REPORT OF THE
DEPARTMENT OF ENVIRONMENTAL CONSERVATION

Established by Act 47 of 2023; submitted to House Committee on the Environment and Senate Committee on Natural Resources and Energy

REGARDING REGULATION OF

MUNICIPAL WATER & WASTEWATER CONNECTIONS PERMITTING & HOUSING

January 31, 2025

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Department of Environmental Conservation

Municipal Water & Wastewater Connections Permitting & Housing

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1.0 Executive Summary

Vermont has a significant unmet need for housing, and the logical locations for increased development are municipalities that have both water distribution and wastewater collection systems. Water and wastewater connection permitting is a necessary component of housing development and growth in the state.

Currently, both local and State water and wastewater connection permits are often required before a project can begin. This report explores whether unnecessary duplication exists between local and State permitting that, if eliminated, might expedite timelines for housing projects and other development. The purpose of this report is to document the stakeholder group's activities and identify ways to improve existing processes, determine if alternative processes should be implemented, and provide the Legislature with important considerations related to municipal water and wastewater connections.

Existing statutory and regulatory requirements for water and wastewater connections create significant workload for both the State and municipalities. However, most municipalities in Vermont have resource constraints that preclude them from assuming full responsibility over the technical review, data management, and enforcement of water and wastewater connections. Further, even municipalities that have sufficient resources to conduct local technical review of these connections are challenged to fulfill the requirements of the existing statutory delegation framework in 10 V.S.A., Chapter 64.

This report offers the two primary legislative recommendations for consideration:

1. Repeal full delegation authority currently granted to the Agency of Natural Resources (ANR); and modify existing partial delegation to provide authorizing language for proposed Local Technical Review (LTR) program; and
2. Creation of a general permit allowing qualified municipalities to conduct local technical review of water and wastewater connections without redundant State review while maintaining statewide consistency and accessibility of data and records.

The Agency recommends the changes described above. To successfully implement the program, the Agency also recommends continued engagement with municipal stakeholders to solicit input and to help inform program development.

In addition to the legislative recommendations, this report includes the following:

- background data and information about existing permitting processes;
- proposed regulatory updates to establish the LTR program and to modernize municipal connections technical standards;
- additional changes proposed to existing processes;
- and an overview of related issues that may be impacting housing development.

2.0 Statutory Charge

This report is submitted in accordance with Act 47 of 2023 (Section 25) and in fulfillment of the requirements for the ANR to submit a report by January 31, 2025 to the House Committee on Environment and Energy and the Senate Committee on Natural Resources and Energy to address barriers to housing development created by duplication and inefficiencies between local and State municipal water and wastewater connection permitting processes. ANR was asked to create a stakeholder group to review local and state statutory, regulatory, and permitting requirements and to identify approaches to reduce costs and burdens to municipalities and applicants. As part of this process, the stakeholder group was asked to develop:

1) A review of permitting standards of other jurisdictions. (Section 4.3)
2) An assessment of how to simplify and expedite the process for municipal water and wastewater connections permitting. (Section 5)
3) Solutions for data management and document sharing. (Section 6.1.1)
4) Revised criteria for the issuance of connections permits. (Section 6.2)

3.0 Key Takeaways

- Some duplication exists between State and local municipal connections review processes. While a one size fits all approach is not feasible, the stakeholder group agrees communities with adequate technical and administrative resources and a willingness to accept technical review responsibilities are in the best position to review and approve connections to their systems. The State is in the best position to manage the data and records associated with connection permits and to make this information publicly available on a statewide basis.
- Applicants are often required to obtain a myriad of local and State permits for development projects; water and wastewater connections are one of the required permits. Collectively, these processes can take a significant amount of time—it is not a single permit type that is slowing development.
- While municipal water and wastewater connection permitting is not a significant contributor to delays in housing development, aspects of local and State permitting processes can be improved to reduce costs, increase consistency and make the process more user-friendly.
- Municipalities and designers would benefit from improving and possibly fundamentally changing the State's water and wastewater connection regulations.
- Capacity limitations at water and wastewater systems can be significant obstacles to expanding housing and warrant further consideration and review. Existing funding programs are not designed to accommodate growth. Projects to address capacity limitations or to extend services to accommodate new housing development are often low priority or ineligible for existing water and wastewater funding programs.

4.0 Background

The following section overviews existing permitting practices both within Vermont and elsewhere in the U.S., provides historical State permitting data, and outlines the way the stakeholder group collaborated to create this report.

4.1 Existing State & municipal permitting processes in Vermont

4.1.1 Statutory Authority

The Vermont legislature has given municipalities the authority to install and maintain water distribution and wastewater collection systems under miscellaneous regulatory powers (24 V.S.A. 2291). The authority to establish and adopt rules for “waterworks” is generally established in 24 V.S.A. 3313. The authority to establish and adopt rules for “sewage system of a municipality” is generally established in 24 V.S.A. 3602 or in municipal charters (24 V.S.A. Appendix). The authority of the Agency of Natural Resources to regulate water and wastewater connections is established in 10 V.S.A. Chapter 64.

In addition to the ability to regulate water and wastewater connections, current statutory provisions offer both full and partial delegation of water and wastewater connections from the State to municipalities. Since ANR received universal jurisdiction over water and wastewater systems from the legislature in 2007, only two municipalities (Town of Colchester and Town of Charlotte) have requested and received full delegation, and no municipality has requested or received partial delegation. Residents of Charlotte primarily have on-site potable water supplies (typically drilled wells) and onsite wastewater (septic) systems. Colchester has a limited sewer service area and significant portions of town served by three public water supply providers. These two municipalities have since returned their full delegation program back to ANR, citing administrative and technical review challenges, resource challenges, and an inability to maintain cost competitiveness with ANR’s program. Transferring these programs back to ANR was resource intensive and the information provided back to ANR was not complete.

4.1.2 General processes

Municipal and State water and wastewater connection permit issuance happen relatively independent of one another. The only overlap is that ANR requires the applicant to submit an “allocation letter” from the municipality verifying the intent to serve water or receive wastewater prior to issuing the permit.

Most municipalities focus on the installation process during project review, so they are confident that the connections are compatible with their water distribution and wastewater collection systems and are properly installed. ANR focuses on meeting regulatory requirements, including review of design flow, pipe capacity, isolation distances and pressure testing procedures to ensure public health and environmental protection.

Municipal review of water and wastewater connections varies widely throughout the state. Some municipalities do not conduct local review, while others conduct very detailed local technical review. The most common concern of municipalities is the physical connection to the water distribution pipes and the wastewater collection pipes, so most communities require prior approval or other notification that a connection is being modified or installed. The existing municipal and State permitting process typically proceeds in one of the following ways:

- **In municipalities with a high level of technical review**, ANR permit comes at the end of an often-rigorous municipal review and approval process and therefore constitutes a second technical review.
- **In municipalities with a moderate level of technical review**, ANR permit may either precede or follow the local review and approval process.
- **In municipalities with either a low level or no technical review**, ANR permit provides the only technical review and approval process.

Once the ANR permit is issued, the permit and associated documents are posted to a public facing website. ANR requires that the installation be certified by a licensed designer once the installation is complete. Some municipalities require similar installation documentation by a licensed designer. Most municipalities require that their public works, water department, and/or sewer department be present during all or part of the physical installation to confirm that the connection(s) is(are) properly installed.

4.2 Review of historical permitting data

A state permit is required for all non-exempt municipal water and wastewater connections. This section provides data about connections permitting over the last several years.

4.2.1 Number of permits issued annually

DEC issued approximately 330 to 340 permits for combined water and wastewater connection projects in 2017 and 2018 (Figure 1). The most recently revised Wastewater System and Potable Water Supply Rules (WW Rules) became effective in September of 2019. This revision included exemptions for municipal water and/or wastewater connections for changes in use that include an increase in design flow, if a designer certifies that the design capacity of the existing municipal water and/or wastewater lines can accommodate the increase in design flow.

Since 2021, ANR has issued between roughly 210 and 225 connection permits per year (Figure 1). This data may contain anomalies given that development (and associated permitting) in Vermont during COVID19 initially slowed down and then accelerated dramatically as the pandemic continued. However, it does point to the fact that there was a recent roughly 30% drop in the number of state-issued permits for municipal water and wastewater connections, but it is not known whether this decrease in permitting was due to the exemption, changes in development patterns, and/or some other cause.

