

By: Senator(s) Younger

To: Appropriations

SENATE BILL NO. 2432

1 AN ACT TO AMEND SECTION 41-3-16.1, MISSISSIPPI CODE OF 1972,  
 2 TO CLARIFY THE ELIGIBILITY OF CERTAIN RURAL WATER ASSOCIATIONS  
 3 UNDER THE AMERICAN RESCUE PLAN ACT RURAL WATER ASSOCIATIONS GRANT  
 4 PROGRAM; TO AMEND SECTION 49-2-131, MISSISSIPPI CODE OF 1972, TO  
 5 CLARIFY THE ELIGIBILITY OF SUCH ASSOCIATIONS UNDER THE MISSISSIPPI  
 6 MUNICIPALITY AND COUNTY WATER INFRASTRUCTURE GRANT PROGRAM ACT;  
 7 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 in the construction of eligible  
 15 drinking water and sewer infrastructure projects as provided in  
 16 the Final Rule for the Coronavirus State and Local Fiscal Recovery  
 17 Funds as established by the federal American Rescue Plan Act  
 18 (ARPA).

19 (2) The program shall be funded from appropriations by the  
 20 Legislature to the department from the Coronavirus State Fiscal



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

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

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



46 operation and maintenance of the project; and (i) the grant  
47 applicant's capacity to initiate construction in a timely manner  
48 and complete the proposed project by the deadline specified by  
49 rules and guidelines of the United States Department of the  
50 Treasury for ARPA funds.

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

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

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

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



70 services contracts or pre-approve any solicitation of such  
71 contracts. This subsection shall stand repealed on July 1, 2026.

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

76 **SECTION 2.** Section 49-2-131, Mississippi Code of 1972, is  
77 amended as follows:

78 49-2-131. (1) This section shall be known and may be cited  
79 as the "Mississippi Municipality and County Water Infrastructure  
80 Grant Program Act of 2022."

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



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

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

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

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

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



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

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

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

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

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

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

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



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

146 (a) Construction of publicly owned treatment works;

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

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

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

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

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

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

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

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

163 (j) Facilities to improve drinking water quality;

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



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

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

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

174 (o) New community water systems;

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

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

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

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

188 (6) The department shall not exclude rural water  
189 associations which also provide sewer services from the grant  
190 application process under this section.





191 ( \* \* \*7) The governing authority of a municipality, county  
192 or public utility that is not regulated by the Public Service  
193 Commission may submit an application for grant funds under this  
194 section if the applicant is an operator-member of Mississippi 811,  
195 Inc., as defined in Section 77-13-3. Applicants shall certify to  
196 the department that each expenditure of the funds awarded to them  
197 under this section is in compliance with ARPA guidelines,  
198 guidance, rules, regulations and other criteria, as may be amended  
199 from time to time, by the United States Department of the Treasury  
200 regarding the use of monies from the State Coronavirus State  
201 Fiscal Recovery Funds. Subsequent submissions will be due by the  
202 dates established by the department.

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



216 project schedule and readiness to proceed; (i) engineering  
217 services agreement; (j) engineering reports; and (k) information  
218 about status of obtaining any required permits.

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



241 initiate construction in a timely manner and complete the proposed  
242 project by the deadline specified by the United States Department  
243 of Treasury rules for ARPA funds; (j) the extent to which the  
244 project benefits multiple political subdivisions in a regional  
245 manner; (k) the project's ability to enhance public service  
246 infrastructure, including transportation and emergency access; and  
247 (l) any other factors as determined by the department.

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

254 ( \* \* \* 11) Applications shall be reviewed and scored as they  
255 are received. The Mississippi Department of Environmental Quality  
256 shall certify whether each project submitted is a "necessary  
257 investment" in water, wastewater, or stormwater infrastructure as  
258 defined in the American Rescue Plan Act and all applicable  
259 guidance issued by the United States Department of the Treasury.  
260 The Department of Environmental Quality shall review the lists of  
261 recommended water infrastructure projects and issue its list of  
262 recommended projects to the Mississippi Department of Health for  
263 its advice. Grant agreements shall be executed between the  
264 recipient and the Mississippi Department of Environmental Quality.  
265 All final awards shall be determined at the discretion of the



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

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



291 ( \* \* \* 13) (a) Monies must be disbursed under this section  
292 in compliance with the guidelines, guidance, rules, regulations or  
293 other criteria, as may be amended from time to time, of the United  
294 States Department of the Treasury regarding the use of monies from  
295 the Coronavirus State Fiscal Recovery Fund, established by the  
296 American Rescue Plan of 2021.

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

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

313 ( \* \* \* 15) Grant funds shall be available under this section  
314 through December 31, 2026, or on the date of the fund expenditure  
315 deadline provided by the federal government, whichever occurs



316 later. Each grant recipient shall certify for any project for  
317 which a grant is awarded that if the project is not completed by  
318 December 31, 2026, and the United States Congress does not enact  
319 an extension of the deadline on the availability of ARPA funds,  
320 then the grant recipient will complete the project through other  
321 funds.

322 ( \* \* \* 16) The Mississippi Department of Environmental  
323 Quality may retain an amount not to exceed five percent (5%) of  
324 the total funds allocated to the program to defray administrative  
325 costs.

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

332 ( \* \* \* 18) The provisions of this section shall stand  
333 repealed on January 1, 2027.

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

