

1 Sec. 26. REPORT ON LOANS TO PRIVATE ENTITIES FOR WATER
2 POLLUTION ABATEMENT AND CONTROL FACILITIES AND
3 PUBLIC WATER SUPPLY SYSTEMS

4 (a) On or before January 15, 2017, the Secretary of Natural Resources shall
5 submit to the House Committees on Corrections and Institutions, on Fish,
6 Wildlife and Water Resources, and on Commerce and Economic Development
7 and the Senate Committee on Institutions a report regarding whether and how
8 to provide loans under 24 V.S.A. chapter 120 to private entities for water
9 pollution abatement and control facilities, and public water supply systems.

10 (b) The report shall include:

11 (1) an assessment of the total funds available from the State for grants
12 and loans to municipalities to improve water quality;

13 (2) an estimate of the costs to municipalities over the next 10 years of
14 complying with State and federal water quality and water supply requirements,
15 including any necessary improvements to water pollution abatement and
16 control facilities or public water supply systems;

17 (3) an estimate of the likely demand by municipalities in the next 10
18 years for grants and loans for municipal compliance with State and federal
19 water quality and water supply requirements;

20 (4) a recommendation of whether to authorize loans under 24 V.S.A.
21 chapter 120 to private entities for water pollution abatement and control
22 facilities or public water supply systems;

1 (A) if the Secretary recommends that private entities should not
2 receive loans under 24 V.S.A. chapter 120 for water pollution abatement and
3 control facilities or public water supply systems, the basis for the
4 recommendation;

5 (B) If the Secretary recommends that private entities should be
6 authorized to receive loans under 24 V.S.A. chapter 120 for water pollution
7 abatement and control facilities or public water supply systems:

8 (i) the basis for the recommendation;

9 (ii) how loans to municipal projects would retain priority over
10 private entities in eligibility;

11 (iii) whether loans to private entities should be limited to certain
12 types of water pollution abatement and control facilities or public water supply
13 systems projects, including whether:

14 (I) loans **for the processing of sewage or septage** should only be
15 authorized to private residences or development with failed systems, as that
16 term is defined in 10 V.S.A. § 1972; and **[Note agency has proposed**
17 **alternative language]**

18 (II) loans to private entities for stormwater management should
19 be limited to situations when stormwater runoff contributes to combined sewer
20 overflow issues in a municipality and the State or the municipality lacks
21 regulatory authority to require the private entity to implements stormwater
22 controls.;

1 (iv) which financial institution or institutions should administer
2 the loans; and

3 (v) recommendations on loan eligibility requirements, conditions
4 of loan agreements, and other provisions necessary to administer loans to
5 private entities.

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