

**Vermont Clean Water Board
Meeting Minutes**

Date/Time: Tuesday, October 31, 2018, 9:30 am – 12:30 pm

Location: Winooski Conference Room, Main Building, National Life Complex, Montpelier

Clean Water Fund Board Members/Designees:

Susanne Young, Agency of Administration (AoA) Secretary and Clean Water Board Chair
Robert Flint, ACCD Springfield Regional Development Corporation (RDC) Executive Director
Susan Scribner, for Secretary Joe Flynn, Agency of Transportation (VTrans)
James Giffin, Agency of Human Services (AHS) Ex Chief Financial Officer, Liquor Control Board Ex Interim Commissioner
Christopher Louras, Citizen
Julie Moore, Agency of Natural Resources (ANR) Secretary
Michael Schirling, Agency of Commerce and Community Development (ACCD) Secretary (absent)
Anson Tebbetts, Agency of Agriculture, Food and Markets (AAFM) Secretary
Chad Tyler, Friends of Northern Lake Champlain (FNLC) Board Co-Vice Chair

Attendees:

Jill Arace, Vermont Association of Conservation Districts (VACD)	Karen Horn, Vermont League of Cities and Towns
Jared Carpenter, Lake Champlain Committee	Tom Kennedy, Southern Windsor County Regional Planning Commission
Chris Cochran, (ACCD)	Michael Middleman, (VDFM)
Laura DiPietro (AAFM)	Joanna Pallito, (DEC)
Kari Dolan, (DEC)	David Pasco, (DEC)
Daniel Dutcher, VTrans	Jim Pease, (DEC)
Rebecca Ellis, (DEC)	Representative Trevor Squirrell
Marcey Hodgdon, (AAFM)	Andrew Stein, Department of Taxes
Jennifer Hollar, Vermont Housing and Conservation Board (VHCB)	Rebekah Weber, (CLF)

A. Introductions, Review of Agenda, Approval of Minutes 9:35

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

- Introduction of board members and attendees
- 6/25/2018 Meeting minutes approved
- 9/25/2018 Meeting minutes approved

B. Debrief and Answer Outstanding Questions from September 25 meeting 9:45

Department of Taxes, Andrew Stein

Supporting materials: 2018-10-31 Clean Water Board Meeting Materials.pdf,
2018-10-31 CleanWaterRevenueDeptofTaxesMemo.pdf

- Total revenue is increasing and is 20% above forecast
 - A recession is likely 2020-21 and revenue is likely to decrease although Real Estate markets will likely lag; therefore the

Department of Taxes is not concerned about changes in transfer tax revenue

- Revenue forecast: \$5.5 million in surcharge, \$1 m for VHB, 4.5 for CW Board
- About \$750K -\$1 million available from bottle fees
- Therefore total available to clean water board: \$5.5 million
- Reviewed 4 state bottle bill programs
 - Bottle fee revenue is flat
 - Dollar amounts in handout are not adjusted for inflation
 - High confidence in revenue forecast
 - Michigan has high collection rate and moves more unredeemed dollars to environmental programs
 - Department of Taxes suggests taking prudent approach with use of fees starting in mid-2019 which is the first year of collection.

C. Overview of Current Cost Share Programs 10:00

Department of Environmental Conservation, Rebecca Ellis

- State cost share ranges with grant program
- The supporting materials are 1 year old and there have been changes:
 - the DEC municipal pollution control grant has new formula
 - the CWSRF is open to private landowners
 - CWIP has 5 grant programs

Discussion: Mr. Louras: does board have ability to direct CWF funds to a geographic area or direct use of funds to assist with Ag grant match requirements?
Sec. Young: yes but capital funds have restrictions and must be used for capital-eligible activities.

D. Review of State Fiscal Year 2020 Clean Water Fund Budget Process 10:30

Department of Environmental Conservation, Kari Dolan

- Budget Process: Ms. Dolan queried needs of Agency partners and CWF board members on current effort
- Current effort exceeds minimum effort required to meet TMDL schedule

E. Discussion of DRAFT State Fiscal Year 2020 Clean Water Fund Budget 10:45

Agency of Natural Resources, Julie Moore

Supporting material: 7-2018-10-31 Charts Comparing Act 73 with Oct 31 Proposal.pdf

- Proposed Allocations by Sector: Agriculture, Stormwater, Wastewater, and Natural Resources Restoration
- Clarifications: 3A bar graph does not include Transportation bill, innovation column was added by DEC staff it is not in Act 73
- Only items under the blue line of graph are reviewed by CWB
- Sec. Moore welcomes input on how to refine the explanation of predicted costs and available funds
- We have \$17.5 million in request and we anticipate \$15 million from the legislature, some requests such as municipal roads could be moved from CWF to Capital Bill

column, but the House Corrections and Institutions Committee has indicated that it prefers roads to be funded through sources other than capital bill.

Discussion: Mr. Louras is the CWF board responsible for the delta of \$7.25 million and finding additional revenue sources for this year? Sec. Young: Yes. Mr. Louras: can we move funds allocated on each row? Sec. Young: yes but you cannot move across columns for the most part. Ms. Hollar line #20 in budget is an uncertain value because only a portion of a typical VHCB land conservation easement value counts toward CWF match (the water resource easement), VHCB will need to break out these values which is difficult, and the board should be aware that easements won't happen unless whole projects are approved. There was a general board request to add the FY19 allocation and funds spent YTD to the table.

F. Next Steps & Future Board Meeting Dates 11:00

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

General discussion: What does DEC need from the Board? DEC would like direction on priorities and adjustments to the proposed budget. The budget should show capital bill request as \$15 million given the pressure on the capital bill this year. Mr. Tyler believes additional education/outreach and marketing on clean water is needed.

- Post Draft budget out for public comment for 3 weeks
- November 30th: meeting might be difficult to schedule given budget adjustments needed and holidays. November 30 will be a working meeting.
- December 14th meeting if necessary (VTrans Dill building, 2178 Airport Rd, Berlin)

G. Public Comment 11:45

- Rep. Squirrell: will gap in funding and its solution be discussed prior to the budget release? Can the public comment on that solution? Sec. Young: the revenue forecast plays a role in the gap and the Board will be discussing the gap. The Governor is evaluating new revenue sources but that will likely not be shared until the start of the legislative session.
- Ms. Arace is the \$1.8 million balance from the last fiscal year being moved into SFY 19? Sec. Moore: No, the funds are largely committed.
- Ms. Horn: please provide unit costs when reporting the budget to the public, i.e. it cost \$200K to treat 5 acres of ag production area etc. This should be linked to the Clean Water Investment Report outcomes.
- Mr. Flint: has there been any google analytics done on the CWIP web site? Ms. Dolan: only for the Annual Clean Water Week

H. ADJOURN 12:00

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

- Motion to adjourn
 - Mr. Tyler motioned to adjourn
 - Mr. Flint seconded the motion
 - Meeting adjourned

CLEAN WATER BOARD
SFY 2020 DRAFT BUDGET (11/13/2018)

