

March 4, 2022
Bond
Subcommittee
Hearing

Program	Unallocat ed 1/1/22	FY 23 (Current)	Gov. Propose d FY 23 Revision	Gov. Net Revised FY 23	Progra m Resp.	Prima ry Staff	Defend Allocated & Unallocated Balances (as identified during FY'22-23 submission)	Additional Information
For the microgrid and resilience grant and loan pilot program	10,000,000	5,000,000		5,000,000	BETP		In fall 2020 the CGA enacted PA 20-5, which expanded the microgrid grant and loan program to cover resilience projects and renamed it the microgrid and resilience grant and loan pilot program. Resilience projects provide an ability to prepare for and adapt to changing conditions and withstand and recover rapidly from deliberate attacks, accidents, or naturally occurring threats or incidents such as those associated with climate change. In 2021 PA21-111 amended previous authorizations (PA239-13 \$15M and PA17-2 \$5M) and authorized new bond funds (FY22 \$5M and FY23 \$5M) for the new microgrid and resilience grant and loan program. In December 2021 Governor Lamont issued EO 21-3 directing DEEP to create a grants program for adaptation and resilience planning and project pipeline development to fulfill the resilience projects authorization in PA20-5 and ensure Connecticut's communities will be competitive for federal resilience grants in the Bipartisan Infrastructure Law. DEEP is now developing that new grant program and plans to issue a request for proposals in 2022. The capital requests in FY22 and FY23 reflect the new charge from the legislature and Governor Lamont to make a more resilient Connecticut in the face of the climate crisis.	

Alterations, renovations and new construction at state parks and other recreation facilities including Americans with Disabilities Act improvements	-	15,000,000	15,000,000	30,000,000	BCS		This is the only program for renovations, alterations and new construction in State parks and other recreational facilities, including ADA access improvements. Project selection is drawn from State Park Management Unit Infrastructure Plans, the State Park Facilities Improvement (2020) Plan and the Connecticut State Parks General Management Conditions Assessment, which evaluated 51 State parks and forest recreation areas against an established infrastructure baseline. Prioritization is given to addressing public health and safety issues, building code/OSHA violations and replacement of failing infrastructure. As DEEP continues with infrastructure improvements, efforts will include new buildings such as maintenance facilities, cabins, bathhouses and ticket booths, as well as green technology upgrades, and upgrades to existing buildings.	
Clean Water Fund GO - Grants-in-aid to towns	207,400,000	100,000,000		100,000,000	BCS/WP LR		Properly functioning wastewater infrastructure for Connecticut municipalities is critical for water quality, public health and economic vitality. Since the design life of wastewater treatment plants is 20 years, there is an ongoing need to upgrade wastewater treatment plants due to capacity needs, permit limits necessary to protect water quality, and the need to maintain energy efficient treatment reliability. A portion of this capital budget request is to fully fund wastewater treatment plant upgrades that began construction in FY21. In addition, a significant amount of construction for FY22 and FY23 will be work in addressing combined sewer overflows and rehabilitation of sanitary sewer collection systems. In most municipalities, rehabilitation work in the collection system is long overdue. Performing rehabilitation work on the sanitary sewers and pumping stations prior to a catastrophic failure will save municipalities money on expensive emergency repairs, not to mention the elimination of accidental sewage spills to the environment and sewage backups into residences and businesses. Funds will also be directed to address small community wastewater needs, green infrastructure, and resiliency projects along with planning and design projects which create the pipeline for future construction projects. DEEP is currently in the process of creating a new Priority List that will identify priority projects to which funds will be	DEEP is currently in the process of creating a new Priority List that will identify priority projects to which funds will be directed, pursuant to CWF application submittal by municipality. Finalization of the Priority List is projected for April, 2022. Project needs were estimated at ~\$126M in FY22; higher need expected in FY 23 due to greater availability of funds from BIL. These funds will be critical for ensuring DEEP can leverage

