

## Vermont Clean Water Board Meeting Minutes

**Date/Time:** Friday, November 30, 2018, 1:00-4:00 pm

**Location:** 1 National Life Drive, National Life Main Building, Calvin Coolidge Room, Agency of Commerce and Community Development, David Building, 6<sup>th</sup> Floor, Montpelier, VT 05620

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

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

Bob Flint (on phone), public member

Joe Flynn, Agency of Transportation (VTrans) Secretary

Jim Giffin, public member

Chris Louras, public member

Julie Moore, Agency of Natural Resources (ANR) Secretary

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

Chad Tyler, public member

### **Attendees:**

Jill Arace, Vermont Association of Conservation  
Districts

Emily Bird, DEC

Jared Carpenter, Lake Champlain Committee

Jeff Carpenter, AAFM

Laura DiPietro AAFM

Kari Dolan, DEC

Rebecca Ellis, DEC

Marcey Hodgdon, AAFM

Jen Hollar, Vermont Housing & Conservation  
Board

Karen Horn, Vermont League of Cities & Towns  
Tom Kennedy, South Windsor Regional Planning  
Commission

Alli Lewis, DEC (minute taker)

Mike Middleman, AoA

Sue Scribner, VTrans

Rebekah Weber, Conservation Law Foundation

Tracy Zschau, Vermont Land Trust

Ernie and Andrea Englehardt, Lake Carmi  
Camper's Association

### **I. Review Agenda**

Agency of Natural Resources Secretary Julie Moore

### **II. Review FY2020 Draft Budget**

Agency of Natural Resources Secretary Julie Moore and DEC Deputy Secretary Rebecca Ellis

- See supporting materials: *Draft FY20 Clean Water Budget (11/13/2018)*
- Board member recommended that the spreadsheet include a column of prior year's funding for clarity.
- Board discussed draft budget, whether there are any remaining and available funds from prior years, and the potential for additional LCBP funds for FY2020.
- The Board, in referencing the "Activities and Priorities" table, recommended that the materials include a description of what the blue boxes mean, and a comparison to last year's priorities.
- Line Items #1 & #2: Secretary Tebbetts acknowledged the important partnership the state has with the U.S. Department of Agriculture (USDA) in implementing agricultural practices. Secretary Moore noted that the USDA Natural Resources Conservation Service (NRCS) provides important funds that

are leveraged by state dollars. Since these federal funds go directly to farmers and not through the state budget, they are not easily accounted for.

- Line Item #5: The Board discussed the Vermont Housing and Conservation Board funds for water quality-related agriculture and natural resource projects. VHCB explained that they have been supporting land conservation for many years, VHCB is also moving in the direction of having water quality protections built into their conservation projects. The proposed budget shows a reduction of VHCB funding, which could restrict VHCB's ability to implement priority conservation projects and affect its ability to meet its federal match as part of the USDA Resource Conservation Performance Partnership (RCPP). One option to keep VHCB whole is to include funds elsewhere in the state budget.
- Line Item #6: Secretary Moore discussed investments in innovation and DEC partner support. She pointed out that in FY2019, the budget did not have a separate innovation line across all sectors but estimates that the state invested in \$450,000 for innovation-related activities. Secretary Moore also described how tracking is an essential investment.
- Line Items #7-9: Deputy DEC Commissioner Ellis described DEC's clean water grant and contract programs.
- Line #10: CWIP Staff Emily Bird discussed the Municipal Roads Grants in Aid. In year one, the state saw a 70% participation rate among VT municipalities, which increased to 81% in year two. Overview of how the program is successful. Year one results show that 44 road miles have been brought into compliance with the State Municipal Roads General Permit standards.
- Line #11. Secretary Flynn described the value of investments in the Better Roads program, stating that VTrans was able to support 140 projects using the capital bill funds, 25 construction projects and 41 road erosion inventories. The parties agreed that the report should estimate federal funding. Deputy DEC Commissioner Ellie pointed to the annual federal funding report as the first step in providing this information.
- Lines #12-#13: A question came up about stormwater controls at MS4 and non-MS4 communities. Requiring a 50% match for stormwater controls at MS4 communities does hinder getting the funding encumbered.
- Line #14: Secretary Moore described how these funds offer an incentive for establishing municipal stormwater utilities, described what stormwater utilities are, and confirmed that there are five communities receiving these funds.
- Lines #15-#16: Secretary Moore described that these funds are not integrated permitting; rather, these funds to enhance stormwater management in specific projects in designated centers that are receiving funding for larger projects from VTrans and/or ACCD, and information is available on the web.
- Lines #17-#19: Deputy DEC Commissioner Ellis described these programs to support municipal wastewater facilities.
- A question came up about project planning and whether the state is funding design and engineering projects with capital bill funds with no guarantee that the project will be built. Deputy DEC Commissioner Ellis explained how clean water funding is more flexible than capital funds to help cover the costs of non-capital eligible activities, such as project identification. Deputy Commissioner Ellis further described how state agencies make sure that investments using capital bill funds are for capital-eligible activities, such as project design and construction. Tom Kennedy with the SWRPC pointed out the challenges of getting projects on to a project pipeline with predominantly capital bill funding.

