

INTRODUCTION

- 1) Thank you:
 - a) opportunity to speak
 - b) your work and efforts on clean water
 - c) condolences on the loss of Representative Forguites
- 2) Overview
 - a) District territory boundaries and whose constituents we serve, 7 watershed basins, 42 towns, 3 counties, and 2 FTEs
 - b) Boots on the ground - talking to towns, landowners, schools, farmers, coordinating funding for projects, rallying volunteers → good sense of what is and isn't working to get "clean water projects" implemented
 - c) Ultimate goal = more clean water projects getting done quickly at low cost
- 3) You've heard a lot of specific testimony about pieces of S.96 that still need a lot of work: exactly how and by when pollution reduction targets should be determined, who should be a CWSP etc.
- 4) Districts have found it challenging to engage in that conversation because we disagree with regional funding model for all the reasons you've already heard (not time efficient, less cost-effective, challenges equity among partners, and burdensome to DEC) => fewer projects getting done
- 5) At the same time, we support many of the clean water funding principles and the intention behind the bill: clearer project prioritization/bang for your buck, pollution reduction targets, more accountability
- 6) **Fortunately, we believe it's possible to advance clean water funding principles by strengthening existing centralized mechanisms like Basin Planning and the Agency's practice of Block Grant-making and removing the regional funding model from this bill.**
 - a) **Benefit of such a strategy means we can avoid all the unwanted costs associated with the regional funding structure but make valuable and needed advancements that help us towards our ultimate goal - getting more clean water projects implemented sooner at lower cost.**
- 7) Bill language presented to you is a working draft. We're not lawyers. And much like the bill that passed the Senate, we recognize this language requires time for feedback and other testimony so that proposed mechanisms make sense and work well within our existing legal framework. This is just one way things could work and we respectfully request consideration of this language and ensuing feedback on it with the understanding of our broader intent:
 - a) Strengthen existing centralized mechanisms: Block Grant-making and Basin Planning
 - b) Advance clean water funding principles (clearer project prioritization/bang for your buck, pollution reduction targets, more accountability)
 - c) Remove regional funding model

ROADMAP TO PROPOSED LANGUAGE

- A. **Strengthen Existing Centralized Mechanisms:**
 - a. *Block grant making:*

- i. Section 924 (a) (1) on page 8 asks the Agency to allocate a larger proportion of its funding through block grant mechanisms as opposed to single project-based grants. Keep in mind “block grant” doesn’t have to be restricted to how block grants are currently administered. It is a term we’ve used to capture the idea of giving a set amount of dollars to an entity that will then redistribute via subgrants and this bill is asking for more flexibility in how the Agency administers that.
 - 1. These Block Grant contracts would be improved upon current practice to increase our ability to get clean water projects implemented including longer terms and wide ranging activities allowed.
 - 2. In comparison to the regional model, we believe this is less burdensome to DEC and addresses our concerns about weird partner dynamics/conflict of interest.
 - b. *Basin Planning:*
 - i. Section 924(g) on page 13 includes a series of edits on the proposed water quality advisory councils.
 - 1. They are formed by and will make recommendations directly to the relevant Basin Planners. (924(g)(1))
 - 2. Number of participants was reduced to allow for more efficient flow of project identification and defining priorities. (924(g)(2))
 - ii. Section 924(g)(3)pgs14-15 requests support for the council members to meet at least bi-monthly. This has been a major barrier to more local participation in basin planning up until now.
 - iii. Section 924(a)(2)on page 8 requires that project prioritization for funding give weight to whether a particular project was supported by the advisory councils.
- B. Advance clean water funding principles:**
- a. *Clearer project prioritization/bang for your buck.*
 - i. Section 924(a) (2) on page 8 was completely re-written to require the state to develop guidance/ a framework on how proposed clean water projects should be prioritized. Framework to include: pollution reduction potentials, cost-effectiveness, co-benefits, and support from respective water quality advisory council .
 - 1. Clear and consistent mechanisms for prioritizing projects increases our accountability and helps us better collaborate state-wide to achieve pollution reduction goals.
 - 2. We retained local input as a factor in the prioritization but removed basin-level unique and independent prioritization processes because for entities that operate across basins this would be severely inefficient and cost us a lot of time to track and participate in.
 - ii. Section 924(a)(5)pg 9 Requires Block Grant recipients to administer subgrants based on this prioritization process.
 - b. *Pollution Reduction Targets*

- i. A lot of the language around developing these targets has been left intact. The structure in how these targets will be used has changed. The regional model was going to use the pollution load targets and associated costs as a way to calculate how much money to grant out CWSP. Through this language, subgrants are tied to specific basins and projects are prioritized on factors including pollution reduction targets. It does this through
 1. including pollution reduction potentials in the project prioritization framework such that projects will rank higher in certain basins or if they achieve more pollutant reduction (section 924(a)(2)pg 8),
 2. requiring this prioritization scheme to direct subgrant funding (section 924(a)(5)pg9),
 3. requiring Block Grant recipient reporting to include projects implemented by basin so the Agency can calculate and track total load reduction (section 924(e)(1)pg11). This is a preferred structure for funding because funding is no longer directly tied solely to pollutant reduction but, by using a prioritization framework, it allows other valuable aspects to also be considered.
 - ii. Section 924(d) (top of page 11) removes any language that required pollutant reductions to be achieved prior to any other spending. We believe strengthening and applying the project prioritization scheme is a more equitable way to meet legal requirements while not ignoring valuable projects with significant co-benefits, or lower cost protection and enhancement projects.
- c. *More accountability.*
- i. Section 924 (a) (3) on page 8 introduces one level of accountability on Block Grant recipients such that if they don't achieve an acceptable number of high prioritized projects implemented in proportion to funding received this will impact their ability to receive future funds. Projects ultimately implemented could be scored using the prioritization framework such that \$ spent per benefit achieved (including but not limited to pollutant load reduction) is considered in this evaluation.
 - ii. Section 924 (c) on page 10 provides for more funding to support long-term O&M which has long been a barrier to ensuring projects continue to provide clean water benefits. It also requests legal assistance from the Agency in developing clear and consistent contractual language in O&M agreements which will bring much needed clarity on accountability for these tasks.

C. Remove Regional Funding Model

- a. Any reference to CWSP has been removed. This required significant re-writing of section 924.
- b. Section 924(f) on page 12 is re-written such that responsibility for pollutant reduction remains with a single entity - the state. It also endeavors to consider next-steps or actions that will lead to more clean water projects happening sooner at lower costs.