 3.55% 	

Name (Optional): Town of Williston

Send comments by 12/1/16 to:
Treasurers.Office@vermont.gov

CLEAN WATER REVENUE SOURCES

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	Description of Criteria	Revenue Amount	Comments
9	Gas tax	<ul style="list-style-type: none"> ▪ \$0.01 increase / gallon of gas = \$3M. ▪ \$0.01 tax/gallon of diesel = \$690,000 	
10	Fertilizer tonnage fee	<ul style="list-style-type: none"> ▪ Doubling the Ag fertilizer tonnage fee from \$0.50 to \$1 = \$19,000 in new revenue. ▪ Increasing the Ag fee to \$25 = \$930,000 in new revenue. ▪ Increasing the non-Ag fee by \$1 = \$6,000 in new revenue. 	
11	Excise Tax on Flushable Consumer Products	1% excise tax = \$1.35M	
12	Excise Tax on Bottled Water Containers	\$0.01 per container = \$1M	
13	Escheating Unclaimed Beverage Container Deposits	\$1.5M-\$2M annually.	
14	DEC Fines for non-compliance	\$200,000	
15	Agency of Agriculture Food and Markets Fines for non-compliance	<ul style="list-style-type: none"> ▪ Agency of Agriculture penalties = \$175K-\$230K. ▪ Vermont Office of Attorney General Water quality violations totaled \$24.75K in 2016 and \$118K in 2014. 	
CATEGORY THREE: STAKEHOLDER SUGGESTIONS			
16	Sales Tax on Nail Salons	\$2.23M	

CLEAN WATER REVENUE SOURCES

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	Description of Criteria	Revenue Amount	Comments
17	Sales Tax on Beauty Salon Services	\$4.3M	
18	End Exemption on Ski Lifts and Snowmaking Equipment	\$1.5-\$2M	
19	Current Use: Apply a 90% discount to all property enrolled in current use.	\$4.5M	
20	Sales Tax on Marinas	\$210,000	
21	Pharmaceutical Medicine Excise Tax	1% excise on prescription drugs = \$5.5M; 1% excise tax on non-prescription drugs = \$600,000	
22	Sales Tax on Parking (Lots and Garages)	\$280,000	
23	Sales Tax on Limousine Services	\$610,000	
24	Sales Tax on Storage Units	\$940,000	

Town of Williston

Name (Optional): _____

Send comments by 12/1/16 to:
Treasurers.Office@vermont.gov

CLEAN WATER REVENUE SOURCES

NOTE: These sources were proposed through the stakeholder process and are not recommendations or endorsements by the Treasurer's Office. The projections and descriptions are provided for the purpose of public information and discussion.

	Description of Criteria	Revenue Amount	Comments
25	Sales tax on new car dealer labor charges, work under warranty, and value of service contracts	\$4.8M	
26	Sales Tax on General Auto Repair	\$6.2M	
27	Inspection Sticker Fee	\$1 increase = \$585K.	
28	Surtax on Rental Cars	1% surtax on rental vehicles = \$480,000.	
29	Surtax/Increase to Sales & Use Tax	.1% increase = \$6M.	
30	Dollar Surcharge on Rooms	\$1 surcharge on rooms = \$3.6M	
31	Surtax/Increase to Meals, Rooms, and Alcoholic Beverages	.25% increase = \$4.2M	
32	Voluntary Contribution Line Item on the Personal Income Tax Form	\$30K-\$100K	

Name (Optional): Town of Williston

Send comments by 12/1/16 to:
Treasurers.Office@vermont.gov

CLEAN WATER REVENUE SOURCES

NOTE: These sources were proposed through the stakeholder process and are not recommendations or endorsements by the Treasurer's Office. The projections and descriptions are provided for the purpose of public information and discussion.

	Description of Criteria	Revenue Amount	Comments
33	Affinity Card		
CATEGORY FOUR: REAPPROPRIATION OF EXISTING SOURCES			
31	Reappropriation of Current Expenditures		

General Comments:

A link between these funding options and water quality improvement should be included in this ongoing discussion.

From: Lueders-Dumont, Tim
To: Lueders-Dumont, Tim
Subject: FW: Additional thoughts on Clean Water Funding
Date: Wednesday, December 7, 2016 4:42:05 PM

From: Charles Baker [<mailto:cbaker@ccrpcvt.org>]

Subject: Additional thoughts on Clean Water Funding

Hi Beth and Tim,

We had a meeting today of CCPRC's Water Quality Funding Committee (members cc'd) and agreed on a few ideas that we hope you will consider in your recommendations to the Legislature.

1. % of funding gap the State should be trying to raise: 80% of needed capital funding should come from the State whether the funds go to municipalities, farmers, or private landowners. It should be noted that the funding has only been focused on capital costs and that there are significant maintenance and operating costs that will still be maintained by the impacted property owners and municipalities that are not captured in the cost estimates.
2. Cost effectiveness: It is critical that the State develop defensible phosphorous reduction estimating tools so that project investments benefits can be evaluated in a consistent way. This is the only way we will all be able to achieve the "biggest bang for the buck" implementation. Guiding these investments to the right places/projects will be easier the more of the revenue is generated by the State.
3. Nexus: We believe it is important that there be some nexus between the revenue source and water quality.
4. Reward/Incentivize best practices: Any revenue generation mechanism should also provide an ability to reward or incentivize desired behavior. For instance, in a municipality that has established a stormwater utility, if there is a property-based fee, property owners should get a discounted fee. The same idea could be applied to farmers or owners with 3+ acres of impervious if they obtain and fully comply with permit requirements.
5. Use of funds: It is important that there be assurances in place that the new revenue will be used for water quality. It would be ideal to have a trust fund that is funded with these new revenues to ensure this result. On a related note, we anticipate that the Clean Water Board will still be the body deciding on how these revenues are used. We would ask that there be a representative for municipalities on that board.
6. Ramp up: Based upon the timing of new permit requirements going into effect, it is important to realize that water quality project implementation will be ramping up over the next 3 three years. Therefore, more funding for project planning and development is needed in the short term with even more funding needed for bigger capital project

implementation starting in 3 years. Early stage funding could be invested in agricultural RAPs in the early years since they are likely to be less capital intensive. Essentially, we are saying that revenue generation could be done in a way that it ramps up over a few years.

7. This session: We believe it is important that the Legislature take action on generating new revenue in 2017. It will take time to develop any new administrative fee collection systems and if decisions are not made this year, we will not be fulfilling our obligations under Act 64 or the TMDL.

The CCRPC Board has not yet voted on these positions. We will be making recommendations to them and asking them to take an official position until their February 15th meeting.

Please let us know if you have any questions or if we can be of further assistance as you develop the recommendations.

Best regards,
Charlie

Charlie Baker
Executive Director
Chittenden County Regional Planning Commission
110 West Canal Street, Suite 202
Winooski, VT 05404
*(802) 846-4490 ext. *23*
Direct line (802) 861-0115
Cell (802) 735-3500
www.ccrpcvt.org



CLEAN WATER REVENUE SOURCES

PUBLIC COMMENT CONTRIBUTORS

- Pat Molton – VT Tech
- Megan Moir – Burlington Stormwater
- Chad Whitehead
- Charlie Baker – Chittenden County Regional Planning Commission
- Peter Ratwell – Brattleboro
- Wilcox – A&R Watershed
- Chris Koliba – UVM
- Lucy Lorish
- Pat Olman (VT Ski)
- Chris Champion
- Town of Shelburne
- Rural VT
- VT Farm Bureau
- VTC
- Doug Zehner
- Gary Sabourin
- Kiersten Bourgeois, St. Albans Cooperative Creamery
- Kris Stepenuck, Williston
- Rob Gaiotti, Dorset Town Offices
- Paul Doton
- Chelsea Mandigo
- Chip Sawyer
- David Snedeker, Northeastern VT Development Association
- Jeff Carter, UVM
- Kai Mikkell
- Mardee Sanchez
- Pete Diminico
- Gary Sabourin, VT Department of Forests, Parks and Rec
- Steve Reynolds – Cornwall, VT
- Tim O'Dell
- Tim McKay
- Bruce Shields
- Pat Sagui – Composting Association of VT
- Doug Zehner
- Jeannie Bartlet, NRCS St. Albans
- Rob Apple
- James Sherrard, Town of Williston Stormwater
- Eric Noel
- Jeff Lefebvre
- Leonard Bull

CLEAN WATER REVENUE SOURCES

PUBLIC COMMENTS - Revenue Source # 1

NOTE: These sources were proposed through the stakeholder process and are not recommendations or endorsements by the Treasurer's Office. The projections and descriptions are provided for the purpose of public information and discussion.

Revenue Source:
Clean Water Surcharge on Property Transfers

Revenue Amount:
0.2% surcharge on the transfer of certain properties = **\$4.7M-\$5M**

Comments

- Expressed support (x4)
- Expressed opposition
- This is perhaps the best
- ADD BUSINESSES
- Tax the polluters
- While this would be an equitable option that would be applied throughout the state, we generally oppose increasing any taxes. If funding this initiative is a priority, then existing budgets should be examined to see where existing revenue can be reallocated.
- Seems logical to continue this as it has been being used to fund this to date.
- Look at increasing this option, money is on the table when properties are at closing.
- Phase down over time or reduce the percentage
- This option seems temporary, does not have strong nexus to water quality, does not encourage mitigation, and does not raise enough money on its own, certainly.
- Should include non-principal dwellings, commercial & industrial properties, and farms.
- Which "certain" properties? I'd go with something else
- Looks stupid: Incidence is not well targeted to behavior that harms water quality/
- The property transfer tax imposes a drag on property sales, and depresses values.
- Tie surcharge to the amount of discharge from the site
- This will increase the cost of purchasing housing and land in Vermont as well as add to the growing issue of the lack of affordable housing in Vermont.

CLEAN WATER REVENUE SOURCES

PUBLIC COMMENTS - Revenue Source # 2

NOTE: These sources were proposed through the stakeholder process and are not recommendations or endorsements by the Treasurer's Office. The projections and descriptions are provided for the purpose of public information and discussion.

Revenue Source:
\$50 Annual Flat Parcel Fee

Revenue Amount:
\$16.7 Million

Comments

- Expressed opposition (x4)
- Is the effect on Current Use being considered?
- Some of us control all pollution coming from our properties - why should we pay for polluters?
- Forests provide clean water for drinking, recreation and habitat. This contribution reduces, and in some cases eliminates, the need for expenditures related to manmade infrastructure designed to ensure clean water. This proposal raises the cost of owning forestland. It is bad policy to fund water clean up on the very lands that play such an important role in maintaining clean water.
- Increased costs and decreased predictability -of-costs of owning forestland will force conversion of forestland to other uses that are more profitable or affordable. If promoting clean water is the goal, then this is opposite of the desired outcome.
- It would be inappropriate for this fee to apply to forested parcels.
- Not the best parcel fee option in my opinion.
- Will City Apartment dwellers be effected?
- Challenge to administer this program due to high costs and data management requirements
- Parcel-based fees have more nexus to water quality, but this is too large an amount of money to not be scaled based on the size of the property or amount of impervious.
- This doesn't account for differences in lot size. Should the owner of a 1/4-acre lot pay the same as a strip mall?
- No. a large parcel should pay more than a small parcel. see #3
- Perhaps the best...add business!
- developers will pay here
- Looks stupid: Incidence is not well targeted to behavior that harms water quality/
- This has some merit if limited to parcels containing a dwelling.
- Use runoff/discharge calculator (see US-EPA free software options) to tie fee to amount of discharge. Provide runoff reduction/infiltration options for landowners to implement to reduce their fee.
- This option also seems to penalize Vermont property owners and while not a large annual expense, when added to the ever increasing Vermont property tax burdens, will only add more financial pressure to Vermont property owners.
- Any parcel based fee (e.g. flat fee, per square foot of impervious) should take into account existing parcel based fees at the municipal level. Specifically, in recognition of existing stormwater utilities, any state wide parcel fee should be waived for municipalities which have previously implemented a fee. In the event that a state wide fee is greater than the municipal fee it may be appropriate for the municipal parcel owners to contribute the difference to the state fund. For example, if a municipal fee is charged at \$50/year and a state fee is \$60/year, the municipal residents should receive at maximum a \$10/year state fee. Additionally, for all parcel based fee approaches the impervious cover covered underneath a valid INDS permit should be credited for its stormwater mitigation efforts
- This seems to be the most fair and doable
- This is fair and hardly noticeable with the sale prices.

CLEAN WATER REVENUE SOURCES

PUBLIC COMMENTS - Revenue Source # 3

NOTE: These sources were proposed through the stakeholder process and are not recommendations or endorsements by the Treasurer's Office. The projections and descriptions are provided for the purpose of public information and discussion.

Revenue Source:
\$3 Per Acre Per Parcel Fee

Revenue Amount:
\$15 Million

Comments

- Expressed opposition (x4)
- Forests constitute the greatest area of land cover in the state. Forests provide clean water for drinking, recreation and habitat. This contribution reduces, and in some cases eliminates, the need for expenditures related to manmade infrastructure designed to ensure clean water. This proposal raises the cost of owning forestland. It is bad policy to fund water clean up on the very lands that play such an important role in maintaining clean water.
- Increased costs and decreased predictability -of-costs of owning forestland will force conversion of forestland to other uses that are more profitable or affordable. If promoting clean water is the goal, then this opposite of the desired outcome.
- Of the parcel fees, this seems most logical. It accounts for a land area contribution to water pollution. For state parks (which I assume have not been included in the tally, since Vermont has 5.9 million acres, which should result in \$17.7 million in revenue, but local, state and federal gov't lands must have been removed due to being tax free?), I would also recommend increasing the entry fee by a certain amount that would equal the \$3 per acre contribution (i.e., acres of state park lands/number of state park visitors per year=fee to add to state park entry) to contribute to the clean water fund too.
- Challenge to administer this program due to high costs and data management requirements
- Much better option. Has nexus and is scaled to size. I also recommend that any State-parcel based fee includes tax-exempt properties and allows local municipalities to "piggy-back" onto the State system, much like the local option tax, to raise additional funds for local water quality requirements.
- This would seem to penalize larger landowners. Farmers would be further challenged economically. Woodland owners usually benefit water quality.
- Yes. this is more equitable, but should be \$1/acre
- This seems more equitable than #2
- Looks stupid: Incidence is not well targeted to behavior that harms water quality/
- This has some merit if limited to parcels containing a dwelling.
- Use runoff/discharge calculator (see US-EPA free software options) to tie fee to amount of discharge. Provide runoff reduction/infiltration options for landowners to implement to reduce their fee.
- Large property owners with forest tracts, farms & recreation areas will be burdened with a greater cost than small land owners under this proposal.
- Any parcel based fee (e.g. flat fee, per square foot of impervious) should take into account existing parcel based fees at the municipal level. Specifically, in recognition of existing stormwater utilities, any state wide parcel fee should be waived for municipalities which have previously implemented a fee. In the event that a state wide fee is greater than the municipal fee it may be appropriate for the municipal parcel owners to contribute the difference to the state fund. For example, if a municipal fee is charged at \$50/year and a state fee is \$60/year, the municipal residents should receive at maximum a \$10/year state fee. Additionally, for all parcel based fee approaches the impervious cover covered underneath a valid INDS permit should be credited for its stormwater mitigation efforts
- This would be like kicking the large land holders, particularly farmers while they are already down. I do not support this.

