



**EXECUTIVE COMMITTEE**  
**April 20, 2020 – Special Meeting**  
3:00 p.m.

***Remote Participation via GoToMeetings:***

Via computer, tablet or smartphone: <https://global.gotomeeting.com/join/615023925>

Via telephone: Dial (571) 317-3122; Access Code: 615-023-925 or  
for supported devices, [tel: 15713173122,,615023925#](tel:15713173122,,615023925#)

Page **AGENDA**

- 3:00<sup>1</sup> Adjustments to the Agenda**
  - Public Comment**
- 3:05 CNB Account Signatory Resolution** (sent separately)<sup>2</sup>
  - Resolution modifying account signatories to reflect bylaw update.
- 2 3:10 Clean Water Advisory Committee Letter of Concern** (enclosed)
- 5 3:25 Fiscal Sponsor Request** (enclosed)<sup>2</sup>
  - Request by East Calais Community Trust for CVRPC assistance.
- 3:45 Office Updates**
- 4:00 Adjourn**

**Next Meeting: May 4, 2020**

Persons with disabilities who require assistance or special arrangements to participate in programs or activities are encouraged to contact Nancy Chartrand at 802-229-0389 or [chartrand@cvregion.com](mailto:chartrand@cvregion.com) at least 3 business days prior to the meeting for which services are requested.

---

<sup>1</sup> All times are approximate unless otherwise advertised



April 9, 2020

Mr. Peter Walke, Commissioner  
Vermont Agency of Natural Resources  
Department of Environmental Conservation  
One National Life Drive  
Montpelier, VT 05602

Re: Water quality program recommendations

Dear Commissioner Walke,

The Central Vermont Regional Planning Commission (CVRPC) is sending this letter as a follow up to the final adoption of the *Winooski River Tactical Basin Plan*, which the CVRPC reviewed and provided comments and recommendations in 2018.

We would like to express our deep appreciation and recognition for the Department of Environmental Conservation (DEC) staff, especially Basin Planner Karen Bates, in their hard work and commitment to addressing water quality improvement in the waters of Vermont. We also appreciate that some of our comments were incorporated into the basin plan during the plan's development. The purpose of this letter is to highlight issues brought to our attention from our Clean Water Advisory Committee (CWAC) and provide recommendations on water quality issues not addressed in the final *Winooski River Tactical Basin Plan*, Total Maximum Daily Load (TMDL) for phosphorus, clean water funding, and certain state regulations that dictate water quality protection.

Phosphorus load allocations:

1. Phosphorus Load allocations and reduction targets in the TMDL for phosphorus in Lake Champlain do not include the role of chemical fertilizers.

*Recommendation:* In future TMDL modeling, include the role of chemical fertilizer application to estimate phosphorus loading.

2. Residual, legacy phosphorous incorporated in lake sediment does not appear to be identified as a factor limiting phosphorous reduction in the TMDL for phosphorus in Lake Champlain.

*Recommendation:* In future TMDL modeling, include the reintroduction of phosphorus through lake sediments to estimate phosphorus loading.

Agriculture:

1. Recommended agricultural practices to reduce sediment or phosphorus may exacerbate other water quality problems. No-till methods to decrease sediment runoff may increase the use of

Glyphosate (aka Roundup) and other pesticides that reduce water quality and may lead to ecosystem damage and possibly contribute to phosphorus loading. Research in the Maumee River Watershed is showing how no-till and Glyphosate use may actually be increasing dissolved phosphorus loading to Lake Erie: [Article on No-Till Research by University of Arkansas](#); [Article on Ohio Northern University Research on Glyphosate](#).

*Recommendations:* Vermont Agency of Agriculture, Food and Markets (VAAFM) include reduction of use of glyphosate in recommended agricultural practices. VAAFM and DEC coordinate to conduct more extensive monitoring of Glyphosate in groundwater and surface water in and nearby agricultural fields in the Winooski Basin. VAAFM conduct research on links of no-till and glyphosate use to phosphorus loading and explore other ways to prevent farm field erosion aside from no-till.

2. Pesticides, including neonicotinoids, remain and are re-cycled in surface water and groundwater, and are potential threats to beneficial insects.

*Recommendations:* DEC include reduction of neonicotinoids use in the Vermont Surface Water Management Strategy. VAAFM and DEC coordinate to conduct more extensive monitoring of pesticides and herbicides (including neonicotinoids) in groundwater and surface water in and nearby agricultural fields in the Winooski Basin.

