

**White River Partnership testimony to the Vermont House Natural Resources Committee
April 10, 2019**

Thank you Representative Sheldon and Committee members for this opportunity to provide testimony on S96.

My name is Mary Russ. I live with my family in Sharon, Vermont. I am the Executive Director of the White River Partnership, a community-based, non-profit organization operating to protect and improve the long-term health of central Vermont's White River watershed. I am also the current Board Chair for Watersheds United Vermont, the association working on behalf of Vermont's watershed groups. I am passionate about clean water and would be pleased to be a resource to the House Natural Resources Committee as this important conversation continues in the weeks ahead.

I want to start with a few key points:

- Vermont's watershed groups (WGs) exist to protect and improve water quality and watershed health in all areas of state.
- WG constituents include everyone in the state – all landowners across all sectors. We work with anyone and everyone interested in helping achieve our clean water goals.
- Each WG's work is specialized, reflecting the issues and priorities within their home watersheds. However all WGs share common core functions:
 - First all WGs collect scientific assessment and monitoring data to keep tabs on the health of their home rivers and watersheds – from Phase 2 stream geomorphic assessments to stream-crossing culvert inventories to water quality monitoring data at swimming holes and more. WGs work with technical partners to analyze this data in order to identify issues and opportunities and to prioritize on-the-ground clean water projects.
 - Second WGs also actively cultivate relationships among their diverse watershed constituencies, enabling them to act as a liaison between individuals and groups as opportunities arise – from responding to immediate needs – like flood recovery work following Tropical Storm Irene – to gathering community input on strategic opportunities – like Tactical Basin Planning priorities – to garnering landowner support for priority clean water projects.
 - Third WGs routinely implement complex, on-the-ground restoration projects – including aquatic organism passage, floodplain conservation, habitat restoration, green stormwater infrastructure projects, and more. WGs engage multiple community stakeholders in all phases of project implementation and effectiveness monitoring, including volunteers, teachers and students, and other local groups like conservation, planning, and recreation commissions to expand the education and stewardship benefits these clean water projects provide.
- To accomplish this important work WGs like the WRP rely on a diverse mix of funds to plan, design, implement, monitor, and maintain a spectrum of clean water projects in all of Vermont's watersheds – including critical state funding sources like the long-standing Ecosystem Restoration Program and newer Clean Water Fund programs like the Buffer Block Grant, River Corridor Easement Block Grant, Project Development and Project Implementation Block Grants, and more. All WGs leverage state funds received to attract

private donations, foundation funding, and federal grants in so doing invest millions of dollars each year into their watershed economies.

- To insure this crucial clean water work continues I support the development of a secure, long-term Clean Water Fund (CWF) that is administered effectively and efficiently and is tied to on-the-ground, clean water outcomes state-wide.

So what does that mean and does S96 help us achieve it? I'll start with the first question.

Here's what I know:

- Vermonters value clean water and are willing to pay for the benefits clean water provides. And Act 64 creates an obligation for Vermont to “sufficiently and sustainably finance all water quality programs within the State.” The time to meet that obligation is now.
- We also know that Vermonters need to know that clean water funding is being spent responsibly and is accomplishing measurable clean water goals now and into the future. There is a demonstrated need for this type of responsible and sustained investment in clean water:
 - Impaired waters on Lake Champlain, Lake Memphremagog, and elsewhere require significant investment to reduce not just phosphorus, nutrient, and sediment pollution, but also bacteria, heavy metals, temperature, and more.
 - Devastation wrought by Tropical Storm Irene and other federally-declared disasters across the state require thoughtful, necessary investment in climate change adaptation and flood resilience projects.
 - Stressed waters in every watershed across the state require strategic investment now to insure more costly cleanups are not required in the future.
 - Waters that meet water quality standards require investment to monitor their health long-term, to protect outstanding resource waters, to reclassify waters that exceed the standards for a particular use, and more.
 - WGs, CDs, RPCs, land trusts, conservation groups, municipalities, federal agencies and others have worked with the state to identify opportunities to implement projects mentioned above in a strategic way: there are 4000 projects in the Watershed Projects Database identified and prioritized in EPA-required Tactical Basin Plans and other strategic assessment and planning efforts.
- We agree that transparency and accountability are crucial elements to any clean water funding structure in order to insure clean water goals are being met in all parts of the state. And we have a funding distribution model in place:
 - First through its Clean & Clear Program and now through the Clean Water Initiative, DEC is providing mechanisms, staffing, and financing necessary to achieve and maintain compliance with the Vermont Water Quality Standards for all State waters.
 - Funds are linked to the strategic assessments and planning efforts mentioned above and are administered by a dedicated team that includes technical program staff.
 - Funds are made available to all implementers and are distributed in a transparent and accountable way.

