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22-052

June 2022

LB 1014e Section 53: Rural Drinking Water Project

The American Rescue Plan Act of 2021 (ARPA), was signed into law by the President on March 11, 2021. The State of Nebraska was allocated \$1.04 billion of Coronavirus State Fiscal Recovery Funds, which in part may be used to make necessary investments in water and sewer infrastructure. In the final rule adopted for implementation of these funds, the U.S. Department of the Treasury aligned the eligible uses of these funds with the wide range of types or categories of projects that would be eligible to receive financial assistance through the Clean Water State Revolving Fund (CWSRF) or Drinking Water State Revolving Fund (DWSRF). In Nebraska, the SRF programs are administered by Nebraska Department of Environment and Energy (NDEE).

Signed into law by Governor Pete Ricketts on April 13, 2021, Section 53 of Legislative Bill No. 1014e states that these funds are “...to provide grant assistance for a rural drinking water project that serves rural water connections and at least four communities in two contiguous counties in order to convert to ground water sources and to provide for water system infrastructure and distribution, which shall only be used for such purpose”.

Who is Eligible:

Rural public water systems that supply drinking water to at least four communities that receives drinking water from a surface water source.

Funding Available: \$7,000,000

Period of Availability: See requirements below.

Eligible uses of funds:

Any drinking water infrastructure project to convert to ground water sources, i.e., a new wellfield, a horizontal collector well, etc.

Application Procedure:

The applicant will be required to submit planning documents meeting the requirements of Title 179 – Public Water Systems, Chapter 7 – Siting, Design and Construction of Public Water Systems, and where applicable, those noted in the “Recommended Standards for Water Works”, 2007 Edition. These standards are required of all public water system projects in the state.

The NDEE will enter into a contract with the applicant to provide the authorized grant assistance in an amount of \$1,000,000 in State Fiscal Year (SFY) 2021-22 plus \$6,000,000 in SFY2022-2023, for the \$7,000,000 total authorized in Section 53 of LB1014e. The contract will contain provisions to ensure the

use of the funds meets the requirements of ARPA noted in the U.S. Department of Treasury State and Local Fiscal Recovery Funds Final Rule ([SLFRF-Final-Rule.pdf \(treasury.gov\)](#)), notably the Compliance and Reporting guidance ([SLFRF Compliance and Reporting Guidance \(treasury.gov\)](#)). Additional information may be found at [SLFRF-Final-Rule-FAQ.pdf \(treasury.gov\)](#).

The project must be completed in accordance with Title 179 – Chapter 7, to confirm that all state laws will be met. Those requirements will ensure when a public water system converts to a ground water source, and makes water system infrastructure and distribution improvements, that it provides supply of safe drinking water to the public on a continuous basis. If the selected applicant(s) exceed \$1 million in capital expenditures, written justification will be made to the U.S. Department of Treasury in accordance with the State and Local Fiscal Recovery Funds Final Rule. As required by ARPA, all work must be under contract for construction by December 31, 2024 and construction completed by December 31, 2026.