

**Additional Questions and Answers on Topics Discussed in HNRFW Committee, 2-17-22
-Rep. Kari Dolan**

1. #3: Brownfields

a. Q: We added additional funds last year. Are these funds necessary?

A: Demand for brownfield remediation is greater than the available supply. These investments will help meet that demand.

2. #5: Water Infrastructure Needs

a. Q: Could we add in the language section of the appropriations bill the legislative intent that private, nonprofit cooperatively entities, such as some mobile home parks, be eligible for subsidies (grants), similar to how the drinking water SRF funds are being managed?

A: Unfortunately, we cannot. Our Legislative Counsel confirms that we cannot allow an agency to award grants that are not authorized by statute.

b. Q: Would it take legislative action to change state statute to allow private, nonprofit entities to receive a subsidy for wastewater infrastructure under the Clean Water State Revolving Fund (CWSRF)?

A: Federal law prohibits CWSRF loan subsidy to private entities, while the Safe Drinking Water Act that governs the Drinking Water State Revolving Fund (DWSRF) does not.

Q: Are there examples where a municipality has sponsored a private entity's application for CWSRF in Vermont?

A: Projects funded through the Towns of Colchester and Waitsfield are examples. In each case, the municipality is responsible for repayment of the loan, but can pass that cost onto the private entity. The municipality must enter into an O&M agreement with each owner for at least the duration of the loan term.

i. References

Federal Water Pollution Control Act, Sections 603(c)(7) and 603(c)(4). It appears to me that the SRF may provide assistance for publicly and "privately owned" wastewater treatment projects.

Link: https://www.epa.gov/sites/default/files/2015-04/documents/water_resources_reform_and_development_act_guidance.pdf.

ii. 10 V.S.A. [Chapter 55](#) and [24 V.S.A. Chapter 120](#).

c. Q: Should the state set aside ARPA funds to support some of our communities that have aging wastewater infrastructure systems that have reached their useful or design lives but do not have the resources and cannot afford the loans to support refurbishment or replacement of those systems? The town of Brighton's aging infrastructure is one example for this need.

A: Possibly. The ANR Secretary is looking to the Infrastructure Investment and Jobs Act (IIJA) as that new federal funding source to support these kinds of needs.

- d. Q: Can the state use ARPA to buy down debt incurred by municipalities that have already secured financing for their water and/or wastewater projects?

A: As confirmed by the Joint Fiscal Office, ARPA State Fiscal Recovery Funds (SFR) cannot be used to buy down debt: “No debt service or replenishing financial reserves. Since SLFRF funds are intended to be used prospectively, recipients may not use SLFRF funds for debt service or replenishing financial reserves (e.g., rainy day funds).” (U.S. Dept. of the Treasury Overview of the Final Rule, Restrictions on Use, p. 41:

<https://home.treasury.gov/system/files/136/SLFRF-Final-Rule-Overview.pdf>.