

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, 6th Floor, Montpelier, VT 05620

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.

**Vermont Clean Water Board
Meeting Minutes**

Date/Time: Tuesday, October 31, 2018, 9:30 am – 12:30 pm

Location: Winooski Conference Room, Main Building, National Life Complex, Montpelier

Clean Water Fund Board Members/Designees:

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

Robert Flint, public member

Susan Scribner, for Secretary Joe Flynn, Agency of Transportation (VTrans)

James Giffin, public member

Christopher Louras, public member

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

Chad Tyler, public member

Attendees:

Jill Arace, Vermont Association of
Conservation Districts (VACD)

Jared Carpenter, Lake Champlain
Committee

Chris Cochran, (ACCD)

Laura DiPietro (AAFM)

Kari Dolan, (DEC)

Daniel Dutcher, VTrans

Rebecca Ellis, (DEC)

Marcey Hodgdon, (AAFM)

Jennifer Hollar, Vermont Housing and
Conservation Board (VHCB)

Karen Horn, Vermont League of Cities and
Towns

Tom Kennedy, Southern Windsor County
Regional Planning Commission

Michael Middleman, (VDFM)

Joanna Pallito, (DEC)

David Pasco, (DEC)

Jim Pease, (DEC)

Representative Trevor Squirrell

Andrew Stein, Department of Taxes

Rebekah Weber, (CLF)

A. Introductions, Review of Agenda, Approval of Minutes 9:35

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

- Introduction of board members and attendees
- 6/25/2018 Meeting minutes approved
- 9/25/2018 Meeting minutes approved

B. Debrief and Answer Outstanding Questions from September 25 meeting 9:45

Department of Taxes, Andrew Stein

Supporting materials: 2018-10-31 Clean Water Board Meeting Materials.pdf,

2018-10-31 CleanWaterRevenueDeptofTaxesMemo.pdf

- Total revenue is increasing and is 20% above forecast
 - A recession is likely 2020-21 and revenue is likely to decrease although Real Estate markets will likely lag; therefore the Department of Taxes is not concerned about changes in transfer tax revenue

- Revenue forecast: \$5.5 million in surcharge, \$1 m for VHB, 4.5 for CW Board
- About \$750K -\$1 million available from bottle fees
- Therefore total available to clean water board: \$5.5 million
- Reviewed 4 state bottle bill programs
 - Bottle fee revenue is flat
 - Dollar amounts in handout are not adjusted for inflation
 - High confidence in revenue forecast
 - Michigan has high collection rate and moves more unredeemed dollars to environmental programs
 - Department of Taxes suggests taking prudent approach with use of fees starting in mid-2019 which is the first year of collection.

C. Overview of Current Cost Share Programs 10:00

Department of Environmental Conservation, Rebecca Ellis

- State cost share ranges with grant program
- The supporting materials are 1 year old and there have been changes:
 - the DEC municipal pollution control grant has new formula
 - the CWSRF is open to private landowners
 - CWIP has 5 grant programs

Discussion: Mr. Louras: does board have ability to direct CWF funds to a geographic area or direct use of funds to assist with Ag grant match requirements?
 Sec. Young: yes but capital funds have restrictions and must be used for capital-eligible activities.

D. Review of State Fiscal Year 2020 Clean Water Fund Budget Process 10:30

Department of Environmental Conservation, Kari Dolan

- Budget Process: Ms. Dolan queried needs of Agency partners and CWF board members on current effort
- Current effort exceeds minimum effort required to meet TMDL schedule

E. Discussion of DRAFT State Fiscal Year 2020 Clean Water Fund Budget 10:45

Agency of Natural Resources, Julie Moore

Supporting material: 7-2018-10-31 Charts Comparing Act 73 with Oct 31 Proposal.pdf

- Proposed Allocations by Sector: Agriculture, Stormwater, Wastewater, and Natural Resources Restoration
- Clarifications: 3A bar graph does not include Transportation bill, innovation column was added by DEC staff it is not in Act 73
- Only items under the blue line of graph are reviewed by CWB
- Sec. Moore welcomes input on how to refine the explanation of predicted costs and available funds
- We have \$17.5 million in request and we anticipate \$15 million from the legislature, some requests such as municipal roads could be moved from CWF to Capital Bill column, but the House Corrections and Institutions Committee has indicated that it prefers roads to be funded through sources other than capital bill.

Discussion: Mr. Louras is the CWF board responsible for the delta of \$7.25 million and finding additional revenue sources for this year? Sec. Young: Yes. Mr. Louras: can we move funds allocated on each row? Sec. Young: yes but you cannot move across columns for the most part. Ms. Hollar line #20 in budget is an uncertain value because only a portion of a typical VHCB land conservation easement value counts toward CWF match (the water resource easement), VHCB will need to break out these values which is difficult, and the board should be aware that easements won't happen unless whole projects are approved. There was a general board request to add the FY19 allocation and funds spent YTD to the table.

F. Next Steps & Future Board Meeting Dates **11:00**

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

General discussion: What does DEC need from the Board? DEC would like direction on priorities and adjustments to the proposed budget. The budget should show capital bill request as \$15 million given the pressure on the capital bill this year. Mr. Tyler believes additional education/outreach and marketing on clean water is needed.

- Post Draft budget out for public comment for 3 weeks
- November 30th: meeting might be difficult to schedule given budget adjustments needed and holidays. November 30 will be a working meeting.
- December 14th meeting if necessary (VTrans Dill building, 2178 Airport Rd, Berlin)

G. Public Comment **11:45**

- Rep. Squirrell: will gap in funding and its solution be discussed prior to the budget release? Can the public comment on that solution? Sec. Young: the revenue forecast plays a role in the gap and the Board will be discussing the gap. The Governor is evaluating new revenue sources but that will likely not be shared until the start of the legislative session.
- Ms. Arace is the \$1.8 million balance from the last fiscal year being moved into SFY 19? Sec. Moore: No, the funds are largely committed.
- Ms. Horn: please provide unit costs when reporting the budget to the public, i.e. it cost \$200K to treat 5 acres of ag production area etc. This should be linked to the Clean Water Investment Report outcomes.
- Mr. Flint: has there been any google analytics done on the CWIP web site? Ms. Dolan: only for the Annual Clean Water Week

H. ADJOURN **12:00**

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

- Motion to adjourn
 - Mr. Tyler motioned to adjourn
 - Mr. Flint seconded the motion
 - Meeting adjourned

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 12th, 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. 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.

**November 15 -
December 9, 2018**

Second Public Comment Period
Submit comments on the Draft FY20 Clean Water Budget using the online questionnaire linked at dec.vermont.gov/watershed/cwi/cwf.

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
September 25, 2018
October 31, 2018
November 30, 2018
December 21, 2018

Fiscal Year 2020 Clean Water Fund Budget Process Timeline



For more information, visit: dec.vermont.gov/watershed/cwi/cwf/budget-process or email anr.cleanwatervt@vermont.gov.



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

The Vermont Statutes Online

Title 10 : Conservation And Development

Chapter 047 : Water Pollution Control

Subchapter 007 : Vermont Clean Water Fund

(Cite as: 10 V.S.A. § 1389b)

- **§ 1389b. Clean Water Fund audit**

(a) On or before January 15, 2021, the Secretary of Administration shall submit to the House and Senate Committees on Appropriations, the Senate Committee on Finance, the House Committee on Ways and Means, the Senate Committee on Agriculture, the House Committee on Agriculture and Forestry, the Senate Committee on Natural Resources and Energy, and the House Committee on Natural Resources, Fish, and Wildlife a program audit of the Clean Water Fund. The audit shall include:

(1) a summary of the expenditures from the Clean Water Fund, including the water quality projects and programs that received funding;

(2) an analysis and summary of the efficacy of the water quality projects and programs funded from the Clean Water Fund or implemented by the State;

(3) an evaluation of whether water quality projects and programs funded or implemented by the State are achieving the intended water quality benefits;

(4) an assessment of the capacity of the Agency of Agriculture, Food and Markets to effectively administer and enforce agricultural water quality requirements on farms in the State; and

(5) a recommendation of whether the General Assembly should authorize the continuation of the Clean Water Fund and, if so, at what funding level.

(b) The audit required by this section shall be conducted by a qualified, independent environmental consultant or organization with knowledge of the federal Clean Water Act, State water quality requirements and programs, the Lake Champlain Total Maximum Daily Load plan, and the program elements of the State clean water initiative.

(c) Notwithstanding provisions of section 1389 of this title to the contrary, the Secretary of Administration shall pay for the costs of the audit required under this section from the Clean Water Fund, established under section 1388 of this title. (Added 2015, No. 64, § 37, eff. June 16, 2015; amended 2015, No. 97 (Adj. Sess.), § 20.)

CLEAN WATER BOARD
SFY 2020 DRAFT BUDGET (12/13/2018)

No.	Sector	Agency	Activity	Clean Water Funds	Capital Bill FY20	Total
1	Agriculture	AAFM	Agronomy Conservation Assistance Program (ACAP)	235,000	-	235,000
2	Agriculture	AAFM	Water Quality Grants to Partners and Farmers	2,050,000	4,000,000	6,050,000
3	Agriculture	AAFM	Operating	550,000	-	550,000
4	Agriculture	VHCB	Water Quality Farm Improvement & Retirement Projects	-	1,100,000	1,100,000
5	Nat'l Resources	VHCB	Land Conservation and Water Quality Projects	-	1,700,000	1,700,000
6	Innovation	All	Multi-Sector Innovation, DEC and Partner Support	2,480,000	-	2,480,000
7	Nat'l Resources	ANR-DEC (CWIP)	Natural Resources Restoration	450,000	2,200,000	2,650,000
8	Nat'l Resources	ANR-DEC (CWIP)	Lakes in Crisis Fund	50,000	50,000	100,000
9	Nat'l Resources	ANR-FPR	Forestry/Skidder Bridges	-	50,000	50,000
10	Roads	ANR-DEC (CWIP)	Municipal Roads Grants-in-Aid	3,700,000	-	3,700,000
11	Roads	VTrans	Municipal Better Roads	1,400,000	-	1,400,000
12	Stormwater	ANR-DEC (CWIP)	Municipal Stormwater Project Planning & Implt'ion	2,000,000	-	2,000,000
13	Stormwater	AoA	Stormwater Utility Payments (\$25K each)	125,000	-	125,000
14	Stormwater	ACCD	Better Connections (Stormwater planning)	100,000	-	100,000
15	Stormwater	ACCD	Downtown Trans Fund (Stormwater Best Mgt. Practices)	-	100,000	100,000
16	Wastewater	ANR-DEC	Wastewater Treatment Facility operators support	110,000	-	110,000
17	Wastewater	ANR-DEC (FED)	Clean Water State Revolving Fund (CWSRF)	-	2,500,000	2,500,000
18	Wastewater	ANR-DEC (FED)	Municipal Pollution Control Grants	-	3,300,000	3,300,000
19	Audit	AoA	Program Audit (10 V.S.A. § 1389b)	100,000	-	100,000
20			Total Requested	13,350,000	15,000,000	28,350,000
21			Anticipated Revenue as of December 13, 2018	6,100,000	15,000,000	21,000,000