No.	Sector	Agency	Activity	Clean Water Funds	Capital Bill FY20	Other	Total
1	Agriculture	AAFM	Agronomy Conservation Assistance Program (ACAP)	235,000	-	-	235,000
2	Agriculture	AAFM	Water Quality Grants to Partners and Farmers	2,050,000	4,000,000	-	6,050,000
3	Agriculture	AAFM	Operating	550,000	-	-	550,000
4	Agriculture	VHCB	Agricultural Water Quality Projects	-	1,100,000	-	1,100,000
5	Agriculture	VHCB	Water Quality Projects to Enhance Natural Resources	-	1,700,000	-	1,700,000
6	Innovation	All	Multi-Sector Innovation, DEC and Partner Support	2,480,000	-	-	2,480,000
7	Nat'l Resources	ANR-DEC	Natural Resources Restoration	450,000	2,200,000		2,650,000
8	Nat'l Resources	ANR-DEC	Lakes in Crisis Fund	50,000	50,000	-	100,000
9	Nat'l Resources	ANR-FPR	Forestry/Skidder Bridges	-	50,000	-	50,000
10	Roads	ANR-DEC	Municipal Roads Grants-in-Aid	3,600,000		-	3,600,000
11	Roads	VTrans	Municipal Better Roads	1,400,000		500,000	1,900,000
12	Stormwater	ANR-DEC	Municipal Stormwater Project Planning & Implt'ion (MS4)	1,500,000			1,500,000
13	Stormwater	ANR-DEC	Municipal Stormwater Project Planning & Implt'ion (Priv.)	600,000		-	600,000
14	Stormwater	AoA	Stormwater Utility Payments (\$25K each)(e)(1)(H)	125,000	-	-	125,000
15	Stormwater	ACCD	Better Connections (SW planning)	100,000	-	-	100,000
16	Stormwater	ACCD	Downtown Transportation Fund (SW BMPs)	-	100,000	-	100,000
17	Wastewater	ANR-DEC	WWTF operators support	110,000	-	-	110,000
18	Wastewater	ANR-DEC	CWSRF	-	2,500,000	-	2,500,000
19	Wastewater	ANR-DEC	Municipal Pollution Control Grants	-	3,300,000	-	3,300,000
20			Total Requested	13,250,000	15,000,000	500,000	28,750,000
21			Anticipated Available	6,000,000	15,000,000		21,000,000

11/13/2018

CLEAN WATER BOARD
SFY 2020 DRAFT BUDGET (11/13/2018 ANNOTATED)

No.	Sector	Agency	Activity	Clean Water Funds	Capital Bill FY20	Other	Total
1	Agriculture	AAFM	Agronomy Conservation Assistance Program (ACAP)	235,000	-		235,000
2	Agriculture	AAFM	Water Quality Grants to Partners and Farmers	2,050,000	4,000,000		6,050,000
3	Agriculture	AAFM	Operating	550,000	-		550,000
4	Agriculture	VHCB	Agricultural Water Quality Projects	-	1,100,000		1,100,000
5	Agriculture	VHCB	Water Quality Projects to Enhance Natural Resources	-	1,700,000		1,700,000
6	Innovation	All	Investments in Multi-Sector Innovation	1,000,000	-		1,000,000
7	Stormwater	ANR-DEC	Municipal Stormwater Project Planning & Implt'ion (MS4)	1,500,000			1,500,000
8	Stormwater	ANR-DEC	Project Planning & Implt'ion (Private Collab.)	600,000			600,000
9	Stormwater	AoA	Moved this operating cost from stormwater	125,000	-		125,000
10	Stormwater	ACCD	sector to innovation	100,000	-		100,000
11	Stormwater	ACCD	sector	-	100,000	-	100,000
12	Innovation	ANR-DEC	Operating	150,000			150,000
13	Innovation	ANR-DEC	Partner Support	590,000	-		590,000
14	Roads	ANR-DEC	Moved this partner support cost from stormwater sector to innovation sector	3,600,000			3,600,000
15	Roads	VTrans	Partner Support	1,400,000		500,000	1,900,000
16	Natural Resou	ANR-DEC	Moved this partner support cost from stormwater sector to innovation sector	450,000	2,200,000		2,650,000
17	Natural Resou	ANR-DEC	Lake Carmi Fund	50,000	50,000		100,000
18	Natural Resou	ANR-EPR	Forestry/Skidder Bridges	-	50,000		50,000
19	Innovation	ANR-DEC	Operating	150,000	-		150,000
20	Natural Resou	VHCB	Water Quality or Other Projects to Enhance Natural Resources	-	-		-
21	Innovation	ANR-DEC	Partner Support	590,000	-		590,000
22	Wastewater	ANR-DEC	WWTF operators support	110,000	-		110,000
23	Wastewater	ANR-DEC	CWSRF	-	2,500,000		2,500,000
24	Wastewater	ANR-DEC	Municipal Pollution Control	-	3,300,000		3,300,000
25			Total Requested	13,250,000	15,000,000	500,000	28,750,000
26			Anticipated Available	6,000,000	15,000,000		21,000,000

Administrator:
Original allocation was \$1.672. Increased by \$28,000, from natural resource line below.

Administrator:
Reduced capital funds for innovation from \$1 million to \$0

Administrator:
Moved this operating cost from stormwater sector to innovation

Administrator:
Moved this partner support cost from stormwater sector to innovation sector

Administrator:
Moved this operating cost from natural resources to innovation sector

Administrator:
Original allocation was \$1.078 million. Moved \$28K to VHCB ag clean water projects; reduced remaining \$1.05 million to \$0.

Administrator:
Moved this partner support cost from natural resources to innovation sector

