

Vermont Clean Water Board Meeting Minutes

Date/Time: Thursday, April 25, 2019, 2:30-3:45 pm

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

Clean Water Board Members/Designees:

Susanne Young, Agency of Administration (AoA) Secretary and Clean Water Board Chair
Bob Flint, public member
Joe Flynn, Agency of Transportation (VTrans) Secretary
James Giffin, public member
Chris Louras, public member (absent)
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	Doug Farnham, Department of Taxes
Geoff Batista, Office of the State Auditor	Jackie Folsom, Vermont Farm Bureau
Emily Bird, Department of Environmental Conservation (DEC)	Marcey Hodgdon, AAFM
Eric Blatt, DEC	Mike Middleman, AoA
Chris Cochran, ACCD	Danielle Owczarski, DEC
Laura DiPietro, AAFM	Joanna Pallito, DEC
Nancy Everhart, Vermont Housing and Conservation Board	Sue Scribner, VTrans
	Tasha Wallis, Lamoille County Planning Commission

I. Welcome, Approval of Agenda and Minutes (2:32 pm)

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

- 12/21/2018 Meeting minutes approved
- 2/5/2019 Meeting minutes approved

II. Clean Water Fund Revenue Update (2:34 pm)

Doug Farnham, Department of Taxes

- Doug Farnham provided a revenue update on the surcharge for property transfer tax and provided a tracking sheet of the Clean Water Surcharge of Forecasts v Actuals for State Fiscal Year (SFY) 2019. Current revenues are 13% over forecasted amount. If current trends persist, will end with \$6,230,000.00 in revenue (\$5,230,000 to Clean Water Fund).
- Chad Tyler asked how this compares to other years. Doug Farnham answered stating that the payment and the surcharge are not always the same, due to lags in transferring. Additionally, the Department of Taxes prioritizes individual tax return processing in April, which could contribute to lag time in transferring revenue.

- Joe Flynn inquired about unclaimed bottle claims performance. Doug Farnham stated that collection of unclaimed bottle deposits will start January 2020 but stated he feels confident of the \$2 million revenue estimate.

III. Clean Water Legislative Update (2:42 pm)

Agency of Natural Resources Secretary, Julie Moore

- Clean Water Service Delivery (S.96) was voted out of House Natural Committee (9-1-0 vote). Now on to House Ways and Means and then House Appropriations. Bob Flint asked for Agency's position. Secretary Moore indicated support from the Agency for the bill and the changes to the funding structure through the legislative session. Asked the legislature to allow the Clean Water Board to allocate the \$8 million cut across the agencies to the extent those cuts become permanent. James Giffin asked if that money was allocated elsewhere. Secretary Young replied yes. Secretary Moore provided a walk-through of S. 96 and the evolutions of the language as it passed through the committees. She states that this bill focuses on voluntary programs, especially natural resource restoration projects. These projects should account for two-thirds of the necessary phosphorus reduction in Lake Champlain and addresses how these projects will get funded and provides a fundamental shift in how this money is distributed. Secretary Young asked how this bill applies to the Clean Water Board. Secretary Moore responded by saying the Clean Water Board will continue to allocate the annual clean water budget.
- SFY 2020 Clean Water Budget Status. Secretary Moore walked through the SFY 2016-2020 Clean Water Appropriations and Scenarios. Mentioned \$6 million federal funds secured by Senator Leahy. Secretary Moore also mentioned the current gap in the budget is \$8 million but will be increase to \$24 – \$28 million in three years. Secretary Young indicated that the Governor's budget proposal addresses these gaps.
- Clean Water Fund Program Audit.
 - Secretary Moore stated that Act 64 requires an audit, which will be due January 2021. Next step: AoA develop scope of work and request for proposals for third-party organization to conduct the audit, with goal for final draft audit to be prepared by November 2020. James Giffin stated the statutory requirements are vague and will require scope of work to be defined through request for proposals. Secretary Young suggested to put out separate proposals to have entities work on different sections of audits to find the appropriate firm to do this work. Emily Bird will look at previous audits to find the firms that responded to the proposals. Secretary young suggested starting early in case there are no responses to the request for proposals. Neil Kamman stated that it may be hard to find an environmental firm that is truly independent. Emily Bird stated that the audit language only refers to the Clean Water Fund. James Giffin also brought up concerns over the limit of the audit to the Clean Water Fund due to the use of many funds for clean water projects and suggested the Board should get clarity from the legislature this session.
 - Secretary Tebbetts indicated that the agricultural enforcement section of the audit is proposed to involve DEC enforcement activities in addition to AAFM enforcement in H. 525 (miscellaneous agriculture bill). Secretary Young and Secretary Moore agreed.

- Auditor's Office is currently working on non-audit inquiry with requests for information made to ANR through Emily Bird.

Report Card on Vermont Lake Champlain Total Maximum Daily Load (TMDL) Phase 2 Implementation (3:16 pm)

- Emily Bird shared public letter exchange between U.S. Environmental Protection Agency and DEC to confirm the TMDL progress reporting process. DEC will merge the TMDL and Investment Report into one annual comprehensive report, which offers greater efficiency and transparency.

IV. SFY 2021 Clean Water Budget Process Overview (3:20 pm)

Agency of Natural Resources Secretary, Julie Moore

- Secretary Moore reviewed the proposed budget process timeline that incorporated input from the Clean Water Board. The Clean Water Board will review its draft SFY 2021 clean water budget during a mid-June meeting. Then will have one 45-day public comment period. Mike Middleman, Finance and Management Budget Analyst, stated that it seems premature to have a draft budget for SFY 2021 before the close of SFY 2019, and the Agency should wait until the Emergency Board meeting, because by then they will have SFY 2019 actuals and revised property transfer tax surcharge revenues. Doug Farnham indicated that the property transfer tax growth estimates will likely change in June (highest property transfer month). Secretary Moore indicated that the property transfer tax may not impact the budget significantly and said the Board can evaluate this in the October meeting. Bob Flint indicated that whatever comes from June meeting is a work in progress and could need major changes. Secretary Moore is expecting a gap in the SFY 2021 budget regardless of what is found by the Emergency Board. The Clean Water Board is comfortable with and approved the proposed schedule.

V. Comments from the Public (3:38 pm)

- No comments from the public were provided at this meeting.

VI. Next Steps/Future Meeting (3:38 pm)

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

- AoA develop Clean Water Fund Program Audit scope of work and request for proposals.
- Implement SFY 2021 clean water budget process.

Adjourn 3:39 pm