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### Overview

Amends laws governing programs administered by the Public Facilities Authority (PFA).

#### Section

- 1**      **Executive director.** Specifies that the executive director of the PFA may employ a deputy director, a chief financial officer, and other employees, and may delegate duties to these employees.
- 2**      **Clean water revolving fund.** Provides that the clean water revolving fund may be used to provide principal forgiveness or grants (to the extent allowed under federal law) for the wastewater infrastructure funding program, and to provide loans, principal forgiveness, or grants (to the extent allowed under federal law) to address green infrastructure, water or energy efficiency improvements, or other environmentally innovative activities. The grants for green infrastructure, etc. cannot exceed 25 percent of project costs up to a maximum of \$1 million.
- 3**      **Establishment of program.** Provides that the wastewater infrastructure funding program for construction of municipal wastewater treatment programs can be used for predesign costs, and can include purchase of land and easements. Refers to the program being cost-effective instead of cost-efficient.
- 4**      **Program administration.** Provides that funds reserved for a project must be based on the lesser of a cost estimate submitted to PFA or the as-bid cost.
- 5**      **Type and amount of assistance.** For governmental units receiving grant funding from the USDA/RECD, provides that the current grant limit of \$4 million is per project. Strikes language allowing additional funding for a multi-jurisdictional project for which USDA/RECD cannot fully fund its share of the grant need.

For a governmental unit receiving a loan from the clean water revolving fund, authorizes a

grant if the average annual residential wastewater system cost after completion would otherwise exceed 1.4 percent of the median household income of the project service area. Specifies criteria for determining this. Provides that the amount of the grant is 80 percent of the amount needed to reduce the average annual residential wastewater system cost to 1.4 percent of median household income in the area.

Provides that maximum awards due governmental units with increased costs due to specified geological conditions are up to \$25,000 per existing connection.

- 6 Funding limitation.** Technical; changes headnote to refer to funding, instead of loan, limitation.
- 7 Technical assistance grants.** Provides that technical assistance grants are *up to* \$10,000 plus \$500 per household (up to \$40,000). Current law provides that the grants must be this amount. Specifies purposes for these grants.
- 8 Construction loans and grants.** Provides that PFA may, instead of shall, award grants and loans to replace noncomplying subsurface sewage treatment systems.
- 9 Applications.** Requires governmental units on the project priority lists to include a workplan and schedule in their application for loans or grants.
- 10 Awards.** Provides that if a governmental unit receives preliminary PCA approval of a feasibility report, the PFA may make a partial construction award for eligible design costs.
- 11 Loan conditions.** States that the requirement for loans to be amortized within 20 years applies unless the recipient's annual residential drinking water system costs after completion of the project would exceed 1.2 percent (instead of the current 1.4 percent) of median household income in the governmental unit.
- 12 Other uses of fund.** Provides that the drinking water revolving fund may be used: to provide principal forgiveness or grants to the extent permitted by federal law; to provide loans, principal forgiveness or grants to the extent permitted by federal law to address green infrastructure, water or energy efficiency improvements, or other environmentally innovative activities; and to provide principal forgiveness or grants for 50 percent of project costs (up to \$10,000) for projects needed to comply with national primary drinking water standards. Specifies further conditions for assistance under this authority.
- 13 Definitions.** In the definition of "debt obligation" under PFA laws, refers to general obligation notes (in addition to the bonds referred to in current law).
- 14 Application.** Amends the section providing a state guarantee of payments of principal and interest on debt obligations, by stating that the section applies to new projects and not to refunding previous obligations.
- 15 Amount of debt obligation authorized.** Increases amount of debt authorized under this section to \$1 billion (instead of \$500 million).
- 16 Employee transfer.** Provides that DEED employees assigned to the PFA are transferred to the PFA in accordance with the general law governing transfer of employees between agencies. Provides that classified employees shall not suffer job loss or a reduction in salary or benefits as a result of this section before June 1, 2011.

**17**        **Effective date.** Sections 1 to 16 are effective the day following final enactment.