DEC

Proposed changes to 24 V.S.A. chapter 120

1	Sec. 1. 24 V.S.A. § 4753 is amended to read:
2	§ 4753. REVOLVING LOAN FUNDS; AUTHORITY TO SPEND; REPORT
3	(a) There is hereby established a series of special funds to be known as:
4	(1) The Vermont Environmental Protection Agency (EPA) Pollution
5	Control Revolving Fund, which shall be used, consistent with federal law, to
6	provide loans for planning and construction of clean water projects, including
7	acquisitions of project-related easements, land, options to purchase land, and
8	temporary or permanent rights-of-way, and for implementing related
9	management programs.
10	* * *
11	(10) The Vermont Wastewater and Potable Water Revolving Loan
12	Fund, which shall be used to provide loans to individuals, in accordance with
13	section 4763b of this title, for the design and construction of repairs to or
14	replacement of wastewater systems and potable water supplies when the
15	wastewater system or potable water supply is a failed system or supply as
16	defined in 10 V.S.A. § 1972, or when a designer demonstrates that the
17	wastewater system or potable water supply has a high probability of failing.
18	The amount of up to \$275,000.00 from the fees collected pursuant to 3 V.S.A.
19	§ 2822(j)(4) or the Fund identified in subdivision (a)(1) of this section shall be
20	deposited into this Fund at the beginning of each fiscal year to ensure a
21	minimum balance of available funds of \$275,000.00 exists for each fiscal year.
22	* * *

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1	Sec. 2. 24 V.S.A. chapter 120, subchapter 2 is amended to read:
2	Subchapter 2. Municipal Loans to Municipalities and Individuals
3	* * *
4	§ 4757. REVOLVING LOAN FUNDS; ADDITIONAL USES
5	In addition to providing a source of funds from which loans may be made to
6	municipalities under this chapter, each fund created under section 4753 of this
7	chapter may be used for one or more of the following purposes:
8	* * *
9	(6) To pay from the <u>Vermont Environmental Protection Agency (EPA)</u>
10	Pollution Control Revolving Fund or the Vermont Wastewater and Potable
11	Water Revolving Loan Fund the costs of administration of loans awarded
12	under subdivision 4753(a)(10) section 4763b of this title.
13	* * *
14	§ 4763b. LOANS TO INDIVIDUALS FOR FAILED WASTEWATER
15	SYSTEMS AND FAILED POTABLE WATER SUPPLIES
16	(a) Notwithstanding any other provision of law, when the wastewater
17	system or potable water supply serving only single-family and multifamily
18	residences either meets the definition of a failed supply or system in 10 V.S.A.
19	§ 1972 or is demonstrated by a designer to have a high probability of failing,
20	the Secretary of Natural Resources may lend monies to an owner of one or
21	more of the residences from the Vermont Wastewater and Potable Water
22	Revolving Loan Fund established in section 4753 of this title. In such cases,
23	the following conditions shall apply:

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1	* * *
2	(6) all funds from the repayment of loans made under this section
3	subsection shall be deposited into the Vermont Wastewater and Potable Water
4	Revolving Loan Fund.
5	(b) The Secretary of Natural Resources shall establish standards, policies,
6	and procedures as necessary for the implementation of this section. The
7	Secretary may establish criteria to extend the payment period of a loan or to
8	waive all or a portion of the loan amount. Notwithstanding any other provision
9	of law, when the wastewater system serving only single-family and
10	multifamily residences either meets the definition of a failed system in 10
11	V.S.A. § 1972 or is demonstrated by a designer to have a high probability of
12	failing, the Secretary of Natural Resources may lend monies to an owner of
13	one or more of the residences from the Vermont Environmental Protection
14	Agency (EPA) Pollution Control Revolving Fund established in section 4753
15	of this title, provided that no State funds are used. In such cases, the following
16	conditions shall apply:
17	(1) a loan may only be made to an owner with a household income equal
18	to or less than 200 percent of the State average median household income;
19	(2) a loan may only be made to an owner who resides in one of the
20	residences served by the failed system on a year-round basis;
21	(3) a loan may only be made to an owner who has been denied financing
22	for the repair, replacement, or construction due to involuntary disconnection by
23	at least one other financing entity;

