



May 5, 2023

To: Chair Amy Sheldon and Members of the House Comm. on the Environment & Energy

From: Jared Carpenter, Clean Water Advocate, Lake Champlain Committee

Re: Comments on S.80, An act relating to misc. environmental conservation subjects

I provide this written support for the proposed changes to S.80 offered by the House Committee on Corrections & Institutions. By way of background, the Lake Champlain Committee has advocated for clean water project and program funding for decades and supported the passage of Act 64 (2015), an act relating to improving the quality of State waters, that established the Clean Water Fund, and Act 76 (2019), the Clean Water Service Delivery Act, that restructured how Vermont funds clean water projects and programs are distributed.

The state of Vermont has several key funding sources for clean water programs and infrastructure. One is the State Revolving Fund (SRF) programs that, with state match, provide federal funding for municipal wastewater and drinking water infrastructure, most notably the Clean Water State Revolving Loan Fund (CWSRF) and the Drinking Water State Revolving Loan Fund (DWSRF). In 2021, the Agency of Natural Resources estimated that over \$860 million was needed to address municipal wastewater and drinking water repairs and upgrades. The SRF programs are integral for meeting these needs. Even after the recent surge of federal funding, the municipal need for federal and state funding assistance is still great.

LCC has concerns with two sections of S.80 regarding state and federal SRF that the language offered by House Institutions addresses.

Sec 5 of S.80 allows ANR to direct federal funding to the state SRF program. However, the amount of up to \$275,000 is too small to provide much benefit to implementing projects, so, in our reading, it appears to just allow for the backfilling of direct state program funding rather than addressing the issue through state fees. The proposal by House Institutions would allow this to occur for one year until the fee report currently in the FY24 Budget is complete. This report will provide information as to whether the fees for the state SRF program need to be adjusted, and therefore whether this redirection of federal funding is necessary.

Sec 6 on pg. 9 expands the use of federal SRF funds to individual wastewater projects such as residences. Current Vermont statute allows this with state funds, but not federal funds. While this use is allowed by the U.S. Environmental Protection, to our knowledge, ANR has not offered information as to what impact, if any, this would have on municipal loans. Further, ANR has not established whether the staff capacity is available for this expansion.

There is no denying that individual residences need assistance with water infrastructure funding, but as noted before, the municipal need is still great. The language offered by House Institutions will require ANR to provide a report to the Legislature on the status of the SRF, including the current balance, amount loaned out, and amounts due for repayment. This seems prudent before expanding the use of the SRF.

Thank you for the opportunity to provide these comments.