Lake Champlain Basin Water Quality Council Meeting
January 5, 2023, 12:00 pm
Virtual meeting/Microsoft Teams and In-Person at RRPC Office

Members present: Murray McHugh, Donald Campbell, Erin Rogers, Katy Crumley, Paul Donaldson, Mike Winslow, Rob Terry, Joe Gunter
Staff present: Hilary Solomon, Barbara Noyes Pulling, Devon Neary, Sadie Brown
Basin Planner: None
Partners present: Claire Madden, Vermont DEC
Public: None

1. CALL TO ORDER AND WELCOME

Not having elected officers yet, the meeting was called to order by staff at 12:05 PM.

2. APPROVAL OF AGENDA

The Agenda was updated to change 'draft Chapter 4' to 'Chapter 4', as that chapter is now final. Motion by Joe Gunter to approve Agenda with the minor change, seconded by Murray McHugh. Unanimously approved by voice or raised hand vote.

3. APPROVAL OF MINUTES

A slight change was made to the minutes (four, not "sour" alternates). Motion by Erin Rodgers to approve the Minutes as presented, seconded by Murray McHugh. Unanimously approved by voice or hand raised vote.

4. ELECTION OF OFFICERS

Barbara and Hilary asked the group if anyone would be interested in serving as chair and co-chair if the CWSP staff made sure that the workload was reasonable. Erin offered to serve as chair, though she noted that she is located over an hour from Poultney, in terms of ease of communications and getting her signature on documents. Murray offered to serve as vice-chair.

Motion by Joe Gunter to approve the slate of Erin Rodgers as Chair and Murray McHugh as Vice-chair. Donald Campbell seconded. Unanimously approved by voice or raised hand vote.

5. REVIEW OF FORMULA GRANT CONTRACT

Staff began a slideshow presentation at this point (available upon request and to be posted on the South Lake CWSP webpage) that outlined the amounts and timelines for the Start-up Grant and Formula Grant. The Start-up grant started in September 2021 and will run through early 2023 and the Formula Grant will begin once the start-up grant has completed. The Start-up grant was for $116,717 and supported early CWSP and BWQC activities. Examples of activities funded through the Start-up Grant include drafting the BWQC bylaws, early versions of the Standard Operating Procedures (SOPs) for various BWQC activities, rewriting a suite of policies to incorporate language from Act 76, Guidance Chapter reviews and meetings, and project organization and review for 2023.

The Rutland RPC has signed the Formula Grant contract, which is for $977,649 per year. This includes up to $146,647 for administration of the program and $831,001 for project ID, development, and implementation. The annual awards are supposed to continue for approximately 15 years. The annual phosphorous targets for specific land use sectors include agricultural lands, developed lands, forestlands, and streams. The contract includes a commitment to reduce at least 78.1 Kg of annual phosphorus load and the cost effectiveness of that reduction averages at $12,510 dollars per kilogram of phosphorus reduction. With the potential administration costs subtracted out, the cost per kilogram reduction average is $10,640. And with 7% of the funds to be used for project ID and development, that amount is ultimately lower still.

*The following three sections deviated slightly from the order in the agenda due to the Power Point slide presentation.

6. REVIEW OF CWSP POLICIES

Act 76 language specifies that BWQC members will have access to and the ability to review the various governance policies of the CWSP, specifically the Procurement Policy. As such, both the Rutland RPC and Poultney Mettowee NRCD provided copies of their Procurement Policies, which have been updated with language from Act 76. Both groups are working on a new Records Retention Policy and the BWQC will have a new Public Participation Policy.

7. REVIEW OF CHAPTER FOUR OF GUIDANCE – the BWQC Chapter

Staff thoroughly reviewed Chapter four language with the BWQC, which is now final and available on the DEC website (and the Rutland RPC CWSP webpage). Barbara reviewed the pertinent details with the BWQC. A few of the highlights are listed below: The BWQC will interface with DEC, mainly through Angie Allen, the Tactical Basin Planner, to review waters that need TMDLs, strategies from the Basin Plan, Implementation Tables from the Basin Plan, and will consult as needed with the specialists at DEC to help make project-specific decisions. The CWSP shall fund projects in consultation with the BWQC and that support the Basin Plan.

