

By: Representatives Boyd (37th), McLean,  
Stamps, Reynolds

To: Conservation and Water  
Resources

HOUSE BILL NO. 1108

1 AN ACT TO AMEND SECTION 41-3-16.1, MISSISSIPPI CODE OF 1972,  
2 TO AUTHORIZE RURAL WATER ASSOCIATIONS THAT ALSO PROVIDE SEWER  
3 SERVICES TO PARTICIPATE IN THE ARPA RURAL WATER ASSOCIATIONS  
4 INFRASTRUCTURE GRANT PROGRAM; TO BRING FORWARD SECTION 49-2-131,  
5 MISSISSIPPI CODE OF 1972, WHICH CREATES THE MISSISSIPPI  
6 MUNICIPALITY AND COUNTY WATER INFRASTRUCTURE (MCWI) GRANT PROGRAM,  
7 FOR PURPOSES OF POSSIBLE AMENDMENT; AND FOR RELATED PURPOSES.

8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:

9 **SECTION 1.** Section 41-3-16.1, Mississippi Code of 1972, is  
10 amended as follows:

11 41-3-16.1. (1) The State Department of Health (department)  
12 shall establish a grant program to be known as the ARPA Rural  
13 Water Associations Infrastructure Grant Program (program) to  
14 assist rural water associations, including rural water  
15 associations also providing sewer services, in the construction of  
16 eligible drinking water infrastructure projects as provided in the  
17 Final Rule for the Coronavirus State and Local Fiscal Recovery  
18 Funds as established by the federal American Rescue Plan Act  
19 (ARPA).



20 (2) The program shall be funded from appropriations by the  
21 Legislature to the department from the Coronavirus State Fiscal  
22 Recovery Fund, and the department shall expend all such funds for  
23 the purposes provided in subsection (1) of this section. It is  
24 the intent of the Legislature that, in the first fiscal year after  
25 April 25, 2022, twenty percent (20%) of the funds appropriated to  
26 the department for the program be obligated to projects that have  
27 completed plans and specifications, acquired all necessary land  
28 and/or easements, and are ready to proceed to construction.

29 (3) The department shall obligate the funds by the deadline  
30 set by the rules and guidelines of the United States Department of  
31 the Treasury and will adhere to the Treasury's rules and  
32 guidelines for reporting and monitoring projects funded through  
33 ARPA.

34 (4) The department shall develop a system for use in ranking  
35 the grant applications received. The ranking system shall include  
36 the following factors, at a minimum: (a) the environmental impact  
37 of the proposed project; (b) the proposed project's ability to  
38 address noncompliance with state/federal requirements; (c) the  
39 extent to which the project promotes economic development; (d) the  
40 number of people served by the project (both new and existing  
41 users); (e) impacts of the proposed project on disadvantaged/  
42 overburdened communities; (f) the grant applicant's prior efforts  
43 to secure funding to address the proposed project's objectives;  
44 (g) the grant applicant's proposed contribution of other funds or



45 in-kind cost-sharing to the proposed project; (h) the grant  
46 applicant's long-term plans for the financial and physical  
47 operation and maintenance of the project; and (i) the grant  
48 applicant's capacity to initiate construction in a timely manner  
49 and complete the proposed project by the deadline specified by  
50 rules and guidelines of the United States Department of the  
51 Treasury for ARPA funds.

52 (5) An application for a grant under this section shall be  
53 submitted at such time, be in such form, and contain such  
54 information as the department prescribes.

55 (6) Upon the approval of an application for a grant under  
56 this section, the department shall enter into a project grant  
57 agreement with each grantee to establish the terms of the grant  
58 for the project, including the amount of the grant. The maximum  
59 amount of funds that may be provided to any rural water  
60 association from all grants under the program is Two Million Five  
61 Hundred Thousand Dollars (\$2,500,000.00).

62 (7) The department shall have all powers necessary to  
63 implement and administer the program. Of the funds appropriated  
64 to the department for the program, not more than five percent (5%)  
65 may be used by the department to cover the department's costs of  
66 administering the program.

67 (8) In carrying out its responsibilities under the program,  
68 for any contract under the purview of the Public Procurement  
69 Review Board (PPRB), the department shall be exempt from any



70 requirement that the PPRB approve any personal or professional  
71 services contracts or pre-approve any solicitation of such  
72 contracts. This subsection shall stand repealed on July 1, 2026.

73 (9) The department shall submit an annual report regarding  
74 the program no later than December 31 of each year to the  
75 Lieutenant Governor, the Speaker of the House, and the Chairmen of  
76 the Senate and House Appropriations Committees.

