

PLEASE NOTE: Legislative Information **cannot** perform research, provide legal advice, or interpret Maine law. For legal assistance, please contact a qualified attorney.

Amend the bill by striking out the title and substituting the following:

**'An Act To Create a Funding Structure for Sustainable Investment
in Public Water and Wastewater Infrastructure in the State'**

Amend the bill by striking out everything after the enacting clause and inserting the following:

'**Sec. 1. 22 MRSA §2610** is enacted to read:

§ 2610. Maine Drinking Water Fund

1. Establishment; administration. The Maine Drinking Water Fund, referred to in this section as "the fund," is established as provided in this section.

A. The fund is established as a nonlapsing fund to provide financial assistance, in accordance with subsection 2, for the acquisition, planning, design, construction, reconstruction, enlargement, repair, protection and improvement of public water systems, drinking water supplies and water treatment facilities.

B. The department shall administer the fund. The fund must be invested in the same manner as permitted for investment of funds belonging to the State or held in the State Treasury. The fund must be established and held separate from any other funds and used and administered exclusively for the purpose of this section. The fund consists of the following:

(1) Sums that are appropriated by the Legislature or transferred to the fund from time to time from the State Water and Wastewater Infrastructure Fund, pursuant to Title 30-A, section 6006-H;

(2) Interest earned from the investment of fund balances; and

(3) Other funds from any public or private source received for use for any of the purposes for which the fund has been established.

2. Uses. The fund may be used for one or more of the following purposes:

A. To make grants to public water systems, pursuant to this section, for the acquisition, planning, design, construction, reconstruction, enlargement, repair, protection or improvement of public water systems, drinking water supplies or water treatment facilities;

B. To forgive loans held by public water systems for the acquisition, planning, design, construction, reconstruction, enlargement, repair, protection or improvement of public water systems, drinking water supplies or water treatment facilities;

C. To provide a state match for federal funds provided to the Safe Drinking Water Revolving Loan Fund, pursuant to Title 30-A, section 6006-B;

D. To invest available fund balances and to credit the net interest income on those balances to the fund; and

E. To pay the costs of the department associated with the administration of the fund, as long as no more than 5% of the aggregate of the highest fund balance in any fiscal year is used for these purposes.

3. Rules. The department shall adopt rules necessary to implement this section, including rules to establish one or more grant programs in accordance with subsection 2, paragraph A. Rules adopted by the department pursuant to this subsection are routine technical rules as defined in Title 5, chapter 375, subchapter 2-A.

Sec. 2. 30-A MRSA §6006-H is enacted to read:

§ 6006-H. State Water and Wastewater Infrastructure Fund

1. Establishment; purposes. The State Water and Wastewater Infrastructure Fund, referred to in this section as "the fund," is established as provided in this section.

A. The fund is established in the custody of the bank as a special fund to provide financial assistance for capital investment in public water and wastewater infrastructure. For the purposes of this section, "public water and wastewater infrastructure" includes, but is not limited to public water systems, drinking water supplies and treatment facilities, public wastewater systems and treatment facilities and water pollution abatement systems.

B. The bank shall administer the fund. The fund must be invested in the same manner as permitted for investment of funds belonging to the State or held in the State Treasury. The fund must be established and held separate from any other funds or money of the State or the bank and used and administered exclusively for the purpose of this section. The fund consists of the following:

(1) Sums that are appropriated by the Legislature or transferred to the fund from time to time by the Treasurer of State;

(2) Principal and interest received from the repayment of loans made from the fund;

(3) The proceeds of notes or bonds issued by the State for the purpose of deposit in the fund;

(4) Interest earned from the investment of fund balances;

(5) Private gifts, bequests and donations made to the State for any of the purposes for which the fund is established; and

(6) Other funds from any public or private source received for use for any of the purposes for which the fund has been established.

2. Uses. The fund may be used for one or more of the following purposes:

A. To guarantee or insure, directly or indirectly, the payment of notes or bonds issued or to be issued by the State for the purpose of financing capital investment in water and wastewater infrastructure through the fund;

B. To provide funds for capital investment in water and wastewater infrastructure through the Maine Drinking Water Fund, established in Title 22, section 2610, and the Maine Clean Water Fund, established in Title 38, section 411-C. Transfers to these funds must be made in consultation with the agencies administering those funds and must be secondary to the repayment of notes or bonds issued pursuant to paragraph A;

C. To provide a state match for federal funds provided to the State Revolving Loan Fund established in section 6006-A and the safe drinking water revolving loan fund established in section 6006-B;

D. To invest available fund balances and to credit the net interest income on those balances to the fund;

E. To invest as a source of revenue or security for the payment of principal and interest on general or special obligations of the bank if the proceeds of the sale of the obligations have been deposited in the fund; and

F. To pay the costs of the bank associated with the administration of the fund and projects financed by it as long as no more than 2% of the aggregate of the highest fund balance in any fiscal year is used for these purposes.

