

The Vermont Clean Water Fund Board

Agenda

Date/Time: Thursday, April 27, 2017, 10:00am – 11:30am

Location: National Life Davis Building – The Catamount Room, N215

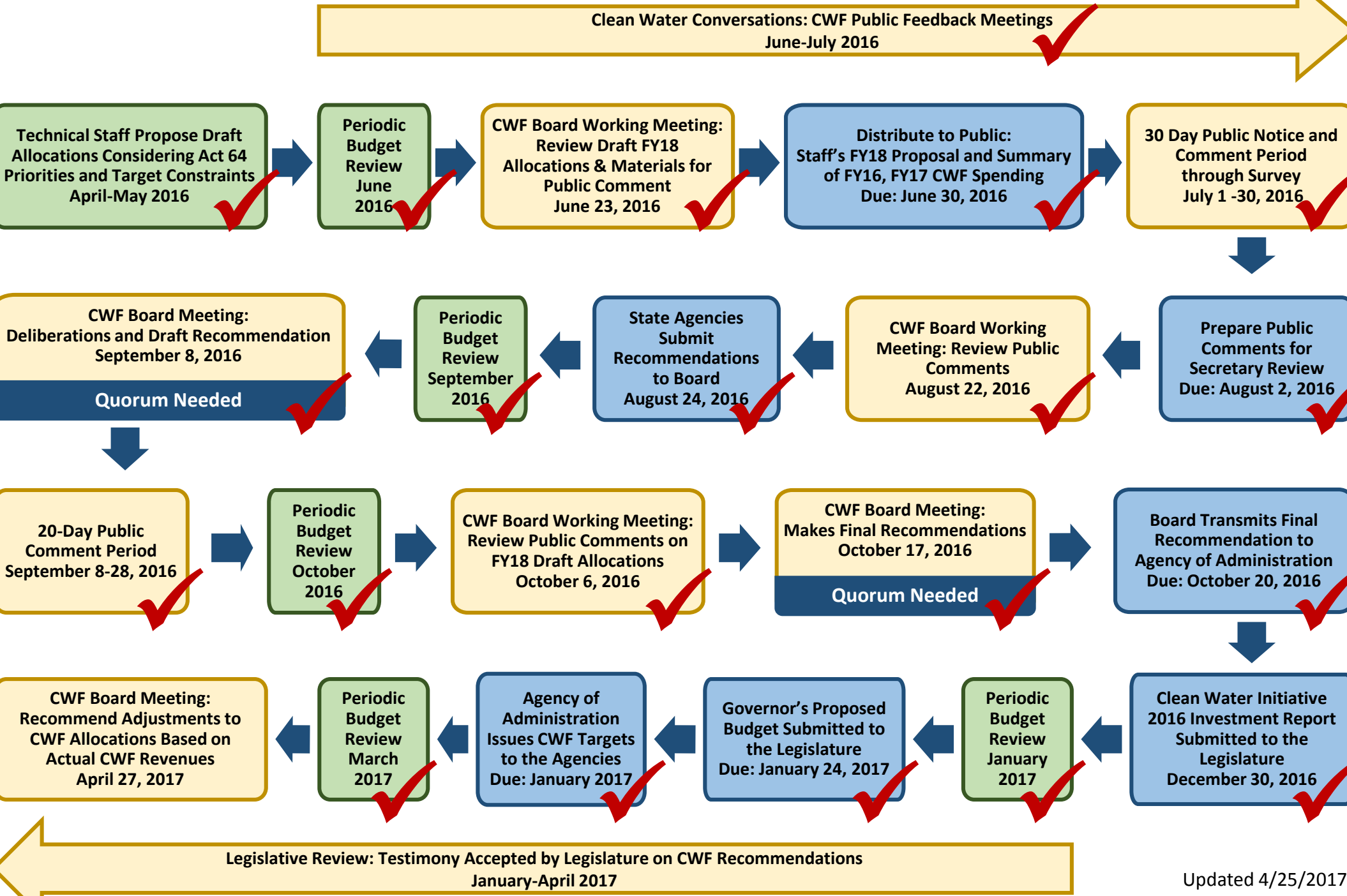
1. Welcome (5 minutes) 10:00-10:05am
Agency of Administration Secretary and Clean Water Fund Board Chair Susanne Young
2. Review of FY18 Clean Water Fund Budget Process (10 minutes) 10:05-10:15 am
Agency of Natural Resources Secretary Julie Moore
3. Update on Clean Water Fund Property Transfer Surcharge 10:15-10:25 am
Receipt Revenues (10 minutes)
Dept. of Taxes Research Economist Andrew Stein and
Agency of Administration Senior Budget and Management Analyst Sam Winship
4. Review of the FY18 Clean Water Fund Allocations and Discussion of 10:25-10:35 am
Any Adjustments, based on Receipts (10 minutes)
Clean Water Initiative Program Manager Kari Dolan
5. Discussion of Options for Managing any Unexpended FY17 funds, 10:35-10:45 am
(e.g., roll these funds into the agencies' FY18 grant and contract
programs) (10 minutes)
Agency of Administration Deputy Secretary Brad Ferland
6. Accountability: Tracking Agencies' Clean Water Spending (15 minutes) 10:45-11:00 am
Clean Water Initiative Program Nonpoint Source Coordinator Emily Bird
7. Legislative Update and Discussion pertaining to the 11:00-11:15 am
Clean Water Fund Budget, Board Membership, Role of the State Treasurer
and Reporting (15 minutes)
Rebecca Ellis, DEC Senior Counsel for Governmental Affairs
8. Comments from the Public (10 minutes) 11:15-11:25 am
Secretary Susanne Young
9. Next meeting (5 minutes) 11:25-11:30 am
Secretary Susanne Young
10. Adjourn 11:30 pm

Supporting materials:

- FY18 and FY19 Clean Water Fund Board Process
- FY2017 Clean Water Fund Revenue Summary and Forecast
- FY2018 Clean Water Fund Allocations
- FY2017 Clean Water Fund Unencumbered Funds, by Agency

Clean Water Fund (CWF) State Fiscal Year (SFY) 2018 Budget Process (April 2016 – April 2017)

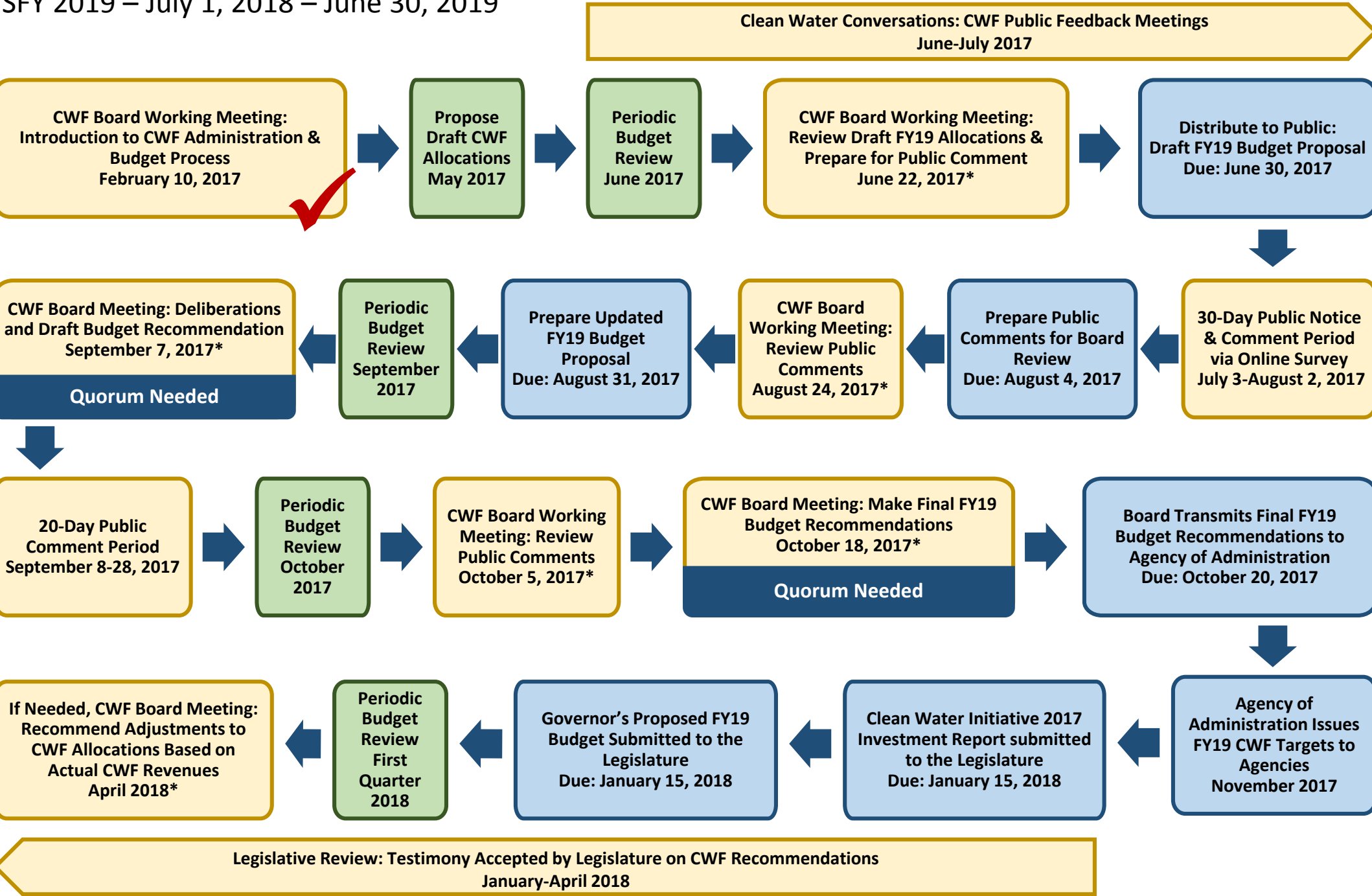
SFY 2018 – July 1, 2017 – June 30, 2018



Updated 4/25/2017

Clean Water Fund (CWF) State Fiscal Year (SFY) 2019 Budget Process (February 2017 – April 2018)