CLEAN WATER BOARD
SFY 2020 DRAFT BUDGET (12/13/2018)

No.	Sector	Agency	Activity	Clean Water Funds	Capital Bill FY20	Total
1	Agriculture	AAFM	Agronomy Conservation Assistance Program (ACAP)	235,000	-	235,000
2	Agriculture	AAFM	Water Quality Grants to Partners and Farmers	2,050,000	4,000,000	6,050,000
3	Agriculture	AAFM	Operating	550,000	-	550,000
4	Agriculture	VHCB	Water Quality Farm Improvement & Retirement Projects	-	1,100,000	1,100,000
5	Nat'l Resources	VHCB	Land Conservation and Water Quality Projects	-	1,700,000	1,700,000
6	Innovation		Multi-Sector Innovation, DEC and Partner Support	2,480,000	-	2,480,000
7	Nat'l Resour		natural Resources Restoration	450,000	2,200,000	2,650,000
8	Nat'l Resour		akes in Crisis Fund	50,000	50,000	100,000
9	Nat'l Resour		restory/Skidder Bridges	-		0,000
10	Roads		Municipal Roads Grants-in-Aid	3,700,000		0,000
11	Roads	VTRANS	Municipal Better Roads	1,400,000		0,000
12	Stormwater	ANR-DEC (CWIP)	Municipal Stormwater Project Planning & Impl'tion	2,000,000		00,000
13	Stormwater		Stormwater Utility Payments (\$25K each)	125,000		25,000
14	Stormwater	ACCD	Better Connections (Stormwater planning)	100,000		00,000
15	Stormwater	ACCD	Downtown Trans Fund (Stormwater Best Mgt. Practices)	-		00,000
16	Wastewater	ANR-DEC	Wastewater Treatment Facility open	110,000		10,000
17	Wastewater	ANR-DEC (FED)	Clean Water State Revolving Fund	-	2,500,000	2,500,000
18	Wastewater	ANR-DEC (FED)	Municipal Pollution Control Grants	-		000
19	Audit	AoA	Program Audit (10 V.S.A. § 1389b)	100,000		000
20			Total Requested	13,350,000		000
21			Anticipated Revenue as of Decem	6,100,000	15,000,000	21,000,000

Administrator:
Changed sector from agriculture to natural resources. While VHCB's water quality projects can be either, in FY18, more than 80% of projects were in the natural resources sector.

Administrator:
Line 10: Added \$100,000 from Line 12.

Administrator:
Line 12 (\$1,500,000) and line 13 (\$600,000) combined. In addition, \$100,000 moved to line 10 for road equipment.

Administrator:
Audit is new. Required by 10 VSA 1389b.

Administrator:
Revenues up by \$100,000; could be higher. Used higher revenue to cover

Administrator:
Column total is up from \$13.25M to \$13.35M.

							Corresponding Statutory Priorities (Listed Below)										
No.	Sector	Agency	Activity	Clean Water Funds	Capital Bill FY20	Total	A	B	C	D	E	F	G	H	I	(3)	
1	Agriculture	AAFM	Agronomy Conservation Assistance Program (ACAP)	235,000	-	235,000	✓	✓	✓		✓					✓	✓
2	Agriculture	AAFM	Water Quality Grants to Partners and Farmers	2,050,000	4,000,000	6,050,000	✓	✓	✓		✓	✓					✓
3	Agriculture	AAFM	Operating	550,000	-	550,000	✓	✓									✓
4	Agriculture	VHCB	Water Quality Farm Improvement & Retirement Projects	-	1,100,000	1,100,000	✓	✓	✓		✓	✓	✓				✓
5	Nat'l Resources	VHCB	Land Conservation and Water Quality Projects	-	1,700,000	1,700,000	✓	✓	✓		✓	✓	✓				✓
6	Innovation	All	Multi-Sector Innovation, DEC and Partner Support	2,480,000	-	2,480,000	✓	✓	✓	✓	✓	✓					✓
7	Nat'l Resources	ANR-DEC (CWIP)	Natural Resources Restoration	450,000	2,200,000	2,650,000	✓	✓	✓		✓						✓
8	Nat'l Resources	ANR-DEC (CWIP)	Lakes in Crisis Fund	50,000	50,000	100,000	✓	✓			✓						
9	Nat'l Resources	ANR-FPR	Forestry/Skidder Bridges	-	50,000	50,000	✓	✓	✓		✓						✓
10	Roads	ANR-DEC (CWIP)	Municipal Roads Grants-in-Aid	3,700,000	-	3,700,000	✓	✓		✓	✓	✓					✓
11	Roads	VTrans	Municipal Better Roads	1,400,000	-	1,400,000	✓	✓		✓	✓	✓					✓
12	Stormwater	ANR-DEC (CWIP)	Municipal Stormwater Project Planning & Impl'tion	2,000,000	-	2,000,000	✓	✓		✓	✓				✓	✓	✓
13	Stormwater	AoA	Stormwater Utility Payments (\$25K each)	125,000	-	125,000	✓	✓		✓					✓		
14	Stormwater	ACCD	Better Connections (Stormwater planning)	100,000	-	100,000	✓	✓		✓	✓	✓					✓
15	Stormwater	ACCD	Downtown Trans Fund (Stormwater Best Mgt. Practices)	-	100,000	100,000	✓	✓		✓	✓	✓					✓
16	Wastewater	ANR-DEC	Wastewater Treatment Facility operators support	110,000	-	110,000	✓	✓			✓	✓					✓
17	Wastewater	ANR-DEC (FED)	Clean Water State Revolving Fund (CWSRF)	-	2,500,000	2,500,000	✓	✓				✓					✓
18	Wastewater	ANR-DEC (FED)	Municipal Pollution Control Grants	-	3,300,000	3,300,000	✓	✓				✓					✓
19	Audit	AoA	Program Audit (10 V.S.A. § 1389b)	100,000	-	100,000											
20			Total Requested	13,350,000	15,000,000	28,350,000											
21			Anticipated Revenue as of December 13, 2018	6,100,000	15,000,000	21,000,000											

✓ : Supports statutory priority

10 V.S.A. 1389 (e) Priorities [for Clean Water Fund]:

- (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.

Clean Water Board
Draft State Fiscal Year (SFY) 2020 Clean Water Budget – Line Item Descriptions
Organized by Agency

Agency of Agriculture, Food and Markets (AAFM)

Line 1: Agronomy Conservation Assistance Program (ACAP) (\$235,000 Clean Water Fund)

- a. Support for the Agronomy and Conservation Assistance Program (ACAP) – contract to continue delivering agronomic (field-based) technical support to farmers statewide, in coordination with federal and state agencies.

Line 2: Water Quality Grants to Partners and Farmers (\$2,050,000 Clean Water Fund; \$4,000,000 Capital)

- a. Capital Funds: The Agency of Agriculture, Food and Markets provides grants and contracts for capital expenditure that include the installation of Best Management Practices (BMPs) on farms in Vermont. The BMPs are to protect water quality and could include manure storage, collection and mitigation of rain water off buildings, collection and storage of silage leachate, structures to mitigate other on-farm water quality issues. Capital funds also support the Agency's conservation and grass waterway programs.
 - i. Best Management Practice (BMP) Program, 6 V.S.A. §4900.
 - ii. [Conservation Reserve Enhancement Program \(CREP\)](#), 6 V.S.A. §4900. The program funds 15 to 30-year term water quality agreements to install vegetation within buffers. The scope of this program is unchanged since it was launched more than 15 years ago.
 - iii. Grassed Waterway/Filter Strip Program, which replaced the Vermont Agricultural Buffer Program, 6 V.S.A. §4900.
- b. Clean Water Funds: Grants and contracts that are non-capital funds are used to support: (i) partners in the water quality effort that may include UVM Extension, Natural Resource Conservation Districts, watershed groups in multiple parts of the state, (ii) non-capital fund eligible water quality practices, such as cover-crops; (iii) innovative water quality improvement methods for manure management, phosphorus reduction and new techniques that directly assist partners and farmers in water quality implementation activities. For assistance, farmers should contact: <http://agriculture.vermont.gov/water-quality/farmer-assistance>.



Figure 1. BMP for silage leachate collection system, before and after.

Line 3: Operating (\$550,000 Clean Water Fund)

- a. The Agency of Agriculture, Food and Markets supports staffing costs from the Clean Water Fund. In FY18 and FY19, this was a \$375,000 appropriation.

Vermont Housing and Conservation Board

Line 4: Water Quality Farm Improvement and Retirement Projects (\$1,100,000 Capital)

- a. VHCB's Farm and Forest Viability Program will use this funding to award grants to farmers for water quality-related capital improvements, expanding its Dairy Improvement Grants program to all dairy farms, and extending this opportunity to non-dairy farmers as well. Eligible projects will include, but are not limited to, manure separators, centrifuge installation to allow phosphorus removal, equipment for converting to low and no-till operation, contributing cost share for priority BMP or Natural Resources Conservation Service projects to make sure farmers can advance expensive projects.
- b. Fee purchase farm buyouts: VHCB will work closely with other partners – particularly VAAFM and ANR – to identify potential farms where the land is difficult to farm without adversely causing impacts to water quality. These funds would allow VHCB to help fund the purchase and conservation of such a property, with a goal of taking them all or mostly out of production, when a landowner is willing to sell, and a suitable buyer (likely a non-profit or public entity) can be found.

