

**Vermont Clean Water Fund Board
Working Meeting Minutes**

Date/Time: Friday, October 6, 2017, 2:00pm – 3:00pm

Location: National Life Building Main 2 – 1 National Life Drive, The Catamount Room (N215)

Clean Water Fund Board Members/Designees:

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

Joe Flynn, Agency of Transportation (VTrans) Secretary

Julie Moore, Agency of Natural Resources (ANR) Secretary

Michael Schirling, Agency of Commerce and Community Development (ACCD) Secretary

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

Attendees:

Jason Aronowitz, AoA

Emily Bird, Dept. of Environmental
Conservation (DEC)

Eric Blatt, DEC

Emily Boedecker, DEC

Diane Bothfeld, AAFM

Jared Carpenter, Lake Champlain Committee

Kari Dolan, DEC

Dan Dutcher, VTrans

Brad Ferland, AoA

Erik Filkorn, Buildings & General Services

Bob Fischer, City of South Burlington

Jen Hollar, Vermont Housing & Conservation
Board (VHCB)

Joanna Pallito, DEC

Sue Scribner, VTrans

Noah, Community College of Vermont Student

Welcome, Approval of Agenda

2:00-2:05 pm

Agency of Administration Secretary and Clean Water Fund Board Chair Susanne Young

Review State Fiscal Year (FY) 2019 Clean Water Fund Budget Process

2:05-2:10 pm

Agency of Natural Resources Secretary Julie Moore

- See meeting materials
- October 17th meeting to make final budget recommendation will be moved to the first week of November; the Board would like to evaluate the status of spending capital funds using the November 1st report on FY2018 capital fund awards before making their final recommendation

Prepare Final Recommended FY2019 Clean Water Fund Allocations

2:10-2:40 pm

Clean Water Initiative Program Manager Kari Dolan

- Summary of September 2017 public comment period and responses
 - See meeting materials; in summary, public comments expressed: concerns for Vermont's water quality, especially regarding blue green algae blooms in Lake Carmi; support to fund agricultural work, but raised concerns about capacity to administer funds with current AAFM staffing levels; support for the municipal roads grants-in-aid program; support for enhanced investments in natural resources restoration; the need for investment in planning efforts to lead to more shovel ready projects

- Proposed adjustments to FY2019 allocations based on September 2017 public comments
 - AAFM and VTrans allocations swapped equal amounts of Clean Water Funds and capital funds; AAFM received more flexible Clean Water Funds to deliver technical assistance to farmers, addressing agricultural capacity concerns; VTrans received more capital funds to support construction costs
 - Board members requested additional time to review comments and responses to comments and send questions/comments to Kari Dolan by Wednesday, October 11th

- Allocating FY2019 Capital Bill bond premium from sale of bonds (\$2.26 million)
 - Governor’s FY2019 budget had anticipated a proposal of \$2.26M in bond premium funds be appropriated from the sale of bonds to support clean water efforts, and to be allocated through the Clean Water Fund Board process with a final proposal to the legislature in the FY19 Capital Adjustment Bill
 - The Board presented a proposal to support innovative projects with these additional bond premium funds, shown in Table 10 of the draft FY2019 budget recommendation
 - The Board will post their proposal for a 20-day public comment in October 2017 via online questionnaire, and will make their final budget recommendation in early November 2017
 - In late October/early November 2017 the bond premium funds will be proposed for a formal appropriation, as recommended by the Board with concurrence from the Legislature, through the formal FY2019 capital bill budget adjustment process that will occur this coming session
 - Comment from Jen Hollar, VHCB: The Board is considering the use of bond premium funds for phosphorus extraction equipment; farmers currently have access to VHCB grants of up to \$40,000 for this purpose; it is an eligible use of Water Quality Grants funded by the capital bill through VHCB (H.519: Section 11 (f)(4)); if a new program is created at AAFM to also fund phosphorus extraction equipment, there will need to be careful coordination to best serve farmers
 - Comment from Jen Hollar, VHCB: VHCB committed \$2.8 million FY18 capital dollars to projects that will close over the next year; \$1 million is available specifically for water quality and fee purchase to farmers; VHCB will know more in the next month on spending status and demand for these funds; VHCB still needs to work out details on who will hold the land, and how to target greatest need versus willing seller; VHCB will coordinate with AAFM and ANR to make a recommendation to the Board on funding needs to support fee purchase in the coming years
 - AAFM amended statute to allow funding of equipment up to \$300,000 and added phosphorus extraction technology to the list of equipment eligible for funding; AAFM welcomes additional grant funds to help meet the demand for this technology; AAFM noted that staff capacity is not a concern for phosphorus extraction technology because it is “off-the-shelf” and does not require substantial engineering to implement
 - ANR made commitment to complete Lake Carmi aeration feasibility study and need to be prepared to implement the recommendations of the study
 - Phosphorus extraction technology for municipal waste streams is also a high priority for ANR
 - Phosphorus extraction technology will require a plan to export extracted phosphorus; there are potential markets in southern New England, but those markets need to be developed

- Sale of nutrients can lead to operating wastewater at a profit; there may be a way to combine resources that is more useful to towns and farmers

Update on Common Signage for State-Funded Clean Water Projects **2:40-2:45 pm**

Buildings and General Services Principal Assistant to the Commissioner Erik Filkorn

- Signage plan approved at prior Board meeting
- Sign posts, as originally proposed, may trigger dig safe requirements; proposed using smaller posts to avoid dig safe requirement

Comments from the Public **2:45-2:55 pm**

Secretary Susanne Young

Next Steps/Future Meeting **2:55-3:00 pm**

Secretary Susanne Young

Adjourn **3:00 pm**

Supporting Materials:

1. September 5, 2017 Draft Clean Water Fund Board Meeting Minutes
2. FY2019 Clean Water Fund Board Budget Process
3. Compilation of FY2019 Clean Water Fund Public Comments
4. Responses to FY2019 Clean Water Fund Public Comments
5. Final Draft FY2019 Clean Water Fund Priorities and Allocations (October 5, 2017)