CLEAN WATER FUNDING IN STATE BUDGET				Act 73 Report	CWB Draft 11/13/18
	(FY16+FY17)/2	FY18	FY19	FY20	FY20
Capital Bill (FY16-20) and Clean Water Fund (FY20)					
(a)(1), (a)(2) & (e)(1) AAFM BMP & CREP & Water Quality Grants & Ks	\$ 1,900,000	4,050,000	3,615,000	4,000,000	6,285,000
AAFM Operational Funds	see below	see below	see below		550,000
Aeration System at Lake Carmi	\$ -				
Phosphorus removal equipment at dairy farms	\$ -		1,400,000		
(b)(1)&(f)(1) DEC Clean Water State Revolving Fund (SRF)	\$ 1,200,000	1,000,000	1,200,000	2,000,000	2,500,000
(b)(2)&(f)(2) DEC Ecosystem Restoration Grants/Lake Carmi aerator	\$ 3,730,000	6,000,000	8,850,000	5,250,000	8,610,000
(f)(2) DEC Lake Carmi aerator			200,000		
(b)(3) DEC Municipal Pollution Control Grants (prior)	\$ 17,500	2,982,384			
(b)(4)&(f)(3) DEC Municipal Pollution Control Grants (new)	\$ 1,653,250	2,704,232	4,040,000	4,000,000	3,300,000
(c) VTrans Municipal Mitigation Program/Better Roads	\$ -	1,400,000	2,400,000		1,400,000
(d)(1) VHCB: water quality projects	\$ 1,875,000	2,800,000	2,750,000		
(d)(2) VHCB: farm grants or fee purchase water quality projects	\$ -	1,000,000	1,100,000		2,800,000
ACCD Pilot Project Downtown Transportation Stormwater	\$ -		100,000		200,000
Stormwater Utility Support (5 x \$25,000) - through AoA					125,000
Statewide Innovation & DEC & Partner Support	\$ -	-			2,480,000
	\$ 10,375,750	21,936,616	\$ 25,655,000	15,250,000	28,250,000
	\$ -				
Transportation Bill					
	\$ -				
State Highway Compliance (includes federal funds ~80%)	\$ 5,225,000	4,850,000	5,000,000	5,000,000	5,000,000
Section 14: Transportation Alternatives (for stormwater)	\$ 1,100,000	2,200,000	2,200,000		
Section 8: Municipal Mitigation/Better Roads	\$ 1,440,000	1,240,000	1,240,000	500,000	500,000
Section 8: Municipal Mitigation from Federal Hgwy STBG Fund	\$ -	5,442,342	5,442,342		
	\$ 7,765,000	13,732,342	13,882,342	5,500,000	5,500,000
	\$ -				
Appropriations Bill					
	\$ -				
DEC Federal match pass through for DEC Clean Water SRF	\$ 10,000,000	10,000,000	10,000,000	10,000,000	10,000,000
DF&W Watershed Grants Program	\$ 35,000	35,000	35,000	35,000	35,000
AAFM Farm Agronomic Practices Program	\$ 150,000	150,000	150,000	150,000	?
AAFM Water Quality Grants and Contracts	\$ 297,000	297,000	297,000	297,000	?
AAFM Operational Funds (FY16-20) (FY20 See above)	\$ 375,000	375,000	375,000	-	See above
Clean Water Fund (FY18-19) (FY20 See above)	\$ -	4,000,000	4,000,000	4,000,000	See above
Federal Lake Champlain Appropriations passing through State Budget			3,452,000		?
GRAND TOTAL	\$ 28,997,750	\$ 50,525,958	\$ 57,846,342	\$ 35,232,000	\$43,785,000
¹ AAFM Operational Funds: FY18 & 19 \$375,000 (general fund), FY20 \$550,000(clean water fund)					
² Act 73: \$2,300,000 (natural resources/ERP or VHCB) + \$2,700,000 (muni roads grant-in-aid) + \$250,000 (3-acre assistance to munis)					
FY19: \$2,110,000 (ERP standard) + \$50,000 (forest skidders) + \$1,600,000 (Lake Carmi) + \$2,000,000 (block grants)+ \$3,090,000 (muni roads)					
FY20 CWF: \$2,100,000 MS4 Stormwater + \$3,600,000 Municipal Roads + \$50,000 (Lake Carmi) + \$450,000 Natural Resources + \$110,000 (WWTF Optimization)					
FY20 Capital: \$2,200,000 ERP Natural Resources + \$50,000 (Lake Carmi) + \$50,000 (Skidders)					
³ FY20 Innovation: \$1,000,000 innovation grants, \$300,000 DEC innovation initiative; \$1,180,000 DEC partner support					
⁴ VTrans does not have a separate line-item for clean water compliance.					
For Vtrans state highway compliance, includes project development, construction, O&M and FTEs.					
⁵ Most of this appropriation is a federal pass-through. CWSRF loans will be repaid by municipalities.					

CLEAN WATER BOARD
SFY 2020 DRAFT BUDGET (11/13/2018)

No.	Sector	Agency	Activity	Clean Water Funds	Capital Bill FY20	Act 73 Report - CWF	Other	Total	A	B	C	D	E	F	G	H	I	(3)
1	Agriculture	AAFM	Agronomy Conservation Assistance Program (ACAP)	235,000	-	-	-	235,000										
2	Agriculture	AAFM	Water Quality Grants to Partners and Farmers	2,050,000	4,000,000	1,000,000	-	6,050,000										
3	Agriculture	AAFM	Operating	550,000	-	-	-	550,000										
4	Stormwater	ACCD	Better Connections (SW planning)	100,000	-	-	-	100,000										
5	Stormwater	ACCD	Downtown Transportation Fund (SW BMPs)	-	100,000	-	-	100,000										
6	Innovation	All	Multi-Sector Innovation, DEC and Partner Support	2,480,000	-	-	-	2,480,000										
7	Nat'l Resources	ANR-DEC	Natural Resources Restoration	450,000	2,200,000	500,000	-	2,650,000										
8	Nat'l Resources	ANR-DEC	Lakes in Crisis Fund	50,000	50,000	-	-	100,000										
9	Roads	ANR-DEC	Municipal Roads Grants-in-Aid	3,600,000	-	-	-	3,600,000										
10	Stormwater	ANR-DEC	Municipal Stormwater Project Planning & Implt'ion (MS4)	1,500,000	-	500,000	-	1,500,000										
11	Stormwater	ANR-DEC	Municipal Stormwater Project Planning & Implt'ion (Priv.)	600,000	-	-	-	600,000										
12	Wastewater	ANR-DEC	CWSRF	-	2,500,000	-	-	2,500,000										
13	Wastewater	ANR-DEC	Municipal Pollution Control Grants	-	3,300,000	-	-	3,300,000										
14	Wastewater	ANR-DEC	WWTF operators support	110,000	-	-	-	110,000										
15	Nat'l Resources	ANR-FPR	Forestry/Skidder Bridges	-	50,000	-	-	50,000										
16	Stormwater	AoA	Stormwater Utility Payments (\$25K each)(e)(1)(H)	125,000	-	-	-	125,000										
17	Agriculture	VHCB	Agricultural Water Quality Projects	-	1,100,000	-	-	1,100,000										
18	Agriculture	VHCB	Water Quality Projects to Enhance Natural Resources	-	1,700,000	-	-	1,700,000										
19	Roads	VTrans	Municipal Better Roads	1,400,000	-	-	500,000	1,900,000										
20			Total Requested	13,250,000	15,000,000	2,000,000	500,000	28,750,000										
21			Anticipated Available	6,000,000	15,000,000			21,000,000										

NOTE: Priorities adopted from FY19 Table (11/6/2017)

10 V.S.A. 1389 (e) Priorities [for Clean Water Fund]:

(1) In making recommendations under subsection (d) of this section regarding the appropriate allocation of funds from the Clean Water Fund, the Board shall prioritize:

- (A) funding to programs and projects that address sources of water pollution in waters listed as impaired on the list of waters established by 33 U.S.C. § 1313(d);
- (B) funding to projects that address sources of water pollution identified as a significant contributor of water quality pollution, including financial assistance to grant recipients at the initiation of a funded project;
- (C) funding to programs or projects that address or repair riparian conditions that increase the risk of flooding or pose a threat to life or property;
- (D) assistance required for State and municipal compliance with stormwater requirements for highways and roads;
- (E) funding for education and outreach regarding the implementation of water quality requirements, including funding for education, outreach, demonstration, and access to tools for the implementation of the Acceptable Management Practices for Maintaining Water Quality on Logging Jobs in Vermont, as adopted by the Commissioner of Forests, Parks and Recreation;
- (F) funding for innovative or alternative technologies or practices designed to improve water quality or reduce sources of pollution to surface waters, including funding for innovative nutrient removal technologies and community-based methane digesters that utilize manure, wastewater, and food residuals to produce energy;
- (G) funding to purchase agricultural land in order to take that land out of practice when the State water quality requirements cannot be remediated through agricultural Best Management Practices;
- (H) funding to municipalities for the establishment and operation of stormwater utilities; and
- (I) investment in watershed basin planning, water quality project identification screening, water quality project evaluation, and conceptual plan development of water quality projects.

