

1 S.212

2 Introduced by Senator Watson

3 Referred to Committee on Natural Resources and Energy

4 Date: January 7, 2026

5 Subject: Conservation and development; potable water supply and wastewater  
6 connections; municipal authority

7 Statement of purpose of bill as introduced: This bill proposes to authorize the  
8 Agency of Natural Resources (ANR) to delegate to municipalities the  
9 permitting and technical review of potable water supply and wastewater  
10 system connections. The bill also would require ANR to adopt a general  
11 permit for municipal potable water supply and wastewater system connections  
12 that are reviewed by delegated municipalities.

13 An act relating to potable water supply and wastewater system connections

14 It is hereby enacted by the General Assembly of the State of Vermont:

15 ~~Sec. 1. 10 V.S.A. § 1971 is amended to read:~~

16 § 1971. PURPOSE

17 It is the purpose of this chapter to:

18 (1) establish a comprehensive program to regulate the construction,  
19 replacement, modification, and operation of potable water supplies and

1 ~~wastewater systems in the State in order to protect human health and the~~  
2 environment, including potable water supplies, surface water, and  
3 groundwater;

4 \* \* \*

5 (6) ~~allow delegation of the permitting program created by this chapter to~~  
6 municipalities ~~demonstrating the capacity to administer the chapter of~~  
7 technical review of potable water supply and wastewater system connections  
8 pursuant to the rules of the Agency adopted under this chapter.

9 Sec. 2. 10 V.S.A. § 1972 is amended to read:

10 § 1972. DEFINITIONS

11 For the purposes of this chapter:

12 \* \* \*

13 (6) "Potable water supply" means the source, treatment, and conveyance  
14 equipment used to provide water used or intended to be used for human  
15 consumption, including drinking, washing, bathing, the preparation of food, or  
16 laundering. This definition includes a service connection to a public water  
17 system of any size that does not require a permit pursuant to chapter 56 of this  
18 title. This definition does not include any internal piping or plumbing, except  
19 for mechanical systems, such as pump stations and storage tanks or lavatories,  
20 ~~that are located inside a building or structure and that are integral to the~~

1 operation of a potable water system. This definition also does not include a  
2 potable water supply that is subject to regulation under chapter 56 of this title.

3 \* \* \*

4 (10) "Wastewater system" means any piping, pumping, treatment, or  
5 disposal system used for the conveyance and treatment of sanitary waste or  
6 used water, including carriage water, shower and wash water, and process  
7 wastewater. This definition does not include any internal piping or plumbing,  
8 except for mechanical systems, such as pump stations and storage tanks or  
9 toilets, that are located inside a building or structure and that are integral to the  
10 operation of a wastewater system. This definition also does not include  
11 wastewater systems that are used exclusively for the treatment and disposal of  
12 animal manure. In this chapter, "wastewater system" refers to a soil-based  
13 disposal system of less than 6,500 gallons per day, or a sewerage sanitary  
14 sewer collection system connection of any size.

15 Sec. 3. 10 V.S.A. § 1973 is amended to read:

16 § 1973. PERMITS

17 (a) Except as provided in this section and sections 1974 and 1978 of this  
18 title, a person shall obtain a permit from the Secretary before:

19 \* \* \*

20 (7) making a new or modified connection to a new or existing potable  
21 water supply or wastewater system, or

1 \* \* \*

2 (1) The Secretary shall give deference to a certification by a licensed  
3 designer with respect to the engineering design or judgment exercised by the  
4 designer in order to minimize Agency review of certified designs. Nothing in  
5 this section shall limit the responsibility of the licensed designer to comply  
6 with all standards and rules, or the authority of the Secretary to review and  
7 comment on design aspects of an application or to enforce Agency rules with  
8 respect to the design or the design certification.

9 (2) The Secretary shall issue a permit for a new or modified connection  
10 to a water main and a sewer main or indirect discharge system from a building  
11 or structure in a designated downtown development district upon submission  
12 of an application under subsection (b) of this section that consists solely of the  
13 certification of a licensed designer, in accordance with subsection (d) of this  
14 section, and a letter from the owner of the water main and sewer main or  
15 indirect discharge system allocating the capacity needed to accommodate the  
16 new or modified connection. However, this subdivision (2) shall not apply if  
17 the Secretary finds one of the following:

18 (A) The Secretary has prohibited the system that submitted the  
19 allocation letter from issuing new allocation letters due to a lack of capacity.

1 ~~(P) As a result of an audit of the application performed on a random~~  
2 ~~basis or in response to a complaint, the system is not designed in accordance~~  
3 ~~with the rules adopted under this chapter.~~

4 \* \* \*

5 (k)(1) The Secretary shall adopt a general permit for municipal potable  
6 water supply and wastewater system connections that are reviewed by  
7 municipalities with authority delegated to them pursuant to section 1976 of  
8 this chapter.

9 (2) The Secretary may adopt by rule general permitting programs for  
10 other activities permitted under this section.

