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# VIRGINIA STATE BUDGET

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2024 Special Session I

## Budget Bill - SB6001 (Introduced)

Bill Order » Office of Natural and Historic Resources » Item 365

Department of Environmental Quality

### Item 365

First Year - FY2025    Second Year - FY2026

<b>Environmental Financial Assistance (51500)</b>	<b>\$172,872,954</b>	<b>\$76,031,448</b>
Financial Assistance for Environmental Resources Management (51502)	\$59,717,434	\$12,967,434
Virginia Water Facilities Revolving Fund Loans and Grants (51503)	\$81,696,263	\$31,604,757
Financial Assistance for Coastal Resources Management (51507)	\$1,924,500	\$1,924,500
Litter Control and Recycling Grants (51509)	\$4,200,000	\$4,200,000
Petroleum Tank Reimbursement (51511)	\$25,334,757	\$25,334,757
Fund Sources:		
General	\$111,922,455	\$15,080,949
Trust and Agency	\$25,334,757	\$25,334,757
Dedicated Special Revenue	\$28,355,097	\$28,355,097
Federal Trust	\$7,260,645	\$7,260,645

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Authority: Title 10.1, Chapters 11.1, 14, 21.1, and 25 and Title 62.1, Chapters 3.1, 22, 23.2, and 24, Code of Virginia.

A. To the extent available, the authorization included in Chapter 781, 2009 Acts of Assembly, Item 368, paragraph E, is hereby continued for the Virginia Public Building Authority to issue revenue bonds in order to finance Virginia Water Quality Improvement Grants, pursuant to Chapter 851, 2007 Acts of Assembly.

B. To the extent available, the authorization included in Chapter 806, 2013 Acts of Assembly, Item C-39.40, is hereby continued for the Virginia Public Building Authority to issue revenue bonds in order to finance the Stormwater Local Assistance Fund, the Combined Sewer Overflow Matching Fund, Nutrient Removal Grants, and the Hopewell Regional Wastewater Treatment Authority. The administration of several of the water quality programs, including the Stormwater Local Assistance Fund, transferred to the Department of Environmental Quality per Chapter 756, 2013 Acts of Assembly.

C.1. The State Comptroller is authorized to continue the Stormwater Local Assistance Fund as established in Item 360, Chapter 806, 2013 Acts of Assembly. The fund shall consist of bond proceeds from bonds authorized by the General Assembly and issued pursuant to Item C-39.40 in Chapter 806, 2013 Acts of Assembly, Item C-43 of Chapter 665, 2015 Acts of Assembly, Chapter 759, 2016 Acts of Assembly, Item C-48.10 in Chapter 854, 2019 Acts of Assembly, Item C-70, Chapter 1289, 2020 Acts of Assembly, and Item C-80 in Chapter 2, 2022 Acts of Assembly, Special Session I; sums appropriated to it by the General Assembly; and other grants, gifts, and moneys as may be made available to it from any other source, public or private. Interest earned on the moneys in the Fund shall remain in the Fund and be credited to it. Any moneys remaining in the Fund, including interest thereon, at the end of each fiscal year shall not revert to the general fund but shall remain in the Fund.

2. The purpose of the Fund is to provide matching grants to local governments for the planning, design, and implementation of stormwater best management practices that address cost efficiency and commitments related to reducing water quality pollutant loads. Moneys in the Fund shall be used to meet: i) obligations related to the Chesapeake Bay total maximum daily load (TMDL) requirements; ii) requirements for local impaired stream TMDLs; iii) water quality requirements of the Chesapeake Bay Watershed Implementation Plan (WIP); and iv) water quality requirements related to the permitting of small municipal stormwater sewer systems. The grants shall be used only for the acquisition of certified nonpoint nutrient credits and capital projects meeting all pre-requirements for implementation, including but not limited to: i) new stormwater best management practices; ii) stormwater best management practice retrofits; iii) stream restoration; iv) low impact development projects; v) buffer restoration; vi) pond retrofits; and vii) wetlands restoration.