Line 5: Land Conservation and Water Quality Projects (\$1,700,000 Capital)

- a. Part of VHCB's core funding, this allocation is used for grants to eligible applicants (land trusts and other conservation non-profits, towns, certain state agencies) for conservation and water-quality related investments in fee lands and conservation easements. All grants will require perpetual conservation restrictions. Those with surface waters will include specific water quality-related easement provisions such as riparian buffers and wetlands protection zones.

Innovation, DEC, and Partner Support

Line 6: Innovation and DEC Partner Support (\$2,480,000 Clean Water Fund)

- a. Innovation. Approximately \$1,000,000 will be used to support innovation efforts, such as the Phosphorus Innovation Challenge. This is a cross-agency effort, and grants are awarded on a competitive basis. In FY19, AAFM provided \$250,000 to kick-start the [Phosphorus Innovation Challenge](#). DEC provided \$200,000 to support other innovative phosphorus reduction-based projects (includes School Stormwater Assessment/Early Adoption Project and Rivers Project Identification, Tracking, and Mapping).
- b. Clean Water Service Redesign. With the legislature's support, approximately \$300,000 will be used to support project tracking and accounting for nutrient pollutant reductions. Tracking and accounting will be used to promote innovative service delivery through a cost-effective, competitive bidding system.
- c. Partner Support. DEC will use approximately \$1,180,000 to support partner efforts, such as programs outlined in the [State Fiscal Year 2019 Clean Water Initiative Program Ecosystem Restoration Grants Spending Plan](#). DEC annually provides grants and contracts, some of which leverages federal funding. Past recipients have included UVM SeaGrant's program, the Vermont Urban & Community Forestry and the Vermont Youth Conservation Corps. Through its contracts, DEC also paid for targeted water-quality monitoring, and laboratory testing of water samples. DEC uses cooperative agreements to extend outreach and education to municipalities, such as watershed-based planning agreements with the regional planning commissions and natural resources conservation districts (as required by statute).

[This table presents DEC's water quality grants and contracts that provide partner support and innovations](#) in SFY 2019:

Activity	SFY 2019 Amount
Tactical Basin Planning Support	\$330,000
Work Crew Support	\$215,000
Innovation: School Stormwater Assessment/Early Adoption Project	\$100,000
LaRosa Partnership & Laboratory Support for Watershed Monitoring	\$150,000
Innovation: Rivers Project Identification, Mapping & Tracking	\$100,000
UVM SeaGrant - Extension / Technical Assistance Delivery	\$50,000
Vermont League of Cities and Towns - Extension / Technical Support	\$50,000
Analytical Services	\$50,000
Partnership Block Grant - Pilot	\$45,000
Ecosystem Restoration Woody Buffer Block Grant –Partnership Portion	\$40,000
State parcel mapping, ANR share of costs	\$40,000
Technical Capacity Grants	\$40,000
Total	\$1,160,000

Agency of Natural Resources

Line 7: Natural Resources Restoration (\$450,000 Clean Water Fund; \$2,200,000 Capital)

- a. DEC provides grants for natural resources restoration through its Ecosystem Restoration Grant Program. Recipients of ecosystem restoration grants and contracts include municipalities, watershed organizations, lake associations, conservation districts, and regional planning commissions. Through the tactical basin planning process, DEC is able to identify and prioritize the award of grants for natural resources projects.

Line 8: Lakes in Crisis Fund (\$50,000 Clean Water Fund; \$50,000 Capital)

- a. Act 168 of the 2018 Session created a Lake in Crisis Fund and requires the Agency of Natural Resources to recommend a budget for the fund. Currently only one lake, Lake Carmi, has been designated as a Lake in Crisis. ANR's plan for Lake Carmi can be found at: <https://dec.vermont.gov/watershed/cwi/restoring/carmi>. ANR and AAFM also rely on regular grant programs to support phosphorus mitigation in the Lake Carmi watershed. In addition, the FY19 budget includes up to \$1,600,000 for installation of an aerator in Lake Carmi. In SFY 2020, ANR recommends a set-aside of \$100,000, through the Ecosystem Restoration Grant Program, for water quality efforts in the Lake Carmi watershed.

Line 9: Forestry/Skidder Bridges (\$50,000)

- a. The Department of Forests, Parks and Recreation (FPR) provides direct grants to loggers to reimburse a portion of the cost of skidder bridges (2017 Act 75, 10 V.S.A. § 2622a). Portable skidder bridges prevent erosion and runoff at stream crossings on logging jobs.

Line 10: Municipal Roads Grants-in-Aid (\$3,700,000 Clean Water Fund)

- a. Provides funding assistance to municipalities to bring hydrologically connected municipal road sections into full compliance with the Municipal Roads General Permit. Funds are dispersed by formula to all participating municipalities based on hydrologically connected road miles. Municipalities enroll through regional planning commissions and complete construction and regional planning commissions provide project verification and reporting. Practices eligible for funding under this pilot project include drainage ditch installation and upgrades, turnouts, removal of high road shoulders, and stabilization of drainage culverts and catch basin outlets, and on Class 4 roads, stabilization of gully erosion.

Line 12: Municipal Stormwater Project Planning and Implementation (\$2,000,000 Clean Water Fund)

- a. Provides funding assistance to municipalities and other partners to implement stormwater pollution abatement and control projects. Stormwater projects capture and treat stormwater runoff from developed areas that have impervious surfaces, such as parking lots. (Stormwater pollution is caused by rainfall and snowmelt running off these hard surfaces and picking up and discharging sediment, nutrient pollutants, litter, petrochemicals, and other pollutants into waterways). Examples of stormwater pollution abatement and control projects are: infiltration basins, bioretention or other green infrastructure filters, constructed wetlands, stormwater ponds, swales, and sediment basins. Much of the state's funding assistance for stormwater treatment helps municipalities achieve permit

compliance as part of federal and state clean water directives called Maximum Daily Loads (TMDLs. Stormwater planning/implementation funding includes: (a) project identification & planning (b) illicit discharge detection and elimination (IDDE), which are improper or illegal connections and discharges to receiving waterways; and (c) construction.

Line 16: Wastewater Treatment Facility (WWTF) Operators Support (\$110,000 Clean Water Fund)

- a. ANR proposes to continue providing WWTF operator support for a third year. These funds support optimization, and high-strength source management, in place of near-term capital investments to implement major nutrient TMDLs (e.g., Lake Champlain phosphorus TMDLs). Programming covers technical, analytical & asset management. Federal funds may become available but are limited in scope and location.

Line 17: Clean Water State Revolving Fund (\$2,500,000 Capital)

- a. The Clean Water State Revolving Fund (CWSRF) provides low-interest loans for municipal stormwater, wastewater and natural resources projects. Vermont provides a 20% match in order to draw down an 80% federal match. The 20% match of \$2,533,697 in SFY20 will draw down \$12,668,485; and the 20% proposed match of \$1,571,800 in SFY21 will draw down \$7,859,000 in revolving loan funds.

All of the 20% state match funds and all but 4% of the federal funds are used to provide loans for a wide range of water-quality projects that includes combined sewer overflow abatement (CSO), plant refurbishment, plant upgrades, sludge and septage improvements, sewer line replacement and extension, pump station upgrades, plant enlargements, stormwater improvements, and municipally-sponsored private wastewater disposal systems.

Act 185 of the 2018 Session authorized CWSRF loans to private entities for a four-year pilot. Private entities may obtain loans for the same range of projects as municipalities. The interest rates on loans to private entities will be slightly higher than interest rates to municipalities, and these revenues will be used to offset reduced interest rates on loans to municipalities that promote natural resource projects. By statute, municipal projects always have priority over loans to private entities.

Line 18: Municipal Pollution Control Grants (\$3,300,000)

- a. In addition to low-interest loans through the Clean Water State Revolving Loan Funds, some municipal clean water projects are eligible for municipal pollution control grants in FY20 up to 35% of the project cost. The source of funding for municipal pollution control grants is the Capital Bill. These grants are for municipalities only.

The Legislature has adopted a priority system for municipal pollution control grants,¹⁰ V.S.A. 1626b(c) & 1628. See 2016 [Act 103](#). Based on preliminary information provided by municipalities in May 2018, ANR anticipates the award of the following grants in FY20 (July 1, 2019-June 30, 2020):

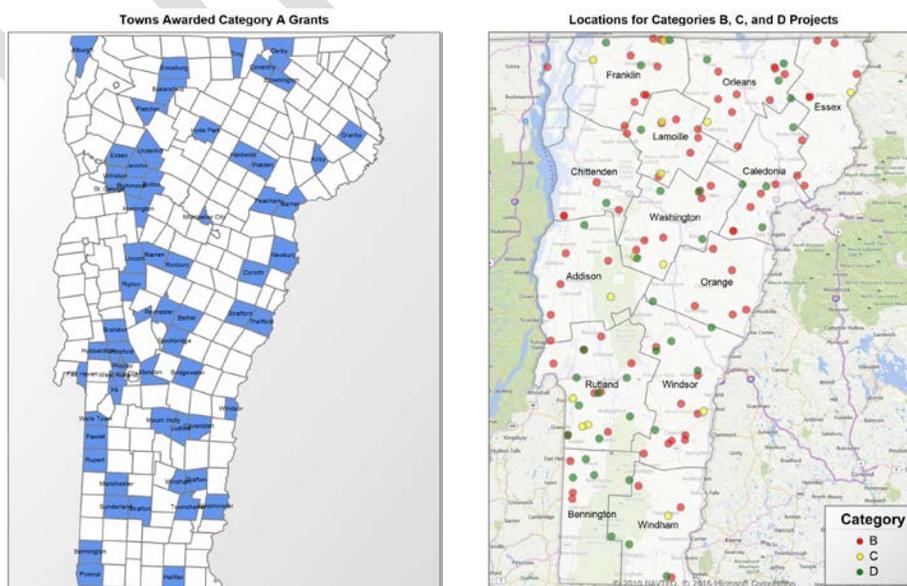
Clean Water - Municipal Pollution Control Grants	
Bridgewater - WWTF	10,000
Fair Haven - River Street Sewers & SW	81,000
Hartford - S Main Street, Gates SW Improvements	100,000
Hartford - S Main, Gates & North Main WW Improvements	96,000
Hartford - WRJ Stormwater Improvements	70,000
Middlebury - WWTF	162,000
Montpelier - WWTF Upgrade	2,400,000
S Burlington Kennedy Drive SW Improvements	65,000
St Johnsbury - Pleasant Street/Gilman Ave CSO	320,000
	3,304,000

Agency of Transportation (VTrans)

Line 11: Municipal Mitigation Assistance - [Better Roads Program](#) (\$1,400,000 Clean Water Fund; \$828,000 Transportation Bill)

- a. Better Roads projects are meant to be quick, low cost projects that are easy to advance without all the requirements of federal funding. The program funds road erosion inventory and capital budget planning projects as well as construction projects. Example construction projects include ditching, check dams, gravel wetlands, stream bank or slope stabilization, and structure/culvert upgrades. Municipalities have 18 months to complete the road erosion and capital budget planning projects and 12 months for the construction projects once they are awarded.