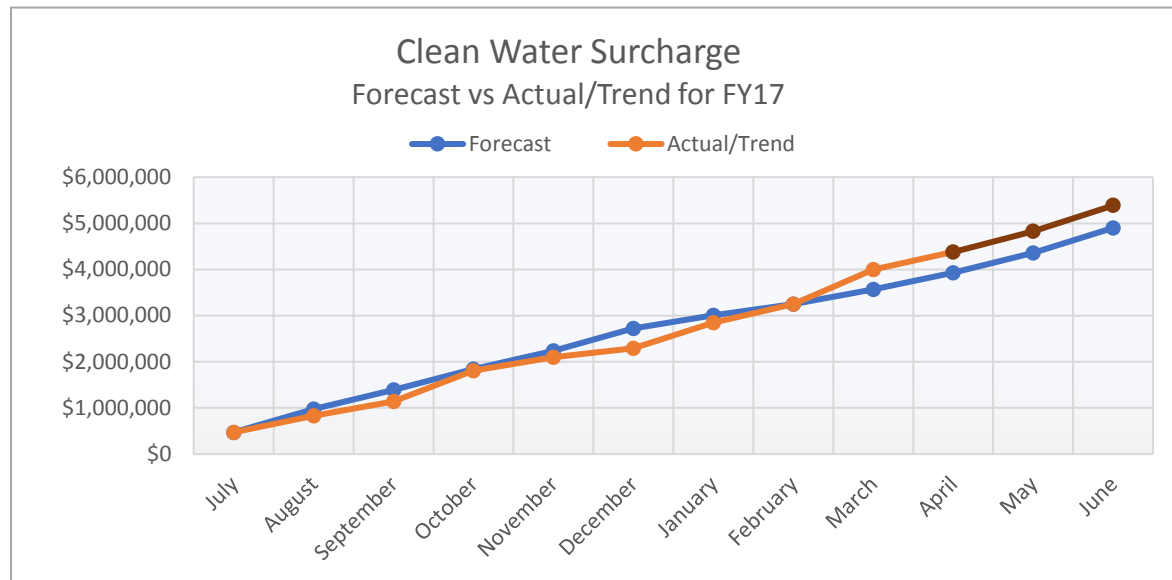
SFY 2019 – July 1, 2018 – June 30, 2019



- Clean Water Fund Budgetary Process
- Task of Interagency Finance and Reporting Committee
- Public & Legislative Process

Clean Water Surcharge FY17 Forecast, Actuals, and Trends

For FY17, the Clean Water Surcharge is tracking just below \$5.4M. This estimate is based on revenue from this year paired with historical trends. In the graph below, the forecasted amount is represented in blue, and the actual revenues are in orange. The estimates for the remainder of the fiscal year are in dark orange.



A month-by-month breakout of the numbers that informed the above graph is below. Estimates are highlighted in orange.

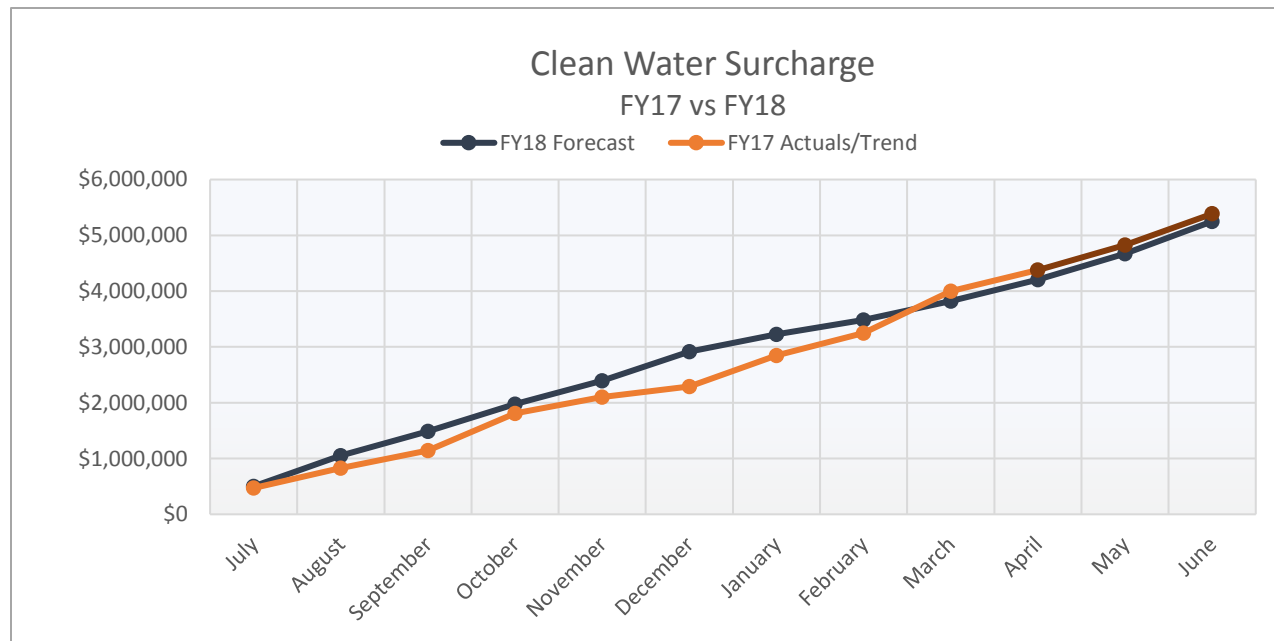
| Clean Water Surcharge: FY17 Monthly Forecast | | | | | | | | | | | | |
|--|---------|---------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| | July | Aug | Sept | Oct | Nov | Dec | Jan | Feb | March | April | May | June |
| Forecast Month | 471,438 | 506,796 | 410,661 | 456,291 | 392,142 | 486,471 | 285,268 | 242,100 | 315,227 | 361,665 | 432,803 | 539,138 |
| Actual/Trend Month | 471,438 | 359,016 | 313,732 | 666,484 | 289,733 | 190,121 | 559,596 | 397,508 | 753,814 | 375,360 | 449,192 | 559,553 |
| Cumulative Forecast | 471,438 | 978,235 | 1,388,896 | 1,845,187 | 2,237,329 | 2,723,800 | 3,009,068 | 3,251,168 | 3,566,394 | 3,928,060 | 4,360,862 | 4,900,000 |
| Cumulative Actual/Trend | 471,438 | 830,455 | 1,144,187 | 1,810,670 | 2,100,403 | 2,290,524 | 2,850,120 | 3,247,628 | 4,001,442 | 4,376,802 | 4,825,994 | 5,385,547 |

FY18 Forecast

For FY18, the Department of Taxes estimates that the Clean Water Surcharge will generate \$5.25M.

| Clean Water Surcharge: FY18 Monthly Forecast | | | | | | | | | | | | |
|--|---------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------------|
| | July | Aug | Sept | Oct | Nov | Dec | Jan | Feb | March | April | May | June |
| Forecast Month | 501,074 | 551,073 | 435,955 | 488,883 | 420,152 | 521,219 | 305,645 | 259,392 | 337,743 | 387,499 | 463,717 | 577,647 |
| Forecast Cumulative | 501,074 | 1,052,147 | 1,488,103 | 1,976,986 | 2,397,138 | 2,918,357 | 3,224,001 | 3,483,394 | 3,821,137 | 4,208,635 | 4,672,353 | 5,250,000 |

Total fiscal year revenues are expected to be less in FY18 because in FY17 the State experienced a one-time increase in revenues of roughly \$250K-\$350K from a processing adjustment.



VERMONT CLEAN WATER FUND SFY18 DISTRIBUTION PRIORITIES FOR FY18 DRAFT BUDGET

Purpose: As directed by Act 64 (2015) and modified by H.876 (2016), the Vermont Clean Water Fund Board is to develop an annual revenue estimate and propose a budget for the Clean Water Fund.

Implementation Policies: The Clean Water Fund provides additional state funds above current allocation levels to complement, enhance and leverage existing resources. The use of the Fund is to maximize opportunities for the restoration and protection of Vermont's water ways by prioritizing and targeting resources. To maximize the effectiveness of this Fund, the Fund should strengthen and complement existing state assistance programs (e.g., grant and loan pass-through programs), wherever feasible.

Contingency to Avoid Overruns: Ten percent of the annual Clean Water Funds are set aside as a contingency to avoid the risk of spending more funds than the amount available for that fiscal year.

Priorities: The Board shall make its recommendation based on the following priorities, as stated in Act 64 Sec. 37 (10 VSA §1389(e)) and further described in Table One:

- A. Address sources of water pollution in waters listed as impaired (33 U.S.C. §1313(d));
- B. Address sources of water pollution identified as significant contributors of water pollution;
- C. Restore riparian (lands adjacent to waterways) conditions to minimize the risk of flood damage;
- D. Support state and municipal compliance with road-related stormwater permit requirements;
- E. Provide education and outreach regarding the implementation of water quality requirements;
- F. Support Innovative or alternative technologies or practices to improve water quality;
- G. Purchase land in order to take land out of practice when State requirements cannot be remediated through Best Management Practices;
- H. Assist municipalities in the establishment and operation of stormwater utilities;
- I. Prioritize awards to municipalities for compliance with water quality requirements during the first three years of the Clean Water Fund; and,
- J. After satisfying the above priorities, attempt to provide for equitable apportionment of awards to all regions of the State and for control of all point and nonpoint pollution sources in the State.

