

Finance, Revenue, and Bonding Committee  
General Bonding Subcommittee  
March 14, 2019

Thank you for this opportunity to discuss our agency's capital budget for the upcoming fiscal year. I am Katie Dykes, Commissioner of the Department of Energy and Environmental Protection. I am joined by our Chief Fiscal Officer, Dennis Thibodeau, as well as staff from some of our key program areas.

DEEP administers a wide array of programs that are supported by bond authorizations approved by this committee, including clean water fund projects, state park improvements, repairs of state-owned dams, flood control, the preservation of land for open space, energy efficiency programs and microgrids.

We take great pride in completing the projects that you authorize, and without taking too much of your time, I wanted to share just a few examples.

### **Clean Water Fund**

Our largest category of bond funds – which includes both general obligation and revenue bonds – is dedicated to Connecticut's Clean Water Fund. Through the Clean Water Fund, cities and towns receive grants and loans for upgrades to wastewater treatment plants and other components of sanitary sewer systems. Thanks to these grants and the strong partnerships between the DEEP and our communities, waterways throughout our state once rife with pollution today support healthy ecosystems and are attractive destinations for outdoor recreation and tourism. There remains work to do, including removing the overflow of raw sewage to our waterways when it rains and reducing phosphorus and nitrogen from discharges. We are confident that we will continue to make progress working with our municipal partners.

### **Dam Maintenance**

Another large category of bond funds is dedicated to repair, maintenance, and improvement of state owned dams, flood control structures, and municipal dams. First and foremost, these funds are critical for reducing hazards and public safety risks – but improvements at dams and flood control structures can also improve ecological health, and enhance recreational opportunities.

### **Park Infrastructure**

On the Environmental Conservation side, bond funds support critical infrastructure across our system of state parks, forests, wildlife management areas, and linear trails. These funds are critical

for enhancing the visitor safety and experience for 10 million visitors annually, whose tourism dollars add \$1 billion a year to Connecticut's economy and support 9,000 private sector jobs.

Recent projects include:

- Rocky Neck Water main replacement
- Silver Sands State Park bathroom facilities
- Replace or build new picnic pavilions and trail-head toilet facilities
- Paving roads, parking lots system-wide
- Historic resource protection (repointing masonry at Ft. Griswold/Ft. Trumbull)
- Expand utilities at campsites throughout the system (electric, and water in some locations)
- Visitor Access improvements: Accessible fishing platforms, boat launches, and parks
- Incorporating energy improvements into many projects

### **Open Space and Watershed Land Acquisition Grant Program**

This competitive matching grant program has been the primary funding source for open space protection across Connecticut since its inception in 1998. Projects funded through this program are led by our municipalities, local land trusts, and other conservation partners and ensure we are protecting the open space and passive recreational resources that shape Connecticut's landscape and adds to our quality of life.

Over its 21 years, this high-demand program has awarded over \$125 million in open space grant funding towards the protection of over 36,000 acres of open space across the State. In exchange for the grant, project sponsors provide DEEP with a conservation easement that protects the land in perpetuity and makes the land available to the public for passive recreational uses. Also, since 2007, this program has funded 21 urban green and community garden projects in our distressed municipalities - creating pocket parks and community gardens in areas of the highest need.

State Statute sets a goal of having 21% of the State's land preserved as open space with the DEEP holding 10% and our conservation partners holding 11% or about 350,000 acres. To meet the goal set forth for our conservation partners, they need to acquire an additional 100,000 acres of open space. DEEP is currently reviewing the annual open space grant applications that were received in February 2019. We are excited that this current grant round holds promise of protecting nearly 2,500 critically-important open space acres in 25 municipalities across the State.

### **Recreation and Natural Heritage Trust Program**

DEEP and all of its predecessor agencies have been building a system of State Parks, Forests and Wildlife Management Areas since the early 1900s. As of December 2018, DEEP held about 260,000 acres of public lands that comprise our treasured parks, forests wildlife management and outdoor recreation areas, as well as public access to lakes, rivers and the Long Island Sound. These lands protect our drinking water, conserve open space for thriving wildlife populations, protect our most sensitive habitats and waters, and aid in adapting to the effects of climate change.

To meet the goal of DEEP holding 10% of the State's land (about 320,000 acres), an additional 60,000 acres of open space must be acquired by DEEP. Over the last five years, DEEP has acquired approximately 5,000 acres of new public lands worth some \$32 million. This new land only required \$7 million in State bond funds thanks to matching federal grants and donations. DEEP is leveraging \$4.56 for each \$1.00 of bond funds expended since May 2014.

### **Lead By Example**

Connecticut state government must lead by example on many fronts, including energy efficiency. We have funded 76 energy efficiency projects in state buildings resulting in an estimated 100,000 MMBtus reduced and \$5.2 million savings annually, with an average 8.7 year payback. We also estimate current projects under construction will provide an additional \$6 million in avoided costs annually.

We have also invested \$20 million in efficient heating ventilating and cooling systems at critical facilities and for efficiency investments at other facilities. Currently \$49 million is committed to projects that are in the planning or construction phase.

### **Microgrid Program**

Our first-in-the-nation microgrid program was conceived in the wake of the series of storms in 2011, 2012, and 2013 that resulted in significant and prolonged statewide power outages. These microgrids are 24/7 distributed clean sources of generation on-site (e.g. fuel cells, solar panels, natural gas turbines with combined heat and power). A variety of critical facilities can be supported by microgrids, including: municipal facilities such as police and fire stations; dorms and schools for shelter; and private facilities, such as grocery stores, gas stations and senior housing.

Microgrid projects are being developed along the shoreline from Fairfield to Bridgeport and through interior Connecticut from Woodbridge to Windham. To date, eight projects are operational and the remaining projects are in various stages of development.

- \$20 million in grant funding has been awarded through 11 grants issued, eight projects are operational.
- Round 4 program review is ongoing and DEEP is evaluating 4 applications.
- Variety of critical facilities including: police and fire stations, senior centers, college dorms also private facilities such as gas stations and grocery stores.

I would welcome the opportunity to give a short PowerPoint presentation which highlights some of our recent projects and accomplishments.

The Governor's FY20-21 budget prioritizes reducing the amount of debt the state incurs through less bonding. As you know, these programs have existing authorizations that are not affected by the biennial capital budget. DEEP is committed to working to address its highest priorities for all

of these important programs utilizing existing authorizations and any future authorizations provided by the legislature.