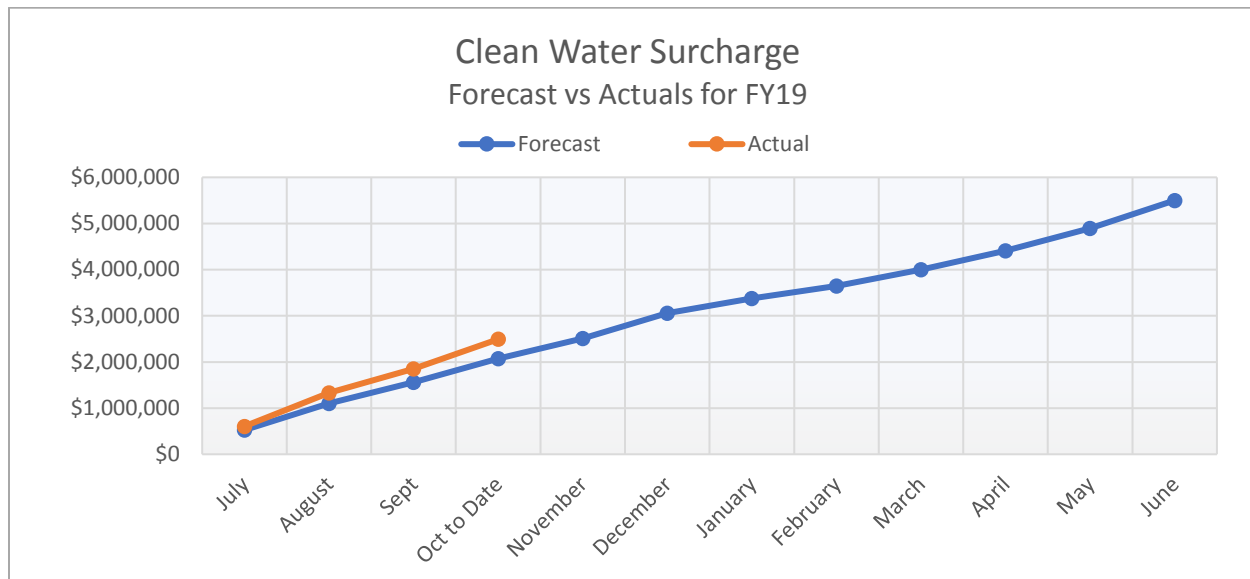


## Clean Water Revenue

### FY19 To Date, FY20 Revenues, & Abandoned Container Deposits in Other States

The Clean Water Surcharge is continuing its strong performance this year, ending September 18.8% above forecast. Through October 26, 2018, the surcharge had generated \$2.5M, with roughly \$1.5M going to the Clean Water Fund. The first \$1M in surcharge revenue is deposited in the Vermont Housing and Conservation Trust Fund, and the remainder is applied to the Clean Water Fund. The below graph shows this year's total surcharge revenue relative to forecast.



### Fiscal Year 2020 Budget Estimate

For Fiscal Year (FY) 20, the Board has been using a prudent forecast for the Surcharge of \$5.75M, which translates to \$4.75M to the Clean Water Fund. In the middle of FY20, the State will begin collecting abandoned beverage container deposits that are estimated to generate \$1.5M-\$2M annually. Since this revenue source takes effect on January 1, 2020, the Department of Taxes is scheduled to only collect six months of revenue in FY20. That means the Department would only collect \$750,000-\$1M from beverage deposit revenue in that FY.

Based on these estimates, a prudent Clean Water Fund budget for FY20 would therefore rely on the Surcharge and abandoned beverage deposits to generate \$5.5M. Actual revenues are likely to exceed that mark, but, in the past, the Board has taken a prudent approach to forecasting for this fund so as not to spend beyond revenues generated in an FY.

### Beverage Container Deposits

As part of [Act 208 of 2018](#), the Vermont Legislature added the aforementioned revenue source to the Clean Water Fund – abandoned beverage container deposits – for the second half of FY20.

At the request of the Clean Water Fund Board, the Department reviewed the bottle redemption laws of other states and the revenue performance of some other states that collect abandoned beverage container deposits. An overview of state bottle deposit laws from the National Conference of State Legislatures is appended to the end of this memo.

The below table shows the revenues that the four states of Connecticut, Massachusetts, Michigan, and New York collected or were owed from FY11 to FY17.

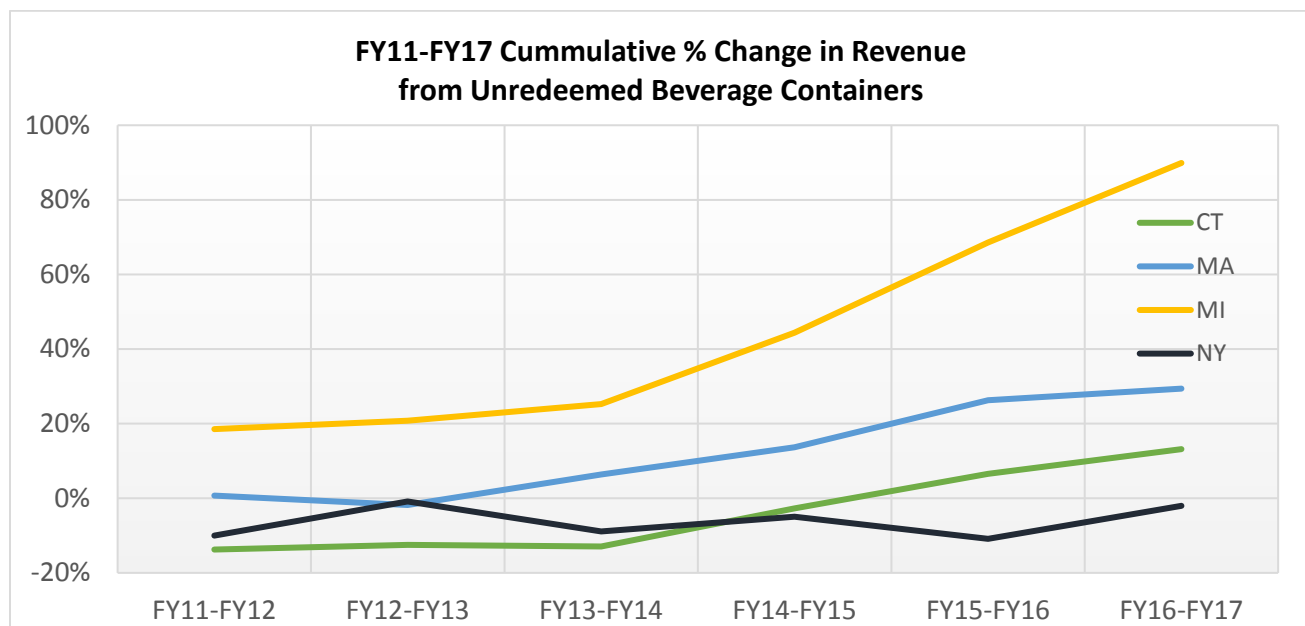
Unredeemed Beverage Container Revenues by State (Liabilities and Actuals)							
	FY11	FY12	FY13	FY14	FY15	FY16	FY17
<b>CT</b>	31,458,682	27,134,224	27,528,488	27,384,746	30,599,746	33,530,941	35,600,873
<b>MA</b>	35,109,000	35,371,000	34,475,000	37,359,720	39,911,430	44,333,315	45,428,080
<b>MI*</b>	13,350,000	15,825,000	16,125,000	16,725,000	19,275,000	22,500,000	25,350,000
<b>NY*</b>	115,218,489	103,643,145	114,232,288	104,928,825	109,541,443	102,685,143	112,862,143

\*MI and NY do not keep all unredeemed bottle deposits. MI retains 75% and NY retains 80% of deposits.

To put these values into perspective, the below table shows other state's experiences scaled to Vermont based on 2017 population figures. The Department also adjusted Michigan and New York's experience for full retention of unredeemed deposits (instead of 75% and 80%, respectively) to correspond with Vermont's law.