11 Sec. 4. 10 V.S.A. § 1976 is amended to read:

12 § 1976. DELEGATION OF CONNECTION AUTHORITY TO  
13 MUNICIPALITIES

14 (a)(1) ~~The Secretary may delegate to a municipality authority to:~~

15 ~~(A) implement all sections of this chapter, except for sections 1975~~  
16 ~~and 1978 of this title; or~~

17 ~~(B) implement permitting under this chapter for the subdivision of~~  
18 ~~land, a building or structure, or a campground when the subdivision, building~~  
19 ~~or structure, or campground is served by sewerage connections and water~~  
20 ~~service lines, provided that:~~

1 ~~(i) the lot, building or structure, or campground utilizes both a~~  
2 ~~sanitary sewer service line and a water service line; and~~

3 ~~(ii) the water main and sanitary sewer collection line that the~~  
4 ~~water service line and sanitary sewer service line are connected to are owned~~  
5 ~~and controlled by the delegated municipality.~~

6 ~~(2) If a municipality submits a written request for delegation of this~~  
7 ~~chapter, the Secretary shall delegate authority to the municipality to implement~~  
8 ~~and administer provisions of this chapter, the rules adopted under this chapter,~~  
9 ~~and the enforcement provisions of chapter 201 of this title relating to this~~  
10 ~~chapter, provided that the Secretary is satisfied that the municipality:~~

11 ~~(A) has established a process for accepting, reviewing, and processing~~  
12 ~~applications and issuing permits, that shall adhere to the rules established by~~  
13 ~~the Secretary for potable water supplies and wastewater systems, including~~  
14 ~~permits, by rule, for sewerage connections;~~

15 ~~(B) has hired, appointed, or retained on contract, or will hire, appoint,~~  
16 ~~or retain on contract, a licensed designer to perform technical work that must~~  
17 ~~be done by a municipality under this section to grant permits;~~

18 ~~(C) will take timely and appropriate enforcement actions pursuant to~~  
19 ~~the authority of chapter 201 of this title;~~

20 ~~(D) commits to reporting annually to the Secretary on a form and date~~  
21 ~~determined by the Secretary;~~

1 ~~(E) will only issue permits for water service lines and sanitary sewer~~  
2 ~~service lines when there is adequate capacity in the public water supply system~~  
3 ~~source, wastewater treatment facility, or indirect discharge system; and~~

4 ~~(F) will comply with all other requirements of the rules adopted under~~  
5 ~~section 1978 of this title The Secretary may delegate to a municipality~~  
6 ~~authority to conduct technical review of municipal potable water supply and~~  
7 ~~wastewater system connections, provided that the water main and sanitary~~  
8 ~~sewer collection line that the water service line and sanitary sewer service line~~  
9 ~~are connected to are owned and controlled by the delegated municipality.~~

10 ~~(2) If a municipality submits a request for delegation of authority under~~  
11 ~~this subsection, the Secretary shall delegate authority to the municipality to~~  
12 ~~implement and administer provisions of this chapter governing municipal~~  
13 ~~potable water supply and wastewater system connections, provided that the~~  
14 ~~municipality:~~

15 ~~(A) is qualified to perform the technical review as determined by the~~  
16 ~~Secretary;~~

17 ~~(B) receives authorization from the municipal legislative body to~~  
18 ~~administer a program for review of potable water supply and wastewater~~  
19 ~~system connections;~~

20 ~~(C) meets any other requirement for the delegation program as~~  
21 ~~adopted by the Secretary in writing.~~

1 ~~(D) will only issue permits for water service lines and sanitary sewer~~  
2 service lines when there is adequate capacity in the public water system,  
3 wastewater treatment facility, or indirect discharge system; and

4 (E) complies with the requirements for connection and all  
5 requirements of the Agency's rules adopted under section 1978 of this title.

6 \* \* \*

7 (f) The Secretary may review municipal implementation of this section on  
8 a random basis, or in response to a complaint, or on ~~his or her~~ the Secretary's  
9 own motion. This review may include consideration of the municipal  
10 implementation itself, as well as consideration of the practices, testing  
11 procedures employed, systems designed, system designs approved, installation  
12 procedures used, and any work associated with the performance of these tasks.

13 Sec. 5. 3 V.S.A. § 2822(j) is amended to read:

14 (j) In accordance with subsection (i) of this section, the following fees are  
15 established for permits, licenses, certifications, approvals, registrations, orders,  
16 and other actions taken by the Agency of Natural Resources.

17 \* \* \*

18 (4) For potable water supply and wastewater permits issued under 10  
19 V.S.A. chapter 64. Projects under this subdivision include: a wastewater  
20 system, including a sewerage connection; and a potable water supply,  
21 ~~including a connection to a public water supply.~~

1 ~~(A) Original applications, or major amendments for a project with~~  
2 the following proposed design flows. In calculating the fee, the highest  
3 proposed design flow whether wastewater or water shall be used:  
4 (i) design flows 560 gpd or less: \$306.25 per application;  
5 (ii) design flows greater than 560 and less than or equal to 2,000  
6 gpd: \$870.00 per application;  
7 (iii) design flows greater than 2,000 and less than or equal to  
8 6,500 gpd: \$3,000.00 per application;  
9 (iv) design flows greater than 6,500 and less than or equal to  
10 10,000 gpd: \$7,500.00 per application;  
11 (v) design flows greater than 10,000 gpd: \$13,500.00 per  
12 application.  
13 (B) Minor amendments: \$150.00.  
14 (C) Minor projects: \$270.00.  
15 As used in this subdivision (j)(4)(C), "minor project" means a project  
16 that meets the following: there is an increase in design flow but no  
17 construction is required; there is no increase in design flow but construction is  
18 required, excluding replacement potable water supplies and wastewater  
19 systems; or there is no increase in design flow and no construction is required,  
20 ~~excluding applications that contain designs that require technical review.~~

