



General Assembly

January Session, 2015

Committee Bill No. 577

LCO No. 3665



Referred to Committee on ENVIRONMENT

Introduced by:
(ENV)

**AN ACT DELAYING IMPLEMENTATION OF CERTAIN
PHOSPHOROUS REDUCTION GRANT CRITERIA FOR A PERIOD OF
FIVE YEARS.**

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2 repealed and the following is substituted in lieu thereof (*Effective July*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, 2015*):

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] On and after July 1, 2020, any contract entered into by a
53 municipality on or before July 1, [2018] 2023, that is eligible for
54 financing as a project undertaken for phosphorus removal to at or
55 below two-tenths milligrams per liter effluent discharge, shall receive
56 (A) a project grant of fifty per cent of the cost of the project associated
57 with such phosphorus removal, (B) except as provided in subdivision
58 (3) of this subsection, a twenty per cent grant for the balance of the cost
59 of the project, and (C) a loan for the remainder of the costs of the
60 project, not exceeding one hundred per cent of the eligible water
61 quality 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.

This act shall take effect as follows and shall amend the following sections:		
Section 1	July 1, 2015	22a-478(c)

Statement of Purpose:

To make the criteria for the award of project grants for phosphorous reduction go into effect five years from now.

[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: SEN. FASANO, 34th Dist.

S.B. 577