



General Assembly

Substitute Bill No. 5291

January Session, 2015



**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2 repealed and the following is substituted in lieu thereof (*Effective from*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] after the effective date of this act, that is eligible for financing as a
54 project undertaken for phosphorus removal to at or below two-tenths
55 milligrams per liter effluent discharge, shall receive (A) a project grant
56 of [fifty] thirty-five per cent of the cost of the project associated with
57 such phosphorus removal, (B) except as provided in subdivision (3) of
58 this subsection, a twenty per cent grant for the balance of the cost of
59 the project, and (C) a loan for the remainder of the costs of the project,
60 not exceeding one hundred per cent of the eligible water quality
61 project costs. In providing funding under this subdivision, the
62 commissioner shall give priority, first to projects with the lowest
63 permitted limit of phosphorus discharge as contained in a valid
64 discharge permit issued pursuant to section 22a-430, and then to those
65 that remove the greatest amount of phosphorus, as measured in
66 pounds per year.

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

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

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

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

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

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

103 (a) The Commissioner of Energy and Environmental Protection, or
104 the commissioner's designee and the chief elected officials of the cities
105 of Danbury, Meriden and Waterbury and the towns of Cheshire,
106 Southington and Wallingford, and the chief elected official of any other
107 municipality impacted by the state-wide strategy to reduce
108 phosphorus, or such chief elected officials' designees, shall
109 collaboratively evaluate and make recommendations regarding a state-
110 wide strategy to reduce phosphorus loading in inland nontidal waters
111 in order to comply with standards established by the United States
112 Environmental Protection Agency. Such evaluation and
113 recommendations shall include (1) a state-wide response to address
114 phosphorus nonpoint source pollution, (2) approaches for
115 municipalities to use in order to comply with standards established by
116 the United States Environmental Protection Agency for phosphorus,
117 including guidance for treatment and potential plant upgrades, and (3)

118 the proper scientific methods by which to measure current phosphorus
119 levels in inland nontidal waters and to make future projections of
120 phosphorus levels in such waters. The commissioner shall submit a
121 report on or before October 1, 2014, in accordance with the provisions
122 of section 11-4a, to the joint standing committees of the General
123 Assembly having cognizance of matters relating to municipalities and
124 the environment. Such report shall set forth the recommendations
125 required pursuant to subdivisions (1), (2) and (3) of this [section]
126 subsection and detail the collaborative effort through which such
127 recommendations were reached.

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

136 Sec. 3. (*Effective from passage*) Not later than July 1, 2015, the
137 Commissioner of Energy and Environmental Protection shall begin a
138 study of the Quinnipiac River watershed. Such study shall determine
139 the water quality benefits derived from reductions in phosphorous
140 levels from wastewater treatment plants that are required to meet
141 interim phosphorous reduction levels. Such study shall be conducted
142 in conjunction with each affected municipality and the United States
143 Geological Survey. Not later than January 1, 2016, the commissioner, in
144 accordance with the provisions of section 11-4a of the general statutes,
145 shall submit a report to the joint standing committees of the General
146 Assembly having cognizance of matters relating to municipalities and
147 the environment concerning such study. Such report shall include, but
148 not be limited to, recommendations for any further actions necessary
149 to reduce phosphorous discharges to improve water quality and
150 recommendations for assisting such affected municipalities with

151 complying with applicable phosphorous reduction standards.

152 Sec. 4. (*Effective from passage*) Concomitantly with the submission of
153 the report described in section 3 of this act, the Commissioner of
154 Energy and Environmental Protection shall submit a report, in
155 accordance with the provisions of section 11-4a of the general statutes,
156 to the joint standing committees of the General Assembly having
157 cognizance of matters relating to municipalities and the environment.
158 Such report shall detail the changes, if any, that the commissioner
159 intends to make to the phosphorous discharge limits contained in
160 permits issued pursuant to section 22a-430 of the general statutes due
161 to the findings and recommendations of the evaluation and study
162 required by section 22a-428a of the general statutes, as amended by
163 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

ENV Joint Favorable Subst.