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Clean Water Fund Revenue - Low-interest loans to towns	777,000,000	237,000,000		237,000,000	BCS/WP LR		Properly functioning wastewater infrastructure for Connecticut municipalities is critical for water quality, public health and economic vitality. Since the design life of wastewater treatment plants is 20 years, there is an ongoing need to upgrade wastewater treatment plants due to capacity needs, permit limits necessary to protect water quality, and the need to maintain energy efficient treatment reliability. In addition, a significant amount of construction for FY22 and FY23 will be work in addressing combined sewer overflows and sanitary sewer collection systems. In most municipalities, rehabilitation work in the collection system is long overdue. Performing rehabilitation work on the sanitary sewers and pumping stations prior to a catastrophic failure will save municipalities money on expensive emergency repairs, not to mention the elimination of accidental sewage spills to the environment and sewage backups into residences and businesses. Funds will also be directed to address small community wastewater needs, green infrastructure, and resiliency projects along with planning and design projects which create the pipeline for future construction projects.	DEEP is currently in the process of creating a new Priority List that will identify priority projects to which funds will be directed, pursuant to CWF application submittal by municipality. Project needs estimated at ~\$400M in FY22; higher need expected in FY 23 due to greater availability of funds from BIL. These funds will be critical for ensuring DEEP can leverage

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Connecticut bikeway, pedestrian walkway, recreational trail and greenway grant program	3,000,000	3,000,000		3,000,000	BOR		As documented by the Dept. of Energy and Environmental Protection's Statewide Outdoor Recreation Plan, recreational trails continue to be a priority for Connecticut residents. As recreational trails are becoming more popular, they are also being integrated into economic development, public health and alternative transportation, in CT and nationwide. State Bond funds were authorized in FY07 and FY16, in part, due to diminishing Federal funding sources. DEEP's CT State Parks Division in partnership with CT DOT, has utilized the Bond funds to develop a Statewide Recreational Trails/Bikeways Program. The funds requested for FY22 and FY23 will continue this very successful program. Last fall, DEEP issued a request for recreational trails proposals. With \$3 million available, the Department received an unprecedented 65 applications requesting over \$22 million. The \$3 million was granted to twenty worthy projects, but another \$7 million in highly ranked proposals were unable to be funded. Following the historic trend, we expect the ongoing need for investments in Connecticut's outdoor recreation greenway and trail infrastructure to continue.	DEEP just announced the result of the 2021 calendar year grant round. The unallocated balance is reserved for the 2022 calendar year grant round.

Dam repairs, including state- owned dams	21,679,000	-	-	-	WPLR	<p>This source of funding is essential to the DEEP's on-going efforts to repair and modernize all State-owned dams in compliance with the Army Corps of Engineers and State safety standards. In FY 13, a statutory change was made to require more regular dam owner responsible inspections of all high and significant hazard dams. DEEP is responsible for hiring consultants to undertake required regulatory inspections of approximately 50 State-owned dams per year. This results in a determination of the costs of repairs to those dams inspected and the development of a list prioritizing those repairs of State-owned dams. In addition, dam repairs and reconstruction which have previously been deferred are becoming more pressing. As dam maintenance and minor repairs are deferred, the structures continue to deteriorate and may result in increased long-term costs, as on-going repairs become more comprehensive reconstruction projects. Dam repair projects are initiated based upon risk and protection of public safety. See Attachment B for the funding needs of this program.</p>	<p>Previously allocated funds are dedicated to specific dam repair projects. DEEP is responsible for the maintenance, inspection, and repair of approximately 260 state-owned dams and 29 flood control facilities co-managed by the Army Corps of Engineers or the USDA Natural Resources Conservation Service. This large portfolio of dams and flood control facilities requires prompt action to protect life and property. In addition, there are additional federal funds that may be available to DEEP to perform dam removals or repairs. These federal programs would require non-federal match, which could require these bond funds to maximize the amount of federal stimulus</p>
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									funding avaiable to Connecticut.
