



**Senate Finance Committee  
H. 35, Water Clean Up**

**Vermont League of Cities and Towns  
*Karen Horn, Director of Public Policy & Advocacy  
April 21, 2015***

Thank you for the opportunity to testify on H. 35.

We strongly support measures in the bill to give the Agency of natural Resources (ANR), the Agency of Agriculture, Food and Markets and municipalities the tools to enact programs that will result in reductions in phosphorus discharges to the Lake and eventually to clean up other waters of the state. We strongly support the focus on non-point source measures as they will certainly achieve more bang for the buck than focusing on further reducing phosphorus discharges at wastewater treatment facilities.

Attached to this testimony are outlines of three permits the ANR will require to implement cleanup programs.

We concur with the testimony Julie Moore gave this morning regarding estimated costs to clean up the Lake, of between \$500 and \$800 million in total. That includes approximately \$10 million in each of the next ten years to address municipal highways. It does not, we understand, include estimates for expected EPA requirements to further reduce phosphorus at wastewater treatment plants (ANR estimate attached).

We have been working since the fall with Commissioner Mears and an advisory committee of local officials to discuss implementing effective water clean-up programs, timelines and funding potential. Clearly municipalities will face significant costs and clearly not all of them will be covered from state sources. How the programs are rolled out and the partnership that is developed to implement them, are tremendously important for cities and towns. We have been very pleased to work with Commissioner Mears, who is demonstrating his commitment to working together on these schedules.

H. 35 would establish a Clean Water Fund as a dedicated fund for project implementation. We concur with Julie Moore that state staffing costs should be ineligible for Clean Water Fund dollars. Over time, we suspect that staffing costs could consume the entire Clean Water Fund. As written now, one of the priorities for funding is municipal, for three years. We also urge you to restore the non-administration members of the Clean Water Fund Board, which included a municipal representative until the Senate Natural Resources Committee adopted version of the bill.

We believe that any funding source dedicated to the Clean Water Fund must be ***fair, effective, and efficient.***

To be fair, it must apply to everyone, no exemptions. That would mean that if a per parcel fee is used, all 323,000 taxable properties and the known 10,000 non-taxable properties would pay the fee.

To be effective, it would raise the required amount of money - between \$8 and 11 million per year as the clean-up programs ramp up.

To be efficient it would be collected at the state level.

We oppose municipal collection of the state fee. Many towns do not collect any fees on their tax bills, other than a delinquent tax fee. S. Burlington, Burlington and Williston collect their stormwater fees on the wastewater bill.

There would be difficulties with listing it on a tax bill, installment payments, escrows, tracking fees payments, delinquencies, handling it for purposes of federal tax deductions and co-mingling of partially paid tax bills and fees. We believe that while this might be the first state fee collected on a property tax bill, it would not be the last.

As an alternative, the New England Municipal Resource Center (NEMRC) has said they could bill and collect funds for the Department of Taxes.

Finally, we reiterate our position that new and expanded permit fees on municipalities should not be established to fund new positions at ANR. The agency should be required to reprioritize its 500 + staff to focus on stormwater if that is the state's highest priority.

Thank you.

*Karen B. Horn, Director  
Public Policy & Advocacy*

