

## Vermont Clean Water Board Meeting Minutes

**Date/Time:** Tuesday, February 5, 2019, 2:00-4:00 pm

**Location:** Agency of Natural Resources, National Life Building, Winooski Room, 1 National Life Drive, Main 2, Montpelier, VT

---

### **Clean Water Board Members/Designees:**

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

Bob Flint, public member

Joe Flynn, Agency of Transportation (VTrans) Secretary

Jim Giffin, public member

Chris Louras, public member (absent)

Julie Moore, Agency of Natural Resources (ANR) Secretary

Ted Brady, Agency of Commerce and Community Development (ACCD) Deputy Secretary (filling in for Michael Schirling)

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

Chad Tyler, public member

### **Attendees:**

Caroline Alves, Dept. of Environmental  
Conservation (DEC)

Emily Bird, DEC

Diane Bothfeld, AAFM

Laura DiPietro, AAFM (on phone)

Rebecca Ellis, DEC

Doug Farnham, Dept. of Taxes

Erik Filkorn, Dept. of Buildings and General  
Services (on phone)

Peter Gregory, Two Rivers-Ottawaquechee  
Regional Commission

Jennifer Hollar, VHCB

Neil Kamman, DEC

Mike Middleman, AoA

Joanna Pallito, DEC (on phone)

Emily Peck, VTrans

Sue Scribner, VTrans

### **I. Review of Agenda, Approval of Minutes and Agenda**

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

- The Board will approve minutes at its next meeting

### **II. Governor's Final SFY 2020 Clean Water Budget**

*Agency of Natural Resources Secretary, Julie Moore and Deputy Commissioner Ellis*

- See supporting materials: *Final SFY 2020 Clean Water Budget Packet (January 24, 2019)*
- Changes from December 21, 2018 budget – Secretary Moore
  - Secretary Moore noted shift from Capital funds to Clean Water Fund that will allow more flexibility
  - Increased amount in Transportation Bill for clean water from Vermont's federal Surface Transportation Block Grant (STBG) from \$300,000 to \$1.4 million
- Five-year comparison, SFY 2016-2020 – Secretary Moore
  - Secretary Young noted the Debt Affordability Advisory Committee recommended decreasing the amount of debt Vermont goes to market for annually, which will decrease amount budgeted through the Capital Bill
- Secretary Young referenced the Act 73 Report as the basis for the SFY 2020 clean water budget

- Question raised by Chad Tyler about the nature of the “private funding” category shown on the stacked bar graph for agriculture; Secretary Moore explained this represents the anticipated farmer cost-share

### **III. Clean Water Fund Revenue Sources and Projected Revenue**

*Department of Taxes, Doug Farnham*

- See supporting materials: *Governor Scott 2019 Legislative Priorities White Papers – (a) Environmental Protection, Clean Water Fund and Capital Bill Appropriations FY20 and (b) Environmental Protection, Clean Water funding – Long Term Approach*
- Estate Tax, starting in SFY 2020
  - Relatively stable and well-regulated revenue source that fluctuates around a consistent center point, anticipated to raise \$3.5 million for clean water in SFY 2020
  - Question raised by Joe Flynn about the rationale for raising the threshold for this tax; Doug Farnham relayed it was to conform with the federal level and neighboring states
  - Noted the nexus of the revenue source with clean water, where revenue is supporting a good cause and attracting people to Vermont
- Property Transfer Tax, starting in SFY 2022
  - Property transfer tax proposed to provide revenue for clean water in addition to the property transfer tax surcharge in SFY 2020
  - Doug Farnham explained this tax is tied to the health of the economy but is generally stable and predictable
  - Question raised by Bob Flint on how the Legislature will fill the gap in the General Fund; Secretary Moore responded that the SFY 2020 budget is balanced

### **IV. Clean Water “Service Delivery”**

*Agency of Natural Resources Secretary, Julie Moore*

- See supporting materials: *Governor Scott 2019 Legislative Priorities White Papers – Environmental Protection, Strengthening Clean Water Project implementation and Improving Regulations*
- Question raised by Bob Flint on how the proposed regional districts would replace the current framework; Secretary Moore explained the goal is to build increased capacity for non-regulatory clean water projects, and not to replicate state government
- Question raised by Chad Tyler about how regional districts will be developed; Giffin added that costs to the state do not go away, but are transferred onto the local district and asked about the cost to stand-up new entities
- Secretary Moore responded the structure and scale of these new entities are under development; the closest current examples are the municipal stormwater utilities, but applying the model at a larger watershed-scale; there is a need to dedicate funding off the top for organizational support, which is already factored in the grants the state is providing to local groups

### **V. Vermont Clean Water Initiative 2018 Investment Report and Interagency Clean Water Projects Dashboard**

*Department of Environmental Conservation, Emily Bird*

- See supporting materials: *Vermont Clean Water Initiative 2018 Investment Report; Interagency Clean Water Projects Dashboard*

### **VI. Comments from the Public**

- Jennifer Hollar of VHCB complimented the extraordinary effort that went into the Interagency Clean Water Investment Report and Projects Dashboard; Jennifer noted a concern with the proposed redirection of property transfer tax revenue to clean water; it would likely impact other

statutory uses of the property transfer tax, including VHCB which would limit its ability to fund projects that protect and enhance water quality

- Chad Tyler asked if the new proposed funding streams will satisfy EPA's requirements for Vermont to fund Clean Water efforts; Secretary Moore said she is in an active discussion with EPA on this topic

**VII. Closing Remarks – Secretary Young**

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

- The Clean Water Board will meet in April 2019 to begin the SFY 2021 clean water budget process

**Adjourn (3:43 pm)**