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For the purpose of funding any energy services project that results in increased efficiency measures in state buildings pursuant to section 16a-38l of the general statutes, or for any renewable energy or combined heat and power project in state buildings	20,000,000	10,000,000		10,000,000	BETP	<p>The Department of Energy and Environmental Protection (DEEP), in consultation with the Department of Administrative Services (DAS) and the Office of Policy and Management, implements the state's plan for the reduction of energy consumption in state buildings, as required by C.G.S. §16a-37u, §16a-38a, §16a-38i, and §16a-38l. Governor Lamont's Executive Order 1 also creates a requirement for Executive Branch buildings to reduce their greenhouse gas emissions, waste disposal and water consumption. In order to meet these objectives, the GreenerGovCT/Lead by Example program will need \$20 million per year for at least the next two years and in future years to address a strategic pipeline of building projects, informed by comprehensive energy audits. The State currently spends approximately at least \$80 million annually on utility costs. A total of 72 bond-funded energy efficiency retrofits in State buildings have been approved since bond funding was made available in 2013 for a total commitment of about \$20 million for these projects and an average payback of 8 years. This amounts to almost \$3 million in annual costs avoided through these investments. For information on the list of approved bond-funded projects, please see the Lead By Example for State Agencies webpage, on the DEEP website, at [http://www.ct.gov/deep/lib/deep/energy/lbe/LBE_Project_Status.pdf].</p>	<p>The unallocated \$20M is needed to fund the projects that resulted from the 2020 energy audits that were conducted. Staff will try to get these projects onto the bond agenda this year, to have the funding released. DCS will be administering these projects and will be using the funding to hire design and construction consultants to implement the projects. Some of the funding will be designated for the remaining projects from the energy audit lists for the following agencies (DAS, ESPP, DOC, and DMHAS), totaling over \$4M dollars. Some measures identified include, but are not limited to, LED lighting upgrades, boiler and chiller replacements, and building automated systems. The</p>
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								funding will help support future projects, such as the next round of energy audits, that DEEP (in consultation with DAS and OPM) will use to identify state buildings in need of energy upgrades. Future funds will also go towards looking at technology to decarbonize our buildings to get to net zero. The last allocation of funds was at the last Bond Agenda meeting on December 21, 2021 of \$14 million to go towards energy efficiency projects at several buildings. This current \$20 million has not been requested yet. As of now, at least \$5 million can be requested to fund the remaining energy audit projects for the next bond agenda meeting. If new or increased bond authorization is proposed, we can
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								use that funding opportunity to implement more efficiency measures at state facilities that were not budgeted before. DEEP is currently working with state agencies to identify what buildings they own, that are in need of energy efficiency upgrades and towards decarbonizing them to achieve net neutral/zero.
For water pollution control projects at state facilities	750,000	-		-	BCS		Septic systems and wastewater treatment facilities require periodic upgrades for the maintenance of the existing infrastructure, expansions to meet demands from increasing flow rates, or treatment upgrades to comply with environmental requirements. State agencies are held to the same regulatory technical and permit standards as are municipalities. Projects for the next two fiscal years focus on repairs at DEEP facilities, and the out-year projections are to continue septic system upgrades at State parks. CGS Section 22a-439a provides funding only for capital improvements. Operation and maintenance expenses are the responsibility of the agency through its operating budget.	

Grants-in-aid for containment, removal or mitigation of identified hazardous waste disposal sites	12,500,000	5,000,000		5,000,000	WPLR		<p>The listed Superfund sites have all had sufficient investigation to document their threat to human health and the environment, and are pending Remedial Design and/or Remedial Action. Unknown future sites are anticipated, requiring remediation funding to be available to avoid delay and risk to public health and safety. The sites addressed by this program may also be Brownfields sites. Cleanup and reuse of these sites may enhance job creation or retention, return of properties to tax roles, and reduction of threats to human health and the environment.</p> <p>\$2.518M was allocated to DEEP at the December '21 SBC Meeting to continue the on-going hazardous waste removal activities at the Raymark Federal Superfund Site in Stratford. These funds cover the State's 10% cost share obligation to EPA, and the anticipated total project cost is \$80M-100M. Funds are needed to complete the Durham Meadows Superfund Project to extend a public water main to an impacted area, and for the former J Swift Chemical Co. site in Canton to fund the study, design and implementation of a remedial action plan to address solvent pollution.</p>
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Grants-in-aid for identification, investigation, containment, removal or mitigation of contaminated industrial sites in urban areas	10,500,000	10,500,000		10,500,000	WPLR		<p>This program is jointly administered by the Dept. of Energy and Environmental Protection and the Dept. of Economic and Community Development. Although grant and loan programs exist to assist municipalities and private parties with the investigation and remediation of Brownfields, there remains a need for certain Brownfields to be addressed with more direct State involvement. Bond authorizations for this program will be needed to address investigation and remediation at future sites, thereby reducing potential risks to public health and safety, and preparing the sites for productive re-use. This program is available for Brownfields in Distressed Municipalities and Targeted Investment Communities, which are burdened by a disproportionate number of Brownfields.</p>	Existing allocations under this program are being utilized to investigate and remediate specific Brownfield projects. The unallocated balance is needed to address future Brownfield challenges in our most vulnerable and disadvantaged communities (Distressed Communities & Targeted Investment Communities). Actual sites are selected jointly with DECD and may be used to address unique Brownfield challenges that may not be well-suited for DECD's grant and loan programs.
