

<p><b>Docket Number:</b> <u>58-0112-0801</u>  <b>Effective Date:</b> <u>2009 Sine die</u>  <b>Rules Title:</b> <u>Rules for Administration of Water Pollution Control Loans</u>  <b>Agency Contact and Phone:</b> <u>Tim Wendland, 373-0439</u></p>	<p style="text-align: right;"><b>Public Notice</b></p> <p><b>Hearings:</b> [ ] Yes [X] No  <b>Locations and Dates:</b> N/A  <b>Written Comment Deadline:</b> July 2, 2008</p>
<p><b>Descriptive Summary of Rule as Initially Proposed:</b>  This rulemaking has been initiated to provide flexibility to the Department of Environmental Quality (DEQ) in its use of loan fees to meet statewide planning needs, to reduce administrative burden on a majority of wastewater loan recipients, and to achieve administrative efficiency.</p> <p>The proposed rule includes the following:</p> <ol style="list-style-type: none"> <li>1) Revise definitions as necessary to allow for funding to certain individuals to help address nonpoint source water pollution.</li> <li>2) Make possible a reduced administrative burden by utilizing federal allowances that allow for flexibility in requiring federal consultations for certain loans [Subsection 042.08].</li> <li>3) Expand the use of wastewater loan fees to allow fees to supplement planning grants [Section 032].</li> <li>4) In a very limited set of circumstances, allow for 30 year repayment periods (when DEQ purchases or refinances existing debt obligations) [Subsection 050.05.h].</li> <li>5) Adopt existing state wastewater planning grant priority list scoring process so that the planning grants and the loans can be scored by the same criteria [Subsection 020.02].</li> <li>6) Align the definitions of "Point Source" and "Nonpoint Source Pollution" to clarify how loan applications should be classified.</li> <li>7) Revise Section 995, Waivers, to include a process for amending an integrated priority list.</li> </ol> <p>This proposed rule also includes revisions that are typographical and nonsubstantive in nature (e.g., making corrections for consistency with IDAPA 58.01.20, Rules for Administration of Drinking Water Loan Program, and other DEQ rules).</p> <p>DEQ recommends that the Board adopt the rule, as presented in the final proposal, as a pending rule with the final effective date coinciding with the adjournment <i>sine die</i> of the First Regular Session of the Sixtieth Idaho Legislature. The rule is subject to review by the Legislature before becoming final and effective.</p>	<p><b>Negotiated Rule Making:</b> [X] Yes [ ] No  <b>Groups Involved:</b> Sign-in sheet attached.</p> <p>On March 5, 2008, the Notice of Negotiated Rulemaking was published in the Idaho Administrative Bulletin, Vol. 08-3, pages 17-18, and a preliminary draft rule was made available for public review. One meeting was held on April 3, 2008. Several members of the public participated in this negotiated rulemaking process by attending the meeting and by submitting written comments.</p> <p><b>Costs To the Agency:</b> The proposed rule changes allow DEQ to make loans to certain individuals to address nonpoint source pollution. To make the loans attractive to individuals, DEQ may decrease its loan interest rate, in some cases, resulting in marginally lower interest earnings.</p> <p><b>Costs To the Regulated Community:</b> None. The regulated community will obtain excellent loan rates to replace failing septic systems, implement agricultural best management practices and implement other, related projects. Additionally, the regulated community may benefit from administrative efficiencies, resulting in lower loan costs.</p> <p><b>Relevant Statutes:</b> Chapters 1 and 36, Title 39, Idaho Code</p> <p><b>Idaho Code § 39-107D Statement:</b> This rule does not regulate an activity not regulated by the federal government, nor is it broader in scope or more stringent than federal regulations.</p> <p><b>Idaho Code § 67-5221(1)(c) Fiscal Impact Statement:</b> The following is a specific description, if applicable, of any negative fiscal impact on the state general fund greater than ten thousand dollars (\$10,000) during the fiscal year: Not applicable.</p>

Temporary Rule       Necessary to protect public health, safety or welfare  
 Compliance with deadlines in amendments to governing law or federal programs  
 Conferring a benefit

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Section	Section Title	Summary of Rule Changes Based on Public Comment
001	<b>Title and Scope</b>	<p>In its May 5, 2008 memorandum to the germane joint subcommittees, the Legislative Services Office (LSO) raised issues regarding formatting of the proposed rule. These comments were due to formatting errors in the version of the proposed rule submitted to LSO for review. The issues were resolved prior to publication in the Idaho Administrative Bulletin.</p> <p>No public comments were received. However, the following revisions have been made to the proposed rule:</p> <p>DEQ's web address has been added as a means of obtaining a copy of the Wastewater Facilities Loan Handbook of Procedures. (Section 004)</p> <p>The definition of "facility plan" has been revised to correct a typographical error, and the proposed definitions of "applicant" and "qualifying entity/individual" have been deleted so that DEQ can more fully explore the implications of expanding the pool of applicants for nonpoint source water pollution control loans. In addition, the definition of "eligible applicant," which was struck out in the proposed rule, has been revised by removing the word "eligible" for clarification purposes. (Section 007)</p> <p><b><i>Prior to adoption of this rule docket at its November 12, 2008 meeting, the Board of Environmental Quality revised the definition of "nonpoint source project sponsor" by replacing the term "qualifying/entity individual" with "applicant."</i></b></p>
004	<b>Incorporation by Reference and Availability of Referenced Material</b>	
007	<b>Definitions</b>	
008	<b>Office Hours – Mailing Address and Street Address</b>	
010	<b>Financial and Management Capability Analysis</b>	
020	<b>Integrated Priority Rating System</b>	
021	<b>Supplemental Grants</b>	
030	<b>Project Funding</b>	
032	<b>Loan Fee</b>	
040	<b>Loan Application and Review</b>	
041	<b>Determination of Eligibility of Costs</b>	
042	<b>Environmental Review</b>	
050	<b>Loan Offer and Acceptance</b>	
051	<b>Accounting and Auditing Procedures</b>	
995	<b>Waiver of Requirements and Amendment of Integrated Priority List</b>	