



Legislative Update (ARPA Funding)

As promised, more information on the legislation on the ARPA Funding. At present, 3 of the 4 bills passed have been sent to the Governor for his signature. The breakdown is as follows.

House Bills 1538 and 1421 have both passed the legislature and are waiting the Governor's signature. House Bill 1538 basically appropriates the money and HB 1421 dictates how the appropriation and funding process is to be completed. These two bills are for funding Rural Water Association projects. Below, I will try to breakdown the legislation as simply as possible.

HB 1538 appropriated out of any money in the Coronavirus State Fiscal Recovery Fund not otherwise appropriated, to the State Department of Health for the purpose of funding the ARPA Rural Water Associations Infrastructure Grant Program established under House Bill No. 1421, 2022 Regular Session, for the period beginning upon the passage of this act and ending June 30, 2023...\$ 300,000,000.00.

HB 1421 states that the Mississippi State Department of Health will set this funding program up and administer the program. Some important parts of the legislation is as follows:

It is the intent of the Legislature that, in the first fiscal year after the effective date of this act, twenty percent (20%) of the funds appropriated to the department for the program be obligated to projects that have completed plans and specifications, acquired all necessary land and/or easements, and are ready to proceed to construction.

The department shall obligate the funds by the deadline set by the rules and guidelines of the United States Department of the Treasury and will adhere to the Treasury's rules and guidelines for reporting and monitoring projects funded through ARPA.

The department shall develop a system for use in ranking the grant applications received. The ranking system shall include the following factors, at a minimum: (a) the environmental impact of the proposed project; (b) the proposed project's ability to address noncompliance with state/federal requirements;

(c) the extent to which the project promotes economic development; (d) the number of people served by the project (both new and existing users); (e) impacts of the proposed project on disadvantaged/ 48 overburdened communities; (f) the grant applicant's prior efforts to secure funding to address the proposed project's objectives; (g) the grant applicant's proposed contribution of other funds or in-kind cost-sharing to the proposed project; (h) the grant applicant's long-term plans for the financial and physical operation and maintenance of the project; and (i) the grant applicant's capacity to initiate construction in a timely manner and complete the proposed project by the deadline specified by rules and guidelines of the United States Department of the Treasury for ARPA funds.

An application for a grant under this section shall be submitted at such time, be in such form, and contain such information as the department prescribes. Upon the approval of an application for a grant under this section, the department shall enter into a project grant agreement with each grantee to establish the terms of the grant for the project, including the amount of the grant. The maximum amount of funds that may be provided to any rural water association from all grants under the program is Two Million Five Hundred Thousand Dollars (\$2,500,000.00). Other than in Item (g) above, there is no mention of a required match to these funds.

As with the above bills, Senate Bills 2822 and 3056 do the same thing with the exception of these funds and funding program going through the Mississippi Department of Environmental Quality. Please note that SB 3056 has been sent to the Governor for his signature and SB 2822 should be sent this week.

Senate Bill 3056 appropriated out of any money in the Coronavirus State Fiscal Recovery Fund not otherwise appropriated, to the Department of Environmental Quality for the purpose of administering the Mississippi Municipality and County Water Infrastructure (MCWI) Grant Program established in Senate Bill No. 2822, 2022 Regular Session, for the period beginning upon passage of this act and ending June 30, 2023.....\$ 450,000,000.00.

SB 2822 states that the Mississippi Department of Environmental Quality will set this funding program up and administer the program. Some important parts of the legislation is as follows:

There is hereby established within the Mississippi Department of Environmental Quality the Mississippi Municipality and County Water Infrastructure (MCWI) Grant Program under which municipalities, counties and certain public utilities not regulated by the Public Service Commission may apply for reimbursable grants to make necessary investments in water, wastewater, and stormwater infrastructure to be funded by the Legislature utilizing Coronavirus State Fiscal Recovery Funds made available under the federal American Rescue Plan Act of 2021 (ARPA). Such grants shall be made available to municipalities and counties to be matched with the Coronavirus Local Fiscal Recovery Funds awarded or to be awarded to them under ARPA on a one-to-one matching basis. Coronavirus Local Fiscal Recovery Funds that a county transfers to a municipality or that a county or municipality transfers to a public utility not regulated by the Public Service Commission are eligible on a one-to-one matching basis. Municipalities that received less than One Million Dollars (\$1,000,000.00) in the total allocation of Coronavirus Local Fiscal Recovery Funds are eligible for a two-to-one match only on the Coronavirus Local Fiscal Recovery Funds awarded or to be awarded to them under ARPA. The total funds provided for all two-to-one matches shall not exceed Fifty Million Dollars (\$50,000,000.00). The dollar amount for

professional fees that can be allocated as a part of a county's, municipality's or public utility's matching share is not to exceed four percent (4%) of the total project cost.

(b) The Department of Health shall advise the 85 Mississippi Department of Environmental Quality regarding all such rules and regulations as related to the federal Safe Drinking Water Act. (5) Funding under the MCWI Grant Program shall be allocated to projects certified by the Mississippi Department of Environmental Quality as eligible for federal funding including, but not be limited to, the following: (a) Construction of publicly owned treatment works; (b) Projects pursuant to the implementation of a nonpoint source pollution management program established under the Clean Water Act (CWA); (c) Decentralized wastewater treatment systems that treat municipal wastewater or domestic sewage; (d) Management and treatment of stormwater or subsurface drainage water; (e) Water conservation, efficiency, or reuse measures; (f) Development and implementation of a conservation and management plan under the CWA; (g) Watershed projects meeting the criteria set forth in the CWA; (h) Energy consumption reduction for publicly owned treatment works; (i) Reuse or recycling of wastewater, stormwater, or subsurface drainage water; (j) Facilities to improve drinking water quality; (k) Transmission and distribution, including improvements of water pressure or prevention of contamination in infrastructure and lead service line replacements; (l) New sources to replace contaminated drinking water or increase drought resilience, including aquifer storage and recovery system for water storage; (m) Storage of drinking water, such as to prevent contaminants or equalize water demands; (n) Purchase of water systems and interconnection of systems; (o) New community water systems; (p) Culvert repair, resizing, and removal, replacement of storm sewers, and additional types of stormwater infrastructure; (q) Dam and reservoir rehabilitation, if the primary purpose of dam or reservoir is for drinking water supply and project is necessary for the provision of drinking water; (r) Broad set of lead remediation projects eligible 128 under EPA grant programs authorized by the Water Infrastructure Improvements for the Nation (WIIN) Act; and (s) Any eligible drinking water, wastewater or stormwater project through ARPA guidelines, guidance, rules, regulations and other criteria, as may be amended from time to time, by the United States Department of the Treasury. (6) The governing authority of a municipality, county or public utility that is not regulated by the Public Service Commission may submit an application for grant funds under this act if the applicant is an operator-member of Mississippi 811, 22/SS26/SB2822CR.1J *SS26/OSB2822CR.1J* (S)AP (H)AP PAGE 6 G1/2 Inc.

MsRWA hope's that this helps, however, should you have any questions, please give us a call.

Kirby Mayfield, CEO

MsRWA