

446A.074 CLEAN WATER LEGACY PHOSPHORUS REDUCTION GRANTS.

Subdivision 1. **Creation of account.** A clean water legacy capital improvement account is created in the state treasury. Money in the account may only be used for grants for eligible capital costs as provided in this section. Money in the clean water legacy capital improvement account, including interest earned, is appropriated to the authority for the purposes of this section.

Subd. 2. **Grants.** The authority shall award grants from the clean water legacy capital improvement account to governmental units for the capital costs of wastewater treatment facility projects or a portion thereof that will reduce the discharge of total phosphorus from the facility to one milligram per liter or less. A project is eligible for a grant if it meets the following requirements:

(1) the applicable phosphorus discharge limit is incorporated in a permit issued by the Pollution Control Agency for the wastewater treatment facility on or after March 28, 2000, the grantee agrees to comply with the applicable limit as a condition of receiving the grant, or the grantee made improvements to a wastewater treatment facility on or after March 28, 2000, that include infrastructure to reduce the discharge of total phosphorus to one milligram per liter or less;

(2) the governmental unit has submitted plans and specifications for the project to the Pollution Control Agency and a grant application to the authority on a form prescribed by the authority; and

(3) the Pollution Control Agency has approved the plans and specifications, and certified the project and the as-bid or final eligible costs to the authority.

Subd. 3. **Eligible capital costs.** Eligible capital costs for phosphorus reduction grants under subdivision 4, paragraph (a), include engineering and inspection costs and the as-bid construction costs for phosphorus treatment. Eligible capital costs for phosphorus reduction grants under subdivision 4, paragraph (b), include the final, incurred construction, engineering, and inspection costs for phosphorus treatment.

Subd. 4. **Grant amounts and priorities.** (a) Priority must be given to projects that start construction on or after July 1, 2006, and rank on the Pollution Control Agency's project priority list. If a project is approved and certified by the Pollution Control Agency before July 1, 2010, the amount of the grant is 75 percent of the eligible capital cost of the project up to a maximum of \$500,000. If a project is approved and certified by the Pollution Control Agency on or after July 1, 2010, the amount of the grant is 50 percent of the eligible capital cost of the project up to a maximum of \$500,000.

(b) Projects that meet the eligibility requirements in subdivision 2 and have started construction before July 1, 2006, may be eligible for grants to reimburse up to 75 percent of the eligible capital cost of the project, less any amounts previously received in grants from other sources, provided that reimbursement is an eligible use of funds. Application for a grant under this paragraph must be submitted to the authority no later than June 30, 2008. Priority for award of grants under this paragraph must be based on the date of Pollution Control Agency approval of the project plans and specifications.

(c) In each fiscal year that money is available for grants, the authority shall accept applications during the month of July. Money shall first be reserved until May 1 of that fiscal year for projects under paragraph (a) in the order listed on the Pollution Control Agency's project priority list and in an amount based on the cost estimate submitted to the authority in the grant

application or the as-bid costs, whichever is less. Any money reserved for projects that are not approved and certified by the Pollution Control Agency by May 1 of that year shall be available to award grants under paragraph (b).

(d) Disbursements of grants under this section by the authority to recipients must be made for eligible project costs as incurred by the recipients, and must be made by the authority in accordance with the project financing agreement and applicable state law.

Subd. 5. **Fees.** The authority may charge the grant recipient a fee for its administrative costs not to exceed one-half of one percent of the grant amount, to be paid upon execution of the grant agreement.

History: 2006 c 251 s 14; 2007 c 96 art 1 s 8