Table 1: Summary of Clean Water Fund Priorities

| Priority | Description |
|---|---|
| A: Sources of water pollution in Impaired Waters | Restores surface water impairment through grants, contracts or loans, targeting sources of pollution that are contributing to the water quality impairment |
| B. Significant sources of water pollution | Promotes cost-effectiveness by targeting sources of pollution that are significant contributors to water quality degradation |
| C. Riparian buffer restoration | Purchases permanent conservation easements on lands adjacent to waterways (river corridors, wetlands, riparian areas) and establishes minimum of 50-foot buffers with native vegetation |
| D. Compliance with municipal and State road permits | Aids municipalities and the State in implementing stormwater control practices for compliance with the municipal roads general permit and the stormwater permit pertaining to state highways |
| E. Education, outreach | Provides technical and educational support to municipal officials and road crews, farmers, loggers, homeowners and others about sources of water pollution, cost-effective solutions to mitigate impacts and implementation support |
| F. Innovative technologies | Supports innovative technologies or practices to reduce water pollution from farms, municipalities' developed lands, logging areas and other sources |
| G. Land acquisition | Purchases land in order to take land out of practice when water quality remediation is not achievable through agricultural Best Management Practices |
| H. Municipal Stormwater Utilities | Provide assistance for municipalities in establishing and operating stormwater utilities |
| I. Municipal assistance | Aids municipalities in understanding critical sources of water pollution, and in identifying, planning and implementing priority water pollution controls |
| J. Geographic equity | Adds to this set of priorities some consideration of location in the distribution of funds to support regional equity |

Acronyms

AAFM: Vermont Agency of Agriculture, Food and Markets

ACAP: Vermont DEC's Agronomy and Conservation Assistance Program, a program that provides support to partners in the delivery of agronomic (soil and nutrient management) assistance to farmers

ACCD: Vermont Agency of Commerce and Community Development

ANR: Agency of Natural Resources

BMP: Best Management Practices, activities to address water quality impacts from land-based sources that are the result of precipitation-driven runoff and erosion.

CWF: State of Vermont Clean Water Fund

DEC: Vermont Department of Environmental Conservation, a department under ANR

FAP: Farm Agronomic Practices, a set of practices for farmers to employ to minimize losses of soil, nutrients and agricultural waste from runoff and erosion to enhance soil health

FED: Vermont DEC's Facilities Engineering Division

LCB: Lake Champlain Basin. Vermont's portion of the LCB represents approximately half the land mass of Vermont

LiDAR: Standing for "Light Detection And Ranging," is a state-of-the-art mapping technology that produces high resolution maps as baseline information to aid in identifying priority water quality needs. Other applications include flood and erosion hazard mapping, landslide hazard mapping and transportation project support

LCBP: Lake Champlain Basin Program

Stormwater Utilities: is a system adopted by a municipality or group of municipalities under 24 V.S.A. chapter 97, 101 or 105 for the management of stormwater runoff.

TMDL: Total Maximum Daily Load; a pollution budget that establishes the maximum amount of a pollutant a waterbody can receive from many different sources of that pollutant while still meeting water quality standards. Federal Water Pollution Control Act of 1972, 33 U.S.C. Section 1251 et seq., Section 303(d)

USDA: United States Department of Agriculture, which, as part of the federal Farm Bill, offers a number of conservation programs to protect water quality and improve soil health

VTrans: Vermont Transportation Agency

Table 2: Recommendations – Agency of Agriculture, Food and Markets

| # | Sector (Agency) | Funding Program | Activities | Other Funds | Priorities | | | | | | | | | | State FY18 |
|--------------------------|-----------------------|--|--|-------------------|------------|---|---|---|---|---|---|---|---|---|------------------------|
| | | | | | A | B | C | D | E | F | G | H | I | J | |
| 1 | Agriculture (AAFM) | On-Farm Implementation (Grants & Contracts) | Farm water quality capital improvements, matching USDA funds in Lake Champlain Basin (LCB) and supporting priority projects outside of the LCB; Farm agronomic practices (FAP) that exceed existing state and USDA funding resources | USDA ¹ | X | X | | | | | | | | X | \$400,000 |
| 2 | Agriculture (AAFM) | Grants & Contracts | Incentives for farmers to implement phosphorus reduction practices above regulatory requirements, including riparian and wetland restoration programs; Technology or other infrastructure that facilitates nutrient management development, data management and record keeping on farms; Creation of a Research Farm to study water quality runoff impacts from farm management systems and conservation practices; Alternative phosphorus reduction strategies (e.g., grassed-based farms, phosphorus separation strategies); Support for farm acquisition in order to overlay a conservation easement to establish agricultural practices that reduce phosphorus loading | USDA ¹ | X | X | | | | X | | | | | \$450,000 |
| 2b | Agriculture (AAFM) | Operating | Increased on farm oversight to enforce regulatory requirements, ensure all statewide investments on agricultural operations are on compliant farms, and meeting legal requirements for water quality | | X | X | | | | | | | | | \$375,000 ² |
| SUBTOTAL (FY18) = | | | | | | | | | | | | | | | \$1,225,000 |

1. Funds are complementary, supporting implementation of similar projects.

2. This draft adjustment to support AAFM Operating costs in FY18 is supported from an anticipated increase in FY17 Clean Water Fund revenues. See Sec.D.101(a)(2) of H.518.

Table 3: Recommendations – Agency of Natural Resources

| # | Sector (Agency) | Funding Program | Activities | Other Funds | Priorities | | | | | | | | | | State FY18 |
|--------------------------|-------------------|--|--|-------------|------------|---|---|---|---|---|---|---|---|---|------------------------|
| | | | | | A | B | C | D | E | F | G | H | I | J | |
| 3 | Agriculture (ANR) | Ecosystem Restoration Grants & Contracts | Support for the Agronomy and Conservation Assistance Program (ACAP) – contract to continue delivering agronomic (field-based) technical support to farmers in the Lake Champlain Basin | | X | X | X | | X | | | | | X | \$234,600 ³ |
| 4 | All Sectors (ANR) | Ecosystem Restoration Grants & Contracts | Partner support for project implementation (partners include a variety of organizations such as conservation districts, regional planning commissions, municipal organizations, extension services, watershed groups and alliances, farmer coalitions), involving delivery of technical and implementation services for projects that are identified and prioritized in Tactical Basin Plans | | X | X | X | | X | X | | | X | X | \$370,000 |
| 5 | All Sectors (ANR) | Ecosystem Restoration Grants & Contracts | Improved water quality monitoring, mapping and tracking to evaluate effectiveness of implementation, including the use of watershed associations and the LaRosa Partnership | | X | X | X | X | X | | | | X | X | \$300,000 |
| SUBTOTAL (FY18) = | | | | | | | | | | | | | | | \$904,600 |

3. DEC is currently managing this program in the Lake Champlain Basin using federal funds from the Lake Champlain Basin Program (LCBP). Since these funds will no longer be available to support this program, this allocation is necessary to transition the management of this program using state funds. DEC will manage these funds using a competitive process.

| # | Sector (Agency) | Funding Program | Activities | Other Funds | Priorities | | | | | | | | | | State FY18 |
|--------------------------|----------------------------------|---|--|-------------------------------|------------|---|---|---|---|---|---|---|---|---|------------------------|
| | | | | | A | B | C | D | E | F | G | H | I | J | |
| 6 | Municipal Stormwater (ANR) | Ecosystem Restoration Grants & Contracts | Municipal stormwater planning and implementation, with support from a partner ⁴ when requested, including: (a) project identification, prioritization and planning for implementation; (b) Planning assistance for municipalities pursuing stormwater utilities; and (c) Project implementation to mitigate impacts from stormwater runoff being generated from municipalities' developed areas | | X | X | | X | X | | | X | X | X | \$760,000 |
| 7 | Municipal Stormwater (ANR) | Ecosystem Restoration Grants & Contracts | Municipal Capital Equipment Assistance help purchase equipment that enhances local water quality-focused Best Management Practice implementation, such as hydroseeders | Local funds as match | X | X | | X | X | X | | X | X | X | \$100,000 |
| 8 | Natural Resources (ANR) | Ecosystem Restoration Grants & Contracts | Flood resilience/Water Quality and Forest Health Projects, targeting the restoration of wetlands, river corridors, floodplains and riparian areas as well as forest health projects. Projects will focus on: (a) improvements in resilience and water quality; (b) restoration of unstable stream channels to natural stability (equilibrium conditions); (c) portable skidder bridge rental program to reduce nonpoint source pollution associated with logging operations; (d) urban forestry water quality projects; and (e) trainings in compliance with logging practices that protect water quality | USDA ⁵ | X | X | X | | X | | X | | | X | \$225,400 |
| 9 | Wastewater Treatment (ANR) | Facilities Engineering Division | Municipal assistance in compliance with TMDLs, such as asset management – a process to determine how, where and when to make clean water infrastructure improvements | | X | X | | | | X | | | X | | \$100,000 ⁶ |
| SUBTOTAL (FY18) = | | | | | | | | | | | | | | | \$1,185,400 |

4. Refer to the "Activities" description in Allocation #4 for a list of potential partners.

5. As described in Footnote 1 above, the USDA funds are complementary, supporting implementation of similar projects.

6. DEC is able to support a second year of this program using federal funds (totaling \$190,000) from the Lake Champlain Basin Program (LCBP).