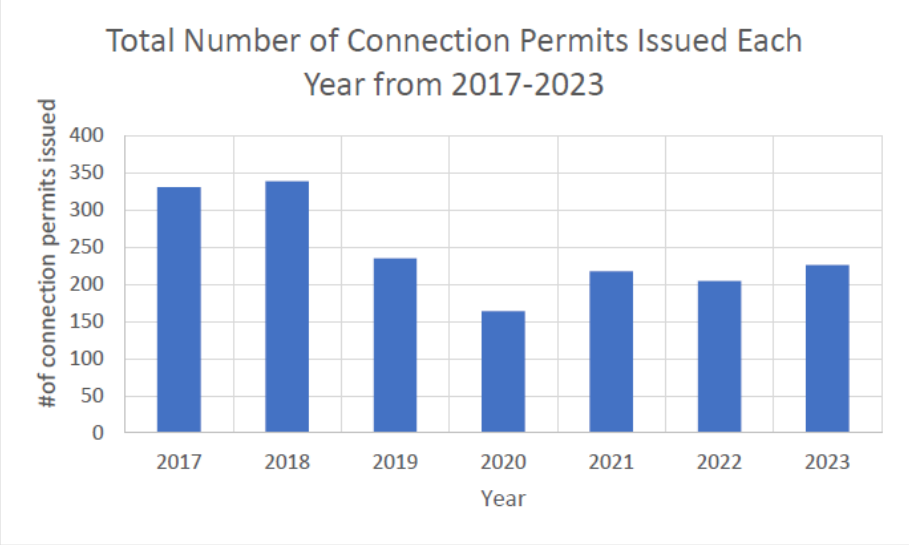


Figure 1. Municipal water and wastewater connections issued by DEC from 2017-2023

4.2.2 Municipalities engaging in significant connections permitting processes

Over the past six years, ANR issued water and wastewater connection permits in twenty-three Vermont municipalities that had an average of three or more permits per year (Figure 2). A single connection permit may cover multiple housing units and/or projects that can include commercial and industrial uses. Of the twenty-three municipalities, thirteen had more than six permits per year, and three municipalities had

more than 12 permits per year. Growing municipalities and areas of development may interact with water and wastewater connection permitting on a more frequent basis. As noted above, there are additional water and wastewater connections not captured in the number of permits issued, due to the increase in exemptions included in the 2019 revision to the WW Rules.

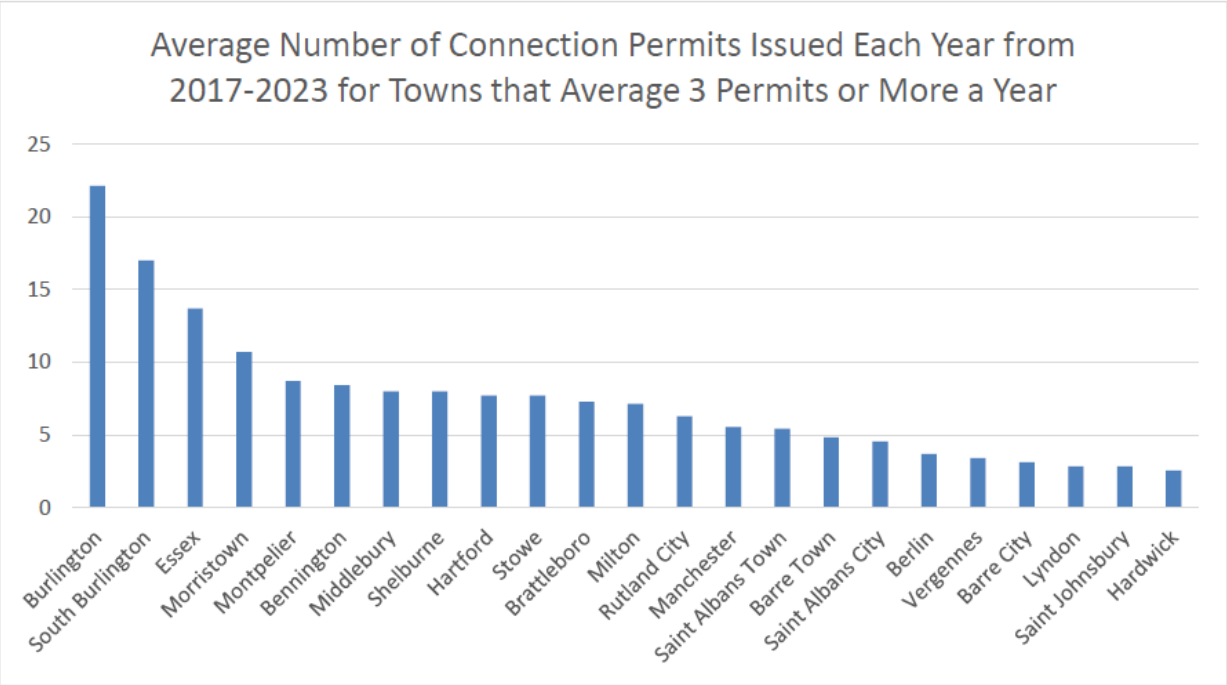


Figure 2. Average annual number of combined water and wastewater connection permits issued each year from 2017 to 2023 for municipalities that averaged three permits or more a year.

4.2.3 Applications requiring additional review

Around half of the municipal connections permit applications submitted to ANR require some level of additional review (Figure 3). This means that half of the permit applications received are not technically and/or administratively complete, and documents that ANR permitting process successfully catches applications that do not meet State regulatory standards.

Year	Permits that Required a Review Letter	Total number of Permits	Percent of Permits Requiring a Review Letter	Average Number of DEC Days for Issuance of Permit
2017	136	321	42%	20.7
2018	138	334	41%	17.1
2019	106	229	46%	25.2
2020	80	157	51%	22.7
2021	90	212	42%	21.0
2022	89	201	44%	17.1
2023	121	218	56%	16.5

Figure 3. DEC water and wastewater connection permits issued annually from 2017 to 2023.

4.3 Municipal connections in other states

Vermont takes a relatively unique approach to municipal water and wastewater connections—namely, requiring both local and State permits—because many municipal water and wastewater systems are small in size. Whereas other nearby states have larger populations and typically larger municipalities with the resources, staff, and knowledge to conduct local permitting, small Vermont municipalities are often unable to do so. For this reason, it does not make sense for Vermont to adopt a framework utilized by a different state. However, the stakeholder group did investigate regulatory frameworks in New York, and New England states and found the following:

- **Wastewater Connections**
  - **Connecticut, Maine, Massachusetts, New York and Rhode Island** authorize municipalities to adopt ordinances to regulate wastewater connections, therefore the level of regulatory oversight for municipal water and wastewater connections is up to the municipalities.
  - **New Hampshire** has state-level permitting of municipal wastewater connections in limited scenarios based on design flows and wastewater component complexity.[1] For low-flow and simple connections, New Hampshire municipalities conduct technical review and oversight of wastewater connections.
- **Public Drinking Water Systems** are regulated under the federal Safe Drinking Water Act and are permitted either by the authority delegated to states by the United States Environmental Protection Agency (USEPA), or by the USEPA itself. Based on a cursory review, it appears that New England states and New York do not have any statewide technical review for water supply connections.

[1] https://onlineforms.nh.gov/app/#/formversion/6024aedb-7946-4478-8a03-538b6cd656a6

4.4 Process & structure of stakeholder meetings

The stakeholder meetings were designed to foster meaningful discussion and a collaborative atmosphere to gain perspective about issues related to municipal connections permitting. The following section provides a high-level overview of the meetings' structures, and the purpose of each meeting. Meeting minutes are included as an attachment to this report. (See **Attachment 1**).

Meeting 1

The purpose of meeting 1 was to provide the group with an overview of DEC's municipal connections permitting process, and to hear from municipal representatives in the group about municipal permitting processes (see **Attachment 2** for State process handout). Municipal representatives were asked to compare and contrast their respective processes, and to identify issues within the existing State and local processes.

Meeting 2

The purpose of meeting 2 was to build on the discussion from meeting 1, and to begin to identify solutions to issues within the process. Members were asked to characterize water and wastewater connections at both the State and local level, and to dig deeper into technical and administrative aspects of both permitting frameworks. The group also discussed where duplication exists between State and local permitting, and strengths and weaknesses within the respective permitting frameworks. The group began to brainstorm alternative approaches and identified other areas of concern that should be considered as part of this process.

Meeting 3

The purpose of meeting 3 was to finalize a list of alternative approaches and evaluation criteria, and to evaluate the alternatives. The group discussed alternative approaches and what each alternative entailed. The group also finalized the criteria and considerations necessary to evaluate the appropriateness of the proposed alternatives. The meeting concluded with discussion about the approaches, and a group evaluation exercise where alternatives were ranked using the criteria.

