A BILL FOR AN ACT

Concerning grants for domestic wastewater treatment works for small communities.

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at http://www.leg.state.co.us/billsummaries.)

Water Resources Review Committee. Sections 1 and 2 of the bill clarify that severance tax dollars credited to the small communities water and wastewater grant fund may be used for domestic wastewater treatment works. Section 3 repeals a statute that separately governs the funding, through grant-making, of domestic wastewater treatment works.
Be it enacted by the General Assembly of the State of Colorado:

SECTION 1. In Colorado Revised Statutes, 25-1.5-208, amend (1) (a) and (2); and add (1) (a.5) as follows:

25-1.5-208. Grant program for public water systems and domestic wastewater treatment works - small communities water and wastewater grant fund - rules. (1) The department has, in addition to all other powers and duties imposed upon it by law, the powers and duties provided in this section as follows:

(a) To assist suppliers of water in the state that serve a population of not more than five thousand people with meeting their responsibilities with respect to protection of public health, the department, in the name of the state and to the extent that state funds are appropriated therefor, may enter into contracts with both governmental agencies and not-for-profit public water systems, as defined in section 25-1.5-201 (1), or with counties representing unincorporated areas that serve a population of not more than five thousand people, to grant moneys for the planning, design, and construction of drinking public water or water treatment systems.

(a.5) To assist domestic wastewater treatment works, as defined in section 25-8-103 (5), that serve a population of not more than five thousand people with meeting their responsibilities with respect to the protection of public health and water quality, the department, in the name of the state and to the extent that state funds are appropriated therefor, may enter into contracts with governmental agencies, or with...
COUNTIES REPRESENTING UNINCORPORATED AREAS THAT SERVE A
POPULATION OF NOT MORE THAN FIVE THOUSAND PEOPLE, TO GRANT
MONEYS FOR ELIGIBLE PROJECTS AS DEFINED IN SECTION 25-8-701 (2).

(2) The water quality control commission shall promulgate rules
for the administration of any appropriated grant moneys pursuant to this
section and for prioritizing proposed drinking water systems and
domestic wastewater treatment system projects based
upon public health impact impacts and water quality protection. The department shall authorize domestic wastewater
treatment grants based on water quality needs and public
health-related problems. The commission shall promulgate a
project categorization system for use in determining the
relative priority of proposed domestic wastewater projects. The
department shall review applications for state funds and may
approve only those applications that are consistent with the
project categorization system.

SECTION 2. In Colorado Revised Statutes, 25-8-701, amend (2);
and repeal (3) as follows:

25-8-701. Definitions. As used in this part 7, unless the context
otherwise requires:

(2) "Eligible project" means a project for the planning, design, or
construction of domestic wastewater treatment works or of facilities for
the discharge of wastewater or backwash water from public water
treatment plants which is, in the judgment of the division, necessary
for the accomplishment of the state water quality control program which
and that conforms with applicable rules and regulations of the
commission and which is eligible for federal assistance under provisions
of the federal act.

(3) "Federal assistance" means funds available to a municipality, either directly or through allocation by the state, from the federal government as grants for planning, design, or construction of domestic wastewater treatment works, or funds which are used for such planning, design, or construction, under provisions of the federal act.

SECTION 3. In Colorado Revised Statutes, repeal 25-8-703 as follows:

25-8-703. State contracts for construction of domestic wastewater treatment works. (1) (a) To meet the responsibility of the state with respect to the protection of public health and to assist municipalities and counties, the division, in the name of the state and to the extent of state funds appropriated therefor, may enter into contracts with municipalities with populations of not more than five thousand persons concerning the planning, design, or construction of domestic wastewater treatment works:

(b) Repealed.

(2) The division shall be the state agency for the administration of funds appropriated for such project grants and shall contract for grant projects only to the extent state general funds have been appropriated. The division may use not more than five percent of the funds appropriated for such project grants for the administration and management thereof.

(3) Domestic wastewater treatment grants shall be authorized based upon water quality needs and public health related problems. The commission shall promulgate a project categorization system for use in determining the relative priority of proposed domestic wastewater projects. The division shall review applications for state funds and may
approve only those applications that are consistent with the project
categorization system:

(4) During the review process the division shall seek from the
division of local government in the department of local affairs a fiscal
analysis of the applicant to determine financial need. Based upon its fiscal
analysis, the division of local government shall issue or deny a certificate
of financial need. If a certificate of financial need is issued, the division
may authorize a state grant percentage contribution to the project in
accordance with the recommendation of the division of local government
and with the project categorization adopted by the commission:

(5) Any contract entered into pursuant to this section shall include
an estimate of the reasonable cost of the project as determined by the
division and shall also include, but not be limited to, provisions which set
forth that the municipality shall:

(a) Proceed expeditiously and complete the project in accordance
with design documents reviewed by the division;

(b) Provide a plan of operation to the division for approval and
shall commence operation of the domestic wastewater treatment works on
completion of the project;

(c) Not discontinue operation of the domestic wastewater
treatment works without prior approval of the division;

(d) Operate and maintain the domestic wastewater treatment
works in accordance with the plan of operation;

(e) Provide for the payment of its share of the project.

(6) In connection with each contract concerning an eligible
project, the division shall keep accurate records on the project, including,
but not limited to, records of the amount of payment by the state and the
amount of federal assistance received by the applicant. Such records may
establish the basis for application for federal reimbursement of such
payments made by the state, and the division is authorized to make such
application in appropriate cases.

SECTION 4. Act subject to petition - effective date. This act
takes effect at 12:01 a.m. on the day following the expiration of the
ninety-day period after final adjournment of the general assembly (August
6, 2014, if adjournment sine die is on May 7, 2014); except that, if a
referendum petition is filed pursuant to section 1 (3) of article V of the
state constitution against this act or an item, section, or part of this act
within such period, then the act, item, section, or part will not take effect
unless approved by the people at the general election to be held in
November 2014 and, in such case, will take effect on the date of the
official declaration of the vote thereon by the governor.