1 ~~(D) Notwithstanding the other provisions of this subdivision, when a~~  
2 ~~project is located in a Vermont neighborhood, as designated under 24 V.S.A.~~  
3 ~~chapter 76A, the fee shall be no not more than \$50.00 in situations in which~~  
4 ~~the application has received an allocation for sewer capacity from an approved~~  
5 ~~municipal system. This limitation shall not apply in the case of fees charged~~  
6 ~~as part of a duly delegated municipal program.~~

7 ~~(E) Projects permitted under a municipal potable water supply or~~  
8 ~~wastewater system connection general permit as established in 10 V.S.A.~~  
9 ~~§ 1973(k)(1) or as adopted by rule per 10 V.S.A. § 1973(k)(2): \$500.~~

10 \* \* \*

11 Sec. 6. EFFECTIVE DATE

12 ~~This act shall take effect on July 1, 2026.~~

~~Sec. 1. 10 V.S.A. § 1971 is amended to read:~~

~~§ 1971. PURPOSE~~

~~It is the purpose of this chapter to:~~

~~(1) establish a comprehensive program to regulate the construction, replacement, modification, and operation of potable water supplies and wastewater systems in the State in order to protect human health and the environment, including potable water supplies, surface water, and groundwater;~~

~~\* \* \*~~

~~(6) allow delegation of the permitting program created by this chapter to municipalities demonstrating the capacity to administer the chapter review of potable water supply and wastewater system connections pursuant to general permits adopted under this chapter.~~

~~Sec. 2. 10 V.S.A. § 1972 is amended to read:~~

~~§ 1972. DEFINITIONS~~

~~For the purposes of this chapter:~~

~~\*\*\*~~

~~(6) "Potable water supply" means the source, treatment, and conveyance equipment used to provide water used or intended to be used for human consumption, including drinking, washing, bathing, the preparation of food, or laundering. This definition includes a service connection to a public water system of any size. This definition does not include any internal piping or plumbing, except for mechanical systems, such as pump stations and storage tanks or lavatories, that are located inside a building or structure and that are integral to the operation of a potable water system. This definition also does not include a potable water supply that is subject to regulation under chapter 56 of this title.~~

~~\*\*\*~~

~~(10) "Wastewater system" means any piping, pumping, treatment, or disposal system used for the conveyance and treatment of sanitary waste or used water; including carriage water; shower and wash water; and process wastewater. This definition does not include any internal piping or plumbing, except for mechanical systems, such as pump stations and storage tanks or toilets, that are located inside a building or structure and that are integral to the operation of a wastewater system. This definition also does not include wastewater systems that are used exclusively for the treatment and disposal of animal manure. In this chapter, "wastewater system" refers to a soil-based disposal system of less than 6,500 gallons per day, or a sewerage sanitary sewer collection system connection of any size.~~

~~Sec. 3. 10 V.S.A. § 1973 is amended to read:~~

~~§ 1973. PERMITS~~

~~(a) Except as provided in this section and sections 1974 and 1978 of this title, a person shall obtain a permit from the Secretary before:~~

~~\*\*\*~~

~~(7) making a new or modified connection to a new or existing potable water supply or wastewater system; or~~

~~\*\*\*~~

~~(f)(1) The Secretary shall give deference to a certification by a licensed designer with respect to the engineering design or judgment exercised by the designer in order to minimize Agency review of certified designs. Nothing in this section shall limit the responsibility of the licensed designer to comply with all standards and rules, or the authority of the Secretary to review and~~

~~comment on design aspects of an application or to enforce Agency rules with respect to the design or the design certification.~~

~~(2) The Secretary shall issue a permit for a new or modified connection to a water main and a sewer main or indirect discharge system from a building or structure in a designated downtown development district upon submission of an application under subsection (b) of this section that consists solely of the certification of a licensed designer, in accordance with subsection (d) of this section, and a letter from the owner of the water main and sewer main or indirect discharge system allocating the capacity needed to accommodate the new or modified connection. However, this subdivision (2) shall not apply if the Secretary finds one of the following:~~

~~(A) The Secretary has prohibited the system that submitted the allocation letter from issuing new allocation letters due to a lack of capacity.~~

~~(B) As a result of an audit of the application performed on a random basis or in response to a complaint, the system is not designed in accordance with the rules adopted under this chapter.~~

~~\* \* \*~~

~~(k)(1) The Secretary shall adopt a general permit for both potable water supply and wastewater system connections that require a permit under this chapter. Under the general permit, the Secretary may give deference to applications for connections certified by a licensed designer. The Secretary shall publish a manual providing guidance to licensed designers implementing the general permit for potable water supply or wastewater system connections. The manual shall include guidance for determining or defining the capacity of a public water system or pollution abatement facility for purposes of approving a potable water supply or wastewater system connection.~~

~~(2) The Secretary may adopt general permitting programs for other activities that require a permit under this section that the Secretary determines are low risk, low impact, and low complexity.~~

