

Vermont Clean Water Board Meeting Agenda

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

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

Welcome, Approval of Agenda and Minutes **2:00-2:05 pm**
Agency of Administration Deputy Secretary Brad Ferland

Clean Water Fund Revenue Update **2:05-2:20 pm**
Department of Taxes Director of Policy, Outreach, and Legislative Affairs Doug Farnham

- FY2019 Clean Water Fund revenue update
- New long-term clean water funding sources and anticipated revenues

Legislative Session Outcomes for Clean Water Project Delivery Redesign **2:20-2:40 pm**
Agency of Natural Resources Secretary Julie Moore

- New Clean Water Fund priorities
- Effective for SFY 2022 clean water budget process

FY2020 Clean Water Budget **2:40-3:00 pm**
Secretary Julie Moore

- Review draft FY2020 clean water budget, as amended by legislature

Draft FY2021 Clean Water Budget **3:00-3:20 pm**
Department of Environmental Conservation Clean Water Initiative Program Manager Emily Bird

- Review draft FY2021 clean water budget process
- Review and approve draft FY2021 clean water budget for public comment

Clean Water Fund Program Audit **3:20-3:35 pm**
Deputy Secretary Brad Ferland

- Audit timeline and contractor oversight

Comments from the Public **3:35-3:45 pm**
Deputy Secretary Brad Ferland

Next Steps/Future Meeting **3:45-4:00 pm**
Deputy Secretary Brad Ferland

- October 2019 meeting to finalize FY21 budget recommendation based on public comment

Adjourn **4:00 pm**

Supporting Materials:

1. Draft April 25, 2019 Clean Water Board Meeting Minutes
2. FY2019 Clean Water Fund Revenue Summary and Forecast
3. Excerpt S.96 Statutory Language: Amended Clean Water Board and Clean Water Fund Priorities
4. FY2020 Clean Water Budget, as passed House and Senate
5. FY2021 Clean Water Budget Process
6. Draft FY2021 Clean Water Budget
7. Excerpt Act 64 Statutory Language: Clean Water Fund Program Audit (Amended Agriculture Enforcement Language)

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

Geoff Batista, Office of the State Auditor

Emily Bird, Department of Environmental
Conservation (DEC)

Eric Blatt, DEC

Chris Cochran, ACCD

Laura DiPietro, AAFM

Nancy Everhart, Vermont Housing and
Conservation Board

Doug Farnham, Department of Taxes

Jackie Folsom, Vermont Farm Bureau

Marcey Hodgdon, AAFM

Mike Middleman, AoA

Danielle Owczarski, DEC

Joanna Pallito, DEC

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 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

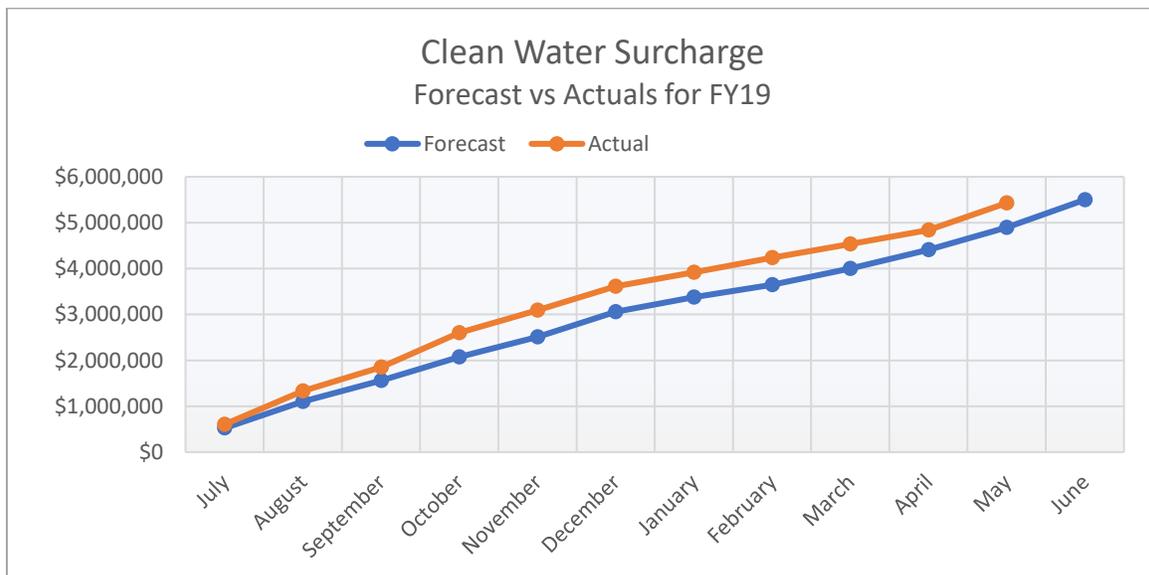
- AoA develop Clean Water Fund Program Audit scope of work and request for proposals.
- Implement SFY 2021 clean water budget process.

