

# Clean Water Fund Board

## Agenda

**Date/Time:** Friday, February 10, 2017, 2:30pm-4:00pm  
**Location:** Agency of Natural Resources-National Life, Davis Building  
Main Floor, Catamount Room M215

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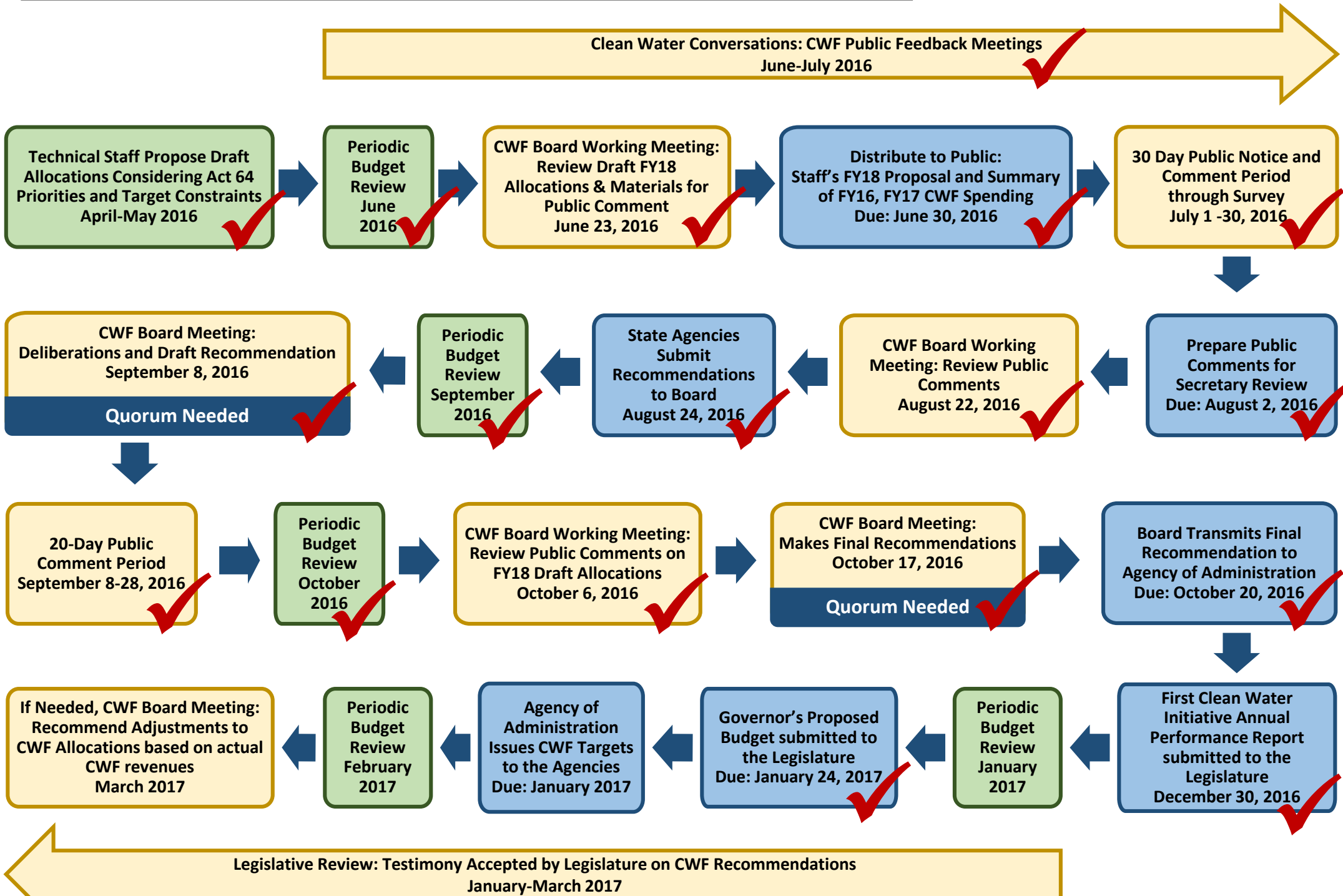
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|-------|--|-------------|
| I.    | Welcome, Review of Agenda (5 minutes)<br>Administration Secretary Susanne Young  | 2:30-2:35pm |
| II.   | Vote: Board Chair (5 minutes)<br>Administration Secretary Susanne Young  | 2:35-2:40pm |
| III.  | Board History, Status of Fund Revenues and the<br>Clean Water Fund Budget Process (10 minutes)<br>Clean Water Initiative Program Manager Kari Dolan  | 2:40-2:50pm |
| IV.   | Clean Water Legislative Update (10 minutes)<br>Agency of Natural Resources Secretary Julie Moore   | 2:50-3:00pm |
| V.    | Overview of the Treasurer's Report<br>on Clean Water (15 minutes)<br>State Treasurer Beth Pearce   | 3:00-3:15pm |
| VI.   | Overview of Tactical Basin Planning and<br>How Projects are Identified (15 minutes)<br>Department of Environmental Conservation (DEC) Monitoring,<br>Assessment & Planning Program Manager Neil Kamman | 3:15-3:30pm |
| VII.  | Tracking the State's Clean Water Investments and the Vermont<br>Clean Water Initiative 2016 Investment Report (15 minutes)<br>DEC Clean Water Initiative Program Staff Emily Bird                      | 3:30-3:45pm |
| VIII. | Comments from the Public (10 minutes)<br>Administration Secretary Susanne Young  | 3:45-3:55pm |
| IX.   | Summarize Next Steps; Adjourn (5 minutes)<br>Administration Secretary Susanne Young  | 3:55-4:00pm |