Meeting 4

The purpose of meeting 4 was a deep dive and stakeholder feedback on the selected alternative consisting of a general permit for municipalities who adopt a program for local technical review of water and wastewater connections.

After meeting 3, DEC worked to draft an overview of the selected alternative and to provide additional details that some stakeholders believed were missing. Meeting 4 was used to discuss remaining issues raised in previous meetings, and to take a deep dive into the selected alternative outline.

5.0 Findings

5.1 Stakeholder data

The following section of the Report outlines the information that stakeholders contributed to the meetings as part of establishing a common understanding of existing processes. Additionally, this section contains the evaluation criteria, proposed alternatives, and other ideas that were brought forward during this process.

5.1.1 Strengths & weaknesses of existing approach

	State Processes	Municipal Processes
Strengths	+ recordkeeping + consistency + speed of review + trained staff	+ knowledge of local infrastructure components + knowledge of infrastructure capacity issues + "on the ground" oversight of installations
Weaknesses	- less knowledge about each municipal system - failure to account for municipal factors	- lack of state-wide consistency - gaps in data tracking - lack of resources

Figure 4. Strengths and weaknesses of existing State and Municipal technical review process.

- DEC's recordkeeping system is more comprehensive than most municipalities'. Several municipal stakeholders commented that they rely on DEC's database. DEC's database is a frequently used resource for municipalities and permit applicants. Municipalities generally do not have as robust of a recordkeeping process. Some municipal stakeholders noted that smaller connection projects may not be documented at the municipal level at all.
- ANR's permitting process is consistent statewide, whereas connections permitting processes vary from municipality to municipality. This consistency provides designers and developers a predictable process. Lack of consistency between municipalities results in a less predictable process, especially for designers and developers involved with work in multiple municipalities.
- ANR conducts review of permits in an average time of 16.5 days. Permitting at the municipal level does not necessarily take much longer but may experience time delays due to other municipal permitting requirements.

- Municipalities review permits with municipality-specific factors in mind. For instance, ANR does not consider sprinkler systems and fire protection in its review, whereas some municipalities do. This tailored review allows municipalities to consider and account for infrastructure ANR does not consider.
- Municipalities are subject-matter experts on their own systems. They have a much greater understanding of the history of their systems, past and present constraints, and political and financial pressures related to their systems. ANR is not as privy to this information, and therefore does not have the full context of a municipal system when reviewing connections permit applications.
- Municipalities may have field-staff present to inspect construction, which allows direct oversight of the infrastructure going into the ground. ANR does not physically oversee connections.
- Not all municipalities have the resources to conduct local technical review of connections permitting. Some municipalities have resources to review large projects, but not resources to review smaller connections projects. State permitting provides oversight of connections projects of all sizes.

5.1.2 Notable areas of duplication

The two notable areas of duplication the group identified are permitting fees and technical review between local and State permitting. However, given that many municipalities do not conduct any level of technical review, State permitting review serves a necessary statewide role.

- Fees: ANR fees are calculated to compensate program staff for time spent conducting technical review and for costs associated with managing administrative components of the permitting process. When municipalities charge fees for review at a local level, an applicant may pay two fees for review processes with some amount of overlap.
- Technical review: Many aspects of technical review conducted at the local level are currently also reviewed at ANR level. Where municipalities with staff and resources conduct comprehensive review—especially of larger connections projects—ANR permitting technical review may be largely duplicative.

5.1.3 Data management

- State permitting data is publicly available online through a database. Permits, plans, attachments, and other information about municipal connections permits approved at ANR level can be located through this database.
- Municipalities track data through a variety of approaches.
- Municipalities tend to track data related to local connections permitting more consistently for large connections projects as opposed to smaller connections projects.

- Several municipalities noted that they often do not receive record drawings associated with physical connections after permitting is completed.
- In the past, ANR copied municipalities on State connections permits when issued. This once-automatic process is no longer followed. The group identified that municipalities benefited from having permit information directly provided to them, rather than requiring municipalities to search DEC's database for permitting information.

5.1.4 Other considerations

- Municipalities, designers, developers, and ANR may not use the term "capacity" in a consistent way, which can lead to miscommunication and confusion. Finding a common definition and working to ensure involved parties are "speaking the same language" would add some consistency to the process. Additionally, neither the State nor the municipalities are tracking water and wastewater capacities in a consistent manner.
- Applicants—especially non-developers—often find connections permitting processes confusing. Applicants may be unaware of what is required for both local and State permitting and may overlook steps or requirements of the respective processes. Resources helping applicants through both permitting processes and explaining the steps necessary for each are limited.
- The WW Rules are primarily focused on onsite potable water and wastewater systems (i.e. wells and septic) and are less geared towards municipal water and wastewater systems. Municipal standards are scattered throughout the Rules and can be hard to locate. Many of the technical standards required in the Rules that municipal systems must adhere to are based on onsite system metrics. The group identified that this creates a barrier to developers and designers understanding the technical and administrative requirements of municipal connections permitting.

5.2 Alternate processes & process improvements

As the Stakeholder group met, ANR developed a set of criteria to evaluate alternative processes and a list of alternative processes from the discussions with the group (See Table 1 rows of **Attachment 3**).

5.2.1 Criteria

Initially, ANR proposed four broad categories of criteria with multiple criteria in each category. The group decided that individually ranking each alternative process using a

large number of criteria would be slow-going and unproductive. Instead, the group removed the individual criteria under each category—leaving four areas of consideration—and a fifth general category was added. Focusing the discussion on the general categories was intended to facilitate more meaningful discussion.

The resulting criteria and general purpose of each criterion are as follows:

- *Public health protection*: does an alternative approach change the amount of public health protection offered under the existing framework? Does an alternative approach create new challenges or risks to public health? This criterion was treated as nonnegotiable—meaning that if an alternative was cost-saving and increased program effectiveness, but decreased public health protection, the public health considerations should outweigh the financial and administrative considerations.
- *Environmental impacts*: does an alternative approach add or subtract from the environmental protections offered under the existing framework? The group was especially interested in discussing whether an alternative approach would result in any specific environmental harm or impact.
- *Public interest*: does the alternative address existing issues of accessibility and usability? This criterion was discussed as whether an alternative made the process more user-friendly to both applicants and municipalities, and whether the alternative would increase or decrease the time and resources required to permit a connection.
- *Program effectiveness*: does an alternative do what it is intended to do? Does the alternative achieve the statutory and regulatory purposes of the Wastewater System & Potable Water Supply Program?
- *Cost to municipalities*: does an alternative result in cost-saving benefits to the municipality? While costs to municipalities was the focus of this criteria, the group also considered whether an alternative approach would create cost benefits or additional costs to individual applicants and developers.

5.2.2 Alternatives

Before meeting 3, DEC presented the group with five approaches, including a baseline "do nothing" approach (see Table 1 columns of **Attachment 3**). The group members were prompted to think about whether any additional alternatives should be added to the list, and whether any alternatives posited by DEC should be revised. The group added two additional alternatives (alternatives 2a & 3a) for consideration. In total, seven approaches were included for consideration, including the baseline approach. The table below (Figure 5) lists brief descriptions of the seven contemplated approaches. The names of the alternatives have been revised to be consistent with the recommendations.

Number	Approach	Description
1	*"Do nothing" (baseline)*	Used to compare other alternatives, this approach allows for partial delegation to municipalities under ANR existing statutory authority.
2	*Local Technical Review (LTR) + State General Permit*	Interested municipalities that commit to implementing the technical aspects of the Rules on ANR's behalf would receive the ability to perform all aspects of technical review. After municipal permitting, the applicant would file the local permit approval with ANR for recordkeeping, but ANR would not conduct technical review of permits in these municipalities.
2a	*Local Technical Review + State General Permit + Regulatory Change*	Elements of approach #2, above combined with the creation of a rule or new subsection of the existing rule specific to water and wastewater connections. The existing Rules would be revised to more clearly distinguish between onsite regulation and municipal regulation.
3	*Statewide General Permit*	All municipalities would be required to implement the WW Rules as they pertain to municipal water and wastewater connections under a general permit. Connections made under the general permit would not be reviewed by ANR, nor would ANR be responsible for data management, compliance, and enforcement. State could audit a small portion of permits for technical compliance. This approach would heavily rely on Licensed Designer compliance under the General Permit.
3a	*Statewide General Permit + Regulatory Change*	Above approach (#3) combined with the creation of a rule or new subsection of the existing rule specific to water and wastewater connections. .
4	*State Review of Municipal Requirements*	Under this approach, ANR would review municipal connections permit applications using a municipality's set of local requirements. This approach would require ANR to consider local factors specific to each municipal system.

