

A bill for an act
relating to capital improvements; appropriating money for public facilities;
authorizing the sale and issuance of state bonds.

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

Section 1. **APPROPRIATION.**

Subdivision 1. **Total appropriation.** \$56,300,000 is appropriated from the bond
proceeds fund to the Public Facilities Authority for the purposes of this section.

Subd. 2. **State match for federal USEPA Capitalization Grants.** (a) \$35,000,000
is appropriated to match federal grants for the clean water revolving fund under Minnesota
Statutes, section 446A.07, and the drinking water revolving fund under Minnesota
Statutes, section 446A.081.

(b) \$6,000,000 of this appropriation shall provide matching funds for the drinking
water revolving fund to match the 2009 and 2010 federal grants, with the balance to be
made available to the clean water revolving fund.

(c) This appropriation must be used for qualified capital projects.

Subd. 3. **Wastewater infrastructure funding program.** (a) \$15,300,000 is
appropriated for grants and loans to eligible municipalities under the wastewater
infrastructure funding program under Minnesota Statutes, section 446A.072.

(b) To the greatest practical extent, the authority must use the appropriation for
projects on the 2008 project priority list in priority order by qualified applicants that
submit plans and specifications to the Pollution Control Agency or receive a funding
commitment from USDA Rural Economic and Community Development by June 30,
2009, or for projects on the 2009 project priority list in priority order by qualified

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applicants that submit plans and specifications to the Pollution Control Agency or have received a funding commitment from USDA Rural Economic and Community Development by June 30, 2010.

(c) Of this appropriation, \$300,000 is from the general fund to implement the wastewater infrastructure funding program.

(d) Up to \$2,000,000 may be used for corrective action on wastewater treatment systems listed in Laws 2005, chapter 20, article 1, section 23, subdivision 3, paragraph

(b). Grants under this paragraph are not subject to the 2008 or 2009 project priority list nor to the limitations on grant amounts set forth in Minnesota Statutes, section 446A.072, subdivision 5a.

(e) Notwithstanding the limitations and conditions on loans under Minnesota Statutes, section 446A.072, subdivisions 5a, paragraph (b); 9; and 12, from any amounts appropriated for the wastewater infrastructure funding program, the Minnesota Public Facilities Authority shall provide loans not to exceed \$6,000,000 to the city of Litchfield to design and construct wastewater treatment facility improvements to meet more stringent effluent limits required by the Pollution Control Agency, and not to exceed \$7,000,000 to the city of Willmar to design, construct, furnish, and equip a new wastewater treatment facility. Loans under this paragraph are in addition to any other grants and loans for which the cities of Litchfield and Willmar qualify for from the Public Facilities Authority.

Subd. 4. **Total maximum daily load (TMDL) grants.** \$2,000,000 is appropriated for total maximum daily load (TMDL) grants under Minnesota Statutes, section 446A.073.

Subd. 5. **Phosphorus reduction grants.** \$2,000,000 is appropriated for the phosphorus reduction grant program for grants under Minnesota Statutes, section 446A.074. A grant must not exceed \$500,000 per project.

Subd. 6. **Small community wastewater grants.** \$2,000,000 is appropriated for the small community wastewater treatment account for loans and grants under Minnesota Statutes, section 446A.075.

Sec. 2. BOND SALE.

To provide the money appropriated in section 1 from the bond proceeds fund, the commissioner of finance shall sell and issue bonds of the state in an amount up to \$56,300,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by the Minnesota Constitution, article XI, sections 4 to 7.

- 3.1 Sec. 3. **EFFECTIVE DATE.**
- 3.2 Sections 1 and 2 are effective the day following final enactment.