| Table 4: Recommendations – Agency of Commerce and Community Development | | | | | | | | | | | | | | | |
|---|--------------------------|---|---|----------------|------------|---|---|---|---|---|---|---|---|---|------------|
| # | Sector (Agency) | Funding Program | Activities | Other Funds | Priorities | | | | | | | | | | State FY18 |
| | | | | | A | B | C | D | E | F | G | H | I | J | |
| 10 | Technical Support (ACCD) | Vermont Center for Geographic Information | LiDAR Mapping of the State of Vermont, Next Phase, to support agriculture, stormwater, river, forest road mapping | Federal (USGS) | X | X | X | | X | X | | | | | \$460,000 |
| SUBTOTAL (FY18) = | | | | | | | | | | | | | | | \$460,000 |

| Table 5: Recommendations – Agency of Transportation | | | | | | | | | | | | | | | |
|---|--------------------------------|--|---|----------------------------|------------|---|---|---|---|---|---|---|---|---|---------------|
| # | Sector (Agency) | Funding Program | Activities | Other Funds | Priorities | | | | | | | | | | State FY18 |
| | | | | | A | B | C | D | E | F | G | H | I | J | |
| 11 | Municipal Roads (VTrans) | Municipal Mitigation Assistance Program | Inventory, prioritization and implementation to address municipal gravel and non-gravel road-related stormwater mitigation projects, in compliance with state road general permit, and including replacement of undersized culverts | Local funds as match | X | X | | X | X | X | | | X | X | \$1,025,000 |
| 12 | State Roads (VTrans) | Municipal Mitigation Assistance Program | Stormwater incentive payments to municipalities with stormwater utilities (\$25,000 per municipality with a stormwater utility) | Local funds as match | | X | | X | | X | | X | X | | \$75,000 |
| SUBTOTAL (FY18) = | | | | | | | | | | | | | | | \$1,100,000 |

| Table 6: Recommendations by Sector* | |
|---|----------------------|
| | State FY18 |
| Agriculture | \$1,459,600 |
| Municipal (roads and stormwater management) | \$1,960,000 |
| Municipal Wastewater | \$100,000 |
| Natural Resources | \$225,400 |
| All Sectors – LiDAR Mapping | \$460,000 |
| All Sectors Support | \$670,000 |
| 10% Contingency Reserve* | \$500,000 |
| TOTAL | \$5,375,000** |

| Table 7: Recommendations by Administering Agency* | |
|---|----------------------|
| | State FY18 |
| Agency of Agriculture | \$1,225,000 |
| Agency of Natural Resources | \$2,090,000 |
| Agency of Commerce and Community Development | \$460,000 |
| Agency of Transportation | \$1,100,000 |
| 10% Contingency Reserve* | \$500,000 |
| TOTAL | \$5,375,000** |

* As mentioned on page one, ten percent of the annual Clean Water Funds are set aside as a contingency to avoid the risk of spending more funds than are available in the fiscal year.

** See Footnote #2 above.

Clean Water Fund: Unspent Funds Report, State Fiscal Years 2016 and 2017

April 25, 2017

This report summarizes the unspent Clean Water Funds by State Agency and Category of Project Type, as of April 2017. For more information about the Clean Water Fund, please refer to the Clean Water Fund website: <http://dec.vermont.gov/watershed/cwi/cwf>.

| Agency of Agriculture, Food and Markets | | | | | | | |
|---|--------------------|---|---|------------|------------------------------|-------------|------------------------------|
| Category # | Sector (Agency) | Funding Program | Activities | State FY16 | Remaining Unspent FY16 Funds | State FY17 | Remaining Unspent FY17 Funds |
| 1 | Agriculture (AAFM) | On-Farm Implementation (Grants & Contracts) | Farm water quality capital improvements, matching USDA funds in Lake Champlain Basin (LCB) and supporting priority projects outside of the LCB; Farm agronomic practices (FAP) that exceed existing state and USDA funding resources | -- | -- | \$600,000 | \$600,000 |
| 2 | Agriculture (AAFM) | Grants & Contracts | Incentives for farmers to implement phosphorus reduction practices above regulatory requirements; Technology or other infrastructure that facilitates nutrient management development, data management and record keeping on farms; Creation of a Research Farm to study water quality runoff impacts from farm management systems and conservation practices; Alternative phosphorus reduction strategies (e.g., grassed-based farms, phosphorus separation strategies); Support for farm acquisition in order to overlay a conservation easement to establish agricultural practices that reduce phosphorus loading | \$225,000 | \$0 | \$893,000 | \$0 |
| 3 | Agriculture (AAFM) | Operating | Increased on farm oversight to enforce regulatory requirements, ensure all statewide investments on agricultural operations are on compliant farms, and meeting legal requirements for water quality | \$450,000 | \$0 | \$450,000 | \$0 |
| SUBTOTAL | | | | \$675,000 | \$0 | \$1,943,000 | \$600,000 |

Clean Water Fund: Unspent Funds Report, State Fiscal Years 2016 and 2017

April 25, 2017

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| Agency of Natural Resources | | | | | | | |
|-----------------------------|----------------------------|--|---|------------|------------------------------|------------------------|------------------------------|
| Category # | Sector (Agency) | Funding Program | Activities | State FY16 | Remaining Unspent FY16 Funds | State FY17 | Remaining Unspent FY17 Funds |
| 4 | All Sectors (ANR) | DEC Ecosystem Restoration Grants & Contracts | Partner support for project implementation (partners include conservation districts, extension services, watershed groups, farmer coalitions), involving delivery of technical and implementation services for agricultural and municipal projects that are identified and prioritized in Tactical Basin Plans | \$100,000 | \$0 | \$885,000 | \$0 |
| 5 | All Sectors (ANR) | DEC Ecosystem Restoration Grants & Contracts | Improved water quality monitoring to track effectiveness of implementation using watershed associations and the LaRosa Partnership | -- | -- | \$200,000 | \$12,753 |
| 6-9 | Municipal Stormwater (ANR) | DEC Ecosystem Restoration Grants & Contracts | Municipal stormwater planning and implementation, including (a) project identification, prioritization and planning for implementation; (b) planning assistance for municipalities pursuing stormwater utilities; (c) project implementation; and (d) capital equipment assistance to enhance local water quality-focuses best management practice implementation | \$800,000 | \$0 | \$1,735,000 | \$0 |
| 10 | Natural Resources (ANR) | DEC Ecosystem Restoration Grants & Contracts | Flood resilience/Water Quality and Forest Health Projects, targeting the restoration of wetlands, river corridors, floodplains and riparian areas as well as forest health projects | -- | -- | \$1,150,000 | \$13,625 |
| 11 | Wastewater Treatment (ANR) | FED State Revolving Fund Loan Program | Help leverage additional federal funds to provide some municipal assistance in compliance with TMDLs | -- | -- | \$310,000 ⁶ | \$0 |
| SUBTOTAL | | | | \$900,000 | \$0 | \$4,280,000 | \$26,378 |

Clean Water Fund: Unspent Funds Report, State Fiscal Years 2016 and 2017

April 25, 2017

This report summarizes the unspent Clean Water Funds by State Agency and Category of Project Type, as of April 2017. For more information about the Clean Water Fund, please refer to the Clean Water Fund website: <http://dec.vermont.gov/watershed/cwi/cwf>.

| Agency of Commerce and Community Development | | | | | | | |
|--|--------------------------|---|---|------------|------------------------------|------------|------------------------------|
| Category # | Sector (Agency) | Funding Program | Activities | State FY16 | Remaining Unspent FY16 Funds | State FY17 | Remaining Unspent FY17 Funds |
| 12 | Technical Support (ACCD) | Vermont Center for Geographic Information | LiDAR Mapping of the State of Vermont, Next Phase, to support agriculture, stormwater, river, forest road mapping | \$430,000 | \$70,510 | -- | -- |
| SUBTOTAL | | | | \$430,000 | \$70,510 ¹ | -- | -- |

¹ ACCD proposes to carry forward remaining funds for the next phase of base map support.

| Agency of Transportation | | | | | | | |
|--------------------------|--------------------------|------------------------------------|--|------------|------------------------------|-------------|------------------------------|
| Category # | Sector (Agency) | Funding Program | Activities | State FY16 | Remaining Unspent FY16 Funds | State FY17 | Remaining Unspent FY17 Funds |
| 13 | Municipal Roads (VTrans) | Municipal Mitigation Grant Program | Inventory, prioritization and implementation to address municipal gravel road-related stormwater mitigation projects, in compliance with state road general permit | -- | -- | \$570,000 | -- |
| 14 | Municipal Roads (VTrans) | Municipal Mitigation Grant Program | Inventory, prioritization and implementation to address municipalities' non-gravel road-related stormwater mitigation projects, in compliance with state road general permit, and including replacement of undersized culverts | -- | -- | \$895,000 | -- |
| SUBTOTAL | | | | -- | -- | \$1,465,000 | \$66,098 ² |

² VTrans issued 91 grants. As of April 2017, \$66,098 remain due to lower than anticipated construction costs.