Adjourn 3:39 pm

Clean Water Revenue

FY19 To Date, FY20 and FY21 Estimates

The Clean Water Surcharge is continuing its strong performance this year, ending May 10.9% above forecast. Through May 31st, 2018, the surcharge had generated \$5.4M, with \$4.4M going to the Clean Water Fund. If current performance persists the surcharge will generate a total of \$6.1M for FY19. The first \$1M in surcharge revenue is deposited in the Vermont Housing and Conservation Trust Fund, and the remainder is applied to the Clean Water Fund. The below graph shows this year's total surcharge revenue relative to forecast.



Fiscal Year 2020 Budget Estimate

For Fiscal Year (FY) 20, the Board has been using a prudent forecast for the Surcharge of \$5.75M, which translates to \$4.75M to the Clean Water Fund. If the forecast was adjusted to account for current performance shown above, the surcharge would generate significantly more revenue to the Clean Water Fund. This means that the current FY20 budget for clean water is extremely low risk, even when relying on implementation of a new revenue stream.

In the middle of FY20, the State will begin collecting abandoned beverage container deposits that are estimated to generate \$2M annually. Since this revenue source takes effect on January 1, 2020, the Department of Taxes is scheduled to only collect six months of revenue in FY20. That means the Department would only collect \$1M from beverage deposit revenue in that FY.

If [S.96 of the 2020 legislative session](#) becomes law, 6% of the meals & rooms tax revenues will become dedicated to the Clean Water Fund beginning October 1, 2019. This is estimated to result in \$8.1M of revenue during FY20 and \$11.5M of revenue for FY21.

This brings the FY20 total anticipated revenue to \$13.8M for the Clean Water Fund and \$1M to the Vermont Housing and Conservation Trust Fund.

Fiscal Year 2021 Revenue Estimate

The FY21 revenue estimate consists of the same three elements as the FY20 estimate described earlier. The main difference is that two of the revenue sources will be receiving a full year of activity for the first time.

Meals & Rooms Tax Allocation

If [S.96 of the 2020 legislative session](#) becomes law, FY21 will receive the full benefit of 6% of the meals & rooms tax revenues. This is currently estimated to result in \$11.8M of revenue. Meals and rooms tax is one of Vermont's most stable revenue sources and, while it is not experiencing the high growth rate seen among other sources such as personal income tax or property transfer tax, it is generally more resilient and predictable.

Clean Water Surcharge

Using the current methodology adopted by the board for the clean water surcharge revenues, the anticipated revenue would be \$5.85M with \$4.85M going to the clean water fund. Adjusting that forecast for FY19 performance and the most recent consensus forecast growth rates reduced by 1.75% results in \$6.77M of revenue with \$5.77M going to the clean water fund. The Department recommends updating the forecast to reflect the most recent data.

Abandoned Beverage Deposits

The Joint Fiscal Office estimated \$1.97M of revenue in FY21 from abandoned beverage deposits. Analysis conducted by the Department in 2018 (reported in 10/31/2018 memo to the Board) shows that this estimate is reasonable and highly conservative. Based on the revenue seen in four other states, budgeting for \$2M of revenue from this source is extremely low risk and actual revenue may come in as high as \$4M.

FY21 Summary

The three revenue sources listed above are forecasted to produce \$19.54M provided the clean water surcharge methodology is updated. Without a methodology update \$18.65M would be anticipated. This forecast has incorporated multiple conservative elements and is extremely low risk. It will be important to update the elements of this analysis with any changes to growth rates which are published in the July consensus economic forecast.

(2) fund staff positions at the Agency of Natural Resources, Agency of Agriculture, Food and Markets, or Agency of Transportation when the positions are necessary to achieve or maintain compliance with water quality requirements and existing revenue sources are inadequate to fund the necessary positions; and

(3) provide funding to ~~nonprofit organizations, regional associations, and other entities for implementation and administration of community-based water quality programs or projects~~ clean water service providers to meet the obligations of chapter 37, subchapter 5 of this title.

