

Fiscal Year 2020 Recommendations

(a) Generally. Notwithstanding Minnesota Statutes, section 116P.08, subdivision 2, clause (2), the commission shall consider recommending up to X percent of the available money from the trust fund for fiscal year 2020 appropriations for expenditure by the Public Facilities Authority on municipal wastewater treatment grant or loan programs in accordance with this subdivision and shall issue a request for proposals for this purpose. The recommendations may include a technical assistance program for eligible recipients under this subdivision. The commission shall work with the Public Facilities Authority in developing and administering its recommendations.

(b) Eligible recipients. Statutory and home rule charter cities and towns with a population less than 5,000 shall be eligible for funding under this subdivision.

(c) Eligible projects. A municipal wastewater project shall be eligible for funding under this subdivision only if it implements the latest research and applicable technological advancements and if at least one of the following conditions is satisfied:

- (1) the project is designed to address emerging issues of environmental concern through construction, upgrade, repair, or replacement of a wastewater treatment facility, as defined in section 115.71;
- (2) the project is designed to eliminate or substantially delay the need for more costly construction, upgrade, repair, or replacement of a wastewater treatment facility, as defined in section 115.71; or
- (3) the project will help to preserve or enhance fish, wildlife, land, air, water, or other natural resources that otherwise may be substantially impaired or destroyed.

(d) Form of funding. Funds provided to eligible recipients under this subdivision shall be in the form of some combination of loans and grants, as determined in each individual case by the Public Facilities Authority.

(e) Loans. The loan portion of any funding provided to eligible recipients under this subdivision shall not exceed \$25,000,000 and shall be made from the corpus of the trust fund as provided in the Minnesota Constitution, article XI, section 14, and Minnesota Statutes, section 116P.12. Except as provided in this paragraph, the Public Facilities Authority shall ensure that loans are made in accordance with the requirements and limitations of those sections. Notwithstanding Minnesota Statutes, section 116P.12, the loan portion of any funding provided to eligible recipients under this subdivision shall be subject to an annual interest rate of the greater of one percent or X percent below the secondary market yield of one-year United States Treasury bills calculated according to section 549.09, subdivision 1, paragraph (c). Except as provided in this subdivision, funds to be loaned to eligible recipients under this subdivision shall be administered through the clean water revolving fund created in Minnesota Statutes, section 446A.07, and shall be subject to the requirements of that section.

(f) Grants. Except as provided in this subdivision, the grant portion of any funding provided to eligible recipients under this subdivision shall be administered through the water infrastructure program created by Minnesota Statutes, section 446A.072, or the point source implementation grant program created by Minnesota Statutes, section 446A.073, and shall be subject to the requirements of the applicable section.

(g) **Separate administration.** The Public Facilities Authority shall, in consultation with the Legislative-Citizen Commission on Minnesota Resources, administer money to be provided to cities and towns under this subdivision separately from other funds it administers.