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H.211

Introduced by Representatives Obuchowski of Rockingham and Partridge of  
Windham

Referred to Committee on

Date:

Subject: Public service; hydroelectric; hydroelectric power authority

Statement of purpose: This bill would establish a Vermont hydroelectric  
power authority to facilitate the development and operation of hydroelectric  
power projects in Vermont.

An act relating to establishing the Vermont Hydroelectric Power Authority

It is hereby enacted by the General Assembly of the State of Vermont:

Sec. 1. 30 V.S.A. chapter 93 is added to read:

CHAPTER 93. VERMONT HYDROELECTRIC POWER AUTHORITY

§ 8101. LEGISLATIVE FINDINGS AND PURPOSE

(a) For purposes of this chapter, “authority” means the Vermont  
hydroelectric power authority.

(b) The general assembly finds that:

(1) There is significant potential for the development of hydroelectric  
power within Vermont.

1           (2) The agency of natural resources has concluded that there are 25  
2           megawatts of undeveloped hydroelectric power capacity at existing sites in the  
3           state.

4           (3) A 2006 U.S. Department of Energy study identified up to 434  
5           megawatts of installed capacity at potential hydroelectric power sites in the  
6           state.

7           (4) Private development of hydroelectric power sites in the state has  
8           been largely unsuccessful because of the time and cost necessary to satisfy  
9           regulatory permitting requirements.

10           (5) The development of hydroelectric power generation within Vermont  
11           will provide a clean, renewable power resource for the state, will reduce the  
12           state's dependence on out-of-state electricity suppliers, and potentially will  
13           reduce electricity costs within the state.

14           (c) Therefore, it is the goal of the general assembly to establish a state wide  
15           hydroelectric power authority to encourage the development of hydroelectric  
16           power generation within the state.

17           § 8102. ESTABLISHMENT OF HYDROELECTRIC POWER

18                   AUTHORITY; ORGANIZATION

19           (a) The Vermont hydroelectric power authority is hereby created and  
20           established as a body corporate and politic and a public instrumentality of the

1 state. The exercise by the authority of the powers conferred upon it in this  
2 chapter constitutes the performance of essential governmental functions.

3 (b) The authority shall have a board of directors of 8 members selected as  
4 follows:

5 (1) The state treasurer or his or her designee;

6 (2) The secretary of natural resources or his or her designee;

7 (3) The commissioner of public service or his or her designee;

8 (4) The executive director of the Vermont hydroelectric power

9 authority;

10 (5) Representatives of the two utilities that transmit and distribute  
11 electricity in Vermont;

12 (6) A person with relevant business management skills independent  
13 from the electric power industry appointed by the governor; and

14 (7) A person with general experience in the development or operation of  
15 electric power projects, which may include experience in permitting, financing,  
16 or project operations appointed by the governor.

17 (c) The authority's powers are vested in the board of directors, and a  
18 quorum shall consist of five members. No action of the authority shall be  
19 considered valid unless the action is supported by a majority vote of the  
20 members present and voting and then only if at least five members vote in  
21 favor of the action.

1       (d) In making appointments of at-large members, the appointing authority  
2       shall give consideration to citizens of the state with knowledge of hydroelectric  
3       power generation, hydroelectric engineering, hydroelectric power regulatory  
4       law, finance, and environmental law and permitting. However, the two  
5       at-large members may not be persons with a financial interest in or owners or  
6       employees of an enterprise that provides hydroelectric power, is developing a  
7       hydroelectric power site, or is seeking in-kind or financial support from the  
8       authority. The two at-large members, the chair and the vice chair shall serve  
9       terms of four years beginning July 1 of the year of appointment. Any vacancy  
10       occurring among the at-large members, the chair and the vice chair shall be  
11       filled according to the method or their appointment for the balance of the  
12       unexpired term. A member may be reappointed.

13       (e) The authority shall elect a chair and vice chair. The authority shall hire  
14       and employ an executive director who shall serve as the authority's chief  
15       administrative officer and who shall direct and supervise the authority's  
16       administrative affairs and technical activities in accordance with any rules and  
17       policies set forth by the authority. The executive director shall be a person  
18       with general management skills and specific experience in the electric power  
19       industry, which may include experience in establishing, negotiating, and  
20       permitting hydroelectric power projects. In addition to any other duties, the  
21       executive director shall:

1           (1) Attend all meetings of the authority, act as its secretary, and keep  
2 minutes of its proceedings;

3           (2) Approve all accounts of the authority, including accounts for  
4 salaries, per diems, and allowable expenses of any employee or consultant  
5 thereof and expenses incidental to the operation of the authority;

6           (3) Make an annual report to the authority documenting the actions of  
7 the authority and make such other reports as the authority may request;

8           (4) Perform such other duties as may be directed by the authority in the  
9 carrying out of the purposes of this chapter.

