



AGENCY OF NATURAL RESOURCES

TESTIMONY ON FY₂₄ GOVERNOR'S RECOMMEND

Julia S. Moore, P.E., Secretary
March 1, 2023

Overview – FY24 Governor's Recommend

Clean Water Initiative

- (Brief) history and legal requirements
- Funding portfolio
- Role of the Clean Water Board
- FY24/25 Capital Bill request

Vermont Has Some Pretty Spectacular Waterbodies



Human Activity Can Harm Our Waters



Clean Water Initiative

- Water quality concerns are not unique to Vermont
- Nutrient problems exist in many freshwater lakes
 - EPA's 2017 National Lakes Assessment found that 20% of the nation's lakes had high levels of phosphorus or nitrogen.
 - Notable examples include:
 - Lake Pepin, MN
 - Lake Erie
- How does Vermont's response to compare to others?
 - We are taking good, important, meaningful steps
 - Regulatory programs that exceed federal minimums for stormwater and agriculture
 - Committed resources (i.e., Clean Water Fund)



Clean Water Initiative

- Vermont has a long-held commitment to clean water and water quality
 - ANR has worked with EPA to develop “pollution budgets” or total maximum daily loads (TMDLs) for waterbodies like:
 - Lake Champlain
 - Lake Memphremagog
 - Lake Carmi
 - Connecticut River/Long Island Sound
 - Many of the commitments made in these TMDLs were codified in statute in Act 64 (2015) and Act 76 (2019)
- Broadly, clean water funding is used to:
 - Restore water quality in lakes and rivers that do not meet standards
 - Protect high quality waterbodies

How is Clean Water Work Funded



Avg Annual State Funding = \$50-60 M/yr

How is Clean Water Work Funded?

Proposed FY24 Clean Water Approps	\$62,228,880*
• Clean Water Fund (base):	\$25,492,630
• <i>Property Transfer Tax Surcharge</i>	
• <i>Escheats (unclaimed bottles)</i>	
• <i>Meals and Rooms Tax</i>	
• Clean Water Fund (one-time):	\$14,851,250
• <i>FY22 "excess receipts"</i>	
• <i>ARPA</i>	
• Capital Bill (FY24 only):	\$15,885,000
• <i>FY24 Capital Fund</i>	\$5,885,000
• <i>FY24 One-Time GF to Cash Fund</i>	\$10,000,000
• LCBP/Leahy Appropriation	\$6,000,000 (100% federal)

* Does not include work funded through the T-Bill to address runoff from state highways