Sec. 3a. 10 V.S.A. § 1388 is amended to read:

§ 1388. CLEAN WATER FUND

(a) There is created a special fund to be known as the Clean Water Fund to be administered by the Secretary of Administration. The Fund shall consist of:

(1) revenues from the Property Transfer Tax surcharge established under 32 V.S.A. § 9602a;

(2) other gifts, donations, and impact fees received from any source, public or private, dedicated for deposit into the Fund and approved by the Secretary of Administration;

(3) the unclaimed beverage container deposits (escheats) remitted to the State under chapter 53 of this title; ~~and~~

(4) four percent of the revenues from the meals and rooms taxes imposed under 32 V.S.A. chapter 225; and

~~(4)~~(5) other revenues dedicated for deposit into the Fund by the General Assembly.

* * *

Sec. 4. 10 V.S.A. § 1389 is amended to read:

§ 1389. CLEAN WATER BOARD

(a) Creation.

(1) There is created the Clean Water Board that shall:

(A) be responsible and accountable for planning, coordinating, and financing of the remediation, improvement, and protection of the quality of State waters;

(B) recommend to the Secretary of Administration expenditures:

(i) appropriations from the Clean Water Fund according to the priorities established under subsection (e) of this section; and

(ii) clean water water quality programs or projects that provide water quality benefits, reduce pollution, protect natural areas, enhance water quality protections on agricultural land enhance flood and climate resilience, provide wildlife habitat, or promote and enhance outdoor recreation in support of rural community vitality to be funded by capital appropriations.

(2) The Clean Water Board shall be attached to the Agency of Administration for administrative purposes.

(b) Organization of the Board. The Clean Water Board shall be composed of:

- (1) the Secretary of Administration or designee;
- (2) the Secretary of Natural Resources or designee;
- (3) the Secretary of Agriculture, Food and Markets or designee;
- (4) the Secretary of Commerce and Community Development or designee;
- (5) the Secretary of Transportation or designee; and
- (6) four members of the public, who are not legislators, with expertise in one or more of the following subject matters: public management, civil engineering, agriculture, ecology, wetlands, stormwater system management, forestry, transportation, law, banking, finance, and investment, to be appointed by the Governor.

* * *

(d) Powers and duties of the Clean Water Board. The Clean Water Board shall have the following powers and authority:

* * *

(3) The Clean Water Board shall:

(A) ~~establish a process by which watershed organizations, State agencies, and other interested parties may propose water quality projects or programs for financing from the Clean Water Fund;~~

~~(B)~~ develop an annual revenue estimate and proposed budget for the Clean Water Fund;

~~(C)~~(B) establish measures for determining progress and effectiveness of expenditures for clean water restoration efforts;

(C) if the Board determines that there are insufficient funds in the Clean Water Fund to issue all grants or financing required by sections 925–928 of this title, conduct all of the following:

(i) Direct the Secretary of Natural Resources to prioritize the work needed in every basin, adjust pollution allocations assigned to clean water service providers, and issue grants based on available funding.

(ii) Make recommendations to the Governor and General Assembly on additional revenue to address unmet needs.

(iii) Notify the Secretary of Natural Resources that there are insufficient funds in the Fund. The Secretary of Natural Resources shall consider additional regulatory controls to address water quality improvements that could not be funded.

(D) issue the annual Clean Water Investment Report required under section 1389a of this title; and

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

~~(F) establish a process under which a watershed organization, State agency, or other interested party may propose that a water quality project or program identified in a watershed basin plan receive funding from the Clean Water Fund~~ recommend capital appropriations for the permanent protection of land and waters from future development through conservation and water quality projects.

(e) Priorities.

(1) In making recommendations under subsection (d) of this section regarding the appropriate allocation of funds from the Clean Water Fund, the Board shall prioritize as follows:

~~(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;~~

(1) As a first priority, make recommendations regarding funding for the following grants and programs, which shall each be given equal priority:

(A) grants to clean water service providers to fund the reasonable costs associated with the inspection, verification, operation, and maintenance of clean water projects in a basin;

(B) the Water Quality Restoration Formula Grant under section 925 of this title;

(C) the Agency of Agriculture, Food and Markets' agricultural water quality programs; and

(D) the Water Quality Enhancement Grants under section 926 of this title at a funding level of at least 20 percent of the annual balance of the Clean Water Fund, provided that the maximum amount recommended under this subdivision (D) in any year shall not exceed \$ 5,000,000.00; and

(E) funding to partners for basin planning, basin water quality council participation, education, and outreach as provided in subdivision 1253(d)(3) of this title, provided funding shall be at least \$500,000.00.

