

From: Lafrance, Tracy
Sent: Thursday, March 31, 2016 8:29 AM
To: Schuren, Alyssa; Ellis, Rebecca; Pallito, Joanna
Cc: Martin, Trey; Duggan, Jen; Chapman, Matt; Desch, George
Subject: FW: Legislative items - money bills
Attachments: 2016-03-28 Money Bills - Memo from Schuren to Kitchel and Ashe.docx

Categories: PFOA

Hi Alyssa,

Attached is the memo that Rebecca had drafted previously and ready for your final review and then can be signed and submitted.

From: Schuren, Alyssa
Sent: Wednesday, March 30, 2016 8:59 PM
To: Lafrance, Tracy <Tracy.LaFrance@vermont.gov>; Ellis, Rebecca <Rebecca.Ellis@vermont.gov>; Martin, Trey <Trey.Martin@vermont.gov>
Cc: Pallito, Joanna <Joanna.Pallito@vermont.gov>; Duggan, Jen <Jen.Duggan@vermont.gov>; Chapman, Matt <Matt.Chapman@vermont.gov>; Desch, George <George.Desch@vermont.gov>
Subject: RE: Legislative items - money bills

Thanks, Tracy. Will you work with Joanna and Rebecca to help draft whatever is needed? I'd appreciate it! Thanks again. -AS

Alyssa B. Schuren
Commissioner
Vermont Department of Environmental Conservation
One National Life Drive – Main 2
Montpelier, VT 05620-3520
802-828-1556
<http://www.anr.state.vt.us/dec/dec.htm>

From: Lafrance, Tracy
Sent: Wednesday, March 30, 2016 3:34 PM
To: Ellis, Rebecca <Rebecca.Ellis@vermont.gov>; Martin, Trey <Trey.Martin@vermont.gov>
Cc: Schuren, Alyssa <Alyssa.Schuren@vermont.gov>; Pallito, Joanna <Joanna.Pallito@vermont.gov>; Duggan, Jen <Jen.Duggan@vermont.gov>; Chapman, Matt <Matt.Chapman@vermont.gov>; Desch, George <George.Desch@vermont.gov>
Subject: RE: Legislative items - money bills

Just received direction from Emily and Jason that # 1& 2 will be handled through the "letter" that AOA does and then both 3 & 4 should be handled through a letter from Alyssa to Senate Finance

From: Ellis, Rebecca
Sent: Tuesday, March 29, 2016 8:26 PM
To: Martin, Trey <Trey.Martin@vermont.gov>
Cc: Schuren, Alyssa <Alyssa.Schuren@vermont.gov>; Pallito, Joanna <Joanna.Pallito@vermont.gov>; Lafrance, Tracy <Tracy.LaFrance@vermont.gov>; Duggan, Jen <Jen.Duggan@vermont.gov>; Chapman, Matt <Matt.Chapman@vermont.gov>; Desch, George <George.Desch@vermont.gov>
Subject: Legislative items - money bills

Hi Trey:

DEC has four money-related items that we would like to see added in the Senate. Tracy LaFrance has forwarded these requests

to Emily Byrne in AoA for approval. If you have some time on Wednesday, it would be great to discuss strategy. I have highlighted issues for discussion, along with proposed legislative language.

Thank you for your help!

Rebecca

<p>1. ECF Cap – Lift the \$100,000 cap for Bennington, North Bennington and Pownal</p>	<p>H.875 Appropriations Bill Senate Appropriations 3/31 Alyssa and Joanna will be in Appropriations; could request?</p>
<p>2. Vermont Drinking Water Planning Loan Fund – Remove the cap on population (10,000 pop.) so that Bennington will be eligible for drinking water loans</p>	<p>H.878 Capital Adjustment Bill Senate Institutions Need someone to move this forward?</p>
<p>3. Indirect discharge non-sewage fee – Reinstate the indirect discharge non-sewage fee so that certain industries (like breweries) do not have to pay higher indirect discharge sewage fee. The indirect discharge non-sewage fee was mistakenly struck in last year’s fee bill. Note effective date of 2015.</p>	<p>H.872 Fee Bill Senate Finance Need someone to move this forward?</p>
<p>4. Onsite loan program – For FY17 only, remove mandate to transfer \$275,000 to onsite loan program so that the funds can be used for drinking water program without dipping into General Fund. Full name of this fund is Vermont Wastewater and Potable Water Revolving Loan Fund.</p>	<p>H.875 Appropriations Bill Senate Appropriations 3/31 Alyssa and Joanna will be in Appropriations; could request?</p>

Environmental Contingency Fund

Sec. XXX. 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 in North Bennington, Bennington, and Pownal.

