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State of Vermont, Agency of Natural Resources

Testimony of Secretary Julie Moore to the United States Senate Subcommittee on Rural Development and Energy

July 10, 2024



Building Resilience in Vermont's Rural Communities After Disasters

Good afternoon, Chairman Welch, Ranking Member Tuberville, and members of the subcommittee. My name is Julie Moore, and I am the Secretary of the Vermont Agency of Natural Resources. I have served in this capacity for nearly eight years. By training, I am a civil engineer and a registered professional engineer in the State of Vermont.

I appreciate the opportunity to offer my perspective on the critical infrastructure needs facing Vermont's rural communities, which are being driven by the challenges of aging municipal water and wastewater systems, a shrinking user base and the impacts of our changing climate.

Today's hearing is particularly timely as one year ago, Vermonters watched as a storm system drop as much as nine inches of rain across the state, causing massive flooding and hundreds of millions of dollars in damage – impacting thousands of homes and businesses, damaging municipal and state infrastructure, causing landslides, and compromising dams.

While the widespread damage from the July 2023 storms attracted significant national attention, the fact of the matter is that since 2010, Vermont has had 22 flood-related federal disaster declaration: nearly two per year and up from an average one every other year throughout the 60s, 70s and 80s.

Clearly more frequent and more severe storms are our new normal.

And I see the key to building resilience is consistent investment in municipal water infrastructure.

However, small, rural states like Vermont are challenged to fund these essential investments without support from federal partners – especially in and immediately following natural disasters.

- For perspective, Vermont has 417 community drinking water systems
 - Almost 75% of them serve populations less than 500.
 - Most have volunteer boards, with volunteer or part-time operators.
 - Eighteen systems, affecting approximately 40,000 Vermonters, sustained significant impacts to their drinking water infrastructure or operation requiring boil water or do not drink notices during the July storms.
- The story is even more challenging on the wastewater side



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- Vermont has 92 municipal wastewater facilities that serve mainly small rural communities. 58 of these facilities, or two-thirds, have a permitted treatment capacity of 100,000 gallons per day or less, an indicator of the small, rural population areas they serve.
- More than one-third of these facilities – 33 in total – sustained damage during last July’s floods totaling more than \$75 million.
- Three facilities experienced catastrophic damage that will require extensive rebuilding and possible relocation.

Unfortunately, most of these small systems do not have capital available within their annual budget to make significant, unanticipated repairs.

While ultimately, a significant share of the cost of infrastructure repairs following a natural disaster will be covered by insurance and FEMA reimbursement – there is an upfront cost to this work, which can be substantial.

Immediate cash flow is critical – helping ensure communities make decisions around recovery and reinvestment based on what will serve them best in the long-term... as opposed to being limited to what they can afford in the immediate.

I saw this firsthand in the weeks following last July’s floods.

In speaking with leaders in some of our most flood-ravaged communities, it was clear that they were leveraged to the hilt and had exhausted market-rate private credit available to them to make emergency repairs and restore service – limiting how they might “build back better”.

In response, I convened a “funders summit” – involving my staff responsible for administering Vermont’s state revolving fund programs, the Vermont Municipal Bond Bank, the State Treasurer’s Office and USDA – Rural Development.

- Over a period of weeks, we cobbled together a complicated and tenuous funding stack to meet the same need that would be better addressed by Senator Welch’s *Rural Recovery Act* and the enhancements it would make to the Disaster Assistance Fund.
- I can’t overstate the importance of having available flexible low cost or no cost money that can be deployed quickly following a disaster.
- There simply isn’t time to wait for Congress to designate and appropriate additional disaster related funds to support communities in their moments of need – like emergency operations, the design, development and implementation of critical water



and wastewater projects, as well as essential investment in floodproofing and hardening existing infrastructure.

- Ideally a robust Disaster Assistance Fund would include budget authority to provide flexibility around RD's Water & Environmental Programs immediately following a disaster.
 - Changes are also needed to increase RD's authority to issue waivers to expedite funding to meet real-time needs and streamline procedures that can be extremely difficult for smaller communities.

In closing, one of the most important, collaborative relationships my agency has in the drinking water and wastewater space is with USDA-RD. Rural Development supports cost-effective investments in community infrastructure, and partners with us on long-term disaster recovery.

The *Rural Recovery Act* would establish and expand this essential partnership, helping ensure that immediate financial challenges following a disaster don't perpetuate vulnerabilities and increase long-term costs, but instead support our rural communities in implementing considered, durable solutions in the wake of natural disasters.