Clean Water Fund: Unspent Funds Report, State Fiscal Years 2016 and 2017

April 25, 2017

This report summarizes the unspent Clean Water Funds by State Agency and Category of Project Type, as of April 2017. For more information about the Clean Water Fund, please refer to the Clean Water Fund website: <http://dec.vermont.gov/watershed/cwi/cwf>.

| Total Unexpended Funds | | | | |
|--|--------------------|------------------------------|--------------------|------------------------------|
| State Agency | State FY16 | Remaining Unspent FY16 Funds | State FY17 | Remaining Unspent FY17 Funds |
| Agency of Agriculture, Food & Markets | \$675,000 | \$0 | \$1,943,000 | \$600,000 |
| Agency of Natural Resources | \$900,000 | \$0 | \$4,280,000 | \$26,378 |
| Agency of Commerce & Community Development | \$430,000 | \$70,510 | -- | \$0 |
| Agency of Transportation | -- | \$0 | \$1,465,000 | \$66,098 |
| TOTAL Unexpended Funds: | \$2,005,000 | \$70,510 | \$7,688,000 | \$692,476 |

Accountability: Tracking Agencies' Clean Water Spending

April 27, 2017

Emily Bird, Clean Water Initiative Program
Vermont Department of Environmental Conservation



VERMONT CLEAN WATER INITIATIVE 2016 INVESTMENT REPORT



Agency of Administration
Agency of Agriculture, Food and Markets
Agency of Commerce and Community Development
Agency of Natural Resources
Agency of Transportation

<http://dec.vermont.gov/watershed/cwi/cwf#report>

Vermont Clean Water Initiative

Annual Investment Report



Social measures on the level of clean water outreach and technical assistance provided by CWI partner agencies to support implementation of clean water restoration projects;



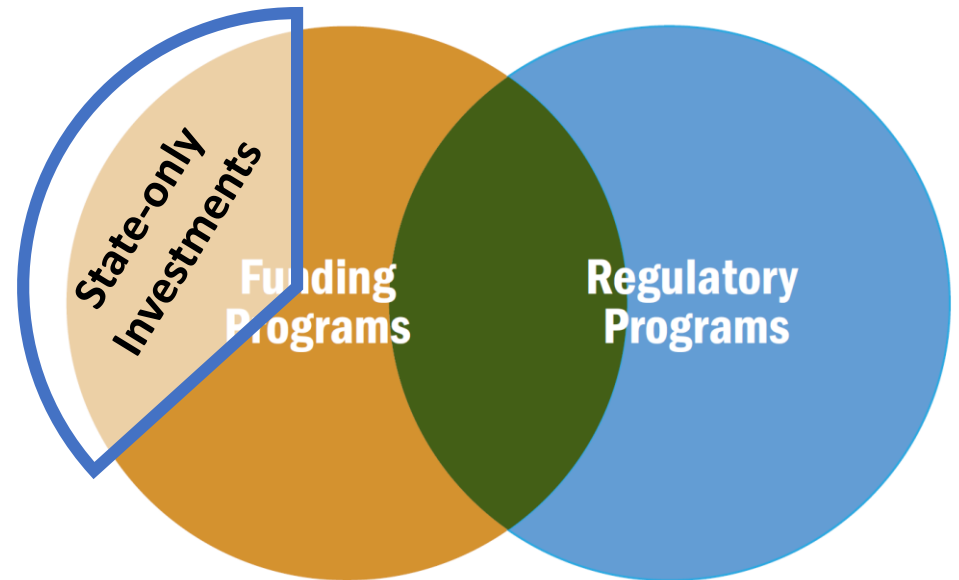
Investment measures on dollars invested in clean water restoration projects, addressing planning, design, and implementation of water quality improvement practices;



Measures of **project outputs**, quantifying the results of clean water restoration projects completed by project type; and

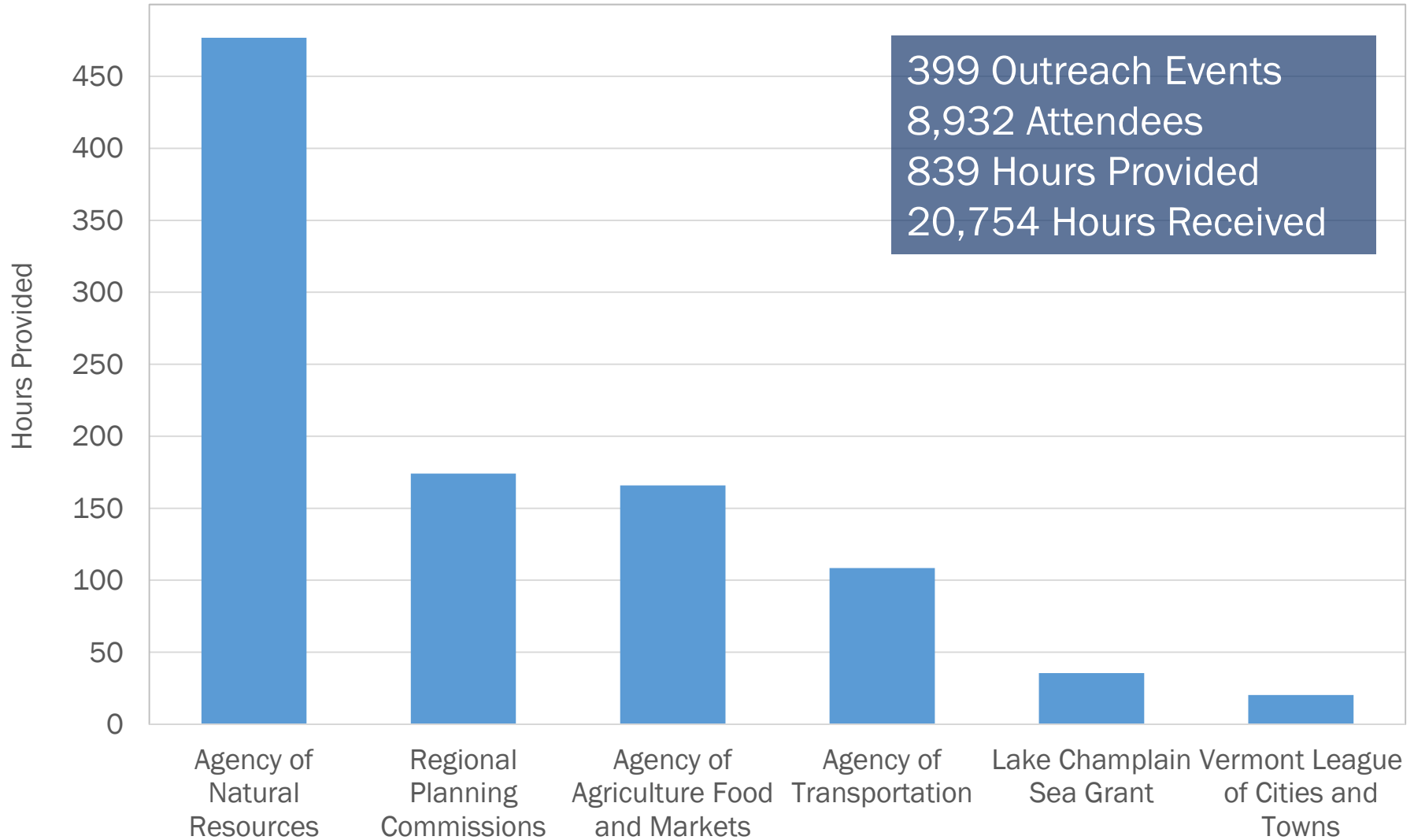


Measures of **environmental outcomes**, quantifying nutrient reductions achieved through State-funded clean water restoration projects.



