

The Vermont Statutes Online

Title 24 : Municipal And County Government

Chapter 120 : Special Environmental Revolving Fund

Subchapter 001 : General Provisions

- **§ 4753. Revolving loan funds; authority to spend; report**

(a) There is hereby established a series of special funds to be known as:

(1) The Vermont Environmental Protection Agency (EPA) Pollution Control Revolving Fund which shall be used to provide loans to municipalities, State agencies, and the Vermont Housing Finance Agency for planning sewage systems and sewage treatment or disposal plants as defined in subdivisions 3501(6) and 3601(3) of this title, for constructing publicly owned sewage systems and sewage treatment or disposal plants as defined in subdivisions 3501(6) and 3601(3) of this title, for planning or construction of certain privately owned wastewater systems, and for implementing related management programs.

(2) The Vermont Pollution Control Revolving Fund which shall be used to provide loans to municipalities, State agencies, and the Vermont Housing Finance Agency for planning pollution control facilities, for constructing publicly owned pollution control facilities, and for constructing certain privately owned wastewater systems and potable water supply systems.

(3) The Vermont Environmental Protection Agency (EPA) Drinking Water State Revolving Fund which shall be used to provide loans to municipalities and certain privately owned water systems for:

(A) planning, designing, constructing, repairing, or improving a public water system in order to comply with State and federal standards and protect public health; and

(B) implementing related management programs.

(4) The Vermont Solid Waste Revolving Fund which shall be used to provide loans to municipalities (including union municipal districts formed under subchapter 3 of chapter 121 of this title) for planning solid waste handling and disposal facilities as enumerated in section 2203a of this title, and for constructing publicly owned solid waste handling and disposal facilities as enumerated in section 2203a of this title.

(5) The Vermont Drinking Water Planning Loan Fund which shall be used to provide loans to municipalities and privately owned, nonprofit community water systems, with populations of less than 10,000, for conducting feasibility studies and for the preparation of preliminary engineering planning studies and final engineering plans and specifications for improvements to public water systems in order to comply with State and federal standards and to protect public health. The Secretary may forgive up to \$50,000.00 of the unpaid balance of a loan made from the Vermont Drinking Water Planning Loan Fund to municipalities after project construction is substantially completed. The Secretary shall establish amounts, eligibility, policies, and procedures for loan forgiveness in the annual State Intended Use Plan (IUP) with public review and comment prior to finalization and submission to the U.S. Environmental Protection Agency.

(6) The Vermont Drinking Water Source Protection Fund which shall be used to provide loans to municipalities for purchasing land or conservation easements in order to protect public water sources and ensure compliance with State and federal drinking water regulations.

(7) The Vermont Drinking Water Emergency Use Fund which shall be within the control of the Secretary. Disbursements from the Fund may be made by the Secretary for costs required to undertake the following emergency actions that the Secretary considers necessary to protect public health:

(A) collecting and analyzing samples of drinking water;

(B) hiring contractors to perform or cause to be performed infrastructure repairs of a public water system;

(C) hiring certified operators to perform operational activities at a public water system; and

(D) providing or causing to be provided bottled or bulk water for a public water system due to problems with quality or quantity, or both.

(8) Repealed.]

(9) The Vermont Drinking Water Revolving Loan Fund which shall be used to provide loans to a municipality for the design, land acquisition, if necessary, and construction of a potable water supply when a household in the municipality has been disconnected involuntarily from a public water supply system for reasons other than nonpayment of fees.

(10) The Vermont Wastewater and Potable Water Revolving Loan Fund which shall be used to provide loans to individuals, in accordance with section 4763b of this title, for the design and construction of repairs to or replacement of wastewater

systems and potable water supplies when the wastewater system or potable water supply is a failed system or supply as defined in 10 V.S.A. § 1972. The amount of \$275,000.00 from the fees collected pursuant to 3 V.S.A. § 2822(j)(4) shall be deposited on an annual basis into this Fund.

