



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION 1

5 POST OFFICE SQUARE, SUITE 100
BOSTON, MA 02109-3912

February 11, 2019

Julia S. Moore, P.E., Secretary
Agency of Natural Resources
1 National Life Drive, Davis 2
Montpelier, VT 05620-3901

Dear Secretary Moore:

Thank you for your letter of February 8, 2019, requesting EPA's concurrence with the state of Vermont's proposed process to establish a long-term revenue source to support implementation of the 2016 Lake Champlain Total Maximum Daily Load (TMDL). As discussed in the TMDL Accountability Framework, a long-term revenue source is critical to the successful and full implementation of the TMDL and attainment of water quality standards in Lake Champlain.

EPA believes that the Vermont Agency of Natural Resources (ANR) has proposed a sensible framework that, if adopted, would meet the TMDL requirement to identify a long-term funding source. EPA is basing its preliminary determination on the following points:

1. The framework includes a reasonable method to quantify funding needs.
2. The framework includes a mechanism to translate TMDL load reduction targets into local targets and to fund projects to achieve those targets.
3. As your letter notes, the state is proposing a range of funding that is consistent with the analysis in the Treasurer's report and exceeds the minimum funding level in the Act 73 report. EPA understands that there is some inherent uncertainty in projected funding needs, and that those needs are likely to change over time. EPA is not approving a specific funding level needed to meet TMDL requirements, but part of our basis for concluding that Vermont's proposed framework would establish a long-term funding source is that the range of funding proposed is consistent with estimated needs.
4. The framework identifies specific sources of funding. Significant portions of that funding would be dedicated by statute to clean water needs, and not subject to annual or biennial appropriation. Much of the remaining portion, which is subject to appropriation, is consistent with historical funding levels in Vermont, and therefore the overall funding stream appears to be stable.
5. The framework includes a reasonable process to track implementation, and to periodically reevaluate progress and seek more funding if necessary.

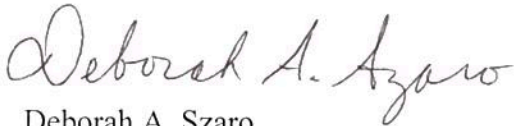
In making this preliminary determination, EPA has noted that your proposed tracking process dovetails nicely with the reporting commitments described in the TMDL Phase I Implementation Plan, including tracking implementation and providing an updated spending plan to EPA every five years. These commitments provide a process for periodic evaluation of funding necessary to

implement the TMDL. If future funding needs are not met such that the state fails to make satisfactory progress, EPA may take further action as described in the TMDL.

As noted in EPA's April 2, 2018, "Report Card on Vermont Lake Champlain TMDL Phase 1 Implementation Plan Milestones," a final determination on the adequacy of the long-term funding approach will be made when EPA issues its next report card on the state's progress on this milestone and two other milestones in mid-2019: issuance of the Municipal Separate Storm Sewer System permit (which we know has been completed), and the Developed Lands General Permit.

We commend the state for all the good work completed to date and thank you for your commitment to restoring Lake Champlain and other waters of the state. As always, we look forward to continuing our regular, informal coordination and technical exchanges as you continue to implement the TMDL.

Sincerely,

A handwritten signature in cursive script that reads "Deborah A. Szaro". The signature is written in dark ink and is positioned above the printed name and title.

Deborah A. Szaro
Acting Regional Administrator