5	*Statewide Deregulation*	State regulatory authority over municipal connections permitting would be dissolved. All regulation of connections would be left to municipalities.

Figure 5. Regulatory Approach Alternatives Considered by the Stakeholders Group

5.2.3 Minor process improvements

The following considerations are improvements to the process identified by the stakeholder group that do not necessarily fall into one of the high-level processes changes identified above

- Development of form language for allocation letters. This would involve ANR creating language/templates that qualifying municipalities would provide when allocations and approvals are issued to applicants. This would result in predictable and consistent allocation letters between municipalities. Although this would be a small change, it would address one inconsistency in the existing process, which results in one fewer procedural aspect that may confuse applicants and developers.
- Similarly, qualifying municipalities could use the same application forms, so a developer working in one qualifying municipality would be familiar with the forms if they began to develop in another qualifying municipality.

5.3 Ranking of alternatives

One of the primary considerations in determining whether an alternate approach is viable is the impact the approach would have on public health and the environment. The ANR is tasked with ensuring that regulations and processes are as health protective as reasonably possible, and to minimize environmental impacts. Any approach that would result in the degradation of public health protection or environmental safety, therefore, is not an option the group would recommend. In the context of the recommended approach, public health and environmental integrity can be upheld through evaluating what criteria a municipality would need to meet in order to conduct review at or above the current level of review a connection receives between both local and State permitting processes. Therefore, the only alternative evaluated without any guardrails for protecting public health and safety would be the “Statewide Deregulation” approach.

5.3.1 Discussion

Before the ranking exercise, the group discussed whether the list of alternatives and list of criteria developed in the meeting were sufficient. A handful of nonmunicipal stakeholders expressed confusion about the general processes. It was noted that

evaluating the processes without flushing out each process and thinking through how each process would work in practice did not sufficiently weigh various factors. However, the municipal representatives felt they had enough of an understanding to evaluate the processes based on group discussion of each process. Several members noted that flushing out each alternative to the level necessary to evaluate all aspects of the associated process would take a lot of time and would ultimately be unproductive given that most of the approaches did not seem like good solutions even from a high level view.

5.3.2 Overall ranking

The group ranking exercise asked the members to rank each alternative from 1 to 7, with 1 being the lowest score, indicating the least desirable alternative, and 7 being the highest score, indicating the best alternative. The agreed-upon rankings are as follows:

7 & 6. Local Technical Review + State General Permit & Local Technical Review + State General Permit Plus Regulatory Change (alternatives 2 and 2(a)) were ranked as the two best alternatives to the existing permitting framework. The group agreed that 2(a), which includes fundamental changes to the existing regulatory scheme, was the better of the two approaches. Under both approaches, municipalities that have both the desire and capability to conduct technical review of their municipal water and wastewater connection permits would conduct a full review. An applicant would undergo this municipal review and would need municipal sign off and approval to then file with ANR. Within ANR, DEC would track the information submitted, but would not conduct its own technical review. This option capitalizes on the reality that DEC is in the best position to manage permitting data and keep records of municipal permitting, while allowing municipalities (some of which are already performing very rigorous technical review) to use a process with a clear procedural order—first local, then State. This process was renamed “General Permit Approach” in the recommendations section below.

5 & 4. Statewide general permit & general permit plus regulatory change (alternatives 3 and 3(a)) were ranked as the next best approaches. Although a statewide General Permit would avoid some of the pitfalls that the lower ranked options create, it requires ANR to give up a large amount of oversight and does not necessarily make the process easier for municipalities. As stated above, many Vermont municipalities do not conduct their own design review and rely on ANR for this service and issuance of the State permit. The group identified that benefits to developers under this approach would be negligible—and a small benefit to developers at the cost of State oversight is not a worthwhile avenue to consider. This approach would rely on Licensed Designers and Professional Engineers, operating under their licenses and with the statutory deference granted to them in (10 V.S.A.1973), to conduct full technical review for municipal connections permitting. ANR would be hands-off, except for auditing a small number to ensure compliance.

3. **The "do nothing" approach** (alternative 1) was ranked as 3rd under the criteria. While the current approach sufficiently protects public health and the environment, doing nothing does not make permitting easier for municipalities or developers. Given that the group has identified both process changes and alternative permitting frameworks that improve the overall process, doing nothing as a result of this effort is not an ideal outcome.

2. **State review based on municipal requirements** (alternative 4) was ranked as the second least desirable approach. The group and DEC agreed that the resources required for ANR to successfully implement each individual municipality's criteria during permitting review would be untenable and would likely result in inefficiencies and delays. Additionally, the group identified that this alternative increases the amount of duplication between local and State permitting because ANR would literally perform the same technical review conducted locally.

1. **Deregulation** (alternative 5) was ranked as the least desirable option. The alternative would result in decreased public health protection, and would remove oversight of many smaller municipalities that do not have the resources to implement permitting and review processes without State assistance. The group agreed that removing ANR entirely from connections permitting would result in greater confusion and would be antithetical to promoting statewide consistency. Without State recordkeeping and without State regulations, municipalities would be left to their own devices to individually track information and to develop their own respective regulatory frameworks. Additionally, the group recognized that this option would create significant new costs to municipalities. The Group did not identify any major benefits of this approach.

6.0 Recommendations

6.1 General permit approach

This section provides a more detailed overview of how the general permit approach would be implemented. This approach involves both a process to enable municipalities to implement local technical review on behalf of ANR, and the creation of a state-wide general permit for locally reviewed water and wastewater connections. This section also highlights benefits of this approach, and potential obstacles to implementing this approach.

An overview of the approach is as follows: interested and qualified municipalities apply with ANR to perform local technical review of permit applications for water and wastewater connections. Permit applicants, e.g. developers, will seek permit approval through the qualified municipality. The primary purpose of the local technical review is to protect public health and the environment through compliance with technical standards. After municipal permit approval, the applicant will file for a state general permit, which does not include technical review, and a permit will be issued upon receipt of an administratively complete application. The primary purpose of the general permit is for data and document management and enforcement authority. An ANR general permit will contain standard permit conditions that will provide ANR with enforcement power in the event of a public health or environmental issue.

For proposed projects in municipalities that either cannot meet the qualifying standards or choose not to participate, the permit applicant, e.g. developer, will seek permit approval through the standard state process, including both technical and administrative review and approval.

Many municipal public works departments in Vermont do not have staffing resources to assume the local technical review responsibilities and will continue to rely on ANR program for water and wastewater connection permitting.

6.1.1 Rationale for approach

- Public works departments know their systems best and, if they have the resources and expertise, are in best position to conduct technical review.
- Connection permits and associated documents (allocations, design flows, design plans, installation certifications, etc.) will continue to be managed through the existing data storage and document management solution via the general permit and therefore be readily available to the public and interested parties. This is important to ensure consistency and accessibility statewide.

Data management and accessibility has been cited as a primary failure of the current delegation program administered by ANR.

- Communities that provide local technical review will eliminate duplicative technical review, providing cost and time benefits to landowners and developers.
- The municipalities that qualify and choose to do their own technical review will be in a better position to charge for services (due to a reduced state permit fee).
- Under the general permit approach, ANR would retain enforcement authority over permits issued under the general permit. Keeping enforcement authority with ANR allows municipalities to conduct local technical review without needing to allocate staff and resources for compliance and enforcement matters. A general permit would also allow ANR to impose a set of general conditions on the project and would retain enforcement authority over these conditions. Many on the stakeholder group thought that was an important aspect of the general permit.

6.1.2 State procedural process

- Establish process to qualify municipalities for local technical review
    - Work with stakeholders to determine basic minimum requirements to ensure interested municipalities have the experience and resources to perform review with an acknowledgement by the local legislative body
    - Create a procedural framework for registering municipalities for local technical review
- Create state-wide general permit for locally reviewed water & wastewater connections
    - Develop systems, procedures, and forms for new general permit
    - Draft general conditions for State to impose on municipal connections projects
    - Ensure State retains enforcement authority over permits and associated conditions
    - Engage in legislative process to establish general permit and associated fee in statute

6.1.3 Municipal adoption

Basic minimum requirements would need to be established to ensure the municipalities that wanted to conduct technical review, for projects served by both municipal water and wastewater in lieu of ANR, have the expertise and resources available to perform these reviews. The qualification process should also include a basic procedural framework designed to bring greater consistency amongst municipalities conducting technical reviews. Both the qualifications and process need further evaluation. ANR would propose these provisions replace the current delegation provisions in statute and rule (needs legislation).

