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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-FIFTH
SESSION

HOUSE FILE No. **507**

February 1, 2007

Authored by Tingelstad, Hansen and Abeler

The bill was read for the first time and referred to the Committee on Environment and Natural Resources

1.1 A bill for an act
1.2 relating to the environment; providing zero discharge grants to municipalities
1.3 for wastewater treatment facilities; amending Minnesota Statutes 2006, sections
1.4 446A.02, by adding a subdivision; 446A.072, subdivision 5a.

1.5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.6 Section 1. Minnesota Statutes 2006, section 446A.02, is amended by adding a
1.7 subdivision to read:

1.8 Subd. 7. **Zero discharge facility.** "Zero discharge facility" means a wastewater
1.9 treatment plant that either discharges treated effluent to an aquifer or reuses all effluent
1.10 for other purposes.

1.11 Sec. 2. Minnesota Statutes 2006, section 446A.072, subdivision 5a, is amended to read:

1.12 Subd. 5a. **Type and amount of assistance.** (a) For a municipality receiving grant
1.13 funding from the USDA/RECD, the authority shall provide assistance in the form of a
1.14 grant of up to one-half of the eligible grant amount determined by USDA/RECD. A
1.15 municipality may not receive a grant under this paragraph for more than \$4,000,000
1.16 or \$15,000 per existing connection, whichever is less, unless specifically approved by
1.17 law. In the case of a sanitary district or other multijurisdictional project for which the
1.18 USDA/RECD is unable to fully fund up to one-half of the eligible grant amount, the
1.19 authority may provide up to an additional \$1,000,000 for each additional municipality
1.20 participating up to a maximum of \$8,000,000 or \$15,000 per existing connection,
1.21 whichever is less, but not to exceed the maximum grant level determined by the
1.22 USDA/RECD as needed to keep the project affordable.

2.1 (b) For a municipality not receiving grant funding from the USDA/RECD, the
2.2 authority shall provide assistance in the form of a loan for the eligible project costs
2.3 that exceed five percent of the market value of properties in the project service area. A
2.4 municipality may not receive a loan under this paragraph for more than \$4,000,000 or
2.5 \$15,000 per existing connection, whichever is less, unless specifically approved by law.
2.6 In the case of a sanitary district or other multijurisdictional project, the authority may
2.7 provide a loan under this paragraph for up to an additional \$1,000,000 for each additional
2.8 municipality participating up to a maximum of \$8,000,000 or \$15,000 per existing
2.9 connection, whichever is less, unless specifically approved by law. A loan under this
2.10 paragraph must bear no interest, must be repaid as provided in subdivision 7, and must
2.11 only be provided in conjunction with a loan from the water pollution control revolving
2.12 fund under section 446A.07.

2.13 (c) Notwithstanding the limits in paragraphs (a) and (b), for a municipality receiving
2.14 supplemental assistance under this section after January 1, 2002, if the authority
2.15 determines that the municipality's construction and installation costs are significantly
2.16 increased due to geological conditions of crystalline bedrock or karst areas and discharge
2.17 limits that are more stringent than secondary treatment, the authority shall provide
2.18 assistance in the form of half grant and half loan. Assistance from the authority may not
2.19 be more than \$25,000 per existing connection. Any additional grant amount received
2.20 for the same project must be used to reduce the amount of the municipality's loan from
2.21 the water pollution control revolving fund that exceeds five percent of the market value
2.22 of properties in the project service area.

2.23 (d) Notwithstanding the limits in paragraph (a), for a municipality receiving grant
2.24 funding for a zero discharge facility from the USDA/RECD, the authority shall provide
2.25 assistance in the form of a grant of up to 100 percent of the eligible grant amount
2.26 determined by the USDA/RECD. A municipality may not receive a grant under this
2.27 paragraph for more than \$8,000,000 or \$30,000 per existing connection, whichever
2.28 is less, unless specifically approved by law. In the case of a sanitary district or other
2.29 multijurisdictional project for which the USDA/RECD is unable to fully fund up to
2.30 one-half of the eligible grant amount, the authority may provide up to an additional
2.31 \$2,000,000 for each additional municipality participating, up to a maximum of
2.32 \$16,000,000 or \$30,000 per existing connection, whichever is less, but not to exceed the
2.33 maximum grant level determined by the USDA/RECD as needed to keep the project
2.34 affordable.

2.35 (e) Notwithstanding the limits in paragraph (b), for a municipality not receiving
2.36 grant funding from the USDA/RECD, the authority shall provide assistance in the form of

3.1 a grant for the eligible project costs of up to 75 percent for a zero discharge facility. A
3.2 municipality may not receive a grant under this paragraph for more than \$8,000,000 or
3.3 \$30,000 per existing connection, whichever is less, unless specifically approved by law.
3.4 In the case of a sanitary district or other multijurisdictional project, the authority may
3.5 provide up to an additional \$2,000,000 for each additional municipality participating, up
3.6 to a maximum of \$16,000,000 or \$30,000 per existing connection, whichever is less,
3.7 unless specifically approved by law.