~~Sec. 4. 10 V.S.A. § 1976 is amended to read:~~

~~§ 1976. DELEGATION OF CONNECTION PERMITTING AUTHORITY TO MUNICIPALITIES~~

~~(a)(1) The Secretary may delegate to a municipality authority to:~~

~~(A) implement all sections of this chapter, except for sections 1975 and 1978 of this title; or~~

~~(B) implement permitting under this chapter for the subdivision of land, a building or structure, or a campground when the subdivision, building~~

~~structure, or campground is served by sewerage connections and water service lines, provided that:~~

~~(i) the lot, building or structure, or campground utilizes both a sanitary sewer service line and a water service line; and~~

~~(ii) the water main and sanitary sewer collection line that the water service line and sanitary sewer service line are connected to are owned and controlled by the delegated municipality.~~

~~(2) If a municipality submits a written request for delegation of this chapter, the Secretary shall delegate authority to the municipality to implement and administer provisions of this chapter, the rules adopted under this chapter, and the enforcement provisions of chapter 201 of this title relating to this chapter, provided that the Secretary is satisfied that the municipality:~~

~~(A) has established a process for accepting, reviewing, and processing applications and issuing permits, that shall adhere to the rules established by the Secretary for potable water supplies and wastewater systems, including permits, by rule, for sewerage connections;~~

~~(B) has hired, appointed or retained on contract, or will hire, appoint, or retain on contract, a licensed designer to perform technical work that must be done by a municipality under this section to grant permits;~~

~~(C) will take timely and appropriate enforcement actions pursuant to the authority of chapter 201 of this title;~~

~~(D) commits to reporting annually to the Secretary on a form and date determined by the Secretary;~~

~~(E) will only issue permits for water service lines and sanitary sewer service lines when there is adequate capacity in the public water supply system source, wastewater treatment facility, or indirect discharge system; and~~

~~(F) will comply with all other requirements of the rules adopted under section 1978 of this title The Secretary may delegate to a municipality authority to conduct technical review of proposed projects that include both municipal potable water supply and municipal wastewater system connections that require a permit under this chapter, provided that the water main and sanitary sewer collection line that the water service line and sanitary sewer service line are connected to are owned and controlled by the delegated municipality. Municipalities delegated authority under this section shall be required to incorporate the requirements of the Secretary's general permit for potable water supply and wastewater system connections into a municipal connection approval, including deference to applications for connections certified by a licensed designer.~~

~~(2) If a municipality submits a request for delegation of authority under this subsection, the Secretary shall delegate authority to the municipality to implement and administer provisions of this chapter governing municipal potable water supply and wastewater system connections, provided that the municipality:~~

~~(A) is qualified to perform the technical review as determined by the Secretary;~~

~~(B) receives authorization from the municipal legislative body to administer a program for review of potable water supply and wastewater system connections;~~

~~(C) meets any other requirement for the delegation program as adopted by the Secretary in writing;~~

~~(D) will only issue permits for water service lines and sanitary sewer service lines when there is adequate capacity in the public water system, wastewater treatment facility, or indirect discharge system;~~

~~(E) submits required documentation of the permitted project as determined by the Secretary; and~~

~~(F) complies with the requirements for connection and all requirements of the Agency's rules adopted under section 1978 of this title.~~

~~\*\*\*~~

~~(f) The Secretary may review municipal implementation of this section on a random basis, or in response to a complaint, or on his or her the Secretary's own motion. This review may include consideration of the municipal implementation itself, as well as consideration of the practices, testing procedures employed, systems designed, system designs approved, installation procedures used, and any work associated with the performance of these tasks.~~

~~Sec. 5. 3 V.S.A. § 2822 is amended to read:~~

~~§ 2822. BUDGET AND REPORT; POWERS~~

~~\*\*\*~~

~~(i) The Secretary shall not process an application for which the applicable fee has not been paid unless the Secretary specifies that the fee may be paid at a different time or unless the person applying for the permit is exempt from the permit fee requirements pursuant to 32 V.S.A. § 710. Municipalities shall be exempt from the payment of fees under this section except for those fees prescribed in subdivisions (j)(1), (7), (8), (14), and (15) of this section for which a municipality may recover its costs by charging a user fee to those who use the permitted services. Municipalities shall pay fees prescribed in~~

~~subdivisions (j)(2), (10), (11), (12), and (26) of this section, except that a municipality shall also be exempt from those fees for stormwater systems prescribed in subdivisions (j)(2)(A)(iii)(I), (II), or (IV) and (j)(2)(B)(iv)(I), (II), or (V) of this section for which a municipality has assumed full legal responsibility under 10 V.S.A. § 1264. Municipalities that conduct a technical review or approval of a potable water supply or wastewater system connection permitted under 10 V.S.A. § 1976 within the municipality may charge a fee for the cost of municipal services, provided that the municipality shall pay an administrative processing fee of \$100.00 for submission to the Secretary of Natural Resources of documentation of the municipally permitted project.~~

~~(j) In accordance with subsection (i) of this section, the following fees are established for permits, licenses, certifications, approvals, registrations, orders, and other actions taken by the Agency of Natural Resources.~~

~~\*\*\*~~

~~(4) For potable water supply and wastewater permits issued under 10 V.S.A. chapter 64. Projects under this subdivision include: a wastewater system, including a sewerage connection; and a potable water supply, including a connection to a public water supply:~~

