



State of Connecticut Department of Energy and Environmental Protection



Clean Water State Revolving Fund Intended Use Plan

Federal Fiscal Year 2026 Title VI Capitalization Grant

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Section 1: Introduction

The State of Connecticut's Intended Use Plan (IUP) is part of the process to request the Federal Fiscal Year 2026 (FFY2026) Capitalization and Infrastructure Investment and Jobs Act (IIJA) Grants for the Clean Water State Revolving Fund (CWSRF) program. This IUP includes a list of projects from CT's Clean Water Fund Priority List, short- and long-term goals of the program, how the funds will be distributed, information on activities to be supported, and how the program will meet certain specific requirements pertaining to the management and use of the funds for FFY2026. This IUP describes the CT Department of Energy and Environmental Protection (DEEP)'s intended uses for all funds available in the CWSRF program state FY2027, utilizing the FFY 2026 grant, including the projects to which DEEP expects to provide financial assistance and an overview of how the state will comply with federally and state mandated requirements.

Section 2: Background

DEEP's Intended Use Plan (IUP) for the Clean Water State Revolving Fund (CWSRF) is prepared in accordance with the provisions of both federal and state regulations. Federal regulations include [Title VI of the Clean Water State Revolving Fund Act of 1987 \(CWA\)](#) and [2 CFR 200 Uniform Grants Guidance](#). The 2014 Water Resources Reform and Development Act ([WRRDA](#)), America's Water Infrastructure Act ([AWIA](#)) of 2018 amended section 221 of the Clean Water Act, the 2021 Infrastructure Investment and Jobs Act ([IIJA](#), formerly known as the Bipartisan Infrastructure Law), and the 2026 Consolidated Appropriations Act, as authorized by [Public Law 119-4 2026](#), and signed into law on March 15, 2026 also amended federal Clean Water provisions. The state also complies with all federal Uniform Grants Guidance, including Federal Acquisition Regulation (FAR) Section Subpart 9.4- Debarment, Suspension, and Ineligibility.

State regulations are detailed under [Connecticut General Statutes \(CGS\) Chapter 446k](#), Sections 22a-475 through 22a-527, and by regulations adopted on February 19, 1992, pursuant to [CGS 22a-482](#) and annual Public Laws, including [Public Act 25-174](#). The State's Clean Water Fund program issues loans and grants at percentages dependent upon project type per the priority ranking system and eligible set-asides and reserves as outlined in CGS Regulations 22a-482.

The CWSRF partners with local governments in building and financing projects that improve water quality and protect public health while sustaining the State's significant natural resources. The CWSRF provides low interest loans consistent with the federal and state Clean Water Act and grants for qualified Clean Water projects. The [DEEP Priority List](#) (PPL) details the uses of funds available under Sections 22a-478 and 22a-483 of the CGS and federal funds under the Water Quality Act of 1987. CT is currently operating under the FY24-25 Priority List, and with the [FY26-27 PPL](#) released February 27, 2026.

Primary sources of funding for the Clean Water Fund (CWF) program are state general obligation and revenue bonds, as managed by the Office of the State Treasurer, and federal capitalization grants through the Clean Water Act with annual appropriations through the U.S. Environmental Protection Agency (EPA), and Non-Clean Water fund grant for Sewer Overflow & Stormwater Reuse Municipal (OSG) Grant. Since the program's

authorization in 1987, DEEP has awarded \$4.5 billion in assistance to 120 communities including 18 municipalities that participate in regional districts or authorities. From the FY 2026-2027 Priority List fundable and reserve categories, DEEP expects to fund approximately \$900 million in project commitments in state FY2027 including current year state bonding, carryover funds from previous years and the annual federal appropriation requested through the Capitalization grant, including over \$200 million in new project applications in progress.

Every year since the inception of the CWSRF program, the federal government has appropriated funds for the CWSRF. These capitalization grants are distributed to states using a formula outlined in the Clean Water Act Amendments of 1988. Since 1987, DEEP has been awarded over \$765 million in federal capitalization grants. In addition, the State of Connecticut has provided matching funds up to 20% of the capitalization grants as required by Title IV legislation. From 1987 to 1990, project loan costs were funded directly with the federal grant and the required state match. Since 1991, loans to municipalities have been primarily funded from the proceeds of state revenue bonds and repayments. The federal capitalization grants and state matching funds are used to provide leveraged financing for eligible projects in the state. The State uses a revenue bonding program. The federal capitalization grants are held by the Trustee in the form of either cash or permitted investments. State contributions are held by the Trustee in the form of cash, permitted investments, or State general obligation bonds. The State also created a state-funded grant component that has provided over \$2.1 billion for project state grants within the CWF.

a. Connecticut State Agency Partnerships

There is significant coordination of efforts among the agencies of the State with CWSRF responsibilities. DEEP, the agency that carries out the environmental policies of the State, manages the CWSRF programs. The Bureau of Water Protection and Land Reuse Water Planning and Management Division's Municipal Wastewater (WPLR) section administers the technical aspects of the program, and the Bureau of Central Services (BCS) administers the financial aspects. As the primary agency and the recipient of the federal capitalization grants for the CWSRF on behalf of the State, the DEEP BCS executes annual grant agreements with the federal EPA and provides the business and accounting services for the Clean Water Fund, providing management and oversight of financial and project accounting responsibilities within DEEP including contract management and expense monitoring. The DEEP WPLR provides technical assistance to municipalities for the upgrading of municipal wastewater infrastructure and related infrastructure needs, through planning, design and construction oversight, as well as the approval of permits for municipal discharges and enforcing the State's operator certification requirements.

Through a Memorandum of Understanding with DEEP, the Office of the State Treasurer (OTT) manages the bond-financing program and the financial management and administration of the loan program. The OTT receives all the money belonging to the State, makes disbursements as directed by statute, and manages, borrows, and invests all CWSRF funds. As authorized by the State Bond Commission, the OTT oversees and administers the State's bond and debt financing program including issuance of state bonds, issuance of bonds which are limited or contingent liabilities of the state, monitoring the bond markets, financing structures, and economic trends that affect interest rates in order to realize favorable bond

issuances. The OTT also ensures the timely payment of principal and interest and provides information and data to private credit rating agencies.

b. Water Resources Reform and Development Act (WRRDA)

[The Water Resources Reform and Development Act](#) passed on June 10, 2014 (Public Law 113-121) made significant changes to the CWSRF effective October 1, 2014, including fiscal sustainability and cost effectiveness provisions, maximizing projects' potential for energy conservation, efficient water use, and water reuse and recapture.