(2) In developing its recommendations under subsection (d) of this section regarding the appropriate allocation of funds from the Clean Water Fund, the Clean Water Board shall, during the first three years of its existence and within the priorities established under subdivision (1) of this subsection (e), prioritize awards or assistance to municipalities for municipal compliance with water quality requirements and to municipalities for the establishment and operation of stormwater utilities.

(3) In developing its recommendations under subsection (d) of this section regarding the appropriate allocation of funds from the Clean Water Fund, the Board shall, after satisfaction of the priorities established under subdivision (1) of this subsection (e), attempt to provide investment in all watersheds of the State based on the needs identified in watershed basin plans.

Clean Water Board
Draft State Fiscal Year (SFY) 2020 Clean Water Budget – Line Item Descriptions
Organized by Agency

Agency of Agriculture, Food and Markets (AAFM)

Line 1: Agronomy Conservation Assistance Program (ACAP) (\$235,000 Clean Water Fund)

- a. Support for the Agronomy and Conservation Assistance Program (ACAP) – contract to continue delivering agronomic (field-based) technical support to farmers statewide, in coordination with federal and state agencies.

Line 2: Water Quality Grants to Partners and Farmers (\$2,050,000 Clean Water Fund; \$4,000,000 Capital)

- a. Capital Funds: The Agency of Agriculture, Food and Markets provides grants and contracts for capital expenditure that include the installation of Best Management Practices (BMPs) on farms in Vermont. The BMPs are to protect water quality and could include manure storage, collection and mitigation of rain water off buildings, collection and storage of silage leachate, structures to mitigate other on-farm water quality issues. Capital funds also support the Agency’s conservation and grass waterway programs.

- i. Best Management Practice (BMP) Program, 6 V.S.A. §4900.
- ii. [Conservation Reserve Enhancement Program](#) (CREP), 6 V.S.A. §4900. The program funds 15 to 30-year term water quality agreements to install vegetation within buffers. The scope of this program is unchanged since it was launched more than 15 years ago.
- iii. Grassed Waterway/Filter Strip Program, which replaced the Vermont Agricultural Buffer Program, 6 V.S.A. §4900.

- b. Clean Water Funds: Grants and contracts that are non-capital funds are used to support: (i) partners in the water quality effort that may include UVM Extension, Natural Resource Conservation Districts, watershed groups in multiple parts of the state, (ii) non-capital fund eligible water quality practices, such as cover-crops; (iii) innovative water quality improvement methods for manure management, phosphorus reduction and new techniques that directly assist partners and farmers in water quality implementation activities. For assistance, farmers should contact: <http://agriculture.vermont.gov/water-quality/farmer-assistance>.



Figure 1. BMP for silage leachate collection system, before and after.

Line 3: Operating (\$550,000 Clean Water Fund)

- a. The Agency of Agriculture, Food and Markets supports staff and operating costs from the Clean Water Fund. In FY18 and FY19, this was a \$375,000 appropriation.

Vermont Housing and Conservation Board

Line 4: Agricultural Water Quality Projects (\$1,100,000 Capital)

- a. VHCB uses this funding to award grants to farmers for water quality-related capital improvements. Eligible projects include production area improvements, manure management projects, farm equipment and pasture management. Grants typically help farmers pay for project components that state and federal grant programs cannot cover. In cases of significant hardship, the grants may assist farmers who are otherwise unable to fully meet the cost share requirements for priority AAFM BMP or Natural Resources Conservation Service projects.
- b. Farmland Retirement: VHCB works closely with other partners – particularly AAFM and ANR – to identify agricultural land that is difficult to farm without adversely impacting water quality. These funds would allow VHCB to help fund the purchase and/or conservation of such properties with a goal of taking them all or mostly out of production. All grants will require perpetual conservation restrictions.

Line 5: Water Quality Projects to Enhance Natural Resources (\$1,700,000 Capital)

- a. VHCB uses this funding to provide grants to eligible applicants (land trusts and other conservation non-profits, towns, certain state agencies) for conservation and water-quality related investments in fee lands and conservation easements. All grants will require perpetual conservation restrictions. Those with surface waters will include specific water quality-related easement provisions such as riparian buffers and wetlands protection zones.

Innovation, DEC, and Partner Support

Line 6: Innovation and DEC Partner Support (\$2,480,000 Clean Water Fund)

- a. Innovation. Approximately \$1,000,000 will be used to support innovation efforts, such as the Phosphorus Innovation Challenge. This is a cross-agency effort, and grants are awarded on a competitive basis. In FY19, AAFM provided \$250,000 to kick-start the [Phosphorus Innovation Challenge](#). DEC provided \$200,000 to support other innovative phosphorus reduction-based projects (includes School Stormwater Assessment/Early Adoption Project and Rivers Project Identification, Tracking, and Mapping).
- b. Clean Water Service Redesign. With the legislature’s support, approximately \$300,000 will be used to support project tracking and accounting for nutrient pollutant reductions. Tracking and accounting will be used to promote innovative service delivery through a cost-effective, competitive bidding system.
- c. Partner Support. DEC will use approximately \$1,180,000 to support partner efforts, such as programs outlined in the [State Fiscal Year 2019 Clean Water Initiative Program Ecosystem Restoration Grants Spending Plan](#). DEC annually provides grants and contracts to leverage federal funding; past recipients have included UVM SeaGrant’s program and the UVM Urban Forest Initiative. Through its contracts, DEC also paid for targeted water-quality monitoring, laboratory testing of water samples, and technical assistance to wastewater treatment facility operators. [DEC’s State Fiscal Year 2019 Ecosystem Restoration Grants Spending Plan Appendix A](#) included the following water quality grants and contracts related to partner support and innovation in SFY 2019:

Activity	SFY 2019 Amount
Tactical Basin Planning Support	\$330,000
Work Crew Support	\$215,000
Innovation: School Stormwater Assessment/Early Adoption Project	\$100,000
LaRosa Laboratory Support for Watershed Monitoring	\$100,000
Innovation: Rivers Project Identification, Tracking, and Mapping	\$100,000
UVM SeaGrant - Extension / Technical Support	\$50,000
Vermont League of Cities and Towns - Extension / Technical Support	\$50,000
Analytical Services	\$50,000
Partnership Block Grant - Pilot	\$45,000
Ecosystem Restoration Woody Buffer Block Grant - Pilot	\$40,000
State parcel mapping, ANR share of costs	\$40,000
Technical Capacity Grants	\$40,000
Total	\$1,160,000

Agency of Natural Resources

Line 7: Natural Resources Restoration (\$450,000 Clean Water Fund; \$2,200,000 Capital)

- a. DEC provides grants for natural resources restoration through its Ecosystem Restoration Grant Program. Recipients of ecosystem restoration grants and contracts include municipalities, watershed organizations, lake associations, conservation districts, and regional planning commissions. Through the tactical basin planning process, DEC is able to identify and prioritize the award of grants for natural resources projects.

