

IN THE SENATE

SENATE BILL NO. 1058

BY HEALTH AND WELFARE COMMITTEE

AN ACT

1 RELATING TO THE IDAHO BOARD OF ENVIRONMENTAL QUALITY; AMENDING SECTION  
2 39-3627, IDAHO CODE, TO PROVIDE THAT MUNICIPALITIES AND COMMUNITY AND  
3 NONPROFIT NONCOMMUNITY PUBLIC DRINKING WATER SYSTEMS SHALL AGREE TO  
4 PROVIDE FOR FULL AMORTIZATION OF LOANS NOT LATER THAN THIRTY YEARS FROM  
5 THE DATE PROJECT CONSTRUCTION IS COMPLETED REGARDING CONTRACTS BETWEEN  
6 THE BOARD AND SUCH ENTITIES CONCERNING ELIGIBLE CONSTRUCTION PROJECTS.  
7

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

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

11 39-3627. PAYMENTS BY STATE BOARD OF ENVIRONMENTAL QUALITY -- CON-  
12 TRACTS WITH MUNICIPALITIES AND COMMUNITY AND NONPROFIT NONCOMMUNITY PUBLIC  
13 WATER SYSTEMS -- RULES -- APPROVAL OF ATTORNEY GENERAL -- AUDIT OF PAY-  
14 MENTS. (1) The Idaho board of environmental quality may make payments not to  
15 exceed ninety percent (90%) of the estimated reasonable cost of an eligible  
16 construction project funded by a grant. Payments may be made which are equal  
17 to one hundred percent (100%) of the estimated reasonable cost of an eligible  
18 construction project funded by a loan.

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

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

29 (b) An agreement by the municipality or community and nonprofit non-  
30 community public drinking water system, binding for the actual service  
31 life of the sewage treatment works or the actual service life of the com-  
32 munity and nonprofit noncommunity public drinking water system:

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

36 (ii) To commence operation of the sewage treatment works or com-  
37 munity and nonprofit noncommunity public drinking water system  
38 on completion of the project, and not to discontinue operation or  
39 dispose of the sewage treatment works or community and nonprofit  
40 noncommunity public drinking water system without the approval of  
41 the board of environmental quality.

1 (iii) To operate and maintain the sewage treatment works or com-  
2 munity and nonprofit noncommunity public drinking water system in  
3 accordance with applicable provisions and rules of the board.

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

8 (v) To provide for the payment of the municipality's share or the  
9 community and nonprofit noncommunity public drinking water sys-  
10 tem's share of the cost of the project when the project is built us-  
11 ing grant funds.

12 (vi) To develop and to secure the approval of the department of  
13 plans for the operation and maintenance of the sewage treatment  
14 works or community and nonprofit noncommunity public drinking wa-  
15 ter system; and of plans and programs for the recovery of the capi-  
16 tal costs and operating expenses of the works or system.

17 (vii) To allow the board to make loans of up to one hundred percent  
18 (100%) and supplemental grants based upon financial capability to  
19 a municipality for the estimated reasonable cost of an eligible  
20 project, which may include treatment of nondomestic wastewater.

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

28 (ix) To commence annual principal and interest payments not  
29 later than one (1) year from the date construction is completed and  
30 to provide for full amortization of loans not later than ~~twenty~~  
31 thirty (~~23~~30) years from the date project construction is com-  
32 pleted.

33 (c) The terms under which the Idaho board of environmental quality may  
34 unilaterally terminate the contract and/or seek repayment from the mu-  
35 nicipality or community and nonprofit noncommunity public drinking wa-  
36 ter system of sums already paid pursuant to the contract for noncompli-  
37 ance by the municipality with the terms and conditions of the contract  
38 and the provisions of this chapter.

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

46 (4) The board may adopt rules necessary for the making and enforcing  
47 of contracts hereunder and establishing procedures to be followed in apply-  
48 ing for state construction grants or loans or training grants herein autho-  
49 rized as shall be necessary for the effective administration of the grants  
50 and loans program.

1           (5) All contracts entered into pursuant to this section shall be sub-  
2     ject to approval by the attorney general as to form. All payments by the  
3     state pursuant to such contracts shall be made after audit and upon warrant  
4     as provided by law on vouchers approved by the director.