### Supporting Materials:

- Updated FY2018 Budget Process
- Draft FY18 Budget Adjustment and FY19 Budget Processes
- Excerpt from Act 64 on the: (a) Clean Water Fund Board, (b) Annual Investment Report, and (c) the Office of State Treasurer Clean Water Report
- Link: [Clean Water Initiative 2016 Investment Report](#)
- Link: [Clean Water Report](#), Office of the State Treasurer

# Clean Water Fund (CWF) State Fiscal Year (FY) 2018 Budget Process (April 2016-March 2017)

Updated 1/26/2017



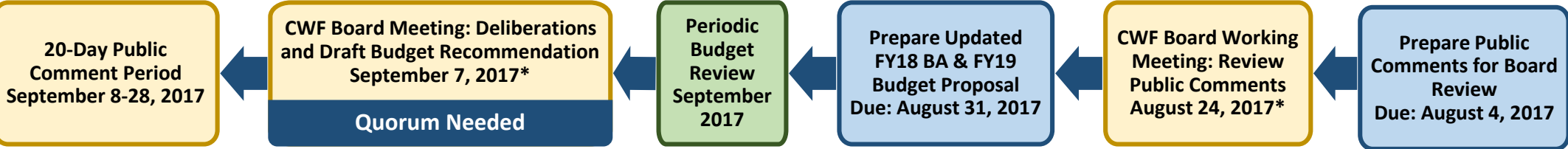
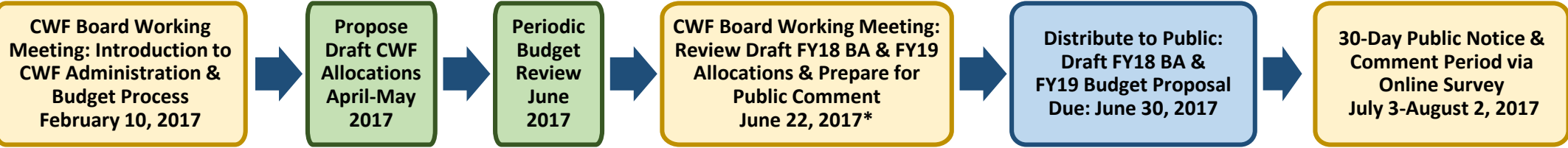
Key:   Clean Water Fund Budgetary Process   Task of Interagency Finance and Reporting Committee   Public & Legislative Process