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Grants-in-aid to municipalities for improvements to incinerators and landfills, including but not limited to bulky waste landfills	2,900,000	2,900,000		2,900,000	MMCA		<p>Future closures will be determined through a process of inspection, assessment of pollution potential, and proposed schedules for closure pursuant to approved closure plans and/or stewardship permit requirements for the closure of landfills. Improvements and repairs are needed to ensure that the former CRRA landfills are managed after final closure so that they do not pose a threat to human health and the environment. Such improvements/repairs include landfill gas and leachate control systems, stormwater management systems, final cover repairs, and water treatment systems.</p> <p>These funds continue to be needed. Multiple capital improvements and repairs are being scoped, planned, and implemented to address environmental mitigation engineering controls at the regional CRRA landfills. Several of these items will be implemented in fiscal years 22 and 23. Over \$2M in needed repairs to various components of stormwater, leachate, and landfill gas collection systems have been identified for the Hartford landfill alone in fiscal years 22 and 23. These funds continue to be needed to ensure the post-closure care of regional landfills and potential additional measures required to address landfill management</p>
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								capital costs. Also, individual municipalities continue to request assistance with costs of landfill closure.
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Grants-in-aid to municipalities for open space land acquisition and development for conservation or recreational purposes	17,000,000	10,000,000		10,000,000	Com	<p>The Connecticut General Assembly established a goal of having 673,210 acres (21%) of the State's land area preserved as open space. The goal calls for 352,634 acres (11%) of the State's land area to be acquired by DEEP's Partners (municipalities, nonprofit land conservation organizations and water companies). As of December 2019, it is estimated that our Partners held approximately 248,953 acres or 70.6% of the State's goal. To meet the goal set forth for Partner open space acquisitions, an additional 103,681 acres of open space must be acquired by our Partners by 2023. DEEP offers an annual grant round each September. The Bond funding from this Open Space Program augments funding from the Community Investment Act Program, and is critical to satisfy the need of this very popular land acquisition program. The Bond funding requested will provide matching grants to DEEP's Partners for eligible acquisitions.</p> <p>OSWA Funding</p> <ul style="list-style-type: none"> • \$18.4M in allocated OSWA funds and \$3.9M in CIA for a total of \$22.3 in available balance • \$14.9M in previously committed unspent funds going back to 2015 • Full approved cost of \$11.4M for 2021 OSWA and UGCG 2021, so 65% award = \$7.6M • \$17M in existing unallocated bond authorizations with an additional proposed \$10M in FY '23 for a total of \$27M in future bonding <p>1. Do you need the unallocated balance? Yes</p> <p>a. If so, for what purpose? To cover \$14.9M in previously committed OWSA and UGCG grants in addition to the ~\$7.6M to be awarded for the 2021 grant round (currently under review).</p> <p>b. Within what time frame? Most projects are complete within 3 years, but some can take longer</p> <p>2. Are the unallocated funds obligated, designated, or otherwise attached to projects, or are funds available for future needs as they arise? The \$17M in existing,</p>
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							<p>unallocated bonding is available to cover future needs</p> <p>a. If attached to projects, please provide information on the projects.</p> <p>3. Allocation of Funds</p> <p>a. When was the last time funds for the program were allocated, if ever? December 2020 \$7M</p> <p>b. Have the funds been requested for allocation by the bond commission? If so, how much and when?</p> <p>4. What impediments, if any, have there been in accessing and using the unallocated bond funds?</p> <p>5. If new or increased bond authorizations have been proposed for FY 23, what expansion or increase of projects is expected and how quickly are the new funds anticipated to be needed? The \$10M in proposed new bond authorizations would support future OSWA and UGCG grant rounds.</p>	