Generally, municipal adoption of Local Technical Review would require interested municipalities to apply for LTR status. Approved municipalities would then implement the approach. **Attachment 4** outlines a proposed application, approval, and implementation process for LTR. The approach was discussed by the stakeholder group and the proposal seeks to eliminate barriers to municipal entry while assuring the qualifying municipalities have the willingness, expertise and resources to implement the LTR program.

6.1.4 Challenges to implementation of General Permit approach

- ANR resources to develop and implement an LTR program for a benefit that has not been quantified.
- Municipal willingness and local resources to assume responsibility and adopt the LTR program. Municipal public works departments are facing numerous pressures and may not have adequate incentive to do this.
- Overhauling the technical standards for water and wastewater connections will be both resource and time intensive.
- ANR resources to ensure long term program oversight and effectiveness.

6.2 Improving existing regulatory standards

The group agreed, generally, that revising the existing regulations to create clearer standards for water and wastewater connections would benefit both the regulated community and designers/developers engaging with the respective regulations. In addition to a revised Rule, the group agreed that creating a design handbook for these connections would benefit designers, and would lead to greater consistency in design and installation overall.

Prior to planning a regulatory update intended to upgrade standards for municipal connections, municipal buy-in and interest must be defined. If there is very little interest in this approach, expending programmatic time and resources for updates intended to

bolster the LTR program may not be efficient. DEC intends to revise the WW Rules within the next few years regardless of the LTR update, so defining municipal interest will allow DEC to determine the scope of updates appropriate to make to provisions of the Rules regulating municipal connections.

6.2.1 Proposed regulatory revisions

- Revise WW Rules to be consistent with new legislation establishing the Local Technical Review option
- Set up an ad hoc group to revisit and revise technical standards and requirements pertaining to water and wastewater connections in WW Rules and in Indirect Discharge Rules

  Note: More stakeholder engagement is needed on current exemptions relating to municipal water and wastewater connection permitting if the LTR program is approved.

6.2.2 Creation of design manual

The existing Technical Advisory Committee for wastewater (which serves as a tool to help develop technical standards within the WW Rules) is comprised primarily of onsite wastewater experts. Because most of the technical specifications in these rules were written for onsite potable water supplies and wastewater systems, there is a perception that they are not as applicable to municipal connections and other municipal wastewater technicalities. Engineering consultants and municipal representatives on the stakeholder group felt the standards need to be updated, made more specific to municipal connections, and made more accessible.

The preferred approach is to develop a state design manual specific to water and wastewater connections. A revision to the WW Rules is planned for 2025/2026 and revising the water and wastewater connection subchapters may be part of that process if there is municipal support to warrant those changes. Similarly, a state design manual specific to water and wastewater connections would be appropriate if there is sufficient municipal buy-in. Subchapters 10 and 12 of the Rules would be included with the design manual as appendices. This is important to improve statewide consistency, modernize standards, and address issues that are not addressed in the current standards. The use of a design manual would allow flexibility to update and incorporate examples of detail drawings that can be more readily revised than a rule. The following municipal-specific considerations should be addressed within the contemplated design manual:

- Overall update and modernization of the standards and technical specifications for water and wastewater connections. Include more schematics and standardized drawings.

- Capacity to serve considerations – treatment plant capacity (water and wastewater), source capacity (water), collection system issues (wastewater), and distribution system issues (water).
- Revisit design flow considerations specific to water and wastewater connections.
- Evaluate issues currently not addressed by rules but are frequently encountered problems for municipalities (e.g. cross connections, sprinkler systems).
- Revise exemptions so that all water and wastewater system design flow changes, installation upgrades, and new connections are documented in local land records and are tracked by DEC.
- Create separate design flows that account for municipal wastewater systems rather than for onsite systems.
- A municipal regulation could include factors such as fire protection, cross connection control, line burial depth, and others that currently are absent from the Rules.

6.2.3 Process & resource requirements

Time

- DEC will need time to revise the regulations to reflect statutory changes—including establishing a regulatory LTR program, and removing provisions of the existing regulation related to full and partial delegation—in addition to the amount of time necessary to move through formal rulemaking.
- DEC will need to engage with municipalities and other stakeholders to encourage external participation in developing the LTR program. The Department will need time for this outreach effort and for municipal input to help inform program design and to create appropriate program resources.
- DEC will need time to enter into a contract to revise municipal standards and a design manual. Municipal participation and input will be important to create an effective and user-friendly design manual, so this process should involve stakeholders.

Programmatic resources

- Technical Program staff would likely need to commit a significant amount of time to assisting with the development of a design manual and with drafting changes to the municipal connections portions of the WW Rules.
- The Program and staff are operating at near capacity. Developing, implementing, and administering the LTR program will take significant

upfront investment of Program resources, but will be a net gain for programmatic efficiency over time with sufficient municipal involvement.

Contracted support

- If an overhaul of the WW Rules and creation of a design manual is necessary based on municipal buy-in, DEC would likely need contracted support to ensure the changes to the regulations and implementation of the LTR program happen on a reasonable schedule and to address current resource constraints of the Onsite Wastewater Program. DEC predicts that contracted support for this effort would require around $50,000 in funding.

6.3 Proposed statutory changes

6.3.1 Removal of Delegation language in 10 VSA 1976

As noted, the delegation process currently available under statute has proven ineffective and has led to long-lasting problems for municipalities who attempted to operate under delegation. For this reason, the Legislature should replace the current delegation program with authorizing language for the LTR program. The current delegation program is established in Title 10, Chapter 64 (10 VSA 1976), with additional references to the program in multiple locations (10 VSA 1971, 1972, and 1978).

6.3.2 Addition of GP language for criteria municipalities

ANR recommends for a statutory change to add language allowing the proposed general permit. We contemplate that the language would contain the following:

- Create General Permit program for qualifying municipalities (10 VSA 1973);
- Establish that DEC will create the criteria required to qualify and will establish the process by rule or by procedure; and
- Establish appropriate (reduced) fees for projects qualifying for the general permit (3 VSA 2822(j)(4)) to offset cost of: implementation, data and document management, and program administration.

6.4 Proposed implementation timeline

- Year 1 (2025)
    - Define municipal interest in LTR program
    - Statutory changes noted above
    - Begin regulatory changes noted above

    - Begin work on Design Manual
    - Municipalities begin to prepare for LTR
- Year 2 (2026)
    - Finalize Regulatory changes
    - Finalize Design Manual
    - Municipal Adoption of LTR program

7.0 Future Considerations

The scope of the statutory charge is limited to State and local municipal connections permitting processes and specifically to areas of overlap and redundancy between the respective processes. During the stakeholder group meetings and discussions, factors outside of the scope of this charge were identified as relevant to the purpose of promoting housing in Vermont. These factors, related to but separate from the purpose of this report, likely have larger impacts on housing than State/municipal connections permitting processes do. Given the Legislature's intent in Act 47 to address barriers to housing development in ANR, the group decided to include the following overview of related issues for the Legislature's consideration.

7.1.1 Capacity Issue

- Water and Wastewater System Capacity was identified as one of the biggest hurdles to growth and development in many municipalities. While this issue is outside of the scope of the statutory charge of Act 47, the Legislature should be aware of the issues surrounding capacity and the relationship between capacity limitations and new development. Addressing issues related to capacity will facilitate and promote housing development to a much greater extent than modifying the municipal connections permitting framework will. Adequate capacity is necessary for municipalities to accommodate growth—including new housing.
- Capacity means different things to different entities. Capacity to serve is different from overall system capacity and is different from allocation. Capacity is also not calculated the same between municipalities. Municipalities and developers would benefit from a universal definition and understanding of "capacity" and a system to track both water supplies' and wastewater systems' capacity.
- The group identified a presumption held by various entities that ANR tracks capacity and generally is aware of how much capacity municipal systems have, especially where municipalities do not track that information. In reality, ANR does not track municipal wastewater capacity and therefore is not the appropriate entity to determine how much capacity exists for development within Vermont.
- Municipal water and wastewater capacity may be limited for a variety of reasons. Expanding system capacity can be expensive, impractical, slow-going, or a combination of the three. Tracking existing capacity and creating tenable and practical ways to increase capacity would help to address this issue.
- ANR's Drinking Water & Groundwater Protection Division—and especially the Onsite Wastewater Program—is not the entity best suited for researching and developing solutions to this issue. Creating or designating a more appropriate

group or entity to begin to unravel this issue would allow individuals with expertise and perspective to engage with this complex issue.

