

Department/Program Description

By statute and through delegation from the Agency of Natural Resources, the Department of Environmental Conservation is charged with protecting public health and the environment. The Department meets this challenge through: (1) limiting environmental impacts through permits, compliance inspections, and enforcement; (2) delivering financial assistance to communities, citizen groups and businesses; (3) providing public education and technical assistance to communities, citizen groups and businesses; (4) monitoring environmental quality and public health; and (5) protecting and restoring natural resources. The Department strives to treat citizens and businesses fairly, honestly and openly, to provide programs that are efficient and cost-effective, to lead by example, and to make timely decisions.

The Department administers various state and federal programs with responsibility for regulating the discharge or emission of pollutants into the air, water, or soil. Many of these programs are administered under the authority of federal law with the approval of the United States Environmental Protection Agency. In this way, the State of Vermont retains a central role in decisions affecting its citizens and is eligible to receive federal funds to implement these programs.

The Department has three appropriations that cover the Department's work across several divisions. Descriptions of each division are located below under their appropriation.

Management and Support Services Appropriation

Commissioner's Office

The Commissioner's Office provides leadership, management, business, policy and planning services for all departmental divisions and programs.

Environmental Compliance Division

The Environmental Compliance Division houses the Environmental Assistance Office (EAO) and Enforcement Section. The Division ensures compliance with Vermont's environmental statutes, rules, regulations, and permits using the full spectrum of compliance tools from assistance to enforcement.

EAO proactively provides guidance and services to Vermonters through activities such as identifying potential permits for projects, continuously working to streamline environmental permitting and information, working with communities and municipalities to better understand and comply with environmental regulations, creating outreach content and materials for DEC, and providing support to underserved and overburdened populations in navigating the regulatory process. The Enforcement Section is charged with enforcing the laws and regulations administered by the Agency of Natural Resources, primarily for the

Department of Environmental Conservation, but also for the Department of Forests, Parks and Recreation. The Department of Fish and Wildlife handles most of its own enforcement. The Division also coordinates with the Agency of Agriculture, Food and Markets regarding cases involving that agency's jurisdiction. Enforcement activities include civil and criminal investigations, prosecution of administrative enforcement cases before the Environmental Court, and screening and referrals of criminal and civil cases (as appropriate) to the state's attorneys and the Attorney General. The goal is to integrate all compliance activities in a manner that protects the environment and public health, ensures the integrity of the Agency's regulatory programs, and provides an even playing field for all Vermonters. Providing the full range of compliance strategies under one division allows for the strategic administration of Department compliance services and promotes the recognition of and responsiveness to compliance trends.

Vermont Geological Survey

The Vermont Geological Survey conducts geologic mapping and research and provides aid and advice about the state's geology, mineral and groundwater resources and topography. The Geological Survey performs bedrock and surficial mapping, and other applied studies in support of other divisions and agencies; the Survey creates digital map products, maintains databases and distributes digital data, and does educational outreach. Geological information collected, analyzed and disseminated by the Survey plays a significant role in locating groundwater supplies, arranging waste disposal, understanding the movement of contaminants, and addressing natural hazards such as landslides, radioactivity, erosion, and earthquakes. Public service maps derived from the geologic maps are used to protect public health and safety.

Administration and Innovation Division

The Administration and Innovation Division encompasses a range of central services functions which serve the entire Department. Those functions include financial management; operational services including resource allocations (e.g., information technology, personnel, Fleet, records management, procurement, office space and logistics); and Department-wide planning and reporting (e.g., U.S. Environmental Protection Agency Performance Partnership Agreement, strategic planning, results-based accountability, and performance measures tracking). In addition, the Department's ECO AmeriCorps Program and the Innovation Section is led by this division. Our ECO AmeriCorps Program stands for Environmental Career Opportunities and is a service-based program aimed to guide the next generation of Vermont's environmental leaders through enriching and immersive experiences. By collaborating with our host site partners, we can add vital capacity to strengthen local communities and foster a deeper stewardship of our natural environment. The Innovation Section has evolved over the years and involves development and maintenance of information technology systems including online forms and the Environmental Notice Bulletin. The goal continues to be to provide the best level of service

to the Vermont public, making it easier for businesses, municipalities, and citizens to access our programs and services.