CLEAN WATER REVENUE SOURCES

PUBLIC COMMENTS - Revenue Source # 4

NOTE: These sources were proposed through the stakeholder process and are not recommendations or endorsements by the Treasurer's Office. The projections and descriptions are provided for the purpose of public information and discussion.

Revenue Source:
Impervious Surface Tiered Acreage Fee

Revenue Amount:
\$18 Million

Comments

- Expressed Support (x4)
- Expressed opposition
- Request for explanation
- “Why the breakdown of parcels by grand list use code?”
- “Can we have a correlating tax structure for the CWF for agricultural land to complement an impervious surface tax? This would spread equity across sectors”
 - “Different fees depending on the agricultural practice’s impact on clean water
- Exemptions?
- Not the best parcel option as ignores impact from non-impervious surfaces.
- Need assurance that businesses and Towns will have access to funds to defray the costs of improvements to paved areas to treat run-off.
- Challenge to administer this program due to high costs and data management requirements
- An even better option. Has nexus, is scaled to size, and can encourage mitigation through removal of impervious. I also recommend that any State-parcel based fee includes tax-exempt properties and allows local municipalities to "piggy-back" onto the State system, much like the local option tax, to raise additional funds for local water quality requirements.
- Here is a strong nexus to water quality.
- Yes. Again that a fee per acre is preferred over a fee per parcel.
- Yes, I support this because it targets one of the sources of water pollution.
- This seems more equitable than #5
- pays accordingly to acres amounts directly impacting water quality
- Better
- As a lister, I wish any taxing authority good luck in carrying this measure out.
- Use runoff/discharge calculator (see US-EPA free software options) to tie fee to amount of discharge. Provide runoff reduction/infiltration options for landowners to implement to reduce their fee.
- Yes, because it is directly taxing something that hurts water quality, and the taxed entities should usually have the ability to pay.
- This should only be established for that impervious acreage that has not been
- constructed or designed to meet Vermont Stormwater Treatment Regulations
- Please describe the differences between he Tiered Acreage Fee and the Tiered Parcel Fee
- If this is used there better be solutions tied to it and those dollars being put back into projects that address them. Otherwise I do not support this.
- Great source of pollution and worth the fee.

CLEAN WATER REVENUE SOURCES

PUBLIC COMMENTS - Revenue Source # 5

NOTE: These sources were proposed through the stakeholder process and are not recommendations or endorsements by the Treasurer's Office. The projections and descriptions are provided for the purpose of public information and discussion.

Revenue Source:
Impervious Surface Tiered Parcel Fee

Revenue Amount:
\$18 Million

Comments

- Expressed Support (x3)
- Expressed Opposition (x2)
- Request for explanation
- Not the best parcel option as ignores impact from non-impervious surfaces.
- Need assurance that businesses and Towns will have access to funds to defray the costs of improvements to paved areas to treat run-off.
- Explore
- Challenge to administer this program due to high costs and data management requirements
- An even better option. Has nexus, is scaled to size, and can encourage mitigation through removal of impervious. I also recommend that any State-parcel based fee includes tax-exempt properties and allows local municipalities to "piggy-back" onto the State system, much like the local option tax, to raise additional funds for local water quality requirements.
- Nexus to water quality is strong, but this doesn't seem to account for acreage (?)
- Yes, I support this because it targets one of the sources of water pollution.
- Better
- As a lister, I wish any taxing authority good luck in carrying this measure out.
- Use runoff/discharge calculator (see US-EPA free software options) to tie fee to amount of discharge. Provide runoff reduction/infiltration options for landowners to implement to reduce their fee.
- Yes, because it is directly taxing something that hurts water quality, and the taxed entities should usually have the ability to pay.
- Should be based on acreage, not the number of parcels
- If this is used there better be solutions tied to it and those dollars being put back into projects that address them. Otherwise I do not support this.

CLEAN WATER REVENUE SOURCES

PUBLIC COMMENTS - Revenue Source # 6

NOTE: These sources were proposed through the stakeholder process and are not recommendations or endorsements by the Treasurer's Office. The projections and descriptions are provided for the purpose of public information and discussion.

Revenue Source:
Excise Tax on Pesticides

Revenue Amount:
\$70,000 - \$140,000

Comments

- Expressed support (x2)
- Excellent, except raise the rate to generate more funds. This also encourages grass fed beef and organic farming.
- This is not a significant source of new revenue and moreover, not one that we support.
- I didn't see this in the slideshow. Seems logical, but not much revenue, so the question is, is it worth the work to develop the tax? (Will it cost more to develop than it will bring in?)
- Plausible.
- Not worth it
- Could be part of the mix, but does not have nexus to the water quality issues at hand.
- Okay, but the revenue generated seems insignificant.
- No. does not address the source of water quality problems
- Yes, I support this because it targets one of the sources of water pollution.
- As this directly relates to clean water, I would encourage this one.
- yes, do impact water quality
- Good. Rates should be higher. Do this even if it's not a big revenue source,
- This one seems a real stretch -- only a tinyfraction of pesticides cause problem
- Studies show pesticide use can be reduced 75% or more, replacing it with soil health practices using compost and compost tea. See Composting Association of Vermont publication: Soil Policy in Vermont, Drivers & Action at compostingvermont.org
- A small dollar amount raised with negative financial impacts on agriculture and golf operations.
- Should also include lawn fertilizer.

CLEAN WATER REVENUE SOURCES

PUBLIC COMMENTS - Revenue Source # 7

NOTE: These sources were proposed through the stakeholder process and are not recommendations or endorsements by the Treasurer's Office. The projections and descriptions are provided for the purpose of public information and discussion.

Revenue Source:
Property Tax

Revenue Amount:
\$0.01 property tax increase =
\$8 Million

Comments

- Expressed opposition (x2)
- Request for explanation
- What % of property doesn't fall under property tax?
- "Relying on property tax would crowd out basic services of municipalities, forcing local government to levy taxes elsewhere"
- "There shouldn't be per acre penalties to foresters who help to protect watershed"
- Tax all property owners for what polluters do? Totally wrong.
- We do not support any property tax increases.
- Why not increase it by \$0.05 and bring in \$40 million? This seems the most simple answer of all, and would be my top choice of options provided.
- Nothing left here, education takes it all.
- We're taxed enough, especially "Gold Towns" like the one I live in
- Could be in lieu of option #1
- Troublesome politically. Look for other options that do not include directly increasing the property tax. Also, this would not include tax-exempt properties.
- Too many properties do not pay property tax - UVM, churches, non-profits. If the assumption is that we are "all in", then a PILOT option needs to be included here.
- No. If my taxes go up any more you will be forcing many of us to sell or develop smaller property parcels and leave the state.
- Property taxes already too high
- Looks stupid: Incidence is not well targeted to behavior that harms water quality. But it does recognize that all citizens have a stake in high quality water
- Having nearly the highest tax rates in the country, we want to go for First Place?!
- Vermont property taxes are already much too high and need to be reduced rather than increased.
- NO. Property taxes are too high.

CLEAN WATER REVENUE SOURCES

PUBLIC COMMENTS - Revenue Source # 8

NOTE: These sources were proposed through the stakeholder process and are not recommendations or endorsements by the Treasurer's Office. The projections and descriptions are provided for the purpose of public information and discussion.

Revenue Source:
Personal Income Tax

Revenue Amount:

- **\$7 Million** - 1% of current revenues.
- **\$13.3 Million** - .1% increase applied to the rate of each tax bracket (i.e. 3.55% increased to 3.65%)
- **\$5.5 Million**: Bottom tax rate remains at 3.55% and other rates increased by .1%.
- **\$2.8 Million**: Bottom two brackets remain at 3.55%

Comments

- Expressed opposition (x4)
- Request for explanation
- WTF? Tax the innocents and not the polluters?
- We oppose any increase to Vermont's personal income tax.
- It's somewhat "nickel and diming" this to piece things together, but if you were to select one of these options, maybe go with the \$2.8 million one to offset hits to lower income people?
- More tax!
- All Vermonters will eventually have to pay for water quality requirements. However, I would recommend this option only if other funding options are not raising enough. It hits our personal wallets and yet does not have strong nexus or directly encourage mitigation.
- Very weak nexus to water quality. Too many groups do not pay income tax in VT, so taxpayers would bear that extra burden. Where is the "all in" idea?
- No. the cost of this should be related to the cause of the problem. Income does not correlate to land use and water pollution.
- Income taxes already too high
- all Vermonters potentially contribute
- Looks stupid: Incidence is not well targeted to behavior that harms water quality. But it does recognize that all citizens have a stake in high quality water.
- Good idea to exempt lower brackets and then raise progressively to supply most of the needed revenue.
- How attractive are we wishing Florida to be?
- Vermonters can not afford any increase in the income tax rates.
- I do NOT support this at all. Stay away from this unless you want to drive more VT people out of VT. Less people in the state is not the solution. Creating a Clean Water Economy is.

CLEAN WATER REVENUE SOURCES

PUBLIC COMMENTS - Revenue Source # 9

NOTE: These sources were proposed through the stakeholder process and are not recommendations or endorsements by the Treasurer's Office. The projections and descriptions are provided for the purpose of public information and discussion.

Revenue Source:
Gas Tax

Revenue Amount:
• \$0.01 increase / gallon of gas =
\$3 Million
• \$0.01 tax/gallon of diesel = **\$690,000**

Comments

- Expressed opposition (x2)
- Expressed support (x2)
- “The diesel tax seems unreasonably low, not raising enough money”
- “This is a tax on consumers...is it possible to tax the businesses selling the gas?”
- “When keeping in mind Climate Change’s major role in algae blooms, this is a great opportunity for the State to take a holistic approach at this issue, specifically with this gas tax, to begin discussing/moving towards a carbon tax”
- “Emphasis on importance of solving behavioral/infrastructural problems over raising revenues”
- “Opportunity to emphasize water *quantity* management, which has been shown to increase quality”
- We do not support either of these gas tax suggestions; our farmers will be negatively impacted, as will all Vermonters and tourists that visit our state. Revenues from the gas and diesel taxes should only be used to fund highway infrastructure improvements.
- Yes, highly recommend this. I'd propose making this even more though - say \$0.03. That increases the revenue to \$9M and \$2.1M.
- This should only be used for Transportation funding.
- Yes because it is a good all-in approach for highways
- Gas tax is troublesome, politically. Avoid this one. Not a strong nexus and does not directly encourage mitigation.
- This is a regressive tax. Roads are the nexus to water quality. Strongly suggest that gas tax option is only used for future road maintenance and repairs - this will be another funding struggle in the future.
- Yes, I support this because it targets one of the sources of water pollution.
- Looks stupid: Incidence is not well targeted to behavior that harms water quality. Moreover, it's chump change.
- Very poor choice -- the gas tax is already a shrinking revenue source, and the highway fund is struggling.
- consider, increase \$0.05/gal
- Gas taxes should only be used for transportation related projects. Working Vermonters cannot afford additional gas taxes.

CLEAN WATER REVENUE SOURCES

PUBLIC COMMENTS - Revenue Source # 10

NOTE: These sources were proposed through the stakeholder process and are not recommendations or endorsements by the Treasurer's Office. The projections and descriptions are provided for the purpose of public information and discussion.

Revenue Source: **Fertilizer tonnage fee**

Revenue Amount:

- Double the Ag fertilizer tonnage fee from \$0.50 to \$1 = **\$19,000**
- Increase the Ag fee to \$25 = **\$930,000**
- Increase non-Ag fee by \$1 = **\$6,000**

Comments

- Expressed Support
- Residential and Non-Ag use
- Would beneficial use of Class A biosolids have this fee applied? Credits/exemptions for WQ friendly fertilizer users?
- Is this based on the tonnage of fertilizer, or the tonnage of Phosphorus and Nitrogen being used?
- Should be formatted in a way to address differing levels of Phosphorus to incentivize use of low-P products
- "Is there a 3-year cycle to fee bills?"
- Comment on hardship of farmers that would result of this fee
- Was there consideration to raise the non-ag fee? This doesn't address the usage and practices associated with fertilizer
- Is compost lumped into the definition of fertilizer? Different impacts on water
- For tax provisions that are environmentally negative, farmers already receive tax credits...how much are they for? What about provisions for golf courses, etc.?
- Raise the fertilizer tax -
- This will affect our dairy farmer members who cannot absorb more costs.
- I like the idea of reaching across all sectors, and of incentivizing use of fertilizers from within the watershed. The highest (\$930,000) option would be my preference.
- Plausible.
- Is the juice worth the squeeze?
- Controlled by regulations with little revenue
- Could be a part of the mix. Has a nexus to the water quality issues at hand.
- Consider
- Very strong nexus, but little revenue generated.
- Yes. but only if tied to Phosphorus amount AND Also other sources of imported nutrients like poultry manure would need to be included.
- Along with this, there should be a similar fee for imported grains and byproducts that add to P load in our state. This could be balanced with a producer credit for proven P exports through farm products.
- Yes, I support this because it targets one of the sources of water pollution.
- As this directly relates to clean water, I would encourage this one
- Why do I have the sense that this proposal is structured to be a non-starter? Fertilizers and a common "so who gives a damn?" style of soil and runoff management are a HUGE part of the problem. Get serious. A big piece of my food intake is organic-non-chemical, AND I LIVE ON A FIXED INCOME!
- Increase both ag and non-ag fees. Non-ag fees should go up substantially.
- Consider
- If there hadn't just been a fee hike, I would say yes. I would support an additional moderate increase (eg doubling) of the Ag tonnage fee, because of the nexus to WQ.
- This will certainly impact farmers and golf courses more than others but does seem to be related to possibly reducing the volume of fertilizers used thus reducing the projected revenue to be generated
- VT farms already high base operating costs
- Residential and Non-ag

CLEAN WATER REVENUE SOURCES

PUBLIC COMMENTS - Revenue Source # 11

NOTE: These sources were proposed through the stakeholder process and are not recommendations or endorsements by the Treasurer's Office. The projections and descriptions are provided for the purpose of public information and discussion.