Line 8: Lakes in Crisis Fund (\$50,000 Clean Water Fund; \$50,000 Capital)

- a. Act 168 of the 2018 Session created a Lake in Crisis Fund and requires the Agency of Natural Resources to recommend a budget for the fund. Currently only one lake, Lake Carmi, has been designated as a Lake in Crisis. ANR's plan for Lake Carmi can be found at: <https://dec.vermont.gov/watershed/cwi/restoring/carmi>. ANR and AAFM use other grant programs to support phosphorus mitigation in the Lake Carmi watershed. In addition, the FY19 budget includes up to \$1,600,000 for installation of an aerator in Lake Carmi. In SFY 2020, ANR recommends a set-aside of \$100,000, through the Ecosystem Restoration Grant Program, for water quality efforts in the Lake Carmi watershed.

Line 9: Forestry/Skidder Bridges

- a. The Department of Forests, Parks and Recreation (FPR) provides direct grants to loggers to reimburse a portion of the cost of skidder bridges (per H.495 Section 15). Portable skidder bridges prevent erosion and runoff at stream crossings on logging jobs.

Line 10: Municipal Roads Grants-in-Aid (\$3,600,000 Clean Water Fund)

- a. Provides grant assistance to municipalities to bring hydrologically connected municipal road sections into full compliance with the Municipal Roads General Permit. Funds are dispersed by formula to all participating municipalities based on hydrologically connected road miles. Municipalities enroll through regional planning commissions and complete construction and regional planning commissions provide project verification and reporting. Practices eligible for funding under this pilot project include drainage ditch installation and upgrades, turnouts, removal of high road shoulders, and stabilization of drainage culverts and catch basin outlets, and on Class 4 roads, stabilization of gully erosion.

Lines 12 and 13: Municipal Stormwater Project Planning and Implementation (\$2,100,000 Clean Water Fund)

- a. Stormwater planning/implementation: (a) project identification & planning (b) illicit discharge detection and elimination; (c) construction; and (d) capital equipment assistance.

Line 17: Wastewater Treatment Facility (WWTF) Operators Support (\$110,000 Clean Water Fund)

- a. ANR proposes to continue providing WWTF operator support for a third year. These funds support optimization, and in particular high-strength source management, in place of capital investments to implement major nutrient TMDLs (e.g., Lake Champlain phosphorus TMDLs).

Programming covers technical, analytical & asset management. Federal funds may become available but are limited in scope and location.

Line 18: Clean Water State Revolving Fund (\$2,500,000 Capital)

- a. The Clean Water State Revolving Fund (CWSRF) provides low-interest loans for municipal stormwater, wastewater and natural resources projects. Vermont provides a 20% match in order to draw down an 80% federal match. The 20% match of \$2,533,697 in SFY20 will draw down \$12,668,485; and the 20% proposed match of \$1,571,800 in SFY21 will draw down \$7,859,000 in revolving loan funds.

All of the 20% state match funds and all but 4% of the federal funds are used to provide loans for a wide range of water-quality projects that includes combined sewer overflow abatement (CSO), plant refurbishment, plant upgrades, sludge and septage improvements, sewer line replacement and extension, pump station upgrades, plant enlargements, stormwater improvements, and municipally-sponsored private wastewater disposal systems.

Act 185 of the 2018 Session authorized CWSRF loans to private entities for a four-year pilot. Private entities may obtain loans for the same range of projects as municipalities. The interest rates on loans to private entities will be slightly higher than interest rates to municipalities, and these revenues will be used to offset reduced interest rates on loans to municipalities that promote natural resource projects. By statute, municipal projects always have priority over loans to private entities.

Line 19: Municipal Pollution Control Grants (\$3,300,000)

- a. In addition to low-interest loans through the Clean Water State Revolving Loan Funds, some municipal clean water projects are eligible for municipal pollution control grants in FY20 up to 35% of the project cost. The source of funding for municipal pollution control grants is the Capital Bill. These grants are for municipalities only.

The Legislature has adopted a priority system for municipal pollution control grants,¹⁰ V.S.A. 1626b(c) & 1628. See 2016 [Act 103](#). Based on preliminary information provided by municipalities in May 2018, ANR anticipates the award of the following grants in FY20 (July 1, 2019-June 30, 2020):

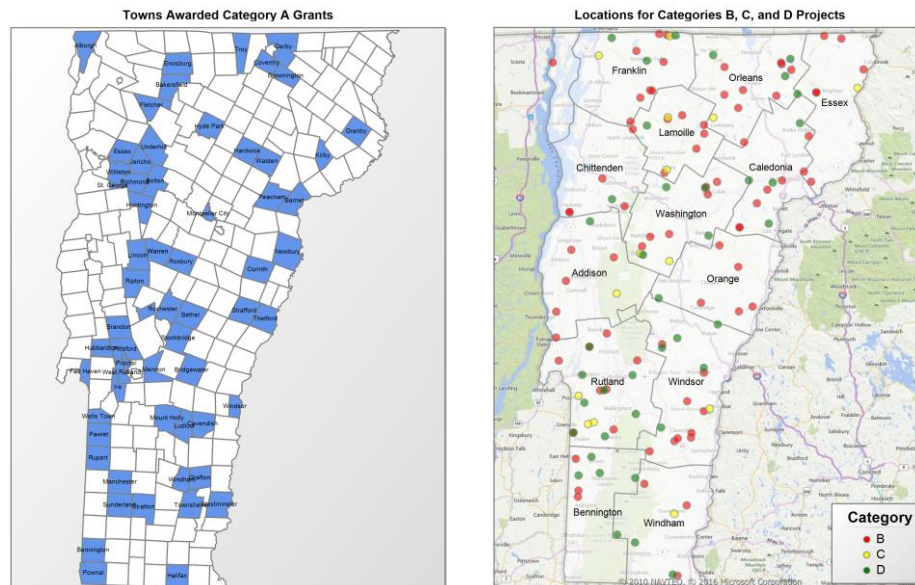
Clean Water - Municipal Pollution Control Grants	
Bridgewater - WWTF	10,000
Fair Haven - River Street Sewers & SW	81,000
Hartford - S Main Street, Gates SW Improvements	100,000
Hartford - S Main, Gates & North Main WW Improvements	96,000
Hartford - WRJ Stormwater Improvements	70,000
Middlebury - WWTF	162,000
Montpelier - WWTF Upgrade	2,400,000
S Burlington Kennedy Drive SW Improvements	65,000
St Johnsbury - Pleasant Street/Gilman Ave CSO	320,000
	3,304,000

Agency of Transportation (VTrans)

Line 11: Municipal Mitigation Assistance - [Better Roads Program](#) (\$1,400,000 Clean Water Fund; \$828,000 Transportation Bill)

- a. Better Roads projects are meant to be quick, low cost projects that are easy to advance without all the requirements of federal funding. The program funds road erosion inventory and capital budget planning projects as well as construction projects. Example construction projects include ditching, check dams, gravel wetlands, stream bank or slope stabilization, and structure/culvert upgrades. Municipalities have 18 months to complete the road erosion and capital budget planning projects and 12 months for the construction projects once they are awarded.

The location of FY17 Better Roads awards are shown below as a representation of how funds are distributed; however, actual grant award lists going back to FY14 can be found [here](#).