7.1.2 CSO Issue

Municipal systems with combined sanitary and storm sewer systems may experience combined sewer overflows (CSO), which are discharges of raw sewage combined with large amounts of stormwater in response to precipitation events. Federal and state laws require that systems with CSOs develop long-term CSO control plans to bring the discharges into compliance with water quality standards. Providing funding to expedite the implementation of CSO control plans is crucial. New connections have the potential to exacerbate CSOs. The VT CSO rule requires that Long Term CSO Control Plans include provisions so that new sources of stormwater or wastewater do not increase the frequency, duration, or volume of CSO overflows. Even where a WWTF has capacity for new connections, adding connections and pursuing growth in these areas is not as straightforward as simply issuing a connections permit.

7.1.3 Other General Considerations

- As noted elsewhere in this Report, other permitting processes, including Act 250, could be complicated through changing the approach to municipal connections permitting. Re-ordering the process to require local permitting before seeking the administrative State permit could also potentially impact a developer's funding if State or Federal grants, for example, require all permits be received before construction and installation. Any changes made to the current municipal/State municipal wastewater connection permitting framework should be viewed in the larger context of land use permitting and funding requirements in Vermont.
- Most municipalities in Vermont lack the technical resources, staff, and finances to conduct technical review on a local level. State technical review is necessary for connections permits issued within these municipalities. The municipalities discussed within this report are primarily larger municipalities (Brattleboro, Burlington, South Burlington, and Stowe) with the resources necessary to consider conducting independent municipal review.

WATER & WASTEWATER CONNECTIONS STAKEHOLDER MEETING #1

Date: 5/29/24, 1pm-4pm

Attendees: Bryan Redmond, Sille Larson, Catherina Narigon, Bruce Douglas, Megan Moir, Tom DiPietro, Dan Tyler, Harry Shepherd, Josh Hanford, Andrea Day, Craig Jewett, Jon Groveman, Chris Cochran

Minutes:

i. *Introduction*

ii. *Review statutory charge*

iii. *Establish baseline understanding of current state of municipal connection permits*

a. Municipal representatives from: Stowe, Brattleboro, South Burlington, and Burlington.

b. Areas of similarity between municipalities
   i. Larger projects receive more oversight than smaller projects
   ii. Initial allocation and final permitted capacity are not the same
   iii. Municipalities are involved in some level of technical review

c. Areas of divergence between municipalities
   i. Recordkeeping
   ii. Monitoring of backflows
   iii. Allocation calculations
   iv. Actual administrative permitting process

d. Considerations identified
   i. Municipalities may have a different perspective on permitting than State Regional Engineers who are not as involved with things like fire protection.
   ii. Contractors and designers are engaging with different processes and different paperwork from municipality to municipality
   iii. The State's technical review may be duplicative in some circumstances, but the State's permitting database is very useful.

e. Input from non-municipal stakeholders
   i. We do not have a universal definition of what "capacity" means. Capacity as used for NPDES permitting, operation permits, etc., may differ from actual capacity.

iv. *Establish baseline understanding of current state of DEC connection permits*

a. Presented generally on State requirements: design requirements, permitting triggers, permitting exemption, and delegation language.

b. Discussion
   i. The State does not confirm allocation, we rely on the municipal allocation letter
   ii. Some internal exemptions to avoid duplicative review—if WID or another ANR Division performs technical review, WW does not.
   iii. Generally, the WW rules are geared towards on-site systems more than municipal scale wastewater systems

iv. Municipalities are not automatically copied on State permits currently, but access to data would be easier if copied.
v. Some issues, such as receipt of installation certifications, are not problems to the landowner until the sale of the property, so some just do not complete these requirements. Municipalities have the same issue: how to compel permittees to complete required steps?

v. *Discussion/identification of issues*

a. <u>Considerations from the group</u>
   i. The municipalities involved are larger and have access to resources. Need to ensure that we consider needs of smaller municipalities, and do not remove any safeguards or review that supports these smaller municipalities.
   ii. There are many, many related issues. Need to determine which of these, if any, should be considered as part of this review, and which are outside of the scope. Should include these issues in final report for context.
b. <u>Questions to discuss</u>
   i. Given differences between municipalities, could State set a baseline that municipalities work off of?
   ii. Between local and State permitting, this is a complex process for applicants. How can we ensure they are fully aware of the requirements from the start?
   iii. Given that municipalities and State are both conducting technical review, who should be responsible for different aspects? What areas of review are municipalities better situated to handle?
   iv. Could a general permit or simplified delegation process be a solution for larger municipalities?

vi. *Identify and assign action items*

a. State
   i. Reach out to other municipalities to get a sense of how connection permitting is reviewed. Do other towns have someone on staff reviewing permits?
   ii. Provide municipalities with a flowchart of State permitting review
b. Municipalities
   i. Think about which processes are taking the most time from a local permitting standpoint.
   ii. Using State flowchart, outline local processes and identify areas of redundancy

WATER & WASTEWATER CONNECTIONS STAKEHOLDER MEETING #2

Date: 6/12/24, 1pm-4pm

Attendees: Bryan Redmond, Sille Larsen, Catherina Narigon, Bruce Douglas, Terry Shearer, Megan Moir, Tom DiPietro, Dan Tyler, Harry Shepherd, Andrea Day, Craig Jewett, Jon Groveman, Chris Cochran

Minutes:

i. *Recap of meeting one/feedback*
   a. Observations from DWGPD participants (provided on handouts)
   b. Observations from Stakeholders:
      i. Local technical review for many municipalities is as stringent or more stringent than State review.
      ii. There are a lot of "prescriptive" state standards that do not take into account municipal considerations, such as fire sprinklers and other local requirements, that impact connection permitting.
      iii. State WW rules are tailored to onsite water and soil based septic systems, which make them harder to use for municipal connection requirements.

ii. *Characterize water and sewer connection regulations at State and local level: allocation, design review, recordkeeping, compliance, and enforcement. Review of process flow chart*
   a. Overview of State process flowchart
   b. Municipal processes:
      i. Various additional permits/agreements, not just water and sewer connection permits (e.g. DRB requirements; driveway and roadway access requirements). These permits can be complex and often slow down the process.
      ii. "Order of operations" for permitting varies between municipalities. Some municipalities provide review throughout the municipal permitting process, and some are only involved in issuing allocations and construction of connections.

iii. *Identify essential elements, areas of duplication, and strengths and weaknesses in both State and municipal processes.*
   a. Essential elements: ensuring technical review, ensuring documentation, environmental/human health protection. Any changes to the process must ensure same level of environmental/human health protection.
   b. Areas of duplication: Technical review. The municipalities with staffing and resources to perform review end up performing duplicative work. Fees to applicants for both State and local processes.
   c. Municipal strengths/weaknesses
      i. Municipal technical review is more in-depth and accounts for local considerations, versus State review which is minimum review required
      ii. Technical review accounts for other local and State processes, and the nuanced details of the municipal system
   d. State strengths/weaknesses

i. Because some municipalities do not have resources to conduct any technical review, State process ensures minimum standards are met.
ii. Administrative components, and tracking compliance is a State strength, especially in regard to documentation and recordkeeping.

iv. *Define and outline alternatives for regulation of municipal water and sewer connections, and develop criteria to evaluate these options*

a. Alternatives
   i. General permit—would municipalities "qualify" to perform technical review? What are the basic standards a municipality would have to have in place to qualify? Would the process be tiered depending on connection type?
   ii. Develop separate and updated minimum baseline standards for municipal water and sewer connections. All municipalities would use the minimum standards but can be made more stringent to meet specific municipal requirements.
   iii. Simplified/partial delegation— What elements are needed to simplify and how do we adapt the program to account for the failures experienced in the existing program?
   iv. Fees for municipal connections need to be evaluated.
b. Criteria
   i. Would this result in a predictable and consistent process so that developers and applicants know, generally, what to expect?
   ii. How many municipalities would be impacted?
   iii. Would this result in a simplified process for developers/landowners?

v. *Other thoughts/considerations*

a. Consecutive sewer systems—not contemplated in State regs
b. Allocation versus capacity to serve—allocation letter alone isn't "ability" to serve. Ability to serve is based on capacity of the water distribution system and the sewer collection system which the project proposes to tap into.
c. Municipal and local connection permitting often not the elements taking the most time. Act 250 permits, other land use processes, etc., may be responsible for holding up process.
d. Better communication around the reasoning behind the two different permits to change perception that it's 100% duplicative and explain what is causing delay

vi. *Identify outstanding data needs and assign action items to be completed prior to next meeting*

a. Outstanding needs
   i. Developers' input would be beneficial to understanding where permitting can be improved as related to housing developments, and to understand if a general permit would work with their process.
b. Action items
   i. Harry to share relevant documents as they pertain to consecutive systems
   ii. Megan to share checklist and standard detail sheets by Burlington
   iii. Tom to share CWD standards
   iv. Dan to look up the Manchester standards

v. Catherina to ask title attorneys if the general permit would work with developers' processes.

