

The Vermont Clean Water Fund Board Meeting Notes

Date/Time: Thursday, September 8, 2016, 1:30pm – 3:00pm

Location: The Vermont State House – Room 11

Clean Water Fund Board Members and Designees:

- Michael Clasen, Deputy Secretary, Agency of Administration (AoA), designated to represent Secretary Justin Johnson, AoA Secretary and Clean Water Fund Board Chair
- Chris Cole, Secretary, Agency of Transportation (VTrans)
- Lucy Leriche, Deputy Secretary, Agency of Commerce and Community Development (ACCD)
- Deb Markowitz, Secretary, Agency of Natural Resources (ANR)
- Trey Martin, Deputy Secretary, ANR
- Pat Moulton, Secretary, ACCD
- Chuck Ross, Secretary, Agency of Agriculture, Food and Markets (AAFM)

Attendees:

- Emily Bird, Department of Environmental Conservation (DEC)
- Jared Carpenter, Trout Unlimited
- Kari Dolan, DEC
- Marcey Hodgdon, AAFM
- Jennifer Hollar, Vermont Housing and Conservation Board (VHCB)
- Joanna Pallito, DEC
- Sam Winship, Department of Finance and Management (F&M)

1. Welcome and Introductions

Changes to the Agenda

AoA Deputy Secretary Michael Clasen, designated to represent AoA Secretary and Clean Water Fund Board Chair Justin Johnson

2. Process for FY18 Clean Water Fund Allocations

Agency of Natural Resources Secretary Deb Markowitz

a. Public Process

b. Budget Process

- See budget process chart, page 2 of meeting materials
- 20-day public comment period on the updated draft Clean Water Fund allocations begins September 8 and ends September 28, 2016
- The Clean Water Fund Board will make its final recommendation on FY18 allocations during its October 17, 2016 meeting
- Final allocation recommendations will then be transmitted to the AoA
- AoA will issue targets back to the agencies to include in budget documents
- The FY18 budget process is currently on track

- Items marked in blue on the budget process chart represent decision points in the budget process; items marked in yellow represent opportunities for public input

3. Review of July 30-Day Public Notice and Comment Period and Other Comments Received

DEC Clean Water Initiative Program (CWIP) Manager Kari Dolan

a. Summary of Comments Received

b. Summary of Adjustments to Allocations

- The Clean Water Fund Board held a working meeting August 22 to discuss comments received during the July public comment period on the draft FY18 Clean Water Fund Allocations, see meeting notes, page 4 of meeting materials
- The Board received 260 public comments, summarized in a memorandum, see page 3 of meeting materials, or Clean Water Fund webpage for compilation of all comments: <http://dec.vermont.gov/watershed/cwi/cwf>
- Comments were supportive of ongoing assistance to the agricultural community and municipalities; also supportive of prioritizing funding to address the greatest and most cost effective need
- During the August 22nd Clean Water Fund Board working meeting, the Board discussed the need to reallocate some Clean Water Fund dollars to support the Agronomy and Conservation Assistance Program in the Lake Champlain Basin, and DEC proposed addressing this gap using the line item for municipal stormwater planning and implementation, because this line item has alternative funding sources
- The Vermont League of Cities and Towns (VLCT) expressed concern about using the municipal stormwater line item to address the gap, and recommended addressing the gap through the LiDAR line item
- To address these concerns, the Board recommended sharing the adjustment between the stormwater and natural resources line items, and not impacting the LiDAR line item; the LiDAR funding is necessary to leverage highly competitive federal funds to address gaps in the State's LiDAR coverage; LiDAR is critical for planning and assessment purposes across sectors, and provides a suite of benefits for municipalities
- Secretary Moulton added that the technical information provided through LiDAR provides a great benefit for planning work at the municipal level
- In addition, the CWIP is confident it will be able to meet the demand for municipal stormwater and natural resources through capital funds
- Specific adjustments made to the Clean Water Fund allocations and associated justifications are documented in a memorandum on adjustments to Clean Water Fund Allocation priorities for FY18, see page 9 of meeting materials
- Regarding the online questionnaire used to collect public comment during the July comment period, Deputy Secretary Clasen recommended collecting demographic information to evaluate the representation of respondents to the survey for next year's budget process

4. Clean Water Fund Allocations for FY18 Review and Recommendation
Secretary Deb Markowitz

- Reviewed the draft FY18 Clean Water Fund Allocations, see page 13 of meeting materials
- The document explains the legislatively articulated priorities for the Fund and indicates priorities associated with each line item
- All Clean Water Fund dollars will be passed through existing agency funding programs
- No questions or concerns were voiced from members of the public

5. Clean Water Fund Board Vote on Funding Recommendations
Deputy Secretary Michael Clasen

- The Clean Water Fund Board unanimously approved the draft FY18 Clean Water Fund Allocations (dated September 8, 2016) to be posted for public comment

6. Update on the “Funding Clean Water Improvements” Legislative Report
Secretary Deb Markowitz
CWIP Manager Kari Dolan

a. Funding Clean Water Improvements Legislative Report Process
b. Opportunities for Public Input

- The legislature provided seed money to support the Clean Water Fund through a property transfer surcharge for three years; the funding source will sunset at the end of FY18
- The Vermont Clean Water Act, Act 64, directs the Office of the State Treasurer, in partnership with DEC, Tax Department, and agencies across the State, to evaluate how to establish long term funding sources
- Act 64 directs the Office of the State Treasurer to develop a report recommending specific long term funding sources based on a suite of funding options, currently being evaluated; the recommended funding sources will replace or enhance the existing Clean Water Fund funding mechanisms
- Act 64 also asks the State Treasurer to evaluate the role of bonding to support clean water and provide incentives for clean water implementation
- The process for evaluating funding sources and developing the legislative report was reviewed, see page 20 of meeting materials
- The Office of the State Treasurer and State Agencies have held a series of stakeholder meetings on funding needs and existing sources to identify the funding gap, and collect input on how to best use criteria to evaluate funding options and move forward with recommendations for long term funding
- A series of additional stakeholder meetings are being held this fall, meeting with each of the contributing sectors, as well as non-government organizations (NGOs) to further investigate revenue gaps and evaluate funding options
- The State anticipates holding a public meeting leading up to the release of the draft legislative report in November with the final report released in December

- Secretary Moulton added that ACCD is working with ANR to hold a series of meetings with the business community, developers, and large land owners who may be impacted by the funding recommendations
- On September 8 a stakeholder meeting was held with VLCT to present the funding options, and the State plans to hold a few more municipally-focused meetings with the Coalition of Vermont Mayors and the Regional Planning Commissions
- Two agricultural stakeholder meetings have been scheduled for the end of September
- The meeting with NGOs will take place the end of October

7. Questions

Deputy Secretary Michael Clasen

- Jared Carpenter, Trout Unlimited: Trout Unlimited is working with loose coalition of NGOs and conservation groups in Vermont; this group looks forward to filing written comments on the long term financing of the Clean Water Fund this fall

8. Next Meeting

Deputy Secretary Michael Clasen

- The Clean Water Fund Board will hold a working meeting October 6th to review public comments, followed by a formal meeting October 17th to make final funding recommendations
- Secretary Cole will send a delegate to the October 17th meeting
- After September 8th, Lucy Leriche will become Secretary of ACCD and will represent ACCD on the Clean Water Fund Board