Agency of Administration

Line 14: Stormwater Utility Payments (\$25,000 per year per established utility)

- a. The Legislature has encouraged the Clean Water Fund to award monies to support the establishment and maintenance of stormwater utilities. 10 V.S.A. §1389(e)(1)(H) (the board “shall prioritize funding to municipalities for the establishment and operation of stormwater utilities); §1389(e)(2) (“the Clean Water Board shall, during the first three years of its existence and within the priorities established under subdivision (1) of this subsection (e), prioritize awards or assistance to municipalities for municipal compliance with water quality requirements and to municipalities for the establishment and operation of stormwater utilities.”).

The Clean Water Board has fulfilled this statutory mandate by recommending an annual appropriation of \$25,000 to municipal stormwater utilities. By FY20, five municipalities will have established stormwater utilities: Williston, Colchester, South Burlington, Essex Junction and Burlington. These funds are appropriated through the Agency of Administration. VTrans publishes an annual report about municipal stormwater utilities related to VTrans expenditures: <https://legislature.vermont.gov/assets/Legislative-Reports/VTrans-Act-158-SW-Utility-Report-2017-Cal-Year.pdf>.

Agency of Commerce and Community Development (ACCD)

Line 15: Better Connections Stormwater Planning (\$100,000 Clean Water Fund)

- a. Better Connections is an award-winning interagency grant program (VTrans, ACCD, ANR, VDH) that supports the implementation of local projects to increase local transportation options, build resilience, and revitalize communities. Funding will help municipalities incorporate stormwater management strategies into downtown and village center transportation and community revitalization plans.

Line 16: Downtown Transportation Fund, Stormwater Best Management Practices (\$100,000 Capital)

- a. Funding for capital improvements within or serving a designated downtown to incorporate stormwater management BMPs into infrastructure projects that make these areas more pedestrian, bike, and transit friendly.



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Clean Water Fund State Fiscal Year 2020 Questionnaire (November 2018)

Help inform Vermont's clean water budget!

The Clean Water Board is requesting public input on the [state's draft fiscal year 2020 clean water budget](#). **Weigh in by completing this online questionnaire, open Thursday, November 15 through Sunday, December 9, 2018.**

The Clean Water Fund supports municipalities, farmers, and others implementing priority projects to improve water quality in Vermont's lakes, rivers, and wetlands. See the [Clean Water Fund webpage](#) for more information.

To request a hard copy of the questionnaire, contact Bethany at bethany.sargent@vermont.gov or (802) 490-6131. Hard copy questionnaire responses must be postmarked by Saturday, December 8 and mailed to:

Attention: Vermont Clean Water Initiative
Department of Environmental Conservation
1 National Life Drive, Main 2
Montpelier, VT 05620-3522













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Clean Water Fund State Fiscal Year 2020 Questionnaire (November 2018)

Land Use Priorities for Clean Water Funds

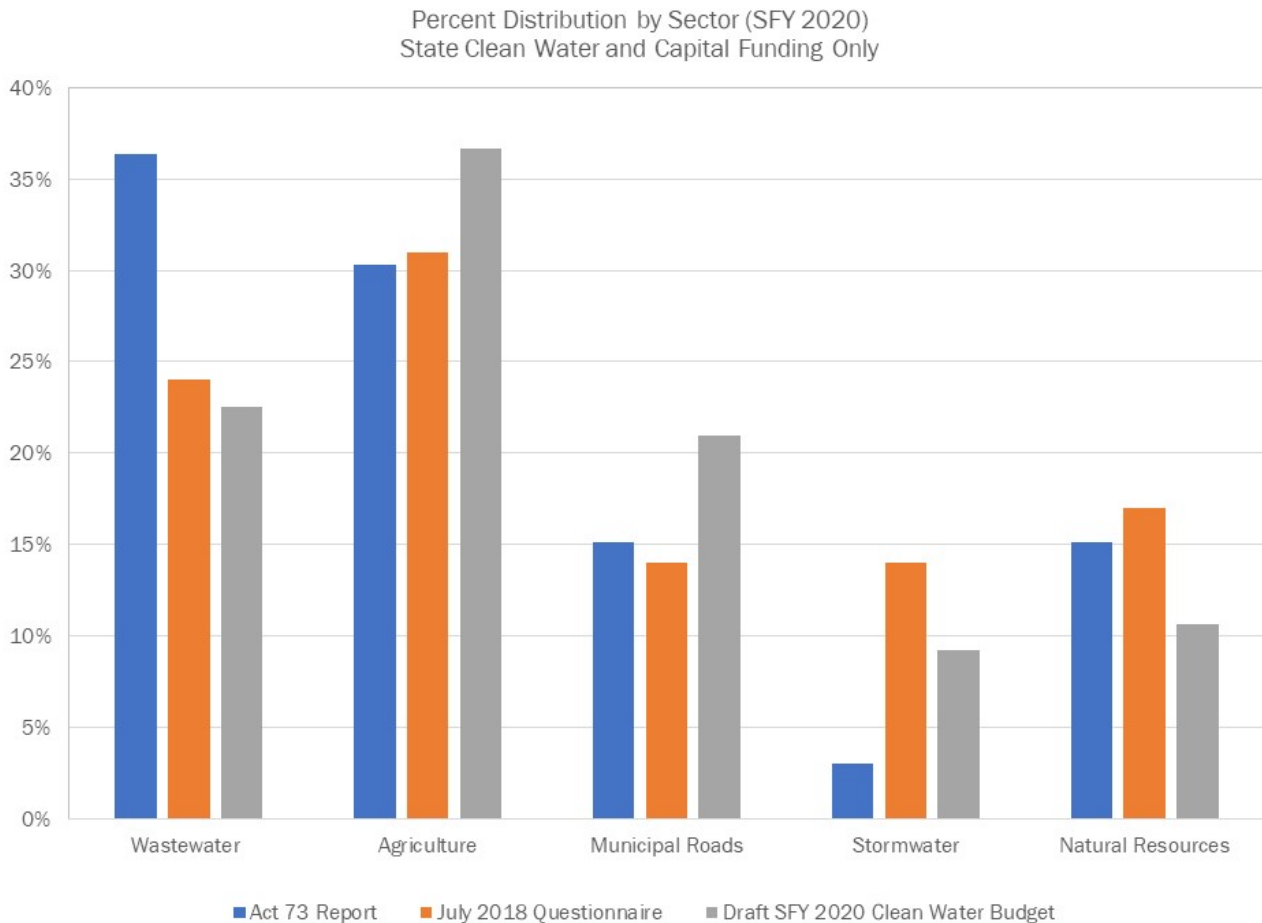
Below is a description of the land uses that impact clean water, how Clean Water Funds would be used, and the additional benefits of supporting clean water projects for that land use.

