

Vermont Clean Water Board Virtual Meeting Ground Rules

Wednesday, August 5, 2020, 10:00 – 11:00 am

Microsoft Teams audio and visual:

- Attendees are encouraged to participate fully using computer audio and visual at: [Join Microsoft Teams Meeting](#).
 - Attendees who are not able to participate through the computer audio may use the call-in by phone option: dial +1 802-828-7667 and enter Conference ID 873 391 529# (press *6 to mute/unmute).
- The meeting organizer will display meeting materials via Microsoft Teams screen sharing.
 - Materials are also posted on the Clean Water Board Meetings webpage at: <https://dec.vermont.gov/water-investment/cwi/board/meetings>.
- All attendees will be muted by the meeting organizer, unless called upon to comment by the Clean Water Board Chair. This will help cut down on audio disruptions.
- If experiencing technical difficulties: (1) contact Brian Harrington of Agency of Digital Services at (802) 498-7873 or Brian.C.Harrington@vermont.gov or (2) visit Microsoft Teams help and support webpage at: <https://support.office.com/en-us/teams>.

Question and answer:

- Only Clean Water Board members may comment and ask clarifying questions throughout the agenda.
 - Board members may indicate they have a question/comment via the Microsoft Teams “raise hand” function.
 - The meeting organizer will call on Clean Water Board members to ask questions/comment.
 - The Clean Water Board Chair will field questions or direct questions to the appropriate Board member or staff.

Public comment:

- The agenda includes time for attendees to address the Clean Water Board.
- The Clean Water Board Chair will establish a time limit per commenter based on the time available and the number of attendees who signed up to comment in advance (via online RSVP form).
- The meeting organizer will call upon attendees to comment in the order RSVPs were received.
- The meeting organizer will keep track of time and indicate when it is time to move onto the next commenter.
- A friendly reminder to keep comments concise and respectful of the public meeting environment.
- Comments may also be submitted via email by 4:30 pm on Wednesday, August 5, 2020 to ANR.CleanWaterVT@vermont.gov. Public comments will be compiled in the Clean Water Board meeting minutes.

Future public participation opportunities:

- Upcoming Clean Water Board meetings and past meeting minutes are posted on the Clean Water Board Meetings webpage at: <https://dec.vermont.gov/water-investment/cwi/board/meetings>.
- [Subscribe to the Clean Water E-Newsletter](#) to learn about future opportunities for public participation in the clean water budget process, including future Clean Water Board meetings.

Vermont Clean Water Board Meeting Minutes

Date/Time: Thursday, May 21, 2020, 1:30 – 3:00 pm
Location: Microsoft Teams Meeting

Microsoft Teams Meeting, RSVP, and other meeting details available at: <https://dec.vermont.gov/water-investment/cwi/board/meetings>.

Clean Water Board Members/Designees:

Susanne Young, Agency of Administration (AoA) Secretary and Clean Water Board Chair
Chris Cochran on behalf of Ted Brady, Agency of Commerce and Community Development (ACCD) Deputy Secretary
Bob Flint, public member
Joe Flynn, Agency of Transportation (VTrans) Secretary
James Giffin, public member
Christopher Louras, public member (absent)
Julie Moore, Agency of Natural Resources (ANR) Secretary
Anson Tebbetts, Agency of Agriculture, Food and Markets (AAFM) Secretary
Chad Tyler, public member (absent)

- 1. Welcome** **1:30-1:35 pm**
 - a. Agency of Administration Secretary Susanne Young reviewed the agenda. No action taken.
 - b. Secretary Young entertained separate motions to approve prior meeting minutes for October 22, 2019, February 21, 2020, and May 12, 2020.

Motions to approve minutes passed.

- 2. Public Comments** **1:35-1:55 pm**

Secretary Young welcomed input from the public prior to presenting the proposed budget adjustment. Written public comments will also be accepted until 4:30 pm on Friday, May 22, 2020 [no written public comments received].

