



Finance, Revenue, and Bonding Committee – General Obligation Bonding  
Subcommittee  
March 20, 2023

Sen. Fonfara, Rep. Horn, Sen. Martin, Rep. Cheeseman, and members of the General  
Obligation Bonding Subcommittee:

Thank you for this opportunity to discuss the capital budget for the Department of  
Energy and Environmental Protection (DEEP) for the 2024-2025 biennium.

DEEP has 15 capital programs that support a variety of responsibilities, including the  
following programs: Clean Water Fund, DEEP Infrastructure and State Park  
Improvements, State-owned Dam Repair, Flood and Erosion Control, Potable Water,  
Incinerators and Landfills, Open Space, Recreation and Natural Heritage, Hazardous  
Waste/State Superfund, Energy Efficiency in State Buildings, and Microgrids and  
Resilience Grant and Loan.

I would like to thank this Committee for its continued support of DEEP's capital  
programs. I am proud of DEEP's success in all areas of responsibilities, including  
environmental quality, environmental conservation, and energy programs. Our diverse  
portfolio of programs includes one of the State's largest capital investments,  
Connecticut's Clean Water Fund, which is a national model program leveraging nearly  
\$600M of federal grants to over \$5B in state investments in wastewater infrastructure  
throughout the State. Through the committee's continued support, our investment in  
improvements to water and wastewater infrastructure aids our municipalities, especially  
our more urban communities burdened with outdated and outmoded infrastructure. The  
state's investment in the Clean Water Fund has resulted in great improvements to water  
quality, which has the added benefits of protecting public health, the environment, our  
recreational resources, and one of the State's most cherished assets, Long Island Sound.

To highlight other major programs, Governor Lamont's budget authorizes \$20M per  
year in General Obligation Bonding for DEEP's Infrastructure and State Park  
Improvements Program. This increase will provide continued support for much-needed  
infrastructure improvements throughout our agency portfolio – specifically in our State  
Parks, State Forests, and boat launches. The surge in outdoor recreation interest seen  
during the pandemic has been sustained, and Connecticut residents continue to utilize  
the State's recreational infrastructure resources at record levels. The Governor's budget  
also authorizes \$15M per year across two programs to fund acquisition of new open



space to help meet Connecticut residents' increased demand for outdoor opportunities and to preserve Connecticut's natural resources.

The Governor's capital budget also recommends \$50M over the biennium to deal with the cleanup of pollution. There is \$36M proposed for our most significant pollution problems, Connecticut's Superfund sites. Connecticut is obligated to share in cost of cleanup and fund long-term operation on any remedial systems. US EPA has recently completed the installation of a new water system to address area-wide groundwater pollution in Durham. In addition, US EPA is speeding the cleanup actions at the Raymark Superfund site in Stratford. Further, funding is recommended for a Brownfield program jointly administered by DEEP and the Department of Economic and Community Development. These funds are targeted toward urban areas and can remove a significant barrier to economic development and opportunity in urban areas that are typically already served by public infrastructure. Finally, the Governor proposes additional funding to DEEP to address the emerging challenge posed by PFAS that can impact private drinking water wells, as we have recently seen in Killingworth.

In response to growing community needs for resilience assistance from the state, the Governor's capital budget recommends \$30M for microgrids and climate resilience funding over the biennium. With the acceleration of climate change, we are seeing communities increasingly impacted by extreme weather events such as storms – both coastal and inland. Systems built in generations past designed to serve communities are becoming overwhelmed more regularly. DEEP recently closed a grant round for its Climate Resilience Fund for Planning and Project Development. Based on the responses, it is clear that communities are thinking about resilience and are looking for state assistance. Awards through this program, supported by bonding through the Microgrids and Resilience grant program, will create a pipeline of resilience projects ready to compete for significant federal infrastructure funding for grey, green, and blue resilience infrastructure. This bond program is also being evaluated to assist municipalities in meeting non-federal match obligations under federal grant offerings.

For the convenience of the committee, we have attached a table to summarize the Department's current unallocated balances and the Governor's proposed recommendations (see Attachment I).

We recognize and welcome the opportunity to discuss current balances and the Governor's recommended authorizations for Fiscal Years 2024 and 2025. We hope to answer all your questions here today and would be happy to follow up on items that may need more review with program staff.