WRRDA also contains the Water Infrastructure Finance and Innovation Act (WIFIA), an innovative finance program that will offer direct loans and guarantees for large water infrastructure projects along with subsidy reserves. The purpose of these requirements is to ensure that recipients of CWSRF financial assistance are managing their physical assets in ways that promote long service life, avoid expensive catastrophic failures, and maximize the long-term financial self-sufficiency of the wastewater system.

c. Infrastructure Investment and Jobs Act (IIJA)

The [Infrastructure Investment and Jobs Act \(IIJA\)](#) was signed into law on November 15, 2021, resulting in increased support of wastewater infrastructure needs in alignment with State Revolving Fund (SRF) programs such as the Clean Water State Revolving Fund (CWSRF). The IIJA provided three additional federal grants to the State of Connecticut: CWSRF General Supplemental Grant, Emerging Contaminants Grant, and Non-Clean Water fund grant for Sewer Overflow & Stormwater Reuse Municipal (OSG) Grant. IIJA legislation Public Law 117-58 mandates that 49% of base IIJA supplemental funding be used for additional subsidy to municipalities which meet state affordability criteria, as well as 20% state matching component for the FFY2026 grant. IIJA Emerging Contaminants grants must provide 100% subsidy to eligible recipients. The IIJA non-CWF OSG grant requires that 25% of each state grant fund projects in financially distressed and/or rural communities with a 0-20% sliding scale cost share.

IIJA grants will continue to be provided annually through October 2026, with implementation in accordance with applicable guidelines, as published and amended by US EPA and/or the Office of Management and Budget (OMB). Additional guidance was provided via the following federal memorandums:

- Build America, Buy America Act Implementation Procedures for EPA Office of Water Federal Financial Assistance Programs (November 3, 2022)
- Interim General Budget Development Guidance for Applicants and Recipients of EPA Financial Assistance (January 12, 2023)
- Maximizing Water Quality and Public Health Benefits by Ensuring Expeditious and Timely Use of All State Revolving Fund Resources (January 31, 2024)
- Reducing Burden in the Administration of Federal Financial Assistance (April 4, 2024)
- State Revolving Fund Equivalency Handbook (June 2024)
- State Revolving Funds: Back to Basics, Back to Business (May 15, 2025)

d. Davis-Bacon Wage Act

Required grant conditions per Section 33 USC 1382(b)(6) and the IIJA of 2021 also include that CWSRF projects funded in FY2026-27, regardless of funding source, must pay their workers the federal Davis-Bacon wage rates for their job classification. CT's CWSRF requires all projects to comply with Davis-Bacon wage requirements.

EPA's FY2012 Appropriations bill required the application of Davis-Bacon prevailing wage rates to all treatment works projects funded in whole or in part by the CWSRF. This requirement continues through 2026. Davis-Bacon applies to construction contracts over \$2,000 and their subcontractors (regardless of the subcontract amount). To ensure compliance with these requirements, DEEP confirms that the correct wage determinations are being included in the bid specifications and/or construction contracts. DEEP also provides guidance to recipients for the specific EPA Davis-Bacon contract language that is to be included in bid specification and/or contracts. In addition, DEEP collects Certifications of Davis-Bacon compliance from the principal or prime contractor with disbursement requests. All CT CWF projects are required to follow Davis-Bacon provisions.

e. American Iron and Steel Provisions (AIS)

Some projects will also have to ensure that certain aspects of the project are made with American Iron and Steel products. These are defined by EPA guidance "Implementation of American Iron and Steel Provisions of P. L. 113-76, Consolidated Appropriations Act, 2014" dated March 20, 2014, and dependent upon when the plans and specifications for the project were submitted and approved by DEEP.

To ensure these requirements are met as defined by the "[Implementation of American Iron and Steel Provisions of P. L. 113-76, Consolidated Appropriations Act, 2014](#)" dated March 20, 2014, DEEP provides guidance, including a copy of the memo. Beginning in 2014, CT added language to Clean Water Fund contract documents and loan agreements addressing certification requirements and waiver requests. DEEP also reviews all waiver requests and submits them to EPA Headquarters to ensure compliance. All CT CWF projects are required to follow AIS provisions.

f. Build America, Buy America Act (BABA)

The IIJA expands domestic sourcing requirements of American Iron and Steel passed in 2014 with the inclusion of construction materials and manufactured goods through the Build America, Buy America Act (BABA). Starting on May 14, 2022, all steel, iron, manufactured products, non-ferrous metals, plastic and polymer-based products, glass, lumber, and drywall used in infrastructure projects for federal financial assistance programs must be produced in the United States. CT DEEP will require BABA compliance for equivalency construction projects funded through this Priority List with federal monies pursuant to EPA requirements, as amended.

The EPA released the [Build America, Buy America Act Implementation Procedures for EPA Office of Water Federal Financial Assistance Programs](#) in November 2022. The memorandum provides important information to support EPA's grantees, contractors, and manufacturers in complying with BABA. CT DEEP is committed to compliance with all procedures outlined in the memo for all SRF funded programs.

Pursuant to Section 70914(c) of the Act, the head of a Federal agency may waive the application of a Buy America preference under an infrastructure program. CT intends to utilize IIJA funding for projects which were substantially designed prior to May 14, 2022 and eligible for a BABA adjustment period waiver.

g. Fund Management Directives

On January 31, 2024, the EPA released the memo entitled “Maximizing Water Quality and Public Health Benefits by Ensuring Expeditious and Timely Use of All State Revolving Fund Resources”, expanding upon policy memos for Fund Management and [Cash Flow Modeling](#). The memos detail initiatives to ensure program implementation, fund commitments, disbursements, cash flow modeling, and oversight measures maximize the use of all available funds to meet the goals of CWF programs and ensure efficient fund management. CT has identified methods of improving implementation of objectives outlined in the guidance, including:

- Contracting with a new vendor to implement a new, more dynamic cashflow model;
- Conducting outreach to community stakeholders via newsletters, in person and virtual meetings, and providing training and technical assistance;
- Collaborating with the EPA and our contracted partners to ensure accurate and timely reporting of CT CWF projects;
- Revamping internal procedures, documenting and training staff;
- Implementing quarterly reviews and reconciliations of data reporting.

h. Community Grants Program

The [Consolidated Appropriations Act of 2026 \(P.L. 119-75\)](#) identified funding for specifically named community infrastructure projects, administered directly by the EPA with no required state responsibility. Eight CT projects totaling \$10,720,760 were designated as community projects for federal FY2024, which are ongoing. Six CT projects were selected for federal FY2026 totaling \$4.7 million. Implementation guidance was released by the EPA on April 29, 2024. CT staff attend EPA training on Programmatic and Administrative Requirements to ensure familiarity with community grants awards. CT will continue to collaborate with EPA and municipalities on co-funded SRF projects.

Section 3: Allocation of Funds

CT anticipates Federal FY2026 federal capitalization grant allotments for Connecticut as administered by Department of Energy and Environmental Protection (DEEP) as detailed in Table 1 below.