 - Comment from Peter Gregory: We appreciate the Board's efforts and encourage you to continue funding tactical basin planning support that goes to partners implementing projects. We would like to ensure that our partners are still viable, strong, and fully engaged throughout these challenging times.
 - Comment from Jill Arace: Thank you to Emily Bird for convening a partner meeting to discuss timing of grant activities as part of budget planning for the upcoming year. Thank you for your transparency with partners while developing a proposal for the Administration. All our grants have been released for SFY20 expect for Watershed Grants funded with Vermont Conservation License Plate funds. What is the status of those grants?

- 3. Review Updated SFY21 Clean Water Fund Revenue Projections** **1:55-2:05 pm**
 - a. Department of Taxes Deputy Commissioner Douglas Farnham reviewed the updated SFY21 Clean Water Fund revenue forecast. May 2020 revenue forecasts a \$4.938 million decrease in SFY21 to the Clean Water Fund. As a result, the SFY21 budget target has decreased by \$5.794 million (28%) to account for projected revenue shortfalls.

- 4. Review and Approve Revised SFY21 Q1 Clean Water Budget** **2:05-2:45 pm**
 - a. Agency of Natural Resources Secretary Julie Moore presented the proposed SFY21 Q1 Clean Water Fund budget reflecting 50% of the SFY20 budget at \$7.4 million.

Motion to approve budget passed.

- b. Secretary Moore presented the SFY21 Q1 Clean Water Fund contingency plan with three revenue monitoring outcomes and recommended actions.

Motion to approve contingency plan passed.

- c. Secretary Moore reviewed the adjusted SFY21 Q2-4 budget process. She explained that the agencies have been reviewing grant programs to understand when to best allocate funding. There is a desire to continue to get projects done because clean water projects also have an economic stimulus effect in addition to water quality benefits. Emily Bird explained that if the Board approves this budget recommendation, the target budget amounts will be used to develop program-level spending plans for SFY21 Q1 and the Board can be provided that information. It is not expected that tactical basin planning support dollars will be affected by revenue shortfalls in SFY21.

Motion to approve budget process passed.

- 5. Review Draft SFY22 Clean Water Budget Process** **2:45-2:55 pm**
Department of Environmental Conservation Clean Water Initiative Program Manager Emily Bird presented the revised timeline for developing the SFY22 budget.

- 6. Determine Next Steps, Closing Remarks** **2:55-3:00 pm**
Secretary Susanne Young welcomed any closing questions or comments. Discussion was held about the status of the selection of Clean Water Service Providers (CWSPs) and participation by Clean Water Board public members on the CWSP proposal review team. Neil Kamman will contact the public members willing and able to participate on the review team after CWSP proposals are received.

Motion to adjourn passed and meeting adjourn at **3:00 pm**

Supporting Materials:

1. May 21, 2020 Clean Water Board Virtual Meeting Ground Rules
2. October 22, 2019 Draft Clean Water Board Meeting Minutes
3. February 21, 2020 Draft Clean Water Board Meeting Minutes
4. May 12, 2020 Draft Clean Water Board Meeting Minutes
5. Updated SFY21 Clean Water Fund Revenue Projections
6. Draft SFY21 Q1 Clean Water Budget
7. Draft SFY21 Q1 Clean Water Fund Contingency Plan
8. Draft Revised SFY21 Clean Water Budget Process (Q1 and Q2-4)
9. Draft SFY22 Clean Water Budget Process