Revenue Source:
**Excise Tax on Flushable Consumer
Products**

Revenue Amount:
1% excise tax = **\$1.35 Million**

Comments

- Expressed opposition (x2)
- Expressed support
- Is this a tax for wholesaler or retailer? What's the mechanism?
- Major admin. and compliance logistical challenges...high associated costs
- What about products that are manufactured to have less impact on water? Tax structure should reflect this.
- Is not the major cause of pollution in Lake Champlain or the Connecticut River.
- Interesting, but nickel and diming, so seems more effort than money it would produce.
- Plausible, but the thought of increasing our costs to go to the bathroom seems strange.
- How to collect
- Could be a part of the mix. Has a weak nexus to the water quality issues at hand.
- Administratively difficult as this would cover a large number of everyday products. Pharmaceuticals should be included here in this option.
- Maybe. Only if tied to users of municipal sewage systems.
- Yes, I support this because it targets one of the sources of water pollution.
- Water user should be taxed
- Better, targets the problem, and well to do even if it is chump change.
- Too complicated for small revenue
- Superficial, and unenforceable. There are already ample reasons for VT consumers to shop in NH
- If it can be demonstrated that these products contribute to increased phosphorus loads in the lake than this could be reasonable but there is an issue of unfairly targeting a specific consumer product.

CLEAN WATER REVENUE SOURCES

PUBLIC COMMENTS - Revenue Source # 12

NOTE: These sources were proposed through the stakeholder process and are not recommendations or endorsements by the Treasurer's Office. The projections and descriptions are provided for the purpose of public information and discussion.

Revenue Source:
**Excise Tax on Bottled Water
Containers**

Revenue Amount:
\$0.01 per container = **\$1 Million**

Comments

- Expressed Support (x2)
- "Putting tax on consumer rather than producer doesn't get to the heart of the issue"
- Expressed opposition
- Nickel and diming (so, seems more money to implement than it would produce), and also might push people to buy sugary drinks instead. If add a tax, do so for all bottled drinks, not only for water.
- Plausible.
- Look at it
- Could be part of the mix, but does not have nexus to the water quality issues at hand.
- Weak nexus to water quality. More appropriate for solid waste management funding.
- Yes. Raise to \$0.05 per container
- Yes, I support this because it targets one of the sources of water pollution.
- Don't like it. Why single out bottled water? I see more beer cans and stuff on the side of the road than water bottles...
- .05 excise tax equivalent to bottle ban
- Looks stupid: Incidence is not well targeted to behavior that harms water quality. AND MORE TO THE POINT, IT'S NOT SERIOUS. DOES NOT EVEN VAGUELY BEGIN TO COVER THE EXTERNALITIES.
- Too complicated for small revenue
- Not even related to the problem -- this is just someone's old hobby horse.
- If it can be demonstrated that these products contribute to increased phosphorus loads in the lake than this could be reasonable but there is an issue of unfairly targeting a specific consumer product.

CLEAN WATER REVENUE SOURCES

PUBLIC COMMENTS - Revenue Source # 13

NOTE: These sources were proposed through the stakeholder process and are not recommendations or endorsements by the Treasurer's Office. The projections and descriptions are provided for the purpose of public information and discussion.

Revenue Source:
**Escheating Unclaimed Beverage
Container Deposits**

Revenue Amount:
\$1.5 Million - \$2 Million

Comments

- Expressed support (x4)
- Expressed opposition
- How is this revenue used at the present time?
- Yes, seems logical to take back these funds.
- Plausible.
- Easy
- Could be part of the mix, but does not have nexus to the water quality issues at hand.
- Weak nexus to water quality. More appropriate for solid waste management funding.
- Maybe. I don't know where it goes now.
- No. All unclaimed funds should be used to expand the beverage container deposit program.
- yes, we have not addressed this issue
- Looks stupid: Incidence is not well targeted to behavior that harms water quality. But it does recognize that all citizens have a stake in high quality
- Too complicated for small revenue
- So we finally admit that the bottle fee is really a tax? It is high time.
- Sure, depending what other uses are competing for this money.

CLEAN WATER REVENUE SOURCES

PUBLIC COMMENTS - Revenue Source # 14

NOTE: These sources were proposed through the stakeholder process and are not recommendations or endorsements by the Treasurer's Office. The projections and descriptions are provided for the purpose of public information and discussion.

Revenue Source:
DEC Fines for non-compliance

Revenue Amount:
\$200,000

Comments

- Expressed Support (x5)
- Expressed Opposition (x3)
- CWF vs. GF...this is just moving dollars around
- Fines for pollution need to much higher to discourage bad behavior - small fines to polluters are just something to be laughed at.
- We understand that DEC and AGR fines that currently go to the General Fund would be dedicated to the Clean Water Fund. Given that there is no actual increase, this recommendation isn't an issue for us.
- Yes. Makes sense, but is this really all the fines DEC gives out in a year?
- Farmers can't pay fines if they close.
- Don't start there or it will be an area to increase?
- Should be a part of the mix, but will diminish in returns as more become compliant.
- Revenue that really can't be budgeted for. Little revenue generated.
- Yes, I support this because it targets one of the sources of water pollution.
- double fines
- Looks stupid: Incidence is not well targeted to behavior that harms water quality. But it does recognize that all citizens have a stake in high quality. CHUMP CHANGE.
- Trivial, but sensible
- If DEC wants to allocate this revenue to these new costs that is their decision.

CLEAN WATER REVENUE SOURCES

PUBLIC COMMENTS - Revenue Source # 15

NOTE: These sources were proposed through the stakeholder process and are not recommendations or endorsements by the Treasurer's Office. The projections and descriptions are provided for the purpose of public information and discussion.

Revenue Source:
**Agency of Agriculture Food and
Markets fines for non-compliance**

Revenue Amount:

- Agency of Ag penalties = **\$175,000 - \$230,000**
- VT Office of Attorney General Water quality violations = **\$24,750 (2016)** and **\$118,000 (2014)**

Comments

- Expressed opposition (x2)
- Expressed support (x4)
- Fines for pollution need to be much higher to discourage bad behavior - small fines to polluters are just something to be laughed at.
- Yes. Makes sense. Again, is this really all the fines in a given year? Seems very low.
- Farmers can't pay fines if they close.
- Don't start there or it will be an area to increase?
- Should be a part of the mix, but will diminish in returns as more become compliant.
- Revenue that really can't be budgeted for. Little revenue generated.
- Yes, I support this because it targets one of the sources of water pollution.
- double fines
- Forget this. The regulators are , and always will be, captured, except with regard to the most egregious violations. This behavior needs to be addressed by other means. Probably another generations will have to die before their more aware successors assume stewardship of land.
- Raise fines dramatically and maximize this revenue source.
- Trivial, but sensible
- Yes, this seems like a good use of whatever fines are assessed, but I don't support dramatic increase of agricultural fines and penalties.
- If the Agency of Ag wants to allocate this revenue to these new costs that is their decision.

CLEAN WATER REVENUE SOURCES

PUBLIC COMMENTS - Revenue Source # 16

NOTE: These sources were proposed through the stakeholder process and are not recommendations or endorsements by the Treasurer's Office. The projections and descriptions are provided for the purpose of public information and discussion.

Revenue Source:
Sales Tax on Nail Salons

Revenue Amount:
\$2.23 Million

Comments

- Expressed Support (x2)
- Expressed opposition (x2)
- Are there other industries that could be taxed?
- Nail salons are a real menace.
- Interesting, but nickel and diming, so seems more effort than money it would produce.
- What is the gross revenue on nail salons?
- They won't pay either if they are put out of business.
- Not relevant to water quality
- Could be a part of the mix. Has a weak nexus to the water quality issues at hand. However it singles out only one class of contributor.
- There are likely other service-type businesses that have impacts on water quality. This business is being singled-out.
- Yes if they pollute with Phosphorus, I am not sure.
- I don't understand where this whole nail and beauty salon thing is coming from therefore can't support it.
- Looks stupid: Incidence is not well targeted to behavior that harms water quality. But it does recognize that all citizens have a stake in high quality
- Good idea for general revenue, but why for this?
- The potential down-side of increasing the cost of these services may be considerable.
- Consider
- Yes, but we have to be careful because this rapidly becomes a gender- and class-based tax. Salons are in some cases a luxury, yes, but high standards of beauty and appearance are also societally imposed on women and affect job prospects. Unless I'm missing important data, nail salons do not pose enough of a significant contribution to WQ to warrant being targeted this way. I'm not defending them (and I don't use them), it just seems arbitrary and socially problematic.
- Single service businesses should not be targeted.

CLEAN WATER REVENUE SOURCES

PUBLIC COMMENTS - Revenue Source # 17

NOTE: These sources were proposed through the stakeholder process and are not recommendations or endorsements by the Treasurer's Office. The projections and descriptions are provided for the purpose of public information and discussion.

Revenue Source:
Sales Tax on Beauty Salon Services

Revenue Amount:
\$4.3 Million

Comments

- Expressed Support (x2)
- Some salons are more eco-friendly than others...should incentivize good behavior!
- Expressed opposition (x2)
- Interesting, but nickel and diming, so seems more effort than money it would produce.
- What is the gross revenue on nail salons?
- They won't pay either if they are put out of business.
- Not relevant to water quality
- Could be a part of the mix. Has a weak nexus to the water quality issues at hand. However it singles out only one class of contributor.
- There are likely other service-type businesses that have impacts on water quality. This business is being singled-out.
- Yes if they pollute with Phosphorus, I am not sure.
- I don't understand where this whole nail and beauty salon thing is coming from therefore can't support it.
- Looks stupid: Incidence is not well targeted to behavior that harms water quality. But it does recognize that all citizens have a stake in high quality
- Good idea for general revenue, but why for this?
- The potential down-side of increasing the cost
- of these services may be considerable.
- Consider
- Yes, but we have to be careful because this rapidly becomes a gender- and class-based tax. Salons are in some cases a luxury, yes, but high standards of beauty and appearance are also societally imposed on women and affect job prospects. Unless I'm missing important data, nail salons do not pose enough of a significant contribution to WQ to warrant being targeted this way. I'm not defending them (and I don't use them), it just seems arbitrary and socially problematic.
- Single service businesses should not be targeted.

CLEAN WATER REVENUE SOURCES

PUBLIC COMMENTS - Revenue Source # 18

NOTE: These sources were proposed through the stakeholder process and are not recommendations or endorsements by the Treasurer's Office. The projections and descriptions are provided for the purpose of public information and discussion.

Revenue Source:
**End Exemption on Ski Lifts and
Snowmaking Equipment**

Revenue Amount:
\$1.5 - \$2 Million

Comments

- Expressed Support (x6)
- Expressed opposition
- Need for more detailed vetting
- Consequences on competitiveness in VT; the extreme competition within the ski industry with neighboring state increases potential income reductions from taxing VT Ski
- Interesting, but nickel and diming, so seems more effort than money it would produce.
- Terrible idea. It's one of the very few economic driver's we have, leave it alone.
- Not properly titled
- Reduce the exemption
- Could be a part of the mix. Has a weak nexus to the water quality issues at hand.
- Nexus to water quality is weak compared to farm equipment. This is a tax on machinery & equipment that singles out one industry. If farm machinery & equipment remains tax exempt, logging equipment and snowmaking equipment should be exempt also.
- Yes, I support this because it targets one of the sources of water pollution and I am disgusted, but not necessarily shocked to learn of the existence of this exemption (!).
- End this, ski industry gets a free ride on river water for making snow
- Does this target problem behavior?
- Good idea for general revenue, but why for this?
- Uncertain how their operations contribute to water pollution -- how to establish valuations will be highly contentious, and the appeals
- may be costly to the state.
- Consider
- Depending on predicted impacts to the ski industry, and on what would likely happen to small resorts that go under. Would Forest Service buy and protect the land? Or would a wealthier resort buy them and install even more condos and parking lots?
- To eliminate this exemption only for ski areas and not for all Vermont manufacturing equipment targets an industry that contributes significant direct and secondary financial benefits to the State and should not be targeted in such a manner.

CLEAN WATER REVENUE SOURCES

PUBLIC COMMENTS - Revenue Source # 19

NOTE: These sources were proposed through the stakeholder process and are not recommendations or endorsements by the Treasurer's Office. The projections and descriptions are provided for the purpose of public information and discussion.