1. Table 1: Federal FY2026 Capitalization Grant Allotments

	Base Capitalization Grant	IIJA Supplemental Grant	Emerging Contaminants (EC)	Overflow and Stormwater Reuse (OSG)**	Totals
CT Allotment	\$ 8,751,000.00	\$ 30,179,000.00	\$ 2,605,000.00	\$ 1,536,000.00	\$ 43,071,000.00
State Match %	20%	20%	0%	0%	\$ -
State Match \$	\$ 1,750,200.00	\$ 6,035,800.00	\$ -	\$ -	\$ 7,786,000.00
Total Funds Available	\$ 10,501,200.00	\$ 36,214,800.00	\$ 2,605,000.00	\$ 1,536,000.00	\$ 50,857,000.00
Grant Subsidy %	40%	49%	100%	100%	\$ -
Grant Subsidy \$	\$ 3,500,400.00	\$ 14,787,710.00	\$ 2,605,000.00	\$ 1,536,000.00	\$ 22,429,110.00
4% for Admin*	\$ 350,040.00	\$ 1,207,160.00	\$ 104,200.00	\$ 61,440.00	\$ 1,722,840.00
Green Projects Set Aside**	\$ 875,100.00	\$ 3,017,900.00	\$ -	\$ 153,600.00	\$ 4,046,600.00
Remaining for Project Grant	\$ 3,150,360.00	\$ 14,787,710.00	\$ 2,500,800.00	\$ 1,320,960.00	\$ 21,759,830.00
Loan %	60%	51%	0%	0%	
Loan \$	\$ 5,250,600.00	\$ 15,391,290.00	\$ -	\$ -	\$ -
Remaining for Non-Green Loan	\$ 4,375,500.00	\$ 11,166,230.00	\$ -	\$ -	\$ 15,541,730.00

*4% Admin comes from Subsidy for all grants except IIJA Supplemental

** Green is Loan for Base & IIJA Supplemental. Green is distributed as Subsidy for OSG. EC Green Requirement is waived by EPA.

DEEP will maintain data on the use of the capitalization grant funds in the CWSRF Office of Water State Revolving Funds reporting database (OWSRF), updated on a quarterly and annual basis. CT also provides information in its Annual Report to the Governor relating to key project characteristics, progress of the projects and environmental protection benefits, as well as compliance with Project Reserve requirements. A copy of the Annual Report will be provided to the EPA administrator.

a. Criteria and Method for Distribution of Funds

The official FY2024/2025 and Draft FY2026/2027 Priority Lists (found on [DEEP's CWF Website](#)) contain information about the availability of funds, a description of the types of projects to be funded, the priority list system. This includes information on priority rating criteria and project ranking mechanism, order of priority funding, public hearing and revision guidelines. Also included is the distribution of funds and the comprehensive list of all anticipated eligible wastewater improvement projects as requested by municipalities or identified by DEEP and the subset future project list. Projects are rated on several criteria which emphasize the impact of each upon public health, the improvement of water quality and water resource utilization. Some examples include impacts on potable water supply, attainment of State water quality goals, enhancement of specific water resource values – fishery, shellfish, swimming and eutrophication, population served and health related issues. CT DEEP periodically reviews CWSRF affordability criteria and priority point systems and has determined that improvements are not necessary at this time.

CT also continues to fund several funding set-asides and reserves as required or allowed under federal and state regulations. These reserves are accessed on a first-come, first-served basis unless otherwise noted. All reserves are subject to the availability of funds. Details of projects to be funded in FFY2026 can be found in Section 4, Table 4.

DEEP's website contains a "Request to Place Project on Priority List" form as well as a funding application. Applicants must first complete the form to be placed on the upcoming priority list before the biennial deadline, and then complete the application (no deadline) to actually receive funding once the project is ready to proceed with planning/design/construction. Applications for all projects are accepted on a rolling basis, whether funded from a reserve category or fundable construction list.

b. Bypass Procedures

As outlined in the Priority List, the DEEP can reallocate funds into any reserve or construction project during the last six months of each fiscal year in accordance with the requirements of RCSA Sec. 22a-482-1(c)(5). Revisions may be made at any other time in accordance with public participation requirements and all other established procedures.

c. Administrative Charges

Section 35.3120(g)(2) of Title 40 of the Code of Federal Regulations (40 CFR) provides that the State may set aside from the federal capitalization grant of Federal Fiscal Year (FFY) 2026 a reserve not to exceed 4 percent of Title VI appropriations for the purpose of administration. Water Resources Reform and Development Act (WRRDA) amendment changes to the CWSRF program allow 1/5 of 1% of the CWSRF's Net Fund Position to be used for Federal program administration. A total of \$2,129,240 (4%) of the total federal allotments will be allocated for the FFY2026 administrative amount.

In addition to these federal dollars, the state may set aside an additional amount of the total state bonding authorization to cover the reasonable costs of administering the program per [CGS Section 22a-477](#). These administrative expenses are allowed in accordance with the State Office of Policy and Management (OPM), appropriate tax laws, and bonding practice.

d. Technical Assistance

IIJA includes the following provision: *(k) Additional Use of Funds.--A State may use an additional 2 percent of the funds annually awarded to each State under this title for nonprofit organizations (as defined in section 104(w)) or State, regional, interstate, or municipal entities to provide technical assistance to rural, small, and tribal publicly owned treatment works (within the meaning of section 104(b)(8)(B)) in the State.*

The State's Clean Water Fund staff already dedicates a significant amount of resources toward technical assistance. DEEP staff have always attended outreach events several times per year, and technical and fiscal staff work closely with any municipality requesting assistance when applying for the CWF. The DEEP hosts pre-construction meetings upon request of the municipality prior to submission of CWF application, issuing construction bids, and/or the beginning of construction at the municipalities' request. The CWF regulations require review and approval of planning reports and design documents by DEEP, and technical staff follow each project closely by requiring DEEP participation in regular status meetings throughout planning, design, and construction. In the past, DEEP has elected not to use this additional money for technical assistance, preferring to allocate the money toward funding more project costs. However, the recent changes in the federal landscape have caused DEEP to reconsider this policy.

Although CT intends to direct the 2% Technical Assistance funds to project funding in the current year, the CWSRF reserves the ability to use prior and current year Technical Assistance funds under future Intended Use Plans. Amounts of banked Technical Assistance funds are as follows:

2. Table 2: Technical Assistance Reserved Amounts

Technical Assistance Funds Directed to Projects					
Federal Grant Year	2022	2023	2024	2025	2026
Base	\$ 283,500	\$ 183,780	\$ 200,020	\$ 388,720	\$ 175,020
IIJA Supplemental	\$ 436,080	\$ 510,700	\$ 557,200	\$ 603,580	\$ 603,580
Emerging Contaminants	\$ 23,380	\$ 52,100	\$ 52,100	\$ 54,940	\$ 52,100
Totals	\$ 742,960	\$ 746,580	\$ 809,320	\$ 1,047,240	\$ 830,700

Note: EC amounts include reallocated FY22, 23, and 24 funds

e. Types of Projects to be Funded and Financing Rates

Projects that qualify for the funding from the CWSRF under Clean Water Act will have an annual interest rate of 2.0 percent as defined by CGS Chapter 446k, Section 22a-477 (g). The repayment period of a loan cannot exceed 20 years and beginning in 2023? loans cannot be pre-paid more than 10 years in advance. At this time there are no provisions for applying other interest rates or terms. Loan eligibilities include all the normal costs of planning, design, and construction. Distribution within project type is determined by state statute.

f. Additional Subsidy

[Section 603\(i\) of the Clean Water Appropriations Act](#), as amended by the 2014 WRRDA, defines additional subsidy eligibility, including a requirement that a minimum of 10 percent to 30 percent of the national CWSRF base appropriation be provided as additional subsidy. The 2026 Consolidated Appropriations Act ([Public Law 119-4](#)) and subsequent annual Congressional Appropriations require an additional 10% subsidy. The state provides additional subsidy to projects in eligible communities which meet the state's affordability criteria.