77 **SECTION 2.** Section 49-2-131, Mississippi Code of 1972, is  
78 brought forward as follows:

79 49-2-131. (1) This section shall be known and may be cited  
80 as the "Mississippi Municipality and County Water Infrastructure  
81 Grant Program Act of 2022."

82 (2) There is hereby established within the Mississippi  
83 Department of Environmental Quality the Mississippi Municipality  
84 and County Water Infrastructure (MCWI) Grant Program under which  
85 municipalities, counties and certain public utilities not  
86 regulated by the Public Service Commission may apply for  
87 reimbursable grants to make necessary investments in water,  
88 wastewater, and stormwater infrastructure to be funded by the  
89 Legislature utilizing Coronavirus State Fiscal Recovery Funds made  
90 available under the federal American Rescue Plan Act of 2021  
91 (ARPA). Such grants shall be made available to municipalities and  
92 counties to be matched with the Coronavirus Local Fiscal Recovery  
93 Funds awarded or to be awarded to them under ARPA on a one-to-one  
94 matching basis. Coronavirus Local Fiscal Recovery Funds that a



95 county transfers to a municipality or that a county or  
96 municipality transfers to a public utility not regulated by the  
97 Public Service Commission are eligible on a one-to-one matching  
98 basis. Municipalities that received less than One Million Dollars  
99 (\$1,000,000.00) in the total allocation of Coronavirus Local  
100 Fiscal Recovery Funds are eligible for a two-to-one match only on  
101 the Coronavirus Local Fiscal Recovery Funds awarded or to be  
102 awarded to them under ARPA. The total funds provided for all  
103 two-to-one matches shall not exceed Fifty Million Dollars  
104 (\$50,000,000.00). The dollar amount for professional fees that  
105 can be allocated as a part of a county's, municipality's or public  
106 utility's matching share is not to exceed four percent (4%) of the  
107 total project cost.

108 (3) For purposes of this section, unless the context  
109 requires otherwise, the following terms shall have the meanings  
110 ascribed herein:

111 (a) "MCWI Grant Program" means the Mississippi  
112 Municipality and County Water Infrastructure Grant Program.

113 (b) "ARPA" means the federal American Rescue Plan Act  
114 of 2021, Public Law 117-2, which amends Title VI of the Social  
115 Security Act.

116 (c) "State Recovery Funds" means Coronavirus State  
117 Fiscal Recovery Funds awarded through Section 602 of Title VI of  
118 the Social Security Act amended by Section 9901 of the federal  
119 American Rescue Plan Act of 2021, Public Law 117-2.



120 (d) "Local Recovery Funds" means Coronavirus Local  
121 Fiscal Recovery Funds awarded through Section 603 of Title VI of  
122 the Social Security Act amended by Section 9901 of the federal  
123 American Rescue Plan Act of 2021, Public Law 117-2.

124 (e) "Department" means the Department of Environmental  
125 Quality.

126 (f) "Professional fees" means fees for the services of  
127 attorneys and engineering, surveying, and environmental studies.

128 (g) "Project" means the infrastructure improvements  
129 defined in an application that (i) complies with all requirements  
130 of ARPA, and (ii) is eligible for a grant award under this  
131 section.

132 (4) (a) On or before July 1, 2022, the Department of  
133 Environmental Quality shall promulgate rules and regulations  
134 necessary to administer the MCWI Grant Program prescribed under  
135 this section, including application procedures and deadlines. The  
136 department is exempt from compliance with the Mississippi  
137 Administrative Procedures Law in fulfilling the requirements of  
138 this section.

139 (b) The Department of Health shall advise the  
140 Mississippi Department of Environmental Quality regarding all such  
141 rules and regulations as related to the federal Safe Drinking  
142 Water Act.

143 (5) Funding under the MCWI Grant Program shall be allocated  
144 to projects certified by the Mississippi Department of



145 Environmental Quality as eligible for federal funding, including,  
146 but not be limited to, the following:

147 (a) Construction of publicly owned treatment works;

148 (b) Projects pursuant to the implementation of a  
149 nonpoint source pollution management program established under the  
150 Clean Water Act (CWA);

151 (c) Decentralized wastewater treatment systems that  
152 treat municipal wastewater or domestic sewage;

153 (d) Management and treatment of stormwater or  
154 subsurface drainage water;

155 (e) Water conservation, efficiency, or reuse measures;

156 (f) Development and implementation of a conservation  
157 and management plan under the CWA;

158 (g) Watershed projects meeting the criteria set forth  
159 in the CWA;