(b) Each of such funds shall be established and held separate and apart from any other funds or monies of State and shall be used and administered exclusively for the purpose of this chapter with the exception of transferring funds from the Vermont Drinking Water Planning Loan Fund and the Vermont Drinking Water Source Protection Fund to the Vermont Environmental Protection Agency (EPA) Drinking Water State Revolving Fund, and from the Vermont Pollution Control Revolving Fund to the Vermont Environmental Protection Agency (EPA) Pollution Control Revolving Fund, when authorized by the Secretary. These funds shall be administered by the Bond Bank on behalf of the State, except that: the Fund shall be administered by VEDA concerning loans to privately owned water systems under subdivision (a)(3) of this section; and the Fund may be administered by a community development financial institution, as that term is defined in 12 U.S.C. § 4702, that is contracted with by the State for the purpose of providing loans to individuals for failed wastewater systems and potable water supplies under subdivision (a)(10) of this section. The funds shall be invested in the same manner as permitted for investment of funds belonging to the State or held in the Treasury. The funds shall consist of the following:

(1) such sums as may be appropriated or transferred thereto from time to time by the General Assembly, the State Emergency Board or the Joint Fiscal Committee during such times as the General Assembly is not in session;

(2) principal and interest received from the repayment of loans made from each of such funds;

(3) capitalization grants and awards made to the State by the United States of America for any of the purposes for which such funds have been established;

(4) interest earned from the investment of fund balances;

(5) private gifts, bequests, and donations made to the State for any of the purposes for which such funds have been established; and.

(6) other funds from any public or private source intended for use for any of the purposes for which such funds have been established.

(c) In addition to the purposes established in subsection (a) of this section, the various loan funds created herein may be used for one or more of the purposes established in section 4757 of this title.

(d) Funds from the Vermont Environmental Protection Agency Pollution Control Fund and the Vermont Pollution Control Revolving Fund, established by subdivisions (a)(1) and (2) of this section, may be awarded for:

(1) the refurbishment or construction of a new or an enlarged wastewater treatment plant with a resulting total capacity of 250,000 gallons or more per day in accordance with the provisions of this chapter and 10 V.S.A. § 1626a; or

(2) the construction of stormwater management facilities as specifically or generally described in Vermont's Nonpoint Source Management Plan, and which are necessary to remedy or prevent pollution of waters of the State, provided, in any year in which the federal grant for the fund established in subdivision (a)(1) of this section does not exceed the amount available to the State in the 2002 federal appropriation, no more than 30 percent of that year's federal and State appropriations to that fund shall be used for the purpose outlined in this subdivision.

(e) The Secretary may bring an action under this subsection or other available State and federal laws against the owner or permittee of the public water system to seek reimbursement to the Vermont Drinking Water Emergency Use Fund for all disbursements from the Fund made pursuant to subdivision (a)(7) of this section. To the extent compatible with the urgency of the situation, the Secretary shall provide an opportunity for the responsible water system owner or permittee to undertake the necessary actions under the direction of the Secretary prior to making disbursements. (Added 1987, No. 75, § 1; amended 1993, No. 233 (Adj. Sess.), § 62, eff. June 21, 1994; 1995, No. 62, § 44, eff. April 26, 1995; 1997, No. 62, § 67, eff. June 26, 1997; 1997, No. 134 (Adj. Sess.), § 1; 1997, No. 148 (Adj. Sess.), § 51, eff. April 29, 1998; 1999, No. 109 (Adj. Sess.), § 2; 1999, No. 148 (Adj. Sess.), § 52, eff. May 24, 2000; 2001, No. 61, § 38, eff. June 16, 2001; 2001, No. 109 (Adj. Sess.), § 11; eff. May 16, 2002; 2001, No. 149 (Adj. Sess.), § 90, eff. June 27, 2002; 2003, No. 63, § 50, eff. June 11, 2003; 2007, No. 52, §§ 43, 46, eff. May 28, 2007; 2007, No. 130 (Adj. Sess.), § 7, eff. May 12, 2008; 2011, No. 104 (Adj. Sess.), § 28e, eff. May 7, 2012; 2011, No. 161 (Adj. Sess.), § 13; 2013, No. 137 (Adj. Sess.), § 1, eff. May 22, 2014.)