~~(A) Original applications, or major amendments for a project that is not a potable water supply or wastewater system connection with the following proposed design flows. In calculating the fee, the highest proposed design flow whether wastewater or water shall be used.~~

~~(i) design flows 560 gpd or less: \$306.25 per application;~~

~~(ii) design flows greater than 560 and less than or equal to 2,000 gpd: \$870.00 per application;~~

~~(iii) design flows greater than 2,000 and less than or equal to 6,500 gpd: \$3,000.00 per application;~~

~~(iv) design flows greater than 6,500 and less than or equal to 10,000 gpd: \$7,500.00 per application; or~~

~~(v) design flows greater than 10,000 gpd: \$13,500.00 per application.~~

~~(B) Minor amendments: \$150.00.~~

~~(C) Minor projects: \$270.00.~~

~~As used in this subdivision (j)(4)(C), "minor project" means a project that meets the following: there is an increase in design flow but no construction is required; there is no increase in design flow but construction is required, excluding replacement potable water supplies and wastewater~~

~~systems, or there is no increase in design flow and no construction is required, excluding applications that contain designs that require technical review.~~

~~(D) Notwithstanding the other provisions of this subdivision (4), when a project is located in a Vermont neighborhood, as designated under 24 V.S.A. chapter 76A, the fee shall be ~~no~~ not more than \$50.00 in situations in which the application has received an allocation for sewer capacity from an approved municipal system. This limitation shall not apply in the case of fees charged as part of a duly delegated municipal program.~~

~~(E) Original applications or major amendments for coverage under a potable water supply or wastewater system connection general permit issued under 10 V.S.A. § 1973(k)(1), the following fee according to the highest proposed design flow of wastewater or water for the connection:~~

~~(i) design flows below 2,000 gpd: \$250.00 per application;~~

~~(ii) design flows of between 2,000 gpd and 6,500 gpd: \$2,500.00 per application;~~

~~(iii) design flows greater than 6,500 gpd: \$5,000.00 per application;~~

~~\*\*~~

#### ~~Sec. 6. IMPLEMENTATION; REPEAL OF EXEMPTIONS IN RULE~~

~~(a) On or before December 1, 2027, the Secretary of Natural Resources shall publish the general permit and manual required under 10 V.S.A. § 1973(k)(1) for potable water supply or wastewater system connections.~~

~~(b) Beginning on January 1, 2028, the Secretary of Natural Resources shall begin to accept certifications of the connections of potable water supplies and wastewater systems under the general permit required by 10 V.S.A. § 1973(k)(1).~~

~~(c)(1) The following provisions of the Department of Environmental Conservation's Wastewater System and Potable Water Supply Rules shall be repealed on January 1, 2028:~~

~~(A) Subdivisions 1-304(15) and (16) (modification of design flows of a wastewater system or potable water supply serving an existing building or structure);~~

~~(B) Subdivision 1-603(b)(2) (related to full delegation of permitting to municipalities); and~~

~~(C) Subdivisions 1-603(b)(8), (9), and (10) (related to recordkeeping by fully delegated municipalities).~~

~~(2) References in chapter 6 of the Department of Environmental Conservation's Wastewater System and Potable Water Supply Rules related to full delegation to municipalities of permitting potable water and wastewater system connections are no longer applicable or enforceable due to the repeal of statutory authority for full delegation.~~

*Sec. 7. EFFECTIVE DATE*

~~This act shall take effect on July 1, 2026.~~

*Sec. 1. 10 V.S.A. § 1971 is amended to read:*

*§ 1971. PURPOSE*

*It is the purpose of this chapter to:*

*(1) establish a comprehensive program to regulate the construction, replacement, modification, and operation of potable water supplies and wastewater systems in the State in order to protect human health and the environment, including potable water supplies, surface water, and groundwater;*

*\* \* \**

~~*(6) allow delegation of the permitting program created by this chapter to municipalities demonstrating the capacity to administer the chapter review of potable water supply and wastewater system connections pursuant to general permits adopted under this chapter.*~~

*Sec. 2. 10 V.S.A. § 1972 is amended to read:*

*§ 1972. DEFINITIONS*

*For the purposes of As used in this chapter:*

*\* \* \**

*(6) "Potable water supply" means the source, treatment, and conveyance equipment used to provide water used or intended to be used for human consumption, including drinking, washing, bathing, the preparation of food, or laundering. This definition includes a service connection to a public water system of any size. This definition does not include any internal piping or plumbing, except for mechanical systems, such as pump stations and storage tanks or lavatories, that are located inside a building or structure and that are integral to the operation of a potable water system. This definition also does not include a potable water supply that is subject to regulation under chapter 56 of this title.*

*\* \* \**

*(10) "Wastewater system" means any piping, pumping, treatment, or disposal system used for the conveyance and treatment of sanitary waste or used water; including carriage water; shower and wash water; and process wastewater. This definition does not include any internal piping or plumbing, except for mechanical systems, such as pump stations and storage tanks or toilets, that are located inside a building or structure and that are integral to the operation of a wastewater system. This definition also does not include wastewater systems that are used exclusively for the treatment and disposal of animal manure. In this chapter, "wastewater system" refers to a soil-based disposal system of less than 6,500 gallons per day, or a sewerage sanitary sewer collection system connection of any size.*