3. Establishment of accounts. The bank may establish accounts and subaccounts within the fund as it determines desirable to effectuate the purposes of this section, including, but not limited to, accounts to segregate a portion of the fund for grants and as security for bonds issued by the bank for deposit in the fund and to be invested for the benefit of specified projects receiving financial assistance from the fund.

Sec. 3. 38 MRS §411-C is enacted to read:

§ 411-C. Maine Clean Water Fund

1. Establishment; administration. The Maine Clean Water Fund, referred to in this section as "the fund," is established as provided in this section.

A. The fund is established as a nonlapsing fund to provide financial assistance, in accordance with subsection 2, for the acquisition, planning, design, construction, reconstruction, enlargement, repair, protection and improvement of public wastewater systems and treatment facilities and water pollution abatement systems.

B. The department shall administer the fund. The fund must be invested in the same manner as permitted for investment of funds belonging to the State or held in the State Treasury. The fund must be established and held separate from any other funds and used and administered exclusively for the purpose of this section. The fund consists of the following:

(1) Sums that are appropriated by the Legislature or transferred to the fund from time to time from the State Water and Wastewater Infrastructure Fund pursuant to Title 30-A, section 6006-H;

(2) Interest earned from the investment of fund balances; and

(3) Other funds from any public or private source received for use for any of the purposes for which the fund has been established.

2. Uses. The fund may be used for one or more of the following purposes:

A. To make grants to public wastewater systems under sections 411 and 412;

B. To forgive loans held by public wastewater systems for the acquisition, planning, design, construction, reconstruction, enlargement, repair, protection or improvement of public wastewater systems and treatment facilities and water pollution abatement systems;

C. To provide a state match for federal funds allocated to the state revolving loan fund established in Title 30-A, section 6006-A;

D. To invest available fund balances and to credit the net interest income on those balances to the fund; and

E. To pay the costs of the department associated with the administration of the fund as long as no more than 5% of the aggregate of the highest fund balance in any fiscal year is used for these purposes.

Sec. 4. Stakeholder group; authority for legislation. The Department of Health and Human Services and the Department of Environmental Protection shall convene a stakeholder group to develop recommendations regarding the funds created in this Act. The stakeholder group shall, at a minimum, review and make recommendations regarding funding needs and sources for the State Water

and Wastewater Infrastructure Fund, established in the Maine Revised Statutes, Title 30-A, section 6006-H, taking into account the intent to use that fund as a state match for federal funds and to transfer funds from that fund to the Maine Drinking Water Fund, established in Title 22, section 2610, and the Maine Clean Water Fund, established in Title 38, section 411-C. No later than February 1, 2010, the Department of Health and Human Services and the Department of Environmental Protection shall jointly submit a report to the Joint Standing Committee on Utilities and Energy regarding the findings and recommendations of the stakeholder group. Following receipt and review of the report, the committee may submit legislation related to the report to the Second Regular Session of the 124th Legislature.'

SUMMARY

This amendment replaces the bill. The amendment establishes a funding structure for capital investment in public water and wastewater infrastructure in the State, but does not provide actual funds at this time. The funding structure established by the amendment consists of: the State Water and Wastewater Infrastructure Fund within the Maine Municipal Bond Bank; the Maine Drinking Water Fund within the Department of Health and Human Services, which is designed for capital investment and improvement of public water systems, drinking water supplies and water treatment facilities; and the Maine Clean Water Fund within the Department of Environmental Protection, which is designed for capital investment and improvement of public wastewater systems and treatment facilities and water pollution abatement systems.

The amendment directs the Department of Health and Human Services and the Department of Environmental Protection to convene a stakeholder group to review and make recommendations regarding funding needs and sources for the State Water and Wastewater Infrastructure Fund, taking into account the intent to use that fund as a state match for federal funds and to transfer funds from that fund to the Maine Drinking Water Fund and the Maine Clean Water Fund. The amendment requires the departments to report the results of the stakeholder group to the Joint Standing Committee on Utilities and Energy and authorizes the committee to submit legislation related to the report to the Second Regular Session of the 124th Legislature.

FISCAL NOTE REQUIRED
(See attached)