State Revenues Scaled to Vermont & Adjusted for Full State Retention							
	FY11	FY12	FY13	FY14	FY15	FY16	FY17
<b>CT</b>	6,561,345	5,659,392	5,741,623	5,711,643	6,382,196	6,993,556	7,425,283
<b>MA</b>	3,191,917	3,215,737	3,134,277	3,396,540	3,628,528	4,030,541	4,130,071
<b>MI</b>	1,044,665	1,238,339	1,261,814	1,308,766	1,508,308	1,760,671	1,983,689
<b>NY</b>	3,620,100	3,256,410	3,589,115	3,296,805	3,441,731	3,226,310	3,546,065

Looking at the cumulative percent change in revenue over this period, states experienced flat to increased revenue when not adjusting for inflation. Further analysis can be conducted at the Board's request.



State Beverage Container Deposit Laws						
State	Statute	Year	Deposit Amount	Beverages Covered	Containers Covered	Unredeemed Deposits
California	Cal. Public Resources Code §§14501 - 14599	1986	5¢ (<24 oz.) 10¢ (≥24oz.)	Beer, malt, wine and distilled spirit coolers; all non-alcoholic beverages, except milk. Excludes vegetable juices over 16 oz.	Any container composed of aluminum, glass, plastic, or bi-metal; Exempts refillables	Property of program; Used for program administration
Connecticut	Conn. Gen. Stat. §§22a-243 – 22a-246	1978	5¢	Beer, malt, carbonated soft drinks, bottled water	Any sealed bottle, can, jar, or carton composed of glass, metal or plastic; Excludes containers over three liters containing non-carbonated beverages, and HDPE containers	Returned to the state
Hawaii	Hawaii Rev. Stat. §§342G-101 – 342G-122	2002	5¢	Beer, malt, mixed spirits and wine; all non-alcoholic drinks, except dairy products	Any container up to 68 oz. composed of aluminum, bi-metal, glass, or plastic	Property of state; Used for program administration
Iowa	Iowa Code §455C.1 – 455C.17	1978	5¢	Beer, wine coolers, wine, liquor, carbonated soft drinks, mineral water	Any sealed bottle, can, jar, or carton composed of glass, metal or plastic	Retained by distributor and bottlers
Maine	Me. Rev. Stat. Ann. tit. 38, §§3101 - 3118	1976	15¢ (wine/liquor) 5¢ (all others)	All beverages except dairy products and unprocessed cider	Any sealed container of four liters or less composed of glass, metal or plastic	Property of state
Massachusetts	Mass. Gen. Laws Ann. ch. 94, §§321 - 327	1981	5¢	Beer, malt, carbonated soft drinks, mineral water	Any sealable bottle, can, jar, or carton composed of glass, metal, plastic, or a combination; Excludes biodegradables	Property of state general fund
Michigan	Mich. Comp. Laws §§445.571 – 445.576	1976	10¢	Beer, wine coolers, canned cocktails, soft drinks, carbonated and mineral water	Any airtight container under one gallon composed of metal, glass, paper, or plastic	75% to state for environmental programs; 25% to retailers
New York	N.Y. Environmental Conservation Law §§27-1001 – 27-1019 (Amended 2013 SB 2608)	1982	5¢	Beer, malt, wine products, carbonated soft drinks, soda water, and water not containing sugar	Any sealed bottle, can, or jar less than one gallon composed of glass, metal, aluminum, steel, or plastic	80% to the state general fund; 20% retained by distributor
Oregon	Or. Rev. Stat. §§459A.700 – 459A.740	1971	10¢	Beer, malt, carbonated soft drinks, bottled water (will cover all beverages except wine, distilled liquor, milk, milk substitutes and infant formula by 2018).	Any sealed bottle, can, or jar composed of glass, metal or plastic	Retained by distributor and bottlers
Vermont	Vt. Stat. Ann. tit. 10, §§1521 - 1529	1972	15¢ (liquor) 5¢ (all others)	Beer, malt, mixed wine, liquor, carbonated soft drinks.	Any bottle, can, jar, or carton composed of glass, metal, paper, plastic, or a combination; Excludes biodegradables	Retained by distributor and bottlers (This will change on Jan 1, 2020)
Guam	Guam Code tit. 10, §§44101 - 44119	2010	5¢	Beer, ale, malt, mixed spirits, mixed wine, and all non-alcoholic beverages. Excludes milk, supplements, medicines	Any sealed glass, metal, or plastic container up to 64 oz.	Retained by EPA

\*Source: National Conference of State Legislatures: <http://www.ncsl.org/research/environment-and-natural-resources/state-beverage-container-laws.aspx>

Date: 3/14/2018

## Vermont Clean Water Board Meeting Minutes

**Date/Time:** Monday, June 25, 2018, 3:00 pm – 4:00 pm

**Location:** National Life Main Building, 1 National Life Drive, The Winooski Room (M240)

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### Clean Water Fund Board Members/Designees:

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

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

### Attendees:

Jill Arace, Vermont Association of Conservation  
Districts

Jason Aronowitz, AoA

Charlie Baker, Chittenden County Regional  
Planning Commission

Greta Binzen, Department of Environmental  
Conservation (DEC)

Emily Bird, DEC

Emily Boedecker, DEC

Jared Carpenter, Lake Champlain Committee

Kari Dolan, DEC

Dan Dutcher, VTrans

Rebecca Ellis, DEC

Erik Filkorn, AoA

Marcey Hodgdon, AAFM

Jen Hollar, Vermont Housing and Conservation  
Board

Mike Middleman, AoA

Joanna Pallito, DEC

Sue Scribner, VTrans

Kate Slocum, AoA

Andrew Stein, AoA

Scott Waterman, AAFM

Rebekah Weber, Conservation Law Foundation

## I. OVERVIEW

3:00-3:15 pm

### A. Introductions

Agency of Administration Secretary and Clean Water Board Chair Susanne Young

- Welcome; Review Agenda and Minutes of April 12, 2018
- See supporting materials: *Draft April 12, 2018 Clean Water Fund Board Meeting Minutes*
- Recommendation: Consider a motion to approve the minutes
- Julie Moore motioned for approval of April 12, 2018 Clean Water Board meeting minutes
- Joe Flynn seconded the motion
- No objections
- Minutes approved

### B. Overview of Updated Board Responsibilities, per Act 168 (S. 260)

Agency of Natural Resources Secretary Julie Moore

- See supporting materials: *Vermont Statutes Annotated, as Amended by 2018 Act 168 (S. 260) and 2018 Act 208 (S. 285)*
- Notable changes to the Clean Water Board and Clean Water Fund budget process include:
  - Act 208 of 2018 added a new revenue source to the Clean Water Fund – abandoned beverage container deposit escheats, expected to generate \$1.5-\$2 million per year, effective on or before

January 1, 2020; six months of revenue will be generated from this source for the Clean Water Fund in SFY 2020 and allocated as part of the SFY 2021 Clean Water Fund budget

- Act 168 of 2018 broadened Clean Water Board responsibilities beyond Clean Water Fund budgetary process
  - The Clean Water Board is now responsible for recommending the budget for clean water projects to be funded by capital appropriations
  - The Governor will appoint four new Clean Water Board members; the Administration is posting an application for potential Board members and is working to identify appointees by the August Board meetings
  - Formalized AoA Secretary as chair of the Clean Water Board
  - The Clean Water Board will follow public meeting law
  - The Clean Water Board will develop a process for watershed groups to propose projects to be eligible for funding from the Clean Water Fund
  - The Clean Water Board will invest in watershed basin planning and project identification and prioritization
- Many new requirements of Act 168 of 2018 codify good practices that are already in place

