

Friday, April 3, 2020

1:00-2:30 PM

CWSP Stakeholder Engagement Meeting Minutes

In Attendance

- Vermont DEC – Neil Kamman, Chris Rottler, Ethan Swift, Rachel Wood, Angie Allen, Danielle Owczarski, Ben Copans
- VAPDA/ RPCs – Charlie Baker, Dan Albrecht
- VACD/ NRCD – Gianna Petito, Holden Sparacino, Jill Arace
- WUV/ WRP – Mary Russ, Lyn Munno
- GMWEA – Amy Macrellis
- LCC/ Water Caucus – Jared Carpenter
- VHCB - Karen Freeman
- Clean Water Board – Jim Giffin
- CLF - Zach Porter
- Billy Coster

This meeting was completed remotely over skype due to COVID-19 and the need for social distancing.

Agenda

1. COVID-19 Updates
 2. Review of Minutes 3/20
 3. Delay CWSP RFP
 4. Funding Distribution
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COVID-19

- Neil welcomes everyone to the meeting and kicks off with updates on COVID-19 affecting DEC Finances
 - Revenue coming into state is significantly impacted
 - Clean Water fund is infused (bottle bill, property, rooms and meals tax)
 - Assume fourth quarter of SFY 20 infusions into clean water fund may be impacted
 - Looking at revenues now and working with agency of administration/tax
 - Honoring agreements for funds realized SFY 19 been execute and money in bank is able to move forward
 - Hold on SFY 20 that have not been executed to look at what is happening in Clean Water fund
 - Gray area: agreements executed, and fund not yet caught up
 - Checking how much money is in CW fund and how much is going out the door in executed agreements
 - What are some of the impacts across the state?
 - Recover and get back to somewhat normalcy by beginning/end of June possibly
 - Beginning of SF 21 will begin to turn up
 - We should see revenue start to return to normal but can't project quarter 1 revenue now
 - Work we are doing with AG will pay dividends
 - Want conversation with folks on how organizations are being impacted by COVID-19

- What are some of the other COVID-19 challenges hitting you that would keep you from doing business as usual?
- Holden: Expect project delay to increase and worry about construction projects/bidding into the summer
 - Delayed tree plantings
 - Districts that host tree sales in spring (substantial revenue 1-10% of revenue) are impacted by cancelled/postponed/changes tree sales
 - Future RFP/awards that recipients were notified but were not executed will start to open up funding gaps
- State trying to get Clean Water fund money out on street that they can but is predicated on verifying that funds are available to support agreements
 - Holden: understand need to check books
 - Concerns about certain agreements through future dollars that aren't accounted for
 - Need to communicate to partners about what funds are there and what won't be able to be funded as this impacts work plants
 - People applying for aid and information needed to portray full extent of financial hardship
 - Would it be helpful if the state provided specific language regarding potential review of awards in order for organizations that are going to be impacted to apply for aid?
 - Concern that some groups/organizations aren't getting communication/correspondence that agreements may be under review
 - Email sent out didn't have much on on-going awards and stoppage of some agreements
 - Ask that a double check occurs to ensure everyone is receiving updated information regarding agreements and those under review
- Secretary guidance to DEC: executed agreements for which revenue is realized can continue right now
 - Agreements out there but not sure if funds have been realized is a middle ground and ask for patience to figure out and look at funding coming into clean water fund, information from tax department
 - Hold back on anything non-essential
 - Agreements that are executed and funds realized should submit expenses
- Holden: Takeaway from DEC was that there is flexibility/understanding in regard to timelines on deliverables, with stoppage of amendments not clear if timelines are extended
 - Neil: first wave – people can't work so giving people extra time
 - Second wave – nobodies working, and revenue will be impacted, looking at what that means for dollars going to street vs what is coming in
- Lyn: WUV is waiting on unexecuted grant agreements
 - Without those grant agreements may not be able to move forward with work
 - Shortfall in income for organizations like WUV is potentially not manageable
 - Haven't received messages from state
 - Heard comments from Secretary Moore
 - Wonder about outstanding agreements that WUV is waiting for and was told would move forward.
 - Concern over now not being able to access these funds

- Launching into Act 76 stuff right now feels very challenging with this issue going on
- Neil: scenario from the other side: understand the severity of the issue at hand and working to create guidance and communication to stakeholders
- Charlie: as soon as we get answers the better, need to have real number to understand with is out there
 - Would it be helpful if each of us were to send communication about what we are worried about such as pre-award, costs incurred with reimbursement expected?
- Charlie: looking at pending grant agreements and looking forward to SFY 21 assume there is going to be a delay in knowing the budgets.
 - We are going to get to the other side of this crisis
 - Opportunity for state to think about priority of investments for FY 21
 - Shift thinking strategically into project development
 - Take advantage of any federal stimulus
- Charlie: Impact on RPCs is mixed, hear the decisions being made by DEC and want to act on facts
- Dan: design work currently ongoing for Clean Water block grant, is there some guidance on engineers who are working from home if they can still design?
 - Neil: DEC is not providing that interpretation, commerce and development must
 - SD Ireland shut down: severely impact construction
 - Refer to ACCD to make decisions on interpretation of no construction and field visit for engineers

Review of Minutes 3/20

- Add Zach Porter to attendee list

Delay CWSP RFP?

