

From: [Charles Baker](#)
To: [Dan Albrecht](#)
Subject: FW: Stormwater Meeting (attempt to re-sched)
Date: Wednesday, December 21, 2016 12:18:04 PM

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Sent: Wednesday, December 21, 2016 11:52 AM

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Subject: RE: Stormwater Meeting (attempt to re-sched)

Dear Treasurer Pearce, Commissioner Schuren and Team,

Thank you very much for soliciting early feedback on some concepts. We really appreciate you reaching out.

Below are some thoughts we agreed upon in a follow-up conversation we had last week. Sorry for the delay in getting them to you.

It's important to note that none of these comments are our official position (yet). The CCRPC Board will be considering this issue in the next month or two and individual municipalities may also take formal positions. We'd be happy to discuss these comments further next Tuesday.

General Statements to Consider on Statewide Water Quality Funding

In order for the State of Vermont to establish a stable, long-term source of water quality funding we **support** the following:

1. An approach that takes a State-wide perspective and does not focus only on the Lake Champlain basin or a particular region.
2. That there be a nexus between how funding is raised and water quality.
3. A broad-based approach that spreads these costs out among all Vermonters. A parcel-based fee of some kind, whether it be a:
 - i. A flat rate per parcel;
 - ii. A rate based on parcel size; or,
 - iii. A rate based on impervious surface on a parcel. (This will be the most challenging from an administrative perspective.)
4. That property owners/municipalities with existing stormwater fees not be "double taxed". Any statewide fee levied for the purpose of water quality should not reduce funding of municipal stormwater programs/utilities. A statewide fee should provide for credits if a

property owner is paying into a municipal stormwater programs/utility or for their own permit (3 acre, Ag).

5. Even if a municipality has established a stormwater utility or some other locally-based revenue raising mechanism, municipalities would still like to be able to access additional state funds because no municipalities have the capacity to raise all of the revenues needed to address the needs.
6. The State of Vermont should raise enough funds to cover 100% of capital costs related to any required water quality improvement projects. Individual municipalities will be tasked with ongoing operating and maintenance costs for any new infrastructure. These costs can be significant and they continue indefinitely. Therefore, the up-front costs for construction should be handled at the State level since it is in everyone's best interest to improve water quality.
7. The State of Vermont should raise revenue and bond, as necessary, to provide the match necessary to obtain additional Federal or private funding opportunities. DEC should take an active role in finding and applying for federal funding.
8. A system that allows for regional collaboration with other municipalities or with property owners with separate stormwater permits when individual municipalities determine that this option would be in their best interest.

In regards to how the State of Vermont **administratively** raises water quality funding, we have the following concerns & suggestions:

9. How these funds will be collected. It is important that the collection system address:
 - a. How to impose a new fee on tax exempt property
 - b. How residents will be able to easily distinguish this fee from local property taxes.
 - c. The cost of administration.
10. While we appreciate the idea of driving the revenue generation and use to a local level, requiring municipalities to collect these funds is problematic because:
 - a. Every municipality would have to develop a new water quality fee collection system for all properties including tax exempt properties, separate from tax bills.
 - b. Property owners will not be able to distinguish the state fee from locally imposed taxes. Municipalities are clearly opposed to adding additional costs to the property taxes.
 - c. There will be a new cost burden imposed on every municipality to collect and enforce this fee.
11. We believe that, while it will be challenging, it will ultimately be more effective to develop a statewide billing system paid for out of the revenues than asking every municipality develop 255 separate billing systems to bill the fee and deduct their administrative costs. The state will have to develop an administrative monitoring system either way. This could build off of state efforts to develop statewide parcel mapping (and maybe impervious layer if that is needed).
12. The cost of administration of whatever program is developed don't appear to be well defined and vary widely between the various revenue sources. An analysis of administrative costs must accompany any recommendation for a particular funding source. These costs should be covered by these new revenues and not be passed onto regulatory permit fees.
13. If the State does decide on a municipally-based collection system, each municipality must

have the opportunity to use any funds raised locally for their own water quality needs prior to these funds being made available at a regional or State level.

14. Will these funds carry over from year to year, or be returned to the General Fund if unspent? We'd like to see some sort of trust or enterprise fund be established so that this revenue is reserved for its intended purpose.
15. We wonder about the implications of the VTrans fee to stormwater utilities if the creation of municipal utilities is encouraged.
16. At least one municipal representative should be added to the Clean Water Board in 2017.

Regarding **permitting** responsibilities, we have the following comments:

17. Stormwater permitting responsibility of the State of Vermont should not be shifted from DEC to municipalities unless the individual municipality wants to do this. This might be done through a delegation process with full authority at the municipality's option.

General concern:

18. We are concerned that even if all revenues on the list were implemented, they don't generate enough to meet the needs.

Thank you again for reaching out and your consideration.

Best regards,
Charlie

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