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No.	Agency	Activity	SFY24 BASE FUNDS					SFY24 ONE-TIME FUNDS				Total SFY24
			Board Recommended Base Clean Water Fund	Governor Recommended Base Clean Water Fund	Board Recommended Base Capital Bill	Governor Recommended Base Capital Bill	Subtotal Base Funds	Board Recommended One-Time Clean Water Fund	Governor Recommended One-Time Clean Water Fund	American Rescue Plan Act (ARPA) ²	Subtotal One-Time Funds	
Clean Water Budget Statutory Priority Tier 1 (Items of Equal Priority)												
1.1	ANR-DEC (CWIP)	Water Quality Restoration Formula Grants to Clean Water Service Providers & O&M	7,210,000	7,210,000			7,210,000	1,150,000	1,150,000		1,150,000	8,360,000
1.2	ANR-DEC (CWIP)	Basin Planning, Basin Water Quality Council Participation, Education, and Outreach	660,000	660,000			660,000				-	660,000
1.3	Water Quality Enhancement Grants						-				-	-
1.31	ANR-DEC (CWIP)	Statewide Non-regulatory Clean Water Projects	5,000,000	5,000,000			5,000,000				-	5,000,000
1.32	VHCB	Land Conservation and Water Quality Projects			2,000,000	2,000,000	2,000,000				-	2,000,000
1.4	AAFM	Water Quality Grants to Partners and Farmers	5,818,630	5,818,630	2,202,019	2,202,019	8,020,649			3,000,000	3,000,000	11,020,649
1.5	Agency and Partner Operating Support						-				-	-
1.51	AAFM	Program Support	866,250	866,250			866,250				-	866,250
1.52	ANR-DEC (CWIP)	Program and Partner Support	953,750	953,750			953,750	401,250	401,250		401,250	1,355,000
Tier 1 SUBTOTAL			20,498,630	20,498,630	4,202,019	4,202,019	24,700,649	1,551,250	1,551,250	3,000,000	4,551,250	29,251,899
Tier 1 % of Total			80%	80%	42%	71%	78%					66%
Clean Water Budget Statutory Priority Tier 2 (Items of Equal Priority)												
2.1	Outreach and Implementation of Forestry Acceptable Management Practices for Maintaining Water Quality											
2.11	ANR-FPR	Forestry Water Quality Practices and Portable Skidder Bridges	110,000	50,000			50,000		993,613		993,613	143,613
2.12	ANR-FPR	Implement BMPs at State Forests, Parks, and Recreational Access Roads			550,000	550,000	550,000				-	550,000
2.2	Municipal Stormwater Implementation						-				-	-
2.21	VTrans	Municipal Roads Grants-in-Aid (MRGP)	3,000,000	3,000,000			3,000,000				-	3,000,000
2.22	VTrans	Municipal Better Roads (MRGP)	1,000,000	1,000,000			1,000,000				-	1,000,000
2.23	VTrans	Missisquoi Bay Federal Earmark (Non-Federal Match) ¹					-	1,000,000	1,000,000		1,000,000	1,000,000
2.24	ANR-DEC (CWIP)	Municipal Three-Acre General Permit and MS4	1,000,000	1,000,000			1,000,000			7,000,000	7,000,000	8,000,000
2.3	VHCB	Water Quality Farm Improvement and Retirement Projects			800,000	800,000	800,000				-	800,000
2.4	ANR-DEC (CWIP)	Innovative or Alternative Technologies or Practices to Improve Water Quality					-	200,000	200,000		200,000	200,000
Tier 2 SUBTOTAL			5,110,000	5,050,000	1,350,000	1,350,000	6,400,000	1,200,000	1,293,613	7,000,000	8,293,613	14,693,613
Tier 2 % of Total			20%	20%	14%	23%	29%					33%
Clean Water Budget Statutory Priority Tier 3												
3.1	ANR-DEC (WIFF)	Developed Lands Implementation Grants					-				-	-
Tier 3 SUBTOTAL							-				-	-
Tier 3 % of Total			0%	0%	0%	0%	0%					0%
Clean Water Budget Other Priorities												
4.1	ANR-DEC (Lakes)	Lakes in Crisis Fund	120,000	120,000			120,000				-	120,000
4.2	AcA	Stormwater Utility Payments (\$25K each)					-	100,000	100,000		100,000	100,000
4.3	ACCD	Better Connections and Downtown Transportation Fund					-				-	-
Capital Bill Priorities							-				-	-
4.4	ANR-DEC (WIFF)	State Match to Clean Water State Revolving Fund (CWSRF) Federal Grant ³			1,147,981	332,981	332,981				-	332,981
4.5	ANR-DEC (WIFF)	Municipal Pollution Control Grants ⁴			3,300,000	See footnote 4	-				-	-
Other SUBTOTAL			120,000	120,000	4,447,981	332,981	452,981	100,000	100,000	-	100,000	552,981
Other % of Total			0.5%	0.5%	44%	6%	1%					1%
Subtotal Proposed for Appropriation			25,728,630	25,668,630	10,000,000	5,885,000	31,553,630	2,851,250	2,944,863	10,000,000	12,944,863	44,498,493
Subtotal Proposed for Transfer to Contingency Risk Reserve								2,000,000	2,000,000		2,000,000	2,000,000
Total Proposed Appropriations/Transfers			25,728,630	25,668,630	10,000,000	5,885,000	31,553,630	4,851,250	4,944,863	10,000,000	14,944,863	46,498,493
Anticipated SFY24 Clean Water Fund Revenue/Capital Bill & ARPA Budget Target			25,928,630	25,928,630	10,000,000	5,885,000	31,813,630			10,000,000		41,813,630
Actual Unallocated/Unreserved Clean Water Fund Revenue at SFY22 Closeout								10,838,160	10,838,160			10,838,160
Total Available			25,928,630	25,928,630	10,000,000	5,885,000	31,813,630	10,838,160	10,838,160	10,000,000	20,838,160	52,651,790
Balance-Total Available-Total Requested			200,000	260,000	-	-	260,000	5,986,910	5,893,297	-	5,893,297	6,153,297

FY24/25 Capital Bill – Section 10

AAFM:

- Water Quality Grants (line 114)

ANR

- Clean Water State Revolving Fund (line 116)
- Municipal Pollution Control Grants (line 117)
- Forestry Access Road Water Quality Improvements (line 119)

VHCB

- Agricultural Water Quality Projects (line 121)
- Land Conservation and Water Quality Projects (line 122)

“Placeholder” for FY25 Clean Water Board recommendation (line 123)

FY24/25 Capital Bill – Section 10

AAFMM:

- Water Quality Grants : \$2,202,019
 - Practices include: manure and agricultural waste storage facilities, composting stack pads, silage leachate collection, laneway development & stream crossings, and clean water diversions

ANR

- Forestry Access Road Water Quality Improvements: \$550,000
 - Practices to reduce erosion and nutrient and sediment pollution from ANR's road and trail network and recreational access points

VHCB

- Agricultural Water Quality Projects \$2,800,000
 - Water-quality related investments in-fee lands and conservation easements
 - Land Conservation and Water Quality Projects
 - Grants to farmers for water quality-related capital practices and purchase of marginal farmland; grants typically help pay for project components that are not covered by other state/federal programs

“Placeholder” for FY25 Clean Water Board recommendation \$10,000,00