10          (f) Except for those members otherwise regularly employed by the state,  
11 the compensation of the authority's members shall be the same as that  
12 provided by 32 V.S.A. § 1010(a). All members of the authority, including  
13 those members otherwise regularly employed by the state, shall receive their  
14 actual and necessary expenses when away from home or office upon their  
15 official duties.

16          § 8103. PURPOSE; POWERS AND DUTIES

17          (a) To achieve the purposes of this chapter, the authority shall:

18               (1) Develop from information reasonably available from the agency of  
19 natural resources, the U.S. Fish and Wildlife Service, and the U.S. Department  
20 of Energy an inventory of locations in the state at which the potential exists for  
21 the development of hydroelectric power.

1           (2) Coordinate with the agencies of the state to make public resources  
2           available to the authority and to private developers in order to support the  
3           development and operation of hydroelectric power projects in the state.

4           (b) The authority shall have all the power necessary and convenient to  
5           carry out the purposes of this chapter, including without limitation those  
6           general powers provided a business corporation by section 1852 of Title 11,  
7           including, without limiting the generality of the foregoing, the power:

8                   (1) Afforded public service corporations in chapter 71 of this title.

9                   (2) To buy and sell electric current for use for commercial purposes,  
10           including the sale of electricity to or purchase of electricity from other public  
11           utilities or investor owned utilities within or outside of the state.

12                   (3) To construct, maintain, or operate one or more hydroelectric power  
13           projects for the manufacture, distribution, purchase, and sale of electricity for  
14           use by the authority and residents of the state.

15                   (4) To establish a physical connection with other electric companies  
16           according to the procedures established in section 214 of this title.

17                   (5) To coordinate and establish public-private partnerships for the  
18           development of hydroelectric power in the state, including the establishments  
19           or partnerships or cooperatives with local parties.

20                   (6) To support and facilitate local initiatives to develop hydroelectric  
21           power sites.

1           (7) To provide resources, financial assistance and financial incentives to  
2           local, regional, public and private entities in the form of loans, grants,  
3           guarantees, and other financial instruments for the development of  
4           hydroelectric power funded through bonded capital and other resources.

5           (8) In accordance with section 8105 of this title, to issue bonds backed  
6           by project revenues or by the state or its political subdivisions for the purpose  
7           of developing infrastructure necessary for a hydroelectric power project.

8           (9) To consult, contract, or partner with the Vermont economic  
9           development authority and the Vermont municipal bond bank to provide  
10           financial assistance for purposes authorized by this chapter.

11           (10) To coordinate access to and to pursue regional and local revolving  
12           loan funding and all state, federal, and private funding that is available for the  
13           development of hydroelectric power.

14           (11) To receive and accept grants, gifts, loans, or contributions from any  
15           source subject to the provisions of 32 V.S.A. § 5.

16           (12) To incorporate one or more nonprofit corporations in Vermont to  
17           fulfill the goals of this chapter. Such corporations shall be empowered to  
18           borrow money and to receive and accept gifts, grants, or contributions from  
19           any source, subject to the provisions of 32 V.S.A. § 5. The board of directors  
20           of any nonprofit corporation created under this subsection shall be the board of  
21           directors of the authority. The corporation shall be organized and operate

1 under the nonprofit corporation laws of the state of Vermont. The authority  
2 may contract with the corporation to provide staff and management needs of  
3 the corporation.

4 (13) To sell, lease, mortgage, exchange, transfer, or otherwise dispose of  
5 any real or personal property or interest in them or to grant options for any of  
6 those purposes.

7 (14) In collaboration with the Vermont municipal bond bank, to act as  
8 agent and advisor for municipalities that wish to offer municipally backed  
9 financial assistance, consistent with chapter 53 of Title 24, to develop  
10 hydroelectric power projects.

11 (15) To apply for and obtain required permits for the construction and  
12 operation of hydroelectric power projects.

13 (16) To sue and to be sued in its own name and plead and be impleaded.

14 (17) To administer its own funds and to invest or deposit funds which  
15 are not needed currently to meet the obligations of the authority.

16 (18) To borrow money and to give other evidence of indebtedness or  
17 obligations and security consistent with the authority's purpose and needs.

18 (19) To contract with the state of Vermont or any agency or political  
19 subdivision thereof, public corporations or bodies, private corporations, or  
20 individuals for any purposes related to the authority.