The State of Connecticut encourages the regionalization of water pollution control authorities. Connecticut General Statute (CGS) Sec. 22a-517 allows DEEP to provide a 25% grant for the initial Clean Water Fund project undertaken by a new regional water pollution control authority. If the initial project is related to the removal of combined sewer overflows, a 55% grant is allowed to be awarded. This incentive for regionalization represents a 5% increase in the standard grant of 20% for non-nutrient related projects and the 50% CSO grant.

Additionally, as required by IIJA legislation PL. 117-58, DEEP will provide 49% of the IIJA Supplemental Grant as subsidy. All EPA grants must comply with certain Federal laws, Executive Orders, and OMB Circulars. They include regulations at 40 CFR Part 35.31 that apply to grants and cooperative agreements awarded to State and local (including tribal) governments.

DEEP anticipates funding the amounts in Table 3 as additional subsidy in FFY2026.

3. Table 3: Federal FY2026 Additional Subsidy

FFY2026 Capitalization Grant: Additional Subsidy					
	Base Capitalization Grant	IJA Supplemental Grant*	Emerging Contaminants (EC)	Overflow and Stormwater Reuse (OSG)**	Totals
CT Allotment	\$ 8,751,000.00	\$ 30,179,000.00	\$ 2,605,000.00	\$ 1,536,000.00	\$ 43,071,000.00
Grant Subsidy %	40%	49%	100%	100%	\$ -
Grant Subsidy \$	\$ 3,500,400.00	\$ 14,787,710.00	\$ 2,605,000.00	\$ 1,536,000.00	\$ 22,429,110.00
Less 4% for Admin	\$ 350,040.00		\$ 104,200.00	\$ 61,440.00	\$ 515,680.00
Remaining for Project Grant	\$ 3,150,360.00	\$ 14,787,710.00	\$ 2,500,800.00	\$ 1,474,560.00	\$ 21,913,430.00

*IJA Supplemental Subsidy= exactly 49% therefore Allowable Admin uses come from Federal Loan allotment.

g. Distressed (Disadvantaged) Communities

Municipalities anticipated to receive subsidy from the FFY2026 capitalization and IJA grants include distressed communities as defined by CGS Sec. 32-9p, equivalent to the federal designation of “Disadvantaged” communities in the IJA. IJA prioritizes funding for distressed communities, which CT anticipates meeting via selection of fundable projects from the FY2024/2025 and 2026/2027 priority list. Municipalities anticipated to receive subsidy from the FFY2026 capitalization grants include distressed communities meeting affordability criteria as defined by the [State of Connecticut Department of Economic and Community Development](#).

Distressed municipalities meeting federal/state affordability criteria are defined by [C.G.S. Section 32-9p-4](#). The 25 CT towns with the highest total scores based on the following criteria are designated distressed:

1. Per capita income 2022 from the American Community Survey, US Census, weight 1.
2. Percent of population in poverty, 2022, from the American Community Survey, US Census, weight 1.
3. Average unemployment rate 2023, from CT Dept. of Labor, weight 2.
4. Percent change in population from 2010 to 2020, from the Decennial Census, weight 1.
5. Percent change in employment from 2013 to 2023, from CT Dept. of Labor, weight 1.
6. Percent change in per capita income from 2012 to 2022, from the American Community Survey, US Census, weight 1.
7. Percent of house stock built before 1939 in 2022, from the American Community Survey, US Census, weight 1/3.
8. Percent of population with high school degree or higher in 2022, from the American Community Survey, US Census, weight 1.
9. Per Capita Adjusted Equalized Net Grand List for 2026-2026, CT Dept. of Education, weight 1.

Effective October 1, 2024 a municipality that was deemed to be a distressed municipality and has a population greater than 100,000 shall be deemed to be a distressed municipality for a period of ten years subsequent to the date of such distressed determination per [Public Act No. 24-81 Section 56](#)

The DEEP Priority List point system, which is prescribed by state regulations (RCSA Sec. 22a-482-1(c)), does not provide additional priority points or funding for distressed/disadvantaged communities.

However, the majority of funding goes to disadvantaged communities by virtue of water quality impacts. Table 4 in Section 4 provides details of eligible projects funded in distressed communities. Federal equivalency projects receiving additional subsidy are selected from eligible projects in disadvantaged communities.

h. Small Community Projects

State regulations require that each CWF Priority List include a dedicated funding reserve for at least one small community project. Small communities are defined as communities with populations of less than 5,000. The State FY24-25 Project Priority List includes a reserve of \$76,000,000, and the FY26-27 Project Priority List includes a reserve of \$132,000,000 for small community projects that will mitigate existing documented community pollution problems. Table 4 in Section 4 provides details of eligible small community projects CT anticipates funding in FY2026-27.

i. IIJA Emerging Contaminants

The IIJA established an Emerging Contaminants grant for FFY2022 through 2026. FFY2022, 2023, and 2024 IIJA EC funds (\$6,355,000) are committed to implement the pilot study described in the sections below. The total project cost is \$6,166,699.00 and the remaining \$188,301.00 will go towards administrative cost. Any leftover grant allotments from reallocated FY22 and 23 funds, as well as FY25 (\$2,605,000) and FY26 funds (\$2,605,000) are anticipated to go towards subsequent design and/or construction phases of a permanent PFAS treatment solution as detailed below.

IIJA EC Grant Eligibility requirements:

- o Only capital costs are eligible
- o Can include planning and design (including monitoring) that is integral to the development of an eligible capital project
- o Eligible recipients: [Section 603\(c\) of the Water Pollution Control Act](#) may include: Municipalities, intermunicipal, interstate*, or state agencies.

IIJA EC key priorities:

- o ensure that disadvantaged communities benefit equitably
- o reduce people's exposure to perfluoroalkyl and polyfluoroalkyl substances (PFAS) and other emerging contaminants through their drinking water and to help address discharges through wastewater and, potentially, nonpoint sources.

Project Goals:

- o Project focuses on PFAS in landfill discharges in a distressed (disadvantaged) CT community.
- o Investigate the feasibility, performance, efficacy, and costs of various PFAS treatment system options
- o The scope of the project shall include the following objectives to be managed by NEIWPC:
 - Managing project to ensure compliance with primary goals, time schedules, and budget and periodically monitoring pilot project activities at the landfill site.
 - Overseeing subcontractor (TRC) regarding the characterization of potential sources of PFAS [e.g., landfill leachate and groundwater] to inform an engineering report including 1) treatment system planning, alternatives analysis, and identification of preferred

technologies for pilot testing, 2) preliminary engineering, procurement and installation of select pilot treatment technologies, alternatives and associated structures/appurtenances, and 3) identification and comparison of pilot treatment system costs (capital and operation/maintenance cost during the pilot project period).

- Installing one or more select treatment systems as a pilot project.
- Testing of water samples employing EPA's method 1633A.
- Evaluating pilot treatment technologies for functionality, treatment efficacy, and cost effectiveness and recommending a permanent solution or combination of solutions for implementation.

Project Specifics:

- o Location: Hartford Landfill, located in the City of Hartford which is a CT-distressed municipality.
- o Pilot technologies to be evaluated: Will include but are not limited to: Surface-Active Foam Fractionation (SAFF), media-based filtration through a granulated activated carbon (GAC) system, and ion exchange resin.

