

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 Vermont Environmental Protection Agency (EPA)  
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 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

\* \* \*