Sec. 2. 10 V.S.A. § 1981 is added to read:

§ 1981. SURFACE WATER SOURCE; POTABLE WATER SUPPLY

- (a) The Secretary shall approve the use of a surface water as the source of a potable water supply under this chapter if the following conditions are satisfied:
- (1) the building or structure using the surface water as a source is a single-family residence occupied by the owner of title;
- (2) only one single-family residence shall be served by a potable water supply using a surface water as a source;
- (3) a single-family residence with a potable water supply using a surface water as a source shall not be used as the site of a home occupation that employs persons other than family members and is visited by the public in a manner or duration that would presume the need for use of potable water supply:
- (4) a professional engineer shall design the potable water supply using a surface water as a source, including a treatment system for the surface water, and the professional engineer shall submit documentation that the treated water meets the current public health requirements of the Agency;
- (5) only surface waters that meet the Secretary's definition of a lake are eligible as the source of a potable water supply permitted under this chapter; and
- (6) the intake for the potable water supply is designed so that the intake port is located above the bottom of the lake, but at a sufficient depth so that the

port is submerged at low water levels and remains below the penetration of sunlight.

(b) When an applicant for a potable water supply permit under this chapter proposes new construction of a building or structure or the modification of an existing building or structure that increases the design flows, the applicant shall identify a fully complying drilled well, shallow well, or spring that may serve as a replacement water source for the building or structure.