



STATE OF CONNECTICUT
DEPARTMENT OF ENVIRONMENTAL PROTECTION



Public Hearing – March 3, 2008
Environment Committee

Testimony Submitted by Commissioner Gina McCarthy
Department of Environment Protection

Raised House Bill 5641
An Act Concerning Conservation Development

Thank you for the opportunity to present testimony regarding Raised House Bill No. 5641 AN ACT CONCERNING CONSERVATION DEVELOPMENT. The Department has serious concerns about section 8 of the bill and the impact of that section on the Clean Water Fund. According to section 8 of the bill, a set-aside of no less than five percent of the state Clean Water Fund is proposed for construction of alternative on-site sewage treatment. For the reasons set forth below, the Department opposes this proposed change to the Clean Water Fund.

As you are likely aware, a Clean Water Fund Advisory Work Group was established in 2006 to review state funding needs for wastewater infrastructure projects. Their report released in February 2007 identified nearly \$5 billion in infrastructure needs over the next 20 years, which is likely a conservative estimate. At that time, the state was faced with a backlog of wastewater projects that the Work Group estimated would require \$130 million in General Obligation bonding per year to address. Last year's bonding package has provided a boost to the Clean Water Fund that will greatly reduce the backlog of projects over the next two fiscal years. However, the traditional needs for municipal wastewater infrastructure improvements will continue at the same pace, or greater, in ensuing years. We cannot afford to whittle away at the Clean Water Fund and still satisfy the demands of priority wastewater infrastructure projects. In addition, the establishment of the Clean Water Fund was for the purpose of establishing a financial program for the protection of water quality and for the protection of the health, safety and welfare of the citizens of the state from the negative impacts of water pollution.

The diversion of necessary funding from the stated purpose of the program to assist with private development is problematic for other reasons as well. The use of state funding for private purposes would require that the state issue taxable bonds rather than the non-taxable bonds of the Clean Water Fund. The issuance of taxable bonds would come at a higher cost to the state versus the non-taxable bonds.

Funding under the Clean Water Fund is awarded on the basis of a priority point evaluation of each project with the highest priority projects receiving the funding. The proposed statute would bypass the priority rating of projects and would put the funding of new development at a higher standard than the funding of projects to eliminate pollution. This would be a dangerous precedent for the Clean Water Fund program.

In addition, there are practical considerations that come to bear. A grant program that would presumably go to private entities such as homeowners or businesses to install alternative on-site sewage treatment systems in conservation development zones is not allowable under existing Clean Water Fund authority. While conservation development may be a well-founded concept to promote better protection of the environment, providing an incentive to private developers and individuals is unnecessary. Further, managing multiple small grants for these activities would be an administrative burden that could not be met by existing Clean Water Fund staff, would require additional staff for the DEP and would not likely be very cost-effective at that scale to warrant creation of an administrative structure.

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In summary, the Department opposes section 8 that would provide grants to private entities for alternative on-site sewage systems, and we recommend that section be removed from the bill.

Thank you for the opportunity to present the Department's views on this proposal. If you should require any additional information, please contact Tom Tyler, Legislative Program Manager, at 424-3099 or Robert La France, Legislative Liaison at 424-3401.