

**Second Regular Session
Sixty-ninth General Assembly
STATE OF COLORADO**

BILL 3

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LLS NO. 14-0259.01 Jennifer Berman x3286

INTERIM COMMITTEE BILL

Water Resources Review Committee

House Committees

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING GRANTS FOR DOMESTIC WASTEWATER TREATMENT**
102 **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

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
*Capital letters indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.*

funding, through grant-making, of domestic wastewater treatment works for small municipalities and that substantially duplicates the provisions added and amended by sections 1 and 2.

1 *Be it enacted by the General Assembly of the State of Colorado:*

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

4 **25-1.5-208. Grant program for public water systems and**
5 **domestic wastewater treatment works - small communities water and**
6 **wastewater grant fund - rules.** (1) The department has, in addition to
7 all other powers and duties imposed upon it by law, the powers and duties
8 provided in this section as follows:

9 (a) To assist suppliers of water ~~in the state~~ THAT SERVE A
10 POPULATION OF NOT MORE THAN FIVE THOUSAND PEOPLE with meeting
11 their responsibilities with respect to protection of public health, the
12 department, in the name of the state and to the extent that state funds are
13 appropriated therefor, may enter into contracts with both governmental
14 AGENCIES and not-for-profit public water systems, as defined in section
15 25-1.5-201 (1), or with counties representing unincorporated areas that
16 serve a population of not more than five thousand people, to grant moneys
17 for the planning, design, and construction of ~~drinking~~ PUBLIC water ~~or~~
18 ~~water treatment~~ systems.

19 (a.5) TO ASSIST DOMESTIC WASTEWATER TREATMENT WORKS, AS
20 DEFINED IN SECTION 25-8-103 (5), THAT SERVE A POPULATION OF NOT
21 MORE THAN FIVE THOUSAND PEOPLE WITH MEETING THEIR
22 RESPONSIBILITIES WITH RESPECT TO THE PROTECTION OF PUBLIC HEALTH
23 AND WATER QUALITY, THE DEPARTMENT, IN THE NAME OF THE STATE AND
24 TO THE EXTENT THAT STATE FUNDS ARE APPROPRIATED THEREFOR, MAY

1 ENTER INTO CONTRACTS WITH GOVERNMENTAL AGENCIES, OR WITH
2 COUNTIES REPRESENTING UNINCORPORATED AREAS THAT SERVE A
3 POPULATION OF NOT MORE THAN FIVE THOUSAND PEOPLE, TO GRANT
4 MONEYS FOR ELIGIBLE PROJECTS AS DEFINED IN SECTION 25-8-701 (2).

5 (2) The water quality control commission shall promulgate rules
6 for the administration of any appropriated grant moneys pursuant to this
7 section and for prioritizing proposed ~~drinking~~ PUBLIC water SYSTEMS and
8 ~~water~~ DOMESTIC WASTEWATER treatment ~~system projects~~ WORKS based
9 upon public health ~~impact~~ IMPACTS AND WATER QUALITY PROTECTION.

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

12 **25-8-701. Definitions.** As used in this part 7, unless the context
13 otherwise requires:

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

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

27 **SECTION 3.** In Colorado Revised Statutes, **repeal** 25-8-703 as

1 follows:

2 **25-8-703. State contracts for construction of domestic**
3 **wastewater treatment works.** ~~(1) (a) To meet the responsibility of the~~
4 ~~state with respect to the protection of public health and to assist~~
5 ~~municipalities and counties, the division, in the name of the state and to~~
6 ~~the extent of state funds appropriated therefor, may enter into contracts~~
7 ~~with municipalities with populations of not more than five thousand~~
8 ~~persons concerning the planning, design, or construction of domestic~~
9 ~~wastewater treatment works.~~

10 ~~(b) Repealed.~~

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

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

23 ~~(4) During the review process the division shall seek from the~~
24 ~~division of local government in the department of local affairs a fiscal~~
25 ~~analysis of the applicant to determine financial need. Based upon its fiscal~~
26 ~~analysis, the division of local government shall issue or deny a certificate~~
27 ~~of financial need. If a certificate of financial need is issued, the division~~

1 may authorize a state grant percentage contribution to the project in
2 accordance with the recommendation of the division of local government
3 and with the project categorization adopted by the commission.

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

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

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

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

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

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

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

25 **SECTION 4. Act subject to petition - effective date.** This act
26 takes effect at 12:01 a.m. on the day following the expiration of the
27 ninety-day period after final adjournment of the general assembly (August

1 6, 2014, if adjournment sine die is on May 7, 2014); except that, if a
2 referendum petition is filed pursuant to section 1 (3) of article V of the
3 state constitution against this act or an item, section, or part of this act
4 within such period, then the act, item, section, or part will not take effect
5 unless approved by the people at the general election to be held in
6 November 2014 and, in such case, will take effect on the date of the
7 official declaration of the vote thereon by the governor.