3. Regulatory efforts to address phosphorus, such as the *Required Agricultural Practices*, do not focus sufficient attention on chemical fertilizers.

*Recommendation:* VAAFM update the *Required Agricultural Practices* for farms to include the reduction of the use of chemical fertilizers.

#### Policies and regulation:

1. In regards to the Municipal Roads General Permit (MRGP), municipalities are required to spend funding and resources on road best management practices which result in small phosphorus load reductions compared to other sectors.

*Recommendation:* Allow municipalities more leeway with which road segments need to be addressed and when. The DEC should reassess permit requirements based on effectiveness of the road best management practices.

2. Agriculture policies do not appear to encourage small-farm agriculture, which can lead to phosphorus loading on a larger scale from large farms.

*Recommendation:* VAAFM should create policy incentives to shift from large-scale farming operations to local small-farm agriculture to better control phosphorus loading from larger farms.

#### Water quality monitoring:

1. Response to potential statewide PFAS (including PFOA) contamination does not appear to be included in the Vermont Surface Water Management Strategy (VSWMS).

*Recommendations:* Incorporate PFOAs into the (VSWMS). DEC conduct statewide monitoring for PFOAs in groundwater and surface water to protect water quality and public health.

2. In the Phosphorus TMDL and the Winooski Tactical Basin Plan, groundwater quality and the interaction between groundwater and surface water does not appear to be factored into the understanding of phosphorus loading to Lake Champlain.

*Recommendation:* The DEC and the VGS expand monitoring and research on the interaction of phosphorus exchange in groundwater and surface water and incorporate these results in the VSWMS and basin planning efforts.

Thank you for the opportunity to present this letter to you. We look forward to working with ANR in the future on the development of Tactical Basin Plans and their implementation and other related projects.

Sincerely,

Laura Hill-Eubanks, Chair  
Central Vermont Regional Planning Commission

CC: Laura DiPietro, Vermont Agency of Agriculture, Food, and Markets  
Rick Levey, Watershed Management Division



## MEMO

Date: April 20, 2020  
To: Executive Committee  
From: Bonnie Waninger, Executive Director  
Re: Fiscal Sponsorship for East Calais Community Trust

---

**✉ ACTION REQUESTED:** Authorize CVRPC to act as a fiscal sponsor for the East Calais Community Trust's grant application to the Northern Border Regional Commission.

The East Calais Community Trust (ECCT) has requested CVRPC act as its fiscal sponsor for its grant application to the Northern Borders Regional Commission (NBRC). ECCT is a registered non-profit corporation with the State of Vermont. It is pursuing federal non-profit status. Currently, the Preservation Trust of Vermont acts as ECCT's fiscal sponsor. PVT requested ECCT find an alternate sponsor for this grant because PTV also is applying for a NBRC grant.

CVRPC does not intend to apply for a NBRC grant, and it has not been requested to act as fiscal sponsor related to NBRC for another organization. Should ECCT's project be awarded funding, participation in this grant would prohibit CVRPC from participating in another NRPC grant until such time as CVRPC can demonstrate ECCT's project has, by June 30 of the year in which another application is made, a) submitted reimbursement requests totaling 75% or more of the project and b) demonstrated that 75% of the cost share has been completed. Staff estimates this to be 2-3 years.

As fiscal sponsor, CVRPC's primary role would be determining how money can be spent. CVRPC may, based on staff capacity, assist ECCT to identify and/or write grant applications in keeping with its role of providing technical assistance to municipalities and organizations.

*Staff recommends agreeing to act as fiscal sponsor for ECCT's project if CVRPC is willing to accept the grant's term related to ownership. See ★ on page 3 of this memo.*

### What is a fiscal sponsor, and how does it differ from a fiscal agent?

A fiscal sponsor is an organization that provides fiduciary oversight, financial management, and other administrative services to help build the capacity of projects. In addition to grant administration and, potentially, grant management services, CVRPC would be responsible for receiving and administering charitable contributions on behalf of ECCT as they relate to this project. A fiscal sponsor maintains the right to decide, at its own discretion, how it will use contributions. It is common for the fiscal sponsor to

charge an administrative fee for its services, which is usually a percentage of the budget of the sponsored organization or program. CVRPC may choose to charge actual cost or a lump sum fee.

The key difference between a fiscal sponsorship and a fiscal agency arrangement is that funds contributed to a non-exempt project that has a fiscal sponsor are tax deductible to the donor. Those contributed to a project with a fiscal agent are not. An agent acts on behalf of someone, usually called the principal. The agent is under the principal's direction and control.

