



General Assembly

January Session, 2015

Committee Bill No. 5291

LCO No. 3178



Referred to Committee on ENVIRONMENT

Introduced by:
(ENV)

**AN ACT CONCERNING REIMBURSEMENT FOR MUNICIPAL
PHOSPHOROUS ABATEMENT 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 is
2 repealed and the following is substituted in lieu thereof (*Effective from*
3 *passage*):

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, 2012, as a project undertaken for
21 nutrient removal shall receive a project grant of thirty per cent of the
22 cost of the project associated with nutrient removal, a twenty per cent
23 grant for the balance of the cost of the project not related to nutrient
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. Nutrient removal projects under design or construction on July
27 1, 2012, and projects that have been constructed but have not received
28 permanent, Clean Water Fund financing, on July 1, 2012, shall be
29 eligible to receive a project grant of thirty per cent of the cost of the
30 project associated with nutrient removal, a twenty per cent grant for
31 the balance of the cost of the project not related to nutrient removal,
32 and a loan for the remainder of the costs of the project, not exceeding
33 one 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, 2012, 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 nutrient removal, a twenty per cent grant
40 for the balance of the cost of the project not related to nutrient removal,
41 and a loan for the remainder of the costs of the project, not exceeding
42 one hundred per cent of the allowable water quality project costs.

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

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

52 (6) Any contract entered into by a municipality [on or before July 1,
53 2018,] that is eligible for financing as a project undertaken for
54 phosphorus removal [to at or below two-tenths milligrams per liter
55 effluent discharge,] shall receive (A) a project grant of fifty per cent of
56 the cost of the project associated with such phosphorus removal, (B)
57 except as provided in subdivision (3) of this subsection, a twenty per
58 cent grant for the balance of the cost of the project, and (C) a loan for
59 the remainder of the costs of the project, not exceeding one hundred
60 per cent of the eligible water quality project costs. [In providing
61 funding under this subdivision, the commissioner shall give priority,
62 first to projects with the lowest permitted limit of phosphorus
63 discharge as contained in a valid discharge permit issued pursuant to
64 section 22a-430, and then to those that remove the greatest amount of
65 phosphorus, as measured in pounds per year.]

66 (7) A municipality with a 2012 population of not less than forty
67 thousand but not more than forty-two thousand with a municipal
68 sewerage system that provides a regional sewerage treatment capacity
69 to not less than five abutting communities, each with 2012 populations
70 of less than five thousand, shall receive funding levels consistent with
71 subdivisions (1) to (6), inclusive, of this subsection plus an additional
72 five per cent for the design and construction phase costs of an eligible
73 water quality project and a loan for the remainder of the costs of such
74 eligible water quality project, provided such loan shall not exceed one
75 hundred per cent of the costs of such eligible water project.

76 (8) Any other eligible water quality project shall receive (A) a project
77 grant of twenty per cent of the eligible cost, and (B) a loan for the
78 remainder of the costs of the project, not exceeding one hundred per

79 cent of the eligible project cost.

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

84 (10) On or after July 1, 2002, an eligible water quality project that
85 exclusively addresses sewer collection and conveyance system
86 improvements may receive a loan for one hundred per cent of the
87 eligible costs provided such project does not receive a project grant.
88 Any such sewer collection and conveyance system improvement
89 project shall be rated, ranked, and funded separately from other water
90 pollution control projects and shall be considered only if it is highly
91 consistent with the state's conservation and development plan, or is
92 primarily needed as the most cost effective solution to an existing area-
93 wide pollution problem and incorporates minimal capacity for growth.

94 (11) All loans made in accordance with the provisions of this section
95 for an eligible water quality project shall bear an interest rate of two
96 per cent per annum. The commissioner may allow any project fund
97 obligation, grant account loan obligation or interim funding obligation
98 for an eligible water quality project to be repaid by a borrowing
99 municipality prior to maturity without penalty.