Revenue Source:

Current Use: Apply a 90% discount to all property enrolled in current use

Revenue Amount:

\$4.5 Million

Comments

- Policy debate for years to replace Current Use structure
- Main area of revenue generated would be from farm buildings that are currently exempt in full
- Vocalized opposition
- Current use should be stopped- why reduce taxes on polluters. Most get way too many subsidies already. Time to pay for the cost of pollution by the polluters.
- Forests provide clean water for drinking, recreation and habitat. This contribution reduces, and in some cases eliminates, the need for expenditures related to manmade infrastructure designed to ensure clean water. While a 90% reduction of taxes on forestland enrolled in UVA maintains a generous tax benefit for landowners and in some cases will decrease taxes, it will also raise taxes for many forestland owners. It is bad policy to raise a tax to fund water clean up on the very lands that play such an important role in maintaining clean water. Because land in a fragmented landscape often has a higher value, there will be many cases where the land most affected by the change in costs is also the land that is most important to keep in forest. Furthermore, a flat tax on UVA enrolled land undermines the integrity and stability of how lands are appraised in the program. Currently, the appraisal method values land based on the value for managing forestland. If this funding recommendation successfully alters the method of appraisal of UVA enrolled lands by taxing land at an arbitrary rate, then it becomes easier for subsequent fundraising efforts to alter the rate to save more money. This will make the cost of owning land enrolled in the program unpredictable.
- Increased costs and decreased predictability -of- costs of owning forestland will force conversion of forestland to other uses that are more profitable or affordable. If promoting clean water is the goal, then this opposite of the desired outcome.
- We oppose any ideas under consideration that would redirect Use Value Appraisal Program benefits to the Clean Water Fund. This program should not be used as a vehicle to fund this initiative.
- Current use needs an overhaul first.
- Leave current use alone or more farms will go out of business
- No because Current Use will have additional regulatory burden under this rule
- Could be a part of the mix. Has a weak nexus to the water quality issues at hand.
- This option would be extremely difficult to get through the legislature. Require land management plans to have shoreline and stream buffers that have to be maintained.
- NO. Leave Current Use alone.
- No. Current use as a program is one of the few things we are doing right when it comes to managing lands to prevent runoff!
- Seems like amove in the wrong direction. A sausage?
- Bad idea
- Intriguing notion. The savings may be rather diffuse.
- The Current Use Program encourages good stewardship practices on open land in Vermont and the existing tax benefits should not be reduced any further.
- I'd be nervous about chipping away at CU
- I don't understand this. How does a discount make money?

CLEAN WATER REVENUE SOURCES

PUBLIC COMMENTS - Revenue Source # 20

NOTE: These sources were proposed through the stakeholder process and are not recommendations or endorsements by the Treasurer's Office. The projections and descriptions are provided for the purpose of public information and discussion.

Revenue Source:
Sales Tax on Marinas

Revenue Amount:
\$210,000

Comments

- Expressed Support (x4)
- Expressed opposition (x2)
- Seems very little income. Is the tax on slip usage? That seems logical to implement (though would also be nickel and diming again).
- Plausible.
- Why?
- small but relevant to water quality and lake users
- Could be a part of the mix. A class of businesses that has a lot riding on water quality. Has a weak nexus to the water quality issues at hand.
- Very little revenue generated.
- Yes, I support this because it targets one of the sources of water pollution (fluids that leak from IC engines and human excreta that no doubt still finds it's way into bodies of water via boaters.
- To the extent that they are part of the problem: Spills, exhaust, etc.
- Aren't the marinas on the front line of helping
- To reduce direct pollution of the lakes?
- Consider - also on all 'recreational' activities/ sites dependent on fossil fuels: golf courses, ski areas, dirt bike trails, etc
- Individual single business categories should not be singled out for tax increases.
-

CLEAN WATER REVENUE SOURCES

PUBLIC COMMENTS - Revenue Source # 21

NOTE: These sources were proposed through the stakeholder process and are not recommendations or endorsements by the Treasurer's Office. The projections and descriptions are provided for the purpose of public information and discussion.

Revenue Source:
Pharmaceutical Medicine Excise Tax

Revenue Amount:
1% on excise on prescription drugs =
\$5.5 Million
1% excise tax on non-prescription drugs =
\$600,000

Comments

- Yah, let's raise the price of drugs even more.
- Expressed opposition (x3)
- Not really relevant to phosphorus, but interesting idea. I put it in the nickel and diming category, so am less supportive of it than other ideas.
- There are other places to fill your prescriptions
- Could be a part of the mix. Has a weak nexus to the water quality issues at hand.
- This would seem to be difficult to administer.
- Yes, I support this because it targets one of the sources of water pollution. That said, without a holistic approach that incentivizes preventative over palliative care and also negotiate prices with pharmaceutical companies (as in a public option) I fear that a tax on pharmaceuticals would only add to the problems faced by those untold households in Vermont who each year face bankruptcy due to healthcare expenses.
- No. We pay enough for medicine
- Low price elasticity of demand. Regressive. Stupid.
- Bad because who it hits
- If not specified to be paid as part of "co-pay" this is simply a transfer from one government agency to another.
- The cost of medicine and insurance is already very high and this will only increase the cost of health care for Vermonters.

CLEAN WATER REVENUE SOURCES

PUBLIC COMMENTS - Revenue Source # 22

NOTE: These sources were proposed through the stakeholder process and are not recommendations or endorsements by the Treasurer's Office. The projections and descriptions are provided for the purpose of public information and discussion.

Revenue Source:
**Sales Tax on Parking Lots and
Garages**

Revenue Amount:
\$280,000

Comments

- Expressed Support (x3)
- Expressed opposition
- Warning of the “slippery slope” of taxing services
- Seems far lower than would be actually brought in, but nickel and diming again. Is it going to bring in more than it costs to implement?
- Look at it
- Could be a part of the mix. Has a nexus with the issue and could encourage mitigation. But would not be fair to parking garages, which actually locate more parking on less of an impervious footprint. Also, might be difficult to ramp up the administration of the sales tax. if this is done, then there should also be a sales tax on on-street parking meters.
- Little revenue generated. If there is a fee on impervious surfaces, this option would not be necessary.
- Yes, same as impervious surfaces
- Yes, I support this because it targets one of the sources of water pollution.
- This seems to go along with #4. Seems like a good idea
- Better: Runoff, no infiltration.
- Too complicated for small revenue
- Another real stretch -- counter productive in many respects
- Makes sense
- Individual single business categories should not be singled out for tax increases.

CLEAN WATER REVENUE SOURCES

PUBLIC COMMENTS - Revenue Source # 23

NOTE: These sources were proposed through the stakeholder process and are not recommendations or endorsements by the Treasurer's Office. The projections and descriptions are provided for the purpose of public information and discussion.

Revenue Source:
Sales Tax on Limousine Services

Revenue Amount:
\$610,000

Comments

- Expressed Support (x5)
- We believe that instituting a sales tax on services will have a negative effect on doing business in our state. Moreover, it is detrimental to existing businesses.
- Nickel and diming.
- What is the margin of profit on limousine service? Can't pay if they close.
- Look at it
- Could be a part of the mix. Has a weak nexus to the water quality issues at hand. However it singles out only one class of contributor.
- Singles out one business.
- NO. this is way off base
- Yes, I support this because a) it's a luxury tax and b) it targets one of the sources of water pollution.
- Don't like. Not related to clean water.
- Looks stupid: Incidence is not well targeted to behavior that harms water quality.
- Good idea for general revenue, but why for this?
- This also seems likely to be very contentious, and counterproductive.!
- Consider
- Individual single business categories should not be singled out for tax increases.

CLEAN WATER REVENUE SOURCES

PUBLIC COMMENTS - Revenue Source # 24

NOTE: These sources were proposed through the stakeholder process and are not recommendations or endorsements by the Treasurer's Office. The projections and descriptions are provided for the purpose of public information and discussion.

Revenue Source:
Sales Tax on Storage Units

Revenue Amount:
\$940,000

Comments

- Expressed Opposition (x4)
- Expressed Support
- Tax the property taxes instead (which I supported above).
- Plausible.
- Look at it
- Could be a part of the mix. Has a weak nexus to the water quality issues at hand. However it singles out only one class of contributor.
- Weak nexus to water quality. This could fall under impervious surfaces.
- Yes, I support this because it targets one of the sources of water pollution and it might serve as an incentive for people to simplify their lives.
- Don't like. Not related to clean water.
- Stupid, but on non-permeable paving around them, yes.
- Good idea for general revenue, but why for this?
- The units already pay pretty hefty property taxes.
- Sure, but not in combination with the impervious surface parcel/acreage fee.
- Individual single business categories should not be singled out for tax increases.

CLEAN WATER REVENUE SOURCES

PUBLIC COMMENTS - Revenue Source # 25

NOTE: These sources were proposed through the stakeholder process and are not recommendations or endorsements by the Treasurer's Office. The projections and descriptions are provided for the purpose of public information and discussion.

Revenue Source:
Sales tax on new car dealer labor charges, work under warranty, and value of service contracts

Revenue Amount:
\$4.8 Million

Comments

- Expressed Opposition (x2)
- Expressed support
- "Dealers aren't adequately compensated for warranty work as is"
- With 26, could bring in a significant amount needed.
- This funding source should be reserved for Transportation funding if ever used.
- Check on competition from adjoining states
- Could be a part of the mix. But we are getting farther and farther away from nexus here...
- Weak nexus to water quality. Targeting a business.
- NO. this is way off base
- Yes, I support this because it targets one of the sources of water pollution.
- Don't like. Not related to clean water.
- Looks stupid: Incidence is not well targeted to behavior that harms water quality.
- Good idea for general revenue, but why for this?
- Surely the existing excise taxes on cars are high enough?
- Individual single business categories should not be singled out for tax increases.
- No – Dealers are not adequately compensated for warranty work as is
- Maybe
- This would be detrimental as well. Vehicle ownership is expensive enough already. With new technology that is already here and getting better cars are not and will not be the largest emitters.
- Hard to separate the tax.

CLEAN WATER REVENUE SOURCES

PUBLIC COMMENTS - Revenue Source # 26

NOTE: These sources were proposed through the stakeholder process and are not recommendations or endorsements by the Treasurer's Office. The projections and descriptions are provided for the purpose of public information and discussion.

Revenue Source:
Sales Tax on General Auto Repair

Revenue Amount:
\$6.2 Million

Comments

- Expressed Opposition (x4)
- Interesting. Sure, if needed.
- Transportation only
- Check on competition from adjoining states
- Could be a part of the mix. But we are getting farther and farther away from nexus here...
- Weak nexus to water quality. Targeting a business.
- Yes, I support this because it targets one of the sources of water pollution and it might act as another incentive for people to get rid of their car(s).
- Definitely not. We all pay too much for this service already.
- Looks stupid: Incidence is not well targeted to behavior that harms water quality.
- Not progressive
- There is already a substantial underground economy in this field. Raising taxes on the work will probably increase that.
- Individual single business categories should not be singled out for tax increases.
- Maybe
- No again. It's already expensive for good qualified repairs.
- Hard to separate the tax.

CLEAN WATER REVENUE SOURCES

PUBLIC COMMENTS - Revenue Source # 27

NOTE: These sources were proposed through the stakeholder process and are not recommendations or endorsements by the Treasurer's Office. The projections and descriptions are provided for the purpose of public information and discussion.

Revenue Source:
Inspection Sticker Fee

Revenue Amount:
\$1 increase = \$585,000

Comments

- Expressed Opposition (x5)
- Expressed Support
- Nickel and diming.
- Transportation only
- Not much impact
- Could be a part of the mix. But we are getting farther and farther away from nexus here...
- Weak nexus to water quality. Targeting a business.
- Yes, I support this because it targets one of the sources of water pollution, automobiles.
- Don't like. Not related to clean water.
- Looks stupid: Incidence is not well targeted to behavior that harms water quality.
- It is hard to grasp why these fees are related to clean water.
- There is already a scheduled fee increase in 1917 for inspection stickers and vehicle inspections and this should not be increased further.
- Not again. Too many rate hikes on this one.

CLEAN WATER REVENUE SOURCES

PUBLIC COMMENTS - Revenue Source # 28

NOTE: These sources were proposed through the stakeholder process and are not recommendations or endorsements by the Treasurer's Office. The projections and descriptions are provided for the purpose of public information and discussion.

Revenue Source:
Surtax on Rental Cars

Revenue Amount:
1% surtax on rental vehicles =
\$480,000

Comments

- Expressed Support (x4)
- Expressed opposition
- Ad valorem tax on cars by type? Many different types raised last year...
- Nickel and diming (though I like the idea of charging visitors to the state too)
- Transportation only
- Maybe
- Could be a part of the mix. But we are getting farther and farther away from nexus here...
- Weak nexus to water quality. Targeting a business.
- NO. this is way off base
- Yes, I support this because it targets one of the sources of water pollution.
- Don't like. Not related to clean water.
- Looks stupid: Incidence is not well targeted to behavior that harms water quality.
- Too complicated for small revenue
- It is hard to grasp why these fees are related to clean water.
- Not a significant amount of new revenue while increasing the cost for both Vermonters and visitor to the state.

CLEAN WATER REVENUE SOURCES

PUBLIC COMMENTS - Revenue Source # 29

NOTE: These sources were proposed through the stakeholder process and are not recommendations or endorsements by the Treasurer's Office. The projections and descriptions are provided for the purpose of public information and discussion.

Revenue Source:
Surtax / Increase to Sales & Use Tax

Revenue Amount:
.1% increase = **\$6 Million**

Comments

- Expressed Support (x2)
- Expressed Opposition (x5)
- "Likely to be targeted for Ed Fund"
- Breakdown of where revenue would go?
- Why not 0.2% and bring in \$12 million if needed (though other suggestions I have supported above already meet the goal)?
- Low on the list
- Could be a part of the mix. But we are adding to a regressive tax while getting farther and farther away from nexus...
- Weak nexus to water quality. Regressive tax.
- Yes. This would better relate human activity level to environmental impact effects. Too bad it will reduce Vermont business incomes as more on-line and out of state purchases.
- Regressive. Looks stupid: Incidence is not well targeted to behavior that harms water quality.
- Bad idea - not progressive
- As noted before, NH is not that far away.
- Consider
- The Vermont Sales tax should be decreased not increased.

CLEAN WATER REVENUE SOURCES

PUBLIC COMMENTS - Revenue Source # 30

NOTE: These sources were proposed through the stakeholder process and are not recommendations or endorsements by the Treasurer's Office. The projections and descriptions are provided for the purpose of public information and discussion.