DRAFT

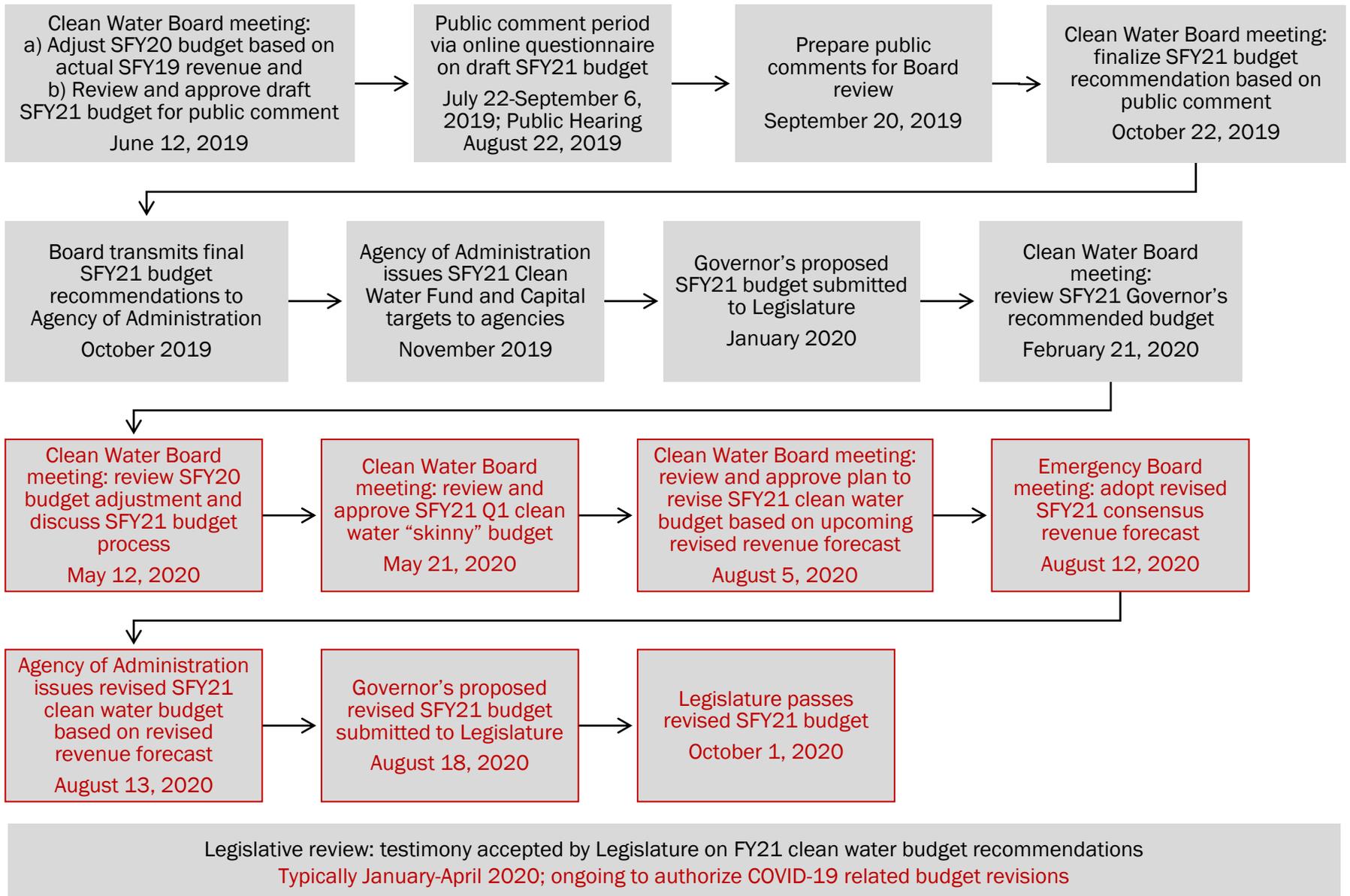
Clean Water Fund Operating Statement - Appropriation Basis 7/27/2020

