

The Vermont Clean Water Fund Board

Working Meeting Agenda

Date/Time: Wednesday, February 22, 2017, 2:30 – 3:30 pm

Location: Agency of Natural Resources – National Life, Main Building
Winooski Room (M240)

1. Welcome; Changes to the Agenda 2:30pm
Agency of Administration Secretary and
Clean Water Fund Board Chair, Secretary of Administration Susanne Young
2. Review of the State’s Clean Water Priorities (10 minutes) 2:30-2:40pm
Agency of Natural Resources Secretary Julie Moore
3. Background for Meeting: Opportunity for the Board to Offer Input into
the Legislative Clean Water Budget Priorities Discussion (5 minutes) 2:40-2:45pm
Agency of Natural Resources Secretary Julie Moore
4. Review of the DRAFT Proposed FY18 & FY19 Budget and
DRAFT Recommendation Spreadsheets (5 minutes) 2:45-2:50pm
DEC Clean Water Initiative Program Manager Kari Dolan
5. Facilitated Discussion on the Draft Spreadsheets (30 minutes) 2:50-3:20pm
Administration Secretary Susanne Young
6. Comments from the Public (5 minutes) 3:20-3:25pm
Administration Secretary Susanne Young
7. Next Steps (5 minutes) 3:25-3:30pm
Administration Secretary Susanne Young
8. Adjourn 3:30pm
Administration Secretary Susanne Young

Supporting Material:

- DRAFT Governor’s Proposed Clean Water Budget and DRAFT Clean Water Fund Board Budget Proposal Spreadsheets
- Draft Department of Environmental Conservation Clean Water Block Grant proposal

