

## STATEMENT OF PURPOSE

### RS19109

The purpose of this legislation is to increase the non-point source (NPS) limit on State Revolving Fund (SRF) loans from 5% to 20% in 39-3627(3) in order to help meet federal Green Infrastructure requirements.

The use of Clean Water State Revolving Fund (CWSRF) monies are primarily intended to be loaned to municipalities for traditional wastewater facilities. The statute in question limits the use of CWSRF for nonpoint source projects to 5 percent "of the total state revolving loan fund." The change from 5 percent to 20 percent is being suggested in response to emerging federal requirements for "green infrastructure" based CWSRF loans and EPA interpretations that inflow and infiltration control measures associated with traditional wastewater facility projects do not qualify as "green" projects.

Because states will be required to fund a minimum amount of green infrastructure projects, the 5 percent cap for non-point source projects may limit Idaho's ability to qualify for the full amount of future federal CWSRF awards. Increasing the cap to 20 percent will help protect the state's ability to continue to access the expected higher federal CWSRF grant awards.

Recently the federal government has increased the total amount of funding available to states for CWSRF loans. A minimum of 80 percent of the total CWSRF would continue to fund traditional municipal projects, and would actually end up being an increase over past CWSRF point source awards if the recent trend of higher federal CWSRF grant awards continues.

### FISCAL NOTE

No fiscal impact to the general fund.

This change will help protect the state's ability to qualify for the full amount of future federal CWSRF awards.

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