## **II. UPDATES**

3:15-3:20 pm

### **A. Clean Water Fund Property Transfer Tax Surcharge Revenue Update**

Vermont Department of Taxes Research Economist Andrew Stein

- See supporting materials: *FY2018 Clean Water Fund Revenue Summary and Forecast*
- Department of Taxes estimated the property transfer tax surcharge generated \$4.7 million in revenue for the Clean Water Fund in SFY 2018 (\$0.7 million above forecast)
- SFY 2018 revenues are above forecast due to: (a) a conservative approach in forecasting revenue, (b) a one-time increase due to accounting changes in the past year, and (c) a strong year for property transfer
- Department of Taxes recommends updating the property transfer tax surcharge forecast semiannually using a three-year planning horizon to factor anticipated growth in SFY 2019-2021; the forecast is based on the property transfer tax forecast model adjusted by 1.75 percent to represent the surcharge (surcharge only applies to property transfer values above \$100,000)
- Revenue from abandoned beverage container deposits (i.e., escheats) is expected to generate \$1.5-\$2 million for the Clean Water Fund in SFY 2020 to be allocated as part of the SFY 2021 Clean Water Fund budget; currently no reporting requirement for escheats; escheats could generate more revenue than projected, but it is difficult to estimate until reporting requirements are in place
- Board members asked Department of Taxes to research if abandoned beverage container deposit escheats are a predictable revenue source for other states and report back to the Board
- Other states, such as Massachusetts and New York, conducted outreach to encourage the public not to return beverage containers, allowing unclaimed deposits to go to a good cause; Vermont may consider a similar outreach campaign for clean water funding

### **B. Review of Updated SFY 2019 Clean Water Fund Budget**

Clean Water Initiative Program Manager Kari Dolan

- See supporting materials: *Updated SFY 2019 Clean Water Fund Budget*
- The Board's recommended SFY 2019 Clean Water Fund budget, including capital dollars, was approved by the Legislature and signed by the Governor with minor modifications from the Board's original recommendation
- This year, the Legislature directed \$1.6 million for in-lake treatment of Lake Carmi for water quality and public health and safety; originally, in-lake treatment was estimated to cost \$200,000 for partial treatment of the lake, but costs increased because treatment is now required throughout the entire lake

- Act 168 of 2018 allows the use of \$50,000 from the \$500,000 Clean Water Fund contingency reserve to support the initial response upon designation of a lake in crisis; Act 168 of 2018 designated Lake Carmi as a lake in crisis; the final SFY 2019 Clean Water Fund budget includes \$50,000 for the initial Lake Carmi lake in crisis response

### III. PUBLIC COMMENT PROCESS FOR STATE FISCAL YEAR 2020

3:20-3:45 pm

#### A. SFY 2020 Budget Process and Public Comment Period

Agency of Natural Resources Secretary Julie Moore

- Discuss SFY 2020 Clean Water Fund budget process
- Discuss draft questionnaire for the July 30-day public comment period
- See supporting materials: *Draft SFY 2020 Clean Water Fund Budget Process, Draft SFY 2020 Clean Water Fund Public Comment Questionnaire*
- The Board will hold two public comment periods as part of the SFY 2020 budget process:
  - The first public comment period will take place July 1-31, 2018 via online questionnaire to collect public input on priorities for clean water spending; the Board is requesting the public weigh in on percent allocation by land use/sector and by project lifecycle step, and indicate how they would allocate if additional funds became available; public input and the Act 73 (2017) report on water quality funding will inform the SFY 2020 Clean Water Fund budget; the SFY 2020 online questionnaire is designed to be educational and was simplified in response to public concerns on the complexity of the questionnaire from prior years
  - The second public comment period was extended from 20-days to 30-days and will take place September 1-30, 2018 to collect public input on the draft SFY 2020 Clean Water Fund budget
- The “Clean Water Conversation” webinar will be held July 12, 2018 to share information on the SFY 2020 Clean Water Fund budget process and opportunities to participate
- The Clean Water Board will meet in August 2018 to review the July public comment period results and to draft the SFY 2020 Clean Water Fund budget
- The Board is responsible for recommending the budget for clean water projects to be funded by capital appropriations, however, the capital bill has not yet been drafted; Deputy Secretary of Administration will coordinate with AoA Buildings and General Services (BGS) on clean water capital funding needs to merge the Board’s SFY 2020 Clean Water Fund budget recommendation with BGS’ budget process
- Question: What weight will the survey have in decision making? What happens if the survey does not match up with science and facts?
- Response: The Board will likely base its SFY 2020 budget on the Act 73 (2017) report on water quality funding to address regulatory obligations; the Board may adjust the budget based on public comment; the Board will produce a responsiveness summary explaining how public comments informed its budget; public comments help inform education and outreach efforts, how the public defines success, and where they would like investments made
- Recommendation: Consider a motion to approve and post questionnaire for public comment
- Motion to approve and post:
  - Joe Flynn motioned to approve and post the SFY 2020 Clean Water Fund Public Comment Questionnaire
  - Julie Moore seconded the motion
  - No objections
  - SFY 2020 Clean Water Fund Public Comment Questionnaire approved for posting

### IV. OPERATIONS

3:45-3:50 pm

#### A. Final Draft Clean Water Fund Expenditure Contingency Plan

Clean Water Initiative Program Manager Kari Dolan

- Review proposed updates to the 2016 Interim Clean Water Fund Expenditure Contingency Plan
- See supporting materials: *Draft Clean Water Fund Expenditure Contingency Plan*
- Contingency Plan maintains contingency reserve funds in case property transfer tax surcharge underperforms; Contingency Plan establishes a process to allocate surplus revenue in the following SFY budget process
- Recommendation: *Consider a motion to approve the 2018 Clean Water Fund Expenditure Contingency Plan*
- *Motion to approve:*
  - Julie Moore motioned to approve the 2018 Clean Water Fund Expenditure Contingency Plan
  - Joe Flynn seconded the motion
  - No objections
  - 2018 Clean Water Fund Expenditure Contingency Plan approved for Susanne Young's signature

## V. PUBLIC COMMENTS

3:50-3:55 pm

Agency of Administration Secretary and Clean Water Board Chair Susanne Young

- Jared Carpenter, Lake Champlain Committee: In prior years, the Board posted the draft Clean Water Fund budget as part of the July public comment period; this year, the Board will not post a draft Clean Water Fund budget until September; understands that public comment does not substantially alter the budget and, ultimately, the budget will be based on science and public policy; however, posting the budget in September does not allow much time for public review, input, and digestion of the budget, and for the agency to respond to public comments; additionally, capital budget targets will not be more certain in September than they are now; expressed concern that the SFY 2020 budget process is less transparent than prior years
- Jill Arace, Vermont Association of Conservation Districts: Conservation Districts are involved in all clean water project delivery areas; noticing a change in agencies bundling smaller grants; longer term funding provides consistency and partner organization staff retainment; requested to standardize reporting across agencies
- Charlie Baker, Vermont Association of Planning and Development Agencies: Thank you for the online questionnaire; the questionnaire is a great step toward simplifying the conversation, but it might be too simple; the questionnaire is an opportunity for public outreach and it would be helpful to include information on how much sectors contribute to pollution and indicate relative cost effectiveness of treating pollution per sector; additionally, each project step is not equal in cost and it would be helpful to include information on how much funding is needed for each project delivery step; noted there is a fundamental difference of who pays by each sector and recommended including a question if public would prefer to pay for specific activities through state or municipal taxes
- Jen Hollar, Vermont Housing and Conservation Board (VHCB): VHCB's work is funded by the property transfer tax; however, portions of VHCB's property transfer tax funds have been repurposed to cover the state's general fund budget and replaced with capital funds; VHCB dollars do not need to be included in the clean water section of the capital bill, which could potentially create space for other clean water projects

## VI. NEXT MEETING, ADJOURN

3:55-4:00 pm

Agency of Administration Secretary and Clean Water Board Chair Susanne Young

- Agenda recommendations from Board members
  - Requested to send draft agendas to all Board members for review
- Discuss New Member Orientation to cover:
  - Clean Water Initiative overview
  - Budget process overview

- Procedural rules, including open meeting procedures (request Attorney General's input)
  - State needs to provide email accounts to non-agency Board members for state business
- Motion to adjourn:
  - Julie Moore motioned to adjourn
  - Joe Flynn seconded the motion
  - Meeting adjourned

**Supporting Materials:**

1. Draft April 12, 2018 Clean Water Fund Board Meeting Minutes
2. Vermont Statutes Annotated, as Amended by 2018 Act 168 (S. 260) and 2018 Act 208 (S. 285)
3. FY2018 Clean Water Fund Revenue Summary and Forecast
4. Updated SFY 2019 Clean Water Fund Budget
5. Draft SFY 2020 Clean Water Fund Budget Process
6. Draft SFY 2020 Clean Water Fund Public Comment Questionnaire
7. Draft Clean Water Fund Expenditure Contingency Plan