# Clean Water Fund (CWF) Budget Process

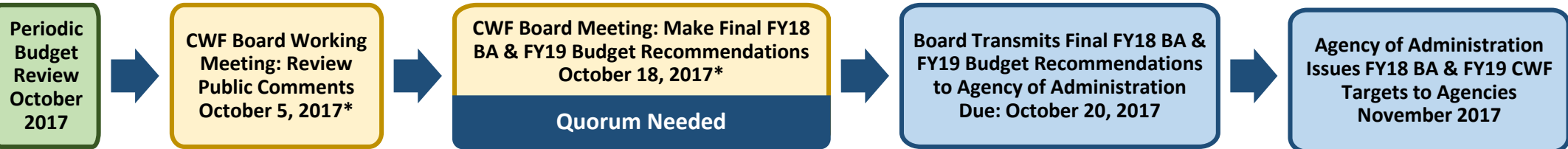
## State Fiscal Year (FY) 2018 Budget Adjustment (BA) and 2019 Budget Process

### February 2017 – March 2018

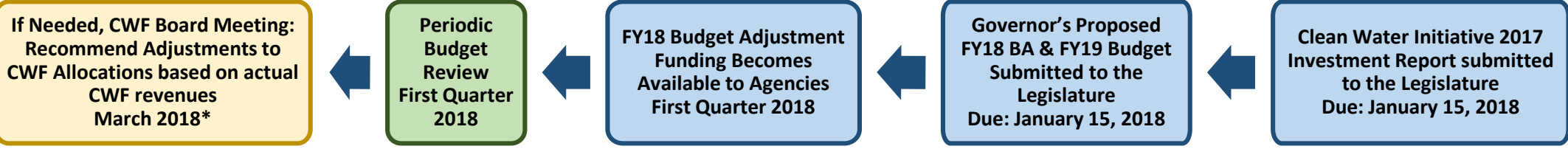
Clean Water Conversations: CWF Public Feedback Meetings  
June-July 2017



**Quorum Needed**



**Quorum Needed**



Legislative Review: Testimony Accepted by Legislature on CWF Recommendations  
January-March 2018

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

\*Exact date to be determined

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**§ 1389. CLEAN WATER FUND BOARD**

(a) Creation. There is created a Clean Water Fund Board which shall recommend to the Secretary of Administration expenditures from the Clean Water Fund. The Clean Water Fund Board shall be attached to the Agency of Administration for administrative purposes.

(b) Organization of the Board. The Clean Water Fund Board shall be composed of:

(1) the Secretary of Administration or designee;

(2) the Secretary of Natural Resources or designee;

(3) the Secretary of Agriculture, Food and Markets or designee;

(4) the Secretary of Commerce and Community Development or designee; and

(5) the Secretary of Transportation or designee.

(c) Officers; committees; rules. The Clean Water Fund Board shall annually elect a chair from its members. The Clean Water Fund Board may elect additional officers from its members, establish committees or subcommittees, and adopt procedural rules as necessary and appropriate to perform its work.

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(d) Powers and duties of the Clean Water Fund Board. The Clean Water Fund Board shall have the following powers and authority:

(1) The Clean Water Fund Board shall recommend to the Secretary of Administration the appropriate allocation of funds from the Clean Water Fund for the purposes of developing the State budget required to be submitted to the General Assembly under 32 V.S.A. § 306. All recommendations from the Board should be intended to achieve the greatest water quality gain for the investment.

(2) The Clean Water Fund Board may pursue and accept grants, gifts, donations, or other funding from any public or private source and may administer such grants, gifts, donations, or funding consistent with the terms of the grant, gift, or donation.