1        § 8104. INTERAGENCY COOPERATION AND ASSISTANCE

2            (a) Other departments and agencies of state government shall assist and  
3        cooperate with the authority and shall make available to it information and data  
4        as needed to assist the authority in carrying out its duties. The secretary of  
5        administration shall establish protocols and agreements among the authority  
6        and departments and agencies of the state for this purpose. Nothing in this  
7        section shall be construed to waive any privilege or protection otherwise  
8        afforded to the data and information under exemptions to the public records act  
9        or under other laws due solely to the fact that the information or data is shared  
10       with the authority pursuant to this section.

11           (b) To the extent that the authority issues loans, it shall consult with the  
12        Vermont economic development authority to ensure that the lending activities  
13        and programs of each are coordinated and are not in competition. The  
14        authority shall, through contract or agreement, engage the assistance of the  
15        Vermont economic development authority in planning and administering  
16        lending activities and in evaluating credit-worthiness of the borrower for  
17        purposes of this chapter.

18           (c) The authority shall also strive to consult with the administrators of local  
19        and regional revolving loan funds and shall identify and coordinate lending  
20        programs with these coordinators in order to leverage the lending capacity of

1 the authority and the regional and local funds, and to ensure that the lending  
2 activities of the authority and the revolving loan funds are not in competition.

3 § 8105. BONDS AND NOTES

4 (a)(1) The authority may issue its negotiable notes and bonds in such  
5 principal amount as the authority determines to be necessary to provide  
6 sufficient funds for achieving any of its corporate purposes, including the  
7 payment of interest on notes and bonds of the authority, establishment of  
8 reserves to secure the notes and bonds including the reserve funds created  
9 under section 8106 of this title, and all other expenditures of the authority  
10 incident to and necessary or convenient to carry out its corporate purposes and  
11 powers. However, the bonds or notes of the authority outstanding at any one  
12 time shall not exceed \$40,000,000.00. No bonds shall be issued under this  
13 section without the prior approval of the governor and the state treasurer or  
14 their respective designees. In addition, before the authority may initially  
15 exercise its bonding authority granted by this section, it shall submit to the  
16 emergency board of the state a current business plan, including an explanation  
17 of the bond issue or issues initially proposed.

18 (2) The authority shall have the power to issue bonds and notes; to  
19 renew, defease, and refund notes and bonds; to pay bonds and notes, including  
20 the interest thereon; to refund, whenever it deems refunding expedient, any  
21 bonds by the issuance of new bonds, whether the bonds and notes to be

1 refunded have or have not matured; and to issue bonds and notes partly to  
2 refund bonds then outstanding and partly for any of its corporate purposes.

3 (3) Except as may otherwise be expressly provided by resolution of the  
4 authority, every issue of its notes and bonds shall be general obligations of the  
5 authority payable out of any revenues or moneys of the authority, subject only  
6 to any agreements with the holders of particular notes or bonds pledging any  
7 particular revenues.

8 (b) The notes and bonds shall be authorized by resolution or resolutions of  
9 the authority and shall bear such date or dates and shall mature at such time or  
10 times as the resolution or resolutions may provide, except that no bond shall  
11 mature more than 30 years from the date of its issue. The bonds may be issued  
12 as serial bonds or as term bonds or as a combination thereof. The notes and  
13 bonds shall bear interest at such rate or rates according to the manner of  
14 determining such rate or rates, as provided in sections 1881–1887 of Title 24;  
15 be in such denominations, be in such form, carry such registration privileges,  
16 be executed in such manner, be payable in such medium of payment at such  
17 place or places within or without the state; and be subject to such terms of  
18 redemption as the resolution or resolutions may provide; provided, however,  
19 that at the time of the authorization of the issuance of such bonds or notes the  
20 authority determines in such resolution that the authority will derive receipts,  
21 revenues, or other income from the facilities or projects to be financed with the

1 proceeds of such bonds or notes sufficient to provide, together with all other  
2 available receipts, revenues, and income of the authority, for the payment of  
3 such bonds or notes and the payment of all costs and expenses incurred by the  
4 authority with respect to the program or purpose for which such bonds or notes  
5 are issued and all other expenses of the authority incurred under this title. The  
6 notes and bonds of the authority may be sold by the authority at public or  
7 private sale at such price or prices as the authority shall determine.