### What are the elements of fiscal sponsorship?

<i>IRS Criteria</i>	<i>Applicability to CVRPC</i>
Grants/donations are given to a 501(c)(3) tax-exempt organization (the sponsor) that acts as a guardian of the funds for a project that does not have 501(c)(3) status	CVRPC is not a 501 (c)(3) organization. It's designation as a political subdivision of the State of Vermont allows it to act as a fiscal sponsor.
The sponsor must use funds received for specific charitable projects that further the sponsor's own tax-exempt purpose.	An optional duty of RPCs is to "Carry out, with the cooperation of municipalities within the region, economic development programs for the appropriate development, improvement, protection, and preservation of the region's physical and human resources." [24 V.S.A. § 4345(12)]
The sponsor must retain discretion and control as to the use of the funds.	This requirement would be documented in the fiscal sponsor agreement. ECCT is aware of the requirement.
The sponsor must maintain records that substantiate the use of funds for appropriate 501(c)(3) purposes.	Grant reporting would accomplish substantiation.
Typically, the project will be short-term or the sponsored group is seeking tax-exempt status.	The length of the grant is three years. ECCT is seeking 501(c)(3) status now.

### What are the risks, and how does CVRPC mitigate them?

Discretion and Control of Funds – As a fiscal sponsor, CVRPC is legally responsible for the funds and ensuring that funds paid to the project further CVRPC's tax-exempt purposes.

*Control* - CVRPC and ECCT would sign a written agreement outlining the exact nature of the relationship. The agreement would specify that CVRPC is responsible for all legal compliance relating to receiving, reporting, and acknowledging charitable donations. The agreement also would describe the administrative fee that the ECCT will provide to CVRPC and any recordkeeping responsibilities that the ECCT owes CVRPC. Staff has reviewed several local and national examples of agreements.

*Purpose* – CVRPC's purpose (mission) is "to assist member municipalities in providing effective local government and to work cooperatively with them to address regional issues." CVRPC accomplishes that mission through goals, policies, and actions identified in its regional plan. The project's conformance with the 2016 Regional Plan is discussed at the end of this memo.

Charitable Project – As a fiscal sponsor, CVRPC must insure the project is considered a *charitable project* by the IRS.

Under Internal Revenue Code section 501(c)(3), the term *charitable* includes relief of the poor, the distressed, or the underprivileged; lessening the burdens of government; and combating community deterioration and juvenile delinquency. The ECCT's project works to preserve and protect the community's essential character through historic preservation and community revitalization. Active and vibrant village centers lessen the burdens of government by increasing tax revenues.

Ownership of Work Product – As a fiscal sponsor, CVRPC may or may not have any ownership rights in the work product created by the project due to the fiscal sponsor relationship. CVRPC's role is to ensure that money collected is used for the purposes set forth in the grant proposal.

A written agreement could specify that ECCT owns, and would be responsible for, the continued maintenance and operation of the facility.

★ NBRC's grant states that grant recipients (CVRPC) must maintain ownership/control over all investments made with NBRC funds, ownership of physical equipment and/or structures may not transfer to any other entity, unless fully depreciated. Commercial and residential building assets can be depreciated either over 39-year straight-line for commercial property or a 27.5-year straight line for residential property as dictated by the current U.S. Tax Code. Staff is seeking clarification from NBRC as to whether this condition applies to fiscal sponsors.

Availability of Match and Cost Share – NBRC defines *Match* as the minimum required by law to receive NBRC funds. *Cost share* is defined as the total of other funds necessary to complete the project. For ECCT, cost share is \$560,000. Grant recipients are required to demonstrate that the cost share is committed to the project to receive a Notice to Proceed. All cost share must be committed by September 30 of the year following the award year (September 2021).

The written agreement would specify that ECCT would be responsible for raising cost share funds, preparing annual budgets, and designing and carrying out its programs. Because cost share funds must be confirmed prior to a project proceeding (and will be provided to CVRPC), outlay of CVRPC funds prior to grant reimbursement should be minimal. The written agreement would address payment of interest by ECCT should CVRPC be required to access its line of credit to accommodate cash flow as a result of the project.

CVRPC would maintain internal control and compliance systems to assure that adequate funds are available and are allocated properly according to the approved budget. All expenditures would have to comply with the terms of grants and contracts received and laws, regulations and accounting standards governing the use of nonprofit funds.