## Vermont Clean Water Board

### Meeting Minutes

**Date/Time:** Tuesday, September 25, 2018, 10:30 am - 4:00 pm

**Location:** Dewey Conference Room (R206), Dewey Building, National Life Complex, Montpelier

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

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

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

Robert Flint, Springfield

James Giffin, Montpelier

Christopher Louras, Rutland

Chad Tyler, Highgate

#### Attendees:

Jill Arace, Vermont Association of  
Conservation Districts (VACD)

Diane Bothfeld, AAFM

Matthew Chapman, Department of  
Environmental Conservation (DEC)

Chris Cochran, (ACCD)

Kari Dolan, DEC

Daniel Dutcher, VTrans

Rebecca Ellis, DEC

Jordyn Geller, DEC

Marcey Hodgdon, AAFM

Jennifer Holler, Vermont Housing and  
Conservation Board (VHCB)

Kent Henderson, FNLC

Karen Horn, Vermont League of Cities and  
Towns

Sue Scribner, VTrans

Kate Slocum, AoA

Trevor Squirrel, State Representative

Andrew Stein, Department of Taxes

## I. OVERVIEW

### A. Introductions, Review of Agenda, Approval of Minutes

10:35

*Agency of Administration Secretary and Clean Water Board Chair, Susanne Young*

- Introduction of board members
- Introduction of key agency staff (Julie Moore)
- See supporting materials: *Organizational Chart and Contact List* and *Draft June 25, 2018, Clean Water Fund Board Meeting Minutes*

### B. Statutory Overview

10:45

*Deputy Commissioner of the Department of Environmental Conservation, Rebecca Ellis*

- Brief presentation on public records law (Matthew Chapman)
- Meeting requirements and responsibilities
- See supporting materials: *Vermont Statutes Annotated, as Amended by 2018 Act 168 (S. 260) and 2018 Act 208 (S. 285)*
- Notable changes to the Clean Water Board and Clean Water Fund budget process include:
  - Clean Water Fund Board is now the Clean Water Board

- Addition of four new members to the Clean Water Board
- There will be an audit on January 15, 2021 that will look at clean water investments since the 2015 Clean Water Act
- Board discussed watershed science and Board process.

## II. HISTORY

### A. History of Clean Water Fund 11:11

*Clean Water Initiative Program, Program Manager, Kari Dolan*

- History of the Clean Water Initiative Program, LC TMDL, Act 64, Clean Water Fund History and Budget Process, Clean Water Board website, Clean Water Annual Investment Report
- See supporting materials: *Vermont's Clean Water Board Targets Clean Water Funding* and *Clean Water Board Administration Staff Support by Agency and CWF Reporting Packet* and *Clean Water Fund Website*
- The Board discussed the various clean water grant programs, the information contained on the Clean Water Board website, the responsibilities under the federal and state restoration directives called Total Maximum Daily Loads (TMDL), and clean water activities of neighboring states and Quebec.

### BREAK 11:50

### B. Overview of Funding and Fund Source (FY16-19) 12:01

*Department of Environmental Conservation Deputy Commissioner, Rebecca Ellis*

- Act 73 Report Overview (See supporting materials: *Act 73 Report (2017)*)
- The Board discussed funding sources and Act 64 requirements.

### BREAK FOR LUNCH 12:35

### B. Overview of Funding and Fund Source (FY16-19) Continued

- The Board discussed the Report to Legislature on Federal Funding (Kari Dolan)

## III. QUARTERLY UPDATES

### A. Property Transfer Tax Surcharge Performance (Andrew Stein) 13:06

*Department of Taxes Research Economist, Andrew Stein*

- This year forecasting \$4.5 million funds to Clean Water Fund, if revenue continues to go above forecast, might want to consider reforecast in January/February.
- The Board discussed the forecast, how the Board uses this information, and whether the Legislature has ever repurposed the Clean Water Fund revenues.

### B. Beverage Container Deposits – Escheats 13:20

*Department of Taxes Research Economist, Andrew Stein*

- Discussed this new funding source. Estimate to generate \$1.5-2 million annually and have some estimates that revenues could be higher.
- The escheats go into effect on January 2020.
- Trying to evaluate the predictability and reliability of this source. Did point out that Massachusetts data shows a fluctuation is during the recession.
- Board discussed revenue projections, other states' experiences with this funding source.

### C. Clean Water State Revolving Fund 13:32

*Financial Management and Loan Section Program Manager, Terisa Thomas*

#### **IV. CURRENT SERVICE DELIVERY**

##### **A. ANR (FED) 13:38**

*Financial Management and Loan Section Program Manager, Terisa Thomas*

- Discussed the program. See supporting materials: *Page 30 of Act 73 Report*
- The Board discussed how some municipalities do have needs in addition to pollutant controls.

##### **B. ANR (CWIP) 13:37**

*Clean Water Initiative Program, Program Manager, Kari Dolan*

- Supporting Materials: *Vermont DEC Clean Water Initiative Process on Clean Water and Grant Progress*

##### **C. AAFM 13:53**

*Agency of Agriculture, Food and Market Deputy Secretary, Diane Bothfeld*

- Discussed the program and how USDA uses the rental rates to determine payments under CREP.

##### **D. VTrans 16:02**

*Agency of Transportation Municipal Assistance Bureau, Sue Scribner*

- Discussed the program. See supporting materials.
- *VTrans Grant Programs and Technical Assistance Related to Water Quality*

##### **E. Clean Water Initiative Cash Flow 16:15**

*Agency of Administration Deputy Chief Financial Officer, Kate Slocum*

- The Board discussed the information presented in the handout to understand the spending authority and the total amount for each year presented.

##### **BREAK 14:32**

#### **V. QUESTION & ANSWER 14:45**

*Board Members/Staff*

- The Board discussed EPA's evaluation of Vermont's progress in implementing the TMD and the engagement of the Vermont Housing Conservation Board on clean water implementation to assist in both agricultural practice implementation and natural resource restoration. The Board also discussed the importance of education to support implementation and tracking.

#### **VI. RESULTS - PUBLIC SURVEY 15:06**

*Clean Water Initiative Program, Program Manager, Kari Dolan*

- See supporting materials: *Clean Water Fund State Fiscal Year 2020 Questionnaire Complete Set of Responses* and *Clean Water Fund State Fiscal Year 2020 Summary of Public Comments* and *Clean Water Fund State Fiscal Year 2020 Public Comment Summary*
- The Board discussed next steps in developing the FY20 budget.

##### **A. Clean Water Funding Scenario Tool 15:16**

*Clean Water Initiative Program, Program Manager, Kari Dolan*

- See supporting materials: *Funding Scenario Excel Sheet and Graphs*
- Tool includes costs and revenues, using Act 73 data as the basis for FY20.

- The Board discussed the Act 73 report, pollutant reduction requirements for each sector, co-benefits from state investments, anticipated funding levels of capital and clean water funding, cost share considerations, and how a Funding Scenario Tool can assist in evaluating options.

## **VII. NEXT STEPS, FUTURE MEETING**

**3:52**

*Agency of Administration Secretary and Clean Water Board Chair, Susanne Young*

- We will use future meetings to work together across agencies to propose a budget.
- Important to take away the value statements and how are those decisions made.
- Leave this for board members and get ideas to Kari by Monday for next meeting.
- Everyone encouraged to send out specific questions to staff and determine whether it should be apart of the agenda for the following meeting.

## **VIII. PUBLIC COMMENTS**

**3:56**

*Agency of Administration Secretary and Clean Water Board Chair, Susanne Young*

- Jill Arace, Vermont Association of Conservation Districts: Commented on the importance of non-capital dollars to address pollution sources. Second point concerns the need for multi-year grants being used at AAFM. Multi-year grants support jobs that are keeping young people into Vermont. Water quality, technical assistance jobs have young people coming into our work force and agencies.
- Jared Carpenter, Lake Champlain Committee: Introduced himself, discussed the importance of an adequate clean water budget, and his participation in the Legislature on this topic, referring to the Clean Water Funding Scenario Tool.
- Kent Henderson, Friends of Northern Lake Champlain: Very gratifying to see the level of government working with watershed groups and seeing the political will behind work that is being done. It keeps us watershed volunteers going and is helping to make progress.