Air and Waste Management Appropriation

Air Quality and Climate Division

The Air Quality and Climate Division (AQCD) implements state and federal programs to protect and improve air quality, with the goal of protecting public health and the environment. As part of this implementation, the AQCD monitors air quality and air pollution sources, conducts emissions inventories and modeling, proposes regulations to improve existing air quality, ensures compliance with the regulations, and issues permits to control pollution from sources of air contaminants across the state. The Division actively advances strategies to reduce sources of air pollution in Vermont, including efforts to increase zero emission vehicles and the corresponding infrastructure in Vermont, and to decrease particulate matter emissions from outdoor wood boilers and wood stoves. The AQCD's five Sections (Planning, Monitoring, Compliance, Permitting, and Mobile Sources) coordinate to protect and improve air quality through identification, characterization, and management of risks and impacts to public health and the environment.

Waste Management and Prevention Division

Through a combination of assistance, planning, regulation, permitting, and inspections, the Waste Management and Prevention Division oversees the management of solid and hazardous wastes to protect the public health and the environment. Hazardous and solid waste programs are managed to meet Vermont environmental law and regulatory standards as well as U.S. Environmental Protection Agency standards for the Resource Conservation Recovery Act. This program also implements the State's Materials and Solid Waste Management Plan with a focus on helping Vermont households and businesses find convenient, affordable ways to divert organic material (yard and food waste) and recyclables away from landfills and into economically valuable uses. The Division also oversees the investigation and remediation of sites contaminated by hazardous wastes from petroleum, chemical, and industrial release. The Petroleum Clean-up Fund is managed to remediate sites contaminated by petroleum. The Brownfield Program promotes and assists in the clean-up and reuse of contaminated properties. The Underground Storage Tank Program is responsible for overseeing the management of underground storage tanks. In addition, the Division maintains a 24-hour Spill Response Team to assist in controlling and cleaning up spills.

Office of Waters Appropriation

Water Investment Division

Initially formed in response to Act 76 in 2019, the Division is responsible for managing tens of millions of state and federal dollars annually, and providing in-house technical assistance, to support a wide array of water infrastructure projects.

The Division provides coordination and oversight of the Clean Water Fund, and funds, tracks, and reports on priority projects identified in Tactical Basin Plans (TBP) and communicates progress toward meeting water quality restoration targets. This statutorily-directed work includes coordinating funding, tracking, and reporting of clean water efforts for federal and state partners, such as the Agencies of Agriculture, Food and Markets, Commerce and Community Development, and Transportation, Lake Champlain Basin Program, and the Lake Champlain Regional Conservation Partnership Program of the Natural Resources Conservation Service. In addition, the Division offers technical expertise in infrastructure development and clean water project operation and maintenance. The Division supports the operation of many funding program administrators reliant on the Clean Water Fund, including Clean Water Service Providers and other organizations. The Division publishes an annual Clean Water Performance Report summarizing all of this activity.

Additionally, the Division assists in the planning, design, construction, and first year operational phases for newly constructed or upgraded municipally and privately-owned public water supply, wastewater, and stormwater systems. These projects are financed through various state and federal grant and revolving loan programs administered by the Division. The primary funding sources are the Clean Water and Drinking Water State Revolving Loan Funds and related Bipartisan Infrastructure Law federal grants to these “SRFs.”

Planning and implementation of construction improvement projects for state lands and facilities owned by the Agency of Natural Resources and its three Departments that include: dams, parks, fishing access areas, fish culture stations, and wildlife management areas, are also managed by the Division. Lastly, the Division also administers Vermont’s Dam Safety Program. This Program manages significant public safety and headline risk for the State. The Program’s work involves safety inspections of non-Federal dams, review and permitting for dam alteration projects, direct ownership responsibilities for 14 large Department-owned dams including the Winooski Valley Flood Control Reservoirs at East Barre, Wrightsville, and Waterbury Dams, and assistance to other ANR Departments who collectively own and operate approximately 80 more dams. The Dam Safety Program’s statutory charge was augmented substantially by the Flood Safety Act (Act 121) of 2024.