## Conformance with the 2016 Regional Plan

The project's applicability regarding conformance with the *2016 Central Vermont Regional Plan* includes:

Land Use Goal 3: To encourage the historic settlement pattern of compact village and urban centers separated by rural countryside while promoting development in economically viable locations.

*Policy 2:* To seek ways to overcome the economic disincentives to development within existing built-up areas, including the high costs associated with the construction of, or hookup to, necessary infrastructure. CVRPC:

*Bullet 3:* will recognize growth center designations and employ them to attempt to achieve desired growth patterns through its influence over public expenditures and development review decisions, where applicable.

Facilities, Services and Utilities Historical and Archeological Resources Goal: To promote the protection and use of the Region's historical and archeological resources.

*Policy 2:* CVRPC encourages development which preserves the historic and architectural character of town and village centers and the rural landscape.

*Policy 3:* Therefore, it is the policy of this Commission to support and encourage downtown revitalization programs and Downtown and Village Center Designation. Downtown revitalization efforts are means to create jobs and to preserve our national heritage.

*Policy 12:* CVRPC will provide support to local, regional, and state non-profit historic preservation trusts upon request.

Housing Goal 3: To promote preservation of the existing housing stock and the development of future housing in the village/town and employment centers of the Region, or those areas designated as Growth Centers.

*Policy 6:* The Region's existing housing stock should be preserved and renovated. Adaptive re-use of older and historic buildings should be encouraged especially in town centers.

Economic Goal 4: Dynamic and resilient downtowns, villages and commercial districts.

*Policy 13:* Find new uses and opportunities for vacant and under-utilized sites and buildings.

*Bullet E.* Support and prioritize assistance with community-identified priority/anchor revitalization projects in our downtowns, village centers and growth centers as they are identified.



Roles and responsibilities should be negotiated and documented in a written agreement. Every sponsorship is different, but these are the basics:

## Fiscal Sponsorship: Who Does What?



**04/20/20**

**Executive Committee**

**Page 10**



**East Calais Community Trust**

PO Box 14  
East Calais, Vermont 05650  
EastCalaisCommunityTrust@gmail.com



c/o Preservation Trust of Vermont  
104 Church St,  
Burlington VT 05401

TO: The Northern Borders Regional Commission (Admin@NBRC)

CC: Rich Grogan, Federal NBRC Executive Director ([RGrogan@NBRC.gov](mailto:RGrogan@NBRC.gov))  
Kristie Farnham, Vermont Agency of Commerce and Community  
Development ([Kristie.Farnham@vermont.gov](mailto:Kristie.Farnham@vermont.gov))

FROM: The East Calais Community Trust

DATE: March 30, 2020

RE: Letter of Interest for a Grant from the Northern Borders Regional  
Commission Economic & Infrastructure Development Investment Program

Please consider this a Letter of Interest from the East Calais Community Trust in connection with the above program.

**General Information**

The applicant is East Calais Community Trust (ECCT), a Vermont non-profit corporation. ECCT is in the process of applying for recognition as a non-profit pursuant to section 501(c)(3) of the Internal Revenue Code. We expect recognition in the time frame applicable here, and if not received at that time, we will work with the Town of Calais, the Regional Planning Commission or Regional Economic Development Commission as applicant or fiscal agent.

The Authorized Official and Project Primary Contact is Marc Mihaly, treasurer of the Board of Directors of ECCT. He may be reached at [Marc@Mihaly.org](mailto:Marc@Mihaly.org); 802-454-1070.

The Project is located in Vermont, in the Vermont Congressional District, in Washington County in the Northern Vermont Economic Development District.

The amount requested is \$200,000.

ECCT has not received NBRC funds previously, nor has it been required to submit a single audit in the past twelve months.

### **Project Information**

The project will take place in the Town of Calais, Vermont, in the Village of East Calais, located in Washington County.

The project: The acquisition and renovation by ECCT of an historic structure located at 4520 Vermont State Route 14 containing the Calais Community store, a key community resource and the only such facility between East Montpelier and Hardwick, with three apartments above, and the leasing of the store to a competent operator.

This is a construction project.

### **Project Financing**

Total Project Cost:	\$760,000
NBRC Requested Amount:	\$200,000
Cost Share:	\$560,000

Thank you for your consideration of this Letter of Interest. We look forward to further communication and submittal of an application on or before May 15, 2020.

Sincerely,

East Calais Community Trust  
By: Marc B. Mihaly