State Fiscal Year (SFY) 2018-2019 Governor's Proposed Budget - **DRAFT**

1	Notes	VERMONT CLEAN WATER APPROPRIATIONS - BY AGENCY	FY18 Governor's Budget					FY19 Governor's Budget					Funding Source (Fed, State)
			FY16	FY17	FY18 Gov Budget Baseline	FY18 Gov Budget - Clean Water ("Filling the Gap")	Funding Source	FY18 Gov Budget Total	FY19 Gov Budget Baseline (Capital Funds Only; Estimate)	FY19 Gov Budget - Clean Water ("Filling the Gap")	Funding Source	FY19 Gov Budget Total	
2		Agency of Natural Resources - Clean Water Initiative Program (CWIP)											
3	C	CWIP - Clean Water Fund	900,000	4,280,000	-	2,090,000	CWF	2,090,000	-	-	-	-	Clean Water Fund
4		CWIP Ecosystem Restoration Program- Capital Bill	3,750,000	3,750,000	3,500,000	1,500,000	CB	5,000,000	3,960,000	1,040,000	CB	5,000,000	Capital Bill
5	C	Dept. Fish & Wildlife Watershed Grants Program	39,767	35,000	35,000	-		35,000	35,000	-		35,000	Cons. License Plate
6	B&C	Clean Water State/EPA Revolving Loan Fund (CWSRF) Capitalization Grants	1,300,000	1,300,000	1,200,000	-		1,200,000	1,200,000	-		1,200,000	Capital Bill
7		Clean Water State/EPA Revolving Loan Fund (CWSRF) - Federal	-	10,000,000	10,000,000	-		10,000,000	-	-		-	Federal
8		Municipal Pollution Control Grants, Continuation of year prior partially funded projects	-	-	35,000	-		35,000	-	-		-	Capital Bill
9		Municipal Pollution Control Grants, New Projects	-	-	31,500	-		31,500	3,275,000	-		3,275,000	Capital Bill
10	B	Clean Water Appropriation in capital bill (could fund grants across all sectors)	-	-	-	11,757,658	CB	11,757,658	11,217,664	9,957,670	CB	21,175,334	Capital Bill
11		Clean Water Appropriation in capital bill (assumes bond premium from sale of bonds)	-	-	-	-		-	-	2,259,988	CB	2,259,988	Not appropriated
12		Agency of Transportation											
13		Municipal Roads											
14	C	Municipal Mitigation - Better Roads Grants Program (State Funds)	650,000	440,000	440,000	400,000	TF	840,000	440,000	400,000	TF	840,000	State
15	D	Municipal Mitigation - Better Roads Grant Program (Clean Water Fund)		1,465,000	-	1,025,000	CWF	1,025,000	-	-		-	Clean Water Fund
16		State and Federal Transportation Funds: Municipal Support & VTrans Stormwater Utility Payments	-	1,000,000	1,000,000	-		1,000,000	1,000,000	-		1,000,000	State/Federal
17	C	Federal Funds: Transportation Alternatives Program (TAP) - Municipal Support	1,100,000	1,100,000	1,100,000	1,100,000	TF	2,200,000	1,100,000	1,100,000	TF	2,200,000	Federal
18		Federal Funds: Federal Highway Admin STBG Funds - Municipal Support	-	-	-	5,242,342	TF	5,242,342	-	5,242,342	TF	5,242,342	Federal
19		Stormwater utility incentive payments to Municipalities (Clean Water Fund)	-	-	-	75,000	CWF	75,000	-	-		-	Clean Water Fund
20		State Highways and VTrans Non-Road Developed Lands											
21		Agency -Wide Stormwater Compliance - Multiple Federal and State Permits (includes FTEs)*	3,440,000	3,540,000	3,540,000	-		3,540,000	3,540,000	-		3,540,000	State/Federal
22		Agency Stormwater Utility Payments to Municipalities (State Funds) (Burlington, So. Burlington, Williston (Colchester FY18))	25,806	132,000	-	-		-	-	-		-	State (T Funds)
23		Federal Funds: Fed Highway Administration Funds - State Highway Support	-	-	4,600,000	-		4,600,000	4,600,000	-		4,600,000	State/Federal
24													
25		Agency of Agriculture, Food and Markets											
26	B&C	Best Management Program (BMP)/Conservation Reserve Enhancement Program (CREP) - Capital Bill	1,752,412	1,800,000	1,800,000	-		1,800,000	2,000,000	-		2,000,000	Capital Bill
27		Best Management Program (BMP)/Conservation Reserve Enhancement Program (CREP) - New Request	-	-	-	-		-	-	-		-	
28		Farm Water Quality Improvements - Clean Water Fund	-	600,000	-	400,000	CWF	400,000	-	-		-	Clean Water Fund
29	C	Farm Agronomic Practice (FAP) Program - Other sources	-	-	150,000	-		150,000	150,000	-		150,000	General Fund
30		Water Quality Grants and Contracts - Clean Water Fund	225,000	893,000	-	450,000	CWF	450,000	450,000	-		450,000	Clean Water Fund
31	C	Water Quality Grants and Contracts - Other sources	-	-	297,000	-		297,000	297,000	-		297,000	General Fund
32	C	AAFM Operational Funds (Clean Water Fund)*	450,000	450,000	-	-		-	-	-		-	Clean Water Fund
33		AAFM Operational Funds (Other sources)*	-	-	375,000	-		375,000	375,000	-		375,000	Property Transfer Tax
34													
35		Agency of Commerce and Community Development											
36	F	Vermont Center for Geographic Information - LiDAR Mapping (Clean Water Fund)	430,000	-	-	460,000	CWF	460,000	-	-		-	Clean Water Fund
37													
38		Vermont Housing and Conservation Board											
39		Statewide: water quality improvement projects or other conservation projects	1,500,000	1,000,000	2,750,000	-		2,750,000	1,000,000	-		1,000,000	Capital Bill
40													
41		Clean Water Fund (Not yet allocated)											
42		FY18 Reserve (10%) - due to variability in tax revenues			-	500,000	CWF	500,000	-	-		-	Clean Water Fund
43		FY19 Assumes property transfer tax surcharge will be extended to FY19				-		-	-	5,000,000	CWF	5,000,000	Clean Water Fund
44													
45		TOTAL	12,122,985	31,785,000	30,853,500	25,000,000		55,853,500		25,000,000			
46		TOTAL FY18 & FY19 ADDITIONAL FUNDS								50,000,000			2/22/2017
47													
48	Source Key	CB	Capital Bill			5,000,000	CWF			5,000,000	CWF		
49		CWF	Clean Water Fund			6,742,342	TF			6,742,342	TF		
50		PT	Property Transfer			13,257,658	CB			13,257,658	CB		
51		TF	Transportation Fund			25,000,000				25,000,000			
52		*	State agency staff time not included in cost estimates except where indicated.										
53	Notes												
54	A	Capital Bill, p12	http://legislature.vermont.gov/assets/Documents/2018/WorkGroups/House%20Corrections%20and%20Institutions/FY%2018%20&%2019%20Capital%20Budget/Agency%20of%20Natural%20Resources/W~Julie%20Moore~Clean%20Water%20Legislative%20Presentation%20~1-27-2017.pdf										
55	B		http://legislature.vermont.gov/assets/Documents/2018/WorkGroups/House%20Corrections%20and%20Institutions/FY%2018%20&%2019%20Capital%20Budget/W~Catherine%20Benham~Capital%20Bill%20FY%2018%20and%2019~1-24-2017.pdf										
56	C	pg 11	http://dec.vermont.gov/sites/dec/files/wsm/erp/docs/2016CleanWaterInitiativeInvestmentReport.pdf										
57	D	pg 79	http://legislature.vermont.gov/assets/Documents/2018/WorkGroups/House%20Corrections%20and%20Institutions/Clean%20Water/W~Beth%20Pearce~Clean%20Water%20Report~1-18-2017.pdf										
58	E		http://dec.vermont.gov/sites/dec/files/wsm/erp/docs/2016-07-21%20Summ%20VT%20CWF%20Progress%20SFY16-17.pdf										
59	F	CWF FY18 Budget	http://dec.vermont.gov/sites/dec/files/wsm/erp/docs/2016-09-08%20Clean%20Water%20Fund%20Board%20Meeting%20Agenda%20%26%20Materials%20%28updated%29.pdf										
60	G	Gov \$25 million	http://legislature.vermont.gov/assets/Documents/2018/WorkGroups/House%20Corrections%20and%20Institutions/Clean%20Water/W~Catherine%20Benham~Clean%20Water%20Funding~2-14-2017.pdf										