160 (h) Energy consumption reduction for publicly owned  
161 treatment works;

162 (i) Reuse or recycling of wastewater, stormwater, or  
163 subsurface drainage water;

164 (j) Facilities to improve drinking water quality;

165 (k) Transmission and distribution, including  
166 improvements of water pressure or prevention of contamination in  
167 infrastructure and lead service line replacements;



168 (l) New sources to replace contaminated drinking water  
169 or increase drought resilience, including aquifer storage and  
170 recovery system for water storage;

171 (m) Storage of drinking water, such as to prevent  
172 contaminants or equalize water demands;

173 (n) Purchase of water systems and interconnection of  
174 systems;

175 (o) New community water systems;

176 (p) Culvert repair, resizing, and removal, replacement  
177 of storm sewers, and additional types of stormwater  
178 infrastructure;

179 (q) Dam and reservoir rehabilitation, if the primary  
180 purpose of dam or reservoir is for drinking water supply and  
181 project is necessary for the provision of drinking water;

182 (r) Broad set of lead remediation projects eligible  
183 under EPA grant programs authorized by the Water Infrastructure  
184 Improvements for the Nation (WIIN) Act; and

185 (s) Any eligible drinking water, wastewater or  
186 stormwater project through ARPA guidelines, guidance, rules,  
187 regulations and other criteria, as may be amended from time to  
188 time, by the United States Department of the Treasury.

189 (6) The governing authority of a municipality, county or  
190 public utility that is not regulated by the Public Service  
191 Commission may submit an application for grant funds under this  
192 section if the applicant is an operator-member of Mississippi 811,





193 Inc., as defined in Section 77-13-3. Applicants shall certify to  
194 the department that each expenditure of the funds awarded to them  
195 under this section is in compliance with ARPA guidelines,  
196 guidance, rules, regulations and other criteria, as may be amended  
197 from time to time, by the United States Department of the Treasury  
198 regarding the use of monies from the State Coronavirus State  
199 Fiscal Recovery Funds. Subsequent submissions will be due by the  
200 dates established by the department.

201 (7) An application for a grant under this section shall be  
202 submitted at such time, be in such form, and contain such  
203 information as the department prescribes. Each application for  
204 grant funds shall include the following at a minimum: (a)  
205 applicant contact information; (b) project description and type of  
206 project; (c) project map; (d) estimate of population affected by  
207 the project; (e) disadvantaged community criteria (population,  
208 median household income, unemployment, current water/sewer rates);  
209 (f) estimated project cost; (g) list of match funds of direct  
210 Coronavirus Local Fiscal Recovery Funds received and to be  
211 received from the federal government, a certification that such  
212 funds have been or will be used for the project detailed in the  
213 application, and documentation of commitment; (h) estimated  
214 project schedule and readiness to proceed; (i) engineering  
215 services agreement; (j) engineering reports; and (k) information  
216 about status of obtaining any required permits.



217 (8) The department must apply a system for use in ranking  
218 the grant applications received. When applying the ranking  
219 system, the department shall apply a greater weight to projects  
220 that have approved engineering/design, plans and permits if the  
221 department has deemed the project is ready to begin construction  
222 within six (6) months. Projects that are included on the  
223 municipal or county engineer's approved list and provide  
224 applicable supporting documentation shall receive additional  
225 consideration awarded to the application. The ranking system  
226 shall include the following factors, at a minimum: (a) the  
227 environmental impact of the proposed project; (b) the proposed  
228 project's ability to address noncompliance with state/federal  
229 requirements; (c) the extent to which the project promotes  
230 economic development; (d) the number of people served by the  
231 project and the number of communities the project serves; (e)  
232 impacts of the proposed project on disadvantaged/overburdened  
233 communities; (f) the grant applicant's prior efforts to secure  
234 funding to address the proposed project's objectives; (g) the  
235 grant applicant's proposed contribution of other funds or in-kind  
236 cost-sharing to the proposed project; (h) the grant applicant's  
237 long-term plans for the financial and physical operation and  
238 maintenance of the project; (i) the grant applicant's capacity to  
239 initiate construction in a timely manner and complete the proposed  
240 project by the deadline specified by the United States Department  
241 of Treasury rules for ARPA funds; (j) the extent to which the



242 project benefits multiple political subdivisions in a regional  
243 manner; (k) the project's ability to enhance public service  
244 infrastructure, including transportation and emergency access; and  
245 (l) any other factors as determined by the department.