*Sec. 3. 10 V.S.A. § 1973 is amended to read:*

*§ 1973. PERMITS*

*(a) Except as provided in this section and sections 1974 and 1978 of this title, a person shall obtain a permit from the Secretary before:*

*\* \* \**

*(7) making a new or modified connection to a new or existing potable water supply or wastewater system; or*

*\* \* \**

*~~(f)(4) The Secretary shall give deference to a certification by a licensed designer with respect to the engineering design or judgment exercised by the designer in order to minimize Agency review of certified designs. Nothing in this section shall limit the responsibility of the licensed designer to comply with all standards and rules, or the authority of the Secretary to review and comment on design aspects of an application or to enforce Agency rules with respect to the design or the design certification.~~*

*~~(2) The Secretary shall issue a permit for a new or modified connection to a water main and a sewer main or indirect discharge system from a building or structure in a designated downtown development district upon submission of an application under subsection (b) of this section that consists solely of the certification of a licensed designer, in accordance with subsection (d) of this section, and a letter from the owner of the water main and sewer main or indirect discharge system allocating the capacity needed to accommodate the new or modified connection. However, this subdivision (2) shall not apply if the Secretary finds one of the following:~~*

*~~(A) The Secretary has prohibited the system that submitted the allocation letter from issuing new allocation letters due to a lack of capacity.~~*

~~(B) As a result of an audit of the application performed on a random basis or in response to a complaint, the system is not designed in accordance with the rules adopted under this chapter.~~

\* \* \*

~~(k)(1) The Secretary shall adopt a general permit for both potable water supply and wastewater system connections that require a permit under this chapter. Under the general permit, the Secretary may give deference to applications for connections certified by a licensed designer. The Secretary shall publish a manual providing guidance to licensed designers implementing the general permit for potable water supply or wastewater system connections. The manual shall include guidance for determining or defining the capacity of a public water system or pollution abatement facility for purposes of approving a potable water supply or wastewater system connection.~~

~~(2) The Secretary may adopt a general permit under this chapter for the subdivision of land when no building, structure, or campground exists on or is proposed for the property at the time of subdivision.~~

~~(3) The Secretary may adopt a general permit under this chapter for boundary line adjustments for improved or unimproved lots.~~

~~(4) The Secretary may adopt a general permit for the permitting under this chapter of potable water supply systems with a design flow of less than 1,000 gallons per day when there is no requirement for any variance, hydrogeologic analysis, or yield testing of a potable water source.~~

~~(5) The Secretary may adopt a general permit for the permitting under this chapter of wastewater systems that:~~

~~(A) have a design flow of less than 1,000 gallons per day; and~~

~~(B) do not require a variance, a hydrogeologic analysis, or innovative or alternative technologies unless such technologies are allowed by the Secretary.~~

Sec. 4. 10 V.S.A. § 1976 is amended to read:

§ 1976. DELEGATION OF CONNECTION PERMITTING AUTHORITY TO MUNICIPALITIES

~~(a)(1) The Secretary may delegate to a municipality authority to:~~

~~(A) implement all sections of this chapter, except for sections 1975 and 1978 of this title; or~~

~~(B) implement permitting under this chapter for the subdivision of land, a building or structure, or a campground when the subdivision, building~~

~~or structure, or campground is served by sewerage connections and water service lines, provided that:~~

~~(i) the lot, building or structure, or campground utilizes both a sanitary sewer service line and a water service line; and~~

~~(ii) the water main and sanitary sewer collection line that the water service line and sanitary sewer service line are connected to are owned and controlled by the delegated municipality.~~

~~(2) If a municipality submits a written request for delegation of this chapter, the Secretary shall delegate authority to the municipality to implement and administer provisions of this chapter, the rules adopted under this chapter, and the enforcement provisions of chapter 201 of this title relating to this chapter, provided that the Secretary is satisfied that the municipality:~~

~~(A) has established a process for accepting, reviewing, and processing applications and issuing permits, that shall adhere to the rules established by the Secretary for potable water supplies and wastewater systems, including permits, by rule, for sewerage connections;~~

~~(B) has hired, appointed, or retained on contract, or will hire, appoint, or retain on contract, a licensed designer to perform technical work that must be done by a municipality under this section to grant permits;~~

~~(C) will take timely and appropriate enforcement actions pursuant to the authority of chapter 201 of this title;~~

~~(D) commits to reporting annually to the Secretary on a form and date determined by the Secretary;~~

~~(E) will only issue permits for water service lines and sanitary sewer service lines when there is adequate capacity in the public water supply system source, wastewater treatment facility, or indirect discharge system; and~~

~~(F) will comply with all other requirements of the rules adopted under section 1978 of this title The Secretary may delegate to a municipality authority to conduct technical review of proposed projects that include both municipal potable water supply and municipal wastewater system connections that require a permit under this chapter, provided that the water main and sanitary sewer collection line that the water service line and sanitary sewer service line are connected to are owned and controlled by the delegated municipality. A municipality that is delegated authority under this section shall incorporate the requirements of the Secretary's general permit for potable water supply and wastewater system connections into a municipal connection approval, including deference to applications for connections certified by a licensed designer.~~

(2) If a municipality submits a request for delegation of authority under this subsection, the Secretary shall delegate authority to the municipality to implement and administer the provisions of this chapter governing municipal potable water supply and wastewater system connections, provided that the municipality:

(A) is qualified to perform the technical review as determined by the Secretary;

(B) receives authorization from the municipal legislative body to administer a program for review of potable water supply and wastewater system connections;

(C) meets any other requirement for the delegation program as adopted by the Secretary in writing;

(D) shall only issue permits for water service lines and sanitary sewer service lines when there is adequate capacity in the public water system, wastewater treatment facility, or indirect discharge system;

(E) submits required documentation of the permitted project as determined by the Secretary; and

(F) complies with the requirements for connection and all requirements of the Agency's rules adopted under section 1978 of this title.

