

MINUTES  
**HOUSE LOCAL GOVERNMENT COMMITTEE  
AND  
HOUSE ENVIRONMENT, ENERGY & TECHNOLOGY COMMITTEE**

**DATE:** Monday, April 26, 2021

**TIME:** 1:30 P.M.

**PLACE:** Room WW02

**MEMBERS:** Chairman Mendive, Vice Chairman Kingsley, Representatives Barbieri, Clow, Christensen, Bundy, Erickson, Galloway, Nate, Skaug, Weber, Berch, Green (Morales), Davis (Burns)

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

**ABSENT/  
EXCUSED:** Vice Chairman Kingsley, Representatives Barbieri, Christensen, Erickson, Skaug, Green (Morales)

Representatives Horman, Young, Nash

**GUESTS:** MaryAnna Peavey, DEQ; Jerri Henry, DEQ; Stuart Hurley, Mountain Waterworks; Tim Farrell, Mountain Waterworks

**Chairman Ehardt** called the meeting to order at 1:31 PM.

**Jerri Henry**, Administrator, Drinking Water Protection and Finance Division, Department of Environmental Quality (DEQ) stated the goal of this presentation was to provide the Committees with a general overview of the DEQ waste water and clean water protection grant and loan program to assist them in later decision making. She stated the DEQ has statutory authority to accept federal grants and administer their grant and loan programs. This particular grant and loan program assists communities with updating infrastructure and is a well known program state-wide. Ms. Henry detailed how the grant and loan program is administered and stated under current rules Davis-Bacon and American Iron and Steel rules must be met in federally funded projects. She stated it is currently unknown what requirements ARPA funding will carry but listed the main concerns of the DEQ. Finally Ms. Henry expressed concern regarding the likelihood for project costs to increase the longer they wait to be completed due to the volatility of the market and rising costs of products.

**MaryAnna Peavey**, DEQ Grants and Loans Bureau Chief, walked the Committees through an example of a Clean Water Loan Letter of interest for a project which was funded. She explained limited funding restricts the amount of projects which may be completed and the ranking process helps the DEQ determine which projects are most deserving of funding. She indicated the process is weighted towards projects which are able to be completed the most quickly and public health emergencies are considered as the highest priority.

In response to Committee questions **Ms. Peavey** clarified past projects which used federal funding were subjects to all requirements or restrictions which came with the funding. She also stated the DEQ keeps a record of all letters of interest submitted in the past five years as well as which of those letters of interest gained funding for their projects. In response to other questions **Ms. Henry** stated she would be able to provide an inventory of all waste water treatment systems and drinking water systems regulated by DEQ in Idaho. She also stated only one entity has gone into a long term default on their loan and while others have made late payments they were able to catch up on payments before long. She also clarified loan forgiveness amounts are determined by Environmental Protection Act capitalization grants. Finally she explained rising project costs and population growth have cause larger requests for funding.

**Tyrell Stevenson**, legislative director for the Couer d'alene tribe, presented the difficulty which small, low income communities such as the tribes face in trying to maintain failing infrastructure while simultaneously falling short of receiving funding from the DEQ.

**Tim Ferrell**, Mountain Waterworks, explained his firm's role in supplying drinking water infrastructure to rural communities and stated the need in Idaho is tremendous. He stated only 10% of the aging and failing sewer and water infrastructure in Idaho has been updated due to issues of affordability. He stated affordability has been pushed to it's highest limit and any additional funding should be used mainly to get infrastructure in the ground rather than on regulation costs. He stated drinking and waste water systems are of critical importance especially in rural areas and suggested streamlining the process would help to eliminate "soft costs" and enable more projects to be funded and completed.

Committee members shared concerns about the struggle to fund infrastructure needs in their communities and discussed the possibility of allocating a majority of the ARPA funds to update water infrastructure. The Committee also questioned how many projects are shovel ready in larger cities versus smaller cities and discussed the possibility for cities to use any match funds for soft costs in an effort to keep the overall projects costs lower.

**Chairman Ehardt** asked Committee members to consider this issue and to communicate during the interim as they may be asked to participate in distributions of the ARPA funds which will be coming to the state.

**ADJOURN:** There being no further business to come before the Committee the meeting adjourned at 2:41 PM.

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Representative Mendive  
Chair

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Emma Wall  
Secretary