

**Vermont Clean Water Fund Board
Meeting Minutes**

Date/Time: Tuesday, September 5, 2017, 3:00pm – 4:30pm

Location: National Life Building Main 2– 1 National Life Drive, Winooski Room M240

Clean Water Fund Board Members/Designees:

Susanne Young, Agency of Administration (AoA) Secretary and Clean Water Fund Board Chair

Julie Moore, Agency of Natural Resources (ANR) Secretary

Michael Schirling, Agency of Commerce and Community Development (ACCD) Secretary

Anson Tebbetts, Agency of Agriculture, Food and Markets (AAFM) Secretary

Attendees:

Karen Adams, Town of Colchester

Jason Aronowitz, AoA

Emily Bird, Dept. of Environmental
Conservation (DEC)

Eric Blatt, DEC

Diane Bothfeld, AAFM

Jared Carpenter, Lake Champlain Committee

Chris Cochran, ACCD

Kari Dolan, DEC

Dan Dutcher, VTrans

Brad Ferland, AoA

Erik Filkorn, Buildings & General Services

Jen Hollar, VT Housing & Conservation Board

Joanna Pallito, DEC

Ashley Romeo-Boles, Vermont Chamber of
Commerce

Sue Scribner, VTrans

Welcome, Approval of Agenda and Past Meeting Minutes

3:00-3:05 pm

Agency of Administration Secretary and Clean Water Fund Board Chair Susanne Young

- Anson Tebbetts motioned for approval of previous Board meeting minutes
- Julie Moore seconded the motion
- No objections
- Minutes approved

Review State Fiscal Year (FY) 2019 Clean Water Fund Budget Process

3:05-3:10 pm

Agency of Natural Resources Secretary Julie Moore

- See supporting materials

Update on Clean Water Fund Property Transfer Surcharge Receipt Revenues

3:10-3:15 pm

Agency of Administration Assistant Director Budget and Management Sam Winship

- See supporting materials
- Receipt revenues for FY2018 are preliminary, but so far, the year is above forecast
- Noted that the first \$1 million of the property transfer tax surcharge goes to affordable housing

Final FY2018 Clean Water Fund Allocations

3:15-3:25 pm

Department of Environmental Conservation Clean Water Initiative Program Manager Kari Dolan

Proposed Action: Approval of Final Allocations

- Final FY2018 Clean Water Fund Allocations were updated to support the costs of 300 reusable clean water project signs (required by statute)

- Remainder of surplus FY2017 revenue will be used to partially restore DEC's allocation (reduced previously to accommodate \$1 million redirected from the Clean Water Fund to affordable housing)
- Julie Moore motioned for approval of final FY2018 Clean Water Fund Allocations
- Anson Tebbetts seconded the motion
- No objections
- Final FY2018 Clean Water Fund Allocations approved

Draft FY2019 Clean Water Fund Allocations

3:25-3:45 pm

Clean Water Initiative Program Manager Kari Dolan

- Summary of July 2017 public comment period and responses to online questionnaire
 - DEC provided responses to July 2017 public comments (see supporting materials)
- Proposed adjustments to FY2019 allocations based on public comments
 - FY2019 allocations were updated based on the July 2017 public comment period, and include a cover memo summarizing those changes (see supporting materials)
 - Clean Water Fund statutory priorities, and how they relate to each allocation, are summarized in a separate document (see supporting materials)
 - For the FY2019 Clean Water Fund allocations, the Board is only providing recommendations to allocate Capital funds and property transfer tax surcharge funds; funds from the Transportation and Appropriation bills have already been allocated
 - FY2019 Capital Bill includes \$2.26 million in bond premiums from the sale of bonds; bond premiums materialize from bond sales interest, and behave like Capital funds; the Clean Water Fund Board will need to recommend how to allocate these funds, however, spending authority for these funds does not yet exist, and will be authorized through the FY2019 Capital Bill in the upcoming Legislative session
 - A proposal for allocating bond premium funds will be developed at the Secretary-level prior to the Clean Water Fund Board making its final budget recommendation on October 20, 2017; the recommendation will be based on agencies' ability to manage additional resources, cost effectiveness of activities, and funding demand
 - Noted agencies' limited capacity to administer pass-through funds at current staffing levels and recommended to identify opportunities to build capacity where feasible

Proposed Action: Approval of Final Allocations

- Julie Moore motioned for approval of final draft FY2019 Clean Water Fund Allocations
- Anson Tebbetts seconded the motion
- No objections
- Final draft FY2019 Clean Water Fund Allocations approved