## **IX. ADJOURN**

**4:02**

*Agency of Administration Secretary and Clean Water Board Chair, Susanne Young*

- Motion to adjourn
  - Susanne Young motioned to adjourn; Julie Moore seconded the motion. Adjourned

### **Supporting Materials:**

1. [Draft June 25, 2018, Clean Water Fund Board Meeting Minutes](#)
2. Vermont Clean Water Statute
3. Organizational Chart and Contact List
4. Clean Water Fund Performance
5. [Act 73 Report \(2017\)](#)
6. Clean Water Initiative Cash Flow FY18
7. [Clean Water Fund State Fiscal Year 2020 Questionnaire Complete Set of Responses](#)
8. Clean Water Fund State Fiscal Year 2020 Summary of Public Comments
9. Clean Water Fund State Fiscal Year 2020 Public Comment Summary
10. Report to Legislature on [Federal Funding Related to Clean Water Efforts in Vermont](#)
11. Grant Program information available on website: (<http://dec.vermont.gov/watershed/cwi/grants>)
12. Clean Water Fund available on website: (<http://dec.vermont.gov/watershed/cwi/cwf>)

# The Clean Water Fund and You: Opportunities for public participation

## ► Join the Clean Water Conversation.

Learn about the Clean Water Fund (CWF) budget process and opportunities to provide input on next year's allocations through the **Clean Water Conversation on July 12<sup>th</sup>, 11:00 am–12:00 pm** in the Winooski Room (M240), National Life Building, Montpelier ([RSVP to anr.cleanwatervt@vermont.gov](mailto:anr.cleanwatervt@vermont.gov)) and [online via Skype for Business](#). Clean Water Initiative Program staff are also available to attend partner meetings regionally to discuss this topic ([email Kari.Dolan@vermont.gov](mailto:email.Kari.Dolan@vermont.gov)). For more information, visit: <http://dec.vermont.gov/watershed/cwi/cwf/budget-process>.

## ► Comment on Next Year's Clean Water Fund.

**July 2–31, 2018**

### First Public Comment Period

Submit comments on Vermont's clean water funding priorities for Fiscal Year 2020 (FY20) using the online questionnaire linked at [dec.vermont.gov/watershed/cwi/cwf](http://dec.vermont.gov/watershed/cwi/cwf).

**Fall 2018**

### Second Public Comment Period

The Clean Water Board will post its FY20 Clean Water Fund draft budget for public input.

## ► Attend a Clean Water Board Meeting.

All Clean Water Board meetings are open to the public, with time allotted for public comments. For more information, visit <http://dec.vermont.gov/watershed/cwi/cwf/budget-process>.

**June 25, 2018**

**Working Meeting**

**September 25, 2018**

**Meeting**

**October 31, 2018**

**Meeting**

**November 30, 2018**

**Meeting**

**December 14, 2018**

**Meeting (tentative)**

## Fiscal Year 2020 Clean Water Fund Budget Process Timeline



For more information, visit:  
[dec.vermont.gov/watershed/cwi/cwf/budget-process](http://dec.vermont.gov/watershed/cwi/cwf/budget-process)  
or email [anr.cleanwatervt@vermont.gov](mailto:anr.cleanwatervt@vermont.gov).



AGENCY OF ADMINISTRATION  
AGENCY OF AGRICULTURE, FOOD & MARKETS  
AGENCY OF COMMERCE & COMMUNITY DEVELOPMENT  
AGENCY OF NATURAL RESOURCES  
AGENCY OF TRANSPORTATION

Water Quality Grant Programs: Cost Share and Additional Conditions

Agency of Transportation <sup>1</sup> (AOT)			
Financial Assistance Program	Limit or Cap on Assistance	Required Match or Cost Share from Applicant	Funding Source
<b>Municipal Assistance: Better Roads</b> Cat. A (planning; road erosion inventory) Cat. B (stormwater mitigation or erosion project) Cat. C (streambank, lake shore, or slope project) Cat. D (structure or culvert upgrade project)	\$8,000 \$20,000 \$40,000 \$60,000	20% 20% 20% 20%	Federal Highway Administration (FHWA) State Transportation Fund, Clean Water Fund, Capital Bill State Transportation Fund, Clean Water Fund, Capital Bill State Transportation Fund, Clean Water Fund, Capital Bill
<b>Municipal Assistance: Municipal Highway and Stormwater Mitigation</b>	None	20%	FHWA and Capital Bill
<b>Municipal Assistance: Stormwater Utility Incentive Payments</b>	\$25,000 for each award	None	Clean Water Funds
<b>Transportation Alternatives</b>	\$300,000	20% <sup>2</sup>	FHWA

Agency of Agriculture, Food and Markets (AAFM)			
Financial Assistance Program	Limit or Cap on Assistance	Required Match or Cost Share from Applicant	Funding Source
<b>State Best Management Practices</b> (No federal match)  Non-Production Areas  Production Area and Livestock Exclusion	\$75,000 a year (\$150,000 over 3 years)  \$75,000 a year (\$150,000 over 3 years)	Statute Provides for up to 90%  AAFM awards 50% to 75% (high priority areas)  AAFM awards 85% to 90% (high priority areas)	Capital Bill
<b>State Best Management Practices</b> (Matching Federal EQIP)	\$200,000 (at least 51% federally funded)	Statute allows up to 90% Total State and Federal AAFM provides up to 90% total for high priority AAFM provides up to 75% total for non-priority	State Share from Capital Bill Federal Share from Federal Farm Bill through U.S.D.A. Natural Resource Conservation Service

<sup>1</sup> For AOT required matches, municipalities contribute the required match, plus any additional funds needed above the federal or State grant amount.  
<sup>2</sup> 19 V.S.A. § 38 provides that eligible entities awarded a Transportation Alternatives grant must provide all funds required to match federal funds awarded for the transportation alternatives project.

Agency of Natural Resources (ANR)			
Financial Assistance Program	Limit or Cap on Assistance	Required Match or Cost Share from Applicant	Funding Source
<b>DEC Municipal Pollution Grant Program</b>	Most recent state FY2018 appropriation for this assistance is \$5,612,980	Combined Sewer Overflow Abatement Grants (up to 25% of eligible costs)  Dry Weather Flow Abatement Grants (up to 35% of eligible costs)  Sludge and Septage Grants (up to 50% of eligible costs)	Capital Bill
<b>Clean Water State Revolving Fund (CWSRF)</b>	The fund currently has available ~ \$76M	Loan subsidy in the form of principal forgiveness of at least 10% and up to a maximum allowable 40% of the annual federal grant amount. For the latest round of federal funding this equates to a range of \$652,500 to \$1,957,500.  The current method for applying the subsidy consists of 50% loan forgiveness with a maximum of \$100K for engineering planning costs and \$300K for construction costs, with the latter subsidy based on a set of affordability criteria.	Annual federal capitalization grants from EPA, plus 20% state match from state capital bill, plus loan repayments and fund income
<b>DEC Clean Water Initiative Program, Ecosystem Restoration Partnership Grants</b>	FY2018  Work Crew Assistance - \$215,000  Technical Capacity (“Train the Trainer”) Assistance - \$100,000	No match	Clean Water Fund
<b>DEC Clean Water Initiative Program, Ecosystem Restoration Grants</b>	FY2018: \$2,960,000  Total Program, to be managed in up to four grant rounds	Match incentivized: Ability to provide match, through cash or in kind services is a factor in grant scoring criteria.  Stormwater treatment projects located in a Municipal Separate Storm Sewer System (MS4) community must provide 50% match.	Capital Bill and Clean Water Fund
<b>DEC Clean Water Initiative Program, Block Grant Pilot Program</b>	FY2018: \$2,000,000 available	Stormwater projects located within a Municipal Separate Storm Sewer System (MS4) community: 50% match.  Stormwater projects not located within an MS4 community: 20% match	Capital Bill
<b>DEC Clean Water Initiative Program, Municipal Roads Grants-in-Aid Pilot Project</b>	FY2018: \$2,650,000 available	Participating municipalities must document a minimum of 20% local match	FY2018: \$2,500,000: Capital Bill  \$150,000: Clean Water Fund
<b>DEC Clean Water Initiative Program, River Corridor Conservation Easement Grants</b>	FY2017: \$315,000 available	No match specified	Capital Bill
<b>DEC Watershed Grants</b>	FY2018:  Education and Outreach - \$5,000  Planning, Assessment, Inventory, Monitoring - \$3,500  Implementation - \$10,000	No match required	Half of the Proceeds from the Sale of the Vermont Conservation License Plate. The other half in deposited in the nongame wildlife account.