100 Sec. 2. Section 22a-428a of the general statutes is repealed and the
101 following is substituted in lieu thereof (*Effective from passage*):

102 (a) The Commissioner of Energy and Environmental Protection, or
103 the commissioner's designee and the chief elected officials of the cities
104 of Danbury, Meriden and Waterbury and the towns of Cheshire,
105 Southington and Wallingford, and the chief elected official of any other
106 municipality impacted by the state-wide strategy to reduce
107 phosphorus, or such chief elected officials' designees, shall
108 collaboratively evaluate and make recommendations regarding a state-
109 wide strategy to reduce phosphorus loading in inland nontidal waters

110 in order to comply with standards established by the United States
111 Environmental Protection Agency. Such evaluation and
112 recommendations shall include (1) a state-wide response to address
113 phosphorus nonpoint source pollution, (2) approaches for
114 municipalities to use in order to comply with standards established by
115 the United States Environmental Protection Agency for phosphorus,
116 including guidance for treatment and potential plant upgrades, and (3)
117 the proper scientific methods by which to measure current phosphorus
118 levels in inland nontidal waters and to make future projections of
119 phosphorus levels in such waters. The commissioner shall submit a
120 report on or before October 1, 2014, in accordance with the provisions
121 of section 11-4a, to the joint standing committees of the General
122 Assembly having cognizance of matters relating to municipalities and
123 the environment. Such report shall set forth the recommendations
124 required pursuant to subdivisions (1), (2) and (3) of this [section]
125 subsection and detail the collaborative effort through which such
126 recommendations were reached.

127 (b) Not later than six months following submission of the report
128 described in subsection (a) of this section, the commissioner, in
129 accordance with the provisions of section 11-4a, shall submit a report
130 to the joint standing committees of the General Assembly having
131 cognizance of matters relating to municipalities and the environment.
132 Such report shall detail how the commissioner intends to implement
133 the recommendations contained in the report described in subsection
134 (a) of this section.

135 Sec. 3. (*Effective from passage*) Not later than July 1, 2015, the
136 Commissioner of Energy and Environmental Protection shall begin a
137 study of the Quinnipiac River watershed. Such study shall determine
138 the water quality benefits derived from reductions in phosphorous
139 levels from wastewater treatment plants that are required to meet
140 interim phosphorous reduction levels. Such study shall be conducted
141 in conjunction with each affected municipality and the United States
142 Geological Survey. Not later than January 1, 2016, the commissioner, in

143 accordance with the provisions of section 11-4a of the general statutes,
144 shall submit a report to the joint standing committees of the General
145 Assembly having cognizance of matters relating to municipalities and
146 the environment concerning such study. Such report shall include, but
147 not be limited to, recommendations for any further actions necessary
148 to reduce phosphorous discharges to improve water quality and
149 recommendations for assisting such affected municipalities with
150 complying with applicable phosphorous reduction standards.

151 Sec. 4. (*Effective from passage*) Concomitant with the submission of
152 the report described in section 3 of this act, the Commissioner of
153 Energy and Environmental Protection shall submit a report, in
154 accordance with the provisions of section 11-4a of the general statutes,
155 to the joint standing committees of the General Assembly having
156 cognizance of matters relating to municipalities and the environment.
157 Such report shall detail the changes, if any, that the commissioner
158 intends to make to the phosphorous discharge limits contained in
159 permits issued pursuant to section 22a-430 of the general statutes due
160 to the findings and recommendations of the evaluation and study
161 required by section 22a-428a of the general statutes, as amended by
162 this act, and section 3 of this act, respectively.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	22a-478(c)
Sec. 2	<i>from passage</i>	22a-428a
Sec. 3	<i>from passage</i>	New section
Sec. 4	<i>from passage</i>	New section

Statement of Purpose:

To create a level playing field for all towns undertaking phosphorous reduction efforts by enabling such towns to be treated equally in the award of phosphorous reduction grants from the state.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]

Co-Sponsors: REP. FRITZ, 90th Dist.; REP. ZUPKUS, 89th Dist.
REP. ADINOLFI, 103rd Dist.

H.B. 5291