Watershed Management Division

The Watershed Management Division is responsible for managing surface water quality and quantity for over 800 significant lakes and ponds, 23,000 miles of rivers and streams, and 300,000 acres of wetlands that exist within Vermont. To accomplish this mission, the Division's eight major programs act to protect, maintain, enhance, and restore surface waters in the following ways.

The Division provides regulatory oversight and technical assistance to ensure proper design and construction of storm water treatment and control practices as well as construction-related erosion prevention and sediment control practices, necessary to minimize the adverse impacts of storm water runoff to surface waters throughout Vermont. It also administers the federally delegated permitting programs for municipal and industrial wastewater discharges. The Division also manages agricultural discharges from Concentrated Animal Feeding Operations.

The Division conducts chemical, physical and biological monitoring of lakes, wetlands, and rivers, and it publishes water quality assessments. The Division is responsible for identifying and protecting wetlands and the functions and values they provide. Activities to achieve these goals include education and permitting. Similarly, the Division protects lakes by providing assistance to municipalities, lake associations, and individuals regarding lake management and protection and implements regulations pertaining to activities on shorelands and in lakes. Finally, the Division protects river systems and floodplains by providing technical and regulatory assistance for projects in river corridors and floodplains to avoid and mitigate flood and erosion hazards, and to increase retention of sediments, nutrients, and riparian habitat. This program also coordinates hydroelectric dam licensing reviews, and assures that stream flows below dams, water withdrawals, and hydropower reservoirs meet minimum standards.

Drinking Water and Groundwater Protection Division

The Division's drinking water programs are responsible for ensuring that Vermont's 1,400 public water systems provide clean and safe water to their customers. It does this through permitting all aspects of source water development, construction and operation. In addition, public health protection is provided by performing sanitary survey inspections, providing technical assistance, performing compliance assistance, certifying public water systems operators (including operator training), performing implementation management of EPA regulations of the Safe Drinking Water Act, and developing a public water system's managerial, technical and financial capability of operating (otherwise known as the capacity development program). Some recent successes of the capacity development program were providing leak detection services and asset management training, which helped water systems target needs for improvements and funding. For example, the Drinking Water State Revolving Fund is a low interest loan program that has been used to help finance technical and compliance issues. In support of the Groundwater Public Trust concept, the Division

also oversees the state's groundwater protection and well driller's regulatory programs and regulates large groundwater withdrawals.

The Division administers the wastewater system and potable water supply rules from its five regional offices. These rules regulate soil-based wastewater systems and on-site water supplies with a design capacity of less than 6,500 gallons per day as well as all connections to the municipal water and wastewater systems. The program currently covers all single-family residences, commercial development, public buildings, mobile home parks, and campgrounds and issues approximately 3,000 permits annually. This division also licenses the designers of the systems it permits.

The Division issues Underground Injection Control permits that regulate the discharge of non-sanitary wastewater into the ground. The Division also issues permits for land-based sewage treatment and disposal systems greater than 6,499 gallons per day, including septic tanks, leach fields, and treatment plants and spray disposal systems.

Key Budget Issues

In building its SFY26 budget, DEC relied on 3% in additional General Fund to meet some of the upward pressures on ongoing operational costs, as well as the utilization of special fund balances to help absorb increased salary and benefit costs. The combination of escalating operational costs and expanding state and federal responsibilities continues to place strain on the Department.

At DEC's current staffing levels (approximately 347 employees) and incorporating the increased salary and benefit rates from SFY25, we are projecting an overall salary and benefit increase of \$3.2M across all funding sources. DEC absorbed these increased salary and benefit costs to the maximum extent practicable with available special and federal fund revenue resources while maintaining an attainable vacancy savings target (\$1.05M – which amounts to approximately 6-7 full-time positions). DEC considers this vacancy savings reasonable due to increases in costs per position, an overall increase in positions and ongoing challenges in employee retention and recruitment.

