

Vermont Clean Water Board
Meeting Minutes

Date/Time: Wednesday, June 12, 2019, 2:00 – 4:00 pm

Location: National Life Davis Building – 1 National Life Drive, The Winooski Room (M240)

Clean Water Board Members/Designees:

Brad Ferland, Agency of Administration (AoA) Deputy Secretary (filling in for Susanne Young)
Ted Brady, Agency of Commerce and Community Development (ACCD) Deputy Secretary (filling in for Michael Schirling)
Bob Flint, public member
James Giffin, public member
Christopher Louras, public member (absent)
Julie Moore, Agency of Natural Resources (ANR) Secretary
Sue Scribner, Agency of Transportation (VTrans) (filling in for Joe Flynn)
Anson Tebbetts, Agency of Agriculture, Food and Markets (AAFM) Secretary (on the phone)
Chad Tyler, public member

Attendees:

Geoff Battista, Office of the State Auditor	Jordyn Geller, DEC
Emily Bird, Department of Environmental Conservation (DEC)	Jennifer Hollar, Vermont Housing and Conservation Board (VHCB)
Diane Bothfeld, AAFM	Neil Kamman, DEC
Emily Byrne, ANR	Tracy Lafrance, DEC
Doug Farnham, Dept. of Taxes	Joanna Pallito, DEC
Bob Fitch, DEC	Mary Russ, White River Partnership
Jackie Folsom, Vermont Farm Bureau	Rep. Curt Taylor

I. Welcome, Approval of Agenda and Minutes

2:00-2:05 pm

Agency of Administration Deputy Secretary, Brad Ferland

- 6/12/2019 Agenda approved
- 4/25/2019 Meeting minutes approved
- See supporting materials #1 “Draft April 25, 2019 Clean Water Board Meeting Minutes”

II. Clean Water Fund Revenue Update

2:05-2:20 pm

Department of Taxes Director of Policy, Outreach, and Legislative Affairs, Doug Farnham

- See supporting materials #2 “FY2019 Clean Water Fund Revenue Summary and Forecast”
- Doug Farnham provided a revenue update for the FY2019 Clean Water Surcharge. Revenues were 10.9% above forecast at the end of May. If current trends persist in June, will end with \$6.1 million in revenue (\$5.1 million to Clean Water Fund).
- Doug provided estimates for the FY2020 and 2021 budgets.
- Doug noted the abandoned beverage deposits revenue is not expected to grow over time, however, annual revenue estimates may be updated after a year of reporting.
- Property transfer tax surcharge revenue estimates are based on the fiscal notes produced when the surcharge was established and could be updated based on actual performance.
- Secretary Moore recommended the Board establish a contingency plan for managing surplus revenues, which may involve rolling surplus revenue into the next budget process (i.e., surplus revenue in FY2020 would be included in the FY2022 clean water budget).
- Secretary Moore motioned to prepare the FY2021 clean water budget with the \$19 million target for the Clean Water Fund. Bob Flint seconded the motion. \$19 million FY2021 Clean Water Fund budget

target approved.

III. Legislative Session Outcomes for Clean Water Project Delivery Redesign **2:35-2:40 pm**

Agency of Natural Resources Secretary, Julie Moore

- See supporting materials #3 “Excerpt S.96 Statutory Language: Amended Clean Water Board and Clean Water Fund Priorities”
- S. 96 “An act relating to the provision of water quality services” updated the statutory priorities of the Clean Water Fund.
- While the updated priorities are effective July 1, 2019, the FY2020 clean water budget is already in place and therefore the Board will consider the updated priorities in developing its FY2021 clean water budget recommendation.
- Clarified the excerpt provided in the supporting materials represented the Senate approved version and did not reflect the final House amendment to adjust the percentage of meals and rooms tax revenue from four to six percent to the Clean Water Fund.

