

1 TO THE HOUSE OF REPRESENTATIVES:

2 The Committee on Natural Resources, Fish and Wildlife to which was
3 referred Senate Bill No. 10 entitled “An act relating to liability for the
4 contamination of potable water supplies” respectfully reports that it has
5 considered the same and recommends that the House propose to the Senate that
6 the bill be amended by striking out all after the enacting clause and inserting in
7 lieu thereof the following:

8 * * * Contaminated Potable Water Supplies * * *

9 Sec. 1. 10 V.S.A. § 6615e is added to read:

10 § 6615e. RELIEF FOR CONTAMINATED POTABLE WATER SUPPLIES

11 (a) Definitions. As used in this section:

12 (1) “Public water system” means any system or combination of systems
13 owned or controlled by a person that provides drinking water through pipes or
14 other constructed conveyances to the public and that has at least 15 service
15 connections or serves an average of at least 25 individuals daily for at least
16 60 days out of the year. A “public water system” includes all collection,
17 treatment, storage, and distribution facilities under the control of the water
18 supplier and used primarily in connection with the system, and any collection
19 or pretreatment storage facilities not under the control of the water supplier
20 that are used primarily in connection with the system. “Public water system”
21 shall also mean any part of a system that does not provide drinking water, if

1 use of such a part could affect the quality or quantity of the drinking water
2 supplied by the system. “Public water system” shall also mean a system that
3 bottles drinking water for public distribution and sale.

4 (2) “Public community water system” means a public water system that
5 serves at least 15 service connections used by year-round residents or regularly
6 serves at least 25 year-round residents.

7 (b) Extension of public community water system.

8 (1) The Secretary may initiate a proceeding under this section to
9 determine whether a person that released of perfluorooctanoic acid into the air,
10 groundwater, surface water, or onto the land is liable for the costs of extending
11 the water supply of a public water system to an impacted property. A person
12 who released perfluorooctanoic acid shall be liable for the extension of a
13 municipal water line when:

14 (A) the property is served by a potable water supply regulated under
15 chapter 64 of this title;

16 (B) the Secretary has determined that the potable water supply on the
17 property:

18 (i) is a failed supply under chapter 64 of this title due to
19 perfluorooctanoic acid contamination; or

1 (ii) is likely to fail due to contamination by perfluorooctanoic acid
2 due to the proximity of the potable water supply to other potable water supplies
3 contaminated by perfluorooctanoic acid or due to other relevant factors;

4 (C) the person the Secretary determined released perfluorooctanoic
5 acid into the air, groundwater, surface water, or onto the land is a cause of or
6 contributor to the perfluorooctanoic acid contamination or likely contamination
7 of the potable water supply;

8 (D) no other remedial alternative is capable of achieving comparable
9 corrective action objectives; and

10 (E) extension of the public water system is the most cost-effective
11 means of delivering water to the property that meets or exceeds drinking water
12 standards set by the Secretary by rule.

13 (2) Prior to issuing a final liability determination under this subsection,
14 the Secretary shall post a proposed liability determination to the website of the
15 Agency of Natural Resources for public notice and written comment for 30
16 days.

17 (3) In developing the record of a decision under this section, the
18 Secretary shall provide any person an opportunity to supplement the record of
19 the liability determination.

20 (4) A person liable for the extension of a public water system under this
21 section shall be strictly, jointly, and severally liable for all costs associated

1 with that public water system extension. The remedy under this section is in
2 addition to those provided by existing statutory or common law.

3 (c) Liability payment.

4 (1) Following notification of liability by the Secretary, a person liable
5 under subsection (b) of this section for the extension of the water supply of a
6 public water system shall pay the owner of the public water system for the
7 extension of the water supply within 30 days of receipt of a final engineering
8 design or within an alternate time frame ordered by the Secretary.

9 (2) If the person liable for the extension of the water supply does not
10 pay the owner within the time frame required under subdivision (1) of this
11 subsection, the person shall be liable for interest on the assessed cost of the
12 extension of the water supply.

13 (d) Appeal standard. Notwithstanding subsection 8504(h) of this title, the
14 Environmental Division of the Superior Court shall review an appeal of a
15 decision of the Secretary under this section on the record pursuant to Rule 74
16 of the Vermont Rules of Civil Procedure.

17 (e) Available defenses; rights. All defenses to liability and all rights to
18 contribution or indemnification available to a person under section 6615 of this
19 title are available to a person subject to liability under this section.

1 Sec. 2. APPLICATION OF LIABILITY

2 (a) This act shall apply to any determination of liability made by the
3 Secretary of Natural Resources under 10 V.S.A. § 6615e after the effective
4 date of the act.

5 (b) Notwithstanding any contrary provision of 1 V.S.A. § 214, this act shall
6 apply to any relevant release of perfluorooctanoic acid regardless of the date of
7 the relevant release, including releases that occurred prior to the effective date
8 of this act.