Project Partner:

- o CT executed a funding agreement with NEIWPCC (a regional commission that helps the states of the Northeast preserve and advance water quality) to manage this workplan in July of 2025. NEIWPCC subsequently contracted with TRC as the project engineer.
- o The pilot test is currently underway, and it includes a series of tests that will be performed onsite as well as offsite via bench testing. The project includes a case-by-case cradle-to-grave approach whereby any spent media contaminated with PFAS will be destroyed via supercritical water oxidization or disposed of at a suitable landfill. The primary method of spent media disposal is off-site landfill disposal and state regulations will be followed during the disposal process.
- o Although standard state CWF regulatory framework restricts non-municipal funding recipients, pursuant to CGS Sections 22a-478(g) and 22a-451 and consistent with federal State Revolving Fund requirements, agreements can be reached with an interstate organization in cases of an emergency (resulting from the maintenance, discharge, spillage, uncontrolled loss, seepage or filtration of oil or petroleum or chemical liquids or solid, liquid or gaseous products or hazardous wastes or which owns any hazardous wastes deemed by the commissioner to be a potential threat to human health or the environment).

Project Timeline:

- o DEEP & NEIWPCC executed an agreement in July 2025 outlining project details and responsibilities for the contractual parties.
- o The pilot project started in August 2025 and is expected to end in November 2027 with the possibility of a contract extension if necessary to accommodate project needs.
- o Hartford Landfill site modifications were completed in April 2026 for expected trailers and project equipment which are currently onsite.
- o Bench Scale Testing started in May 2026 and on-site testing is expected to start in July 2026 pending the approval of permit modifications.
- o As the pilot project proceeds further and different treatment options or combination of PFAS treatment options are evaluated, preliminary design work may be initiated for a permanent

PFAS removal installation at the landfill site. This work would expectedly commence in late CY2027 through CY2028.

- o FFY25 and 26 funding is expected to be used for additional piloting efforts as deemed warranted and to perform preliminary design noted in the pr. Potential construction costs will be developed
- o It is important to note that the results from this pilot will serve as a blueprint to inform PFAS removal projects at other similar sites.

j. Sewer Overflow & Stormwater Reuse Municipal (OSG) Grant

Independent of the CWSRF Program, the Sewer Overflow and Stormwater Reuse Municipal Grants Program (OSG Program) was reauthorized by America's Water Infrastructure Act (AWIA) of 2018 and again by the 2021 IIJA. The IIJA reauthorized the program through state FY2026 to further support clean water needs. The OSG grant provides funding for critical stormwater infrastructure projects to eligible entities with projects that address infrastructure needs related to mitigation and/or removal of untreated sewage overflows and to improve stormwater management. Eligible projects can be located on private or public property and include planning, design, and construction of treatment works to intercept, transport, control, treat, or reuse municipal combined sewer overflows, sanitary sewer overflows, or stormwater and any other measures to manage, reduce, treat, or recapture stormwater or subsurface drainage water. Priority will be given to funding projects in communities in distressed areas that have a long-term combined sewer overflow (CSO) or sanitary sewer overflow (SSO) control plan and are listed on this Priority List as construction-ready or eligible under a reserve category.

For State FY2027 and Federal FY2026, the State will use the OSG grants to co-fund traditional public CWF projects with work on private properties in North Hartford, as part of a new pilot project that started in June 2023. North Hartford is an economically distressed area with a combined sewer system which often causes frequent and recurrent sewer backups into homes. Traditionally, work on private property has been excluded from the CWSRF. However, considering the ongoing public health and environmental crisis, DEEP has determined that the OSG program is well-suited to provide additional funding for North Hartford projects funded under the FY2024/FY2025 and 2026/2027 Priority List. The OSG grants will target to remove private inflow connections and install new storm sewer connections at residential properties in North Hartford. Designated North Hartford projects to be funded in FFY2026 can be found in Section 4, Table 4.

k. Green Project Reserve

Under Public Law 119-4, Congress mandated that at least 10 percent of federal CWSRF grant amounts, be put towards projects that qualify under the Green Project Reserve (GPR). These projects address green infrastructure, water or energy efficiency improvements, or other environmentally innovative activities as specified by the [EPA Green Project Reserve Crosswalk Table](#). These projects adopt practices to reduce the environmental footprint of water and wastewater treatment, collection, and distribution, help utilities adapt to changing climatic conditions, enhance water and energy conservation, adopt more sustainable solutions to wet weather flows, and promote innovative approaches to water management problems. Qualifying projects include those defined as section 212, 319, or 320 by the EPA. DEEP anticipates meeting or exceeding this requirement. DEEP continues to provide a green project funding

reserve from the FY26-27 Project Priority List. 10% of Base and IJIA Supplemental federal grant award amounts will go towards green projects. Additionally, 10% of OSG federal grant awards will go toward green projects. The Emerging Contaminants 10% required green has been waived by EPA.

4. Table 4: Federal FY2026 Green Projects Reserve

FFY2026 Capitalization Grant: Green Projects Reserve					
	Base Capitalization Grant	IJIA Supplemental Grant*	Emerging Contaminants (EC)	Overflow and Stormwater Reuse (OSG)**	Totals
CT Allotment	\$ 8,751,000.00	\$ 30,179,000.00	\$ 2,605,000.00	\$ 869,000.00	\$ 53,231,000.00
State Match %	20%	20%	0%	0%	\$ -
State Match \$	\$ 3,887,200.00	\$ 6,035,800.00	\$ -	\$ -	\$ 9,923,000.00
Loan %	60%	51%	0%	0%	
Loan \$	\$ 11,661,600.00	\$ 15,391,290.00	\$ -	\$ -	\$ -
Green Projects Set Aside	\$ 1,943,600.00	\$ 3,017,900.00	\$ -	\$ 173,800.00	\$ 5,410,000.00
Less 4% for Admin		\$ 1,207,160.00			\$ 2,129,240.00
Remaining for Non-Green Loan	\$ 9,718,000.00	\$ 11,166,230.00	\$ -	\$ -	\$ 20,884,230.00

*IJIA Supplemental Subsidy Admin is disbursed from Loan.

** OSG Green Set Aside is disbursed as subsidy

I. Sustainability and Resiliency:

The CWSRF program supports planning processes that consider public health, water quality, changing climatic conditions, resiliency, pump station rehabilitation, collection system improvement, conservation of natural resources, cybersecurity, alternative approaches such as decentralized solutions in areas with community pollution problems from overdevelopment, and the full life-cycle cost evaluations of infrastructure investments. CT's CWSRF supports infrastructure projects that make water systems more resilient to all threats – whether it is natural disasters, changing climatic conditions, or threats such as bioterrorism and cyber-attacks. The FY2026/FY2027 Project Priority List includes a reserve of \$70,000,000 for the construction of resiliency projects, of which \$53,000,000 is anticipated to support Pump Station Infrastructure upgrades and \$17,000,000 is anticipated for other infrastructure projects, which may also contain green components.