**TABLE: State Fiscal Year 2020 DRAFT Clean Water Budget by Sector**

Row Labels	Sum of Clean Water Funds	Sum of Capital Bill FY20	Sum of Other	Total
Agriculture	\$ 2,835,000	\$ 6,772,000	\$ -	\$ 9,607,000
Innovation	\$ 1,000,000	\$ 1,000,000	\$ -	\$ 2,000,000
Natural Resources	\$ 1,240,000	\$ 3,378,000	\$ -	\$ 4,618,000
Roads	\$ 5,000,000		\$ 500,000	\$ 5,500,000
Stormwater	\$ 3,065,000	\$ 100,000	\$ -	\$ 3,165,000
Wastewater	\$ 110,000	\$ 5,800,000	\$ -	\$ 5,910,000
<b>Grand Total</b>	<b>\$ 13,250,000</b>	<b>\$ 17,050,000</b>	<b>\$ 500,000</b>	<b>\$30,800,000</b>



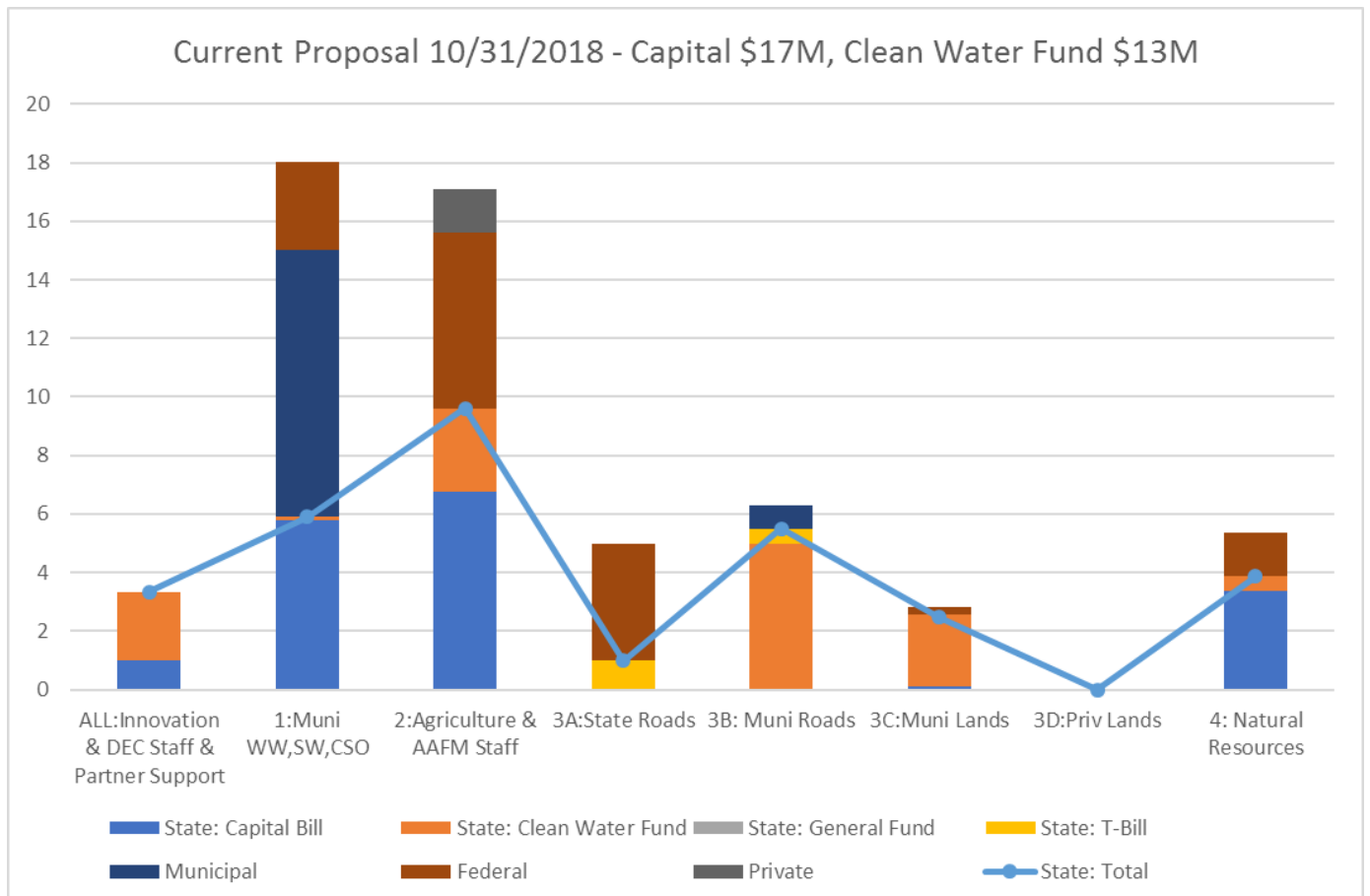
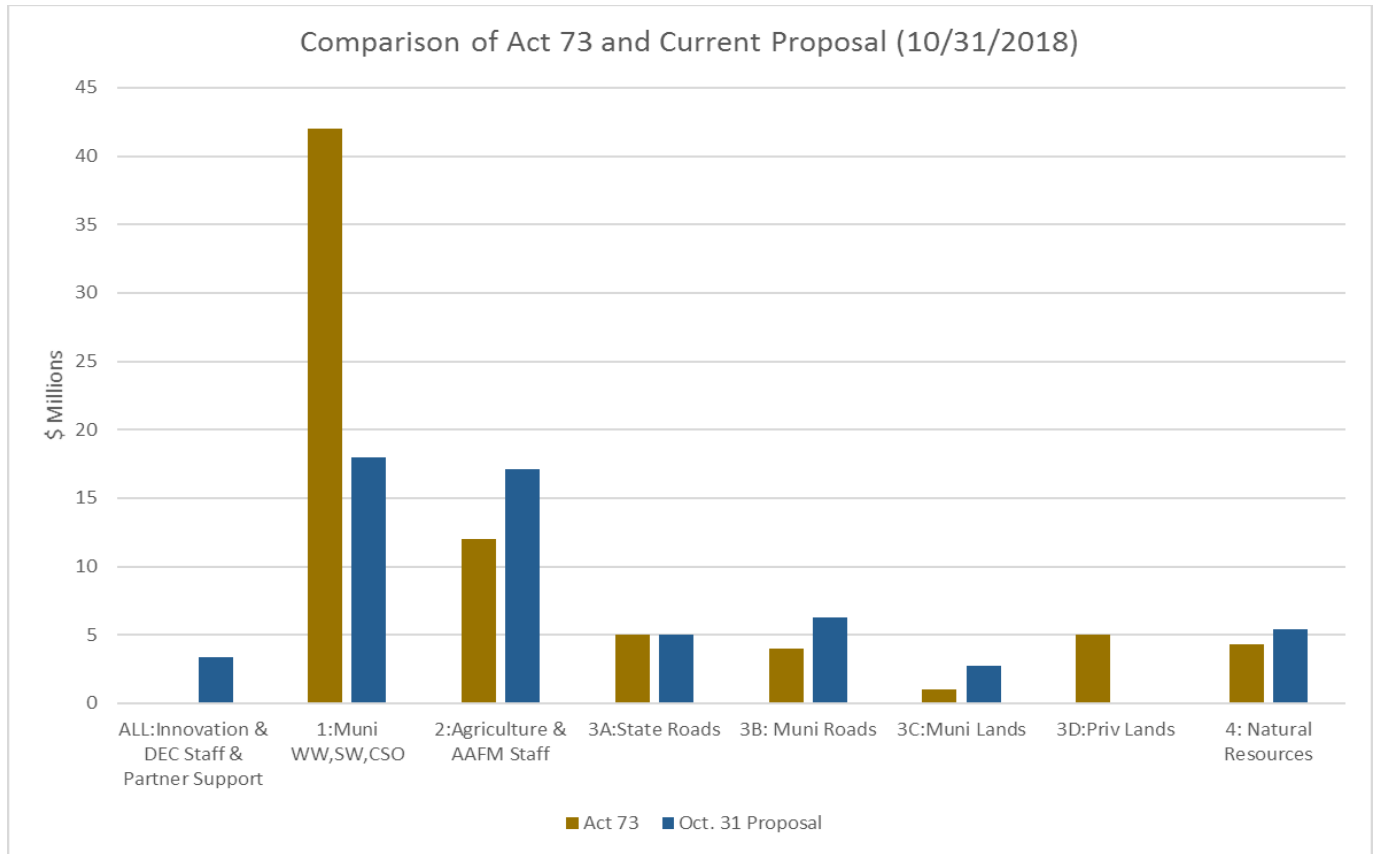
Act 73-Based Costs and Revenues, St Fiscal Yr =	FY2020	FUNDING SCENARIO																
	Cost-Share (%)						Costs (\$M)	Revenues (\$M)							Revenue Scenario by Source			
Sector	Cost Share	State (%)	State	Municipal	Private	Federal	State (based on cost-share & est. costs)	State	Municipal	Private	Federal	Total Gap	TOTAL	Staff Rec. state funds:		State \$\$ Source	Enter \$ (\$X*1000)	State Revenues (\$)
Municipal Wastewater and CSOs	<div><div></div></div>	20	20%	74%	0%	6%	\$ 9.40	\$ 5.80	\$ 33.00	\$ -	\$ 3.00	\$ 5.20	\$ 47.00	\$ 5.80	<div><div></div></div>	Capital	\$ 5,800	\$ 5.80
Municipal WWTF Optimization	<div><div></div></div>	100	100%	0%	0%	0%	\$ 0.10	\$ 0.11		\$ -	\$ -	\$ -	\$ 0.11	\$0.11	<div><div></div></div>	CW	\$ 110.00	\$ 0.11
Stormwater - State Roads	<div><div></div></div>	20	20%	0%	0%	80%	\$ 1.00	\$ 1.00	\$ -	\$ -	\$ 4.00	\$ -	\$ 5.00	\$ 1.00	<div><div></div></div>	Trans Bill	\$ 1,000.00	\$ 1.00
Stormwater - Municipal Roads - Grants in Aid + VTrans Better Rds	<div><div></div></div>	80	80%	20%	0%	0%	\$ 2.78	\$ 5.00	\$ 0.70	\$ -	\$ -	\$ -	\$ 5.70	\$ 5.00	<div><div></div></div>	CW	\$ 5,000.00	\$ 5.00
Stormwater - Municipal Roads - Inventories & Better Roads	<div><div></div></div>	80	80%	20%	0%	0%	\$ 0.50	\$ 0.50	\$ 0.13	\$ -	\$ -	\$ -	\$ 0.63	\$ 0.50	<div><div></div></div>	Trans Bill	\$ 500.00	\$ 0.50
Stormwater - Municipal	<div><div></div></div>	50	50%	0%	0%	50%	\$ 0.25	\$ 0.10	\$ -	\$ -	\$ 0.25	\$ 0.15	\$ 0.50	\$ 0.10	<div><div></div></div>	Cap	\$ 100.00	\$ 0.10
Stormwater - Municipal Inventories & Scoping, Implementation	<div><div></div></div>	100	100%	0%	0%	0%	\$ 0.50	\$ 2.47	\$ -	\$ -	\$ -	\$ -	\$ 2.47	\$ 2.47	<div><div></div></div>	CW	\$ 2,465.00	\$ 2.47
Stormwater - Private	<div><div></div></div>	0	0%	0%	100%	0%	\$ -	\$ 0.60	\$ -	\$ 3.00	\$ -	\$ -	\$ 3.60	\$ 0.60	<div><div></div></div>	CW	\$ 600.00	\$ 0.60