Revenue Source:
\$1 Surcharge on Rooms

Revenue Amount:
\$3.6 Million

Comments

- Expressed Support (x7)
- Expressed opposition (x2)
- Again, I like the idea of including visitors in the costs, but why not increase the amount and make it worthwhile? Say, \$5 surcharge on rooms, and bring in \$36M? I think the fewer things you can do to bring in the needed \$ and involve as many sectors of the population as possible is what you should do. With this surcharge (if increased as I mentioned), plus a property tax increase that's \$40M + \$18M and you're done, right?
- Maybe
- Could be a part of the mix. But has limited nexus with water quality.
- Weak nexus to water quality. This option would be better used to fund statewide marketing and tourism programs.
- Yes. This helps spread the cost to others who use our state for recreation, impact natural resources, and then go home
- people will accept this for a cleaner Lake Champlain
- Looks stupid: Incidence is not well targeted to behavior that harms water quality.
- The overall effect of such an increase needs to be very well understood. It may not raise as much revenue as hoped for. Many package tours can choose where to spend the night.
- I like it because it collects from out-of-state tourists who benefit from the protection of our WQ. They already bring lots of \$\$ to our economy, but asking for a little more and directing it to WQ seems okay.
- This will negatively impact Vermont tourism businesses while having zero relation to improved water quality
- Discriminates against small, cheaper lodging
- Maybe

CLEAN WATER REVENUE SOURCES

PUBLIC COMMENTS - Revenue Source # 31

NOTE: These sources were proposed through the stakeholder process and are not recommendations or endorsements by the Treasurer's Office. The projections and descriptions are provided for the purpose of public information and discussion.

Revenue Source:
**Surtax / Increase to Meals, Rooms
and Alcoholic Beverages**

Revenue Amount:
.25% increase = **\$4.2 Million**

- \$2.5 Million - Meals
- \$1.2 Million - Rooms
- \$500,000 - Alcohol

Comments

- Expressed Opposition (x7)
- Expressed Support (x3)
- Request for data showing breakdown of projected effects on residents versus visitors
- Nickel and diming.
- Low on the list
- Could be a part of the mix. But has limited nexus with water quality.
- Weak nexus to water quality. This option would be better used to fund statewide marketing and tourism programs.
- Maybe.
- these fees are good travel & tourism sees water quality improvement fees only improve the industries bottom line
- Looks stupid: Incidence is not well targeted to behavior that harms water quality.
- The overall effect of such an increase needs to be very well understood. It may not raise as much revenue as hoped for. Many package tours can choose where to spend the night.
- Consider
- This will negatively impact tourism as well as the Vermont hotel and restaurant industry and has no relation to improving water quality
- Better idea (than surcharge to rooms)

CLEAN WATER REVENUE SOURCES

PUBLIC COMMENTS - Revenue Source # 32

NOTE: These sources were proposed through the stakeholder process and are not recommendations or endorsements by the Treasurer's Office. The projections and descriptions are provided for the purpose of public information and discussion.

Revenue Source:
**Voluntary Contribution Line Item on
the Personal Income Tax Form**

Revenue Amount:
\$30,000 - \$100,000

Comments

- Expressed support (x5)
- Adding voluntary fees onto licensing applications for fishing, hunting etc. would likely show some revenue return
- Support. However it will not yield much revenue.
- Doesn't seem a bad idea to include, but is it needed?
- Non-profit support to augment and capitalize on this effort. Work with qualified non-profit to make donations to lake clean up tax deductible and attractive. Much more emphasis should be placed on this vs. simply waving the "tax wand".
- LCI, VPIRG etc should be out canvassing and raising funds to help with this effort not just thinking everything should be shouldered by taxpayers.
- Dream on
- Could be a part of the mix, but what is the return on investment of these line items?
- Also consider: VT Water Quality license plate options; and, additional contributions with the sale of fishing licenses.
- YES. This needs to be a tax deductible contribution.
- Yes, as long as the expense to manage this program doesn't cost more than the revenues it does or can be expected to produce.
- to include check off box for hunting & fishing
- Sure, why not? Cheap way to raise consciousness.
- Feasible
- No issues with providing Vermonters this personal choice
- Voluntary is good as long as it's truly voluntary.

CLEAN WATER REVENUE SOURCES

PUBLIC COMMENTS - Revenue Source # 33

NOTE: These sources were proposed through the stakeholder process and are not recommendations or endorsements by the Treasurer's Office. The projections and descriptions are provided for the purpose of public information and discussion.

Revenue Source:
Affinity Card

Revenue Amount:

Comments

- Expressed opposition
- What is an affinity card?
- ?
- Interesting
- What is this?
- Don't know what this is
- If Vermont makes out better than the banksters.
- Possible, probably trivial

CLEAN WATER REVENUE SOURCES

PUBLIC COMMENTS - Revenue Source # 34

NOTE: These sources were proposed through the stakeholder process and are not recommendations or endorsements by the Treasurer's Office. The projections and descriptions are provided for the purpose of public information and discussion.

Revenue Source:
Re-appropriation of Current Expenditures

Revenue Amount:
0.2% surcharge on the transfer of certain properties = **\$4.7M-\$5M**

Comments

- Expressed opposition
- Our first preference would be to redirect expenditures from existing programs to support the Clean Water Fund.
- Could consider this.
- .25%
- Worth looking at
- yes good to consider if/when available\
- Barring the ability to raise the necessary funds through the options above, the State is going to have to raise funding for water quality requirements somehow, or the EPAs "nuclear option" will force more expensive upgrades for even less potential clean-up.
- Could do this, in part
- Money being spent by VAAFm to clean up pollution on farms should be spent on this - farms should be required to comply without help.
- Possible
- Before any new funding sources are proposed all existing expenditures should be evaluated as sources of funding for this clean water effort.

CLEAN WATER REVENUE SOURCES

GENERAL COMMENTS

- Funding vs. financing and true grant money should be reflected in the costs chart
- Request for details on mechanisms of collection
- Request for reasons some things were taken off the list
- What about personnel needed?
- Should structure this based on ability to pay
- Recommendation to enact one of these suggestions ASAP to get the ball rolling, with insurance to enact another/more in x years
- Recurring emphasis on importance of not taxing folks whose activity actively supports clean water...should incentivize others to follow in footsteps
- Is there other research available on health, environmental, etc. impacts of clean water? Are these reports being considered?
- Recommendation to increase focus on taxing corporate presence in VT, avoid placing burden on shoulders of residents
- Emphasis on consideration of altering the formula for economic competition between VT and neighboring states
- Time to tax the polluters - costs of pollution have been far too long, not added in economic models. Livestock farms, one of the largest causes of pollution in Lake Champlain, and in the Connecticut River have had a free pass. They receive free technical and financial assistance from government agencies, they have ridiculous tax breaks on land they abuse, subsidized price supports for over producing the demand for dubious products and now want the rest of us to pay for their sins! to the environment.
- If a producer wants to raise livestock in this state, they should pay a per head tax on a proportional amount of the problem that this "privilege" allows. If the cost of cleanup is \$10,000,000 per year and there are 1,000,000 animal units out there, then a tax of \$10/AU head should be levied. Citizens are tired of paying for others costs of pollution. If the farmer cries, "I can't afford it", then maybe they should not be in business-- you have one less bad actor, less pollution. If someone else thinks they can do better, then so be it- Plus its high time to fine polluters, none of this slap on the wrist shit from the Vermont Department of Agriculture. These fines need to be significant to cause these polluters to stop and enforced by real cops, not lobbyists.

CLEAN WATER REVENUE SOURCES

GENERAL COMMENTS

- To me, the economic model is messed up: costs of pollution should be built into product costs. If it costs \$10,000,000 per year to plan practices in place to keep our waters clean from livestock waste, and there are 100,000 animal units producing this waste, then a cost of \$10/Animal Unit head should be levied against the livestock producer. Why should everyone else pay for them causing a detriment to society? Fines of course, should be severe enough to stop bad behavior, enforced by real cops, not lobbyists like the god damn Department of Agriculture. What a joke! You and I produce waste as well, but it costs us \$35,000 or more for mound systems to be installed that have zero discharge into the waters of the state. Fair enough - why should farmers be allowed to spread manure at will? What's wrong with the frickin dairies paying for their own mess? If it isn't affordable, then maybe they shouldn't be in business and we have less pollution, cleaner water and maybe some other enterprise, like an organic producer of vegetables who doesn't pollute can become our neighbors.
- I would like to submit a proposal on behalf of the VT Department of Forests, Parks and Recreation (FPR). DEC and the Agency of Agriculture, Food and Markets are proposing to re-direct water quality non-compliance fines from the General Fund to the Clean Water Fund (lines 14 and 15). I propose that Acceptable Management Practices (AMPs) for Maintaining Water Quality on Logging Jobs and Heavy Cut fines be re-directed as well. These programs are administered by FPR and both have a direct nexus to water quality. Enforcement is provided through the ANR Enforcement & Litigation Section and the Vermont Attorney General's office.

AMPs: 10 VSA Chapter 47 Section 2622

Heavy Cut Law: 10 VSA Chapter 83 Section 2625

Below is a current list of fines levied from 2014 - 2016.

2014 - \$60,000 - Attorney General's Office

2014 - \$9,000 - ANR Enforcement & Litigation

2015 - \$34,800 - ANR Enforcement & Litigation

2016 - \$9,509.43 - Attorney General's Office and ANR Enforcement & Litigation

In general, any new taxes or fees should only be raised to cover costs associated with issues related to the business or service provided.

Thanks for the opportunity to comment. There are many interesting ideas on the table. It seems to me, as I indicated in one of the boxes above, that the funds should be raised in as simple a way possible, while reaching as broad of a population as possible. My top choices would be:

Raise property taxes by \$0.05/\$100 value = \$40M

Raise hotel costs by \$5 per room/night = \$18M

Motor boat gas tax increased = \$11.1M

CLEAN WATER REVENUE SOURCES

GENERAL COMMENTS

Fertilizer tonnage fee = \$1M

TOTAL = \$70M/year

(Then you can give education the \$2M in non turned in bottle fees.)

Second tier options:

Keep property transfer surcharge = \$5M

Increase sales tax by 0.2% = \$12M

Sales taxes on new and existing cars (25 and 26) = \$11M

According to the VT Futures Project Vermont ranks 47th in taxing capacity, meaning much of the money in people's pockets is spoken for and further stress on working Vermonters will have a negative effect on the economic outlook of the State. The State should look to reallocate existing funds at a level of 25% to 40% and then look to new funding. The new funding should stay away from property taxes and income taxes. Greater investment in supporting economic development is needed with sustained GDP growth prior to relying solely on new revenue for any State services.

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Thanks to the Treasurer's Office for your continued competent service to the people of Vermont. We are fortunate to have you as such a good financial steward (agree with your stance on not divesting at this point, and agree that a State bank would not work). Keep it up!

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CLEAN WATER REVENUE SOURCES

GENERAL COMMENTS

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CLEAN WATER REVENUE SOURCES

GENERAL COMMENTS

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- [US-EPA HANDOUT](#)
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CLEAN WATER REVENUE SOURCES

PUBLIC COMMENT CONTRIBUTORS

- Pat Molton – VT Tech
- Megan Moir – Burlington Stormwater
- Chad Whitehead
- Charlie Baker – Chittenden County Regional Planning Commission
- Peter Ratwell – Brattleboro
- Wilcox – A&R Watershed
- Chris Koliba – UVM
- Lucy Lorish
- Pat Olman (VT Ski)
- Chris Champion
- Town of Shelburne
- Rural VT
- VT Farm Bureau
- VTC
- Doug Zehner
- Gary Sabourin
- Kiersten Bourgeois, St. Albans Cooperative Creamery
- Kris Stepenuck, Williston
- Rob Gaiotti, Dorset Town Offices
- Paul Doton
- Chelsea Mandigo
- Chip Sawyer
- David Snedeker, Northeastern VT Development Association
- Jeff Carter, UVM
- Kai Mikkell
- Mardee Sanchez
- Pete Diminico
- Gary Sabourin, VT Department of Forests, Parks and Rec
- Steve Reynolds – Cornwall, VT
- Tim O'Dell
- Tim McKay
- Bruce Shields
- Pat Sagui – Composting Association of VT
- Doug Zehner
- Jeannie Bartlet, NRCS St. Albans
- Rob Apple
- James Sherrard, Town of Williston Stormwater
- Eric Noel
- Jeff Lefebvre
- Leonard Bull

CLEAN WATER REVENUE SOURCES

GENERAL COMMENTS

- Funding vs. financing and true grant money should be reflected in the costs chart
- Request for details on mechanisms of collection
- Request for reasons some things were taken off the list
- What about personnel needed?
- Should structure this based on ability to pay
- Recommendation to enact one of these suggestions ASAP to get the ball rolling, with insurance to enact another/more in x years
- Recurring emphasis on importance of not taxing folks whose activity actively supports clean water...should incentivize others to follow in footsteps
- Is there other research available on health, environmental, etc. impacts of clean water? Are these reports being considered?
- Recommendation to increase focus on taxing corporate presence in VT, avoid placing burden on shoulders of residents
- Emphasis on consideration of altering the formula for economic competition between VT and neighboring states
- Time to tax the polluters - costs of pollution have been far too long, not added in economic models. Livestock farms, one of the largest causes of pollution in Lake Champlain, and in the Connecticut River have had a free pass. They receive free technical and financial assistance from government agencies, they have ridiculous tax breaks on land they abuse, subsidized price supports for over producing the demand for dubious products and now want the rest of us to pay for their sins! to the environment.
- If a producer wants to raise livestock in this state, they should pay a per head tax on a proportional amount of the problem that this "privilege" allows. If the cost of cleanup is \$10,000,000 per year and there are 1,000,000 animal units out there, then a tax of \$10/AU head should be levied. Citizens are tired of paying for others costs of pollution. If the farmer cries, "I can't afford it", then maybe they should not be in business-- you have one less bad actor, less pollution. If someone else thinks they can do better, then so be it- Plus its high time to fine polluters, none of this slap on the wrist shit from the Vermont Department of Agriculture. These fines need to be significant to cause these polluters to stop and enforced by real cops, not lobbyists.

