



**STATE OF VERMONT**

**MEMORANDUM**

To: Michael Gaughan, Executive Director, Municipal Bond Bank

From: Representative Alice Emmons, Chair, House Committee on Corrections  
and Institutions  
Representative Butch Shaw, Vice Chair, House Committee on Corrections  
and Institutions

Date: July 29, 2019

Subject: Act 185; Private Loans for Clean Water Projects

Dear Mr. Gaughan:

We understand that the Vermont Municipal Bond Bank has some questions about 2018 Act and Resolves No. 185, an act relating to the Clean Water State Revolving Loan Fund, regarding the creation of a program to provide private loans for clean water projects (Clean Water Project Loans). The purpose of this letter is to inform you of our understanding of the program for Clean Water Project Loans at the time this legislation was voted out of the House Committee on Corrections and Institutions (Committee).

Based on the Department of Environmental Conservation's (DEC) testimony to the Committee in 2018, it was our understanding that DEC would operate the program for Clean Water Project Loans in the same manner as the loan program set forth in 24 V.S.A. chapter 120, subchapter 3, which authorizes loans to privately owned water systems from the Vermont EPA Drinking Water State Revolving Fund (Drinking Water Project Loans). Under the program for Drinking Water Project Loans, the Municipal Bond Bank is authorized to transfer funds to the Vermont Economic Development Authority (VEDA), which issues and administers the loans. It was our understanding that the funds for the Clean Water Project Loans would be similarly issued and administered.

We are now aware that the statutory language establishing these two programs is not the same. It is our intent that the Committee addresses any necessary statutory changes during the 2020 legislative session to resolve the inconsistencies between the language for these two programs. This will also serve to clarify our understanding that DEC should manage the programs for the Drinking Water Project Loans and the Clean Water Project Loans in the same manner.

Sincerely,

Representative Alice Emmons, Chair, House Committee on Corrections and Institutions

Representative Butch Shaw, Vice Chair, House Committee on Corrections and Institutions

cc: John Beling, General Counsel, Department of Environmental Conservation