Land Use	Clean Water Project Objectives and Example Project Images	Additional Benefits
 AGRICULTURE	Addresses runoff and soil erosion from farm production areas and farm fields 	<ul style="list-style-type: none"> • Supports Clean Water Act compliance • More cost-effective • Leverages federal funds • Supports agricultural economy
 DEVELOPED LANDS	Addresses stormwater runoff from developed lands, such as parking lots, sidewalks, and rooftops 	<ul style="list-style-type: none"> • Supports Clean Water Act compliance • Increases flood resilience • May enhance aesthetic appeal
 NATURAL RESOURCES	Restores functions of “natural infrastructure”—river channels, floodplains, lakeshores, and wetlands 	<ul style="list-style-type: none"> • Supports Clean Water Act compliance • More cost-effective • Increases flood resilience • Improves habitat • Enhances recreation
 ROADS	Addresses stormwater runoff from roads 	<ul style="list-style-type: none"> • Supports Clean Water Act compliance • More cost-effective • Increases flood resilience • Leverages federal funds • Reduces future road maintenance costs
 WASTEWATER	Decreases nutrients (phosphorus and nitrogen) through enhanced wastewater treatment and addresses aging infrastructure 	<ul style="list-style-type: none"> • Protects public health and safety • Supports Clean Water Act compliance • Leverages federal funds



Percentage Distribution of State Funds by Land Use Sector

In November 2017, and in response to Act 73 (2017), the Agency of Natural Resources provided a report to the General Assembly that detailed minimum investment of clean water funding required for state fiscal years (SFY) 2020-2024 in order to meet Vermont's commitments. In the [July 2018 clean water fund questionnaire](#), stakeholders were asked to assign a percentage of funding to each of the land use types (or sectors) where clean water investments are needed. The [Act 73 report](#) and the [July 2018 stakeholder feedback](#) informed the development of the draft SFY 2020 clean water budget. The following bar chart compares the percent distribution of dollars by land use sector between the Act 73 report, results of the July 2018 questionnaire, and the draft SFY 2020 clean water budget:



1. Please indicate the extent to which the percent distribution of dollars by land use sector in the draft SFY 2020 clean water budget meets your expectations:

- Meets my expectations
- Somewhat meets my expectations
- Does not meet my expectations
- I do not know

2. If the draft SFY 2020 clean water budget does not meet or somewhat meets your expectations, please recommend adjustments to the percent distribution of dollars by land use sector in the draft SFY 2020 clean water budget. Your percentages must add up to 100.

Wastewater	<input type="text"/>
Agriculture	<input type="text"/>
Municipal Roads	<input type="text"/>
Stormwater	<input type="text"/>
Natural Resources	<input type="text"/>



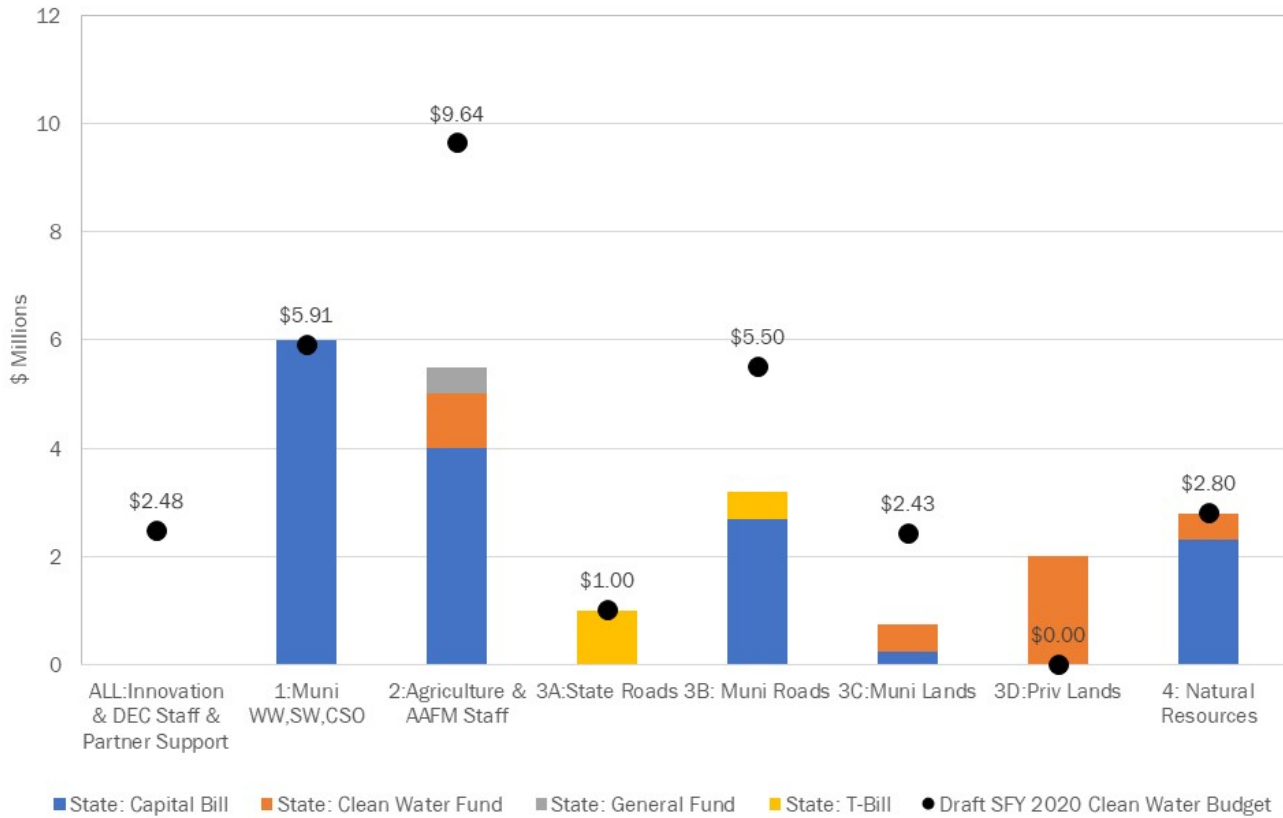
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Clean Water Fund State Fiscal Year 2020 Questionnaire (November 2018)

Dollar Distribution of State Funds by Sector

The black dots in the graph below shows the draft SFY 2020 clean water budget for the clean water fund and capital allocations compared to the proposal in the [Act 73 Report](#) (November 2017). Note that the Clean Water Board has authority to make recommendations for the clean water fund and capital bill only and the Act 73 Report did not include a stand-alone category for innovation, staff, and partner support across all land use sectors.