- This existing model keeps the funds distribution function with the agency tasked by EPA to protect and improve the waters of the state – ANR – insuring the required administration and reporting functions are streamlined and efficient.

For all of these reasons, and many more, it is my strong preference that **Clean Water Funds should continue to support all phases of projects that address all clean water issues on all types of waters in all areas of the state and should continue to be distributed/administered at the state-wide level.**

Now moving on to S96. Does it help us accomplish our clean water goals state-wide? My answer is not yet.

First there is currently no funding in S96, nor does the bill explicitly commit the state to raising any. I encourage this committee to consider formalizing the state’s commitment to clean water funding:

- In Section 1387a3 I recommend changing the word “should” to “shall” in section 1387a3.
 - (3) To ensure success in implementing the Clean Water Initiative, the State ~~should~~ shall commit to funding the Clean Water Initiative in a manner that ensures the maintenance of effort and that provides an annual appropriation for clean water programs in a range of \$50 million to \$60 million as adjusted for inflation over the duration of the Initiative.

Second there is very limited funding in S96 for actual clean water projects. Instead S96 focuses almost entirely on pollution reduction projects in streams and rivers that have been listed as impaired for phosphorus, nutrients, or sediment. As a result S96 does not accomplish the intent of Act 64 in at least two ways: it does not “fully implement the antidegradation implementation policy in the Vermont Water Quality Standards” and it does not insure that Vermont will “sufficiently and sustainably finance all water quality programs within the State.” I encourage the committee to consider adding a new definition of “clean water project” and to consider raising the floor for the only funds in S96 that may be used on all water quality programs across the state.

- In Section 921 I recommend adding a definition to clarify what Vermonters understand a clean water project to be and to reflect the intent of the Clean Water Enhancement Fund, while modifying the existing definition to reflect the need to address impaired waters:
 - (3) “Clean water project” means a best management practice or other program designed to improve water quality ~~to achieve a target established under section 922 of this title~~ that: ...
- In Section 925b I recommend removing the last sentence to insure Water Quality Enhancement Grants are distributed and administered by the state:
 - Remove “No more than 15 percent of the total grant amount awarded to a clean water service provider shall be used for administrative costs.”
- In Section 1389e1D I recommend changing \$1,500,000.00 to \$10,000,000.00.
 - (D) the Water Quality Enhancement Grants as provided in subsection 925(b) of this title, provided funding shall be at least ~~\$1,500,000.00~~ \$10,000,000.00;

Third I believe the language used in S96 is misleading. To communicate clearly about the intent of S96 to all Vermonters who will be asked to invest in clean water funding and to accurately describe the new mechanisms proposed by S96, I strongly urge the committee to modify the descriptor “clean water” throughout S96:

- Change the phrase “clean water” to “pollution reduction” in over 100 locations throughout the bill (except in section 1389a1B2).

Finally, to reflect my belief that the Clean Water Fund should be distributed and administered at the state-wide level, I strongly encourage the committee to consider removing the “clean water service provider” language throughout S96. Impairment identification, project prioritization, and funding distribution/administration should remain with DEC and the Clean Water Initiative.

I believe the changes above would go a long way toward insuring that **Clean Water Funds continue to support all phases of projects that address all clean water issues on all types of waters in all areas of the state and should continue to be distributed/administered at the state-wide level.**

However if S96 moves forward with the regional funding distribution system intact, I urge the committee to consider the following:

To address the length of time it will take to develop a regional funding distribution system – **which, to be clear, I do not support** – I’d recommend that the committee consider delaying the creation date of the “~~clean water~~ pollution reduction service providers” and to name the interim funds distribution entity and/or process.

- In section 924a change the date associated with rulemaking to create a “pollution reduction service provider” from March 1, 2020 to November 1, 2021, which is the first date by which the Secretary shall conduct the analysis required by Section 922.
- In section 1387 add language to give distribution of interim clean water funding to the Clean Water Initiative.

In sum my suggested edits to S96 would accomplish several important objectives: 1) commit the state to raising Clean Water Funds; 2) adequately fund clean water projects via the existing state-wide distribution model; 3) limit the targeted/standard cost model to pollution reduction only; and 4) name DEC and the Clean Water Initiative as the appropriate entities for project prioritization, funding distribution/administration, etc. If necessary the final proposed edits would 5) align the creation of the service providers with the creation and implementation of pollution reduction targeting, modeling, and standard costs; and 6) address near-term funding distribution.

I am grateful the House Natural Resource Committee is taking action on the Clean Water Fund this session. Thank you again for this opportunity to provide testimony.