Section 4: Federal Fiscal Year 2026 Project Funding

DEEP is currently operating under the fiscal year 2024 and 2025 Priority List. DEEP anticipates the fiscal year 2026/2027 Priority List to fund additional carry forward and new projects. Based on the fiscal year 2024/2025 and 2026/27 priority list DEEP expects to finance approximately \$170M in new construction projects and an additional \$200M in Reserves projects in FFY2026 of the following types of planning, design, and construction projects:

- Combined sewer overflow reduction and removal projects;
- Infiltration and inflow (I/I) rehabilitation work to reduce and remove sanitary sewer overflows (SSOs);
- Pump station rehabilitation projects;
- Nitrogen and phosphorus removal projects;
- Green and resiliency improvement projects; and

- Projects targeted specifically in reserve for small communities.

The FY2024/FY2025 priority list was adopted on July 8, 2024; and the FY26/27 priority list was adopted on July 20, 2026. The CWSRF program identifies projects to draw down the FFY2026 grants and state grant and loan funds in Table 5 below.



Product Code Key

- TBD= CWF number to be determined at time of agreement execution
- WPCF = Water Pollution Control Facility;
- WPAF = Water Pollution Abatement Facility.
- P = Projects that are part of the North Hartford Pilot Project.
- F = FFATA Equivalency Project.
- G = Green Project
- A = Additional Subsidy
- D = Distressed Municipality per CT DECD

5. Table 5: Federal FY2026 IUP Projects List

Municipality	CWF Number	Project Description	Points	Priority List Designation	Priority List Cost	Estimated Actual Cost	Estimated Federal Subsidy	Estimated SRF Loan Funding Amount	Funding Source	NPDES Permit #	Project Code
Active/ Carry Forward Construction Projects											
Greater New Haven WPCA	664-DC	Design& Construction Yale Campus (Trumbell St) and Orchard St area sewer separation		FY22/23 Fundable Construction	\$32,400,000	\$32,881,371		\$17,065,686	State	CT0100366	D
Ridgefield	702-C1	Wastewater treatment plant upgrade and Rte 7 force main/pump station		FY22/23 Category I	\$10,000,000	\$56,722,473		\$1,874,123	State	CT0101451	
Meriden	710-DC	WPCF UPGRADE WITH PHOSPHORUS		Carry Forward FY 20/21	\$50,800,000	\$55,650,000	\$1,629,775	\$30,500,113	IJA 22, State (non-equivalency)	CT0100315	A, D
New Haven	727-C	East Shore WPAF: Air Compressor Improvements*		Category I	\$19,500,000	\$19,255,019		\$15,577,415	State	CT0100366	D
The Metropolitan District	728-C	Contract #3 & 4 SHCST		FY22/23 Category II	\$138,500,000	\$138,498,820	\$8,411,040	\$72,019,387	Base 22, 23, State	CT0100251	F, D, A
South Windsor	738-DC	Upgrades- Clark St, Benedict, and Pleasant Valley Pump Stations		Reserve for Pump Station / Resiliency		\$11,251,993		\$9,001,594	State	CT0100510	
Norwich	743-C	WPCF Upgrade		FY22/23 Category I	\$191,000,000	\$186,133,363	\$61,785,195	\$118,345,234	IJA 22, 23, 24, 25, State	CT0100412	F, D, A, G
MDC	746-C	MDC Large Diameter Rehab		Reserve for Green and Cost Increase	\$14,200,000	\$14,296,841		\$7,104,051	Base 23; IJA 23, State (non-equivalency)	CT0100251	G, D
Greater New Haven WPCA	689-C	I/I Improvements Woodbridge Areas 2, 2A and East Haven Areas 15, 18, 23		Reserve for Non-CSO I/I Rehabilitation		\$3,947,272		\$3,203,586	State	CT0100366	D
The Metropolitan District	729-C	Tunnel #5		Reserve for CSO/ I/I Rehabilitation		\$47,359,471		\$28,551,055	State	CT0100251	D

Municipality	CWF Number	Project Description	Points	Priority List Designation	Priority List Cost (\$M)	Estimated Actual Cost	Estimated Federal Subsidy	Estimated SRF Loan Funding Amount	Funding Source	NPDES Permit #	Project Code
Bridgeport	734-D1	Amendment to Add East Side Treatment Plan Design Work		Reserve for Design		\$42,079,422		\$16,681,182	State	CT0100056	D
Plainville	755-CSL	Plainville Pump Station		Reserve for Pump Station/ Resiliency		\$3,278,071		\$3,175,896	State	CT0100455	
West Haven	761-DC	West Haven Dawson Area Contract #5		Reserve for Non-CSO I/I Rehabilitation		\$1,693,403		\$1,361,922	State	CT0101079	D
New Haven	763-C	CSO Project (East St. Pump Station)		FY 24-25 Category I	\$50,000,000	\$72,739,482		\$47,379,874	State	CT0100366	D
The Metropolitan District	764-C	Rocky Hill WPCF upgrade (2 Phases)		FY 24-25 Category I	\$16,000,000	\$15,012,400		\$12,018,848	State	CT0100480	
The Metropolitan District	765-C	West Hartford SSES Contract 2012-59		Reserve for Non-CSO I/I Rehabilitation		\$32,505,010		\$7,683,999	State	CT0100251	
The Metropolitan District	766-C	Large Diameter Sewer Rehab - Phase 3A, Part 1		Reserve for CSO/ I/I Rehabilitation		\$3,449,706		\$1,986,962	State	CT0100251	D
West Haven	773-C	High Priority Areas Sewer Rehab Contract 2		Reserve for Non-CSO I/I Rehabilitation		\$530,819		\$424,547	State	CT0101079	D
West Haven	777-DC	Dawson Ave and East Ave Pump Station Upgrade		Reserve for Resiliency		\$32,668,201		\$24,600,561	State		D
The Metropolitan District	4002-C	Expedited CSO Sewer Rehab: Gully Brook, North Branch Park River		FY24/25 Fundable Construction	\$125,000,000	\$54,181,955	\$2,464,800	\$25,686,051	OSG 22, 23, Base 24, State	CT0100252	P, D
The Metropolitan District	4003-C	Expedited Sewer Rehab: Westland, Garden, Risley		FY24/25 Fundable Construction		\$14,700,000		\$7,727,466	OSG 24, 25, State	CT0100252	P, D
The Metropolitan District	4004-C	Expedited CSO Sewer Rehab: North Meadows		FY24/25 Fundable Construction		\$18,000,000		\$8,011,543	State	CT0100252	P, D
The Metropolitan District	4005-C	NHPP Backwater Valve Program (PRIVATE WORK ONLY)		CSO/ I/I Reserve		\$8,000,000		\$4,000,000	OSG 25, 26, State	CT0100252	P, D
Active/Carry Forward Construction Total					\$647,400,000	\$864,835,091	\$74,290,810	\$463,981,094			