	Actuals - Revenue vs Appropriation		Supplemental		Actual	Jan. 2020 Rev. Update
	FY 2018	FY 2019	As Passed	BAA		
			FY 2020	FY 2020		
Revenue			FY 2020	FY 2020	FY 2020	FY 2021
Clean Water Surcharge (PTT)	4,737,195	4,996,998	5,000,000	4,850,449	4,973,378	5,790,000
Interest Income	50,524	121,810	-	79,818	90,087	-
Reversions	-	-	-	-	-	-
Donations	240	-	-	-	-	-
Escheats	-	-	1,000,000	970,000	1,293,747	1,940,000
Meals and Rooms Tax	-	-	7,500,000	5,993,523	6,620,286	11,982,000
Subtotal Sources	4,787,959	5,118,808	13,500,000	11,893,790	12,977,498	19,712,000
Appropriations						
DEC	2,090,000	1,630,000	10,175,000	10,375,000	10,375,000	11,340,809
DEC Adjustments	140,000	140,000		(750,560)	(626,201)	
ACCD	-	100,000	200,000	200,000	200,000	200,000
ACCD Adjustments				(100,000)	(100,000)	
VCGI	460,000	-	-	-	-	-
VTRANS	1,100,000	-	770,000	770,000	770,000	4,700,000
VTRANS Adjustments				(117,485)	(117,485)	
FPR	-	-	-	-	-	50,000
AOA	7,300	100,000	150,000	150,000	150,000	200,000
Subtotal Uses	3,797,300	1,970,000	11,295,000	10,526,955	10,651,314	16,490,809
Revenue Surplus/Deficit	990,659	3,148,808	2,205,000	1,366,835	2,326,184	3,221,191
Transfers (To)/From						
Transfer (to) Agriculture CWF	(1,225,000)	(1,670,000)	(3,255,000)	(3,255,000)	(3,255,000)	(4,027,999)
Transfer (to) Lakes in Crisis Fund	-	-	(50,000)	(50,000)	(50,000)	(50,000)
Transfer (to)/From Contingency Reserve	(500,000)	(450,000)	-	450,000	450,000	450,000
Subtotal Transfers	(1,725,000)	(2,120,000)	(3,305,000)	(2,855,000)	(2,855,000)	(3,627,999)
Current Year Unallocated/Unreserved	(734,341)	1,028,808	(1,100,000)	(1,488,165)	(528,816)	(406,808)
Reserve						
Contingency Reserve	500,000	950,000	950,000	500,000	500,000	500,000
Available Funds						
Prior Year Balance Unreserved/Unallocated	1,276,806	542,465	1,571,273	1,571,273	1,571,273	701,273
Current Year Unallocated/Unreserved	(734,341)	1,028,808	(1,100,000)	(1,488,165)	(528,816)	(406,808)
Summary of Unallocated/Unreserved	542,465	1,571,273	471,273	83,108	1,042,457	294,465

1 - Per Act 72 Sec. F. 100(a) the meals and rooms tax for the Clean water fund is capped at \$7.5m.

State Fiscal Year (SFY) 2021 Clean Water Budget Process (June 2019 – October 2020)

DRAFT Revised July 27, 2020; *red text denotes additional budget process in response to COVID-19*



CLEAN WATER BOARD
DRAFT Updated State Fiscal Year (FY) 2021 Clean Water Budget - Addressing COVID-19 Impact on Revenue
July 29, 2020

