



House of Representatives
STATE OF IDAHO
CAPITOL BUILDING
P.O. BOX 83720
BOISE, ID 83720-0038

February 17, 2022

Memo to the Idaho Joint Finance-Appropriations Committee,

The House Environment, Energy and Technology Committee has reviewed the Governor's ARPA Recommendation for the State Fiscal Recovery Fund regarding local drinking and wastewater projects and recommends the following:

USES OF DEQ ARPA FUND. It is the intent of the legislature to provide a total of \$300 million of American Rescue Plan Act (ARPA) funding to support construction of drinking water and wastewater projects. Moneys deposited in the Department of Environmental (DEQ) ARPA Fund shall be appropriated for this purpose. DEQ shall use ARPA to fund all eligible planning grant requests received consistent with existing processes. DEQ shall provide ARPA funding in the form of grants for construction of drinking water and wastewater projects using a tiered approach, that provides the highest level of grant funding to systems with the greatest level of need, but least ability to pay, as determined by factors including size of system (smaller systems rank higher), monthly user rates, median income, and readiness to proceed. DEQ may consider all projects meeting the intended criteria where costs were incurred after 3/3/21 and where construction will be completed prior to 12/31/2026. This includes funding cost overruns for existing state revolving loan funded projects currently under construction if it is due to factors such as increased labor and material costs. DEQ shall provide a written update of recipients to its germane legislative committees upon approval by the Board of Environmental Quality. DEQ shall file a report with the Governor and Legislature detailing progress and expenditures by January 6, 2023.

Sincerely,

A handwritten signature in blue ink, appearing to read "Barbara Dee Ehardt", with a large, stylized flourish at the end.

Representative Barbara Dee Ehardt
House Environment, Energy and Technology