8 (c) Any resolution or resolutions authorizing any notes or bonds or any  
9 issue thereof may contain provisions, which shall be a part of the contract or  
10 contracts with the holders thereof, as to:

11 (1) pledging all or any part of the revenues of the authority to secure the  
12 payment of the notes or bonds or of any issue thereof, subject to such  
13 agreements with note holders or bondholders as may then exist;

14 (2) pledging all or any part of the assets of the authority to secure the  
15 payment of the notes or bonds or of any issue of notes or bonds, subject to  
16 such agreements with note holders or bondholders as may then exist;

17 (3) the use and disposition of the revenues of the authority and payments  
18 upon other obligations held by the authority;

19 (4) the setting aside of reserves or sinking funds and the regulation and  
20 disposition thereof;

21 (5) limitations on the purpose to which the proceeds of sale of notes or

1 bonds may be applied and pledging the proceeds to secure the payment of the  
2 notes or bonds or of any issue thereof;

3 (6) limitations on the issuance of additional notes or bonds; the terms  
4 upon which additional notes or bonds may be issued and secured; and the  
5 refunding of outstanding or other notes or bonds;

6 (7) the procedure, if any, by which the terms of any contract with note  
7 holders or bondholders may be amended or abrogated, the amount of notes or  
8 bonds the holders of which must consent thereto, and the manner in which  
9 consent may be given;

10 (8) limitations on the amount of moneys to be expended by the authority  
11 for operating expenses of the authority;

12 (9) vesting in a trustee or trustees, within or outside the state, such  
13 property, rights, powers, and duties in trust as the authority may determine,  
14 which may include any or all of the rights, powers, and duties of the trustee  
15 appointed by the bondholders pursuant to this chapter and limiting or  
16 abrogating the right of the bondholders to appoint a trustee under this chapter  
17 or limiting the rights, powers, and duties of the trustee;

18 (10) defining the acts or failure to act that shall constitute a default in  
19 the obligations and duties of the authority to the holders of the notes or bonds  
20 and providing for the rights and remedies of the holders of the notes or bonds  
21 in the event of such default, including as a matter of right the appointment of a

1 receiver; provided, however, that the rights and remedies shall not be  
2 inconsistent with the general laws of the state and other provisions of this  
3 chapter; and

4 (11) any other matters, of like or different character, which in any way  
5 affect the security or protection of the holders of the notes or bonds.

6 (d) Any pledge made by the authority shall be valid and binding from the  
7 time when the pledge is made; the revenues, moneys, or property so pledged  
8 and thereafter received by the authority shall immediately be subject to the lien  
9 of such pledge without any physical delivery thereof or further act; and such  
10 pledge shall be valid and binding as against all parties having claims of any  
11 kind in tort, contract, or otherwise against the authority, irrespective of whether  
12 such parties have notice thereof.

13 (e) Bonds, notes, and other obligations authorized under this chapter may,  
14 in the discretion of the authority, be issued with such terms as will cause the  
15 interest thereon to be subject to federal income taxation. To the extent  
16 required for the sale of the obligations, the authority may register such  
17 obligations under applicable federal and state securities laws. No person  
18 executing any bonds, notes, or other obligations issued by the authority or  
19 others under authority of this chapter shall be subject to any personal liability  
20 or accountability by reason of the issuance thereof. The authority shall  
21 indemnify any person who shall have served as a member, officer, or employee

1 of the authority against financial loss or litigation expense arising out of or in  
2 connection with any claim or suit involving allegations that pecuniary harm  
3 has been sustained as a result of any transaction authorized by this chapter,  
4 unless such person is found by a final judicial determination not to have acted  
5 in good faith and for a purpose that the person reasonably believed to be lawful  
6 and in the best interest of the authority.

7 (f) The authority, subject to such agreements with note holders or  
8 bondholders as may then exist, shall have power out of any funds available  
9 therefore to purchase notes or bonds of the authority, which shall thereupon be  
10 canceled, at a price not exceeding:

11 (1) if the notes or bonds are then redeemable, the redemption price then  
12 applicable plus accrued interest to the next interest payment thereon; or

13 (2) if the notes or bonds are not then redeemable, the redemption price  
14 applicable on the first date after such purchase upon which the notes or bonds  
15 become subject to redemption plus accrued interest to such date.

16 (g) In the discretion of the authority, the notes or bonds may be secured by  
17 a trust indenture by and between the authority and a corporate trustee, which  
18 may be any trust company or bank having the power of a trust company within  
19 or outside the state. The trust indenture may contain such provisions for  
20 protecting and enforcing the rights and remedies of the note holders or  
21 bondholders as may be reasonable and proper and not in violation of law,

1 including covenants setting forth the duties of the authority in relation to the  
2 exercise of its corporate powers and to the custody, safeguarding, and  
3 application of all moneys. The authority may provide by such trust indenture  
4 for the payment of the proceeds of the notes or bonds and the revenues to the  
5 trustee under such trust indenture or other depository and for the method of  
6 disbursement thereof, with such safeguards and restrictions as it may  
7 determine. All expenses incurred in carrying out the trust indenture may be  
8 treated as a part of the operating expenses of the authority. If the notes or  
9 bonds shall be secured by a trust indenture, the note holders and bondholders  
10 shall have no authority to appoint a separate trustee to represent them.