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1	(4) a loan may only be made to an owner who demonstrates sufficient
2	means to pay the principal and interest on the loan;
3	(5) a loan may only be made for a project that is a clean water project
4	the Secretary has designated as a priority for receipt of financial assistance;
5	(6) when the failed system also serves residences owned by persons
6	other than the loan applicant, a loan may only be made for an equitable share
7	of the cost to repair or replace the failed system that is determined through
8	agreement of all of the owners of residences served by the failed system;
9	(7) no construction loan shall be made to an individual under this
10	subsection, nor shall any part of any revolving loan made under this subsection
11	be expended, until all of the following take place:
12	(A) the Secretary of Natural Resources determines that if a
13	wastewater system and potable water supply permit is necessary for the design
14	and construction of the project to be financed by the loan, the permit has been
15	issued to the owner of the failed system; and
16	(B) the individual applying for the loan certifies to the Secretary of
17	Natural Resources that the proposed project has secured all State and federal
18	permits, licenses, and approvals necessary to construct and operate the project
19	to be financed by the loan;
20	(8) loans shall be awarded at or below market interest rates;
21	(9) not more than \$500,000.00 of the Vermont Environmental Protection
22	Agency (EPA) Pollution Control Revolving Fund shall be used in each fiscal
23	year to award loans under this subsection; and

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1	(10) all funds from the repayment of loans made under this subsection
2	shall be deposited into the Vermont Environmental Protection Agency (EPA)
3	Pollution Control Revolving Fund.
4	(c) Loans awarded under this section:
5	(1) shall include a loan repayment schedule that commences not later
6	than one year after completion of the funded project for which loan funds have
7	been issued; and
8	(2) shall not be used for the operation and maintenance expenses of, or
9	laboratory fees for monitoring, a wastewater system or potable water supply.
10	(d) The Secretary of Natural Resources shall establish standards, policies,
11	and procedures as necessary for the implementation of this section. The
12	Secretary may establish criteria to extend the payment period of a loan or to
13	waive all or a portion of the loan amount.
14	§ 4763c. LOANS TO MUNICIPALITIES FOR MUNICIPAL PUBLIC
15	WATER SUPPLY SYSTEMS
16	(a) The Secretary may certify to the Vermont Municipal Bond Bank
17	established by section 4571 of this title the award of a loan to a municipality to
18	assist with a public water supply system project, when the Secretary finds that:
19	* * *
20	(b) The certification by the Secretary shall specify the interest rate, and
21	indicate which of the following loan conditions concerning construction loans
22	apply:

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1	(1) The term shall not exceed 30 years, and the annual interest rate, plus
2	the administrative fee, shall be $\frac{1}{100}$ more than three percent or less than zero
3	percent, except that when the applicant municipality is disadvantaged as
4	defined by subdivision $4752(12)(A)$ of this title, the term shall not exceed
5	40 years. When the applicant municipality is disadvantaged as defined in
6	subdivision 4752(12), the annual interest rate, plus the administrative fee, shall
7	be $\frac{not}{not}$ less than minus three percent.
8	* * *
9	§ 4765. APPLICATION FOR LOANS TO MUNICIPALITIES
10	* * *
11	Sec. 3. 24 V.S.A. § 4771 is amended to read:
12	§ 4771. CONDITIONS OF LOAN AGREEMENT
13	(a) VEDA may make loans to applicants on behalf of the State for one or
14	more of the purposes set forth in subsection 4770(b) of this title. Each such
15	loan shall be made subject to the following conditions:
16	(1) The loan shall be evidenced by a note payable over a term not to
17	exceed $\frac{20}{30}$ years. Repayment shall commence $\frac{10}{100}$ have the provide the provided of the provided statement o
18	after completion of the project for which loan funds have been applied.
19	* * *
20	(5)(A) Notwithstanding subdivision (4) of this subsection, a privately
21	owned nonprofit community type system may qualify for a 30-year 40-year
22	loan term at an interest rate, plus administrative fee, to be established by the
23	Secretary of Natural Resources that shall be $\frac{1}{10000000000000000000000000000000000$

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1	less than minus three percent, provided that the applicant system meets the
2	income level and annual household user cost requirements of a disadvantaged
3	municipality as defined in 10 V.S.A. § 1571(9)(A) subdivision 4752(12)(A) of
4	this title, and at least 80 percent of the residential units served by the water
5	system is continuously occupied by local residents and at least 80 percent of
6	the water produced is for residential use.
7	* * *