**DRAFT Minutes**

**Act 73 Working Group on Water Quality Funding**

Meeting - June 28, 2017 (3:00-4:30)

Catamount Room, National Life, Montpelier

Attendees:

ANR Secretary Julie Moore, Tax Commissioner Kaj Samson, Tax Analyst Andrew Stein, AAFM Secretary Anson Tebbetts, VCGI Director John Adams, VLCT Karen Horn, Vermont Chamber Ashley Romeo-Boles, DEC Deputy Commissioner Rebecca Ellis, Rep. David Deen (by phone),

Minutes:

1. Introductions. Secretary Moore convened the meeting at 3:00. The six members of the Act 73 Working Group on Water Quality Funding are set by statute. The business representative will be John Grenier of Waterbury. He was unavailable for today’s meeting but will join next time. VLCT’s Karen Horn said that the VLCT Board may appoint a different person to be the official representative, with Karen Horn serving as staff, but in the meantime Karen will serve as the representative.
2. Statutory Mandate. The Working Group reviewed its statutory mandate as set forth in Section 26 of Act 73. Pursuant to statute, “On or before November 15, 2017, the Working Group on Water Quality Funding shall submit to the General Assembly a summary of its activities, an evaluation of existing sources of funding, and draft legislation to establish equitable and effective long-term funding methods to support clean water efforts in Vermont.”
3. Meeting Schedule. Secretary Moore proposed the following meeting schedule for the working group and advisory council. The first five meetings will take place in the Catamount Room at National Life. Members and the public may also participate by phone, which will be set up by Penny Percival (Penny.Percival@vermont.gov) in Secretary Moore’s office.

Wednesday, June 28 (3:00-4:30)

 Friday, July 14 (9:00-10:30)

 Friday, July 28 (9:00-10:30)

 Friday, August 7 (9:00-10:30)

 Friday, August 25 (9:00-10:30)

 Early September (Meeting #1 with Advisory Council)

 Early October (Meeting #2 with Advisory Council)

 Early November (Meeting #3 with Advisory Council)

 November 15 – Report Due

1. Treasurer’s Report and FY18-19 Clean Water Appropriations. The Working Group members reviewed several tables:
2. Summary of clean water appropriations in the FY18-19 budget;
3. Treasurer’s Report on Tier I gap. Tier I costs were estimated at $82.2 million a year; revenues were estimated at $33.7 million; leaving an annualized average gap in Tier I funding of $48.5 million ($6.14 + $16.01 + $24.13 + $2.55);
4. Treasurer’s Report on Tier I gap by sector and type of property owner; and
5. Comparison of FY18 Treasurer’s Report Estimated Costs and FY18 Legislature’s Appropriations.
6. Draft Table of Contents. The Working Group members reviewed a draft table of contents for the working group’s report.
7. Impervious Surface Fee. A number of questions were raised concerning roll-out of an impervious surface fee.
* How much work does it take to maintain the impervious surface data set?
* What is the cost to operate an impervious surface data set compared to the revenues generated by an impervious surface fee?
* What is the cost to maintain the needed geographic data?
* Who would collect money?
* Who would enforce non-compliance?

The Vermont Tax Department estimated that a standalone, statewide impervious surface fee would require statewide billing and collection (313,000 invoices) and would be very difficult to implement, requiring upwards of 25 FTEs. It was suggested that utilities in other states could provide examples of how to administer an impervious surface fee, and it was noted that three Vermont municipalities have already put in place stormwater utilities and fees. Some options to consider include a local fee, a statewide fee, or a utility model.

1. Homework for next meeting.
2. Stormwater (Julie Moore & Rebecca Ellis). Revised costs estimates? What is the source of the Treasurer’s estimate of 1000 parcels with impervious surface greater than 3 acres? Does 3-acre permit include private roads?
3. Agriculture – (Anson Tebbetts). Revised cost estimates? How much can the state realistically invest over next 5 years in the agricultural sector to comply with TMDL? What is the spending strategy for the next 5 years? What additional resources are needed (e.g., engineers) , if any, to get money out on the ground?
4. Per Parcel and Impervious Surface Fees (John Adams & Andrew Stein)
5. Meeting adjourned at 4:30.