11 (h) Any law to the contrary notwithstanding, a bond or note issued under  
12 this chapter is fully negotiable for all purposes of section 1-101 et seq. of Title  
13 9A, and each holder or owner of a bond or note or of any coupon appurtenant  
14 thereto, by accepting the bond or note or coupon, shall be conclusively deemed  
15 to have agreed that the bond, note, or coupon is fully negotiable for those  
16 purposes.

17 (i) Any provision of this chapter or of any other law or any recitals in any  
18 bonds or notes issued under this chapter to the contrary notwithstanding, all  
19 bonds, notes, and interest coupons appertaining thereto issued by the authority  
20 shall have and are hereby declared to have all the qualities and incidents,  
21 including negotiability, of investment securities under section 1-101 et seq. of

1 Title 9A, but no provision of those sections respecting the filing of a financing  
2 statement to perfect a security interest shall be applicable to any security  
3 interest created in connection with the issuance of the bonds, notes, or  
4 coupons.

5 (j) In case any of the members, executive director, or officers of the  
6 authority whose signatures appear on any notes or bonds or coupons shall  
7 cease to be members, executive director, or officers before the delivery of such  
8 notes or bonds, the signatures shall, nevertheless, be valid and sufficient for all  
9 purposes, the same as if such members, executive director, or officers had  
10 remained in office until such delivery.

11 (k) The authority may enter into one or more agreements for the exchange  
12 of interest rates, cash flows, or payments to reduce net borrowing costs, to  
13 achieve desirable net effective interest rates in connection with its issuance and  
14 sale of debt obligations, and to provide for an efficient means of debt  
15 management.

16 § 8106. RESERVE FUNDS

17 (a) The authority may create and establish one or more special funds,  
18 herein referred to as “debt service reserve funds,” and shall pay into each such  
19 debt service reserve fund:

20 (1) any moneys appropriated and made available by the state for the  
21 purpose of such fund;

1           (2) any proceeds of the sale of notes or bonds, to the extent provided in  
2 the resolution or resolutions of the authority authorizing the issuance thereof;  
3 and

4           (3) any other moneys which may be made available to the authority for  
5 the purpose of such fund from any other source or sources.

6           (b) All moneys held in any debt service reserve fund, except as hereinafter  
7 provided, shall be used, as required, solely for the payment of the principal of  
8 bonds secured in whole or in part by such fund or of the sinking fund payments  
9 hereinafter mentioned with respect to such bonds, the purchase or redemption  
10 of such bonds, the payment of interest on such bonds, or the payment of any  
11 redemption premium required to be paid when such bonds are redeemed prior  
12 to maturity; provided, however, that moneys in any such fund shall not be  
13 withdrawn therefrom at any time in such amount as would reduce the amount  
14 of such fund to less than the debt service reserve requirement established by  
15 resolution of the authority for such fund as hereafter provided except for the  
16 purpose of making with respect to bonds secured in whole or in part by such  
17 fund payments, when due, of principal, interest, redemption premiums, and the  
18 sinking fund payments hereinafter mentioned for the payment of which other  
19 moneys of the authority are not available. Any income or interest earned by,  
20 or increment to, any debt service reserve fund due to the investment thereof  
21 may be transferred by the authority to other funds or accounts of the authority

1 to the extent it does not reduce the amount of such debt service reserve fund  
2 below the debt service reserve requirement for such fund.

3 (c) The authority shall not at any time issue bonds or notes secured in  
4 whole or in part by a debt service reserve fund if upon the issuance of such  
5 bonds or notes the amount in such debt service reserve fund will be less than  
6 the debt service reserve requirement established by resolution of the authority  
7 for such fund, unless the authority at the time of issuance of such bonds shall  
8 deposit in such fund from the proceeds of the bonds or notes so to be issued, or  
9 from other sources, an amount that, together with the amount then in such  
10 fund, will not be less than the debt service reserve requirement established for  
11 such fund. The debt service reserve requirement for any debt service reserve  
12 fund shall be established by resolution of the authority prior to the issuance of  
13 any bonds or notes secured in whole or in part by such fund and shall not be  
14 required to exceed “maximum debt service.” For the purposes of this section,  
15 the term “maximum debt service” shall mean, as of any particular date of  
16 computation, an amount of money equal to the greatest of the respective  
17 amounts, for the then current or any future fiscal year of the authority, of  
18 annual debt service on the bonds of the authority secured or to be secured in  
19 whole or in part by such debt service reserve fund, such annual debt service for  
20 any fiscal year being the amount of money equal to the aggregate of:

1           (1) all interest payable during such fiscal year on all bonds secured in  
2           whole or in part by such debt service reserve fund outstanding on the date of  
3           computation; plus

4           (2) the principal amount of all such bonds outstanding on such date of  
5           computation that mature during such fiscal year; plus

6           (3) all amounts specified in any resolution of the authority authorizing  
7           such bonds as payable during such fiscal year as a sinking fund payment with  
8           respect to any of such bonds that mature after such fiscal year.

9           (d) In computing the amount of the debt service reserve funds for the  
10           purpose of this section, securities in which all or a portion of such funds shall  
11           be invested shall be valued at par if purchased at par or at amortized value, as  
12           such term is defined by resolution of the authority, if purchased at other than  
13           par.

14           (e) In order to assure the maintenance of the debt service reserve  
15           requirement in each debt service reserve fund established by the authority,  
16           there may be appropriated annually and paid to the authority for deposit in  
17           each such fund such sum as shall be certified by the chair of the authority to  
18           the governor, the president of the senate, and the speaker of the house as is  
19           necessary to restore each such debt service reserve fund to an amount equal to  
20           the debt service reserve requirement for such fund. The chair shall annually,  
21           on or about February 1, make and deliver to the governor, the president of the

1 senate, and the speaker of the house his or her certificate stating the sum  
2 required to restore each such debt service reserve fund to the amount aforesaid,  
3 and the sum so certified may be appropriated, and if appropriated, shall be paid  
4 to the authority during the then current state fiscal year. The principal amount  
5 of bonds or notes outstanding at any one time and secured in whole or in part  
6 by a debt service reserve fund to which state funds may be appropriated  
7 pursuant to this subsection shall not exceed \$40,000,000.00, provided that the  
8 foregoing shall not impair the obligation of any contract or contracts entered  
9 into by the authority in contravention of the Constitution of the United States  
10 of America.

11 (f) The authority shall create and establish such other fund or funds as may  
12 be necessary or desirable for its corporate purposes.

13 § 8107. REFUNDING OBLIGATIONS – ISSUANCE AND SALE

14 (a) The authority may provide for the issuance of refunding obligations for  
15 the purpose of refunding any obligations then outstanding that have been  
16 issued under the provisions of this chapter, including the payment of any  
17 redemption premium thereon and any interest accrued or to accrue to the date  
18 of redemption of such obligations and for any corporate purpose of the  
19 authority. The issuance of such obligations, the maturities and other details  
20 thereof, the rights of the holders thereof, and the rights, duties, and obligations  
21 of the authority in respect of the same shall be governed by the provisions of

1 this chapter that relate to the issuance of obligations, insofar as those  
2 provisions may be appropriate.

3 (b) Refunding obligations issued as provided in this section may be sold or  
4 exchanged for outstanding obligations issued under this chapter and, if sold,  
5 the proceeds thereof may be applied, in addition to any other authorized  
6 purposes, to the purchase, redemption, or payment of such outstanding  
7 obligations. Pending the application of the proceeds of any refunding  
8 obligations with any other available funds to the payment of the principal,  
9 accrued interest and any redemption premium on the obligations being  
10 refunded, such proceeds may be invested in direct obligations of, or obligations  
11 the principal of and the interest on which are unconditionally guaranteed by,  
12 the United States of America, and which shall mature or which shall be subject  
13 to redemption by the holders thereof, at the option of such holders, not later  
14 than the respective dates when the proceeds, together with the interest accruing  
15 thereon will be required for the purposes intended.

16 § 8108. REMEDIES OF BONDHOLDERS AND NOTE HOLDERS

17 (a) In the event that the authority defaults in the payment of principal or of  
18 interest on any bonds or notes issued under this chapter after they become due,  
19 whether at maturity or upon call for redemption, and the default continues for a  
20 period of 30 days, or in the event that the authority fails or refuses to comply  
21 with the provisions of this chapter or defaults in any agreement made with the

1 holders of an issue of bonds or notes of the authority, the holders of 25 percent  
2 in aggregate principal amount of the bonds or notes of such issue then  
3 outstanding, by instrument or instruments filed in the office of the secretary of  
4 state and proved or acknowledged in the same manner as a deed to be  
5 recorded, may appoint a trustee to represent the holders of such bonds or notes  
6 for the purposes herein provided.