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PFAS - For the purposes of testing for pollution from perfluoroalkyl and polyfluoroalkyl substances, providing potable water to persons affected by such pollution and for buyback of aqueous film-forming firefighting foam containing perfluoroalkyl and polyfluoroalkyl substances	-	1,150,000		1,150,000	WPLR		Funding for potable water projects (grants) to municipalities to address well water pollution problems when no responsible party can be found; or the responsible party has insufficient funds to cover the cost of providing an alternative water supply. Grant funds may be used to evaluate water supply alternatives; perform engineering studies of water supply alternatives; and for the capital costs for implementing the preferred alternative. Funding for PFAS is for investigating, containing, removing or addressing PFAS in various media in drinking water, groundwater, surface water, soil, sediment, fish, waste water influent and effluent, sludge, biosolids, air, and consumer products and associated packaging and developing electronic systems to maintain and analyze environmental data.	Allocation of \$1.15M for FY23 will allow DEEP to continue implementation of a PFAS vulnerability assessment of private drinking water wells located near known and suspected PFAS sources. Funds allocated at the December 2021 SBC (\$1.15M for FY22) is the first installment allowing DEEP to initiate sampling and filter installations in impacted areas of Killingworth and East Hampton. Full allotment will be needed with 2nd installment (\$1.15M) request anticipated for in middle of FY23.
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Recreation and natural heritage trust program for recreation, open space, resource protection and resource management	6,000,000	-		-	Com		The Connecticut General Assembly established a goal of having 673,210 acres (21%) of the State's land area preserved as open space. The goal calls for 320,576 acres (10%) of the State's land area to held by DEEP as part of the State's system of parks, forests, wildlife, fisheries and natural resource management areas. As of December 2019, it is estimated that DEEP held approximately 261,296 acres (81.5%) of the State's area. To meet the goal set forth for State open space acquisitions, an additional 59,280 acres of open space must be acquired by the State by 2023. Achieving this goal would require a significant increase in annual Authorizations/Allocations. The requests for FY22 and FY23 are based on DEEP's existing capacity to manage the program; and look to leverage Federal grant funds. Since May 2014, DEEP acquired almost 6,300 acres, at a cost to the State of approximately \$1,389/acre. Since May 2014, every \$1 of expended State bond funds leveraged \$4.41 in funds from other parties (Federal grants and private contributions).	
Town Open Space Program - Glastonbury	2,000,000	-		-	Com			
Various flood control improvements, flood repair, erosion damage repairs and municipal dam repairs	13,599,710	-		-	WPLR		These funds are used as the State's share for cooperative flooding, erosion and municipal dam repair projects, undertaken with municipalities and the Federal government, as well as to fund repairs to State-owned flood control projects. The funds are essential to continue the Dept. of Energy and Environmental Protection's efforts to mitigate flooding hazards and erosion problems that exist in all Connecticut towns and cities. DEEP enters into cost-shared agreements with municipalities to address these problems, and there has been significant local interest shown in this program. Funding from the State FECB program may be used to fund a portion of the costs for the engineering study, design and actual construction of the flood, erosion, non-structural flood mitigation measures or dam safety improvements.	Previously allocated funds are dedicated to specific, critical repairs of certain flood control projects. DEEP is responsible for the maintenance, inspection, and repair of approximately 29 flood control facilities co-managed by the Army Corps of Engineers or the USDA Natural Resources Conservation

								Service. These large facilities contain multiple structures that require prompt action to protect life and property. In addition, there are additional federal funds that may be available to DEEP to perform dam removals or repairs. These federal programs would require non-federal match, which could require these bond funds to maximize the amount of federal stimulus funding available to Connecticut.
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