9 * * * Hazardous Material Designation * * *

10 Sec. 3. 10 V.S.A. § 6602(16) is amended to read:

11 (16)(A) “Hazardous material” means all petroleum and toxic, corrosive,
12 or other chemicals and related sludge included in any of the following:

13 (i) any substance defined in section 101(14) of the federal
14 Comprehensive Environmental Response, Compensation and Liability Act of
15 1980;

16 (ii) petroleum, including crude oil or any fraction thereof; or

17 (iii) hazardous wastes, as determined under subdivision (4) of this
18 section; or

19 (iv) a chemical or substance that, when released, poses a risk to
20 human health or other living organisms and that is listed by the Secretary by
21 rule.

1 (B) “Hazardous material” does not include herbicides and pesticides
2 when applied consistent with good practice conducted in conformity with
3 federal, State, and local laws and regulations and according to manufacturer's
4 instructions. Nothing in this subdivision shall affect the authority granted and
5 the limitations imposed by section 6608a of this title.

6 * * * Brownfields * * *

7 Sec. 4. 10 V.S.A. § 6652(b) is amended to read:

8 (b) Upon receipt of the completion report, the Secretary shall determine
9 whether additional work is required in order to complete the plan. The
10 applicant shall perform any additional activities necessary to complete the
11 corrective action plan as required by the Secretary and shall submit a new
12 completion report. When the Secretary determines that the applicant has
13 successfully completed the corrective action plan and paid all fees and costs
14 due under this subchapter, the Secretary shall issue a certificate of completion,
15 which certifies that the work is completed. The certificate of completion shall
16 include a description of any land use restrictions and other conditions required
17 by the corrective action plan. The Secretary may establish land use restrictions
18 in the certificate of completion for a property, but the Secretary shall not
19 acquire interests in the property in order to establish a land use restriction.

1 Sec. 5. 10 V.S.A. § 6653 is amended to read:

2 § 6653. RELEASE FROM LIABILITY; PERSONAL RELEASE FROM
3 LIABILITY

4 (a) An applicant who has obtained a certificate of completion pursuant to
5 section 6652 of this title and successor owners of the property included in the
6 certificate of completion who are not otherwise liable under section 6615 for
7 the release or threatened release of a hazardous material at the property shall
8 not be liable under subdivision 6615(a)(1) of this title for any of the following:

9 (1) A release or threatened release that existed at the property at the time
10 of the approval of the corrective action plan and complies with one or both of
11 the following:

12 (A) was discovered after the approval of the corrective action plan by
13 means that were not recognized standard methods at the time of approval of the
14 corrective action plan;

15 (B) the material was not regulated as hazardous material until after
16 approval of the corrective action plan.

17 (2) Cleanup after approval of the corrective action plan was done
18 pursuant to more stringent cleanup standards effective after approval of the
19 corrective action plan.

1 (3) Natural resource damages pursuant to section 6615d of this title,
2 provided that the applicant did not cause the release that resulted in the
3 damages to natural resources.

4 * * *

5 (c) A release from liability under this section or forbearance from action
6 provided by section 6646 of this title does not extend to any of the following:

7 (1) A release or threatened release of a hazardous material that was not
8 present at the time the applicant submitted an application pursuant to this
9 subchapter where the release or threatened release:

10 (A) has not been addressed under an amended corrective action plan
11 approved by the Secretary; or

12 (B) was caused by intentional or reckless conduct by the applicant or
13 agents of the applicant.

14 (2) Failure to comply with the general obligations established in section
15 6644 of this title.

16 (3) A release that occurs subsequent to the issuance of a certificate of
17 completion.

18 (4) Failure to comply with the use restrictions contained within the
19 certificate of completion for the site issued pursuant to subsection 6652(b) of
20 this title.

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* * * Groundwater Classification * * *

Sec. 6. 10 V.S.A. § 1392(d) is amended to read:

(d) The groundwater management strategy, including groundwater classification and associated technical criteria and standards, shall be adopted as a rule in accordance with the provisions of 3 V.S.A., chapter 25. ~~The secretary shall file any final proposed rules regarding the groundwater management strategy, with the natural resources board not less than 30 days prior to filing with the legislative committee on administrative rules. The board shall review the final proposed rules and comment regarding their compatibility with the Vermont water quality standards and the objectives of the Vermont Water Pollution Control Act. The secretary shall include the natural resources board's comments in filing the final proposed rules with the legislative committee on administrative rules.~~

Sec. 7. 10 V.S.A. § 1394(a) is amended to read:

(a) The ~~state~~ State adopts, for purposes of classifying its groundwater, the following classes and definitions thereof:

* * *

(4) Class IV. ~~Not suitable as a source of potable water but suitable for some agricultural, industrial and commercial use~~ for uses identified in the reclassification order for the aquifer.

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* * * Effective Date * * *

Sec. 8. EFFECTIVE DATE

This act shall take effect on passage.

(Committee vote: _____)

Representative _____

FOR THE COMMITTEE