

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 453

BY ENVIRONMENT, ENERGY, AND TECHNOLOGY COMMITTEE

AN ACT

RELATING TO WATER QUALITY; AMENDING SECTION 39-3627, IDAHO CODE, TO INCREASE THE PERCENTAGE OF THE TOTAL STATE REVOLVING LOAN FUND THAT MAY BE USED FOR CERTAIN NONPOINT SOURCE POLLUTION CONTROL PROJECTS.

Be It Enacted by the Legislature of the State of Idaho:

SECTION 1. That Section 39-3627, Idaho Code, be, and the same is hereby amended to read as follows:

39-3627. PAYMENTS BY STATE BOARD OF ENVIRONMENTAL QUALITY -- CONTRACTS WITH MUNICIPALITIES AND COMMUNITY AND NONPROFIT NONCOMMUNITY PUBLIC WATER SYSTEMS -- RULES -- APPROVAL OF ATTORNEY GENERAL -- AUDIT OF PAYMENTS. (1) The Idaho board of environmental quality may make payments not to exceed ninety percent (90%) of the estimated reasonable cost of an eligible construction project funded by a grant. Payments may be made which are equal to one hundred percent (100%) of the estimated reasonable cost of an eligible construction project funded by a loan.

(2) The Idaho board of environmental quality may, in the name of the state of Idaho, enter into contracts with municipalities and community and nonprofit noncommunity public water systems and any such municipality and community and nonprofit noncommunity public water system may enter into a contract with the Idaho board of environmental quality, concerning eligible construction projects. Any such contract may include such provisions as may be agreed upon by the parties thereto, and shall include, in substance, the following provisions:

(a) An estimate of the reasonable cost of the project as determined by the Idaho board of environmental quality.

(b) An agreement by the municipality or community and nonprofit noncommunity public drinking water system, binding for the actual service life of the sewage treatment works or the actual service life of the community and nonprofit noncommunity public drinking water system:

(i) To proceed expeditiously with, and complete, the project in accordance with plans approved pursuant to section 39-118, Idaho Code.

(ii) To commence operation of the sewage treatment works or community and nonprofit noncommunity public drinking water system on completion of the project, and not to discontinue operation or dispose of the sewage treatment works or community and nonprofit noncommunity public drinking water system without the approval of the board of environmental quality.

(iii) To operate and maintain the sewage treatment works or community and nonprofit noncommunity public drinking water system in accordance with applicable provisions and rules of the board.

1 (iv) To make available on an equitable basis the services of the
2 sewage treatment works or community and nonprofit noncommunity
3 public drinking water system to the residents and commercial and
4 industrial establishments of areas it was designed to serve.

5 (v) To provide for the payment of the municipality's share or
6 the community and nonprofit noncommunity public drinking water
7 system's share of the cost of the project when the project is built
8 using grant funds.

9 (vi) To develop and to secure the approval of the department of
10 plans for the operation and maintenance of the sewage treatment
11 works or community and nonprofit noncommunity public drinking
12 water system; and of plans and programs for the recovery of the
13 capital costs and operating expenses of the works or system.

14 (vii) To allow the board to make loans of up to one hundred percent
15 (100%) and supplemental grants based upon financial capability to
16 a municipality for the estimated reasonable cost of an eligible
17 project, which may include treatment of nondomestic wastewater.

18 (viii) To provide for the accumulation of funds through the use
19 of taxing powers, through charges made for services, through
20 revenue bonds, or otherwise, for the purposes of: (1) capital
21 replacement, (2) future improvement, betterment, and extension
22 of such works occasioned by increased wastewater loadings on the
23 works, and (3) establishing a fund dedicated solely to repayment
24 of principal and interest of loans made subsequent to this
25 chapter.

26 (ix) To commence annual principal and interest payments not later
27 than one (1) year from the date construction is completed and to
28 provide for full amortization of loans not later than twenty (20)
29 years from the date project construction is completed.

30 (c) The terms under which the Idaho board of environmental quality
31 may unilaterally terminate the contract and/or seek repayment from
32 the municipality or community and nonprofit noncommunity public
33 drinking water system of sums already paid pursuant to the contract for
34 noncompliance by the municipality with the terms and conditions of the
35 contract and the provisions of this chapter.

36 (3) The board of environmental quality may, in the name of the state of
37 Idaho, enter into loan contracts with applicants for the implementation of
38 nonpoint source pollution control programs. To be eligible for a loan the
39 project proposed by an applicant must be consistent with the state nonpoint
40 source management plan. Up to ~~five~~ twenty percent (~~5~~20%) of the total
41 state revolving loan fund may be used for nonpoint source pollution control
42 projects which demonstrate a benefit/nexus to a municipality.

43 (4) The board may adopt rules necessary for the making and enforcing of
44 contracts hereunder and establishing procedures to be followed in applying
45 for state construction grants or loans or training grants herein authorized
46 as shall be necessary for the effective administration of the grants and
47 loans program.

48 (5) All contracts entered into pursuant to this section shall be
49 subject to approval by the attorney general as to form. All payments by the

1 state pursuant to such contracts shall be made after audit and upon warrant
2 as provided by law on vouchers approved by the director.