The location of FY17 Better Roads awards are shown below as a representation of how funds are distributed; however, actual grant award lists going back to FY14 can be found [here](#).



Agency of Administration

Line 13: Stormwater Utility Payments (\$25,000 per year per established utility)

- a. The Legislature has encouraged the Clean Water Fund to award monies to support the establishment and maintenance of stormwater utilities. 10 V.S.A. §1389(e)(1)(H) (the board “shall prioritize funding to municipalities for the establishment and operation of stormwater utilities); §1389(e)(2) (“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.”).

The Clean Water Board has fulfilled this statutory mandate by recommending an annual appropriation of \$25,000 to municipal stormwater utilities. By FY20, five municipalities will have established stormwater utilities: Williston, Colchester, South Burlington, St. Albans, and Burlington. These funds are appropriated through the Agency of Administration. VTrans publishes an annual report about municipal stormwater utilities related to VTrans expenditures: <https://legislature.vermont.gov/assets/Legislative-Reports/VTrans-Act-158-SW-Utility-Report-2017-Cal-Year.pdf>.

Line 19: Program Audit (\$100,000 preliminary estimate)

- a. A new line item is the cost of a Clean Water Audit, as required by 10 V.S.A. § 1389b (2015 Act 64). According to the statute, the Secretary of Administration will need to contract for services to conduct the program audit using a “qualified, independent environmental consultant.” The audit is due to the General Assembly on January 15, 2021.

Agency of Commerce and Community Development (ACCD)

Line 14: Better Connections Stormwater Planning (\$100,000 Clean Water Fund)

- a. Better Connections is an award-winning interagency grant program (VTrans, ACCD, ANR, VDH) that supports the implementation of local projects to increase local transportation options, build resilience, and revitalize communities. Funding will help municipalities incorporate stormwater management strategies into downtown and village center transportation and community revitalization plans.

Line 15: Downtown Transportation Fund, Stormwater Best Management Practices (\$100,000 Capital)

- a. In partnership with VTrans, the Downtown Transportation Fund has invested over \$10 million and leveraged \$57 million in infrastructure improvements since 1999. Clean water funding will help municipalities incorporate stormwater management best management practices (BMPs) into infrastructure improvement projects that make Vermont’s downtown areas more pedestrian, bike, and transit friendly.

CLEAN WATER FUNDING IN STATE BUDGET	(FY16+FY17)/2	FY18	FY19	FY20 Draft 12/13/18		
				CWF FY20	Capital FY20	TOTAL
Capital Bill (FY16-20) and Clean Water Fund (FY20)						
(a)(1), (a)(2) & (e)(1) AAFM BMP & CREP & Water Quality Grants & Ks	\$ 1,900,000	4,050,000	3,615,000	2,285,000	4,000,000	6,285,000
AAFM Operational Funds	see below	see below	see below	550,000		550,000
Aeration System at Lake Carmi	\$ -					
Phosphorus removal equipment at dairy farms	\$ -		1,400,000			
(b)(1)&(f)(1) DEC Clean Water State Revolving Fund (SRF)	\$ 1,200,000	1,000,000	1,200,000		2,500,000	2,500,000
(b)(2)&(f)(2) DEC Ecosystem Restoration Grants/Lake Carmi aerator	\$ 3,730,000	6,000,000	8,850,000	6,310,000	2,300,000	8,610,000
(f)(2) DEC Lake Carmi aerator			200,000			
(b)(3) DEC Municipal Pollution Control Grants (prior)	\$ 17,500	2,982,384				
(b)(4)&(f)(3) DEC Municipal Pollution Control Grants (new)	\$ 1,653,250	2,704,232	4,040,000		3,300,000	3,300,000
(c) VTrans Municipal Mitigation Program/Better Roads	\$ -	1,400,000	2,400,000	1,400,000		1,400,000
(d)(1) VHCB: water quality projects	\$ 1,875,000	2,800,000	2,750,000		1,700,000	1,700,000
(d)(2) VHCB: farm grants or fee purchase water quality projects	\$ -	1,000,000	1,100,000		1,100,000	1,100,000
ACCD Pilot Project Downtown Transportation Stormwater	\$ -		100,000	100,000	100,000	200,000
Stormwater Utility Support (5 x \$25,000) - through AoA				125,000		125,000
Statewide Innovation & DEC & Partner Support				2,480,000		2,480,000
Audit required by 10 VSA 1389b	\$ -	-		100,000		100,000
	\$ 10,375,750	21,936,616	\$ 25,655,000	13,350,000	15,000,000	28,350,000
	\$ -					
Transportation Bill	\$ -					
State Highway Compliance (includes federal funds ~80%)	\$ 5,225,000	4,850,000	5,000,000			5,000,000
Section 14: Transportation Alternatives (for stormwater)	\$ 1,100,000	2,200,000	2,200,000			
Section 8: Municipal Mitigation/Better Roads	\$ 840,000	1,240,000	1,240,000			500,000
Section 8: Municipal Mitigation from Federal Hgwy STBG Fund	\$ 190,000	5,442,342	5,442,342			328,000
	\$ 7,765,000	13,732,342	13,882,342			5,828,000
	\$ -					
Appropriations Bill	\$ -					
DEC Federal match pass through for DEC Clean Water SRF	\$ 10,000,000	10,000,000	10,000,000			10,000,000
DF&W Watershed Grants Program	\$ 35,000	35,000	35,000			35,000
AAFM Farm Agronomic Practices Program	\$ 150,000	150,000	150,000			
AAFM Water Quality Grants and Contracts	\$ 297,000	297,000	297,000			
AAFM Operational Funds (FY16-19) (FY20 See above)	\$ 375,000	375,000	375,000			See above
Clean Water Fund (FY20 See above)	\$ 4,800,000	4,000,000	4,000,000			See above
Federal Lake Champlain Appropriations passing through State Budget			3,452,000			3,400,000
GRAND TOTAL	\$ 33,797,750	\$ 50,525,958	\$ 57,846,342			\$47,613,000

¹ AAFM Operational Funds: FY18 & 19 \$375,000; FY20 \$550,000

² Act 73: \$2,300,000 (natural resources/ERP or VHCB) + \$2,700,000 (muni roads grant-in-aid) + \$250,000 (3-acre assistance to munis)

FY19: \$2,110,000 (ERP standard) + \$50,000 (forest skidders) + \$1,600,000 (Lake Carmi) + \$2,000,000 (block grants)+ \$3,090,000 (muni roads)

FY20 CWF: \$2,00,000 Stormwater Dev'p Lands + \$3,700,000 Municipal Roads + \$50,000 (Lake Carmi) + \$450,000 Natural Resources + \$110,000 (WWTF Optimization)

FY20 Capital: \$2,200,000 ERP Natural Resources + \$50,000 (Lake Carmi) + \$50,000 (Skidders)

³ FY20 Innovation: \$1,000,000 innovation grants, \$300,000 DEC innovation initiative; \$1,180,000 DEC partner support

⁴ VTrans does not have a separate line-item for clean water compliance. Assumes 80/20 federal match; federal share roughly \$4,000,000.

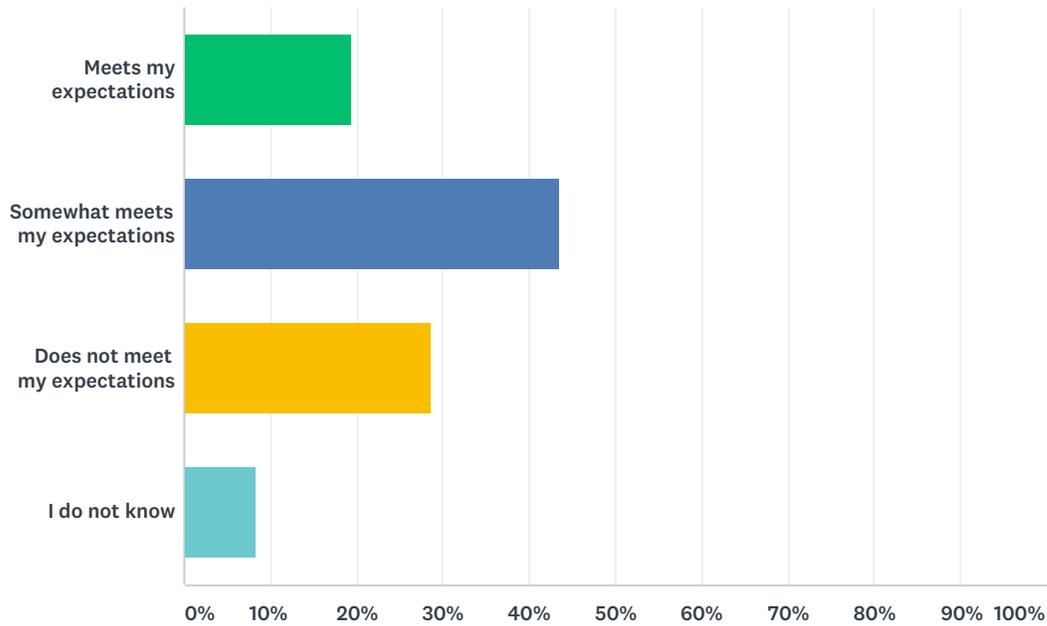
For Vtrans state highway compliance, includes project development, construction, O&M and FTEs.

⁵ While no funding is set aside for stormwater, municipalities may apply for stormwater funding through a competitive process along with other eligible project types such as bicycle and pedestrian facilities.

⁶ Most of this appropriation is a federal pass-through. CWSRF loans will be repaid by municipalities.

