

MINUTES

HOUSE ENVIRONMENT, ENERGY & TECHNOLOGY COMMITTEE

DATE: Thursday, February 10, 2022

TIME: 1:30 P.M.

PLACE: Room EW41

MEMBERS: Chairman Ehardt, Vice Chairman Wisniewski, Representatives Vander Woude, Horman, Scott, Amador, Armstrong, Furniss, Hartgen, Lickley, Young, Adams, Yamamoto, Chew, Necochea, Nash

**ABSENT/
EXCUSED:** Rep. Horman, Armstrong

GUESTS: The sign-in sheet will be retained in the committee secretary's office; following the end of the session the sign-in sheet will be filed with the minutes in the Legislative Library.

Chairman Ehardt called the meeting to order at 1:31 p.m.

Rep. Necochea made a motion to approve the minutes of the February 8, 2022, meeting. **Motion carried by voice vote.**

Jess Byrne, Director of the Department of Environmental Quality, presented answers to committee members questions from a previous meeting. He reviewed the requests for drinking and wastewater infrastructure grants for 2022 from ARPA funds. He explained the different ways that the DEQ can evaluate each system and their needs, and shared ideas on how they could be prioritized.

In answer to committee questions, **Jerry Henry**, Drinking Water Protection and Finance Division Administrator for DEQ, explained that system requests for the drinking water facilities came from community water systems (ex: cities, hoa's etc) and non-profit non community systems (ex: schools). Wastewater requests usually came from municipal systems (ex: counties, cities, special service districts, governmental entities, non-profit corporations). The committee requested to have types of systems added to the information for committee review.

Director Byrne responding to questions, stated the DEQ would like intent or direction for funding criteria. He explained that previous criteria for grant funds would not be used in this instance, but the DEQ believes it should focus primarily on the population served, user rate and readiness to proceed. Director Byrne clarified that loan estimated repayments were figured into the criteria to help the DEQ see how unaffordable it would be for the system, and to see the highest needs for a grant. He stated that the goal would be to get the entire \$300 million in ARPA funds out in grants this year, but commented that the next cycle would bring in more grant applications where the money can be distributed if its still available. Dispersing funds next year is not desirable because of the concern about deadlines. He pointed out that there will be more funds available in the Infrastructure funding, and he believe a large part of that would be grant money as well.

Chairman Ehardt clarified that instead of concurrent legislation, a memo would be presented to the Joint Finance-Appropriations Committee (JFAC) with suggestions from the germane committee. She shared her apprehensions about shortages that could slow down projects and emphasized the need for projects to be funded quickly to allow them time to meet deadlines. She also expressed concern over smaller entities inability to get funding, and their extreme need for ARPA funds.

Committee members expressed concern that the committee would give too many parameters and limit the DEQ. Other committee members worried an un-elected body should not be over ARPA funds without oversight from the legislature.

Director Byrne made clear to committee concerns, the DEQ follows up through the entire planning process. The regional offices, primarily the engineering groups, work very closely with systems. Using experience from the CARES Act, there had been ways in the past to get extensions if the state can prove they did due diligence to get the funds out. It has been confirmed that the ARPA funds deadline will not be extended, so the DEQ is hesitant to assume that previous extensions will be allowed this time. Director Byrne further discussed that understanding the priorities of the committee would help the DEQ prioritize funds, but flexibility would be important to allow them to react to unexpected circumstances.

MOTION:

Rep. Lickley made a motion for the Environment, Energy and Technology Committee (EET) to recommend JFAC accept \$300 million dollars for wastewater and drinking water projects under the purview of DEQ under the suggested criteria of population, user rates, and readiness to proceed. Requesting that the DEQ will report back to the committee next year.

Some committee members agreed \$300 million dollars should go to wastewater and drinking water projects, but expressed concerns that a simple motion was not enough. They believed that more sideboards should be placed on decision making, and needed to be discussed further.

SUBSTITUTE MOTION:

Rep. Scott made a substitute motion for the EET committee to request that JFAC fund \$300 million dollars for wastewater and drinking water projects, and a subcommittee provide guidelines for the DEQ.

Rep. Hartgen expressed **support** for the original motion. She believed JFAC has the final decision making authority. **Rep. Amador** believed the original motion gave the broad strokes that were needed for JFAC without being too prescriptive for the DEQ.

In answer to committee requests, **Director Byrne** stated he could provide intent language that DEQ had drawn up as a suggestion. He clarified to the committee, grants combined with funding sources from a federal source would have to go through a state environmental review process. Director Byrne stated that entities out of compliance with the Environmental Protection Agency (EPA) would be taken into consideration in the criteria process. He emphasized how dynamic the process of dispersing money to systems can be. He emphasized the DEQ works closely with lending entities to maximize the amount of money that systems can receive.

Chairman Ehardt put the committee at ease at 2:33 p.m.

Chairman Ehardt brought the committee back to order at 2:42 p.m.

SUBSTITUTE MOTION WITHDRAWN:

Rep. Scott asked unanimous consent request to withdraw her substitute motion for the EET committee to request that JFAC fund \$300 million dollars for wastewater and drinking water projects, and a subcommittee provide guidelines for the DEQ. There being no objection the request was granted.

ORIGINAL MOTION WITHDRAWN:

Rep. Lickley asked unanimous consent request to withdraw her motion for the EET Committee to recommend JFAC accept \$300 million dollars for wastewater and drinking water projects under the purview of DEQ under the suggested criteria of population, user rates, and readiness to proceed. Requesting that the DEQ will report back to the committee next year. There being no objection the request was granted.

Chairman Ehardt will prepare intent language based on the DEQ's suggestions and committee input to share with the committee for review at the next committee meeting.

Rep. Vander Woude gave an update on the Broadband Advisory Board and the work they had done this last year.

Eric Forsch, Broadband Development Manager, gave the committee a broadband update. The board has awarded \$10 million in Cares Act Grant funds. There is \$35 million available for state grants. And there are future funds available with \$125 million from the Capital Projects Fund and \$100+ million from the Infrastructure Bill for broadband infrastructure. In 2020, the state funded broadband for 33,000 households, awarding \$38 million in funds. Grants went to households, local governments and telehealth. In 2021, the state funded broadband for 4,000 households, and awarded \$10 million in funds.

Chairman Ehardt pointed out that the committee does not have the same directive with broadband funds as they do with the DEQ's funds, because of the existence of the Broadband Advisory Board.

ADJOURN: There being no further business to come before the committee, the meeting adjourned at 3:11 p.m.

Representative Ehardt
Chair

Maggie Price
Secretary