

February 25, 2009

H 319. WATER AND SEWER INFRASTRUCTURE/FUNDS. Filed 2/25/09. *TO APPROPRIATE FUNDS TO THE RURAL ECONOMIC DEVELOPMENT CENTER FOR LOCAL GOVERNMENT WATER AND SEWER GRANTS.*

Appropriates \$50 million for 2009-10 from the General Fund to the Rural Economic Development Center (Rural Center) to be used to provide grants to local government units for wastewater-related projects and for public water system-related projects. Allows the Rural Center Board of Directors to determine whether specific water or wastewater needs exist that merit special consideration and to establish one or more subcategories of the program to address identified needs.

Sets out definitions, eligibility criteria, grant awarding and disbursement procedures and other terms applicable to the grants. Provides that grants fall into two categories, planning grants and supplemental grants. Planning grants are available at a maximum of \$40,000 to each local government for wastewater collection system projects, wastewater treatment works projects, and public water system projects. A local government is eligible for the grant if it (1) is, or is located in, a rural county and (2) is, or is located in, an economically distressed county or area. A regional council of government or planning and development commission is considered a local government unit and is eligible for a grant if it serves a rural county and is applying for a regional or multi-jurisdictional planning project involving two or more local governments. Requires matching funds as specified. Supplemental grants, which are used to match other funds to be applied to the construction costs of an eligible project, are available at a maximum of \$500,000. However, if the applicant meets specified criteria then that maximum is increased to the lesser of \$1 million or 25% of the total project cost. A local government is eligible for a grant if it is, or is located in, a rural county and it adopts a resolution to set the household user fee for water and sewer service in the area served by the project at an amount that equals or exceeds the high-unit-cost threshold. Requires matching funds as specified.

Requires projects to document a current critical water or wastewater need affecting human health or the environment. Requires grant applications to indicate whether the project requires an environmental assessment. If the application does not identify an exclusion from the Environmental Policy Act, the applicant must include the environmental assessment that was submitted to the Department of Environment and Natural Resources and if an environmental impact statement is required, the Rural Center may not award a grant until a final environmental assessment impact statement has been completed and approved.

Provides that the Rural Center may inspect a project for which it awards a grant to determine the progress made on the project and whether the construction of the project is consistent with the project described in the grant application. Prohibits certain individuals from performing inspections.

Authorizes the Rural Center to use a maximum of 2% of the appropriated funds for administration costs for the life of the grant program. Prohibits the Rural Center from using appropriated funds to make loans.

Requires the Rural Center to report semiannually to the Joint Legislative Commission on Governmental Operations on the progress of the grant program, with the first report due by January 15, 2010.

Effective July 1, 2009.

Intro. by Owens, Crawford, E. Warren, Brubaker.

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