No.	Sector	Agency	Activity	FY20 As Passed by House and Senate			FY20 Supplemental Budget Adjustment (May 2020)			FY21 Governor Recommend (1/21/2020)			DRAFT Updated FY21 Clean Water Board Recommend (August 2020)		
				Clean Water Fund	Capital Bill	Total FY20	Clean Water Fund	Capital Bill	Total FY20	Clean Water Fund	Capital Bill	Total FY21	Clean Water Fund	Capital Bill	Total FY21
1	Agriculture	AAFM	Agronomy Conservation Assistance Program (ACAP)	235,000		235,000	235,000		235,000	235,000		235,000			-
2	Agriculture	AAFM	Water Quality Grants to Partners and Farmers	2,470,000	3,450,000	5,920,000	2,470,000	3,450,000	5,920,000	3,070,497	4,294,503	7,365,000		4,294,503	4,294,503
3	Agriculture	AAFM	Operating	550,000		550,000	550,000		550,000	722,502		722,502			-
4	Agriculture	VHCB	Water Quality Farm Improvement and Retirement Projects		1,100,000	1,100,000		1,100,000	1,100,000		1,100,000	1,100,000		1,100,000	1,100,000
5	Nat'l Resources	VHCB	Land Conservation and Water Quality Projects		1,700,000	1,700,000		1,700,000	1,700,000		1,700,000	1,700,000		1,700,000	1,700,000
6	Innovation	All	Multi-Sector Innovation, Grant Administration and Partner Support*	2,555,000		2,555,000	1,847,583		1,847,583	3,052,498		3,052,498			-
7	Nat'l Resources	ANR-DEC (CWIP)	Natural Resources Restoration	2,510,000		2,510,000	2,466,857		2,466,857	3,234,503		3,234,503			-
8	Nat'l Resources	ANR-DEC (CWIP)	Lakes in Crisis Fund	50,000		50,000	50,000		50,000	50,000		50,000			-
9	Nat'l Resources	ANR-FPR	Forestry/Skidder Bridges		50,000	50,000		50,000	50,000	50,000		50,000			-
10	Roads	ANR-DEC (CWIP)	Implement BMPs at State Forests and Recreational Access Points			-			-	1,900,000		1,900,000		1,900,000	1,900,000
11	Roads	VTrans	Municipal Roads Grants-in-Aid**	3,200,000		3,200,000	3,200,000		3,200,000	3,700,000		3,700,000			-
12	Roads	VTrans	Municipal Better Roads	770,000		770,000	652,515		652,515	1,000,000		1,000,000			-
13	Stormwater	ANR-DEC (CWIP)	Stormwater Project Delivery, Planning and Implementation	2,000,000		2,000,000	2,000,000		2,000,000	4,943,808		4,943,808			-
14	Stormwater	AoA	Stormwater Utility Payments (\$25K each)	125,000		125,000	125,000		125,000	125,000		125,000			-
15	Stormwater	ACCD	Better Connections (Stormwater Planning)	100,000		100,000	-		-	100,000		100,000			-
16	Stormwater	ACCD	Downtown Transportation Fund (Stormwater Projects)	100,000		100,000	100,000		100,000	100,000		100,000			-
17	Wastewater	ANR-DEC	Wastewater Treatment Facility Operators Support	110,000		110,000	110,000		110,000	110,000		110,000			-
18	Wastewater	ANR-DEC (FED)	State Match to Clean Water State Revolving Fund Federal Grant		2,500,000	2,500,000		2,500,000	2,500,000		1,605,497	1,605,497		1,605,497	1,605,497
19	Wastewater	ANR-DEC (FED)	Municipal Pollution Control Grants		3,300,000	3,300,000		3,300,000	3,300,000		3,300,000	3,300,000		3,300,000	3,300,000
20	Audit	AoA	Program Audit (10 V.S.A. § 1389b)	25,000		25,000	25,000		25,000	75,000		75,000			-
			Total Requested	14,800,000	12,100,000	26,900,000	13,831,955	12,100,000	25,931,955	20,568,808	13,900,000	34,468,808	-	13,900,000	13,900,000
			Anticipated FY21 Revenue							19,000,000	13,900,000				
			Anticipated Unallocated/Unreserved Revenue (Current Year)***							900,000					
			Anticipated Unallocated/Unreserved Revenue (Prior Year)****							218,808					
			Unallocated/Unreserved, Contingency Reserve Reduced from \$950,000 to \$500,000****							450,000					

* "Multi-Sector Innovation, Grant Administration and Partner Support" line item included in DEC-CWIP appropriation

** "Municipal Roads Grants-in-Aid" line item transferred from DEC-CWIP in SFY20 to VTrans in SFY21

*** Recurring revenue

**** Non-recurring Revenue

MEMORANDUM

TO: Susanne Young, Secretary, Agency of Administration and Chair of the Clean Water Board
FROM: Kari Dolan, Manager, Clean Water Initiative Program
DATE: June 1, 2018
RE: Clean Water Fund Expenditure Contingency Plan
CC: Brad Ferland, Deputy Secretary, Agency of Administration, Julie Moore, Secretary, Agency of Natural Resources, Anson Tebbetts, Secretary, Agency of Agriculture, Food and Markets, Joe Flynn, Secretary, Agency of Transportation, Michael Schirling, Secretary, Agency of Commerce and Community Development, Emily Boedecker, Commissioner, Department of Environmental Conservation (DEC), Rebecca Ellis, Deputy Commissioner, DEC, Joanna Pallito, Administration and Innovation Division Director, DEC, Kate Slocum, Deputy Chief Financial Officer, Agency of Administration

Summary: Herein is the Clean Water Fund Expenditure Contingency Plan (“Contingency Plan” or “the Plan”) which sets aside a portion of the Fiscal Year 2018 Clean Water Fund annual budget to function as a reserve in the fund, in the event that the revenues fall short of projections. This Contingency Plan replaces the Interim Contingency Plan, put in place in 2016. This Contingency Plan is necessary to avoid a risk of spending more funds than are available in any state fiscal year. The Plan will apply to State Fiscal Year 2018 allocations and remain in effect until such time that the Clean Water Board (the “Board”) modifies this plan as the Final Clean Water Fund Expenditure Contingency Plan.