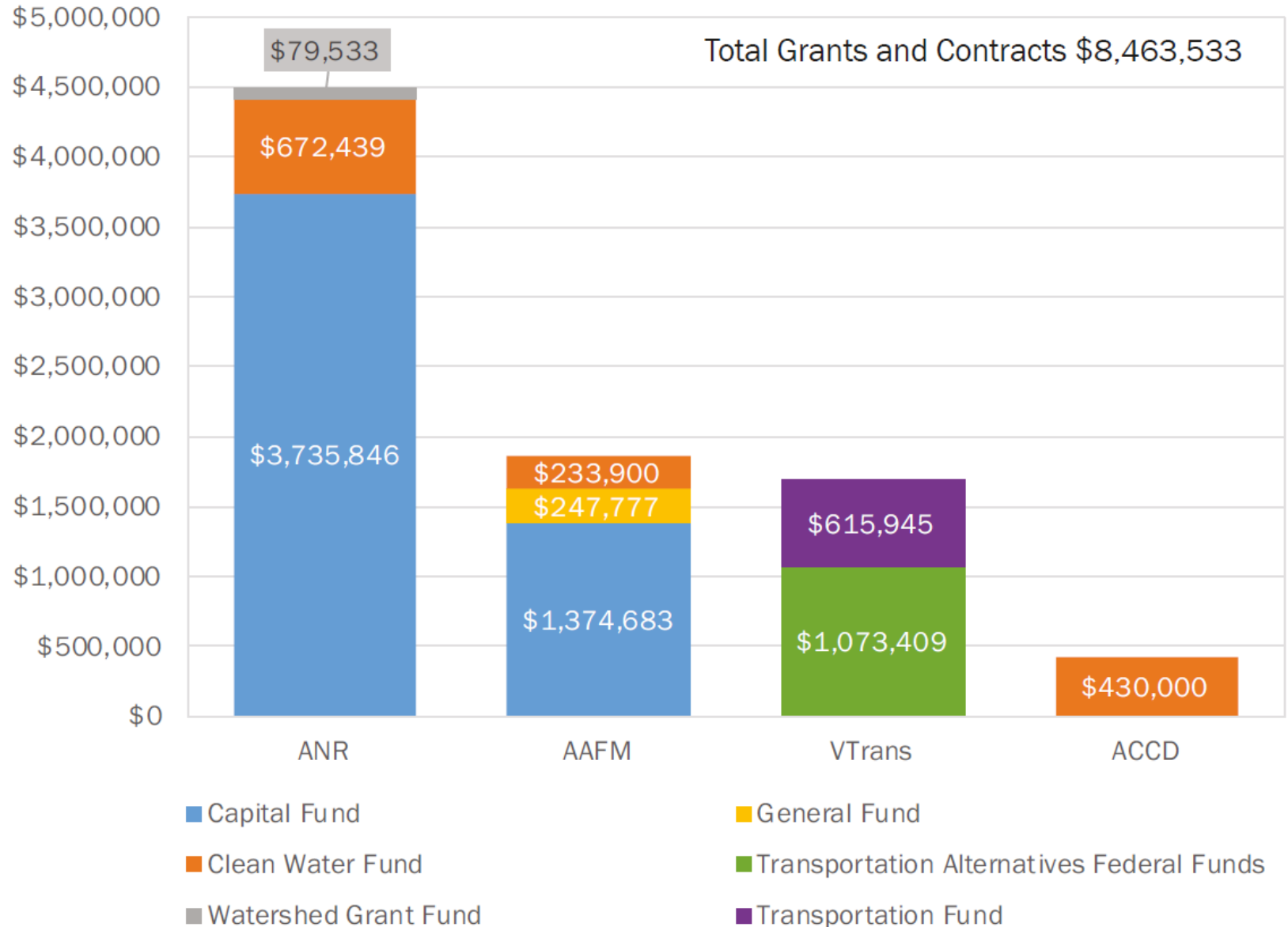


Outreach by Agency





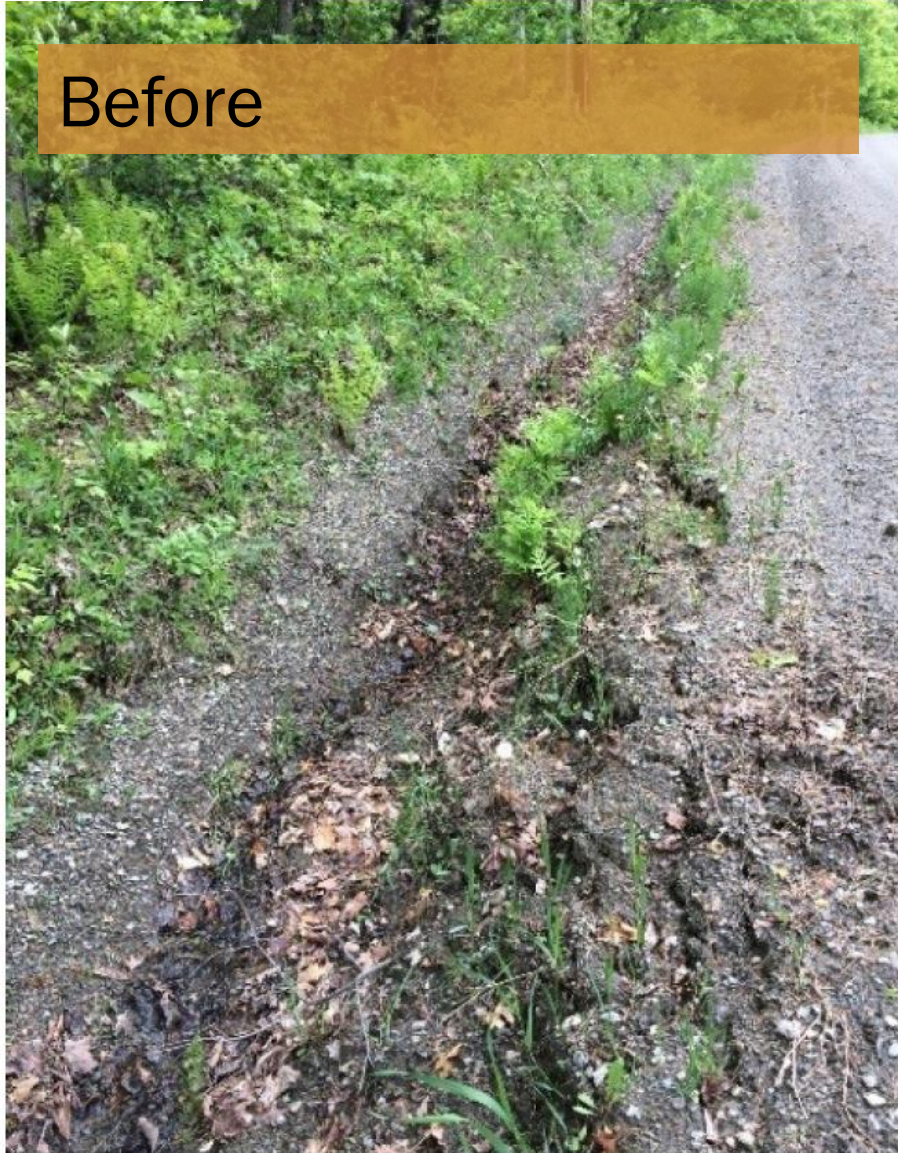
Investments by Agency and Fund



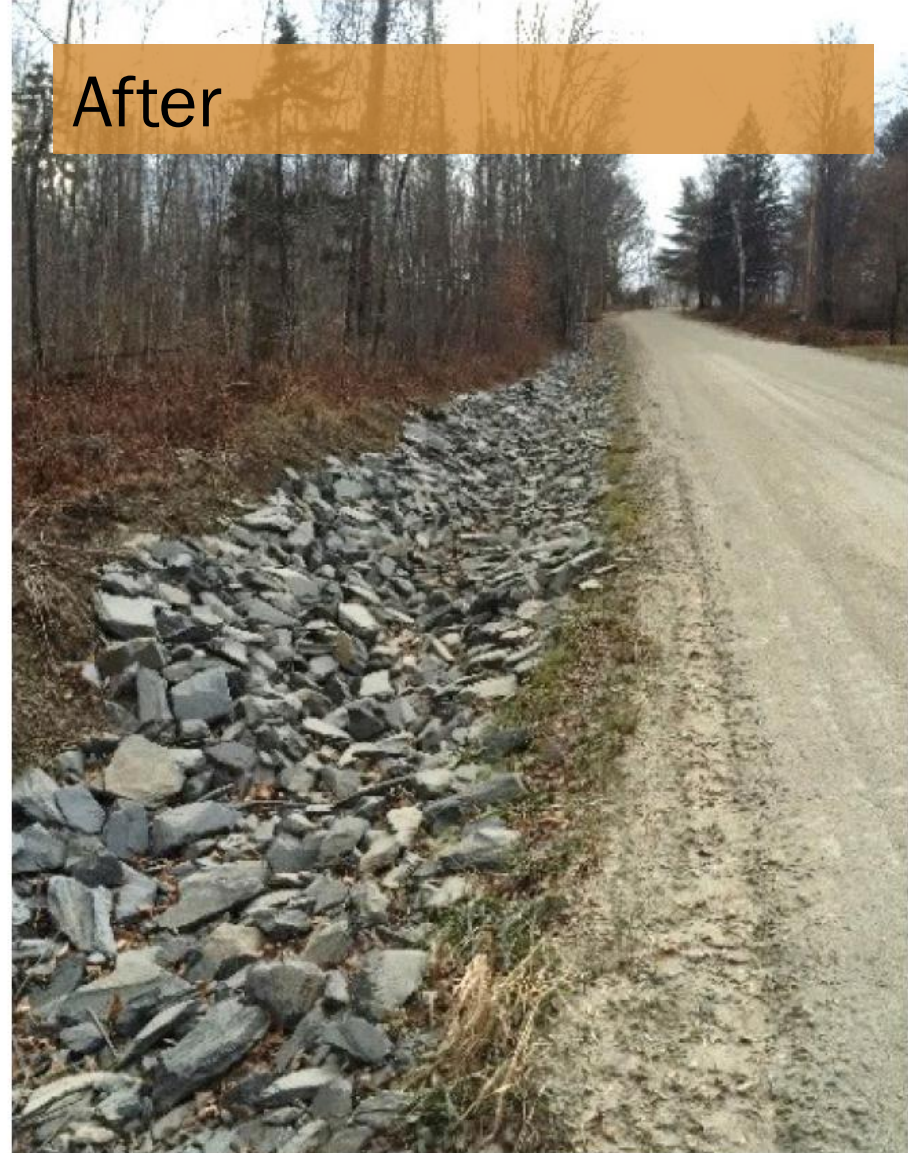


Road Erosion Control Project Outputs

Before



After





Project Environmental Outcomes: Tracking & Accounting TMDL Implementation

1

Phosphorus TMDLs
for Vermont
Segments of Lake
Champlain

2

Lake
Memphremagog
Phosphorus
TMDL

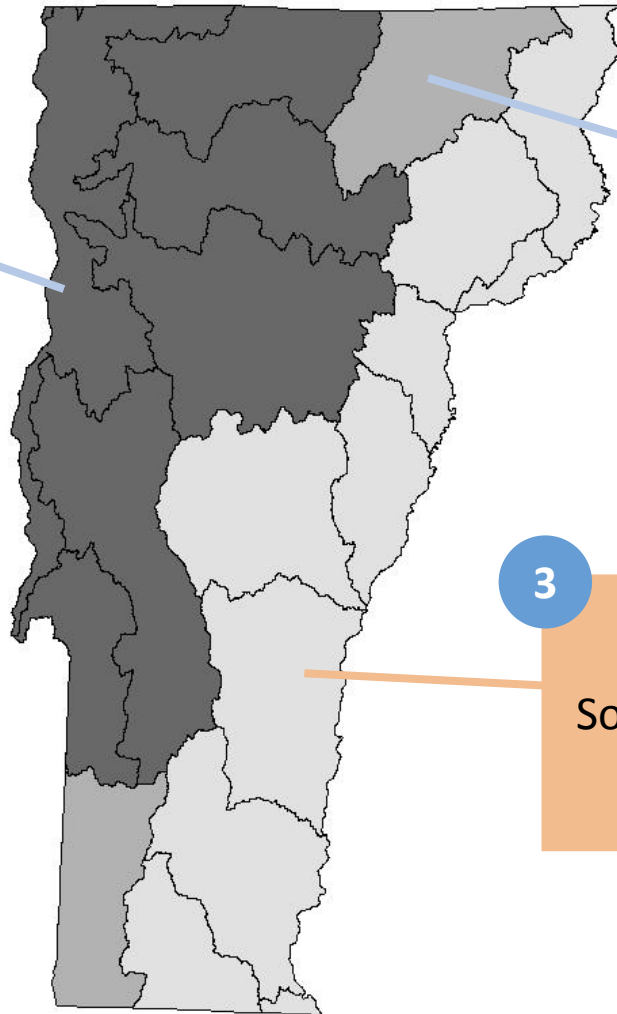
3

Long Island
Sound **Nitrogen**
TMDL

Nutrient Pollutant of Concern:

■ Phosphorus

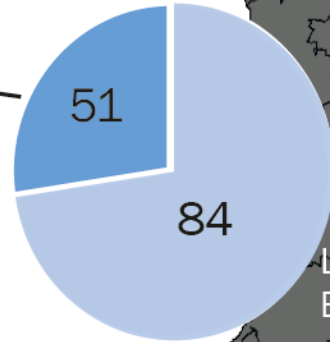
■ Nitrogen





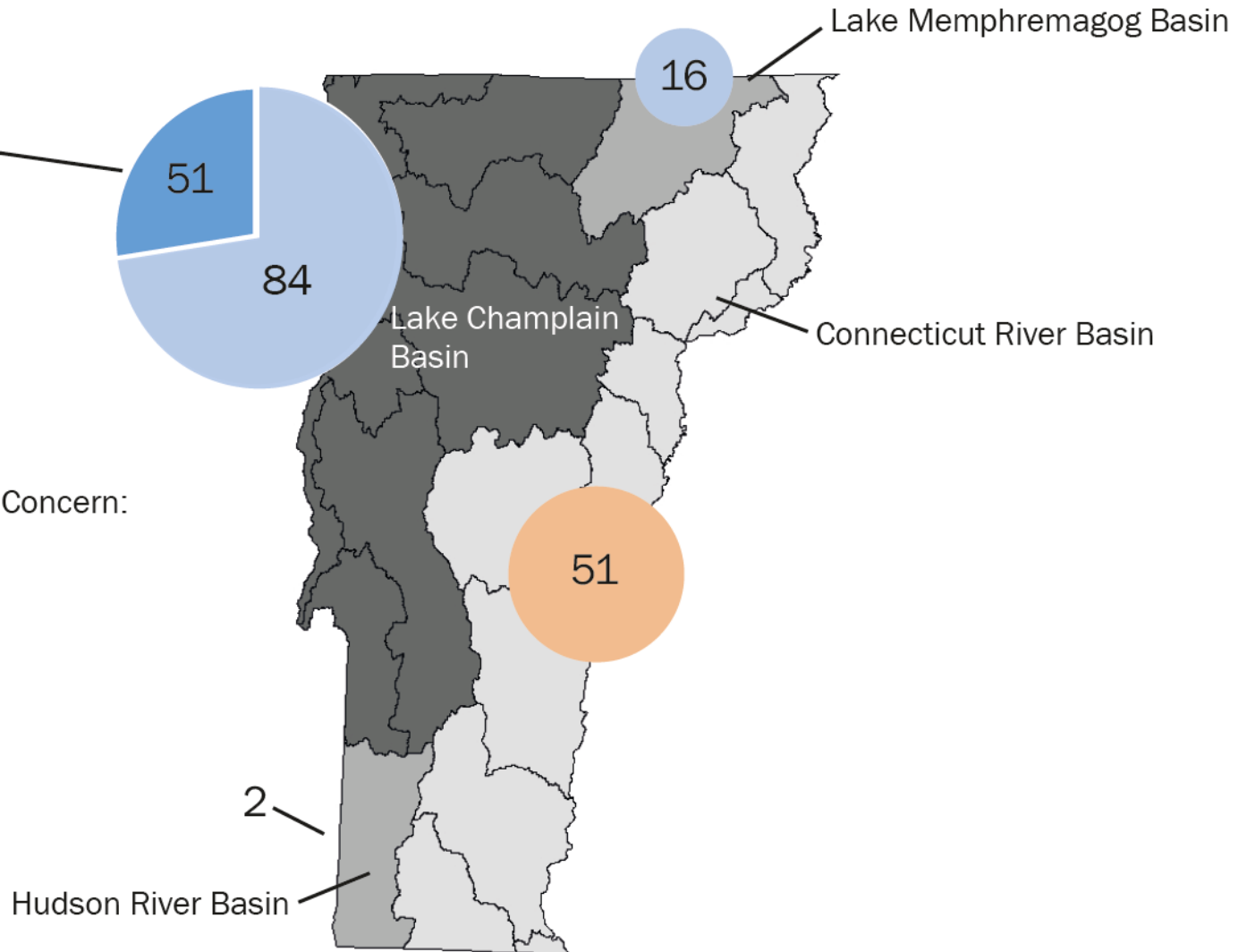
Project Environmental Outcomes: Tracking & Accounting TMDL Implementation

Pollutant reductions were measured for 51 projects in 2016 (25 percent of projects completed)



Nutrient Pollutant of Concern:

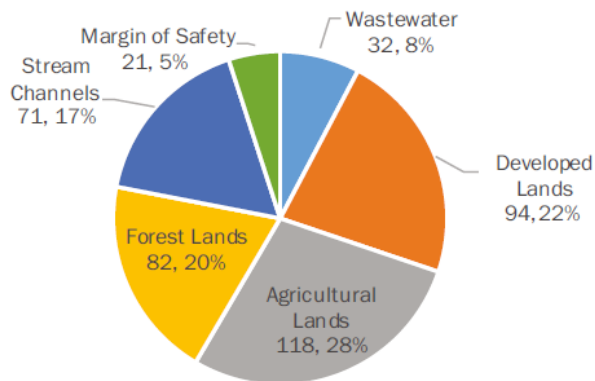
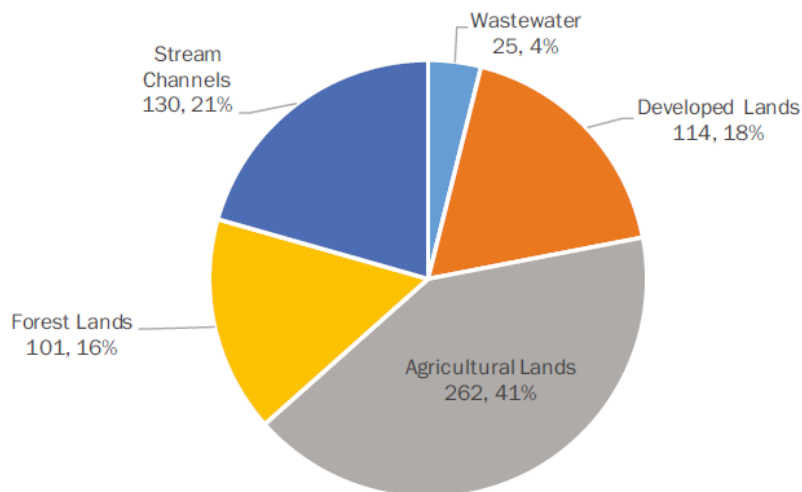
- Phosphorus
- Nitrogen





Project Environmental Outcomes: Tracking & Accounting TMDL Implementation

Total Base Load = 631 metric tons



Target Load = 418 metric tons

Table 8. Estimated phosphorus load reductions, in kilograms per year, achieved by State-funded projects in 2016 (represents 25 percent of projects implemented)

| Sector | Work Completed | Estimated Phosphorus Reduction |
|-------------------------|---------------------------|--------------------------------|
| Wastewater | 1 WWTF Upgrade | 776.0 |
| Developed Lands | 2 Stormwater Practices | 0.3 |
| Agricultural Lands | 45 Agricultural Practices | 910.3 |
| Stream Channels | 18 Buffers Restored | 73.6 |
| Basin-Wide Total | | 1,760.2 |



Tracking & Accounting TMDL Implementation: DEC Tracking System Database

- Tactical Basin Plan Implementation Tables
- Work completed through funding and regulatory programs

Ag Partners
Database
(HUC12)

VTrans
Project
Database

Projects

| | | | | | |
|--------------|----------------------|--------|----------------------|--------------|----------------------|
| Name | <input type="text"/> | Status | <input type="text"/> | Grant Number | <input type="text"/> |
| Project Type | <input type="text"/> | County | <input type="text"/> | Project ID | <input type="text"/> |
| Basin Plan | <input type="text"/> | Town | <input type="text"/> | | |
| Grade Type | <input type="text"/> | Grade | <input type="text"/> | | |