246 (9) The grant program shall include a specific emphasis on  
247 addressing the needs of an economically disadvantaged community,  
248 including providing safe, reliable drinking water in areas that  
249 lack infrastructure, providing sewage treatment capacity in  
250 unsewered areas and providing regional development of  
251 infrastructure to serve multiple communities.

252 (10) Applications shall be reviewed and scored as they are  
253 received. The Mississippi Department of Environmental Quality  
254 shall certify whether each project submitted is a "necessary  
255 investment" in water, wastewater, or stormwater infrastructure as  
256 defined in the American Rescue Plan Act and all applicable  
257 guidance issued by the United States Department of the Treasury.  
258 The Department of Environmental Quality shall review the lists of  
259 recommended water infrastructure projects and issue its list of  
260 recommended projects to the Mississippi Department of Health for  
261 its advice. Grant agreements shall be executed between the  
262 recipient and the Mississippi Department of Environmental Quality.  
263 All final awards shall be determined at the discretion of the  
264 executive director of the department. Any funds awarded to the  
265 City of Jackson under this section shall be deposited in the  
266 Capital City Water/Sewer Projects Fund of the State Treasury.



267 Funds shall be obligated to a grantee upon the execution of a  
268 grant agreement between the department and the approved applicant.  
269 Funds shall be made available to a grantee when the department  
270 obtains the necessary support for reimbursement. The department  
271 is authorized to conduct additional rounds of grants as needed;  
272 however, in the first round no more than forty percent (40%) of  
273 the total funds appropriated for each grant program may be awarded  
274 by the department, and the remaining funds may be awarded in the  
275 second or subsequent rounds which shall occur no later than six  
276 (6) months from the previous round. To ensure equitable treatment  
277 between the categories of projects, no less than twenty percent  
278 (20%) awarded under this section shall be allocated to each of the  
279 three (3) categories of drinking water projects, wastewater  
280 projects and stormwater projects. In second or subsequent rounds,  
281 any funds not requested may be allocated to any category.

282 (11) Grant funds shall be used prospectively; however, grant  
283 funds may be used to reimburse expenses incurred before the  
284 enactment of this program if the costs are adequately documented  
285 and comply with applicable ARPA guidelines. An applicant must  
286 agree to obtain all necessary state and federal permits and follow  
287 all state bidding and contracting laws and fiscally sound  
288 practices in the administration of the funds.

289 (12) (a) Monies must be disbursed under this section in  
290 compliance with the guidelines, guidance, rules, regulations or  
291 other criteria, as may be amended from time to time, of the United



292 States Department of the Treasury regarding the use of monies from  
293 the Coronavirus State Fiscal Recovery Fund, established by the  
294 American Rescue Plan of 2021.

295 (b) The use of funds allocated under this program shall  
296 be subject to audit by the United States Department of the  
297 Treasury's Office of Inspector General and the Mississippi Office  
298 of the State Auditor. Each person receiving funds under these  
299 programs found to be fully or partially noncompliant with the  
300 requirements in this section shall return to the state all or a  
301 portion of the funds received.

302 (13) The department shall submit to the Lieutenant Governor,  
303 Speaker of the House, House and Senate Appropriations Chairmen,  
304 and the Legislative Budget Office quarterly reports and annual  
305 reports that are due by the dates established in the Compliance  
306 and Reporting Guidance by the United States Department of  
307 Treasury. The reports shall contain the applications received,  
308 the score of the applications, the amount of grant funds awarded  
309 to each applicant, the amount of grant funds expended by each  
310 applicant, and status of each applicant's project.

311 (14) Grant funds shall be available under this section  
312 through December 31, 2026, or on the date of the fund expenditure  
313 deadline provided by the federal government, whichever occurs  
314 later. Each grant recipient shall certify for any project for  
315 which a grant is awarded that if the project is not completed by  
316 December 31, 2026, and the United States Congress does not enact



317 an extension of the deadline on the availability of ARPA funds,  
318 then the grant recipient will complete the project through other  
319 funds.

320 (15) The Mississippi Department of Environmental Quality may  
321 retain an amount not to exceed five percent (5%) of the total  
322 funds allocated to the program to defray administrative costs.

323 (16) The department shall be exempt from provisions of the  
324 Public Procurement Review Board for any requirements of personal  
325 or professional service contracts or the pre-approval of the  
326 solicitation for such contracts used in the execution of its  
327 responsibilities under this section. This subsection shall stand  
328 repealed on January 1, 2026.

329 (17) The provisions of this section shall stand repealed on  
330 January 1, 2027.

331 **SECTION 3.** This act shall take effect and be in force from  
332 and after July 1, 2023.

