

STORMWATER LOAN POLICY

Town of Williston

Williston Selectboard

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The foregoing Policy is hereby adopted by the Selectboard of the Town of Williston of Williston, Vermont, this ?? day of MONTH, 2016 and is effective as of this date until amended or repealed.

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Abstract: This policy is intended to establish general guidelines for a loan program intended to assist neighborhoods in financing improvements to their stormwater systems.

1. PURPOSE

The purpose of this policy is to establish guidelines for a loan program which is intended to assist neighborhoods in financing improvements to their stormwater discharge system as required by their state issued expired stormwater permit.

2. POLICY STATEMENT

- a. The Town of Williston is designated as an Urbanized Area, and accordingly, is considered a Municipal Separate Storm Sewer System (MS4) Community through the National Pollutant Discharge Elimination System (NPDES) permit program. As an MS4 community, Williston must develop a method for ensuring long term compliance with the Town of Williston's Flow Restoration Plans. Pursuant to this, there are many private residential expired stormwater permit holders who have completed an environmental feasibility analysis and who have, or are in the process of entering into a Stormwater Agreement with the Town.
- b. Under the Stormwater Agreement, each participating neighborhood will complete improvements to their stormwater system and once successfully completed the Town will assume responsibility for maintaining the neighborhood's system in the future as provided for under the Residential Expired Permit Policy adopted by the Selectboard on May 18, 2015. The goal of this, and all related policies and agreements, is to improve the Town's stormwater discharge system.
- c. The cost for many neighborhoods is substantial and financing the work through private loans can be difficult and costly. Furthermore, the stormwater fee structure was set to establish sufficient capital reserves to fund a loan program. It is therefore determined that the Town has sufficient legal authority to establish a loan fund since it derives a direct and identifiable benefit from the facilities, easements and contract rights that will come into the Town's possession. A loan fund is hereby established in accordance with the provisions outlined in this policy.
- d. For neighborhoods wishing to use the state Clean Water State Revolving Fund (CWSRF), the Town will serve as a sponsor to enable loans through the state program.

3. ELIGIBILITY REQUIREMENTS

As put forth in the Town of Williston *Residential Expired Stormwater Permit Policy* eligible neighborhoods must meet specific criteria for consideration and follow certain procedures to the satisfaction of the Town. These criteria include, but are not limited to the following:

- a. Must be a system supporting solely residential development;
- b. Must be listed in a Town and State ~~approved~~-Flow Restoration Plan;

- c. Must meet requirements of the Engineering Feasibility Analysis relevant to the Allen Brook Flow Restoration Plan;
- d. Must establish suitable easements;
- e. Must provide legal agreements according to Town Requirements and sign a stormwater agreement with the Town; and
- f. Homeowner Association, LLC's or a group of unincorporated private property owners with joint ownership of an expired permit hereinafter referred to as the "HOMEOWNERS ASSOCIATION OR PROPERTY OWNERS" must hold title to, or own on-site stormwater facilities.

4. AMOUNTS TO BE LOANED

- a. The amount will vary from group to group depending on the value of the project being undertaken and the amount being contributed by the group in cash. The maximum amount to be loaned to any single neighborhood is ~~50~~100% of the total value of the improvement work to be completed exclusive of design and permitting costs.
- b. Loans through the Town Stormwater Loan program are subject to the availability of sufficient money present in the Stormwater Loan Fund. In the event loan requests exceed available funds, loans may be delayed until sufficient funding is available. Given competing demands, a decision on which neighborhood(s) will receive the loan first will be determined by selecting the neighborhood(s) with the higher rankings using the Stormwater Funding Priority Matrix, as amended from time to time. (Attachment 1). Funds borrowed through the state CWSRF are subject to the availability of funds in the state fund.

5. TERMS AND CONDITIONS

- a. The interest rate will be based on the rate charged by the Clean Water State Revolving Fund (CWSRF) at the time the money is loaned by the Town.
- b. The term or payback period will be twenty (20) years or the design life of the stormwater system, whichever is shorter.
- c. An annual fee of ~~\$\$\$~~ \$100 will be set by the Selectboard and charged for each loan provided by the Town to cover administrative costs associated with processing of each loan and collecting loan payments over the life of the loan. Once the loan is paid off, the annual fee will end.

~~e~~.d. For neighborhoods participating in the CWSRF, direct legal expenses incurred by the Town for the bond authorization will be billed to the neighborhood and any costs associated with preparing the loan fund application and changes to plans already accepted by the Town will be at the expense of the neighborhood.

6. LOAN AGREEMENT

- a. In order to receive a loan, each neighborhood will be required to enter into a Loan Agreement through its HOMEOWNERS ASSOCIATION OR PROPERTY OWNERS ~~homeowner's association~~ as approved and authorized by the Selectboard.
- b. The loan from the Town to the HOMEOWNERS ASSOCIATION OR PROPERTY OWNERS ~~property owner (homeowner association)~~ will be evidenced by a promissory note and secured by a traditional real estate mortgage.
- c. The Town will have the same enforcement and foreclosure rights under its mortgage as would be available under a bank mortgage.
- d. As a condition of making the loan, each HOMEOWNERS ASSOCIATION OR PROPERTY OWNERS ~~neighborhood (homeowners association)~~ will be required to assess and collect from each homeowner fees sufficient to cover the loan from the Town consistent with the terms and conditions of the loan. This condition shall be a covenant in the Loan Agreement between the Town and the association, granting the Town the authority to step in to levy and collect these fees in the event the association is unwilling or unable to do so.

7. REPAYMENT SCHEDULE

- a. Town Loan Program – Repayments will be due semi-annually on January 1st and July 1st of each with the first payment due on the due date immediately following completion of the project. Completion is defined as substantial completion of construction. The required match, if any is due prior to the start of construction. The payment schedule will be calculated using fixed annual payments.
- b. Clean Water State Revolving Fund – Repayment will be dictated by the requirements of the grant.