The CWSP will provide initial scoring and ranking of project applications and based upon that score in conjunction with project priorities identified above, the BWQC shall consider all proposed clean water projects for project identification, development, design, and/ or implementation categories and make any adjustments to the co-benefits scoring as needed.

On a schedule determined by the CWSP, and in consultation with the BWQC, the CWSP shall conduct an open process to solicit clean water projects for identification, development, design, and implementation in the basin.

All projects funding through the Formula Grant needs to be listed in the DEC Projects Database, and to that end, DEC has created a simplified project entry form to be used via the ANR Portal.

Finally, the BWQC shall review and approve subgrant guidance that shall include how the Clean Water Service Provider will allocate Formula Grant funds to subgrantees for project advancement (development), design, implementation, and for the administrative costs of the Basin Water Quality Council. BWQC members shall participate in annual progress reporting as well as overall governance and operations of the BWQC.

8. APPROVAL OF BWQC BY-LAWS and STANDARD OPERATING PROCEDURES

Staff reviewed the BWQC bylaws and shared the small changes made to the language based on BWQC member input at the last meeting. Motion by Donald Campbell to approve the Bylaws and SOPs, seconded by Murray McHugh. The BWQC unanimously approved the current version of the by-laws.

9. UPDATE ON DRAFT CHAPTER 6 GUIDANCE

Staff presented slides with the pertinent information from Chapter 6. Chapter 6 focuses on project advancement including project solicitation or grant rounds, project screening including how to use the CWIP Funding Policy, Project prioritization including references (but not details about how to do this) to a scoring metric, and some information about assumptions and changes that may be incorporated to future drafts and/or processes. The following is the Table of Contents from the current draft version of Chapter 6:

- Project Solicitations and Considerations
- Screening for Project Eligibility
  - CWIP Funding Policy Eligibility Criteria
- Project Prioritization
  - Pollution Reduction and Cost Effectiveness
  - Pollution Reduction and Cost Effectiveness in the context of Project Ranking
  - Other Criteria to Consider in Project Scoring
- Additional Project Selection Considerations
  - Other important resources for project scoring and selection

Project Solicitations:

- CWSPs in consultation with their BWQC's shall establish a policy and schedule for how they will issue subgrants to eligible parties through a granting round.
- If a CWSP is proposing a project, CWSP staff will need to complete the same solicitation materials as external project proponents.
- Once project design and implementation proposals have been received, the CWSP and BWQC must, based on the guidance provided, 1) screen proposals to confirm they are eligible to receive Water Quality Restoration Formula Grant funds, 2) rank and prioritize the eligible proposals and 3) select proposals for funding.

Project Screening for Eligibility

- The Funding Policy applies to all clean water funding initiatives administered by the CWIP including Water Quality Restoration Formula Grants. The Funding Policy lists out a series of eligibility criteria that must be met for projects to receive funds administered by the CWIP.
- This policy is subject to change on an annual basis. CWSPs are expected to use the most current Funding Policy whenever reviewing project proposals for eligibility. Latest version, Dec 2022: *chrome-extension://efaidnbmnnnibpcajpcglclefindmkaj/https://dec.vermont.gov/sites/dec/files/WID/CWIP/SFY23%20CWIP%20Funding%20Policy_FINAL_12.2.22_JBSIGNED%20-%20Corrected%20links.pdf*

Project Prioritization

CWSPs and BWQCs are required to follow the pollution reduction cost effectiveness equation/calculation to ensure consistency across projects/basins. Once the CWSP and BWQC have established a ranking schedule and scoring process, the CWSP shall be responsible for applying a consistent pollutant reduction cost effectiveness scoring method.