WATER & WASTEWATER CONNECTIONS STAKEHOLDER MEETING #3

Date: 7/25/24, 1pm-4pm

Attendees: Bryan Redmond, Sille Larson, Catherina Narigon, Bruce Douglas, Terry Shearer, Megan Moir, Tom DiPietro, Dan Tyler, Harry Shepherd, Josh Hanford, Andrea Day, Craig Jewett, Jon Groveman, Chris Cochran

Minutes:

i. *Recap of meeting two*
   a. Observations from DWGPD participants
      i. Municipal connections are not an immediate challenge to housing in Vermont.
      ii. Process should include outreach to municipalities that do rely on state review process.
   b. Observations from Stakeholders
      i. No one has a good idea of how much capacity exists—not something tracked by the State

ii. *Develop criteria to evaluate alternative approaches to municipal connections permitting*
   a. Rather than going into specific criteria (as State proposes), discuss the general categories to promote discussion/conversation
      i. Public health protection
         1. Ensure public health protections are not decreased from existing process
      ii. Environmental impacts
         1. Would the alternative pose any new environmental risks
         2. Would level of protection change
      iii. Public interest
         1. Have an efficient, straightforward process…could a lay person have a reasonable idea of how the process is meant to work?
      iv. Program effectiveness
         1. Does the process accomplish what it is designed to accomplish?
      v. Cost
         1. How expensive for municipalities to comply?
         2. How costly to permittees?
         3. Might not be easy to quantify
   b. In general—a lot of overlap between these different categories

iii. *Develop and discuss alternative approaches to municipal connections permitting*
   a. Partial delegation
      i. Existing approach to use as baseline

   ii. Challenges with this approach: State did not monitor the delegation process closely enough, and when municipalities who opted into delegation program returned the program to the State, a lot of information and records were lost.
   iii. Standards too difficult for municipalities to follow
b. Hybrid approach: create “qualification” criteria for interested municipalities
   i. State would track data, and municipality would conduct technical review
   ii. Existing program would remain for municipalities not interested or without the resources to conduct review
   iii. More than just allocation letter
c. Statewide general permit
   i. State sets criteria for water and sewer connections
   ii. Municipalities and designers comply with criteria
   iii. State would conduct an administrative review: deference to licensed designers
   iv. Would this result in potential environmental concerns?
d. State incorporation of municipal criteria
   i. State engineers would look at local issues and include local requirements as part of the state-level review
   ii. Could address municipal issues better than the current process
   iii. However, each municipality has different concerns and standards, nuances would take a lot of resources to track
e. Statewide deregulation
   i. Municipalities are left with the task of permitting/regulating connections
   ii. Public health/environmental concerns
   iii. Smaller municipalities without many resources would have to regulate connections without state assistance
   iv. Mistakes caught during state review would be missed
f. Additional alternatives added by stakeholders:
   i. Existing rules are related to onsite.
      1. Rules could be amended to cater more to municipal concerns
      2. Creation of separate municipal rule?
      3. Creation of design manual?

iv. Ranking alternatives: group individually ranked on worksheet and then came together to discuss rankings

a. Worst option: statewide deregulation
   i. Risks to public health, environment, and other criteria
b. Less desirable options: state incorporation of municipal criteria, statewide general permit relying on designers
   i. Too difficult in practice
   ii. Would not address the issues at hand

c. Best option: hybrid approach
    i. Municipality submits approvals to state for administrative approval
    ii. Prevents dual permitting processes
    iii. Allows for local technical review

v. Discussion of hybrid approach

a. Remove existing delegation program in combination with approach. No one is using it, and too many issues
b. As part of approach, municipalities would upload all information to State to track
c. Standardized forms for everything
d. Criteria considerations
    i. public health
        1. technical experts on front end would eliminate issues related to problems with the physical connections
        2. would not decrease current level of protection
    ii. effectiveness
        1. could create benefits to housing by reducing procedural barriers for applicants and permitholders
    iii. cost
        1. hard to quantify, but could result in some level of cost-saving

vi. Issues to consider

a. What would incentivize municipalities to apply to follow this approach?
    i. Is there any benefit to the municipality?
    ii. Maybe municipalities would be able to up local fees
    iii. If not much municipal interest, is there a point in pursuing the approach?
b. Does this actually address the housing question at all?
c. Who is responsible for enforcement and compliance?
    i. State would be best option
d. How to create a standardized process across the state?

WATER & WASTEWATER CONNECTIONS STAKEHOLDER MEETING #4

Date: 10/8/2024

Attendees: Bryan Redmond, Sille Larsen, Catherina Narigon, Bruce Douglas, Terry Shearer, Megan Moir, Tom DiPietro, Dan Tyler, Harry Shepherd, Andrea Day, Craig Jewett, Jon Groveman, Chris Cochran

Minutes:

i. *Introduction/presentation*
   a. DEC reiterates that regs are not functioning as effectively as possible in a municipal water and wastewater connection context.
   b. Questions about process from stakeholders:
      i. What would public notice requirements be?
      ii. How does this impact permit to construct versus permit to operate?
      iii. How do capacity evaluations play in?

ii. *Discussion*
   a. Would municipalities see this as an opportunity such that they'd engage in the process?
      i. Some stakeholders believe it is unlikely that municipalities would want to engage in the existing proposal
         1. Process is good in theory, but should be simplified
      ii. Other stakeholders are interested, with caveats
         1. Depending on how involved and intense the process is
         2. Does sign-off require professional engineers?
      iii. Others believe that if the process works as intended, will streamline process and improve efficiency.

iii. *Questions for stakeholders*

1. Does the municipality need to issue permits for all water and sewer connections? We heard some municipalities don't deal with smaller connections.
   a. Permits should be required for all.

2. How will boundaries of municipal water and sewer connections be delineated and shared with the public to provide clear delineations for landowners and licensed designers to know where to submit applications for general permits and where to submit applications for WW permits?
   a. Legally defined sewer service area, making a water service area too.
   b. Could use the ANR atlas
   c. Barriers to entry into the program. Should be able to share service areas to be approved as LTR.
   d. Screening question for the general permit (ww).
   e. If a project is served by water/sewer only, they would need to go through the LTR and the "normal" WW permitting process.

3. Once the municipal permit process is complete (does the GP come before or after installation and if before how are installation certifications handled?

   a. Before. Certification comes after and is on the licensed designer/PE to submit. The municipality should not be liable for system construction.
   b. Should the municipality have a consultant on hand to oversee the installation to ensure the work meets technical standards? Would be a cost burden.
   c. Permit conditions are not always met (Harry), but the condition language has become more clear over the years.
   d. Permit to design vs permit to construct – maybe the PE should be more involved in the back end to certify the installation?? The municipality is trying to be on site as much as possible.

4. Can the process municipalities use for issuing connection permits statewide be improved and made more consistent through either qualification criteria or by rule?
   a. Qualification criteria is too dependent on the personnel to work. Rules could be updated and provide improvements. PTOs issued by DEC – if in compliance, then qualification criteria are not necessary.
   b. Better done through the rule.

5. Do DEC and stakeholders (i.e., ACEC, ASCE, GMWEA, municipalities, licensed designers, and others) create a design manual or guideline (as noted above) or does this require creation of new EPR chapter pertaining to municipal water and sewer connections?
   a. Design manual would be great, but a huge lift.
   b. Separate EPR chapter would be cleaner than updating chapter 1. Major lift and could be problematic from a timeline perspective.

6. What happens to the exemption in the WW rules regarding change of use/increase in flow for connections?
   a. Certification of physical infrastructure is exempt. Should DEC remove the exemption and just go with the LTR? Exemption still makes sense as long as DEC gets the capacity to serve.
   b. Should file written approval from the town for the increase in flow?
   c. Maybe the change in use could be defining whether the exemption is allowed?