\* \* \*

*(f) The Secretary may review municipal implementation of this section on a random basis, or in response to a complaint, or on ~~his or her~~ the Secretary's own motion. This review may include consideration of the municipal implementation itself, as well as consideration of the practices, testing procedures employed, systems designed, system designs approved, installation procedures used, and any work associated with the performance of these tasks.*

*Sec. 4a. TECHNICAL ADVISORY COMMITTEE REPORT ON  
OVERSHADOWING OF PROPERTY BY POTABLE WATER  
SUPPLIES AND WASTEWATER SYSTEMS*

*(a) On or before January 15, 2027, the Secretary of Natural Resources' Technical Advisory Committee (TAC) shall report to the House Committees on Environment and on Judiciary and the Senate Committees on Natural Resources and Energy and on Judiciary regarding authority under State statute and rules that allows the isolation distances for potable water supplies and wastewater systems to extend onto neighboring property, a practice commonly referred to as overshadowing. In preparing the report, the TAC shall:*

(1) summarize the scientific and technical basis and benefit to the environment and public health from overshadowing;

(2) evaluate alternatives to overshadowing that could prevent or significantly limit overshadowing of property and recommend preferred alternatives;

(3) present data on the frequency of overshadowing and on the different alternatives or types of outcomes that occur when overshadowing exists;

(4) recommend additional steps the Agency of Natural Resources can take to support the resolution of issues that may occur between neighbors when overshadowing occurs; and

(5) provide any additional information that the TAC deems relevant to address the issue of overshadowing from potable water supplies and wastewater systems.

(b) Any recommendation by the TAC under subsection (a) of this section for legislative action or rulemaking may be presented as draft legislation or draft amendment to rules. The TAC may submit the report required under subsection (a) of this section as part of the Committee's annual report to the General Assembly.

Sec. 5. 3 V.S.A. § 2822 is amended to read:

§ 2822. BUDGET AND REPORT; POWERS

\* \* \*

(i) The Secretary shall not process an application for which the applicable fee has not been paid unless the Secretary specifies that the fee may be paid at a different time or unless the person applying for the permit is exempt from the permit fee requirements pursuant to 32 V.S.A. § 710. Municipalities shall be exempt from the payment of fees under this section except for those fees prescribed in subdivisions (j)(1), (7), (8), (14), and (15) of this section for which a municipality may recover its costs by charging a user fee to those who use the permitted services. Municipalities shall pay fees prescribed in subdivisions (j)(2), (10), (11), (12), and (26) of this section, except that a municipality shall also be exempt from those fees for stormwater systems prescribed in subdivisions (j)(2)(A)(iii)(I), (II), or (IV) and (j)(2)(B)(iv)(I), (II), or (V) of this section for which a municipality has assumed full legal responsibility under 10 V.S.A. § 1264. Municipalities that conduct a technical review or approval of a potable water supply or wastewater system connection permitted under 10 V.S.A. § 1976 within the municipality may charge a fee for the cost of municipal services, provided that the municipality shall pay an

administrative processing fee of \$100.00 for submission to the Secretary of Natural Resources of documentation of the municipally permitted project.

*(j) In accordance with subsection (i) of this section, the following fees are established for permits, licenses, certifications, approvals, registrations, orders, and other actions taken by the Agency of Natural Resources.*

\* \* \*

*(4) For potable water supply and wastewater permits issued under 10 V.S.A. chapter 64. Projects under this subdivision include: a wastewater system, including a sewerage connection; and a potable water supply, including a connection to a public water supply:*

*(A) Original applications, or major amendments for a project that is not a potable water supply or wastewater system connection with the following proposed design flows. In calculating the fee, the highest proposed design flow whether wastewater or water shall be used:*

*(i) design flows 560 gpd or less: \$306.25 per application;*

*(ii) design flows greater than 560 and less than or equal to 2,000 gpd: \$870.00 per application;*

*(iii) design flows greater than 2,000 and less than or equal to 6,500 gpd: \$3,000.00 per application;*

*(iv) design flows greater than 6,500 and less than or equal to 10,000 gpd: \$7,500.00 per application; or*

*(v) design flows greater than 10,000 gpd: \$13,500.00 per application.*

*(B) Minor amendments: \$150.00.*

*(C) Minor projects: \$270.00.*

*As used in this subdivision (j)(4)(C), “minor project” means a project that meets the following: there is an increase in design flow but no construction is required; there is no increase in design flow but construction is required, excluding replacement potable water supplies and wastewater systems; or there is no increase in design flow and no construction is required, excluding applications that contain designs that require technical review.*

*~~(D) Notwithstanding the other provisions of this subdivision, when a project is located in a Vermont neighborhood, as designated under 24 V.S.A. chapter 76A, the fee shall be no more than \$50.00 in situations in which the application has received an allocation for sewer capacity from an approved~~*

