

February 17, 1997

PROPOSED AMENDMENTS TO SENATE BILL NO. 2362

Page 1, line 1, replace the first "and" with "to create and enact a new subsection to section 61-28.1-02 and a new section to chapter 61-28.1 of the North Dakota Century Code, relating to the powers and duties of the state water commission;"

Page 1, line 2, replace the first "and" with a comma and after "61-28.1-10" insert ", and subsections 1, 2, and 4 of section 61-28.2-01"

Page 1, line 3, replace "department of health" with "water commission"

Page 1, after line 5, insert:

**"SECTION 1.** A new subsection to section 61-28.1-02 of the North Dakota Century Code is created and enacted as follows:

"Commission" means the state water commission.

**SECTION 2.** A new section to chapter 61-28.1 of the North Dakota Century Code is created and enacted as follows:

**State water commission - Primacy for safe drinking water program.** The commission is the state safe drinking water agency for all purposes of the federal Safe Drinking Water Act and is authorized to take all actions necessary and appropriate to secure for the state the benefit of the Act and any grants made under the Act. The commission may request and accept grants of funds or services from any federal or state agency, or any other source, and administer the grants in accordance with any terms or conditions of the grants. Any grants received may be used only for the purposes for which they are made. The commission shall enter an agreement with the state department of health for the department to administer and enforce a safe drinking water program for this state.

Page 2, line 20, overstrike "Designate the state department of health as the state safe drinking water agency"

Page 2, overstrike lines 21 through 23

Page 2, line 24, remove "16."

Page 2, line 29, replace "17" with "16"

Page 3, line 16, replace "On February 17, 1978, the state department of health was" with "Grants from the federal government or its agencies, including the United States environmental protection agency, allotted to the state for the capitalization of the drinking water treatment revolving loan fund, and required state matching funds must be deposited in the drinking water treatment revolving loan fund in compliance with the terms of the grants. The principal of the grants must be available in perpetuity for providing financial assistance as allowed under the Safe Drinking Water Act. To the extent amounts in the revolving loan fund are not required for current obligations or expenditures, these amounts must be invested in interest-bearing obligations."

Page 3, remove lines 17 through 20

Page 3, line 25, replace "for the purpose of providing loans or" with "which must be deposited in the drinking water treatment revolving loan fund to be used for purposes authorized under the Safe Drinking Water Act, including the following:

- a. To provide loans or loan guaranties, or other financial assistance, to community water systems and nonprofit noncommunity water systems eligible for assistance from the revolving loan fund.
- b. As a source of revenue and security for the payment of principal and interest on bonds issued by the state through the North Dakota municipal bond bank if the bond proceeds are deposited in the revolving loan fund.
- c. To buy or refinance debt obligations issued after July 1, 1993, to finance a project eligible for assistance from the revolving loan fund.
- d. To guarantee or purchase insurance for debt obligations issued to finance a project eligible for assistance from the revolving loan fund.
- e. To provide other financial and technical assistance and to make any other expenditure authorized under the Safe Drinking Water Act.
- f. To earn interest before the disbursement of financial or technical assistance.
- g. To pay administrative expenses associated with the revolving loan fund as authorized under the Safe Drinking Water Act."

Page 3, remove lines 26 and 27

Page 4, line 2, after the underscored period insert "The commission and the state department of health may combine the financial administration of the drinking water treatment revolving loan fund and the financial administration of the water pollution control revolving loan fund established under chapter 61-28.2. The commission and the state department of health may cross-collateralize the drinking water treatment revolving loan fund and the water pollution control revolving loan fund as authorized by the administrator of the federal environmental protection agency under the Safe Drinking Water Act."

Page 4, line 5, after the underscored period insert "To establish assistance priorities for the drinking water treatment revolving loan fund, after consultation with other appropriate state agencies.

5."

Page 4, replace lines 7 through 15 with:

"The governor may transfer grant funds from the drinking water treatment revolving loan fund to the water pollution control revolving loan fund established by chapter 61-28.2 and from the water pollution control revolving loan fund to the drinking water treatment revolving loan fund, as authorized by the Safe Drinking Water Act.