Clean Water Fund Expenditure Contingency Plan: The Contingency Plan involves maintaining a minimum balance of \$500,000 in the fund as a reserve. These funds will be held as a minimum balance to maintain a positive cash balance in the Clean Water Fund, in the event that revenues under-perform. This reserve will be initially funded with the existing reserve from the FY2018 allocations. When the Board adopts a spending plan from the Clean Water Fund as part of the state’s budget process for FY2020 it will no longer include a ten percent reserve as one of the allocations. Any annual adjustments to the appropriations will need to ensure that the minimum balance is consistently maintained at a \$500,000 minimum balance.

Application: The Board, when adopting an allocation recommendation or adjustment to current Clean Water Fund allocations, beginning in State Fiscal Year 2020, will first ensure that revenues have performed at least as expected during the previous fiscal year and include any adjustment that may be needed to maintain a \$500,000 minimum cash balance in the fund in accordance with this plan. This approach ensures that if the Clean Water Fund under-performs, the minimum balance will be restored prior to allocation of funds for projects.

The contingency funds listed in the FY2019 Clean Water Fund Allocations, which were related to the Interim Contingency Plan of 2016 and in the amount of \$500,000, were not part of the Board’s FY2019 budget

process. These funds will be added to and distributed with the FY2020 allocations using the Board's standard budget-making process.

Should the Clean Water Fund over-perform in a fiscal year, generating funds at higher than forecasted levels, the additional Clean Water Funds shall also be disbursed as part of the Board's subsequent fiscal year Clean Water Fund budgeting process.

Background: The Act 64, also known as the Vermont Clean Water Act, was signed into law on June 16, 2015. Act 64 establishes the Clean Water Fund and uses as its primary revenue source a surcharge to the property transfer tax. The law also established a Clean Water Board to administer the Fund.¹

The purpose of the Clean Water Fund is to provide additional state funds above current allocation levels to complement, enhance and leverage existing resources for the restoration and protection of Vermont's rivers, streams, lakes, ponds and wetlands. The Clean Water Fund provides financial support for actions that will reduce pollution washing into Vermont's waterways. To maximize its effectiveness, the Fund is structured to strengthen and complement existing state assistance programs, such as grant and loan pass-through programs, wherever feasible.

As stipulated in Act 64, the Clean Water Board meets periodically to develop a proposal for investing revenues from the Clean Water Fund in programs that will make a significant contribution towards improving the water quality of Vermont's surface waters. After a public notice and comment period, Clean Water Board prepares a final Clean Water Fund budget, to be incorporated into the Governor's proposed budget for the General Assembly to approve.

The State of Vermont is committed to expending only the funds that are available within the Clean Water Fund. This Clean Water Fund Expenditure Contingency Plan assures a minimum fund balance of \$500,000. These funds are to be used as a reserve, in the event that revenues do not perform as expected. This Contingency Plan provides the following benefits:

- Eliminates the risk of over-spending more than the funds available in the Clean Water Fund;
- Keeps the process streamlined;
- Allows for more effective and efficient administration between the Department of Finance & Management, the Tax Department, the Legislature and our Agency Programs; and
- Removes the risk and related program impacts of spending above available amounts on any one agency.

