



Vermont Department of Environmental Conservation

Water Investment Division

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Agency of Natural Resources

04/02/2020

Dear Clean Water Stakeholders,

In recent weeks, DEC has been receiving an increasing number of inquiries regarding the pace at which clean water grant agreements and related invoices are processed. As you all are aware, there has been substantial growth in clean water granting and related activities, most particularly in the past three years, as the Vermont General Assembly has committed over \$30M annually in capital and clean water spending in support of our Clean Water goals. DEC is responsible for administration of a substantial amount of these dollars and particularly in recent years, the strain has begun to show. DEC recognizes the concerns articulated by stakeholders over the pace of agreements and invoice processing and are committed to addressing this situation. The reality is that DEC has been taking significant steps to address these issues. What we have not done, however, is to communicate the nature of our work to address these challenges. Please allow us to explain some of our efforts to date.

In light of the passage of the Clean Water Service Delivery Act of 2019, DEC conducted a reorganization to create the Water Investment Division (WID), to better coordinate grants and contracts management for clean water projects. The WID is organized in a manner that brings clean water planning, granting, and engineering services around a central core financial office. As a direct outcome of this reorganization, grant and contract management duties have been reassigned from distributed staff within the Department to a centralized finance program. WID's Water Infrastructure Finance Program has been structured to route all grant management and financial administration tasks under one central "roof." The transition has taken some time, and several business process analysis efforts have identified opportunities for efficiency in agreement development and invoicing.

With regards to the delays in agreement execution, DEC has focused on internal process improvement and has reduced the administrative burden on the financial staff responsible for executing agreements by centralizing required administrative steps of agreement drafting with a single individual. There has also been added support by re-assigning staff time from other financial support staff to assist in the agreement drafting process, and a re-prioritization of agreements of current staff to focus on the oldest agreements first. Though COVID 19 throws us all a curveball, we remain confident that our stakeholders will see improvements in the short term.

Regarding the processing of invoices, the WIFP has just completed building an online invoice submittal tool to streamline submittal of invoices by DEC's grantees and contractors. The tool will support approval of invoices by technical and financial staff and reduce internal delays in transferring and processing invoices. This system will remove all such transactions and related communications from email, house all invoices submitted, and streamline the internal payment approval processes. Moving invoice-processing to this online system will provide data regarding timeliness of approval and payment and will heighten transparency by allowing DEC project managers *and* grantees/contractors to view invoice status in real time, and to know with whom to follow-up should there be a delay. In parallel with online tool development, programs will provide clearer instructions on what is and what is not eligible for payment to reduce communications feedback loops where issues with deliverables could delay invoice payment.

This new online invoice submission tool is currently in its internal testing phase, with a planned partial rollout to select grantees and contractors at the end of April and a full rollout to all DEC grantees and contractors at the beginning of June. Each rollout stage will include instructions and training opportunities for grantees and contractors. WID staff have been in contact with key stakeholders regarding beta testing. While DEC is committed to this schedule, please note that implementation of the Stay Home Stay Safe Order may affect this timeline.

We sincerely appreciate the hard work of our water quality partners in making such significant forward strides in support of Vermont's water quality goals. Improvement in the quality and resilience of surface waters of Lakes Champlain and Memphremagog, or other lakes and streams, cannot happen without your assistance. WID is taking rapid steps to address the administrative delays that keep you from being able to do this important work and will continue to do so. Readers are welcome to contact any of the undersigned to address any questions you may have.

With Regards,

A handwritten signature in black ink, appearing to read "Neil Kamman". The signature is fluid and cursive, with a long horizontal stroke at the end.

Neil Kamman, Water Investment Division

CC: Emily Bird, WID-Clean Water Initiative
Terisa Thomas, WID -Water Infrastructure Finance