CLEAN WATER REVENUE SOURCES

GENERAL COMMENTS

- To me, the economic model is messed up: costs of pollution should be built into product costs. If it costs \$10,000,000 per year to plan practices in place to keep our waters clean from livestock waste, and there are 100,000 animal units producing this waste, then a cost of \$10/Animal Unit head should be levied against the livestock producer. Why should everyone else pay for them causing a detriment to society? Fines of course, should be severe enough to stop bad behavior, enforced by real cops, not lobbyists like the god damn Department of Agriculture. What a joke! You and I produce waste as well, but it costs us \$35,000 or more for mound systems to be installed that have zero discharge into the waters of the state. Fair enough - why should farmers be allowed to spread manure at will? What's wrong with the frickin dairies paying for their own mess? If it isn't affordable, then maybe they shouldn't be in business and we have less pollution, cleaner water and maybe some other enterprise, like an organic producer of vegetables who doesn't pollute can become our neighbors.
- I would like to submit a proposal on behalf of the VT Department of Forests, Parks and Recreation (FPR). DEC and the Agency of Agriculture, Food and Markets are proposing to re-direct water quality non-compliance fines from the General Fund to the Clean Water Fund (lines 14 and 15). I propose that Acceptable Management Practices (AMPs) for Maintaining Water Quality on Logging Jobs and Heavy Cut fines be re-directed as well. These programs are administered by FPR and both have a direct nexus to water quality. Enforcement is provided through the ANR Enforcement & Litigation Section and the Vermont Attorney General's office.

AMPs: 10 VSA Chapter 47 Section 2622

Heavy Cut Law: 10 VSA Chapter 83 Section 2625

Below is a current list of fines levied from 2014 - 2016.

2014 - \$60,000 - Attorney General's Office

2014 - \$9,000 - ANR Enforcement & Litigation

2015 - \$34,800 - ANR Enforcement & Litigation

2016 - \$9,509.43 - Attorney General's Office and ANR Enforcement & Litigation

In general, any new taxes or fees should only be raised to cover costs associated with issues related to the business or service provided.

Thanks for the opportunity to comment. There are many interesting ideas on the table. It seems to me, as I indicated in one of the boxes above, that the funds should be raised in as simple a way possible, while reaching as broad of a population as possible. My top choices would be:

Raise property taxes by \$0.05/\$100 value = \$40M

Raise hotel costs by \$5 per room/night = \$18M

Motor boat gas tax increased = \$11.1M

CLEAN WATER REVENUE SOURCES

GENERAL COMMENTS

Fertilizer tonnage fee = \$1M

TOTAL = \$70M/year

(Then you can give education the \$2M in non turned in bottle fees.)

Second tier options:

Keep property transfer surcharge = \$5M

Increase sales tax by 0.2% = \$12M

Sales taxes on new and existing cars (25 and 26) = \$11M

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CLEAN WATER REVENUE SOURCES

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Lueders-Dumont, Tim

From: Anderson, Bill [REDACTED]
Sent: Friday, December 2, 2016 12:28 PM
To: TRE - Treasurers Office
Subject: Public Comment: Clean Water Revenue Sources/Public

Dear Sirs, I would support over all other possible sources the Personal Income Tax increase @.1% to raise \$13.3M(Item # 8) and Option # 5 Impervious Surface Tiered Parcel fee to raise \$18M. I don't like singling out any occupational group and user fees in VT are perceived to be high already. Clean water is everyone's responsibility and I reluctantly support using broad based taxes to fulfill this responsibility. Thank you. William Pike Anderson

William P. Anderson
Vice President / Investments

Stifel Nicolaus & Company
647 Depot Street, Manchester, VT 05255



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Lueders-Dumont, Tim

From: Eben Markowski [REDACTED]
Sent: Thursday, December 1, 2016 10:33 AM
To: TRE - Treasurers Office
Subject: Lake Champlain cleanup funds

Beth Pearce,

I had the pleasure of hearing you speak at Vergennes High School on behalf of the Democratic Party. Much of what was said (by all candidates) throughout that assembly deeply resonated with me and is why I feel so fortunate to live in Vermont.

I am writing to you and your office today on behalf of Lake Champlain. Situations in my life prevented me from reaching out to you sooner and I hope my thoughts here aren't too late.

My wife, Heidi, and I live in Panton (Addison County, Vt) on our developing 12acre homestead/farm. I am a native vermonter, raised in Addison County while Heidi's journey originated in Pennsylvania. However it is that we got to this point, it is clear to us through our time spent here that Vermont is falling behind on our care of the Lake. It is also clear to us that there are a multitude of impacts effecting our water quality from all aspects of Vermont society. I am aware of the problems with urban runoff and antiquated municipal waste water treatment plants. I find none of this acceptable and am in support of public funds to address these social issues.

However, when it comes to honestly and meaningfully tackling the Champlain Basin's TDML "we" Vermonters are consistently unwilling to hold the number one industrial contributor accountable.

We are constantly searching for cleanup revenue from all sorts of sources while the industry causing the problem successfully deflects all attempts to pay into the solution on a scale relative to its impacts.

I would like to encourage our politicians and consumers to make an honest assesment of what it takes to produce Industrial Dairy and, how does the end product effect our collective health. I believe that when we consider the realities of what Industrial Dairy (InDa) or as I call it, Feedlot Dairy has become, we would see and that our current, highly promoted, romantized image is outdated and dishonest.

Our Local, State and Federal taxes are being used against the greater good by providing public funding for both the incentivization and the remediation of InDa. Industrially produced milk is not just a lost leader in the grocery store, its also a horrible use of public funds. Public funds spent to keep livestock derived polution out of our lake, are public funds NOT spent on upgrading municipal waste water treatment plants. In fact, throughout my time working on Dairy farms, living in the middle of "Dairy Country" and reading countless credible research conclusions, I think the easier question to ask ourselves is "what is right with InDa?".

The responses I normally get are that Dairy is the basis of our economy here, (all Ag combined in Vt. represents 1.4 GDP) and while this is real money, I seriously doubt that the 2.2billion in econmoic activity InDa creates takes into account the enormous list of negatives that are generated by its existence. What if your office began to whittle away at that impressive looking figure by putting a value on the 40% cropland contribution that InDa makes to the TDML, or the loss of ecology due to the historical abuse/mismanagement of the 900,000 acres Vermont dedicates to feeding "its" InDa herd (a portion of) their diet. What if your office accounted for the obscene amounts of Diesel, antibiotics, Co2, methane, herbicides and pesticides used and generated by this industry? What if our great state accounted for the large impacts on our rural roads due to the unregistered Industrial Dairy machinery or impliments of husbandry (IOH) currently permitted to use public infrastructure without conforming the the rules of the road that the rest of us work with.

I can draw a social cost thread all the way from slited cuverts and cracking pavement to childhood obesity, InDa is at the core. The social cost of producing and consuming InDa are likley so high that by the time we are done adding it up, that 2.2billion of economic activity is going to look pretty insignificant.

In fact, I believe that if Vermont were to change our Ag landscape from InDa to more sustainable pasture raised meats as well as more crops that people eat, we would see an agricultural economy that is not at odds with our tourism economy. Additionally, we would be left with savings from all the cow manure we don't have to deal with.

In conclusion, this is not about putting InDa out of business, this is about holding it accountable for the full list of social impacts in order to establish a true cost of production. If there are still consumers willing to buy more expensive milk, then you've got a business.

I would like to suggest that we apply a clean water tax to all dairy products, end the corn subsities and most importantly, mandate registration reflective of GVW and overwide profiles for any IOH that travels on public roadways. If Vermont were to apply the same rules/fees to every IOH intensive farming operation as they do to our other heavy machinery industries, I believe we could raise millions\$

We must face the facts that InDa has changed a lot while the rules governing it have lagged far behind. The current state of our water, ecology, cardiovascular systems, infrastructure and economy are perfect examples that this Manure and Diesel industry we call Industrial Dairy is not providing the benifits to offset it problems. By continuing to enable it with public funds will only perpetuate a system that is fundamentally flawed on multiple levels.

It is my sincere hope that by speaking honestly and respectfully we can work together to transform our agricultural landscape into solutions instead of problems.

Best,
Eben Markowski

Lueders-Dumont, Tim

From: Veronica Ciambra [REDACTED]
Sent: Sunday, November 20, 2016 6:02 AM
To: TRE - Treasurers Office
Subject: L. Champlain cleanup

legalize pot and tax it - pay for health insurance and the clan up

VT's \$.55/gal tax on retail sales of alcohol could be raised.

get the polluters to pay high tax - we will all have to learn about the true cost of food- pollution is a cost of food production that we have avoided paying for too long

Veronica Ciambra
[REDACTED]

Lueders-Dumont, Tim

From: Robb Kidd <[REDACTED]>
Sent: Wednesday, October 26, 2016 10:44 AM
To: Lueders-Dumont, Tim
Subject: Water success stories

Hey Tim and Beth,

As a follow up with my conversations with you here are some suggestions for you to include success stories in the clean water funding report.

I asked my group of collaborators and these were the responses I received.

Robb

Steve Libby of the River Conservancy and Mike Klein can contribute many stories about the benefits and success stories regarding their efforts with the river corridor easement donation program.

Beth Pearce can get all the past ERP success stories from Kari and AAFM/Laura.
Not sure if the lcbp funded projects get added into the dec database...

As required for the 2017 ERP grant application, LCA just listed these 5 recent implementation projects in an erp app going in today. See quotations below.

In today's ERP 2017- Round 2 grant apps, LCA is requesting support to complete **3 more implementation projects** and **5 final**

designs planned for implementation in 2018. New metrics are established now for people like Beth and legislators to track "success" trends over time.

.....

"Recent LCA water quality improvement projects that were proposed for scoping, design and implementation using ERP, VTrans and LCBP funds have been successfully implemented within in the time allotted and within budget.

They include:

Munroe Brook Watershed, Shelburne's Brook Lane Road Ditch Project, 2016. Successfully increased stormwater infiltration, P reduction and soil mobilization reduction.

Mack Farm and E Thompson's Point Road Swale and Bioretention Project, 2016. Successfully increased stormwater infiltration, P reduction and soil mobilization reduction.

Hinesburg Two Tiered Rain Garden Project, 2015. Successfully increased stormwater infiltration, P reduction and soil mobilization reduction.

Last Resort Farm Gully Stabilization Project, 2014. Successfully increased stormwater infiltration, P reduction and soil mobilization reduction.

All projects incrementally contribute to nearby stream corridor stability, reduce erosion and P, while contributing to flow restoration and the stream's capacity to regain equilibrium conditions.

LCA has a 20 year history of working closely with VT DEC and VTFWD to develop and carry out monitoring, assessment, planning and protection measures relating to enhancing VT water quality, natural habitat areas and stream corridor assets. This long term relationship has grown from the mutual desire to use and promote best available science and the most cost effective, proactive and innovative lines of thought.

In 2015-2016, LCA received ERP and LCBP funds to scope and design 14 water quality improvement sites as watershed wide demonstration sites for compelling all property owners to enhance their properties' capacity to protect all surface water systems in the Lake Champlain Valley. With 14 "developed lands" demonstration sites to use for watershed wide education purposes, LCA will promote an ethic of long term land stewardship using these demonstration sites and informational materials funded with support from local partners, UVM Sea Grants and Milone & MacBroom."

Another thought is to connect with Gaye Symington of High Meadows Fund -- they've put quite a bit of funding of late into community-level water projects (with a focus on flood resiliency, but there are also water quality implications). She's probably got good success stories written up from having to submit reports to the High Meadows Fund Board.

--

Robb Kidd
Sierra Club
Vermont Chapter Conservation Representative/Program Manager
802-505-1540 robb.kidd@sierraclub.org

Lueders-Dumont, Tim

From: [REDACTED]
Sent: Thursday, December 1, 2016 9:21 AM
To: TRE - Treasurers Office
Subject: RE: Fwd:

Yes. I believe more money raised isn't necessarily the answer, a better focus on it's application is. Thank you for your response.
George Boomhower.

On Thu, 1 Dec 2016 13:58:01 +0000, TRE - Treasurers Office wrote:

Received-would you like this email to be noted as your public comment?

From: [REDACTED]
Sent: Wednesday, November 30, 2016 2:12 PM
To: TRE - Treasurers Office
Subject: Fwd:

I am re-sending my 17 November letter to you, as I received no confirmation that you received it the first time around. The VTDIGGER article, referred to, was dated November 16, 2016. My point being that if you spend a lot of time and money going after the, relatively, minor polluters without prioritizing the major polluters, the over-all effect on our lake won't get much better. If you go after the major polluters, with a major effort, then the lake stands a better chance of improving and possibly, with far less money spent. Triage.
I would be interested in any comments,
George Boomhower. 802-878-4769.

----- Forwarded message from [REDACTED]

Date: Thu, 17 Nov 2016 23:13:07 -0500
From: [REDACTED]
Reply-To: [REDACTED]
Subject:
To: treasurers.office@vermont.gov
Cc: [REDACTED]

Reference the VT Digger article about raising money to clean up the lake:

I recommend setting up a sort of triage. Concentrate all of the money and effort on the "big dog" polluter, i.e. the farms, especially the corn only farms. This last year we had a very nearly pristine water year in and around St Albans Bay. The major change, to create this very nice result, was no major snow melt runoff and very few heavy spring rains. The St Albans waste water treatment facilities were running normally, the parking lots, roads and logging operations were probably contributing pretty close to normally. Also all the lawns and roof tops were contributing and still the bay was strangely clear.

My point is to concentrate on the big polluter until it's contribution is brought down to somewhere nearly equal to the smaller contributors. The farms that insist on mining the soil by planting primarily corn need to be induced to switch to grass and hay and further to get their manure used more in line with what the soil needs vs what they need to get rid of.

I think the concentration on "all in" tends to diffuse the effort that should be spent primarily on the big pollution contributors, especially in the early going.

Please get back to me with any questions,
George Boomhower. [REDACTED]

----- End forwarded message -----

Lueders-Dumont, Tim

From: Jeff W [REDACTED]
Sent: Thursday, December 1, 2016 7:37 AM
To: TRE - Treasurers Office
Cc: Mayor Louras
Subject: Comments on Clean Water Revenue Source Options

Treasurer Pearce,

First of all I want to thank you, your staff, Commissioner Schuren and the folks at DEC for tackling this task in a manner that seriously sought to learn from and incorporate the expertise of the regulated communities. The diversity of interests and magnitude of the challenge are daunting.