IV. FY2020 Clean Water Budget **2:45-3:00 pm**

Agency of Natural Resources Secretary, Julie Moore

- See supporting materials #4 “FY2020 Clean Water Budget, as passed House and Senate”
- The Governor’s recommended budget in January is very similar to the Board’s December recommendation and included an \$8 million revenue gap. The FY2020 clean water budget approved by the Legislature partially filled the \$8 million gap with \$7.7 million (\$7.5 million meals and rooms tax revenue and \$200,000 FY2020 Property Transfer Tax Budget Adjustment Act). The \$7.7 million were dispersed to the affected agencies (ANR, AAFM, and VTrans) proportionately.
- AoA will determine the intent behind using the FY2020 Property Transfer Tax Budget Adjustment Act as a means of partially filling the gap and determine the best option for obtaining spending authority (i.e., FY2020 Budget Adjustment Act or excess revenue receipts). The Board will make its recommendation regarding Budget Adjustment Act at its next Board meeting.

V. Draft FY2021 Clean Water Budget **3:00-3:20 pm**

Department of Environmental Conservation Clean Water Initiative Program Manager, Emily Bird #5

- See supporting materials #5 “FY2021 Clean Water Budget Process” and #6 “Draft FY2021 Clean Water Budget”
- Emily Bird reviewed the draft FY2021 clean water budget process. This year’s process consolidates public comment into one extended public comment period with a public hearing. Public comment will be collected via online questionnaire and recorded during the public hearing.
- Emily Bird reviewed the draft FY2021 clean water budget. The budget is based on FY2020 and incorporated agency staff input during the March 13, 2019 Interagency Finance and Reporting Subcommittee meeting.
- Deputy Secretary Ferland asked if ANR roads and trails can seek funding under the Transportation Bill because it is preferred not to use Capital Bill funds to support work that can be covered by the Transportation Bill. Secretary Moore replied ANR roads and trails do not access Transportation Bill funds.
- Diane Bothfeld asked if the \$470,000 increase in” Multi-Sector Innovation, DEC and Partner Support” will be used for DEC staff. Secretary Moore replied that these funds are not currently envisioned to support DEC staff positions but will help DEC address technical components of S. 96 and support partner capacity related to S. 96 requirements.
- Ted Brady motioned to approve draft FY2021 clean water budget for public comment. Secretary Moore seconded the motion. Draft FY2021 clean water budget approved for public comment.

VI. Clean Water Fund Program Audit **3:20-3:25 pm**

Agency of Administration Deputy Secretary, Brad Ferland

- Deputy Secretary Ferland inquired the basis of the Program Audit budget amount. James Giffin

responded that the Program Audit scope needs to be defined, as its statutory language is very broad and there is no applicable audit standard based on the scope described in statute.

- Deputy Secretary Ferland indicated AoA will draft the Program Audit request for proposals soon with plans to issue in the fall and select a contractor by January 2020.

VII. Comments from the Public

3:25-3:35 pm

Agency of Administration Deputy Secretary, Brad Ferland

- Jennifer Hollar from VHCB requested information on the projects supported by the additional Lake Champlain Total Maximum Daily Load (TMDL) implementation funds secured by Senator Leahy through the Lake Champlain Basin Program (\$3.45 million in FFY 2018 and \$6.15 million in FFY2019). Secretary Moore provided a summary of the FFY2018-2019 projects. Information on the FFY2018 projects are available at: <https://dec.vermont.gov/watershed/cwi/grants/lctmdl>. Jackie Folsom asked how information on the Lake Champlain TMDL implementation projects will be provided. Secretary Moore responded that it will be accounted for in the Vermont Clean Water Initiative Annual Performance Report (formerly titled the Vermont Clean Water Initiative Annual Investment Report).

VIII. Next Steps/Future Meeting

3:35-3:40 pm

Agency of Administration Deputy Secretary, Brad Ferland

- Schedule FY2021 clean water budget public hearing mid-August 2019.
- October 2019 meeting to finalize FY2021 clean water budget recommendation based on public comment.
- Secretary Moore motioned to adjourn. Bob Flint seconded the motion. Meeting Adjourned at 3:40 pm.

Adjourn

3:40 pm