Agriculture Capital costs	<div><div></div></div>	74	74%	0%	0%	26%	\$ 8.0	\$ 6.77	\$ -	\$ -	\$ 2.80	\$ 1.23	\$ 10.80	\$ 6.77	<div><div></div></div>	Capital (Ag)	\$ 6,772.00	\$ 6.77
Agriculture Non capital costs (field-based), training, TA	<div><div></div></div>	58	58%	0%	0%	42%	\$ 4.47	\$ 2.29	\$ -	\$ 1.00	\$ 3.20	\$ 1.22	\$ 7.70	\$ 2.29	<div><div></div></div>	CW (Ag)	\$ 2,285.00	\$ 2.29
Agriculture - Operating costs	<div><div></div></div>	100	100%	0%	0%	0%	\$ 0.50	\$ 0.55	\$ -	\$ -	\$ -	\$ -	\$ 0.55	\$ 0.55	<div><div></div></div>	CW	\$ 550.00	\$ 0.55
Natural Resources	<div><div></div></div>	100	100%	0%	0%	0%	\$ 2.30	\$ 3.38	\$ -	\$ -	\$ 1.50	\$ -	\$ 4.88	\$ 3.38	<div><div></div></div>	Capital (NR)	\$ 3,378.00	\$ 3.38
Natural Resources (continued)	<div><div></div></div>	100	100%	0%	0%	0%	\$ 0.50	\$ 1.24	\$ -	\$ -	\$ -	\$ -	\$ 1.24	\$ 1.24	<div><div></div></div>	CW (NR)	\$ 1,240.00	\$ 1.24
Support for Partnerships, Tech Assistance, Training, mapping	<div><div></div></div>	100	100%	0%	0%	0%	\$ 2.00	\$ -	\$ -	\$ -	\$ -	\$ 2.00	\$ 2.00		<div><div></div></div>	CW		\$ -
Innovation	<div><div></div></div>	0	0%	0%	0%	0%	\$ -	\$ 1.00	\$ -	\$ -	\$ -	\$ -	\$ 1.00	\$ 1.00	<div><div></div></div>	Capital	\$ 1,000.00	\$ 1.00
Innovation (continued)	<div><div></div></div>	0	0%	0%	0%	0%	\$ -	\$ 1.00	\$ -	\$ -	\$ -	\$ -	\$ 1.00	\$ 1.00	<div><div></div></div>	CW	\$ 1,000.00	\$ 1.00
TOTAL								\$ 31.80	\$ 33.82	\$ 4.00	\$ 14.75	\$ 9.79	\$ 94.16	\$ 31.80				

Total Cap\$ 17.05

Total CWF\$ 13.25

VTrans T Bill\$ 1.50

# SFY2020



# SFY2020

## October 31 - Proposal

	ALL:Innovation & DEC Staff & Partner Support	1:Muni WW,SW,CSO	2:Agriculture & AAFM Staff	3A:State Roads	3B: Muni Roads	3C:Muni Lands	3D:Priv Lands	4: Natural Resources	TOTAL
State: Capital Bill	1	5.8	6.77	0	0	0.1	0	3.378	17.05
State: Clean Water Fund	2.48	0.11	2.835	0	5	2.325	0	0.5	13.25
State: General Fund	0	0	0	0	0	0	0	0	0.00
State: T-Bill	0	0	0	1	0.5	0	0	0	1.50
State: Total	3.48	5.91	9.6	1	5.5	2.425	0	3.878	31.79
Municipal	0	9.1	0	0	0.8	0	0	0	9.90
Federal	0	3	6	4	0	0.25	0	1.5	14.75
Private	0	0	1.5	0	0	0	0	0	1.50
Oct. 31 Proposal	3.48	18.0	17.1	5.0	6.3	2.675	0.0	5.4	57.94

## Note regarding project development and staff costs:

- “ALL” column includes innovation (\$1,000,000), partner costs (\$1,180,000) and DEC staff costs (\$300,000). Handout #6 spreads partner costs and DEC staff costs equally across natural resources and stormwater sectors.
- “Agriculture” column includes AAFM staff costs (\$550,000).