(2) As the next priority after reviewing funding requests for programs identified under subdivision (1) of this subsection:

~~(C)(A) 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)(B) 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)(C) funding for the Municipal Stormwater Implementation Grant as provided in section 928 of this title;~~

~~(D) 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; and~~

~~(G)(E) 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.~~

(3) As the next priority after reviewing funding requests under subdivisions (1) and (2) of this subsection, funding for the Developed Lands Implementation Grant Program as provided in section 927 of this title.

(f) Assistance. The Clean Water Board shall have the administrative, technical, and legal assistance of the Agency of Administration, the Agency of Natural Resources, the Agency of Agriculture, Food and Markets, the Agency of Transportation, and the Agency of Commerce and Community Development for those issues or services within the jurisdiction of the respective agency. The cost of the services provided by agency staff shall be paid from the budget of the agency providing the staff services.

Sec. 4a. 16 V.S.A. § 4025 is amended to read:

§ 4025. EDUCATION FUND

(a) The Education Fund is established to comprise the following:

* * *

(4) ~~25~~ 21 percent of the revenues from the meals and rooms taxes imposed under 32 V.S.A. chapter 225;

* * *

Sec. 4b. REPEAL

Sec. G.8 (pewritten software accessed remotely) of 2015 Acts and Resolves No. 51 is repealed.

Sec. 5. 24 V.S.A. § 4345a is amended to read:

§ 4345a. DUTIES OF REGIONAL PLANNING COMMISSIONS

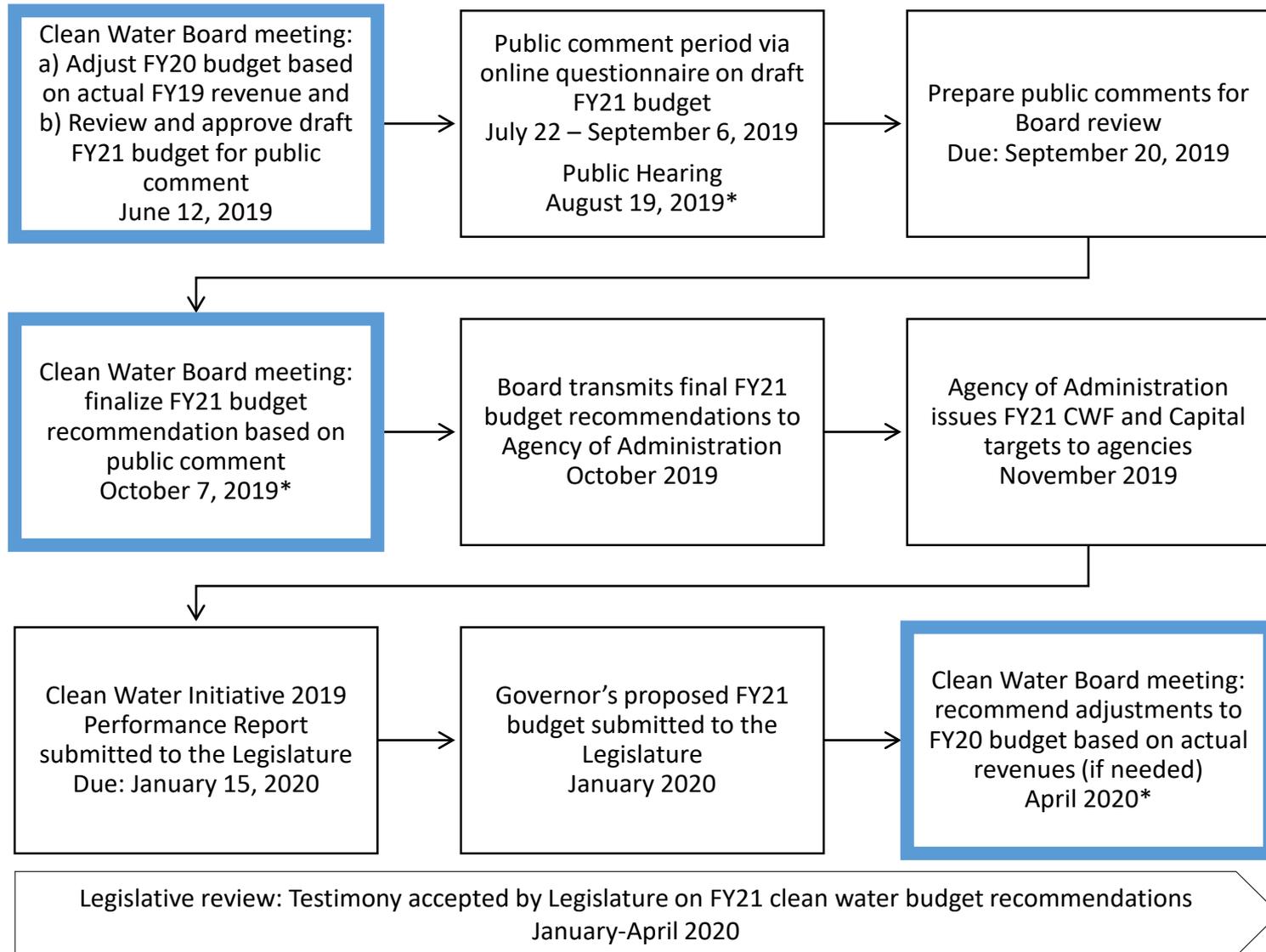
A regional planning commission created under this chapter shall:

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State Fiscal Year (FY) 2021 Clean Water Budget Process (April 2019 – April 2020)

#5

Updated May 31, 2019



Quorum needed

*Approximate dates provided

CLEAN WATER BOARD
Draft SFY 2021 Clean Water Budget (6/7/2019)

#6

No.	Sector	Agency	Activity	FY20 as Passed	FY21 Clean Water Fund Proposed	FY21 Capital Bill Proposed	FY21 Proposed Total	Difference Between FY20 as Passed and FY21 as Proposed
1	Agriculture	AAFMM	Agronomy Conservation Assistance Program (ACAP)	235,000	235,000		235,000	-
2	Agriculture	AAFMM	Water Quality Grants to Partners and Farmers	5,957,600	2,370,497	4,294,503	6,665,000	707,400
3	Agriculture	AAFMM	Operating	550,000	550,000		550,000	-
4	Agriculture	VHCB	Agricultural Water Quality Projects	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	-
6	Innovation	All	Multi-Sector Innovation, DEC and Partner Support	2,555,000	3,025,000		3,025,000	470,000
7	Nat'l Resources	ANR-DEC (CWIP)	Natural Resources Restoration	2,451,867	3,234,503		3,234,503	782,636
8	Nat'l Resources	ANR-DEC (CWIP)	Lakes in Crisis Fund	50,000	50,000		50,000	-
9	Nat'l Resources	ANR-FPR	Forestry/Skidder Bridges	50,000	50,000		50,000	-
10	Roads	ANR-DEC (CWIP)	Adapt Municipal Roads Standards on ANR Roads and Trails			1,900,000	1,900,000	1,900,000
11	Roads	ANR-DEC (CWIP)	Municipal Roads Grants-in-Aid	3,200,000	3,700,000		3,700,000	500,000
12	Roads	VTrans	Municipal Better Roads	790,533	1,000,000		1,000,000	209,467
13	Stormwater	ANR-DEC (CWIP)	Municipal Stormwater Project Planning & Implt'ion	2,000,000	4,275,000		4,275,000	2,275,000
14	Stormwater	AoA	Stormwater Utility Payments (\$25K each)	125,000	125,000		125,000	-
15	Stormwater	ACCD	Better Connections (Stormwater planning)	100,000	100,000		100,000	-
16	Stormwater	ACCD	Downtown Trans Fund (Stormwater Best Mgt. Practices)	100,000	100,000		100,000	-
17	Wastewater	ANR-DEC	Wastewater Treatment Facility operators support	110,000	110,000		110,000	-
18	Wastewater	ANR-DEC (FED)	Clean Water State Revolving Fund (CWSRF)	2,500,000		1,605,497	1,605,497	(894,503)
19	Wastewater	ANR-DEC (FED)	Municipal Pollution Control Grants	3,300,000		3,300,000	3,300,000	-
20	Audit	AoA	Program Audit (10 V.S.A. § 1389b)	25,000	75,000		75,000	50,000
			Total Requested	26,900,000	19,000,000	13,900,000	32,900,000	6,000,000
			Anticipated Revenue	26,900,000	19,000,000	13,900,000	32,900,000	6,000,000

* * * Clean Water Fund Audit * * *

Sec. 19. 10 V.S.A. § 1389b is amended to read:

§ 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) an assessment of the capacity of the Department of Environmental Conservation to effectively administer and enforce agricultural water quality requirements on farms in the State; and

(6) 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.