



General Assembly

January Session, 2003

Raised Bill No. 1032

LCO No. 3838

Referred to Committee on Environment

Introduced by:
(ENV)

AN ACT CONCERNING WATER QUALITY PROJECT GRANTS.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Subsection (c) of section 22a-478 of the general statutes is
2 repealed and the following is substituted in lieu thereof (*Effective July*
3 *1, 2003*):

4 (c) The funding of an eligible water quality project shall be pursuant
5 to a project funding agreement between the state, acting by and
6 through the commissioner, and the municipality undertaking such
7 project and shall be evidenced by a project fund obligation or grant
8 account loan obligation, or both, or an interim funding obligation of
9 such municipality issued in accordance with section 22a-479. A project
10 funding agreement shall be in a form prescribed by the commissioner.
11 A nonpoint source pollution abatement project shall receive a project
12 grant of seventy-five per cent of the cost of the project determined to
13 be eligible by the commissioner. A combined sewer project shall
14 receive (1) a project grant of fifty per cent of the cost of the project,
15 which cost shall be the cost the federal Environmental Protection
16 Agency uses in making grants pursuant to Part 35 of the federal
17 Construction Grant Regulations and Titles II and VI of the federal

18 Water Pollution Control Act, as amended; and (2) a loan for the
19 remainder of the costs of the project, not exceeding one hundred per
20 cent of the eligible water quality project costs. A construction contract
21 eligible for financing awarded by a municipality on or after July 1,
22 1999, as a project undertaken for nitrogen removal shall receive a
23 project grant of thirty per cent of the cost of the project associated with
24 nitrogen removal and a loan for the remainder of the costs of the
25 project, not exceeding one hundred per cent of the eligible water
26 quality project costs. Nitrogen removal projects under design or
27 construction on July 1, 1999, and projects that have been constructed
28 but have not received permanent, clean water fund financing, on July
29 1, 1999, shall be eligible to receive a thirty per cent grant. Any other
30 eligible water quality project shall receive (A) a project grant of twenty
31 per cent of the cost, which cost shall be the cost the federal
32 Environmental Protection Agency uses for grants pursuant to said Part
33 35 and said Titles II and VI, and (B) a loan for the remainder of the
34 costs of the project, not exceeding one hundred per cent of the eligible
35 project cost. [On or after July 1, 2006, all eligible water quality projects
36 eligible for funding shall receive a loan of one hundred per cent of the
37 eligible costs and shall not receive a project grant.] On or after July 1,
38 2002, eligible water quality projects that exclusively address sewer
39 collection and conveyance system improvements may receive a loan
40 for one hundred per cent of the eligible costs and shall not receive a
41 project grant. Any such sewer collection and conveyance system
42 improvement project shall be rated, ranked, and funded separately
43 from other water pollution control projects and shall be considered
44 only if it is highly consistent with the state's conservation and
45 development plan, or is primarily needed as the most cost effective
46 solution to an existing area-wide pollution problem and incorporates
47 minimal capacity for growth. All loans made in accordance with the
48 provisions of this section for an eligible water quality project shall bear
49 an interest rate of two per cent per annum. The commissioner may
50 allow any project fund obligation, grant account loan obligation or
51 interim funding obligation for an eligible water quality project to be

52 repaid by a borrowing municipality prior to maturity without penalty.

This act shall take effect as follows:	
Section 1	<i>July 1, 2003</i>

ENV *Joint Favorable*