Vermont Department of Environmental Conservation

Clean Water Block Grant - Capital Funds

FY18: \$XX

Purpose: The Vermont Department of Environmental Conservation (DEC) proposes to pilot a new Clean Water Block Grant Program. The purpose of the Block Grant Program is to provide financial assistance to regional partners to implement a set of priority clean water improvement projects. The Block Grant Program can combine up to 8 priority projects that are identified in their regional Tactical Basin Plans under one block grant. The Block Grant Program offers partners flexibility in the selection and implementation of clean water improvement projects. Projects under one block grant can address clean water improvements from a variety of source sectors, including stormwater management on developed lands and natural resources restoration. A block grant program will help state agencies direct resources to priority critical source areas while reducing administrative costs through streamlining project management.¹

A. Eligible Project Types:

1. Municipal Roads: Road-related stormwater runoff and erosion control practices that assist municipalities in achieving compliance with the State municipal road general permit (MRGP);
2. Municipal Developed Lands: Stormwater runoff and erosion control practices on developed land, owned by municipalities or public educational districts, that are necessary for compliance with the 2017 Vermont Stormwater Manual, the Municipal Separate Storm Sewer System (MS4) stormwater permit, or the Developed Lands General Permit;
3. Municipal Green Stormwater Infrastructure: Stormwater runoff and erosion control practices projects that use principles of low impact development (LID) and green stormwater infrastructure practices that are consistent with the Vermont Guide to Stormwater Management for Homeowners and Small Businesses: http://dec.vermont.gov/sites/dec/files/wsm/erp/docs/VT_Guide_to_Stormwater_for_Homeowners_DRAFT.pdf;
4. Natural Resources Restoration: Natural resources restoration projects (stream, river corridor, floodplain, woody vegetated buffers, wetlands and lake shoreland restoration projects) to achieve and maintain improvements in water quality and riverine equilibrium (i.e., natural stability; the least erosive and naturally stable stream condition).

¹ DEC will continue to offer financial assistance to support design and implementation of large, stand-alone priority projects via its standard ecosystem restoration grant program.

B. Eligible Costs:²

1. Step 1 Projects - Preliminary Engineering Design Projects: Projects that involve preliminary tasks that are necessary prior to implementation. Step 1 Projects include: project planning, feasibility or preliminary engineering design;
2. Step 2 Projects – Final Engineering Design Projects: Projects that involve final engineering design prior to implementation;
3. Step 3 Projects - Implementation involves construction, installation, application, or implementation of a project.

C. Eligible Block Grant Recipients:

1. Vermont municipalities, stormwater utilities, regional organizations, and non-profit associations are eligible to receive grants;
2. Individuals, for-profit entities, federal and state agencies are not eligible to receive funds directly, but may be a specified partner to collaborate in a proposed project.

D. Criteria for Block Grant Partner Selection

1. Demonstrated capacity to administer a large grant;
2. Demonstrated capacity to track and report on project and Best Management Practice-level outcomes using Clean Water Initiative Program grant reporting templates;
3. Demonstrated commitment to using tactical basin plans to identify cost-effective projects in critical source areas for implementation.

E. Aggregation of projects:

1. Applicants are to aggregate multiple projects into one block grant application;
2. Applicants must demonstrate that the projects are priority projects in the Tactical Basin Plans;
3. Minimum grant award is \$250,000.

F. Geographic Diversity

1. Maximum 40% of total grant allocation shall go to a single watershed.

G. Consistency with Statewide Tactical Basin Planning:

1. Projects must be listed in a Tactical Basin Plan or DEC's watershed projects database. If a project is not listed in the watershed project database, an applicant may seek to enroll the project in the department's watershed projects database through the Basin Planner.

H. Local match

1. The municipality must provide and track a 10% Local Match (cash, cash-in-kind, grant or loan funds.)

² Some projects may not need preliminary engineering steps and can go directly into implementation.

I. Reporting requirements:

1. Grantees are to complete and submit a final performance report as a final deliverable at the close of a project;
2. If the project involves the implementation of best management practices (BMPs), grantees are to add a section to the final performance report for each BMP to capture BMP-level information necessary to account for water quality benefit;
3. Reporting requirements and associated report templates are attached to grant and contract agreements, when the agreements are executed. Report templates are available on the Clean Water Initiative Program Grants Resources webpage: <http://dec.vermont.gov/watershed/cwi/grants>.

J. Reimbursement Requirements

1. Grantee's procurement process must be competitive bid;
2. Maximum program delivery costs for block grant recipients, as grant administrators, shall be 10%.
3. Grantee must select and track relevant Performance Measures;
4. All technical elements to the project must receive approval by a licensed engineer or equivalent before they can be finalized and eligible for reimbursement of project expenses;
5. The final deliverable must be at least 10% of the total award amount;
6. Grantee shall invoice based on reimbursement of actual costs incurred.