My comments are limited to the municipal infrastructure and stormwater sections where I feel best qualified to comment.

Regarding the form that seeks input regarding the long list of potential revenue sources, the critical evaluative criterion that does not appear on your table is capacity – how much can we afford in the way of increases to existing taxes and fees or in new taxes and fees? Vermonters are among the most heavily taxed people in the nation. When we consider income, our total tax burden is even worse. We cannot evaluate the appropriateness of a tax or fee without first evaluating the capacity of taxpayers to afford it.

Regarding the specific sources, the ones with available capacity and an obvious nexus to cleaning our waters should be preferred. And given that the state has enacted the Clean Water Act and assumed the lead responsibility, the revenue sources should be created by the legislature and assessed and collected by the State of Vermont. Municipalities will be forced to carry up to 100% of the O&M costs associated with these investments, and these costs will have a dramatic continuing impact on local budgets and taxpayers. The capital costs should at a minimum be funded by state and federal sources, whether existing or new.

Regarding the cost and funding gap analysis, I have previously expressed disagreement with DEC's projections for some of these categories, but especially the estimate for CSO control. FED looked at the historical costs for CSO elimination and came up with an average cost per outfall. They then applied this average to the 66 remaining outfalls. In my opinion this estimate is low by as much as a factor of 10. The outfalls that have already been eliminated are by definition the low hanging fruit. As we whittle down the number the cost per outfall will increase geometrically.

Likewise the cost to address urban (municipal and developed lands) stormwater runoff are in my opinion seriously understated. Studies are underway to definitively determine the effectiveness of green infrastructure but we now know that with the exception of (once again) the low hanging fruit of non-linear conveniently located publicly owned lands, green infrastructure approaches are often more expensive to build and maintain than traditional gray infrastructure approaches. DEC cautions that until flow restoration plans are completed, designed, and constructed we will not have a clear understanding of the true cost of stormwater management. I agree. But you were charged to estimate this cost for report to the legislature next year. It is my view that the cost estimates for these sections are once again underestimated by at least a factor of two, and at a minimum your report should caution legislators of the massive uncertainty associated with these projections.

Thank you again for this opportunity.

Jeff Wennberg, Commissioner
City of Rutland Department of Public Works

Lueders-Dumont, Tim

From: Joseph Tisbert [REDACTED]
Sent: Thursday, December 1, 2016 10:43 AM
To: TRE - Treasurers Office
Subject: Comments on Clean Water Revenue Source Options

Good Morning

It is very difficult to get all of our membership on the same page. I believe the "All in Approach" will be the key to the success of this new program. I would like to propose a few ideas and will request that I continue to be part of the discussion.

Water bottle tax a .10 cents per bottle \$10 million per year.

Change the parcel tax to a household surcharge of \$50 if my calculations are correct that would bring in approximately \$12.4 million. I don't have a good number on businesses but I will guess it might double the household figure.

I would also add a tenth of one percent to the sales tax. I don't have a good number on this.

I will be out of state until Dec 18th but will be available by e-mail or cell 802 730 2895 Although we are not interested in any increase of fees and tax increase for any Vermonter. We would at least like to keep the discussion going if we have to a way to fund water quality.

Joe Tisbert

Sent from my iPad

Lueders-Dumont, Tim

From: Mike Schramm <[REDACTED]>
Sent: Thursday, December 1, 2016 8:57 PM
To: TRE - Treasurers Office
Subject: Comments on Clean Water Revenue Source Options

To Whom it May Concern –

Of the revenue options identified, I favor further consideration for the parcel fees that include consideration of impervious area and also an increase to the gas tax. Impervious area has a well established and defensible correlation to water quality impacts. It is important that any new fees are directly correlated to an individual or property owner's impact on the State's water quality. While not perfect, gas consumption has a strong correlation to impervious cover (roads, parking lots, etc.) and also a drivers use of built impervious cover. A significant portion of gas sales in the State are made by out of state visitors. Furthermore, an increase to the gas tax would have the added benefit of discouraging gas consumption and the related decrease in carbon emissions. Climate change is a significant threat to the State's water quality and the benefit an increase to the gas tax would have on discouraging gas consumption and associated carbon emissions should not be overlooked.

Regards,
Mike Schramm
Shelburne, VT

Sent from [Mail](#) for Windows 10

Lueders-Dumont, Tim

From: Nelson, Jeffrey [REDACTED]
Sent: Monday, December 5, 2016 4:13 PM
To: TRE - Treasurers Office
Cc: [REDACTED]
Subject: Comments on Clean Water Revenue Source Options

Hello –

I looked at the fillable form, but my comments are limited to the Funding Need 20 year projection, not the potential funding sources.

Sector #3: Stormwater...

Tier 1 Costs

- The first line item, “Inventory to identify stormwater critical source areas for treatment” is shown as requiring funding of \$0.5M/year for the entire 20 year period of this projection. As one who has experience in designing and overseeing watershed wide remediation plans in Vermont, I would suggest that rather than level-funding this expenditure over the entire time period, it would be more appropriate and cost-effective to front-load these expenditures to be mostly or wholly occurring within the first 5 years of the 20 year timeframe. The rationale for this is that the inventorying process is the first step toward the planning, design, permitting and implementation of treatment measures, so that getting that important information early is critical to ensure that the effectiveness of money spent on these subsequent efforts is maximized.
- Likewise, with respect to the second through fourth line items (Implementation), I would suggest some changes to the schedule of expenditure of these funds. Presumably, there are or will be an inventory of identified projects ready for implementation at the outset (FY18), but then I could see a lag in implementation for 2 to 3 years (or more?) while the intensive inventory work is completed. Also, I presume that under the masthead “Implementation”, all of the preparatory work (planning, design, permitting) would be included, so that some expenditure during the early years would be expected. I would then see a very large commitment to Implementation, say during years 4 through 12(+/-), with a gradual taper thereafter.
- It is difficult to comment on the total cost projections in this Tier, but based on the generally accepted VT figure of \$30,000 per impervious acre to implement a stormwater best fit retrofit, the total projected cost over 20 years (\$694.7 M) would equate to 23,000(+) acres of impervious surface. The total impervious surface in the VT portion of the Lake Champlain basin is 58,700 acres (Source: LCBP, Technical Report #76, October 2013), and that DEC has previously reported that 6% is covered through the existing state stormwater permit program and 12% through the existing MS-4 program. The net remaining impervious area is thus 48,100 acres. So, based on these data, the cost estimate would presume that treatment will be required for stormwater runoff from about half of the impervious surfaces that do not currently have treatment. This amount seems quite high, since on investigation, my experience would suggest that runoff from certain impervious areas do not contribute in any measurable or significant way to a stormwater pollution problem (e.g. runoff from a roof that goes into a vegetated area and seeps into the ground). Rather, my understanding was that the focus would be on identifying and providing treatment for runoff from “critical source areas”. It would be interesting to learn more about the basis for the amount of area that is projected to need treatment to meet water quality goals, but my sense is that this is on the high side.

Tier 2 Costs

- The second line item, "Municipal Capital Equipment Assistance" is shown as requiring funding of \$1.0M/year for the entire 20 year period of this projection. As with the inventory work above, I would suggest that rather than level-funding this expenditure over the entire time period, it would be more appropriate and cost-effective to front-load these expenditures to be mostly or wholly occurring within the first 5 years of the 20 year timeframe. Granted, equipment does require replacement, but getting items like street sweepers deployed early on would seem like a better strategy.

I'd be happy to discuss further. Thanks.

Jeffrey A. Nelson

Director, Energy & Environmental Services



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Lueders-Dumont, Tim

From: mike bald [REDACTED]
Sent: Wednesday, November 16, 2016 12:08 PM
To: TRE - Treasurers Office
Subject: comments on long-term water quality funding

Thank you for the opportunity to comment.

I attended several of the public meetings held over the past year+ addressing the new RAPs. I was and remain disappointed to see that the RAPs focus almost exclusively on manure and siting of structures.

Agriculture involves many additional practices, but those comments have already been submitted.

My input regarding funding follows:

1. Water needs to be treated as a resource, not a commodity. If it is extracted, bottled and sold, there should be a fair price assessed in that process. When resources are "free" for the taking, they are exploited. Water therefore, if sold off, should be sold at a price that reflects its value. And if there are years where it should not be harvested, then water resource extraction should be shut down until conditions improve.
2. Other regions of the US have a tiered pricing structure for water use. Every account receives the same baseline quantity at the base price, but higher usage is accompanied by increasing rates. The logic is brilliant.
3. Vermont could generate huge revenues simply by increasing its enforcement of speed limits. The cameras are already in place (Exit 1 on I-89), so the next step is initiation of the ticketing process. This would also free up state troopers to pursue other duties. It is truly insane to watch drivers fly past you on the interstate at 75+ mph while towing a trailer. Both vehicles should be fined in such cases - what are we worried about, offending someone? Pathetic that we put up with that situation.... weak, pathetic, lame, and inexcusable in terms of public safety. An enhanced enforcement program would truly be statewide in nature, fulfilling the "all in" notion.
4. Vermont charges \$125 annually to register known carcinogens used in agriculture. That's a joke... doesn't even pay for a half day's employee wages. At least other states charge \$300 - \$750, but why are we not charging serious fees and even holding money in escrow reserves for contamination situations? Atrazine is the poster child of this problem. Vermont exceeds the national averages in frequency of cancer, yet we continue to allow our waters to be contaminated by long-term endocrine disruptors. Tons of atrazine are applied in Vermont every year with no tax and a ridiculous \$125 registration fee. No coincidence I suppose that pesticides receive NO mention in the 2016-2020 Vermont Cancer Plan put out by the Department of Health. Appropriate fee structures would address the downstream health issues (or make the usage economically unfeasible).
5. Vermont needs to stop looking for federal funding at every turn. It's just embarrassing for one, and the federal agencies have contributed as much as anyone to these water quality issues with their complete lack of safety assessments and enforcement. EPA is not the

solution to our problems, especially when its funding is a question mark year after year and there's a total reliance on industry "science."

6. Why are golf courses never mentioned with regard to water contamination? Farmland runoff is being monitored now, so what about golf courses? Perhaps Vermont should charge a fee for maintaining large green-colored dead zones on the landscape.

Thank you.
Michael Bald

--
Mike Bald
Got Weeds?
<http://choosewiselyvt.wordpress.com>
Royalton, VT

Lueders-Dumont, Tim

From: Paco DeFrancis [REDACTED]
Sent: Thursday, November 17, 2016 10:36 AM
To: TRE - Treasurers Office
Subject: EPA Lake cleanup taxation

Hello,

I recently read a VTDigger article that noted the Treasurer's Office was taking public comments regarding the funding of cleanup for Lake Champlain, and I would love to share my comment as a Vermont taxpayer and resident.

As a middle income Vermonter I am TAPPED OUT when it comes to new taxes. I hope the Treasury department can make recommendations to the legislature of funding the very important cleanup efforts through cutting other parts of state budget rather than finding new revenues. As taxpayers we have had ENOUGH of joint committees scrambling together to find new tax-and-fee prescriptions to fund budget shortfalls. The root of the problem is too many social service programs and far too much waste in state government. I hope the treasury department can respond to the needs of the taxpayer and recommend cuts in AHS funding and funding for non-game species in ANR rather than recommend new taxes and fees (regardless of who "pays" for them--taxing industry will of course trickle down to middle-incomer Vermonters and also deny us employment opportunities).

There is more than enough waste and fat in AHS and ANR to fund the \$1.35b price tag for lake cleanup. I remember House Appropriations chair Mitzi Johnson saying once "Our goal is to provide just enough services to responds to our state's needs." The far-left legislators don't get it; the state of Vermont is providing far too many unneeded services right now, at far too high of a cost and burden to taxpayers. I plead for the Treasury Department to recommend cuts in AHS funding rather than new taxes/fees.

That being said, there is one policy I would recommend that is totally entwined with Lake Champlain pollution and fiscal woes. That is the vast sums of corporate welfare we give to commodity-based conventional dairy farmers (who are responsible for most phosphorous pollution) in the form of current-use property tax rebates. I would like to see the treasury department push for Current Use reform that would provide relief to many working Vermonters who do not have vast sums of wealth in farmland/timberland assets but are bailing out these asset holders' property tax responsibility. If we push for market-oriented reform to Current Use we could see economic forces put downwards pressure on the conventional dairy industry, similar to how natural gas, solar and wind are pushing coal-fired power plants out of our country's energy mix. I'd rather see policies and regulations that address the root causes of phosphorous pollution--our state's addiction to providing corporate welfare to commodity milk producers--rather than the expensive band-aid approach taken by ANR and the EPA.

Please, take care of the taxpayers first!

Thanks,

Paco DeFrancis
[REDACTED]

Lueders-Dumont, Tim

From: Christian Rocheleau, Dr. [REDACTED]
Sent: Thursday, December 1, 2016 12:08 PM
To: TRE - Treasurers Office
Subject: funding proposals for Lake Champlain clean up

Hello,

I am a resident and property owner in Saint Albans Town. I would be in favor of funding proposals based on land owners, since it is our run-off that contributes to lake pollution. In particular the farmers (although they are typically in denial) are huge contributors of water pollution. I would suggest merging the \$50 per parcel with the \$3 per acre per parcel proposals such that the owners pay whatever is greater. These two individual proposals brought in the greatest amount of dollars, I don't know how much more the merged version would bring. I would even suggest raising the minimum contribution to \$100. I find it hard to believe any land owners would find this a terrible hardship considering the benefits that would come with having clean water.

That is my 2 cents.

Thanks

Chris

Christian Rocheleau, Ph.D.
Associate Professor of Medicine
Research Institute of the McGill University Health Centre
1001 Decarie Blvd.
Glen site, Bloc E, E02.7242
Montreal QC
H4A 3J1

[REDACTED]

Lueders-Dumont, Tim

From: [REDACTED]
Sent: Wednesday, November 30, 2016 2:12 PM
To: TRE - Treasurers Office
Subject: Fwd:

I am re-sending my 17 November letter to you, as I received no confirmation that you received it the first time around. The VTDIGGER article, referred to, was dated November 16, 2016. My point being that if you spend a lot of time and money going after the, relatively, minor polluters without prioritizing the major polluters, the over-all effect on our lake won't get much better. If you go after the major polluters, with a major effort, then the lake stands a better chance of improving and possibly, with far less money spent. Triage.