7 (b) Such trustee may, and upon written request of the holders of 25 percent  
8 in principal amount of such bonds or notes then outstanding shall, in his or her  
9 or its own name:

10 (1) enforce all rights of the bondholders or note holders, including the  
11 right to require the authority to carry out any agreements with the holders of  
12 such bonds or notes and to perform its duties under this chapter;

13 (2) enforce all rights of the bondholders or note holders, including the  
14 right to collect and enforce the payment of amounts due to the authority, so as  
15 to carry out any contract or pledge of revenues, and to require the authority to  
16 carry out and perform the terms of any contract with the holders of such bonds  
17 or notes or its duties under this chapter;

18 (3) bring suit upon all or any part of such bonds or notes;

19 (4) by action or suit, require the authority to account as if it were the  
20 trustee of an express trust for the holders of such bonds or notes;

21 (5) by action or suit, enjoin any acts or things that may be unlawful or in

1 violation of the rights of the holders of such bonds or notes;

2 (6) declare all such bonds or notes due and payable, and, if all defaults  
3 shall be made good, with the consent of the holders of 25 percent of the  
4 principal amount of such bonds or notes then outstanding, annul the  
5 declaration and its consequences.

6 (c) The trustee shall in addition to the foregoing have and possess all the  
7 powers necessary or appropriate for the exercise of any functions specifically  
8 set forth herein or incident to the general representation of bondholders or note  
9 holders in the enforcement and protection of their rights.

10 (d) Before declaring the principal of bonds or notes due and payable, the  
11 trustee shall first give 30 days' notice in writing to the governor, to the  
12 authority, and to the attorney general of the state.

13 (e) The superior courts or courts with equity jurisdiction shall have  
14 jurisdiction of any suit, action, or proceeding by the trustee on behalf of  
15 bondholders or note holders.

16 § 8109. PLEDGE OF THE STATE

17 The state does hereby pledge to and agree with the holders of the notes and  
18 bonds issued under this chapter that the state will not limit or restrict the rights  
19 hereby vested in the authority to perform its obligations and to fulfill the terms  
20 of any agreement made with the holders of its bonds or notes or in any way  
21 impair the rights and remedies of the holders until the notes and bonds.

1 together with interest thereon, and interest on any unpaid installments of  
2 interest, are fully met, paid, and discharged. The authority is authorized to  
3 execute this pledge and agreement of the state in any agreement with the  
4 holders of the notes or bonds.

5 § 8110. SOVEREIGN IMMUNITY; CREDIT OF STATE NOT PLEDGED

6 The authority shall have the benefit of sovereign immunity to the same  
7 extent as the state of Vermont. Members, officers, employees, and the  
8 executive director of the authority shall be deemed employees of the state for  
9 purposes of 12 V.S.A. chapter 189 (tort claims against state) and 3 V.S.A.  
10 chapter 29 (claims against state employees). Notwithstanding the foregoing,  
11 obligations issued under the provisions of this chapter shall not be deemed to  
12 constitute a debt or liability or obligation of the state or of any political  
13 subdivision thereof or a pledge of the faith and credit of the state or of any  
14 political subdivision but shall be payable solely from the revenues or assets of  
15 the authority. Each obligation issued under this chapter shall contain on the  
16 face thereof a statement to the effect that the authority shall not be obligated to  
17 pay the same nor the interest thereon except from the revenues or assets  
18 pledged therefore and that neither the faith and credit nor the taxing power of  
19 the state or of any political subdivision thereof is pledged to the payment of the  
20 principal of or the interest on such obligations.

1     § 8111. NOTES AND BONDS AS LEGAL INVESTMENTS

2         Notwithstanding any other law, the state and all public officers,  
3         governmental units, and agencies thereof, all banks, trust companies, savings  
4         banks and institutions, building and loan associations, savings and loan  
5         associations, investment companies, and other persons carrying on a banking  
6         business, all insurance companies, insurance associations, and other persons  
7         carrying on an insurance business, all credit unions, and all executors,  
8         administrators, guardians, trustees, and other fiduciaries may legally invest any  
9         sinking funds, moneys, or other funds belonging to them or within their control  
10        in any bonds or notes issued under this chapter, and the bonds or notes are  
11        authorized security for any and all public deposits.