There is a request for two new positions to conduct Concentrated Animal Feeding Operations (CAFO) permitting, inspections, and enforcement. The proposed CAFO Corrective Action Plan prepared for EPA in response to the de-delegation petition filed in 2022 requires ANR to inspect farms to determine if a CAFO permit is needed, to issue CAFO permits to farms that discharge to surface waters, to review nutrient management plans, to oversee contracted activities, and to enforce against farms that are discharging without a CAFO

permit. Currently, the CAFO Program has only two FTEs, which is a fraction of the capacity necessary to complete the required work. Two additional positions in DEC's Watershed Management Division are a critical element of the proposed corrective action plan. These positions are budgeted at \$150k each for a total of \$300k in General Fund in FY26.

In addition, there is a request for \$301k in base funding to meet cost pressures associated with environmental testing of air and water. Part of DEC's core mission is environmental surveillance of ambient conditions. Collected over the long-term in coordination with "VAEL," environmental testing results are critical to the Department's clean water and clean air programs. Costs at VAEL have not been re-evaluated in many years, and an examination of operating costs for the facility in 2024 revealed the need for an increase in testing rates, resulting in a step-increase in testing costs across all DEC environmental monitoring programs reliant on VAEL.

This budget includes an increase in some of the various Internal Service funds (Fee for Space, W/C G/L Insurances, DHR, VISION, Single Audit etc.) of approximately \$124k. The budget also includes various adjustments related to grants and contracts, several one-time, that DEC administers annually whose amount and categorization between grant and contract line items regularly fluctuates from year to year, in addition to Federally funded one-time increases in environmental site work and equipment purchases. Overall, these items include a net increase of \$33.7M, with the majority (\$29M) being related to the federal Bipartisan Infrastructure Law efforts and are detailed individually in our attached SFY26 Budget Development form. Lastly, this budget includes a decrease of \$-706k across all three of our appropriations for our internal administrative services allocations as well as other minor adjustments to various DEC operating line items and the related funding sources from SFY25.

Environmental Conservation SFY 2026 One-Time

- Continued Funding for testing and remediation of Polychlorinated biphenyls (PCBs) in Schools: \$9.52M in one-time funding to initiate corrective action on schools where an exceedance the Immediate Action Level (IAL) in one or more primary spaces (places where students are being educated) and, to the extent that funds are available, schools that have exceeded the School Action Level (SAL) in one or more primary spaces. The funding will be used on confirmatory sampling in schools already tested that require ongoing sampling under state and EPA guidance. No additional new sampling is planned with these funds.

- Implementation of a Concentrated Animal Feeding Operations (CAFO) database: \$250k in one-time funding for implementation of a database CAFO permitting. The proposed CAFO Corrective Action Plan prepared for US EPA in response to the de-delegation petition filed in 2022 requires ANR to inspect farms to determine if a CAFO permit is needed, to issue CAFO permits to farms that discharge to surface waters, and to enforce against farms that are discharging without a CAFO permit. Currently, the Agency of Agriculture, Food, and Markets has a database that could be modified for ANR's use for CAFO permitting, inspections, and enforcement. A shared database between the two agencies is a critical element of the proposed corrective action plan.
- Concentrated Animal Feeding Operations (CAFO) contract inspectors: \$600k in one-time funding necessary to augment CAFO program capacity during this critical stage of program development. The proposed CAFO Corrective Action Plan prepared for EPA in response to the de-delegation petition filed in 2022 requires ANR to inspect farms to determine if a CAFO permit is needed, to issue CAFO permits to farms that discharge to surface waters, and to enforce against farms that are discharging without a CAFO permit. The CAFO Program currently has only two FTEs, and additional capacity is needed immediately to help identify farms, through inspections and desktop analyses, that need a CAFO permit, which will inform DEC's future staffing needs. This contractual funding is a critical element of the proposed corrective action plan.
- Municipal Wastewater Connections – Technical Design Standards: \$50k in one-time funding for contracted support in relation to The Home Act (Act 47 2023). The Home Act established a stakeholder committee to review the process for approving municipal water and wastewater connections with the goal of eliminating redundancy and simplifying and expediting permit processes. One of the key recommendations from the stakeholder committee was to update the technical standards pertaining to service connections and develop a design manual that improves the accessibility and consistency in the application of the standards. These funds will be used for contracted support to develop these resources. The purpose of this work is to facilitate expansion of housing in appropriately designated areas.