I would be interested in any comments,
George Boomhower. 802-878-4769.

----- Forwarded message from goldenyrs@myfairpoint.net -----

Date: Thu, 17 Nov 2016 23:13:07 -0500
From: [REDACTED]
Reply-To: [REDACTED]
Subject:
To: treasurers.office@vermont.gov
Cc: [REDACTED]

Reference the VT Digger article about raising money to clean up the lake:

I recommend setting up a sort of triage. Concentrate all of the money and effort on the "big dog" polluter, i.e. the farms, especially the corn only farms. This last year we had a very nearly pristine water year in and around St Albans Bay. The major change, to create this very nice result, was no major snow melt runoff and very few heavy spring rains. The St Albans waste water treatment facilities were running normally, the parking lots, roads and logging operations were probably contributing pretty close to normally. Also all the lawns and roof tops were contributing and still the bay was strangely clear.

My point is to concentrate on the big polluter until it's contribution is brought down to somewhere nearly equal to the smaller contributors. The farms that insist on mining the soil by planting primarily corn need to be induced to switch to grass and hay and further to get their manure used more in line with what the soil needs vs what they need to get rid of.

I think the concentration on "all in" tends to diffuse the effort that should be spent primarily on the big pollution contributors, especially in the early going.

Please get back to me with any questions,
George Boomhower. [REDACTED]

----- End forwarded message -----

Lueders-Dumont, Tim

From: Pete Diminico [REDACTED]
Sent: Thursday, November 17, 2016 5:48 PM
To: Lueders-Dumont, Tim
Subject: Re: Clean Water Public Meeting Announcement, November 16, 2016 at 9am at the Vermont State House

Hi Tim, I was not able to make it on Nov. 16 but I have participated in ACT 64 with public comment every step of the way. Last year I approached Janet Ancel (chair Ways & Means) and suggested the Clean Water Fund to capture additional funds, some suggestions I made were: An excise tax on products purchased by non-consumptive users of the great outdoors (birders, bikers, hikers). Another idea I posed was to have a checkoff box on the State Income Tax Form. Also a voluntary checkoff box when people purchase hunting, fishing licenses and various permits. This is done in Colorado. I also would encourage a \$1-\$2 fee increase in the purchase of Conservation Plates. I encourage also to increase license or plate fees for all Vermonters too. Please pass these comments along, thank you. pete diminico

New Haven River Watch founder (1993), Board member ACRW

cofounder Bristol Conservation Commission

Past pres. (14) New Haven River Anglers, inaugural 3 years conservation plate grants review committee

coordinator for the Univ. Fish. Platform @ Eagle Park on the NHRiver. Middlebury River Task Force (re: post Irene restorative work)

On Oct 4, 2016, at 1:31 PM, Lueders-Dumont, Tim wrote:

Apologies for any repeat emails

SUBJECT: Clean Water Public Meeting Announcement, November 16, 2016 at 9am at the Vermont State House

Hello all,

The Office of the State Treasurer, the Department of Taxes, and the Department of Environmental Conservation are hosting a public meeting on **November 16th in Room 11 of the Vermont State House at 9am** to discuss the process for developing long-term water quality funding recommendations, the stakeholder process thus far, revenue options that have been studied, and an update regarding the Legislative Report that is due on January 15, 2017.

Lueders-Dumont, Tim

From: jamesmaroney [REDACTED]
Sent: Friday, November 25, 2016 12:52 PM
To: [REDACTED]
Subject: Comments on the RAPs and Act 64

Dear Tim:

Here are my comments in one document.

In the matter of funding (Act 64), which is projected to cost \$70M/year for twenty years, the secretary likes to say that we are all responsible for the problem in the lake and we must therefore be "all in" for the cure. He also acknowledges that half the problem comes from storm water and waste water infrastructure and since it is not going to stop raining and all of us use the roads and the bathroom we 625,000 Vermonters must be all in for this half or roughly \$56/person. But the other half the problem comes from just 600 conventional dairy farmers and their families and supporters or shall we say 3,000 Vermonters on whom rain also falls and who also use the roads and the bathroom. May I assume that the secretary's "all in" policy will require these 3,000 people to pay their share *per stirpes* of the first half plus 100% of the second, or roughly \$11,000/person?

The implementation of Act 64 is projected to cost \$1.4B or \$70M for twenty years. As everyone in Vermont knows, state revenues are shrinking and the legislature has numerous calls upon what resources there are. I assume that the projected cost of Act 64 was not arrived at arbitrarily but that the entire amount is required to make it effective. But in view of the fact that the legislature is probably not going to fund it fully, I would like to know what is the minimum level of funding required before in the opinion of its designers Act 64 becomes ineffective? Think of as a rocket designed to go to Mars, which needs to be fully fueled or it can't possibly achieve the mission. How much funding at a minimum is required to achieve Act 64's mission?

The secretary of agriculture must know that since polluters do so because short cuts boost profits, to clean up the mess they made requires that polluters pay. But notably, the secretary's plan requires nothing from conventional dairy farmers except for widening riverbank buffers and keeping their animals out of streams. He also knows conventional dairy farmers have no money, because they are polluting in order to keep production high even though there is no market for their milk and certainly no profits. So the secretary expects the State Treasurer to raise money from nail salons, rooms and meals and any other completely unassociated businesses except conventional dairy to clean up the lake.

What happened to polluters pay?

Lueders-Dumont, Tim

From: [REDACTED]
Sent: Monday, November 21, 2016 2:22 PM
To: [REDACTED]
Subject: Fwd: Second comment

[REDACTED]

----- Forwarded message -----

From: "James H. Maroney, Jr." [REDACTED]
Date: Mon, Nov 21, 2016 at 1:14 PM -0500
Subject: Second comment
To: [REDACTED]

In the matter of funding (Act 64), which is projected to cost \$70M/year for twenty years, the secretary likes to say that we are all responsible for the problem in the lake and we must therefore be "all in" for the cure. He also acknowledges that half the problem comes from storm water and waste water infrastructure and since it is not going to stop raining and all of us use the roads and the bathroom we 625,000 Vermonters must be all in for this half or roughly \$56/person. But the other half the problem comes from just 600 conventional dairy farmers and their families and supporters or shall we say 3,000 Vermonters on whom rain also falls and who also use the roads and the bathroom. May I assume that the secretary's "all in" policy will require these 3,000 people to pay their share per stirpes of the first half plus 100% of the second, or roughly \$11,000/person?

James H. Maroney, Jr.
[REDACTED]

James H. Maroney, Jr.
[REDACTED]

Lueders-Dumont, Tim

From: James H. Maroney, Jr. [REDACTED]
Sent: Thursday, November 17, 2016 10:19 AM
To: [REDACTED]
Subject: Fwd: Comments

From: "James H. Maroney, Jr." <maroney.james@gmail.com>
Date: November 17, 2016 at 10:14:41 AM EST
To: Treasurers.orrice@vermont.gov
Subject: Comments

The legislative intent of Act 64 is to clean up the lake. But since conventional dairy is the cause of roughly half the problem and since the law imposes no constraints upon conventional dairy's productive capacity, which is made possible by deploying the substances that pollute the lake, funding the law is therefore irrelevant to the legislative intent.

<https://www.dropbox.com/s/6blwbf01qqj0v18/Ross%20praises%20conventional%20dairy.docx?dl=0>

James H. Maroney, Jr.
[REDACTED]

Lueders-Dumont, Tim

From: [REDACTED]
Sent: Monday, November 14, 2016 12:11 PM
To: TRE - Treasurers Office
Subject: Comment Re: November 16th public meeting

See below (highlighted text) from James Maroney, who is no longer able to attend Wednesday's meeting.

Thanks,

[REDACTED]

[REDACTED]

Sent: Monday, November 14, 2016 12:07 PM
To: 'James H. Maroney, Jr.'
Subject: RE: Cancelled Brown Bag Lecture

I will share your comment with the Treasurer's Office. Also note, there will be a public comment period from November 16th to December 1st, so you can submit comments then to Treasurers.Office@vermont.gov. Additional details on the comment period, along with a link to a recording of Wednesday's public meeting, will be available at: <http://dec.vermont.gov/watershed/cwi/cwf>.

Best,
Bethany

From: James H. Maroney, Jr. [REDACTED]
Sent: Monday, November 14, 2016 11:53 AM
[REDACTED]
Subject: Re: Cancelled Brown Bag Lecture

Bethany:

Thank you for you note. I can't attend this week's meeting but perhaps you will read a message for me:

The implementation of Act 64 is projected to cost \$1.4B or \$70M for twenty years. As everyone in Vermont knows, state revenues are shrinking and the legislature has numerous calls upon what resources there are. I assume that the projected cost is not arbitrary but that the entire amount is required to make it effective. But in view of the fact that the legislature is probably not going to fund it fully, I would like to know what is the minimum level of funding before Act 64 becomes ineffective? James

[REDACTED]

[REDACTED]

[REDACTED]

Lueders-Dumont, Tim

From: James H. Maroney, Jr. [REDACTED]
Sent: Tuesday, June 14, 2016 2:41 PM
To: [REDACTED]
Cc: [REDACTED]
Subject: [REDACTED]

Dear Andrew:

Further to my comments following the meeting a week ago which was convened we were told to search for ways to fund Vermont's new Clean Water Law (Act 64), I wanted to recount for you a conversation I had with Willem Jewett, about the meeting. I asked him how it was possible that the legislature could pass a bill, and the governor sign it into law, to implement which would require the state to find \$2.4B or \$70M a year for twenty years when there wasn't that much money or anything like it in prospect. He said much to my amazement that the law will get no funding. The law was passed because it is a good idea. It is merely aspirational.

The meeting, was in other words, a sham and it causes me to wonder how the administration can boast to the taxpayers that it is making progress on the attainment of our water quality standards when in fact the legislature and the administration are engaged in an elaborate and costly deception. James

On Jun 2, 2016, at 6:17 AM, James H. Maroney, Jr. <maroney.james@gmail.com> wrote:

Dear Beth:

I am pleased to have had an opportunity to talk briefly with you after yesterday's meeting.

I am a retired organic dairy farmer and an advocate for a strong, robust Vermont dairy industry. But the industry we have today is on track to lose about \$100M, it is draining resources from the state and it pollutes both the atmosphere and the lake. My purpose in addressing you is to assert that in the search for sources of reliable funding for the new Clean Water Law, we must not overlook that conventional dairy's contribution to the problem is about 45-50%, and that conventional dairy must, therefore, contribute 45-50% of the cost of remediation. We often hear the secretary tell us how important dairy farming is to the state and how we must be "all in" to fix this lake problem. But the plan does not charge conventional dairy for its share of the problem nor does it make any material changes to its business model.

By now we all know there are three large contributors to lake pollution: agriculture (45%), storm water (45%) and MWWT (5%). But there are important differences between the last two and the first:

Storm water infrastructure repairs and upgrades will be very expensive and in twenty years, the problem attributable to this sector will be mitigated perhaps 10%. But because it is not going to stop raining and we are not going to stop driving, all 620,000 of Vermont's citizens have per stirpes responsibility for fixing these systems and only money will accomplish it.

MWWT plant repairs and upgrades will be very expensive and when completed the problem will be mitigated by perhaps 2-4%. But because we all use the toilet and we are not going to stop

using the toilet, all 620,000 of Vermont's citizens have per stirpes responsibility for fixing these systems and only money will accomplish it.

But Vermont agriculture is not, as Diane Bothfeld suggested, synonymous with eating or producing food.

Conventional dairy is conducted by about 600 persons, or about 1/10th of 1% of the population. These persons have an equal share of the cost of fixing the storm water and MWWT systems, which are together about half the problem, and they have the second half all to themselves. Moreover, conventional dairy farming is not necessary as are storm water and MWWT; it is strictly voluntary. As valuable to our collective culture as we may believe farming to be, Vermont farmers produce barely 1% of the nation's milk supply and no measurable part of the nation's supply of meat, vegetables, fish, fruit or fiber. Worse, the national supply is constantly in surplus in order to keep consumer prices down. This wouldn't be such a bad idea except now we learn that conventional agriculture is the second largest contributor to global greenhouse gas emissions, behind only electrical and heat generation. Yes, Vermont farmers produce part of the nation's food but Vermont consumers spend approximately 95-97% of their grocery dollars for food imported from elsewhere. Sad but true: Vermont does not farm to grow food for Vermonters. We farm to sustain the illusion that we are a farm state and we are taxed approximately \$60/80M/year to sustain that illusion. I am a farm advocate and I value farming both because it is an important part of our heritage and it encourages tourists to come here. But if we do not farm to produce our food, why must we pollute our lake and the atmosphere to do it?

Act 64 makes no attempt to regulate or make any mention of the practices that conventional dairy does that pollutes the lake, e.g., the 40,000 tons of NPK fertilizer imported into the state each year, which brings along with it about 5% phosphorus or 2,000 tons; the 200,000 tons of feed supplements that conventional farmers import into the state to feed their cows (the conventional ration is based on grain instead of forage), which brings along with it 1% of phosphorus or 2,000 tons of phosphorus; the high stocking rate on our 24 CAFOs, which all exceed one cow for every three acres on which that cow's feed is raised and her manure is spread. These are the three leading sources of phosphorus going into the lake and yet Act 64 makes no attempt to regulate them.

I have written voluminously on this point over the past ten or fifteen years (search my name on www.vtdigger.com) and my opinion has gained no traction. Yesterday's meeting, however, was important because it was about money: Vermont's conventional dairy farmers have no money and they cannot therefore pay any part of the cost to clean up their share of the problem. The taxpayers will bear the whole burden. But because Act 64 mandates no material change to the conventional dairy business model, Vermont's conventional dairy farmers are to be permitted to carry on as before. This must not be allowed!

James H. Maroney, Jr.



James H. Maroney, Jr.