~~municipal system. This limitation shall not apply in the case of fees charged as part of a duly delegated municipal program. [Repealed.]~~

~~(E) Original applications or major amendments for coverage under a potable water supply and wastewater system connection general permit issued under 10 V.S.A. § 1973(k)(1), the following fee according to the highest proposed design flow of wastewater or water for the connection:~~

~~(i) design flows below 2,000 gpd: \$250.00 per application;~~

~~(ii) design flows of between 2,000 gpd and 6,500 gpd: \$2,500.00 per application; or~~

~~(iii) design flows greater than 6,500 gpd: \$5,000.00 per application.~~

\* \* \*

**Sec. 6. IMPLEMENTATION; REPEAL OF EXEMPTIONS IN RULE**

~~(a) On or before December 1, 2027, the Secretary of Natural Resources shall publish the general permit and manual required under 10 V.S.A. § 1973(k)(1) for potable water supply or wastewater system connections.~~

~~(b) Beginning on January 1, 2028, the Secretary of Natural Resources shall begin to accept certifications of the connections of potable water supplies and wastewater systems under the general permit required by 10 V.S.A. § 1973(k)(1).~~

~~(c)(1) The following provisions of the Department of Environmental Conservation's Wastewater System and Potable Water Supply Rules shall be repealed on January 1, 2028:~~

~~(A) subdivisions 1-304(15) and (16) (modification of design flows of a wastewater system or potable water supply serving an existing building or structure);~~

~~(B) subdivision 1-603(2) (related to full delegation of permitting to municipalities); and~~

~~(C) subdivisions 1-603(8), (9), and (10) (related to recordkeeping by fully delegated municipalities).~~

~~(2) References in chapter 6 of the Department of Environmental Conservation's Wastewater System and Potable Water Supply Rules related to full delegation to municipalities of permitting potable water and wastewater system connections are no longer applicable or enforceable due to the repeal of statutory authority for full delegation.~~

*Sec. 7. 10 V.S.A. § 1263 is amended to read:*

*§ 1263. DISCHARGE PERMITS*

*(a) Any person who intends to discharge waste into the waters of the State or who intends to discharge into an injection well or who intends to discharge into any publicly owned treatment works any waste that interferes with, passes through without treatment, or is otherwise incompatible with that works or would have a substantial adverse effect on that works or on water quality, or is required to apply for a CAFO permit, shall make application to the Secretary for a discharge permit. Application shall be made on a form prescribed by the Secretary. An applicant shall pay an application fee in accordance with 3 V.S.A. § 2822.*

*\* \* \**

*(k)(1) The Secretary may enter into an agreement with the owner of a POTW to delegate to the owner of the POTW authority under this title to regulate pretreatment discharges to the POTW. An agreement entered into by the Secretary under this subsection shall authorize the owner of the POTW to regulate and enforce pretreatment discharges to the POTW consistent with the authority set forth in 40 C.F.R. Part 40, including the establishment of applicable civil, criminal, or administrative penalties for the violation of pretreatment standards or requirements. The owner of a POTW that the Secretary enters into an agreement with under this subsection may, as part of the agreement, set application fees and other fees necessary for the regulation of a pretreatment discharge to the POTW. The Environmental Division shall have the same jurisdiction to review the actions of the owner of the POTW delegated pretreatment authority by an agreement under this subsection and to hear appeals as the Environmental Division's jurisdiction over the Secretary's actions. The jurisdiction of the Environmental Division shall be construed broadly with respect to review of the actions of an owner of a POTW delegated pretreatment authority under this subsection.*

*(2) As used in this subsection:*

*(A) "Pretreatment" means the reduction of the amount of pollutants, the elimination of pollutants, or the alteration of the nature of pollutant properties in wastewater prior to or in lieu of discharging or otherwise introducing pollutants into a POTW. Pretreatment includes those processes or technologies authorized under 40 C.F.R. § 403.3(s).*

*(B) "Pretreatment discharge" means the introduction of pollutants into a POTW from any nondomestic source regulated under 33 U.S.C. § 1317(b), (c), or (d).*

(C) "Publicly owned treatment works" or "POTW" has the same meaning as in 40 C.F.R. § 403.3(q).

*Sec. 8. CONTINGENT EFFECTIVE DATE*

Sec. 7 (municipal pretreatment authority) shall take effect upon the U.S. Environmental Protection Agency notifying the Secretary of Natural Resources that the Agency of Natural Resources is authorized to enter into an agreement with a municipality to administer a pretreatment program under the Modification to National Pollutant Discharge Elimination System Memorandum of Agreement Between the State of Vermont and the U.S. Environmental Protection Agency, Region 1, March 16, 1982, or other agreement between the U.S. Environmental Protection Agency and the Agency of Natural Resources. The Secretary of Natural Resources shall notify the Clerk of the House of Representatives and the Secretary of the Senate when the U.S. Environmental Protection Agency authorizes municipal administration of a pretreatment program.

*Sec. 9. EFFECTIVE DATES*

This act shall take effect on passage, except that 3 V.S.A. § 2822(j)(4)(D) in Sec. 5 (repeal of fee cap for potable water supply and wastewater system permits located in designated areas) shall take effect July 1, 2026.