### **III. Staff Changes**

- Kari Dolan, manager of the DEC Clean Water Initiative Program and staff to the Clean Water Board, announced that she is stepping down from this position due to her successful bid as state representative. Ms. Dolan thanked the Board and ANR for their important work and having the opportunity to serve in this manner for the past few years.

### **IV. Review public comment online questionnaire – responses due Dec. 9**

- DEC Staff Emily Bird reviewed the questionnaire. A question came up as to whether it is possible and compliant with the open meeting law to review the open-ended comments before the close of the public comment period. Ms. Bird stated that it is most efficient to review the comments after the close of the public comment period.

### **V. Board Discussion of Allocations, by Sector**

- There was a discussion about the degree to which the state was struggling to spend appropriated funds due to statutory requirements. Where should the Board recommend statutory or policy changes? Secretary Moore responded that the agencies have been flagging areas for a “housekeeping” bill such as with the State Revolving Fund. It would be valuable for the Board to support proposed changes that the agencies identify.

### **VI. Public and General Comments**

- A question from the public came up about whether the budget amounts and categories for spending were definite. Secretary Moore indicated that that they are, given the information they have at this time. The public questionnaire could help determine where to make reductions, should the overall budget be lower than proposed.
- Mr. Englehardt (LCCA) raised concerns that the state had yet to come up with a long-term funding plan for clean water and asked how the agencies can make long-term funding decisions without knowing funding levels. The lack of long-term funding creates chaos and inefficiencies. The Board should urge the Administration and Legislature to find a sustainable guaranteed fund for clean water statewide.
- Ms. Arace (VACD) stated that the Board should allocate additional resources to project planning. Getting landowner approval to implement projects takes time. Ms. Arace also acknowledged the efforts of state agencies to support partners in clean water work. She supports providing more funding for staff at state agencies in order to continue to manage and support these partnerships to get the work done.
- Ms. Zschau (VLT) commented that state funds to VHCB help the state leverage federal funding to implement important work.
- The Board discussed their requirement to find that funding source. A board member appreciated the tremendous amount of work getting the board up to speed but wanted to discuss funding sources. Secretary Young indicated that this can be an agenda item for a future meeting. Gov. Scott is hoping not to raise taxes or fees and rather to utilize an existing revenue source to fund clean water work. As the state is going through the budget process, the Administration is looking to earmark funds that could be used in a sustainable manner. The Administration and its Cabinet will be discussing this topic over the coming month. Deputy DEC Commissioner Ellis reviewed some of the statutory requirements of the Clean Water Board and indicated the Board’s responsibilities include a review of funding in the broader sense for allocations and sufficiency.
- The Board members expressed a desire to list federal funds going to the agricultural sector. DEC staff Emily Bird noted that state agencies anticipate including federal funding in the FY2019 Investment Report, due in January of 2020.

- Jen Hollar (VHCB) pointed out that some of the VHCB funds help farmers in extreme hardship by offering more funds toward water quality projects' non-federal cost-share requirements. The average farmer contribution in FY2019 is 18%.
- There was a question about effectiveness of controls in the agricultural sector. While a significant amount of funds is going to this sector, the state needs to have tools to evaluate whether those investments are effective at meeting pollutant reduction goals, and whether water draining land in the agricultural sector is cleaner. Secretary Moore responded by referring to the joint DEC/Lake Champlain Basin Program long-term monitoring program. Ms. Moore stated that restoration will take time, requiring the accumulation of these good projects to move the needle at that scale. Monitoring in combination with our phosphorus tracking and reporting efforts should give us a good picture of our progress.
- AAFM Secretary Tebbetts noted that operating funds (Line Item #3) has always come from the Clean Water fund.

#### **V. Closing Remarks**

- Secretary Young provided update on budgeting for the general fund and the capital bill. This information is sent to the legislature as part of the State's budget.
- For the next meeting, the Board will review the comments and decide on the final recommended budget.
- Secretary Young's assistant will reach out to the group to determine a later date to meet.