Municipality	CWF Number	Project Description	Points	Priority List Designation	Project Priority List Cost	Estimated Actual Cost	Estimated Federal Subsidy	Estimated SRF Loan Funding Amount	Funding Source	NPDES Permit #	Project Code
CWF Submitted Applications											
Plainfield North	752-DC	North Plant Two Phases: Emergency Generator & Final Clarifiers		Reserve for Design/ Resiliency		\$696,234		\$552,952	State		D
New Hartford	685-C	Pine Meadow Sewer Extension		Reserve for Small Community	\$8,800,000	\$8,710,000		\$6,580,988	State		
South Windsor	738-DC	Pump Station Upgrades		Reserve for Pump Station/ Resiliency		\$11,251,993		\$9,001,594	State		
Cheshire	767-PG	I/I, Plant Capacity & Force Main Evaluation		Reserve for Planning		\$528,251		\$-	State		
The Metropolitan District	779-C	2023B-04 Large Diameter Sewer Rehab -Phase 3A, Part 2		Reserve for CSO I/I Rehabilitation		\$3,233,853		\$1,539,930	State		D
Stratford	780-C	WPCF Floodwall		Reserve for Resiliency		\$19,122,881		\$13,188,022	State		D
The Metropolitan District	4006-C	CSO Sewer Separation- NHPP Tower Avenue		Fundable Construction		\$6,500,000		\$3,250,000	OSG 25, 26, State (non-equivalency)	CT0100252	P, D, G
Darien	781-PG	Darien Phase 2 II Program		Reserve for Planning		\$799,880		\$-	State		
The Metropolitan District	782-PG	Hartford Drainage Study		Reserve for Planning		\$5,499,963		\$-	State		D
The Metropolitan District	4004-C1	NHPP Amendment- Windsor St. CO #2 & 8		Reserve for CSO		\$6,087,691		\$3,043,845	State		D
CWF Submitted Applications Total					\$8,800,000	\$62,430,746	\$-	\$37,157,332			
Reserve for Planning											
Bethel	731-PG	Bethel - SSES subarea14		Reserve for Planning		\$111,334		-	State		
Darien Sewer Commission	732-PG	Townwide Sanitary Sewer System Infiltration/Inflow Study		Reserve for Planning		\$376,186		-	State		
Derby	733-PG	Update 2014 Wastewater Facilities Planning Study		Reserve for Planning		\$50,050		-	State		D

Municipality	CWF Number	Project Description	Points	Priority List Designation	Priority List Cost	Estimated Actual Cost	Estimated Federal Subsidy	Estimated SRF Loan Funding Amount	Funding Source	NPDES Permit #	Project Code
New Britain	737-PG	Sanitary Sewer I/I System Study		Reserve for Planning		\$827,627		-	State		D
Greater New Haven WPCA	739-PG	I/I-Mill River SSES Ph2b; & 2022 CSO LTCP Update		Reserve for Planning		\$1,111,655		-	State		D
Brookfield WPCA	740-PG	Wastewater Management Planning Study for Candlewood Lake Study Area		Reserve for Planning		\$823,195		-	State		
Meriden	742-PG	Sanitary Sewer Studies		Reserve for Planning		\$997,656		\$-	State		D
Norwalk	744-PG	744-PG – WPCF Facility Plan Update Project		Reserve for Planning		\$476,303		-	State		
Coventry	745-PG	Planning Services for Wastewater Management Plan		Reserve for Planning		\$207,100		-	State		
The Metropolitan District	747-PG	MDC- Blue Hills Granby Drainage Study (North Branch Park River)		Reserve for Planning		\$945,363		-	State		D
Groton	749-PG	Wastewater Treatment Plant Facility Plan		Reserve for Planning		\$246,663		-	State		D
Madison	750-PG	Update to WWFP		Reserve for Planning		\$138,200		-	State		
East Hampton	751-PG	Middletown Avenue Pump Station (MAPS) and force main rehab/replace Design Study		Reserve for Planning		\$163,849		-	State		
Old Saybrook	754-PG	Planning for wastewater treatment and subsurface dispersal system at Old Saybrook High School		Reserve for Planning		\$2,239,098		-	State		
South Windsor	757-PG	I/I Study for Clark Street Pump Station Sewersheds		Reserve for Planning		\$275,008		-	State		
North Haven	759-PG	I/I and SSES study for the North Haven wastewater collection system		Reserve for Planning		\$813,721		-	State		

Municipality	CWF Number	Project Description	Points	Priority List Designation	Priority List Cost	Estimated Actual Cost	Estimated Federal Subsidy	Estimated SRF Loan Funding Amount	Funding Source	NPDES Permit #	Project Code
Bethel	762-PG	Bethel - SSES Sub Area - 13		Reserve for Planning		\$286,128		\$-	State		
Shelton	768-PG	WPCF Planning Grant		Reserve for Planning		\$295,160		-	State		
Milford	769-PG	I/I and (SSES) for Wastewater Collection System		Reserve for Planning		\$745,307		\$-	State		
East Granby	770-PG	SSES Phase 1: I/I Analysis sewer collection system		Reserve for Planning		\$206,526		-	State		
Redding	771-PG	WPCF Asset Management Plan		Reserve for Planning		\$91,000		\$-	State		
Canton	772-PG	Wastewater Facilities Plan		Reserve for Planning		\$979,902		\$-	State		
Stamford	774-PG	SSES Phase 3		Reserve for Planning		\$506,050		-	State		
Norwich	775-PG	CSO LTCP Update Flow & Metering		Reserve for Planning		\$1,570,805		\$-	State		D
South Windsor	776-PG	SSES Priority Phase 1		Reserve for Planning		\$419,250		\$-	State		
Greater New Haven WPCA	778-PG	CSO LTCP Update 2027		Reserve for Planning		\$600,000		\$-	State		D
Planning Reserve Total						\$15,503,136	\$-	\$-			
Reserve for Small Community Projects											
Brookfield		Dean/Pocono Area Sewer Extension		Reserve for Small Community	\$6,000,000	\$6,000,000		\$4,500,000	State		
Coventry		WPCF Upgrade and/or Regionalization		Reserve for Small Community	\$30,000,000	\$30,000,000		\$22,500,000	State		
Jewett City		WPCF Upgrade		Reserve for Small Community	\$5,000,000	\$5,000,000		\$3,750,000	State		
Marlborough	TBD	Town Center/Lake Terramuggus Phase IV		Reserve for Small Community	\$6,300,000	\$8,000,000		\$6,000,000	State		