- Timeline: how fast we continue to pursue developing organization structure and curious about what people's perspectives are on this
- Jared: key factor in all this moving forward is a federal stimulus dollar to work on projects considering current conversation will there be money to stand up organizations?
 - Neil: Chris and I are working hard on figuring out payment structure and standing up CWSP
 - Need to get projections for the Clean Water fund first
 - Clean Water board prioritizations
 - Advocate to continue to prioritize the standing up the network
 - Prospectively at expense of projects moving towards development
- Mary: Until we know facts it would make me uncomfortable to prioritize CWSP over other obligations, can't say yes right now until we know the reality and impact on Clean Water Fund \
- Charlie: in regard to deadline for proposals, touched based with other folks who are considering apply
 - 1/5 thought it would be helpful to move time, rest were fine with May 8th deadline
 - All at home doing paperwork
- Jill: If changing scope of anticipated work for CWSP it is needed to be put into the RFP as an amendment, CWSP is stood up to handle formula grants and you are talking about emergency funds
 - Neil: didn't say that

- Charlie: I wasn't saying that
- Jill: need to have clear process
- Charlie: not a reality, the broader point on getting ready to invest federal funds was not specific to CWSP but in general for government to be ready
- Way RFP is written doesn't limit CWSP from applying for other money, they can apply for emergency funds once stood up and is the argument to keep moving forward with CWSP process to get organizations ready to do that
- Emergency funds can go through a formula grant
- Neil: rule needs to be adopted by November 2020, will COVID-19 cause us not to make that date?
 - When state adopts a rule, the effective date is not an adoption date
 - Mid-summer may have an idea of what the landscape will look like from effects of COVID-19
 - State intends to pursue formula grants to stand up Act 76
 - Try for May 9th timeline unless hear against it due to people being tied up with work responding to COVID-19. Would extend deadline if people have not bandwidth.
 - Concerns raised that not everyone will be in the same situation and may have been thinking of applying but now stepping back due to current situation
- Neil: should we defer the agenda and close meeting early or share some information on payment structure?
 - Several AG members stepped out of meeting to handle issues that have arisen from COVID-19
- Jared: reviewed content and contract stuff that was provided with the original agenda and don't think much of a conversation is needed since much of this can be used as boiler plate
 - Interest in funding distribution conversation
- Main approach: create procurement control structure that balances risk and flexibility
 - Example procurement: Ask CWSP to follow BID process as a much more simple and traditional procurement process
 - Need conversation on selecting and picking projects and is on agenda for May 1st
- Dan: RPC's following RFQ model, having that ability and ease under a master agreement and work order assigned, once BWQC signs off it makes it easy to go back out to bid
- Chris: what you described sounds like picking a project. Hiring an engineering firm is slightly different process
 - Projects and RFQ makes sense
- Dan: rename to project implementation
- Charlie: not unusual for watershed group or engineer to come with a project for implementation
 - Is it okay for an engineer to be attached to project?
- Chris: not how it works in SRF program, there is a process for picking an engineer
 - Engineer not always attached
- Amy: correct it is an RFQ, done at beginning of project
 - Issue task orders based on qualifications of those individual organizations you selected
 - Work under both models as an organizations as long as this CWSP model figures out a way to respect and leverage all models
 - Need more robust conversation on this topic
- Chris: site control, Kate Alderman in DEC about possibility of having maintenance easements
 - DEC prepare template document to share with CWSP and can fill out landowner information that flows with the land

- Maintenance obligations attached
- Cost/recording fee will be \$15 per page which is approx. \$45 plus half hour labor
- Different templates from different practices will be helpful to solve this problem
- Jared: Private property owner would be a barrier or standard practice? Will easements make them nervous?
 - Amy: Maintenance agreements and easements are two different things
 - Easements are a higher bar and may turn property owners off
 - Need to thread needle if easements are the way to go and make them palatable to property owners
 - Impacting bundle of rights on property owner, who monitors that easement, and what mechanisms are in place that what is intended goes forward
- Billy: not familiar with this document, familiar with conservation easements and Right Of Ways which are incredibly common
- Chris: see a tiered risk
 - protection on larger projects
 - sensitive to not putting up barriers but want to manage larger scale project risk and have some assurance
 - conversation for down the road

Funding Distribution

- Teaser on payment side of conversation: folks know that we heard what you said about financial headroom upfront and to not make the system overly complex and came up with idea
 - Mirror how the state receives money from the federal government
 - We have grants with the federal government, we are able to bill against these grants and draw down funds quarterly
 - This would provide some level of startup funds and structure to draw down quarterly
 - Don't want too much liquidity in system
 - As a quarterly disbursement if you didn't use all the money previously drawn down you won't be able to draw down as much the next time
 - Unlike current system it would change to regular payments you can count on with check-ins
 - Problems that arise will affect money flow
 - The idea is consistency and liquidity with details to be determined.
- Neil: leaving call to help people applying for aid (PPP)
- Jill: worked under that system before with EPA and it works well
- Chris: liquidity is important while managing risk