



Connecticut Department of Public Health

Testimony Presented Before the Banking Committee

March 2, 2021

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[Senate Bill 150](#), An Act Establishing the Connecticut Infrastructure Authority

The Department of Public Health (DPH) provides the following information regarding Senate Bill 150, which would create a new Connecticut Infrastructure Authority to facilitate and finance the development of public infrastructure projects. The Department would like to thank the Banking Committee for the opportunity to testify on this important issue.

The Connecticut Infrastructure Authority would be created as a political subdivision of the State of Connecticut, having as its purpose the stimulation and encouragement of economic growth and development. This is to be accomplished through “infrastructure improvement projects,” defined in the bill to include, but not be limited to, projects related to water treatment plants, distribution systems and pumping stations.

DPH is the agency in Connecticut that has federally approved primacy for implementing and enforcing the Safe Drinking Water Act (SDWA), which includes regulatory oversight of all public water systems (PWS). As the primacy agency, the Department has sole authority to apply for and receive an annual capitalization grant from the Environmental Protection Agency (EPA) for implementation of the Drinking Water State Revolving Fund (DWSRF). DPH’s annual capitalization grant also includes set-aside funding that is critical to support the staffing of our Drinking Water Section. The Department implements the DWSRF in collaboration with the Office of the State Treasurer (OTT) and the Department of Energy and Environmental Protection (DEEP).

The DWSRF was established in 1997 as a sub-account within DEEP’s Clean Water Fund, which was created ten years earlier for wastewater and stormwater infrastructure projects. The DWSRF program provides low-interest loans and subsidized loans to community and non-profit non-community public water systems for drinking water infrastructure projects that provide public health protection, are necessary for regulatory compliance, strengthen resiliency and support long-term infrastructure sustainability programs. DPH’s Drinking Water Section is staffed with engineers that have the knowledge and familiarity of PWS’s infrastructure needs, acquired while assessing their financial, managerial and technical capacity, and are skilled to provide technical expertise and oversight of these drinking water projects during the planning, design and

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construction phases. OTT leverages the EPA funding that both DPH and DEEP receive in their annual capitalization grant through the issuance of revenue bonds, which increases the amount of funding available for eligible infrastructure projects. The DWSRF has a proven track record of success over the past 23 years and during this time has provided \$361 million in funding for 267 drinking water projects that have benefited 79 towns and cities within Connecticut, and enhanced the public drinking water supply safety and adequacy in communities throughout the state.

Drinking water projects that have been funded by the DWSRF include new water treatment plant construction and upgrades to existing facilities, such as projects for the City of Norwich and upgrades to Groton Utilities valued at \$54 million; new groundwater sources, such as for the South Central Connecticut Regional Water Authority; replacement or rehabilitation of drinking water storage tanks, such as for the Town of Southington and the City of New Britain; and replacement or rehabilitation of water distribution piping, such as for the City of Waterbury and the Town of Bethel, which have reached the end of or exceeded their useful service life.

Complementary to the DWSRF Program, a Public Water System Improvement Program, created by Public Act 14-98 and codified under C.G.S. Sec. 22a-483f, provides state grant-in-aid funding for certain projects that also receive funding from the DWSRF. This grant program has provided \$20 million in funding to projects in Southeastern Connecticut that assist small public water systems and strengthen the resiliency of this part of the state through regional interconnections in the Towns of Ledyard, Sprague and Norwich.

DPH recognizes the need for investment in Connecticut's infrastructure, but has some concerns about the potential redirection of new infrastructure funding away from successful existing infrastructure financing programs that have a proven track record of success. The creation of a new Fund with a mission that includes funding for public drinking water infrastructure similar to the DWSRF may unintentionally weaken the existing funding mechanism that has succeeded in benefiting many municipalities and communities.

Thank you for your consideration of this information.

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