Q1 Please indicate the extent to which the percent distribution of dollars by land use sector in the draft SFY 2020 clean water budget meets your expectations:

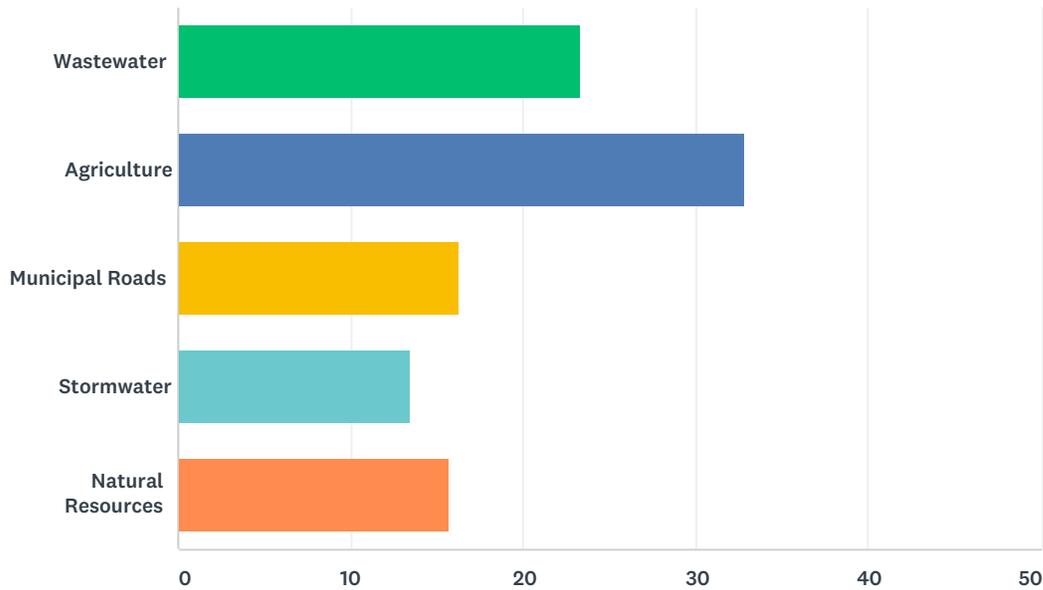
Answered: 108 Skipped: 1



ANSWER CHOICES	RESPONSES	
Meets my expectations	19.44%	21
Somewhat meets my expectations	43.52%	47
Does not meet my expectations	28.70%	31
I do not know	8.33%	9
TOTAL		108

Q2 If the draft SFY 2020 clean water budget does not meet or somewhat meets your expectations, please recommend adjustments to the percent distribution of dollars by land use sector in the draft SFY 2020 clean water budget. Your percentages must add up to 100.

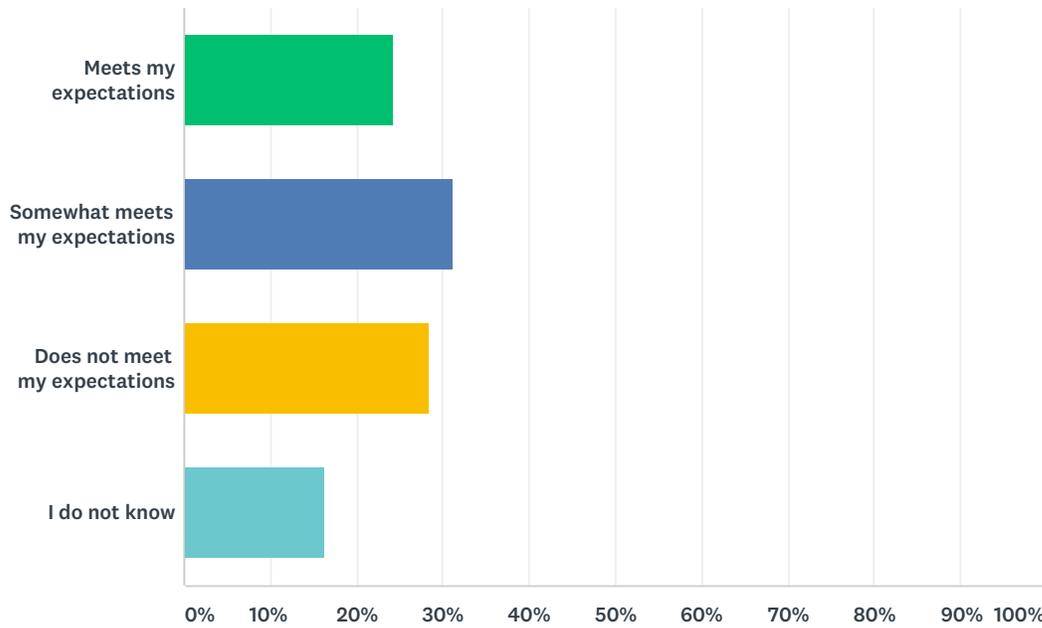
Answered: 77 Skipped: 32



ANSWER CHOICES	AVERAGE NUMBER	TOTAL NUMBER	RESPONSES
Wastewater	23	1,775	76
Agriculture	33	2,528	77
Municipal Roads	16	1,220	75
Stormwater	14	1,029	76
Natural Resources	16	1,148	73
Total Respondents: 77			

Q3 Please indicate the extent to which the draft SFY 2020 clean water budget (black dots in the graph above) meets your expectations:

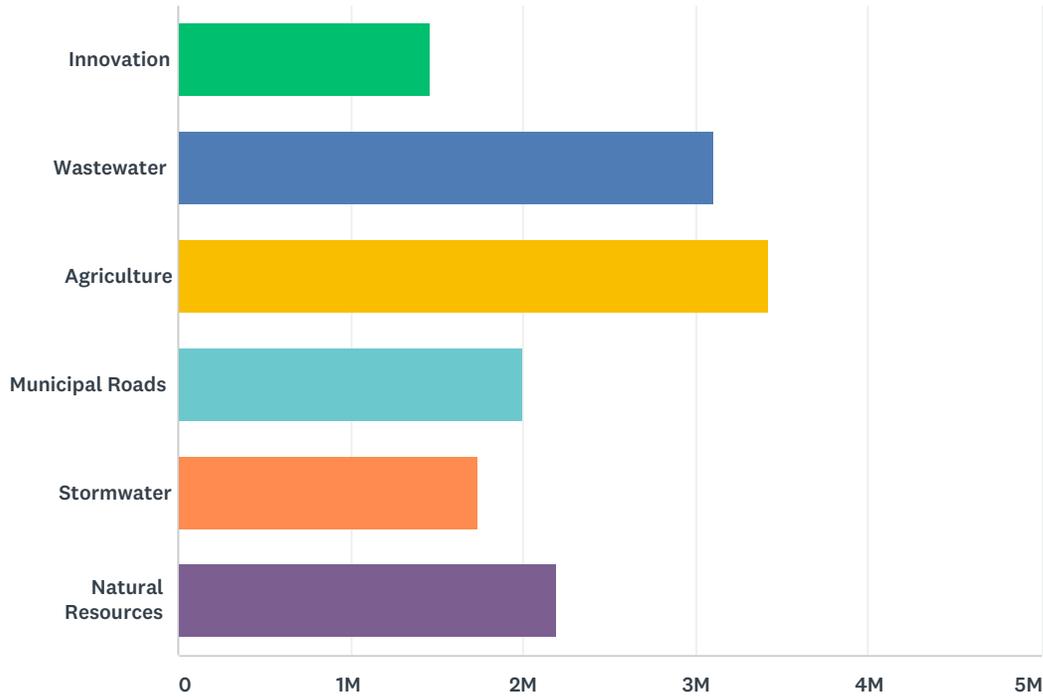
Answered: 74 Skipped: 35



ANSWER CHOICES	RESPONSES	
Meets my expectations	24.32%	18
Somewhat meets my expectations	31.08%	23
Does not meet my expectations	28.38%	21
I do not know	16.22%	12
TOTAL		74

Q4 If the draft SFY 2020 clean water budget does not meet or somewhat meets your expectations, please recommend how you would allocate \$13,250,000 of clean water funds (please enter only whole numbers without decimals, commas, or dollar signs):

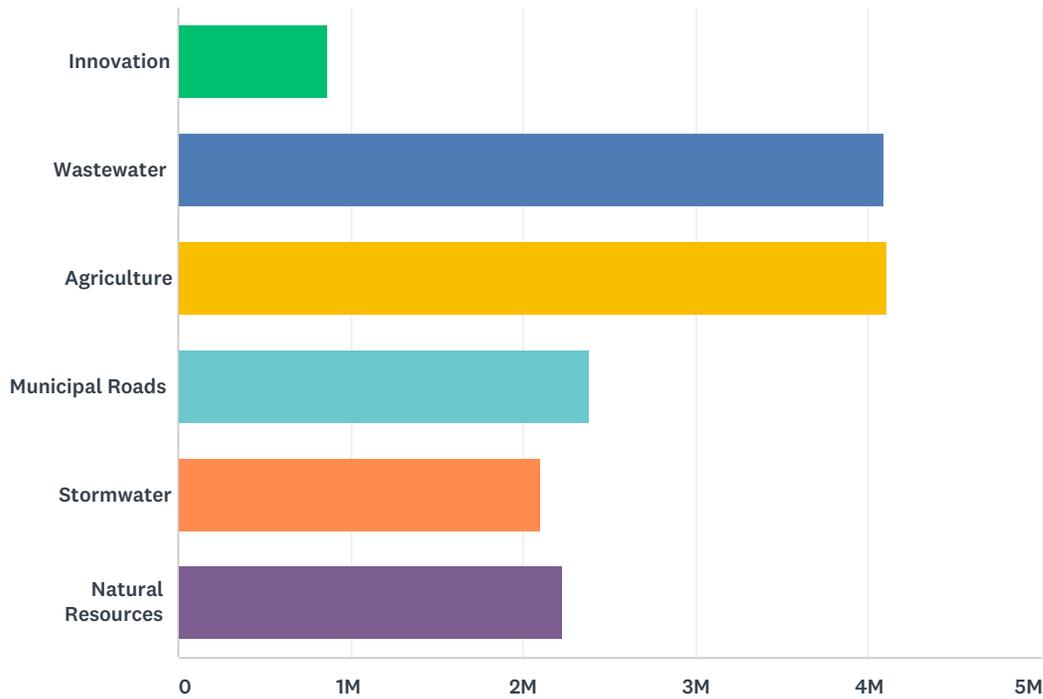
Answered: 31 Skipped: 78



ANSWER CHOICES	AVERAGE NUMBER	TOTAL NUMBER	RESPONSES
Innovation	1,464,375	43,931,250	30
Wastewater	3,104,750	90,037,750	29
Agriculture	3,417,683	102,530,500	30
Municipal Roads	2,003,125	60,093,750	30
Stormwater	1,737,733	50,394,250	29
Natural Resources	2,198,707	63,762,500	29
Total Respondents: 31			