Authorized by:



7/24/18

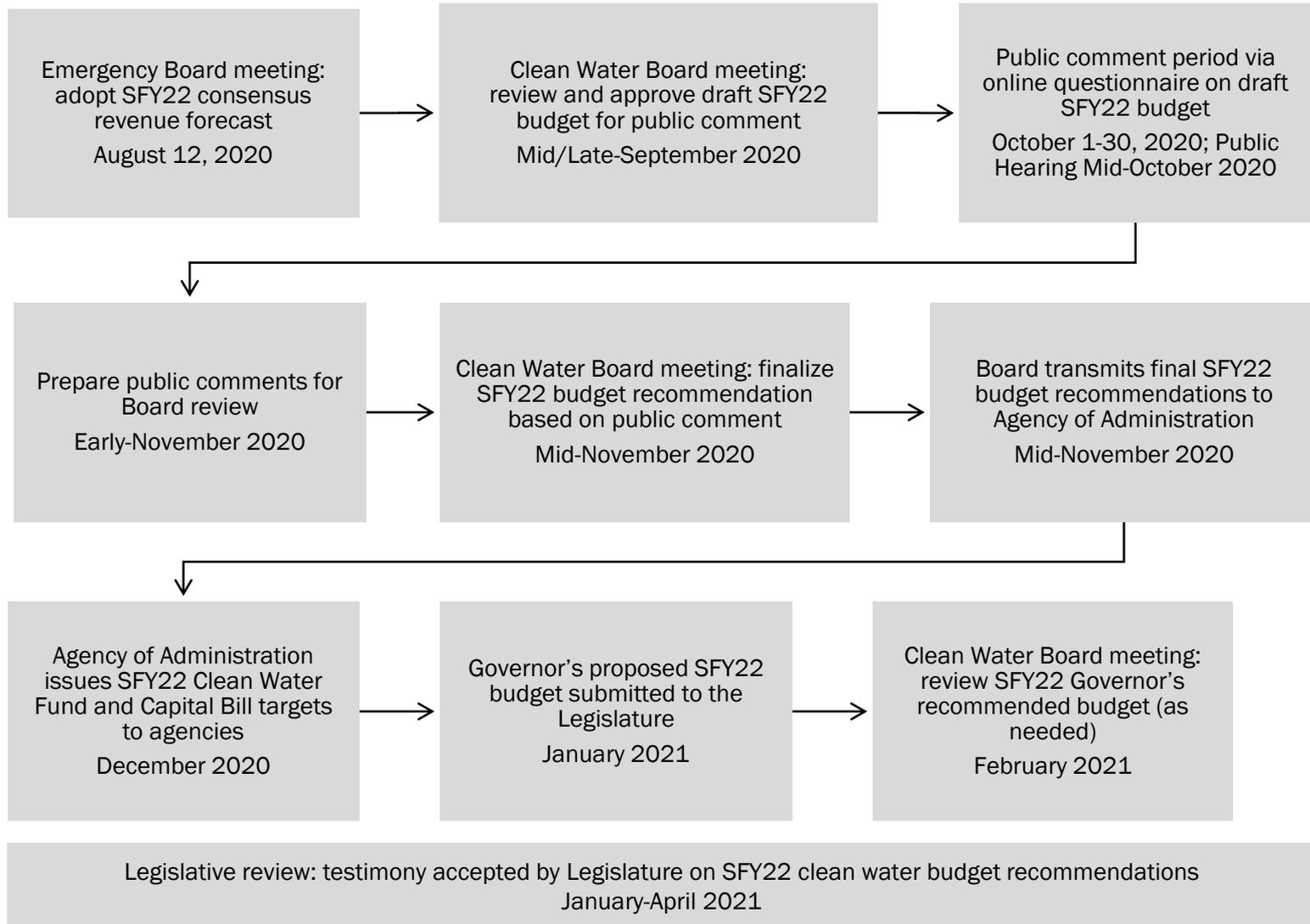
**Susanne Young, Secretary
Agency of Administration
Chair of the Clean Water Board**

Date

¹ Act 168 of 2018 (S.260) changed the name of the Board to Clean Water Board.

State Fiscal Year (SFY) 2022 Clean Water Budget Process (August 2020 – April 2021)¹

DRAFT Revised July 27, 2020



¹ - This process addresses SFY22 only. The Clean Water Board will also conduct business for other state fiscal years during the August 2020 – April 2021 timeframe. See May 2020 *State Fiscal Year 2021 Q1 Clean Water Fund Contingency Plan* (Table 1, Page 3) for all budget and revenue construction and revision activities within the August 2020 – April 2021 timeframe.