



General Assembly

Raised Bill No. 5608

February Session, 2004

LCO No. 2118

* _____ HB05608FIN __ 032904 _____ *

Referred to Committee on Environment

Introduced by:
(ENV)

AN ACT CONCERNING FUNDING TO MUNICIPALITIES FOR CLEAN WATER PROJECTS.

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, as
2 amended by section 1 of public act 03-218, is repealed and the
3 following is substituted in lieu thereof (*Effective October 1, 2004*):

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 Eligible water quality projects shall be funded as follows:

12 (1) A nonpoint source pollution abatement project shall receive a
13 project grant of seventy-five per cent of the cost of the project
14 determined to be eligible by the commissioner.

15 (2) A combined sewer project shall receive (A) a project grant of fifty
16 per cent of the cost of the project, and (B) a loan for the remainder of
17 the costs of the project, not exceeding one hundred per cent of the
18 eligible water quality project costs.

19 (3) A construction contract eligible for financing awarded by a
20 municipality on or after July 1, 1999, as a project undertaken for
21 nitrogen removal shall receive a project grant of thirty per cent of the
22 cost of the project associated with nitrogen removal, a twenty per cent
23 grant for the balance of the cost of the project not related to nitrogen
24 removal, and a loan for the remainder of the costs of the project, not
25 exceeding one hundred per cent of the eligible water quality project
26 costs. Nitrogen removal projects under design or construction on July
27 1, 1999, and projects that have been constructed but have not received
28 permanent, clean water fund financing, on July 1, 1999, shall be eligible
29 to receive a project grant of thirty per cent of the cost of the project
30 associated with nitrogen removal, a twenty per cent grant for the
31 balance of the cost of the project not related to nitrogen removal, and a
32 loan for the remainder of the costs of the project, not exceeding one
33 hundred per cent of the eligible water quality project costs.

34 (4) If supplemental federal grant funds are available for Clean Water
35 Fund projects specifically related to the clean-up of Long Island Sound
36 that are funded on or after July 1, 2003, a distressed municipality, as
37 defined in section 32-9p, may receive a combination of state and
38 federal grants in an amount not to exceed fifty per cent of the cost of
39 the project associated with nitrogen removal, a twenty per cent grant
40 for the balance of the cost of the project not related to nitrogen
41 removal, and a loan for the remainder of the costs of the project, not
42 exceeding one hundred per cent of the allowable water quality project
43 costs.

44 (5) A municipality with a water pollution control project, the
45 construction of which began on or after July 1, 2003, which has (A) a
46 population of five thousand or less, or (B) a population of greater than

47 five thousand which has a discrete area containing a population of less
48 than five thousand that is not contiguous with the existing sewerage
49 system, shall be eligible to receive a grant in the amount of twenty-five
50 per cent of the design and construction phase of eligible project costs,
51 and a loan for the remainder of the costs of the project, not exceeding
52 one hundred per cent of the eligible water quality project costs.

53 (6) Any other eligible water quality project shall receive (A) a project
54 grant of twenty per cent of the eligible cost, and (B) a loan for the
55 remainder of the costs of the project, not exceeding one hundred per
56 cent of the eligible project cost.

57 (7) Project agreements to fund eligible project costs with grants from
58 the Clean Water Fund that were executed during or after the fiscal year
59 beginning July 1, 2003, shall not be reduced according to the provisions
60 of the regulations adopted under section 22a-482.

61 [(8) On or after July 1, 2006, all eligible water quality projects eligible
62 for funding shall receive a loan of one hundred per cent of the eligible
63 costs and shall not receive a project grant.]

64 [(9)] (8) On or after July 1, 2002, eligible water quality projects that
65 exclusively address sewer collection and conveyance system
66 improvements may receive a loan for one hundred per cent of the
67 eligible costs provided such project does not receive a project grant.
68 Any such sewer collection and conveyance system improvement
69 project shall be rated, ranked, and funded separately from other water
70 pollution control projects and shall be considered only if it is highly
71 consistent with the state's conservation and development plan, or is
72 primarily needed as the most cost effective solution to an existing area-
73 wide pollution problem and incorporates minimal capacity for growth.

74 [(10)] (9) All loans made in accordance with the provisions of this
75 section for an eligible water quality project shall bear an interest rate of
76 two per cent per annum. The commissioner may allow any project
77 fund obligation, grant account loan obligation or interim funding