(3) The Clean Water Fund Board shall:

(A) establish a process by which watershed organizations, State agencies, and other interested parties may propose water quality projects or programs for financing from the Clean Water Fund;

(B) develop an annual revenue estimate and proposed budget for the Clean Water Fund;

(C) establish measures for determining progress and effectiveness of expenditures for clean water restoration efforts;

(D) issue the annual clean water investment report required under section 1389a of this title; and

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(E) solicit, consult with, and accept public comment from organizations interested in improving water quality in Vermont regarding recommendations under this subsection for the allocation of funds from the Clean Water Fund.

(e) Priorities.

(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

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Vermont, as adopted by the Commissioner of Forests, Parks and Recreation; and

(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; and

(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.

(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 Fund 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.

(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 for equitable apportionment of awards from the Fund to all regions of the State and for control of all sources of point and non-point sources of pollution in the State.

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(f) The Clean Water Fund Board shall have the administrative, technical, and legal assistance of the Agency of Administration, the Agency of Natural Resources, the Agency of Agriculture, Food and Markets, the Agency of Transportation, and the Agency of Commerce and Community Development for those issues or services within the jurisdiction of the respective agency. The cost of the services provided by agency staff shall be paid from the budget of the agency providing the staff services.



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**§ 1389a. CLEAN WATER INVESTMENT REPORT**

(a) Beginning on January 15, 2017, and annually thereafter, the Clean Water Fund Board shall publish a clean water investment report. The report shall summarize all investments, including their cost-effectiveness, made by the Clean Water Fund Board and other State agencies for clean water restoration over the past calendar year. The report shall include expenditures from the Clean Water Fund, the General Fund, the Transportation Fund, and any other State expenditures for clean water restoration, regardless of funding source. The report shall document progress or shortcomings in meeting established indicators for clean water restoration. The report shall include a summary of additional funding sources pursued by the Board, including whether those funding sources were attained; if it was not attained, why it was not attained; and where the money was allocated from the Fund. The report may also provide an overview of additional funding necessary to meet objectives established for clean water restoration and recommendations for additional revenue to meet those restoration objectives. The provisions of 2 V.S.A. § 20(d) (expiration of required reports) shall not apply to the report required by this section.

(b) The Board shall develop and use a results-based accountability process in publishing the annual report required by subsection (a) of this section.

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**Sec. 40. STATE TREASURER REPORT ON LONG-TERM FINANCING OF  
STATEWIDE WATER QUALITY IMPROVEMENT**

On or before January 15, 2017, the State Treasurer, after consultation with the Secretary of Administration, the Commissioner of Environmental Conservation, and the Commissioner of Taxes, shall submit to the Senate and House Committees on Appropriations, the House Committee on Fish, Wildlife and Water Resources, the Senate Committee on Natural Resources and Energy, the House Committee on Agriculture and Forest Products, the Senate Committee on Agriculture, the House Committee on Ways and Means, and the Senate Committee on Finance a recommendation for financing water quality improvement programs in the State. The recommendation shall include:

(1) Proposed revenue sources for water quality improvement programs that will replace the Property Transfer Tax surcharge established under 32 V.S.A. § 9602a. The proposed revenue sources shall be designed to assess fees, taxes, or other revenue sources from a property, parcel use, parcel, type, or an activity in proportion to the negative impacts of property, parcel use, parcel type, or activity on the water quality in the State.

(2) A recommendation for rewarding or incentivizing best management practices for a property or activity that is subject to the proposed fee, tax, or revenue source.

(3) An estimate of the amount of revenue to be generated from each proposed revenue source.

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(4) A summary of how assessment of the proposed revenue source will be administered, collected, and enforced.

(5) A recommendation of whether the State should bond for the purposes of financing water quality improvement programs, including whether a proposed revenue source would be sufficient for issuance of water quality revenue bonds.

(6) A legislative proposal to implement each of the revenue sources proposed under this section.