

From: Pallito, Joanna
Sent: Tuesday, April 05, 2016 10:46 AM
To: Ellis, Rebecca; Schuren, Alyssa; Desch, George
Cc: Marshall, Renita; Lafrance, Tracy; Chadwick, Steve
Subject: RE: Letter to the Senate

Importance: High

Categories: PFOA

Rebecca, Alyssa, George: Below are the excerpts that will be included in the Administration's letter to Senate Appropriations (I will confirm when exactly it will be sent and ask to be provided a copy). That said, I believe the legislative note around the Clean Water Fund and revised appropriations by April 12th is fine (except for the typo highlighted in yellow) and I also believe the details around removal of the 10,000 population cap is correct for the drinking water loan program is correct as well.

What I wanted to check with you on is that the PFOA contamination language regarding the removal of the \$100,000 cap in the ECF. I thought our last correspondence was that Justin Johnson had suggested we not mention the actual towns but rather simply state for PFOA contaminated sites. Before I respond to Emily with this inquiry/change I wanted to be sure that everyone was still aiming to have it be more broad and not have the specific towns (Bennington, No. Bennington and Pownal) named? If you could let me know ASAP as I believe they are looking to get this finalized right away that would be great – thanks!

From: Byrne, Emily
Sent: Tuesday, April 05, 2016 10:34 AM
To: Chadwick, Steve <Steve.Chadwick@vermont.gov>; Pallito, Joanna <Joanna.Pallito@vermont.gov>; Lafrance, Tracy <Tracy.LaFrance@vermont.gov>
Cc: Aronowitz, Jason <Jason.Aronowitz@vermont.gov>
Subject: Letter to the Senate

FYI – below is what we are including for ANR in the letter to senate appropriations. If you have any issues please let Jason or I know asap.

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Agency of Natural Resources PILOT

The Administration does not agree with the House version for the ANR PILOT language. Please see the attached appendix for a detailed explanation regarding the implications of the changes. The Senate should adopt the PILOT language originally proposed by the Administration to ensure that Vermont towns are treated fairly.

Clean Water Fund Appropriations

Since the Governor's Budget submission the tax department has revisited the projected revenue for the property transfer tax surcharge that provides the revenue for the clean water fund. The projected available funding in FY 2017 has been reduced by \$750,000. The Clean Water Board is meeting on April 8th to adopt revised FY 2017 appropriations that align with available revenue. The Administration **with** submit updated appropriations on April 12th.

Department of Environmental Conservation – language needed to provide emergency assistance to communities to mediate PFOA drinking water contamination

Due to the recent discovery of PFOA water contamination, the Department of Environmental Conservation (DEC) requests that the spending cap from the Environmental Contingency Fund be lifted for expenses related to remediation at these sites. The legislature has authorized previous requests to lift this cap, both in Act No. 65 of 2008, for the Pownal site, and in the current Budget Bill, H.875 Sec. 709, for the Elizabeth Mine Superfund Site. The Administration requests that the following language be included in H.875 with an effective date on passage so that the Department can use the funds right away.

Sec. E.709.1. AUTHORIZATION FOR EXPENDITURE RELATED TO PFOA DRINKING WATER CONTAMINATION IN NORTH BENNINGTON, BENNINGTON, AND POWNAL

(a) Notwithstanding the \$100,000 limitation on the expenditure of funds from the environmental contingency fund established pursuant to 10 V.S.A. § 1283, the secretary of the agency of natural resources may expend funds to accomplish activities authorized under 10 V.S.A. § 1283(b)(9) to address PFOA drinking water contamination.

Additionally, the Administration would like the population cap on the Vermont Drinking Water Planning Loan Fund lifted. The current statute that governs the use of the fund, 24 V.S.A. § 4753(a)(5) limits the use of the fund to town under 10,000 people, and has not be updated since 1997. Given the needs of the communities following the discovery of PFOA in private and public drinking water, the Administration requests the addition of the language below to remove the population threshold.

Sec. E.709.2 24 V.S.A. § 4753(a)(5) is amended to read:

(a) There is hereby established a series of special funds to be known as:

(5) The Vermont Drinking Water Planning Loan Fund which shall be used to provide loans to municipalities and privately owned, nonprofit community water systems, ~~with populations of less than 10,000~~, for conducting feasibility studies and for the preparation of preliminary engineering planning studies and final engineering plans and specifications for improvements to public water systems in order to comply with State and federal standards and to protect public health. The Secretary may forgive up to \$50,000.00 of the unpaid balance of a loan made from the Vermont Drinking Water Planning Loan Fund to municipalities after project construction is substantially completed. The Secretary shall establish amounts, eligibility, policies, and procedures for loan forgiveness in the annual State Intended Use Plan (IUP) with public review and comment prior to finalization and submission to the U.S. Environmental Protection Agency.

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