## Act 73 - Proposal

	1:Muni WW,SW,CSO	2: Agriculture	3A:State Roads	3B: Muni Roads	3C:Muni Lands	3D:Priv Lands	4: Natural Resources	TOTAL
State: Capital Bill	6	4	0	3	0	0	2	15.3
State: Clean Water Fund	0	1	0	0	1	2	1	4.0
State: General Fund	0	1	0	0	0	0	0	0.5
State: T-Bill	0	0	1	1	0	0	0	1.5
State: Total	6	6	1	3	1	2	3	21.3
Estimated Gap	5	7	0	0	0	0	0	11.5
Muni Rate- & Tax-Payers	33	0	0	1	0	0	0	33.8
Federal	3	6	4	0	0	0	2	14.8
Private	0	1	0	0	0	3	0	4.0
Act 73 TOTAL without gap	\$ 42.0	\$ 12.5	\$ 5.0	\$ 4.0	\$ 1.0	\$ 5.0	\$ 4.3	\$ 73.8
Act 73 TOTAL with gap	\$ 47.0	\$ 19.0	\$ 5.0	\$ 4.0	\$ 1.0	\$ 5.0	\$ 4.3	\$ 85.3

No.	Sector	Activity	Clean Water Funds	Capital Bill FY20	Other	Total
1	Agriculture	Agronomy Conservation Assistance Program (ACAP)	235,000	-	-	235,000
2	Agriculture	Water Quality Grants to Partners and Farmers	2,050,000	4,000,000	-	6,050,000
3	Agriculture	Operating	550,000	-	-	550,000
4	Agriculture	Agricultural Water Quality Projects	-	1,100,000	-	1,100,000
5	Agriculture	Water Quality or Other Conservation Projects to Enhance Natural Resources	-	1,672,000	-	1,672,000
6	Innovation	Investments in Multi-Sector Innovation	1,000,000	1,000,000	-	2,000,000
7	Stormwater	Municipal Stormwater Project Planning & Implementation	1,500,000			1,500,000
8	Stormwater	Municipal Stormwater Project Planning & Implementation-Private Property	600,000		-	600,000
9	Stormwater	Stormwater Utility Payments (\$25K each)(e)(1)(H)	125,000	-	-	125,000
10	Stormwater	Better Connections (SW planning)	100,000	-	-	100,000
11	Stormwater	Downtown Transportation Fund (SW BMPs)	-	100,000	-	100,000
12	Stormwater	Operating	150,000			150,000
13	Stormwater	Partner Support	590,000	-	-	590,000
14	Roads	Municipal Roads Grants-in-Aid	3,600,000		-	3,600,000
15	Roads	Municipal Better Roads	1,400,000		500,000	1,900,000
16	Natural Resources	Natural Resources Restoration	450,000	2,200,000		2,650,000
17	Natural Resources	Lake Carmi Fund	50,000	50,000	-	100,000
18	Natural Resources	Forestry/Skidder Bridges	-	50,000	-	50,000
19	Natural Resources	Operating	150,000	-	-	150,000
20	Natural Resources	Water Quality or Other Conservation Projects to Enhance Natural Resources	-	1,078,000	-	1,078,000
21	Natural Resources		590,000	-	-	590,000
22	Wastewater	WWTF operators support	110,000	-	-	110,000
23	Wastewater	CWSRF	-	2,500,000	-	2,500,000
24	Wastewater	Municipal Pollution Control Grants	-	3,300,000	-	3,300,000
25		Total Requested	13,250,000	17,050,000	500,000	30,800,000
26		Anticipated Available	6,000,000	15,000,000		21,000,000
27	Clean Water Funds =	Property Transfer Tax Surcharge, Escheats (Unclaimed Beverage Container Returns), FY19 Contingency, Prior Year Surplus Funds				
28		For evaluation of funding levels				
29		For consideration of an integrated approach to meet TMDL natural resource restoration goals				

No.	Sector	Notes
1	Agriculture	Continuation; level funded from prior years
2	Agriculture	Combines capital and non-capital supported projects
3	Agriculture	Continuation to cover staff and operating costs; increased this year to cover costs
4	Agriculture	Agricultural Best Management Projects; used 72% of VHCB Cap to est ag, based on FY17&FY18 Cap reporting
5	Agriculture	Uncertain what portion of these funds are for water quality protection zones; See VHCB memo; used 72% of VHCB Cap to est ag
6	Innovation	In FY19: DEC - \$200K; AAFM - \$250K (Phosphorus Innovation Challenge); included some CW funds for non-capital opportunities; all other project will need to be capital eligible
7	Stormwater	MS4 permits now have phosphorus control requirements; anticipate higher demand than Act 73 report; CW funds supports statewide stormwater outfall mapping and assessments
8	Stormwater	Supports stormwater treatment for non-regulated, discretionary projects on public and private land; Other funds are private landowner funds; amount may need to be adjusted, since expected to realize costs pertaining to Developed Lands permit in future years
9	Stormwater	Good incentive to have munis raise funds; covers some of Vtrans' utility bill; So. Burlington, Burlington, Williston, Colchester, St. Albans have stormwater utility
10	Stormwater	Level Funded; grant RFP and project selection anticipated to be completed by 1/2019
11	Stormwater	Level Funded; grant RFP and project selection anticipated to be completed by 1/2019
12	Stormwater	
13	Stormwater	Includes existing partner uses (such as Tech/Analytical Support; Work crew, project dev, SeaGrant partnership, Basin Planning support (in statute). New items include: (a) DEC's share of a SeaGrant fellow (new under the UVM/SeaGrant Institute status) and a third party verifier for project tracking; note that partner support for wastewater separate line item
14	Roads	Estimated cost of MRGP compliance for FY20: \$4.3M; permit is effective now; cost-effective; cost includes work with RPCs to administer, track and report on investment and investment in municipal equipment for roads
15	Roads	VTrans would prefer to support the program using Clean Water Funds; Other funds are Transportation Bill funds; however, final decisions on Transportation Fund not yet made; amount may be adjusted
16	Natural Resources	Act 73 Report (p.40) describes level of effort to implement Champlain TMDL natural resource restoration effort to meet pollutant targets. Total approx \$4M per year; If we acknowledge some portion of VHCB funds (line 22 below) towards natural resource restoration, we likely can achieve annual targets. H777 implementation will also help
17	Natural Resources	Establishing some min amount of Lakes in Crisis support, acknowledging some need for project development (CW funds) and some capital funds; AAFM funding could also apply
18	Natural Resources	Continuation of existing program; level funded
19	Natural Resources	New to reflect DEC's operating cost to support the level of tracking across all other agencies and program delivery
20	Natural Resources	Uncertain what portion of these funds are for water quality protection zones; See VHCB memo & note above under VHCB Ag-28% of FY17&FY18 VHCB reporting resulted in assigning this portion to NR restoration
21	Natural Resources	Includes existing partner uses (such as Tech/Analytical Support; Work crew, project dev, SeaGrant partnership, Basin Planning support (in statute). New items include: (a) DEC's share of a SeaGrant fellow (new under the UVM/SeaGrant Institute status) and a third party verifier for project tracking; note that partner support for wastewater separate line item
22	Wastewater	Continues program for 3rd year; funds to support optimization, technical, analytical & asset management, high strength source mgmt; other funds (Federal) may become available but are limited in scope & location
23	Wastewater	FED Estimate
24	Wastewater	FED Estimate; modified by RE (from \$5M to \$3.3M) and FED Cap Bill Budget Proposal
25		
26		
27	Clean Water Funds =	
28		
29		

(3) The Clean Water 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;

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

(F) establish a process under which a watershed organization, State agency, or other interested party may propose that a water quality project or program identified in a watershed basin plan receive funding 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 Vermont, as adopted by the Commissioner of Forests, Parks and Recreation;

(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;

(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;

(H) funding to municipalities for the establishment and operation of stormwater utilities; and

(I) investment in watershed basin planning, water quality project identification screening, water quality project evaluation, and conceptual plan development of water quality projects.

(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 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 and to municipalities for the establishment and operation of stormwater utilities.

(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 investment in all watersheds of the State based on the needs identified in watershed basin plans.