Discussion:

- During prior Board working meetings, the Board discussed the potential to integrate the Municipal Roads Grants-in-Aid program into VTrans' allocation; VTrans will discuss internally and with ANR; prior to October 20, 2017, the Board will decide where the program resides before making their final FY2019 Clean Water Fund budget recommendation
- Allocation #3 from the September 5, 2017 FY2019 Clean Water Fund Allocations for ANR to support the Agronomy and Conservation Assistance Program (ACAP) was recommended to be integrated into AAFM's draft allocation #2; this adjustment reduces administrative costs by eliminating the redundancy of having two agencies manage similar work

- Julie Moore motioned to amend the final draft FY2019 Clean Water Fund Allocations by integrating ANR's allocation #3 into AAFM's allocation #2
- Anson Tebbetts seconded the motion
- No objections
- Amendment to the final draft FY2019 Clean Water Fund Allocations approved

Progress Report on the Water Quality Funding Working Group (H516, Sec. 26) 3:45-3:55 pm

Agency of Natural Resources Secretary Julie Moore

- Water Quality Funding Working Group has been meeting biweekly since late June 2017 to evaluate long term clean water funding options; recommendations will be summarized in a report and submitted to the Legislature by November 15, 2017
- Working Group will present their draft recommendations to an advisory group beginning September 8, 2017

Upcoming Legislative Reporting Requirements 3:55-4:05 pm

DEC CWIP Nonpoint Source Coordinator Emily Bird

- Interim report on available clean water federal funding was submitted to the Legislature by AoA Secretary on September 1, 2017 (see supporting materials)
 - The Trump Administration's proposed budget would negatively impact Vermont's ability to administer clean water programs, and leadership has been in regular communication with Vermont's delegation on this issue
 - The Legislature has requested testimony on this topic the week of September 11, 2017
- Listing of FY2018 capital-funded clean water projects due November 1, 2017
 - Agencies will submit a listing of projects funded with capital funds in FY2018 as of October 15, 2017 to DEC by October 20, 2017 using the DEC-provided template
 - DEC will compile the projects list and submit to the Legislature by November 1, 2017
- Vermont Clean Water Initiative 2017 Investment Report due January 15, 2018
 - Agencies are on track to produce the Investment Report and the review process will begin in October 2017

Update on Common Signage for State-Funded Clean Water Projects 4:05-4:10 pm

Buildings and General Services Principal Assistant to the Commissioner Erik Filkorn

Proposed Action: Approve Draft Plan

- See supporting materials for the final draft *Implementation Plan for the Use of Signage to Identify Clean Water Projects Funded by the State of Vermont*
- Buildings and General Services will make applicable committee chairs aware of the plan and begin production of the signs
- Julie Moore motioned to approve the *Implementation Plan for the Use of Signage to Identify Clean Water Projects Funded by the State of Vermont*
- Michael Schirling seconded the motion
- No objections
- *Implementation Plan for the Use of Signage to Identify Clean Water Projects Funded by the State of Vermont* approved

Comments from the Public 4:10-4:20 pm

Agency of Administration Secretary and Clean Water Fund Board Chair Susanne Young

- Jared Carpenter, Lake Champlain Committee: Thank you for taking the time to respond to the July 2017 public comments; Lake Champlain Committee may comment with recommendations for allocating the \$2.26 bond premium funds

Next Steps/Future Meeting

4:20-4:25 pm

Secretary Susanne Young

- AoA is hiring a financial analyst to assist in accounting for clean water funds; AoA will coordinate with agencies' financial officers to determine how the new hire can assist
- Schedule October 2017 Clean Water Fund Board working meeting and meeting

Adjourn

4:30 pm

- Meeting adjourned at 4:14 pm

Supporting Materials:

1. June 29, 2017 and August 23, 2017 Draft Clean Water Fund Board Meeting Minutes
2. FY2019 Clean Water Fund Board Budget Process
3. FY2017-2018 Clean Water Fund Revenue Summary and Forecast
4. Draft Memorandum: Final FY2018 Clean Water Fund Allocations
5. Compilation of FY2019 Clean Water Fund Public Comments
6. Draft Proposed FY2019 Clean Water Fund Priorities and Allocations
7. Draft Interim Legislative Report on Available Clean Water Federal Funding
8. Draft Template for Listing of FY2018 Capital-Funded Clean Water Projects
9. Vermont Clean Water Initiative 2017 Investment Report Timeline