Q5 If the draft SFY 2020 clean water budget does not meet or somewhat meets your expectations, please recommend how you would allocate \$15,000,000 of capital bill revenues (please enter only whole numbers without decimals, commas, or dollar signs):

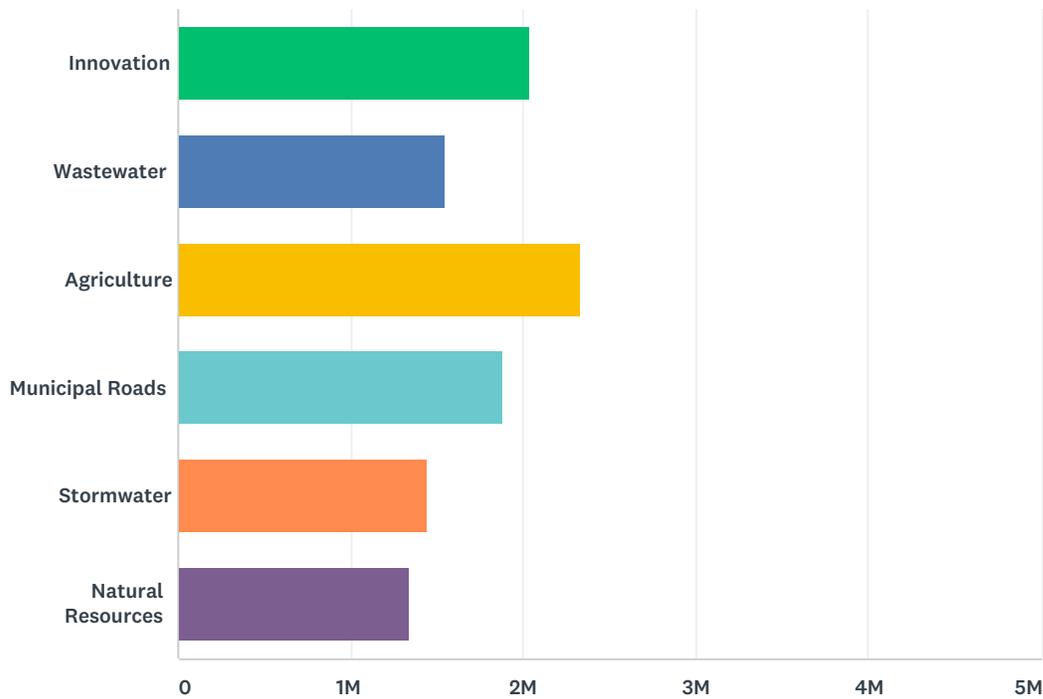
Answered: 28 Skipped: 81



ANSWER CHOICES	AVERAGE NUMBER	TOTAL NUMBER	RESPONSES
Innovation	865,000	21,625,000	25
Wastewater	4,094,444	110,550,000	27
Agriculture	4,106,481	110,875,000	27
Municipal Roads	2,388,889	64,500,000	27
Stormwater	2,104,630	56,825,000	27
Natural Resources	2,225,000	55,625,000	25
Total Respondents: 28			

Q6 If \$7,250,000 in additional state funds is not available for clean water work, please indicate where you would reduce state clean water funds, keeping in mind other sources of federal, municipal, and private funding may become available (please enter whole numbers without decimals, commas, or dollar signs).

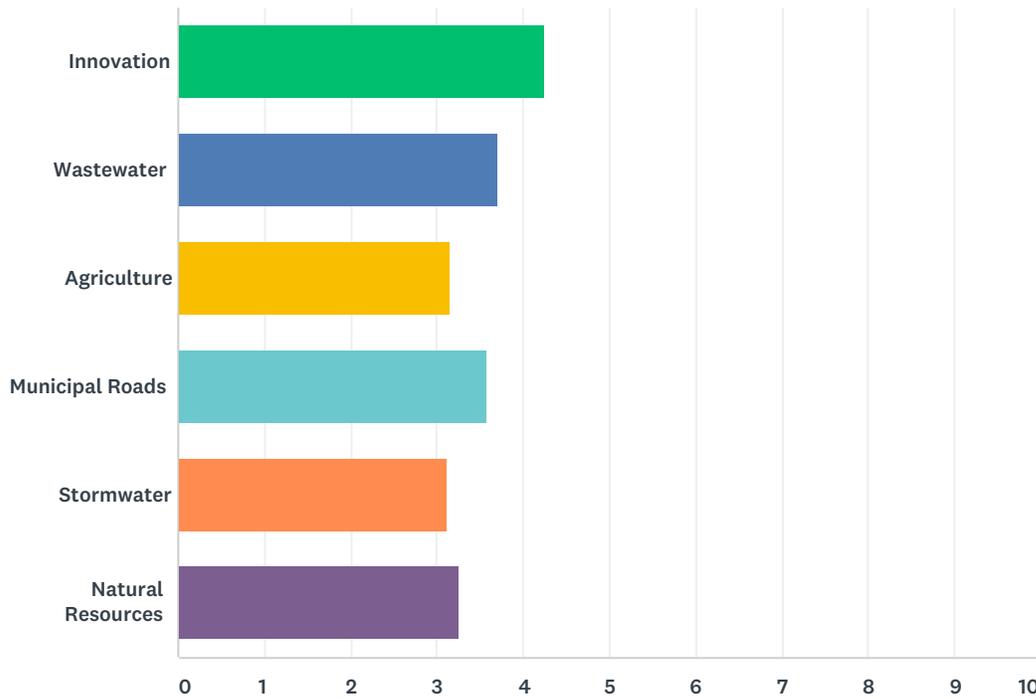
Answered: 34 Skipped: 75



ANSWER CHOICES	AVERAGE NUMBER	TOTAL NUMBER	RESPONSES
Innovation	2,034,583	54,933,750	27
Wastewater	1,551,607	32,583,750	21
Agriculture	2,333,800	58,345,000	25
Municipal Roads	1,887,240	45,293,750	24
Stormwater	1,438,542	25,893,750	18
Natural Resources	1,338,636	29,450,000	22
Total Respondents: 34			

Q7 If \$7,250,000 in additional state funds is not available for clean water work, please rank the areas you recommend reducing state clean water funds. Ranking 1-6: 1 = highest priority for reduction; 6 = lowest priority for reduction.

Answered: 51 Skipped: 58



	1	2	3	4	5	6	TOTAL	SCORE
Innovation	37.50% 18	16.67% 8	14.58% 7	8.33% 4	10.42% 5	12.50% 6	48	4.25
Wastewater	20.41% 10	14.29% 7	16.33% 8	22.45% 11	18.37% 9	8.16% 4	49	3.71
Agriculture	14.89% 7	19.15% 9	10.64% 5	10.64% 5	10.64% 5	34.04% 16	47	3.15
Municipal Roads	10.42% 5	18.75% 9	25.00% 12	18.75% 9	18.75% 9	8.33% 4	48	3.58
Stormwater	2.17% 1	13.04% 6	21.74% 10	32.61% 15	17.39% 8	13.04% 6	46	3.11
Natural Resources	16.33% 8	18.37% 9	12.24% 6	6.12% 3	22.45% 11	24.49% 12	49	3.27

Q8 Additional comments on the draft SFY 2020 clean water budget:

Answered: 35 Skipped: 74

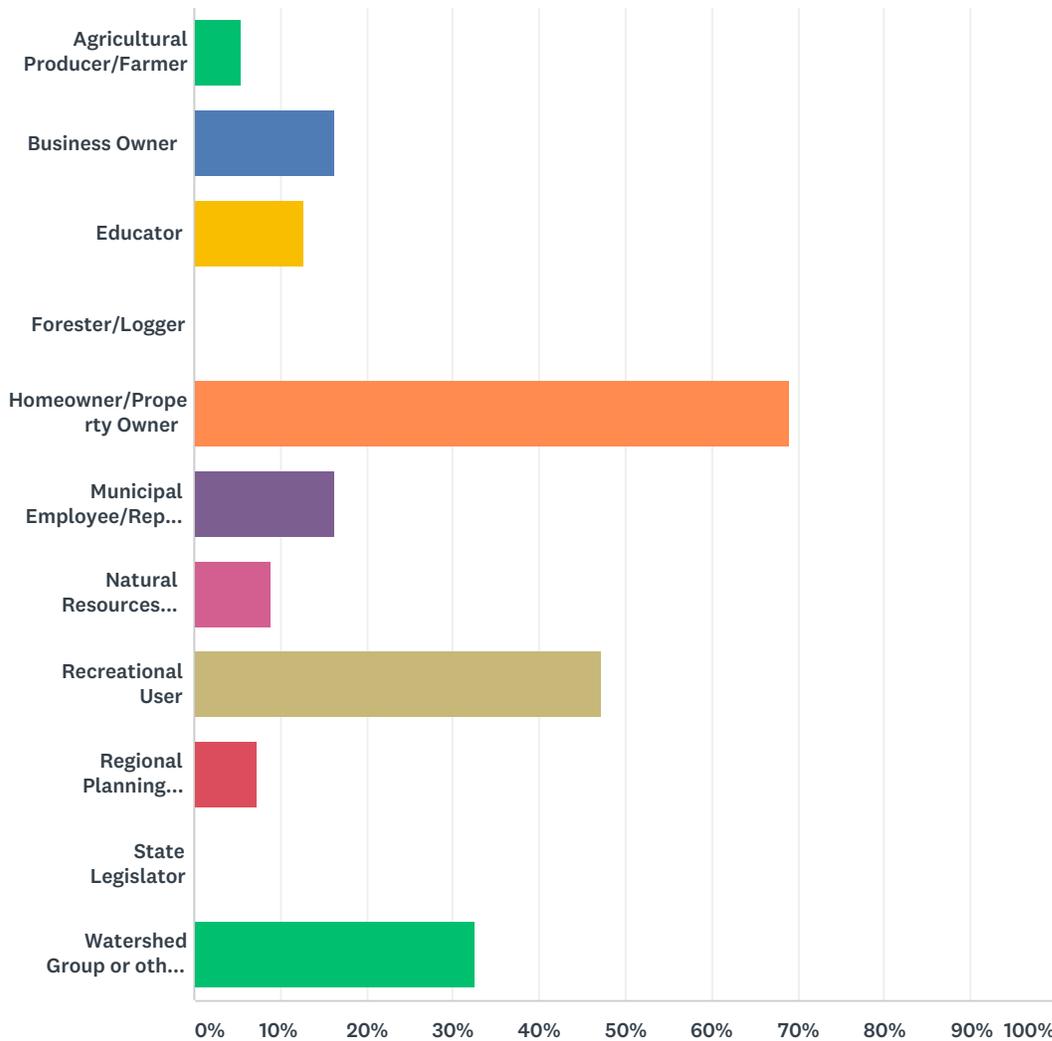
#	RESPONSES	DATE
1	Very confusing; not much public process.	12/10/2018 10:58 AM
2	To expect an ordinary citizen to respond to this survey is ludicrous. We lack the background knowledge and expertise necessary. However, as a lifelong summer resident of Lake Carmi, Franklin, VT I ask that you make clean up of this lake a priority. Clean water is a basic human need and right. We are entitled to nothing short of this. In recent years we have often been unable to enjoy the lake's recreational opportunities and fear the negative health implications that Cyanobacteria poses. Please put human rights ahead of agricultural rights as it relates to water pollution and the Lake Carmi clean up. Agricultural practices contribute over 80 percent of the phosphorus loading in Carmi. The best way to eliminate this loading is to take control of the land through state purchase. All other remedies will take too long to effect change in a timely, satisfactory manner and will potentially consume millions of dollars that could have been used to purchase the land.	12/9/2018 10:28 PM
3	Money should be allocated to insuring agriculture employs Best Management Practices.	12/9/2018 8:54 PM
4	Lake Carmi continues to be a Lake in Crisis and needs additional financial resources until the clean water issues are fixed...	12/9/2018 5:50 PM
5	As a Lake Carmi camp owner I am desperate for some help with Lake cleanup at our lake and across the state. I am not knowledgeable enough to assign percentages. Recreation is such an important part of the VT economy that all efforts must be made to lead the country in water cleanup. The farmers must be helped if we're going to continue to have farming and a clean state.	12/9/2018 4:25 PM
6	It is very difficult to respond to this survey. We are ordinary citizens that lack expertise and knowledge in this area. However, we are the citizens that are impacted by the decisions made as to where and what monies are spent on clean water. We spend 5-6 months living on the shores of Lake Carmi and are living with the repercussions of the state's previous failure to protect our water. We are encouraged that an aeration system will hopefully alleviate the harmful cyanobacteria but we must continue to press for more significant agricultural change in farm practices in our watershed. The right to clean, safe water for humans needs to trump agricultural interests.	12/9/2018 3:51 PM
7	Additional investment is needed to evaluate, develop, and prioritize solutions for needs identified in the tactical basin plans.	12/9/2018 3:03 PM
8	Invest state dollars into a substate implementation mechanism that includes all partners. Invest more in basin planning, the proper place to prioritize and identify potential projects.	12/9/2018 9:54 AM
9	Until whole herd buyouts are put in place, and all Vermont Dairy Agribusiness is halted, Vermont has zero hope of having clean lakes, rivers, and streams. The VT DEC best thinking has got us to this place, why should we believe anything they do going forward will make our water cleaner?	12/8/2018 4:09 PM
10	This is interesting, but should not be the basis for action. State Government is responsible for public waters and is obliged to fully fund the action needed to clean them up, and keep them clean.	12/6/2018 8:40 PM
11	I think the state of Vermont is making great gains,we need to stay on this path with future generations.	12/6/2018 6:31 PM
12	Please add funds for private property. I couldn't answer your budget reallocation questions, because you did not allow for 'other' or for adding funds to private lands. We will not be able to clean up the lake without addressing stormwater and driveway issues on private lands. All taxpayers contribute and should receive technical and financial assistance. In my stormwater master plans, 95% of the projects identified are on private land. So having a stormwater category, with no ability to use funds on private property is self-defeating...	12/5/2018 6:59 PM

13	1. Funding is inadequate, there is too much reliance on the capital bill revenues, and we need to diversify sources of funding. We should have at least \$8M additional in this year's Clean Water Budget. 2. Some of the Agricultural sector dollars should be targeted toward farm retirement, and since those projects are complicated and take a long time, this should be in a designated fund held by VHCB but not used for other purposes. 3. The Natural Resources sector is the most cost effective for phosphorous reduction and yields the greatest spectrum of benefits. Natural Resource restoration is a permanent investment that does not require annual maintenance; I suggest the funding for this sector be increased, including an increase to VHCB for natural resource protection and restoration. 4. In the category of "Innovation, DEC and Partner Support" more funding should be allocated here, especially partner support, so that small watershed and conservation organizations have adequate capacity to develop projects that can be submitted for implementation funding. These small groups are the people that have the closest relationships with the landowners.	12/5/2018 10:23 AM
14	A system of accountability needs to be developed so that there is an objective way to measure the improvement of Vermont's water. Cost benefit analysis should be done so that activities that bring the most improvement are funded the most.	12/4/2018 10:15 PM
15	More funds need to be allocated to natural resource projects. The current budget is insufficient to support the work needed to address Vermont's water pollution.	12/4/2018 5:53 PM
16	The level of natural resources and conservation investments in SFY 2020 do not reflect the Act 73 or public comment YET investments in this area are characterized as "more cost effective" and also noted to deliver benefits across a number of other values/state goals such as flood resiliency, habitat and recreation. Given the win-win nature of these investments, it seems a curious sector to short change.	12/3/2018 3:37 PM
17	Having to indicate what I would cut if Clean Water Funding doesn't come through as hoped feels like a false choice. I feel strongly that we cannot limit ourselves to these sources, nor can we rely on the capital budget so much. We need a new revenue source, full stop.	12/3/2018 2:11 PM
18	Very complicated questionnaire! Please make sure small towns have funding to update their wastewater systems!!	11/30/2018 4:59 PM
19	Ag is the biggest polluters and there is no sense in cleaning up river and lakes if they keep polluting more every year. So put the funds into keeping the ag runoff on the fields and not in our water. The wetlands initiative in the Midwest has been working on this concept for years and it is working	11/29/2018 9:15 PM
20	Suggest the CW Board signal support for the per parcel fee, after figuring out how to streamline the collection process thru Town Clerks so that it is not so expensive.	11/29/2018 6:17 PM
21	Thank you for putting this together. I know it must have taken some time. And thank you for asking these questions. However, this survey is too confusing. Why don't you just post the budget and ask for comments? I gave up on completing it. Also, isn't the overall amount lower than last year? Also, last year, we were able to see the draft budget in the summer and fall, showing how our comments really mattered. The process this year did not do that. Was it because the budget is lower? I do not understand what we mean by innovation. Diverting funds away from helping towns to do research is not something I support. We all want clean water.	11/24/2018 6:49 PM
22	It's our own irresponsibility that has led us here. Just think, if VT had not allowed itself to fall victim to the NEA, we could solve this funding debacle with the \$30m in projected additional FY2020 revenue. Instead it's already as good as spent on debt payments for the \$4.5 billion and growing unfunded liabilities we allowed ourselves to be bullied into.	11/19/2018 5:13 PM
23	because NR assets are public values, they should use public dollars to manage. at some point/horizon, private and ag businesses must be accountable-	11/19/2018 5:01 PM
24	TMDL driven WWTF upgrades/replacements are at a STAGGERING cost to ratepayers. Major GRANT funding is needed to offset this mandate.	11/19/2018 2:58 PM
25	This survey doesn't allow enough input. Agricultural land is private land and yet black dots on the graph show zero money allocated to private land. The goal is to protect and clean up surface waters with the most effective practices installed on the landscape so the "private land versus public land" should not limit project sites, especially if they are high priority riparian areas, etc.	11/19/2018 8:48 AM

26	Your survey question #6. "If \$7.25 million in additional state funds is not available for clean water work, please indicate where you would reduce state clean water funds, keeping in mind other sources of federal, municipal, and private funding may become available." is way to difficult for almost all private citizens to respond reasonably to, thus, I believe, making this question's responses of questionable value.	11/18/2018 2:19 PM
27	There should be funding budgeted for the acquisition of lands if necessary to protect natural resources.	11/17/2018 10:58 AM
28	provide public water supply for villages to free up greater area for residential wastewater treatment. Update skidder road specifications to reduce forest soils erosion.	11/16/2018 3:57 PM
29	There is a need for improving buffer zones along high ways and agricultural communities.	11/16/2018 12:37 PM
30	I would like to take this opportunity to Thank the Clean Water Board and those involved in taking on such an arduous task. As I answered the questionnaire, I gave thought that it is never easy to put a number to what is really important. I appreciate the idea of integrating public input. We all want the same things; clean air, clean water, accessibility, recreation, and sustainability. Being mindful of where we live, what we consume, and how we work in our environment is priceless.	11/16/2018 12:13 PM
31	Please lets concentrate on the 2-3 things that have the largest impact and not spread this money around like peanut butter. Do a few things great, not a lot of things mediocre.	11/16/2018 10:16 AM
32	It is well-documented that investments in natural resource / nature based solutions are the most cost effective and longest lasting improvements that can be made. It is in the best interest of taxpayers and our natural resources to invest the limited funds in the most effective ways.	11/16/2018 9:52 AM
33	Questions 4-7 do not provide opportunity to address private lands	11/16/2018 8:00 AM
34	I am not qualified to recommend percentages. I support adequate funding to get the job done. I do not like robbing Peter to pay Paul. In other words, I want as much as possible for clean water but not at the expense of other needed programs. I advocate mobilizing capital from other sources to augment what the state can contribute so that there is the amount needed to get the job done. Lake George has done that. So can we.	11/15/2018 5:05 PM
35	There should be funding available for storm water projects on private lands. With most lands around our lakes privately owned with infrastructure from the 70's and earlier, I believe we could reduce nutrient and pollution runoff if cost share was available.	11/15/2018 4:47 PM

Q9 We are interested to know who is completing this questionnaire. Which groups do you belong to or identify with? Select all that apply.