12     § 8112. ANNUAL REPORTS; AUDIT

13        (a) On or before the last day of January of each calendar year, the authority  
14        shall submit a report of its activities for the preceding fiscal year to the  
15        governor and to the general assembly. Each report shall set forth a complete  
16        operating and financial statement covering its operations during the year. The  
17        authority shall cause an audit of its books and accounts to be made at least  
18        once in each year by certified public accountants; the cost shall be considered  
19        an expense of the authority and a copy shall be filed with the state treasurer.

20        (b) The auditor of accounts of the state and his or her duly authorized  
21        representatives may at any time examine the accounts and books of the

1 authority including its receipts, disbursements, contracts, sinking funds,  
2 investments, and any other matters relating to its financial statements.

3 § 8113. AUTHORIZATION TO ACCEPT APPROPRIATED MONIES

4 The authority is authorized to accept and expend such monies as may be  
5 appropriated or approved from time to time by the general assembly for  
6 effectuating its corporate purposes including, without limitation, the payment  
7 of the initial expenses of administration and operation and the establishment of  
8 reserves or contingency funds to be available for the payment of the principal  
9 of and the interest on any bonds, notes, or other obligations of the authority.

10 § 8114. TAX EXEMPTION

11 (a) All property of the authority is public property devoted to an essential  
12 public and governmental function and purpose and is exempt from all taxes,  
13 franchise fees, and special assessments of whatever nature of the state or any  
14 subdivision. All bonds or notes issued by the authority or a municipality under  
15 this chapter are issued by a body corporate and public of this state and for an  
16 essential public and governmental purpose, and those bonds and notes and the  
17 interest thereon and the income therefrom and all activities of the authority and  
18 fees, charges, funds, revenues, incomes, and other moneys of the authority,  
19 whether or not pledged or available to pay or secure the payment of those  
20 bonds or notes, or interest thereon, are exempt from all taxation, franchise fees,

1 or special assessments of whatever kind except for transfer, inheritance, and  
2 estate taxes.

3 (b) The authority is not required to make or file any reports, statements, or  
4 informational returns required of any other bodies corporate except as provided  
5 in this chapter.

6 (c) Buildings and structures of the authority exempted from property  
7 taxation under this section shall be considered “state-owned property” for the  
8 purposes of the state payment in lieu of taxes (PILOT) provisions of  
9 subchapter 4 of chapter 123 of Title 32.

10 § 8115. EMINENT DOMAIN

11 The authority may acquire real property or any interest in i, by eminent  
12 domain in accordance with the provisions of sections 110 through 124 of this  
13 title; provided, however, that no property already appropriated to public use  
14 shall be taken except to the extent and for the purposed permitted by sections  
15 110 through 124 of this title.

16 § 8116. LIBERAL CONSTRUCTION

17 Neither this chapter nor anything herein contained is or shall be construed  
18 as a restriction or limitation upon any powers that the authority might  
19 otherwise have under any laws of this state, and this chapter is cumulative to  
20 any such powers. This chapter does and shall be construed to provide a  
21 complete, additional, and alternative method for the doing of the things

1 authorized thereby and shall be regarded as supplemental and additional to  
2 powers conferred by other laws.

3 § 8117. INCONSISTENT PROVISIONS IN OTHER LAWS SUPERSEDED

4 Insofar as the provisions of sections 8064 through 8074 of this title are  
5 inconsistent with the provisions of any other law, general, special, or local, the  
6 provisions of this chapter shall be controlling.

7 Sec. 2. EXPEDITED CERTIFICATION OF HYDROELECTRIC POWER  
8 PROJECTS

9 On or before January 15, 2010, the agency of natural resources, after  
10 consultation with the U.S. Environmental Protection Agency, the U.S. Fish and  
11 Wildlife Service, other regulatory agencies, and all other interested parties,  
12 shall implement an expedited certification process for hydroelectric projects in  
13 the state when a certification is required under section 401 of the federal Clean  
14 Water Act. The expedited certification process shall include an initial project  
15 review under which the agency of natural resources shall identify any and all  
16 of the studies that an applicant for certification will be required to complete. In  
17 addition, the expedited certification process shall include a method under  
18 which the agency of natural resources estimates the time required for the  
19 agency to review an applicant's administratively complete application. On or  
20 before January 15, 2010, the agency of natural resources shall submit the  
21 expedited certification process to the house and senate committees on natural

1 resources and energy, the house committee on fish, wildlife and water  
2 resources, the senate committee on finance, the senate committee on economic  
3 development, housing and general affairs, and the house committee on ways  
4 and means.

5 Sec. 3. REPEAL

6 30 V.S.A. chapter 90 (Vermont Hydro-Electric Power Authority) is  
7 repealed.

8 Sec. 4. EFFECTIVE DATE

9 This act shall take effect July 1, 2009.