



## Summary of Proposed Changes to the *Rules and Regulations for Water Quality Protection Charges*

The regulation prescribes procedures and requirements for the imposition, collection, remittance and distribution of the water quality protection charge authorized by R.I. Gen. Laws Chapter 46-15.3, as amended.

The proposed changes to the existing rule eliminate restatements of statute, clarify and simplify language and reformat the rule for inclusion in the Rhode Island Code of Regulations. The proposed changes also clarify the process and procedures related to the Water Resources Board (Board) and the RI Infrastructure Bank (Bank) for the collection, remittance and disbursements of water quality protection charges. A full summary of the changes generally, and by section follows:

### Summary of Changes: Water Quality Protection Charges 490-RICR-00-00-7

- The original rule is 18 pages including the table of contents and exhibits. The new version is 10 pages.
- Proposed revisions reorganize sections for clarity, improve grammar, eliminate restatements of statute and update references to statute for consistency across all Board regulations.
- Proposed changes describe and define the roles and responsibilities of the Board and the Bank to clarify how the applicant works with both entities. The Board role is to determine the eligibility of projects. All financing and tracking the requirements for use of funds, formerly the responsibility of the Water Resources Board Corporate, are now the responsibility of the Bank.
  - A new section on the project eligibility process clarifies how applications are submitted, how the Board determines eligibility and forwards the determination to the Bank, and the appeal process for any project not deemed eligible.
- Proposed revisions eliminate sections that apply only to the former Water Resources Board Corporate.
- Proposed revisions eliminate exhibits from the regulation and sections that are no longer applicable to the Board, legally unnecessary, and/or redundant

### Summary of Changes by Section:

**Section 7.1- Purpose and Authority-**Retitled section, simplified language, and eliminated unnecessary statement that the regulations supersede prior rules.

**Section 7.2- Definitions-** Simplified definitions, used sentence construction consistent with all other regulations. Notes specific to each definition follow:

1. Act- simplifies the reference to the statute
2. Bank-Adds definition for the RI Infrastructure Bank
3. Board-stays as is
4. Eligible expenditure- removes restatement of statute/references statute.
5. Bank WQPC Fund-defines the fund in custody of the RIIB (Bank).
6. State WQPC Fund- defines the general revenue portion of fund.
7. Receipt of Sale- stays as is.
8. Sale- adds reference to the act, format change for consistency.

9. Supplier- The definition of suppliers remains the same. Deleted language related to eligibility was moved to eligibility section.
10. Water quality protection charge- adds reference to the act, moved deleted text from definitions section to the eligibility section.
11. Added a new definition for eligible project list to clarify Board process regarding eligibility determination.

**Section 7.3-Applicability-** No substantive changes to the section explaining the imposition of the charges. An added sentence requires the Board to notify the Bank of any related, contested matters.

**Section 7.4- Collection of Water Quality Protection Charge** -Proposed revisions reorganize the content and add references to the Bank. Detail follows regarding changes including references to sections of the original rule that moved or were eliminated.

- A. Portion of former section 2.00(f)
- B. Portion of former section 2.00(f) with one added, clear sentence that the collections and remittances are based on billings.
- C. Form required- simplified from 2.00 (h)
- D. Former section 2.00 (a)-(d) are now (D) 1-4
- E. Former section 2.00 (e) -Adds reference to the Bank
- F. Former section 2(k)

The proposed revisions eliminate the following sections from original regulation:

2.00 (g)(1) – (3)- dated references to initial calculations of surcharge remittance techniques for those that pay to Providence Water.

2.00 (i) and (j) are related to the former Board Corporate revenue bonding authorities and practices.

**Section 7.5-Project Eligibility Process-** adds a new section on project eligibility process to clarify how applications are submitted, how the Board determines eligibility and forwards the determination to the Bank, and the appeal process for any project not deemed eligible.

**Section 7.6- Eligible Expenditures from the Bank Water Quality Protection Charge Fund-**This section revises the former section 3.00. Content is simplified and re-organized. No changes to mandates. Added references to the Bank where appropriate.

- A. Rework of former 3.00 (a) to cite the statute and the Bank WQPC Fund.
- B. Formerly authorized per 3.00 (c)(2)
- C. Former Section 1.00 (7)- was included as part of the definition of an eligible expenditure in the existing regulation: moved into the eligible expenditures section in the amended regulation.
- D. Former Section 3.00 (c) as detailed below:
  1. Clarifies 55% (formerly 3.00 (c)(1) (i)) and 45% (Formerly 3.00 (c) (1)(ii)) project eligibility, eliminates language related to requisitions as this was the former Board Corporate responsibility (former 3.00 (c)(1)), and moves the language related to the acquisition of watershed lands (2)(b) and prohibition of use of funds for expanding capacity from the definitions section of the rules (formerly 1.00 (3)).
  2. Formerly 3.00 (e)
  3. Formerly 3.00 (c) (1)(ii)

**Section 7.7- Requirements for Water Quality Protection Funds-** rework of the former section 4.00. Clarifying edits for consistency, added references to the Bank. Deletes text that related to the former Board Corporate functions/financing (former 4.00 (2) and (3)); Eliminates redundant statement regarding the 6.9% (former 4.00 (a)(5)) retained by the suppliers (in statute and referenced in other sections of the regulation);

Retains requirements for land acquisitions (former 4.00 (6) (i)-(viii)). Adds a statement (7.5 (A) (7)) related to non-land acquisition requirements.

**Section 7.8- Supplier Agreements** - reworks the section (former section 5.00) on supplier agreements to clarify that these agreements are the responsibility of the Bank.

**Section 7.9- Access**-reworks the Access section (former 8.00) to include references to the Bank.

**Section 7.10- Non-Compliance**- simplifies language and eliminates references to the prior version of the rule.

**Section 7.11- Notice of Non-Compliance**- adds references to the Bank and Bank WQPC Fund as defined in the revised rule.

**Section 7.12- Severability**- no substantive change- removes unnecessary word

Note: Former sections 6.00 Administration and Performance, Fraud and Other Unlawful or Corrupt Practices, 9.00 Assignment, 10.00 Use and Disclosure of Information, 13.00 Withholding of Disbursements of Funds, 14.00 Termination of Agreement, 15.00 Annulment, 16.00 Administrative Hearings, 17.00 Liberal Construction, 18.00 Rules and Regulations, and 20.00 Effective Date are deleted as no longer applicable to the Board, legally unnecessary, and/or redundant.