The Legislature has considered and authorized similar requests in the past for some of our Superfund sites under somewhat similar circumstances. See 2008, No. 65 (Pownal Site) and currently the Elizabeth Mine Superfund Site in the FY17 Appropriations Bill (H.875) Section E.709.

Vermont Drinking Water Planning Loan Fund

24 V.S.A. §4753(a)(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.

Indirect Discharge, Non-sewage fee

Sec. 1. 3 V.S.A. § 2822(j) is amended to read:

(j) In accordance with subsection (i) of this section, the following fees are established for permits, licenses, certifications, approvals, registrations, orders, and other actions taken by the Agency of Natural Resources.

* * *

(2) For discharge permits issued under 10 V.S.A. chapter 47 and orders issued under 10 V.S.A. § 1272, an administrative processing fee of \$240.00 shall be paid at the time of application for a discharge permit in addition to any application review fee and any annual operating fee, except for permit applications under subdivisions (2)(A)(iii)(III) and (V) of this subsection:

(A) Application review fee.

* * *

(iv) Indirect discharge or underground injection control, excluding stormwater discharges.

(I) Indirect discharge, sewage.

(aa) Individual permit: original application; amendment for increased flows; amendment for modification or replacement of system:

\$1,755.00 plus \$0.08 per gallon of design capacity above 6,500 gpd.

(II) Indirect discharge, non-sewage.

(aa) Individual permit: original application; amendment for increased flows; amendment for modification or replacement of system:

\$0.06 per gallon of design capacity; minimum \$400.00.

(III) Underground injection; original individual permit; amendment for increased flows; amendment for modification or replacement of system.

(aa) For applications where the discharge meets groundwater enforcement standards at the point of discharge:

\$500.00 and \$0.10 for each gallon per day over 2,000 gallons per day.

(bb) For applications where the discharge meets groundwater enforcement standards at the point of compliance:

\$1,500.00 and \$0.20 for each gallon per day over 2,000 gallons per day.

* * *

Sec. 2. EFFECTIVE DATE

This act shall take effect on July 1, 2015.

Vermont Wastewater and Potable Water Revolving Loan Fund

E.7 . Notwithstanding 24 V.S.A. §4753(a)(10), in FY17 the Secretary shall deposit into the Vermont Wastewater and Potable Water Revolving Loan Fund up to \$275,000 from the fees collected pursuant to 3 V.S.A. § 2822(j)(4), provided that any funds not deposited shall be used for administration of Title 24, chapter 120, governing Special Revolving Loan Funds.

Explanation: Current statutory language in 24 V.S.A. §4753(a)(10) requires a transfer of \$275,000 annually to the Vermont Wastewater and Potable Water Revolving Loan Fund. This provision authorizes DEC in FY17 to use fee revenues for administrative costs of the drinking water loan program.



Rebecca Ellis

Senior Counsel for Governmental Affairs

Department of Environmental Conservation

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www.anr.state.vt.us/dec/dec.htm

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MEMORANDUM

To: Sen. Jane Kitchel, Chair, Senate Appropriations Committee
 Sen. Tim Ashe, Chair, Senate Finance Committee

From: Alyssa Schuren, Commissioner, Department of Environmental Conservation

Re: H.872 and H.875 – Requested amendments

Date: March 28, 2016

H.872 Fee Bill (As Passed House)

1. **Reinstatement of on-sewage indirect discharge individual permits.** The Department of Environmental Conservation proposes an amendment to 3 V.S.A. § 2822(j)(2)(A)(iv) concerning fees for non-sewage indirect discharge individual permits (e.g. for breweries). The proposed fee for application review of non-sewage indirect discharge individual permits (\$0.06 per gallon of design capacity, minimum \$400.00) was inadvertently struck last year.