- Pollution Reduction and Cost Effectiveness
  - CWSPs, BWQCs, and implementers will use the pollution reduction calculator to estimate annual average total phosphorus load reduction (kg/yr) for each project.
  - Cost effectiveness ($/kg/yr) = (15 years/design life years) * (total capital project cost (dollars) for design and construction) / (annual average total phosphorus source load reduction (kg/yr))
- The **Water Quality Restoration Formula Grant Targets and Fund Allocation Methodology** provides benchmarks to consider reasonable values for cost effectiveness at the sector and project category-level. (Adopted version, June 2022)
- Additionally, the **Functioning Floodplains Initiative (FFI) Tool** contains a lookup table with pollution reduction cost effectiveness benchmarks to further evaluate river/floodplain restoration projects at the project type/best management practice-level.

Katy Crumley suggested that we should create a location to store all of the items that the BWQC members will need access to, such as guidance chapters, policies, and bylaws. Hilary and Barbara will make sure that these links and documents are listed on the CWSP webpage.

10. REVIEW OF DRAFT REQUEST FOR QUALIFICATIONS FOR SUBGRANTEES

Staff reviewed with the group that there will be two types of RFQs – one for partners/implementors and one for subcontractors. Partners, or subgrantees, can participate in grant rounds, and be 'sole sourced' funds if their project application is approved. This is not true for contractors.

Staff shared the RFQ with the BWQC members and suggested a timeline for its immediate release, an application due date at the end of January, and CWSP announcement of results in March 2023. Questions 8-12, which are the meat of the application, were shared with the BWQC members.

Mike Winslow suggested that we align our project phases with the CWIP funding policy, as ours differed slightly from those definitions. Staff will make the changes needed.

11. FAIR HAVEN PROJECT OVERVIEW

Staff presented a project that PMNRCD is pursuing in Fair Haven. The project has high levels of phosphorus reduction and meets the average cost for stormwater projects. PMNRCD wrote for and received a Block Grant (DIBG, not Formula Grant) to complete the engineering design, but the Town of Fair Haven Select Board has questions about the long-term responsibility for the project, which will be located in the town green, if implemented. Hilary relayed that Ben Copans (DEC Basin Planning Section) had commented that now might be the best time to implement a project, as there is funding available for operations and maintenance. Mike Winslow agreed and said that right now the state is looking at 15-year contracts, so he didn't believe that the town would be liable after 15 years and during this 15 years there should be operations and maintenance funds available.

12. DEMONSTRATION OF DEC PHOSPHORUS REDUCTION TOOL WITH CLARE MADDEN

Clare Madden with Vermont DEC, TMDL Tracking, reviewed the Phosphorus Reduction Calculator and Cost Effectiveness Tool. These tools (and many other helpful tools and documents) are available on the DEC website:

https://dec.vermont.gov/water-investment/cwi/grants/resources

Clare mentioned that a link with a recorded training featuring a buffer planting had been sent to Hilary and Barbara. Staff will make sure to forward that link to the BWQC members. She also noted that in the Cost Effectiveness Tool, the efficiencies noted are for the general project types, not the specific project of interest to the user. She noted that the 'to report' function will 'print' the results of the analysis and over time, improvements will be made so that the results of multiple projects may be printed at the same time.

13. REVIEW OF BWQC OUTREACH PLAN

Next steps include an email update to stakeholders. After the first quarter of 2023, quarterly updates will be sent to partners and stakeholders with information about grant rounds, project information, and other details.

14. PREVIEW OF FEBRUARY MEETING

Project Eligibility Screening form; project prioritization w/ Co-Benefits; RFQ for subcontractors

15. PUBLIC COMMENT

None; no public in attendance.

16. NEXT MEETING

The next BWQC meeting is scheduled for February 9, 2023, at 12:00 PM.

14. ADJOURNMENT

At 1:32 am, Donald Campbell moved to adjourn; seconded by Murray McHugh.

Respectfully submitted by Hilary Solomon and Barbara Noyes Pulling