**SECTION 7. AMENDMENT.** Subsections 1, 2, and 4 of section 61-28.2-01 of the North Dakota Century Code are amended and reenacted as follows:

1. ~~It is the determination of the legislative assembly that the federal~~ Federal funds for the administration and implementation of the federal wastewater construction grants program will decline within the years to come, thereby decreasing the amount of funds that the state will have to operate and carry out the functions that it has been assigned to accomplish. In order to continue to provide funds to political subdivisions for the planning, design, construction, and rehabilitation of wastewater treatment facilities, ~~public water supply systems,~~ and other lawful activities connected with this program, ~~it is the purpose of this section to provide~~ provides for the establishment of a revolving loan fund to be capitalized by federal grants, matching state funds when required, and by any other funds generated by the operation of the revolving loan fund.
2. ~~There is established~~ The department shall maintain and operate the water pollution control revolving loan fund, ~~which must be maintained and operated by the state department of health.~~ Grants from the federal government or its agencies allotted to the state for the capitalization of the revolving loan fund, and state matching funds when required, must be deposited directly in the revolving loan fund in compliance with the terms of the federal grant. Money in the revolving loan fund must be expended in a manner consistent with terms and conditions of the grants received by the state and may be used to offer loan guarantees; to provide payments to reduce interest on loans and loan guarantees; to make bond interest subsidies; to provide bond guarantees on behalf of municipalities, other local political subdivisions, and intermunicipal or interstate agencies; to provide assistance to a municipality, other local political subdivisions, or intermunicipal or interstate agencies with respect to the nonfederal share of the costs of a project; to finance the cost of facility planning and the preparation of plans, specifications, and estimates for construction of publicly owned treatment works ~~or public water supply systems;~~ to provide financial assistance for the construction and rehabilitation of a project on the state priority list; to secure principal and interest on bonds issued by a public trust having the state of North Dakota as its beneficiary, or the North Dakota municipal bond bank if the proceeds of such bonds are deposited in the revolving loan fund and to the extent provided in the terms of the federal grant; to provide for loan guarantees for similar revolving funds established by municipalities, other local political subdivisions, or intermunicipal agencies; to purchase debt incurred by municipalities or other local political subdivisions for wastewater treatment projects ~~or public water supply systems;~~ to improve credit market access by guaranteeing or purchasing insurance or other credit enhancement devices for local obligations or obligations of a public trust having the state of North Dakota as its beneficiary or the North Dakota municipal bond bank; to fund other programs which the federal government authorizes by the terms of its grants; to fund the administrative expenses of the department associated with the revolving loan fund; and to provide for any other expenditure consistent with the federal grant program and state law. Money not currently needed for the operation of the revolving loan fund or otherwise dedicated may be invested. All interest earned on investments must be credited to the revolving loan fund.
4. The department has the following powers and duties in regard to the revolving loan fund:
  - a. To apply for and accept grants of money from the United States environmental protection agency or other federal agencies for the purpose of making funds available to political subdivisions for the planning, design, construction, and rehabilitation of wastewater treatment facilities, ~~public water supply systems,~~ and other related activities. The department may contract to receive such grants, agree

to match the grant in whole or in part when required, and to comply with applicable federal laws and regulations in order to secure the grants. Money received through these grants and state matching funds must be deposited into the water pollution control revolving loan fund or used for appropriate administrative purposes.

- b. To administer the revolving loan fund as established. The department may enter ~~into~~ contracts and other agreements in connection with the operation of the revolving loan fund to the extent necessary or convenient for the implementation of the revolving loan fund program.
- c. To administer and disburse funds in accordance with the federal Clean Water ~~and Safe Drinking Water Acts~~ Act, as amended.
- d. To adopt rules as necessary to carry out the provisions of this chapter and meet the requirements of the federal Clean Water ~~and Safe Drinking Water Acts~~ Act, as amended."

Renumber accordingly