Bottom Line

We encourage the Governor and Vermont legislators to increase the ARPA allocation for drinking water and clean water projects from $170M to $350M and to include $180M for replacement of aging water, wastewater, and stormwater infrastructure as an additional area of targeted investment. This funding should be provided at a minimum of 90% grant funding.

Background

Over the next 10 years, Vermont municipalities, ratepayers and property owners will face costs exceeding $1 billion to upgrade our aged wastewater, drinking water, and stormwater systems. And over the next three years, the Vermont drinking and clean water sectors will require $350M to address our immediate infrastructure and water quality challenges. The American Rescue Plan Act (ARPA) of 2021 represents a generational opportunity to address Vermont's aging infrastructure and water quality needs.

Of the $1.052 billion in ARPA funding coming to Vermont, Governor Scott proposed allocating $170M to drinking water and clean water projects under Section III Water/Sewer Infrastructure (Governor's Proposed Investment of American Recovery Plan Funds April 6, 2021[i]). We support the Governor's proposal to provide increased funding for water/sewer infrastructure. However, this amount is only designated to seven very limited areas of investment and notably excludes funding for aging water, wastewater, and stormwater infrastructure. The Governor's proposal acknowledges that "Water infrastructure is the backbone of our lives and livelihoods," but does not provide any funding to address aging infrastructure needs across the State.

Providing additional funds for water quality projects also offers additional benefits. Studies have shown that every dollar spent on water quality infrastructure returns $2.95 dollars to the economy[ii]. In effect, spending money on water quality is also an investment in the Vermont economy and job creation. In addition, modern wastewater, drinking water, and stormwater infrastructure supports the Vermont vision that embraces downtown areas redeveloped using smart growth strategies, and a working rural landscape. And by using once in a generation ARPA grant funding, Vermont can accomplish these goals without delay and without imposing an unaffordable burden on ratepayers.

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[i] https://governor.vermont.gov/sites/scott/files/documents/Governor%20Scott%20Proposed%20ARPA%20Budget.pdf
[ii] https://www.wqpmag.com/analysis-projects-major-returns-federal-water-investment

Additional Information

Aging infrastructure and emerging contaminant threats such as PFAS will require $110M in grant funding for drinking water providers by 2025. Funding of this magnitude would allow public utilities to replace aging water mains, upgrade treatment plants, and develop replacement water sources where there is a threat of contamination. The Town of Springfield has completed significant improvements to its water system, but extensive work still remains to replace original waterlines on Clinton Street and Main Street. Water rates are high due to recently completed projects. The cost for the next phase of improvements is $8M, and funding assistance is required to keep rates affordable for the existing water customers. Like many Vermont municipalities, the Town of Brighton water system has a very small, primarily residential customer base. The State will be limiting the water withdrawal from the existing streams, requiring the Town to evaluate new water sources. In addition, the Town has two 30-year-old water treatment plants which require upgrades to extend their long-term reliability. Without significant grant funding, these projects are not affordable, resulting in a huge increase in water rates.

It is estimated that by 2025 the wastewater sector could utilize $160M for infrastructure projects, treatment facility upgrades, and CSO abatement. The City of Rutland alone could move forward with over $12M for treatment plant improvements and combined sewer overflow abatement projects, and utilize additional funding to complete the engineering work necessary for an additional $25M of required CSO abatement work after 2024. In Burlington, $18M of grant funding would result in the accelerated construction of a wastewater filtration project that would yield an estimated 3,800 lbs. of annual phosphorus reductions to Lake Champlain.

Municipalities and private property owners across the State could utilize $80M for stormwater improvements to comply with new regulatory requirements. These funds would be used to construct the stormwater treatment projects necessary to reduce the amount of phosphorus flowing to Lake Champlain, comply with Stormwater TMDLs in urban and suburban watersheds, and assist private property owners with the costly requirements of Vermont's new "3-Acre Permit."

GMWEA is a non-profit association of water quality professionals formed in 1994 by the merger of Vermont's two long-standing drinking water and wastewater treatment organizations. GMWEA promotes public awareness of water related issues and supports the water quality professionals that provide drinking water, wastewater, and stormwater services to Vermonters. For more information, visit www.gmwea.org.

The Vermont Rural Water Association is a non-profit that has been supporting public drinking water and wastewater systems since 1982. VRWA promotes public health and clean water protection through technical assistance, training, advocacy, and outreach. For more information, visit www.vtruralwater.org.