Search

Clear

Add

To Report

| | | ID | Project Name | Project Type | Status | Grant Number(s) |
|------|------|------|--|-----------------------------------|-----------------------|-----------------|
| Edit | View | 89 | Better Back Roads projects | Road Project | Implementation Funded | MOA-2015-ERP-01 |
| Edit | View | 155 | Upper Winooski River Illicit Discharge Detection and Elimination - Follow-up Investigation | Stormwater - IDDE | Scoping Funded | Contract-31083 |
| Edit | View | 154 | Crooked Creek Gully Restoration | Agricultural Pollution Prevention | Implementation Funded | Contract-31018 |
| Edit | View | 153 | Montpelier Illicit Discharge Detection and Elimination | Stormwater - IDDE | Scoping Funded | Contract-30772 |
| Edit | View | 152 | White River Illicit Discharge Detection and Elimination | Stormwater - IDDE | Scoping Funded | Contract-30768 |
| Edit | View | 66 | Upper and Middle Connecticut River and Pasumpsic River Illicit Discharge Detection and Elimination | Stormwater - IDDE | Scoping Funded | Contract-29218 |
| Edit | View | 65 | Memphamagog Illicit Discharge Detection and Elimination Completion | Stormwater - IDDE | Scoping Completed | Contract-28937 |
| Edit | View | 46 | Crooked Creek Gully Restoration Designs | Agricultural Pollution Prevention | Design Completed | Contract-28911 |
| Edit | View | 69 | Project Prioritization and Design for Implementation of the Cold River Corridor Plan | Floodplain/Stream Restoration | Design Completed | Contract-28843 |
| Edit | View | 35 | Bennington and Pawlet Illicit Discharge Detection and Elimination Study | Stormwater - IDDE | Completed | Contract-28665 |
| Edit | View | 34 | Bennington Infrastructure Stormwater Mapping Project | Stormwater - IDDE | Scoping Completed | Contract-27744 |
| Edit | View | 91 | Follow-up on Illicit Discharges in the Otter Creek, Poultney River, and Lamoille River | Stormwater - IDDE | Scoping Funded | Contract-27743 |
| Edit | View | 2054 | McKenzie Brook Nutrient Management Planning Project- UVM Extension (2016) | Technical Assistance | Completed | 29109 |
| Edit | View | 2130 | Green River Floodplain Attenuation Enhancement | Floodplain/Stream Restoration | Implementation Funded | 2017-ERP-2-10 |
| Edit | View | 2129 | Blackberry Ridge Streambank Erosion Grant | Road Project | Implementation Funded | 2017-ERP-2-07 |
| Edit | View | 2128 | Gully Stabilization, Mill Brook | Floodplain/Stream Restoration | Implementation Funded | 2017-ERP-2-02 |
| Edit | View | 2145 | Town Highway Garage Stormwater - Franklin | Stormwater | Scoping Funded | 2017-ERP-1-22 |
| Edit | View | 2127 | Dishmill Brook Stormwater Master Plan Phase 2 | Stormwater Master Planning | Scoping Funded | 2017-ERP-1-21 |



DEC Tracking System Database

BMP Accounting & Tracking Tool (BATT)

Example

BMP System

System ID: 98

Current

Prior Use

Linked Projects

| | | | |
|----------|--|--------------------------|--|
| Name | Livestock Exclusion and Riparian Buffer Installation | | |
| Latitude | | Longitude | |
| | Drainage Area | 12 - Mississquoi River ▼ | |
| Notes | | | |

Land Use

+ Add Land Use

| | | ID | Land Use | Acres | Soil | Slope | P Load |
|------|--------|-----|----------|-------|------|-------|---------|
| Edit | Delete | 284 | Pasture | 6.5 | C | L | 4.70925 |

BMP's

+ Add BMP

| | | ID | Type |
|------|--------|-----|-----------------------------|
| Edit | Delete | 135 | Fencing/Livestock Exclusion |
| Edit | Delete | 136 | Riparian Buffer |

O&M

+ Add O&M

Loads and Reductions

| | | |
|-------------------------------|--------------------------|---------|
| Total Phosphorus Load | 4.70925 | kg/year |
| Computed Phosphorus Reduction | 3.458944 | kg/year |
| Override Phosphorus Reduction | <input type="checkbox"/> | |
| Phosphorus Reduction | 3.458944 | kg/year |

Update

Discard



Contact Emily Bird with Questions

emily.bird@vermont.gov

802-490-4083

**Clean Water Fund
Legislative Update (4/27/2017)**

S.20 Permanent licenses for persons aged 66 and older (Senate Second Reading 4/27)

- Section 2: Adds four new members to the Clean Water Fund Board, two of whom must be municipal officials. The four members shall represent each of the following watersheds: Connecticut River, Hudson River, Lake Champlain and Lake Memphremagog.

H.516 Miscellaneous Tax (Senate Third Reading 4/27)

- Section 25: Requires the Treasurer to report on the viability of a revenue bond as a source of clean water funding. The revenue sources for the bond include the projected TDI payments in that project's Certificate of Public Good.
- Section 26 convenes a working group on water quality funding composed of eleven members and chaired by the ANR Secretary. "On or before January 15, 2018, the Working Group ... shall submit to the General Assembly ... draft legislation establishing a statewide method of assessing an impervious surface fee, per parcel fee, per acre fee, or some combination of the foregoing."
- Section 39: Extends the sunset of the Clean Water surcharge on the property transfer tax, 32 V.S.A. § 9602a, from July 1, 2018 to July 1, 2019.

H.519 Capital Bill (Senate Third Reading 4/27)

- Section 11 (i): Requires the CWF Board to provide a list to the Legislature of all clean water projects funded by capital money as of November 1st.
- Section 11 (j): Requires the CWF Board to recommend which programs to fund with the FY19 capital clean water appropriation by January 15, 2018.
- Section 11 (k): Requires any agency that receives clean water capital funding to consult with the State Treasurer to ensure that the projects are capital eligible.
- Section 18(c): Reallocates \$353,529 in unexpended funds appropriated in 2013 to AAFM for nonpoint source pollution grants to the Department of Buildings and General Services.
- Section 34: Requires ANR to report with a plan or process for "how and to the extent the Secretary shall" (1) contract with RPCs and NRCC to assist in or produce tactical basin plans and (2) assign the development, implementation, and administration of water of water quality projects identified in the basin planning process to municipalities, RPCs, or other organizations.

| | Senate Corrections & Institutions (4/26/2017) | | |
|--|---|----------------------|----------------------|
| | FY18 | FY19 | FY18 & FY19 |
| Section 11: Clean Water Investments | | | |
| Clean Water State Revolving Fund (SRF) | \$ 1,000,000 | \$ 1,200,000 | \$ 2,200,000 |
| Clean Water Implementation | 0 | \$ 11,010,704 | \$ 11,010,704 |
| AAFM BMP & CREP | \$ 3,450,000 | \$ 2,000,000 | \$ 5,450,000 |
| Water Quality Grants & Contracts | \$ 600,000 | \$ - | \$ 600,000 |
| Ecosystem Restoration Grants | \$ 6,000,000 | \$ 5,000,000 | \$ 11,000,000 |
| Municipal Pollution Control Grants (prior) | \$ 2,982,384 | \$ - | \$ 2,982,384 |
| Municipal Pollution Control Grants (new) | \$ 2,704,232 | \$ 1,407,268 | \$ 4,111,500 |
| VTrans Municipal Mitigation Program | \$ 1,400,000 | \$ - | \$ 1,400,000 |
| VHCB: water quality projects | \$ 2,800,000 | \$ 2,750,000 | \$ 5,550,000 |
| VHCB: purchase of farm easements | \$ 1,000,000 | \$ - | \$ 1,000,000 |
| | \$ 21,936,616 | \$ 23,367,972 | \$ 45,304,588 |

Clean Water Appropriations Across State Government

Governor Scott proposed an additional investment of [\\$50 million](#) over two years to meet the clean water funding gap identified in the [Treasurer's Report](#) of January 15, 2017.

The Treasurer's Report on Clean Water estimated that Vermont needs to spend an average of \$82 million a year on clean water for each of the next 20 years to meet the state's Tier 1 federal and state clean water commitments. Vermont currently spends roughly \$32 million a year on clean water. The Governor proposed to invest an additional \$23 million in clean water in FY18, for a total investment in clean water in FY18 of \$55 million. The Legislature is on track to meet the Governor's request for FY18.

Clean Water Appropriations by Agency

| | | | | FY18 Gov Budget Total (3/14/2017) | FY18 As Passed House |
|---|--|--|--|---|-------------------------|
| Agency of Natural Resources | | | | | |
| | | | Nonpoint Sources: Clean Water Initiative Program (CWIP) - Ecosystem Restoration Grants | 9,090,000 | 8,090,000 |
| | | | Municipal Loans: Clean Water State Revolving Fund (CWSRF) | 11,200,000 | 11,000,000 |
| | | | Municipal Pollution Control Grants | 5,844,116 | 5,686,616 |
| | | | Other | 35,000 | 35,000 |
| | | | | 26,169,116 | 24,811,616 |
| Agency of Transportation | | | | | |
| | | | Municipal Roads: Stormwater Grants & Payments | 11,382,342 | 11,382,342 |
| | | | State Highways and VTrans Non-Road Developed Lands: Stormwater Compliance | 8,140,000 | 8,140,000 |
| | | | | 19,522,342 | 19,522,342 |
| Agency of Agriculture, Food and Markets | | | | | |
| | | | Agriculture: Clean Water Grants and Contracts | 5,347,000 | 5,347,000 |
| | | | AAFM Operational Funds for Clean Water | 375,000 | 375,000 |
| | | | | 5,722,000 | 5,722,000 |
| Agency of Commerce and Community Development | | | | | |
| | | | Vermont Housing and Conservation Board | 460,000 | 460,000 |
| | | | Clean Water Fund Reserve (10%) | 2,750,000 | 3,800,000 |
| | | | | 500,000 | 500,000 |
| | | | TOTAL | 55,123,458 | 54,815,958 |

Clean Water Appropriations by Fund

| | | | | FY18 Gov Budget Total (3/14/2017) | FY18 As Passed House |
|--|--|--|--|--------------------------------------|-------------------------|
| | | | Capital Bill | 21,844,116 | 21,936,616 |
| | | | Clean Water Fund | 5,000,000 | 5,000,000 |
| | | | Federal and State: Transportation Funds | 17,422,342 | 17,022,342 |
| | | | General Fund | 822,000 | 822,000 |
| | | | Federal: Clean Water State Revolving Fund | 10,000,000 | 10,000,000 |
| | | | Other | 35,000 | 35,000 |
| | | | | 55,123,458 | 54,815,958 |