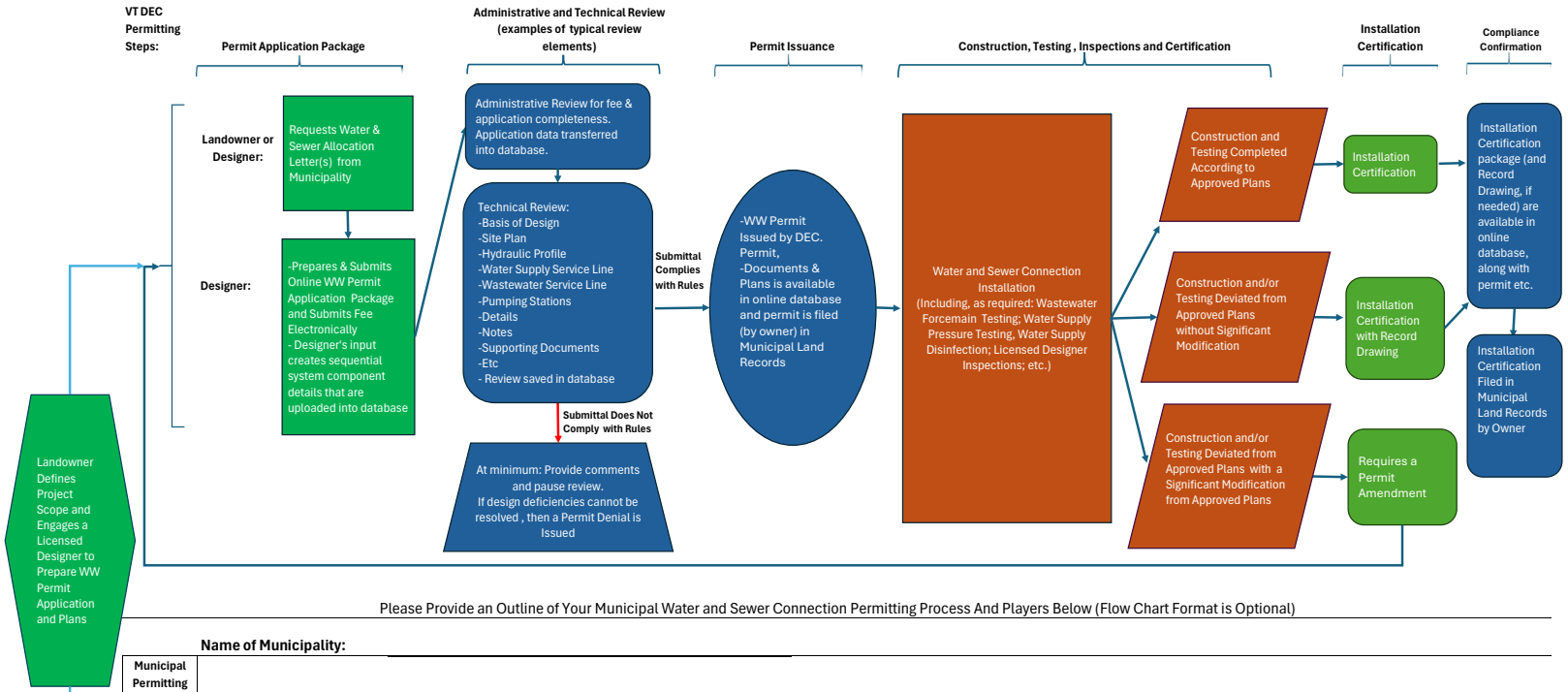
7. What feedback does the stakeholder group have regarding fees?
   a. Annual fee by the town instead of the individual fee per GP?
   b. Analysis of fees for municipal connections to define the cost of the GP?
   c. GP fee that would cover DECs costs for admin and data storage work
   d. Should be fixed fee, not based on volume

8. Does the stakeholder group have any concerns with the repeal of delegation and partial delegation in current rules and replacement with this hybrid approach?
   a. No concerns

9. Is the hybrid approach to regulating municipal water and sewer connections unanimously supported by the stakeholder group?
   a. Generally supportive – likes to improve the approach.
   b. General permit approach instead of

Attachment 2: State process flowchart

Flow Chart of State (VT DEC) Wastewater System & Potable Water Supply Permitting Steps for Municipal Water and Sewer Connections



Please Provide an Outline of Your Municipal Water and Sewer Connection Permitting Process And Players Below (Flow Chart Format is Optional)

Name of Municipality: _____

Municipal Permitting Steps:	
Landowner	
Designer	
Municipality	
Municipality's Contract Engineer/ Reviewer	

Notes:

Attachment 3: Evaluation criteria and alternative processes

Instructions:

1. UseTable 1 below to rank each criteria on a scale from -5 to +5, with -5 being the greatest negative impact, +5 being the greatest positive impact and zero being neutral or no impact

2. Use Table 2 on the following worksheet to list any specific or general advantages or disadvantages of each Alternative
3. Propose any additional Alternatives or Criteria for the Municipal Water and Sewer Connection Study Group's consideration.

Table 1. Ranking Matrix for Alternatives for Permitting Municipal Water and Sewer Connections

		Alternatives					
Criteria Category	Criteria	1.0 Partial delegation under existing rules and statute (do nothing)	2.0 Hybrid: revised criteria for certain municipalities to do technical review/permitting in combo with State general permit	3.0 Statewide general permit, DEC maintains universal jurisdiction	4.0 The State incorporates municipal criteria in their review	5.0 Statewide deregulation	Other?
Public Health	Preventing Health Hazards or Unsanitary Conditions						
	Preventing negative impacts on drinking water quality and quantity						
	Adequate wastewater drainage for proper functioning of wastewate system						
	Other?						
Environmental Impacts	Preventing surface water contamination						
	Preventing groundwater contamination						
	Preventing air quality (odor) impacts						
	Other?						
Public Interest	Predictable and consistent process						
	Preventing negative aesthetic impacts						
	Timely Review and Permitting						
	Will the process result in additional cost to applicants?						
	Simplified process for developers/landowners						
	Supports the intended use of the supplies and systems with respect to reliability, incremental costs, and sustainability;						
	Increase reliance on and the accountability of the private sector for the design and installation of potable water supplies and wastewater systems through licensing and enforcement.						
	Easy public access to documents						
	Other?						
ctiveness	Comprehensive program to regulate the design, construction, replacement, modification, operation, and maintenance						
	How many municipalities will be impacted?						
	Avoids Duplication between State and Municipal Permitting Processes						

Attachment 3: Evaluation criteria and alternative processes

Program Effe	Compatible with available municipal and/or state staff resources available to implement						
	Straightforward for Designers to Design and Apply for permits						
	Compliance Tracking and Document Access for Municipalities						
	Consistent Enforcement						
	Other?						
Totals		0	0	0	0	0	0

Notes 1. Blue text represents criteria that comes from the WW Rules' purpose.

Attachment 3: Evaluation criteria and alternative processes

Table 2. Draft Advantages, Disadvantages and Questions Regarding Alternatives for Permitting Municipal Water and Sewer Connections

	Alternatives					
Topic	1.0 Partial delegation under existing rules and statute (do nothing)	2.0 Hybrid: revised criteria for certain municipalities to do technical review/permitting in combo with State general permit	3.0 Statewide general permit, DEC maintains universal jurisdiction	4.0 The State incorporates municipal criteria in their review	5.0 Statewide deregulation	Other?
Advantages (Pros)						
Disadvantages (Cons)						
Questions						

Steps for Municipal Adoption

1. Municipal Adoption of Local Technical Review
    a. Municipalities with Public Works Departments can apply for Local Technical Review (LTR) status by requesting LTR and providing the following information to DEC:
        1. An authorization from the municipal legislative body for the municipality to administer the program in accordance with the applicable rules.
        2. The contact information for the program (such as Department of Public Works) that will be responsible for reviewing applications and issuing permits pursuant to these Rules.
        3. A GIS parcel map of the area in within the municipality that is served by both municipal water and municipal wastewater along with an explanation of how that information will be kept up to date and maintained online by the municipality.
        4. For municipalities cooperating to jointly implement the LTR program, a copy of an inter-municipal agreement signed by the chair of each local body indicating the process agreed upon and the roles and responsibilities of the member municipalities. [BD5]
    b. State reviews applications for LTR program implementation and approves qualifying municipalities for Local Technical Review.
2. Municipalities implement LTR process.
    a. Licensed Professionals submit proposed project for LTR approval to municipality
    b. Following issuance of capacity to serve from municipality, licensed professional submits
    c. LTR Municipality reviews and approves the water and sewer connection, including capacity to serve.
    d. Licensed designers will submit locally approved permit applications and supporting material (including approved plans and signed municipal authorization) to DEC under General Permit.