Answered: 55 Skipped: 54



ANSWER CHOICES	RESPONSES	
Agricultural Producer/Farmer	5.45%	3
Business Owner	16.36%	9
Educator	12.73%	7
Forester/Logger	0.00%	0
Homeowner/Property Owner	69.09%	38
Municipal Employee/Representative	16.36%	9
Natural Resources Conservation District	9.09%	5
Recreational User	47.27%	26
Regional Planning Commission	7.27%	4

State Legislator	0.00%	0
Watershed Group or other Nongovernmental Organization	32.73%	18
Total Respondents: 55		

Q10 Please enter your zip code to help us understand the statewide distribution of responses to this questionnaire:

Answered: 57 Skipped: 52

ANSWER CHOICES	RESPONSES	
Name	0.00%	0
Company	0.00%	0
Address	0.00%	0
Address 2	0.00%	0
City/Town	0.00%	0
State/Province	0.00%	0
ZIP/Postal Code	100.00%	57
Country	0.00%	0
Email Address	0.00%	0
Phone Number	0.00%	0

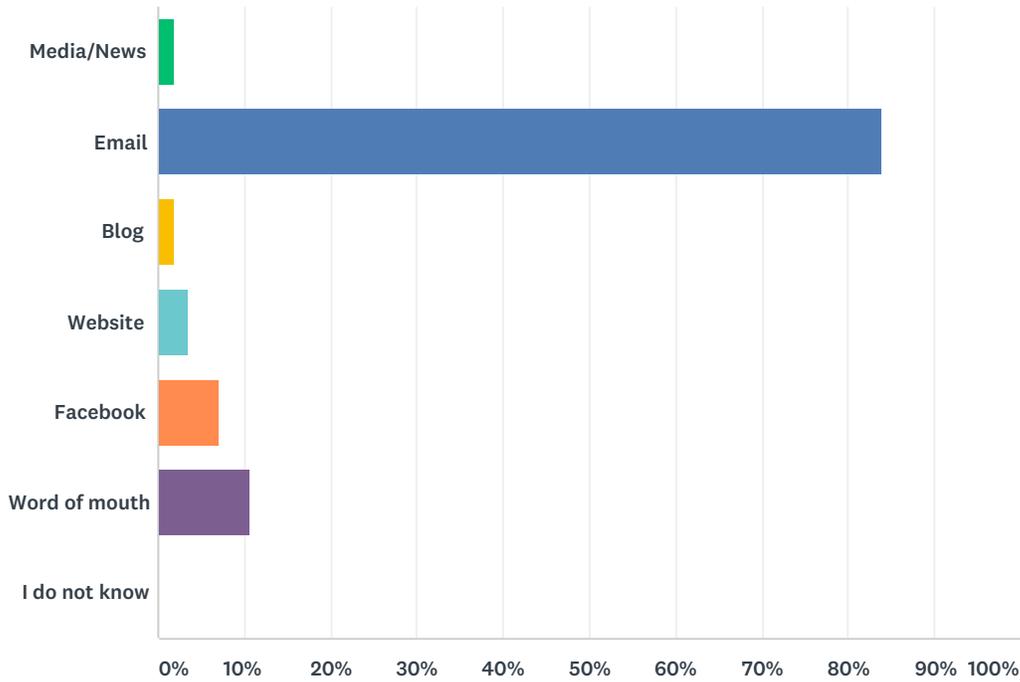
Q11 If you would like to be added to the Vermont Clean Water Initiative mailing list to be kept informed about the state's progress in clean water, please provide your complete contact information:

Answered: 20 Skipped: 89

ANSWER CHOICES	RESPONSES	
Name	85.00%	17
Company	25.00%	5
Address	80.00%	16
Address 2	15.00%	3
City/Town	75.00%	15
State/Province	90.00%	18
ZIP/Postal Code	75.00%	15
Country	0.00%	0
Email Address	80.00%	16
Phone Number	75.00%	15

Q12 How did you hear about this questionnaire?

Answered: 56 Skipped: 53



ANSWER CHOICES	RESPONSES
Media/News	1.79% 1
Email	83.93% 47
Blog	1.79% 1
Website	3.57% 2
Facebook	7.14% 4
Word of mouth	10.71% 6
I do not know	0.00% 0
Total Respondents: 56	



December 8, 2018

Clean Water Board
 Vermont Clean Water Initiative
 Watershed Management Division
 1 National Life Drive, Main 2
 Montpelier, VT 05620-3522

Re: Comments on the Clean Water Fund FY20 Draft Budget

Sent via email

Dear Clean Water Board:

Conservation Law Foundation, Lake Champlain Committee, Vermont Chapter of the Sierra Club, the Nature Conservancy in Vermont, Vermont Conservation Voters and the Vermont Natural Resources Council submit the following comments to the Clean Water Board (Board) on the Clean Water Fund FY20 Draft Budget (Draft Budget). We appreciate the Board's ongoing efforts to fund clean water projects.

The budget process is an important opportunity to evaluate the State's progress toward achieving clean water and the benchmarks set forth in the Lake Champlain Total Maximum Daily Load.¹ The success of reducing phosphorus pollution by 34 percent in the Lake Champlain basin depends on State investment in clean water.² The Accountability Framework of the TMDL includes the establishment of a long-term revenue source to support water quality improvement as a key milestone.³ However, the State has failed to fulfill this obligation as noted by a letter from the U.S. Environmental Protection Agency drafted earlier this year.

The revenue source must not only be long-term, but also generate significant funds. The annual cost of compliance with Vermont's water obligations is estimated to be at least \$115 million.⁴ Existing funding sources contribute \$53 million annually for water quality, which leaves a gap of \$62 million

¹ Phosphorus TMDLS for Vermont Segments of Lake Champlain (June 17, 2016) (hereinafter Lake Champlain TMDL).

² *Id.* at 45.

³ *Id.* at 56.

⁴ Clean Water Report Required by Act 64 of 2015 (January 15, 2017)(hereinafter State Treasurer Report).

per year. The Clean Water Fund (CWF, or Fund) was established to help close this gap by financing water quality improvements.⁵ Funding priorities include addressing impaired waters, repairing riparian conditions, investing in watershed basin planning, and establishing stormwater utilities, among others.⁶

We urge the Board to make a long-term funding source recommendation. In addition, we offer the following specific comments on the Draft Budget.

The Draft Budget Includes a \$7.25 Million Shortfall

Currently, the Fund consists of revenues from the Property Transfer Tax Surcharge and unclaimed beverage container deposits, which are forecasted to raise \$4.5 million and roughly \$1.5 million, respectively. While the total amount anticipated in the Fund is \$6 million, the Draft Budget includes a Fund request of \$13.25 million, leaving a \$7.25 million gap.

Despite the discrepancy between the anticipated and requested funds, the Draft Budget does not include a recommendation on the source of revenue to fill in this gap. We are concerned the Board is relying on funding without identifying a source or working with stakeholders and the Legislature to ensure the additional \$7.25 million is secured. Further, there appears to be no Plan B if the funding is not secured, just that the proposed budget will be cut in half.

The State Treasurer recommends that the state spend \$25 million annually, which represents half of the \$48.5 million needed to comply with the regulatory costs of the federal and state clean water plans.⁷ We ask that the Board work with stakeholders and the Legislature to identify new sources of revenue for an additional \$25 million in clean water funding, rather than determining where to remove \$7.25 million from a budget that is already stretched thin.

The Draft Budget Incorporates Capital Funding at an Unsustainable Level

For the past two years, the State has invested additional capital funds in clean water. Increasing from a baseline of \$10 million in FY17, the FY18 and FY19 budgets invested \$21.9 and \$25.6 million respectively in clean water from the capital bill. The significant reliance on capital dollars for FY18 and FY19 represented an important injection of bridge funds with the intention that the State would develop a long-term revenue source for clean water within this time period. This long-term plan has not yet materialized, but the reliance on capital dollars continues. However, the uptick in capital funding is not sustainable. There are multiple competing uses for capital funds, and while an increase over historical levels in capital funds for water quality projects is appropriate, we encourage the Board to make a commitment to establish long-term funding without over-reliance on capital funds.

The Draft Budget Should Invest More Heavily In Natural Resource Projects

Natural resource protection is paramount to clean water, safe communities, and healthy ecosystems. Natural resources, including wetlands, floodplains, and river corridors, play a critical role in filtering pollutants, controlling erosion, storing floodwater, recharging groundwater, and providing habitat for fish and wildlife. The co-benefits to public safety and fiscal stability are equally important, particularly in light of more extreme and frequent storms associated with climate change. Moreover, natural resources projects – often referred to as “green infrastructure” – offer long-term / permanent

⁵ 10 V.S.A. § 1387

⁶ 10 V.S.A. § 1389(e)

⁷ State Treasurer Report, *supra* note 4 at 8.

benefits without further investments, unlike traditional “gray infrastructure” projects that require ongoing maintenance and have a defined lifespan. We therefore urge the Board to significantly increase investment in these critical projects for FY20.

The Draft Budget Process Is Not Transparent

We are concerned with changes to the budget process that curtail transparency and public input. Until this year, there were two opportunities to review a draft budget. This included two month-long public comments periods following the release of the initial draft budget goals in June, and revised draft recommendations in August. The FY20 budget process represents a significant departure from this procedure. This year, the Board has allowed a single opportunity to weigh in on the draft budget with comments due in December.

A condensed and delayed comment period limits the public’s ability to review a draft budget and provide meaningful comments. Further, we have concerns with the lack of transparency in the decision-making process used by the Board, as well as clarity from the Board on successes or challenges with distributing funds to needed projects. For the FY21 budget process, we encourage the Board to revert back to the original budget process to ensure transparency and uphold a process that maximizes clean water benefits.

Conclusion

The undersigned groups thank the Board for the opportunity to comment on the proposed FY20 Draft Budget.



Rebekah Weber
Lake Champlain Lakekeeper
Conservation Law Foundation



Lori Fisher
Executive Director
Lake Champlain Committee



Mark Nelson
Chair
Vermont Chapter of the Sierra Club



Lauren Hierl
Political Director
Vermont Conservation Voters



Jon Groveman
Policy and Water Program Director
Vermont Natural Resources Council



Phil Huffman
Director of Govt. Relations and Policy
The Nature Conservancy in Vermont