

There is appropriated from federal funds derived from the state fiscal recovery fund, not otherwise appropriated, the sum of \$25,000,000, or so much of the sum as may be necessary, to the department of environmental quality for the purpose of providing grants to ~~communities~~ political subdivisions with a population of 10,000 or less for lead pipe removal and ~~wastewater~~ Clean Water State Revolving Loan Fund eligible projects for the biennium beginning July 1, 2023, and ending June 30, 2025. ~~Communities must provide matching funds on a dollar for dollar basis and grants may not exceed \$500,000 per community.~~ A political subdivision may receive up to a 75% grant through this funding. Section 54-44.1-11 does not apply to this funding, and any additional funds not spent by June 30, 2025, must be continued into the biennium beginning July 1, 2025, and ending June 30, 2027, and may be expended for grants to political subdivision in accordance with state fiscal recovery fund timelines.

- Several recommendations to allow this funding to tie into the SRF eligibility:
  - Requesting 'political subdivisions' instead of 'communities' so rural water systems are eligible for lead service line funding.
  - Requesting 'Clean Water State Revolving Loan Fund eligible' projects instead of 'wastewater' as there are types of projects eligible under ARPA that small communities need, such as storm water projects.
  - Requesting to increase grant amount from 50% to 75% to seamlessly fit into existing SRF funding levels.
  - Requesting to remove funding level cap as it can be hard for small and disadvantaged communities to afford a construction project. So we anticipate it may be hard to get projects to move forward with only \$500,000 of grant funding.
  - Also requesting to remove the funding level cap as concerned about being able to get this amount of funding committed to projects by Dec 31, 2024, that will be able to spend the funds in a timely manner.
  - Requesting to extend funding time frame to Dec 31, 2026. Construction projects can take time to go from concept, to planning, to design and finally to construction. We want to be able to take full use of this opportunity! Concerned about spending all of this funding by June 30, 2025.