Without this specific fee for this type of discharge, non-sewage indirect discharges will be subject to the general indirect discharge application review fee subdivision, which has a much higher application review fee that is designed for sewage discharges (\$1,755.00 plus \$0.08 per gallon of design capacity above 6,500 gpd). This fee is appropriate for the level of staff time required to review indirect discharges of sewage, but does not align with the staff time required to review indirect discharges of non-sewage.

Please note, the effective date of the proposed, reinstated fee is July 1, 2015. The Department has purposefully proposed this retroactive effective date. The Department has received several applications for non-sewage indirect discharges since the fee for non-sewage indirect discharges was inadvertently removed, and thus, if this bill passes, the Department would like to be able to charge those applicants the fee for non-sewage indirect discharges, rather than the fee for sewage indirect discharges.

Sec. 1. 3 V.S.A. § 2822(j) is amended to read:

(j) In accordance with subsection (i) of this section, the following fees are established for permits, licenses, certifications, approvals, registrations, orders, and other actions taken by the Agency of Natural Resources.

** * **

(2) For discharge permits issued under 10 V.S.A. chapter 47 and orders issued under 10 V.S.A. § 1272, an administrative processing fee of \$240.00 shall be paid at the time of application for a discharge permit in addition to any application review fee and any annual operating fee, except for permit applications under subdivisions (2)(A)(iii)(III) and (V) of this subsection:

(A) Application review fee.

** * **

(iv) Indirect discharge or underground injection control, excluding stormwater discharges.

(l) Indirect discharge, sewage.

(aa) Individual permit: original application; amendment for increased flows; amendment for modification or replacement of system:

\$1,755.00 plus \$0.08 per gallon of design capacity above 6,500 gpd.

(II) Indirect discharge, non-sewage.

(aa) Individual permit: original application; amendment for increased flows; amendment for modification or replacement of system:

\$0.06 per gallon of design capacity; minimum \$400.00.

(III) Underground injection; ~~original~~ individual permit; amendment for increased flows; amendment for modification or replacement of system.

(aa) For applications where the discharge meets groundwater enforcement standards at the point of discharge:

\$500.00 and \$0.10 for each gallon per day over 2,000 gallons per day.

(bb) For applications where the discharge meets groundwater enforcement standards at the point of compliance:

\$1,500.00 and \$0.20 for each gallon per day over 2,000 gallons per day.

* * *

Sec. 2. *EFFECTIVE DATE*

This act shall take effect on July 1, 2015.

H.875 Appropriations Bill (As Passed House)

2. **Vermont Wastewater and Potable Water Revolving Loan Fund.** DEC administers the Vermont Wastewater and Potable Water Revolving Loan Fund, which is funded annually through fees from 3 V.S.A. § 2822(j)(4). Since the Fund's creation in 2014 (Act 137), DEC has committed \$265,880 for 15 loans from this Fund. As of 10/6/2015, the Fund had a balance of \$409,000. Based on the anticipated loan demand, DEC will not need additional monies for this program until the beginning of FY17. Given the current surplus in the Fund, and reductions to the onsite program, DEC requests flexibility in FY17 for transfers to the Fund. Specifically, DEC requests the following language in the big bill:

E.7_____. Notwithstanding 24 V.S.A. §4753(a)(10), in FY17 the Secretary shall deposit into the Vermont Wastewater and Potable Water Revolving Loan Fund up to \$275,000 from the fees collected pursuant to 3 V.S.A. § 2822(j)(4), provided that any funds not deposited shall be used for administration of Title 24, chapter 120, governing Special Revolving Loan Funds.

Explanation: Current statutory language in 24 V.S.A. §4753(a)(10) requires a transfer of \$275,000 annually to the Vermont Wastewater and Potable Water Revolving Loan Fund, regardless of fund balance or loan demand. DEC requests flexibility in the FY17 transfer to better calibrate fund balance with loan demand.