SFY 2020: Act 73 Compared to Draft SFY 2020 Clean Water Budget
 State Funds Only



3. Please indicate the extent to which the draft SFY 2020 clean water budget (black dots in the graph above) meets your expectations:

- Meets my expectations
- Somewhat meets my expectations
- Does not meet my expectations
- I do not know

4. If the draft SFY 2020 clean water budget does not meet or somewhat meets your expectations, please recommend how you would allocate \$13.25 million of clean water funds:

Innovation	<input type="text"/>
Wastewater	<input type="text"/>
Agriculture	<input type="text"/>
Municipal Roads	<input type="text"/>
Stormwater	<input type="text"/>
Natural Resources	<input type="text"/>

5. If the draft SFY 2020 clean water budget does not meet or somewhat meets your expectations, please recommend how you would allocate \$15 million of capital bill revenues:

Innovation	<input type="text"/>
Wastewater	<input type="text"/>
Agriculture	<input type="text"/>
Municipal Roads	<input type="text"/>
Stormwater	<input type="text"/>
Natural Resources	<input type="text"/>



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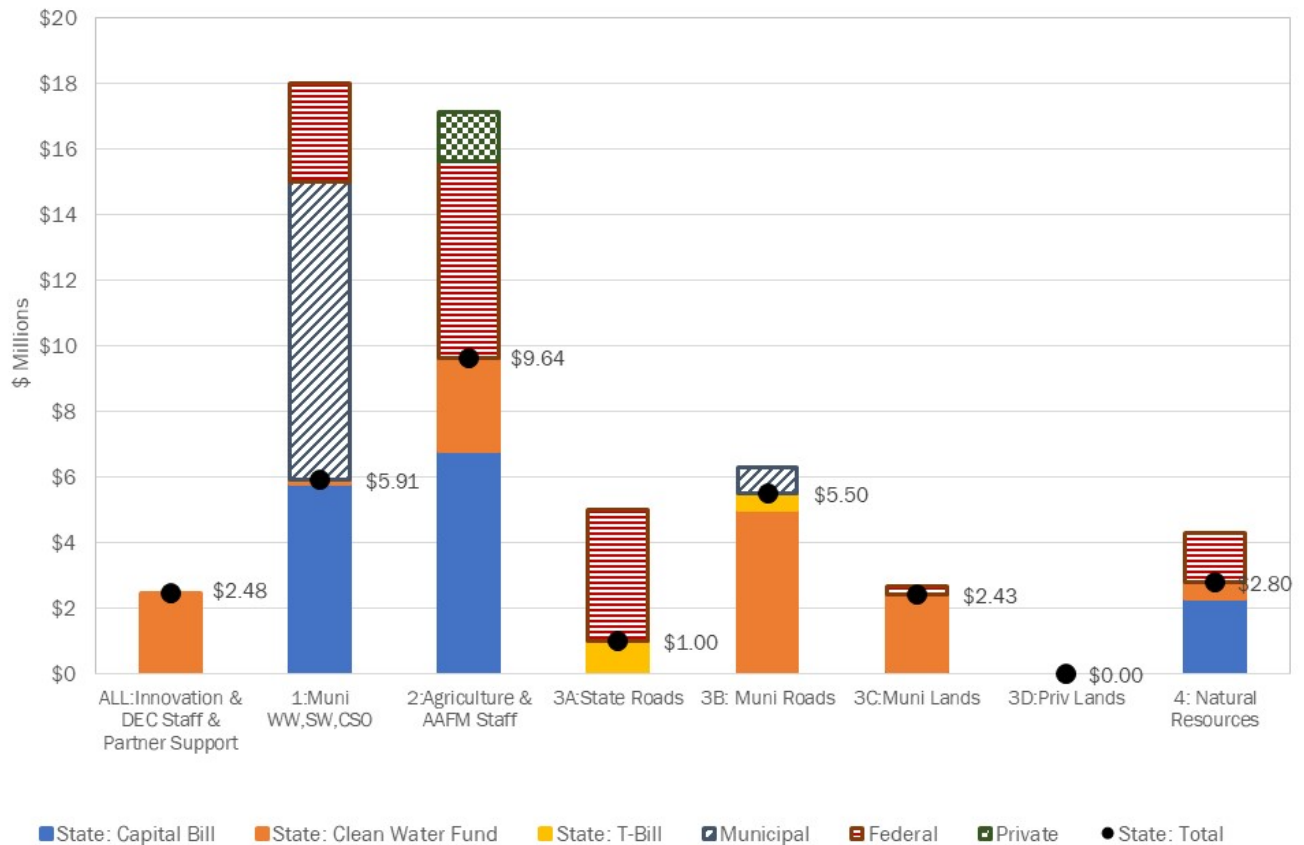
Clean Water Fund State Fiscal Year 2020 Questionnaire (November 2018)

Prioritization of Spending

At the October 31, 2018 meeting of the Clean Water Board, the Tax Department's Research Economist projected \$6 million of revenues in the clean water fund in state fiscal year 2020. The draft SFY 2020 clean water budget assumes that an additional \$7.25 million in funds will become available, for a total of \$13.25 million in clean water funds to allocate in SFY 2020. In addition, the Clean Water Board is anticipating that \$15 million in capital funds will be allocated to clean water projects in state fiscal year 2020.

The clean water fund and initial budgeting of capital bill revenues for clean water fall within the purview of the Clean Water Board. Additional state, federal, municipal and private sources of funding are anticipated to be available to support clean water work. The following graph shows the draft SFY 2020 state spending compared to all spending:

SFY2020: Draft SFY 2020 Clean Water Budget (Capital \$15M, Clean Water Fund \$13M)
 Compared to Other Potential Sources (State, Federal, Municipal, Private)



6. If \$7.25 million in additional state funds is not available for clean water work, please indicate where you would reduce state clean water funds, keeping in mind other sources of federal, municipal, and private funding may become available.

Innovation	<input type="text"/>
Wastewater	<input type="text"/>
Agriculture	<input type="text"/>
Municipal Roads	<input type="text"/>
Stormwater	<input type="text"/>
Natural Resources	<input type="text"/>

7. If \$7.25 million in additional state funds is not available for clean water work, please rank the areas you recommend reducing state clean water funds. Ranking 1-6: 1 = highest priority for reduction; 6 = lowest priority for reduction.

<input type="checkbox"/>	<input type="text"/>	Innovation
<input type="checkbox"/>	<input type="text"/>	Wastewater
<input type="checkbox"/>	<input type="text"/>	Agriculture
<input type="checkbox"/>	<input type="text"/>	Municipal Roads
<input type="checkbox"/>	<input type="text"/>	Stormwater
<input type="checkbox"/>	<input type="text"/>	Natural Resources



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Clean Water Fund State Fiscal Year 2020 Questionnaire (November 2018)

Additional Comments

8. Additional comments on the [draft SFY 2020 clean water budget](#):



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Clean Water Fund State Fiscal Year 2020 Questionnaire (November 2018)

Questionnaire Participants' Background Information

9. We are interested to know who is completing this questionnaire. Which groups do you belong to or identify with? Select all that apply.

- | | |
|--|--|
| <input type="checkbox"/> Agricultural Producer/Farmer | <input type="checkbox"/> Natural Resources Conservation District |
| <input type="checkbox"/> Business Owner | <input type="checkbox"/> Recreational User |
| <input type="checkbox"/> Educator | <input type="checkbox"/> Regional Planning Commission |
| <input type="checkbox"/> Forester/Logger | <input type="checkbox"/> State Legislator |
| <input type="checkbox"/> Homeowner/Property Owner | <input type="checkbox"/> Watershed Group or other Nongovernmental Organization |
| <input type="checkbox"/> Municipal Employee/Representative | |

10. Please enter your zip code to help us understand the statewide distribution of responses to this questionnaire:

ZIP/Postal Code

11. If you would like to be added to the Vermont Clean Water Initiative mailing list to be kept informed about the state's progress in clean water, please provide your complete contact information:

Name

Company

Address

Address 2

City/Town

State/Province

ZIP/Postal Code

Email Address

Phone Number

12. How did you hear about this questionnaire?

Media/News

Facebook

Email

Word of mouth

Blog

I do not know

Website