

LEGISLATURE OF NEBRASKA
ONE HUNDRED FIFTH LEGISLATURE
FIRST SESSION

LEGISLATIVE BILL 182

Introduced by Hughes, 44.

Read first time January 10, 2017

Committee: Natural Resources

- 1 A BILL FOR AN ACT relating to the Drinking Water State Revolving Fund
- 2 Act; to amend section 71-5322, Revised Statutes Cumulative
- 3 Supplement, 2016; to change the powers and duties of the Department
- 4 of Environmental Quality; and to repeal the original section.
- 5 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 71-5322, Revised Statutes Cumulative Supplement,
2 2016, is amended to read:

3 71-5322 The department shall have the following powers and duties:

4 (1) The power to establish a program to make loans to owners of
5 public water systems, individually or jointly, for construction or
6 modification of safe drinking water projects in accordance with the
7 Drinking Water State Revolving Fund Act and the rules and regulations of
8 the council adopted and promulgated pursuant to such act;

9 (2) The power, if so authorized by the council pursuant to section
10 71-5321, to execute and deliver documents obligating the Drinking Water
11 Facilities Loan Fund or the Land Acquisition and Source Water Loan Fund
12 and the assets thereof to the extent permitted by section 71-5318 to
13 repay, with interest, loans to or credits into such funds and to execute
14 and deliver documents pledging to the extent permitted by section 71-5318
15 all or part of such funds and assets to secure, directly or indirectly,
16 the loans or credits;

17 (3) The duty to prepare an annual report for the Governor and the
18 Legislature. The report submitted to the Legislature shall be submitted
19 electronically;

20 (4) The duty to establish fiscal controls and accounting procedures
21 sufficient to assure proper accounting during appropriate accounting
22 periods, including the following:

23 (a) Accounting from the Nebraska Investment Finance Authority for
24 the costs associated with the issuance of bonds pursuant to the act;

25 (b) Accounting for payments or deposits received by the funds;

26 (c) Accounting for disbursements made by the funds; and

27 (d) Balancing the funds at the beginning and end of the accounting
28 period;

29 (5) The duty to establish financial capability requirements that
30 assure sufficient revenue to operate and maintain a facility for its
31 useful life and to repay the loan for such facility;

1 (6) The power to determine the rate of interest to be charged on a
2 loan in accordance with the rules and regulations adopted and promulgated
3 by the council;

4 (7) The power to develop an intended use plan, in consultation with
5 the Director of Public Health of the Division of Public Health, for
6 adoption by the council;

7 (8) The power to enter into required agreements with the United
8 States Environmental Protection Agency pursuant to the Safe Drinking
9 Water Act;

10 (9) The power to enter into agreements for the purpose of providing
11 loan forgiveness concurrent with loans to public water systems that
12 provide service to ten thousand persons or less, that are operated by
13 political subdivisions, and that with populations of ten thousand
14 ~~inhabitants or less which~~ demonstrate serious financial hardships. The
15 department may enter into agreements for up to one-half of the eligible
16 project cost. Such agreements shall contain a provision that payment of
17 the amount allocated is conditional upon the availability of appropriated
18 funds;

19 (10) The power to provide emergency funding to public water systems
20 operated by political subdivisions with drinking water facilities which
21 have been damaged or destroyed by natural disaster or other unanticipated
22 actions or circumstances. Such funding shall not be used for routine
23 repair or maintenance of facilities;

24 (11) The power to provide financial assistance consistent with the
25 intended use plan, described in subdivision (7) of this section, for
26 completion of engineering studies, research projects to investigate low-
27 cost options for achieving compliance with safe drinking water standards,
28 preliminary engineering reports, regional water system planning, source
29 water protection, and other studies for the purpose of enhancing the
30 ability of communities to meet the requirements of the Safe Drinking
31 Water Act, to public water systems that provide service to ten thousand

1 ~~persons or less, that are operated by political subdivisions, and that~~
2 ~~with populations of ten thousand inhabitants or less which~~ demonstrate
3 serious financial hardships. The department may enter into agreements for
4 up to ninety percent of the eligible project cost. Such agreements shall
5 contain a provision that payment of the amount obligated is conditional
6 upon the availability of appropriated funds; and

7 (12) Such other powers as may be necessary and appropriate for the
8 exercise of the duties created under the Drinking Water State Revolving
9 Fund Act.

10 Sec. 2. Original section 71-5322, Revised Statutes Cumulative
11 Supplement, 2016, is repealed.