- **§ 4753a. Awards from revolving loan funds**

(a) Pollution control. The General Assembly shall approve all categories of awards made from the special funds established by section 4753 of this title for water pollution control facility construction, in order to assure that such awards conform with State policy on water quality and pollution abatement, and with the State policy that municipal entities shall receive first priority in the award of public monies for such construction, including monies returned to the revolving funds from previous awards. To facilitate this legislative oversight, the Secretary of Natural Resources shall annually no later than January 15 report to the House Committee on Corrections

and Institutions, the Senate Committee on Institutions, and the House and Senate Committees on Resources and Energy on all awards made from the relevant special funds during the prior and current fiscal years, and shall report on and seek legislative approval of all the types of projects for which awards are proposed to be made from the relevant special funds during the current or any subsequent fiscal year. Where feasible, the specific projects shall be listed. The provisions of 2 V.S.A. § 20(d) (expiration of required reports) shall not apply to the report to be made under this subsection.

(b) Water supply. The Secretary of Natural Resources shall no later than January 15, 2000 recommend to the House Committee on Corrections and Institutions, the Senate Committee on Institutions, and the House and Senate Committees on Natural Resources and Energy a procedure for reporting to and seeking the concurrence of the Legislature with regard to the special funds established by section 4753 of this title for water supply facility construction.

(c) [Repealed.]

(d) Loan forgiveness; pollution control. Notwithstanding any other provision of law regarding loan forgiveness, upon the award of a loan from the Vermont Environmental Protection Agency Pollution Control Revolving Fund (CWSRF), the Secretary of Natural Resources, in a manner that is consistent with federal grant provisions, may forgive up to 50 percent of a loan if the award is made for a project on a priority list and the project is capitalized, at least in part, from funds derived from a federal CWSRF capitalization grant that includes provisions authorizing loan forgiveness. Such loan forgiveness shall be based on the loan value, but funds to be forgiven shall only consist of federal funds, except where the loan is used as a match to other federal grants requiring nonfederal funds as a match.

(e) Loan forgiveness; drinking water.

(1) Notwithstanding any other provision of law regarding loan forgiveness, upon the award of a loan from the Vermont Environmental Protection Agency Drinking Water State Revolving Fund (DWSRF), the Secretary of Natural Resources, in a manner that is consistent with federal grant provisions, may forgive up to 100 percent of a loan if the award is made for a project on the priority list and the project is capitalized, at least in part, from funds derived from a federal DWSRF capitalization grant that includes provisions authorizing loan forgiveness. Such loan forgiveness shall be based on the loan value, but funds to be forgiven shall only consist of federal funds, except where the loan is used as a match to other federal grants requiring nonfederal funds as a match.

(2) Notwithstanding any other provision of law regarding loan forgiveness, upon the award of a loan from the Vermont Drinking Water Revolving Loan Fund, the Secretary of Natural Resources may provide loan forgiveness for preliminary engineering and final design costs when a municipality undertakes such engineering on behalf of disconnected residences, provided it is not the same municipality that is disconnecting such residences.

(f) Loan forgiveness standard. The Secretary shall establish standards, policies, and procedures as necessary for implementing subsections (d) and (e) of this section for allocating the funds among projects and for revising standard priority lists in order to comply with requirements associated with federal capitalization grant agreements. (Added 1997, No. 148 (Adj. Sess.), § 52, eff. April 29, 1998; amended 2007, No. 52, § 47, eff. May 28, 2007; 2011, No. 117 (Adj. Sess.), § 4; 2011, No. 161 (Adj. Sess.), § 15; 2013, No. 142 (Adj. Sess.), § 40.)