D. The grants shall be used only for the acquisition of certified nonpoint nutrient credits and capital projects meeting all pre-requirements for implementation, including but not limited to: i) new stormwater best management practices; ii) stormwater best management practice retrofits; iii) stream restoration; iv) low impact development projects; v) buffer restoration; vi) pond retrofits; and vii) wetlands restoration. Such grants shall be in accordance with eligibility determinations made by the State Water Control Board under the authority of the Department of Environmental Quality.

E. Out of such funds available in this Item, the Department shall provide funding to the Virginia Geographic Information Network in an amount necessary to implement statewide digital orthography to improve land coverage data necessary to assist localities in planning and implementing stormwater management programs. As part of this authorization, the Department shall also include data to update prior LIDAR surveys of elevations along coastal areas to support activities related to management of recurrent coastal flooding.

F. Out of the amounts appropriated for Financial Assistance for Environmental Resources Management, \$3,292,479 the first year and \$3,292,479 the second year from federal funds is provided to implement stormwater management activities.

G.1. Each locality establishing a utility or enacting a system of service charges to support a local stormwater management program pursuant to § 15.2-2114, Code of Virginia, shall provide to the Auditor of Public Accounts by October 1 of each year, in a format specified by the Auditor, a report as to each program funded by these fees and the expected nutrient and sediment reductions for each of these programs. The Department of Environmental Quality shall, at the request of the Auditor of Public Accounts, offer assistance to the Auditor's office in the review of the submitted reports.

2. The Auditor of Public Accounts shall include in the Specifications for Audits of Counties, Cities, and Towns regulations for all local governments establishing a utility or enacting a system of service charges to support a local stormwater management program pursuant to § 15.2-2114, Code of Virginia, a requirement to ensure that each impacted local government is in compliance with the provisions of § 15.2-2114 A., Code of Virginia. Any such adjustment to the Specifications for Audits of Counties, Cities, and Towns regulations shall be exempt from the Administrative Process Act and shall be required for all audits completed after July 1, 2014.

H. Out of the amounts in this Item, \$8,015,880 the first year and \$8,015,880 the second year from the general fund is provided for the Department to meet matching requirements corresponding to anticipated federal funding available through the Virginia Clean Water Revolving Loan Fund as a result of the Infrastructure Investment and Jobs Act.

I. Grantee owners of Enhanced Nutrient Removal Certainty (ENRC) Program and other Water Quality Improvement Fund projects subject to a grant agreement with the Department shall submit a forecast of projected quarterly grant disbursements covering each quarter of the current fiscal year and the next fiscal year thereafter. The Department shall compile the grantee-supplied forecasts of projected quarterly grant disbursements and compare

expected disbursements to available appropriations to provide advance notice of any potential shortfall. The Department shall submit each forecast to the Chairs of the House Appropriations Committee and the Senate Finance and Appropriations Committee on a quarterly basis.

J.1. Out of the amounts in this Item, \$26,500,000 the first year from the general fund is provided for the City of Bristol to address ongoing health, environmental, and quality of life issues with its landfill. Funding is contingent upon the execution of a memorandum of understanding between the locality and the Department. Any balances for the purposes specified in this paragraph which are unexpended on June 30, 2025, shall not revert to the general fund but shall be carried forward and reappropriated.

2. The Department shall provide technical assistance to the City of Bristol in resolving ongoing health, environmental, and quality of life issues with its landfill and to facilitate a long-term plan for the operational status of the landfill following the completion of mitigation efforts.

K. Out of the amounts in this Item, \$50,000,000 the first year from the general fund is provided to the City of Richmond to pay a portion of the costs of its combined sewer overflow control project.

L. Out of the amounts in this item, \$20,000,000 the first year from the general fund is provided for the establishment of a pay-for-outcomes pilot program in the Chesapeake Bay watershed. The Department shall issue requests for nonpoint source pollution reduction proposals, conduct a transparent proposal selection process based on project ranking criteria, execute contracts with selected entities, verify that the promised nonpoint source pollutant reductions are being achieved, and make payments when contractually defined terms are verified. The project ranking criteria shall include cost per pound of nutrients removed, the level of assurance that nutrient reductions shall be provided, habitat and resilience benefits, readiness to proceed, local government coordination, the provision of long-term maintenance and applicability to locally impaired waters.

M. Out of the amounts in this item, \$91,506 the first year from the general fund is provided to the Town of Cleveland for wastewater treatment upgrades.