Municipality	CWF Number	Project Description	Points	Priority List Designation	Priority List Cost	Estimated Actual Cost	Estimated Federal Subsidy	Estimated SRF Loan Funding Amount	Funding Source	NPDES Permit #	Project Code
Town of Old Lyme	720-C	Town of Old Lyme Internal Sewers- Sound View and MTA-B		Reserve for Small Community	\$12,000,000	\$12,000,000		\$9,000,000	State	CT0100382	
Old Lyme -Beach Associations	720-C	Shared Infrastructure		Reserve for Small Community	\$27,000,000	\$27,000,000		\$19,833,073	State	CT0100382	
Old Lyme- Old Colony Beach	644-C	Old Colony Beach Association Internal Sewers		Reserve for Small Community	\$10,000,000	\$9,450,732		\$7,115,336	State	CT0100382	
Old Lyme- Old Lyme Shores Beach	645-C	Old Lyme Shores Association Internal Sewers		Reserve for Small Community	\$11,000,000	\$13,625,743		\$10,219,307	State	CT0100382	
Old Lyme- Miami Beach	655-C	Miami Beach Association Internal Sewers		Reserve for Small Community	\$15,500,000	\$18,458,802		\$12,722,705	State	CT0100382	
Reserve for Small Community Total					\$107,300,000	\$111,076,475		\$82,917,716			
Fundable FY26 Projects: Category I											
Bridgeport	734-C	West Side WPCF Upgrade – Phase 1		FY 26-27 Category I	\$30,000,000	\$15,692,505		\$8,630,878	State	CT0100056	D
Norwich	758-CSL	South Thames Street Force Main		FY 26-27 Category I	\$5,600,000	\$5,539,591		\$4,143,873	State	CT0100412	D
Fundable FY26 Projects: Category I Total					\$35,600,000	\$21,232,096		\$12,774,751			
Fundable FY26 Projects: Construction											
MDC	TBD	CSO Sewer Separation Projects	26	FY26 Construction	\$16,000,000	\$16,000,000		\$8,000,000	State	CT0100251	P, D, G
Bridgeport	TBD	West Side WPCF Upgrade – Phase 2 Year 1	53	FY26 Construction	\$125,000,000	\$125,000,000		\$62,500,000	State	CT0100056	D
Fundable FY26 Projects: Construction Total					\$141,000,000	141,000,000		\$70,500,000			
Fundable FY27 Projects: Construction											
Bridgeport	TBD-C	West Side WPCF Upgrade – Phase 2 Year 2	53	FY27 Construction	\$125,000,000	\$125,000,000		\$62,500,000	State	CT0100056	D
Derby	TBD-C	WPCF Upgrade with Nutrient Removal	39	FY27 Construction	\$60,000,000	\$60,000,000		\$30,000,000	State	CT0100161	D
New Haven	TBD-C	WPAF Upgrade	35	FY27 Construction	\$82,000,000	\$82,000,000		\$41,000,000	State	CT0100350	D
MDC	TBD-C	Windsor St. Sewer Separation Phase 3	26	FY27 Construction	\$25,000,000	\$25,000,000		\$12,500,000	State	CT0100251	D

Municipality	CWF Number	Project Description	Points	Priority List Designation	Priority List Cost	Estimated Actual Cost	Estimated Federal Subsidy	Estimated SRF Loan Funding Amount	Funding Source	NPDES Permit #	Project Code
City of Hartford	TBD-C	North Main Street Improvements	18	FY27 Construction	\$7,000,000	\$7,000,000		\$3,500,000	State	CT0100251	D
Fundable FY27 Projects: Construction Total					\$313,000,000	\$313,000,000	\$3,500,400	\$156,500,000			
FY26/27 Emerging Contaminants											
NEIWPCC	TBD	Hartford Landfill Pilot		FY26/27 EC	\$6,170,000	\$6,166,699	\$6,166,699		EC 22, 23, 24		D, A, F
TBD	TBD	Hartford Landfill Design/Construction		FY26/27 EC	\$5,352,000	\$5,001,600	\$5,001,600		EC 25, 26		D, A, F
Fundable FY26/27 Projects: Emerging Contaminants Total					\$11,522,000	\$11,168,299	\$11,168,299	\$-			
FY26/27 Total Ongoing/Anticipated Projects					\$1,264,622,000	\$1,540,245,844	\$88,959,509	\$823,830,893			
Remaining Fed Grant Balance to be Committed/Disbursed							\$23,289,710	\$19,434,730			

Section 5: Statement of Short Term and Long-Term Goals

Consistent with Section 606(c)(2) of the Federal Clean Water Act (CWA), DEEP submits the long- and short-term objectives of its water pollution control revolving fund, including its coordination with other financial assistance programs and how the CWSRF assists communities to attain and maintain compliance with the CWA and other provisions in the State Clean Water Strategy. The program activities and initiatives for the CWF and the CWSRF for FFY2026/state FY2026 include:

CWSRF Program Short-term 2026 Program Activities and Initiatives

- o Continue to utilize the strength of the CWSRF to enhance the Drinking Water State Revolving Fund (DWSRF) by cross collateralizing the programs in accordance with state and federal law.
- o Sign 8 new grant and/or loan commitments.
- o Attend EPA, state, regional, and national trainings and conferences to stay abreast of emerging issues, legislation, regulations, related to water programs including BABA, financial and technical programmatic best practices, emerging contaminants, and alternate financing options.
- o Update CWF agreement templates to include new federal and state requirements.
- o Update DEEP CWF website for clarity of information presented to the borrowers and public.
- o Continue to develop checklists of required information and fillable forms of applications, FFATA, and other CWF required submissions.
- o Anticipate maintaining the green infrastructure funding of \$20 Million in the draft FY2026/2027 Priority List to incentivize green infrastructure, water and energy efficiency and environmentally innovative projects in an amount that is at least 10 percent of the capitalization grant; and providing timely reporting of GPR information in OWSRF (CBR) on an ongoing basis.
- o Participate in outreach through trade association meetings, municipal market forums, state and regional conferences to provide information on CWSRF funding opportunities, best practices, as well as CWSRF revenue bonding program.
- o Network with our state and national partners for innovate outreach and marketing programs to CT communities through participation in EPA workgroups.
- o Manage legislative capital budgeting process for Connecticut Clean Water Fund general obligation and revenue bond authorizations in order to optimize financing for Clean Water Fund projects.
- o Partner with Northbridge Environmental Consulting to automate quarterly reporting in federal OWSRF (CBR) system through LGTS (Loan and Grant Tracking System) upgrade.
- o Submit Financial Status Reports to complete close-out of previous capitalization grants to bring CT in line with EPA goals of only 2 grant years open or less.
- o Execute awards for IJJA Emerging Contaminants and Overflow Sewer Grants.
- o In conjunction with the Department of Administrative Services and the Office of Policy and Management, evaluate the need for additional staff to maintain the high technical and fiscal standards of the program. Backfill and add staff as necessary within the constraints of funding.
- o Implement procedural guidance and develop standard operating procedures to ensure GPR, additional subsidy commitments, project disbursements, and FFATA requirements are accurately identified and reported in OWSRF and annual reports on an ongoing basis.

- o Document best practices for data reporting on the IUP, Annual Report, and OWSRF to meet EPA checklist requirements.
- o Continue collaboration between OTT/DEEP to strategize expediting projects in the pipeline to move executed agreements and improve pace, uncommitted funds, and ratio of undisbursed funds ratios.

Long-Term Goals/Projections

- o Provide financial, administrative, technical oversight for the construction of wastewater treatment plant upgrades designed to update and improve the overall treatment quality and resiliency of plants.
- o The City of Bridgeport is preparing to advertise Phase 1 of a multi-phase upgrade of both its wastewater treatment plants, which will provide enhanced nitrogen removal and add wet weather flow capacity to decrease CSO and sanitary sewer overflow (SSO) discharges as required by the City's Long Term Control Plan and/or in compliance with state and federal enforcement actions.
- o Provide financial, administrative, and technical oversight for wastewater collection system improvements that will decrease CSO and SSO discharges as required under Long Term Control Plans and/or Integrated Municipal Stormwater and Wastewater Plans to comply with state and federal enforcement actions.
 - o The MDC continues work on several sewer separation and rehabilitation contracts in North Hartford as part of a multi-year pilot project that was initiated in June 2023 to reduce sewer overflows to the Park River and alleviate street flooding and residential basement backups.
 - o The Greater New Haven WPCA started the rehabilitation of the East Street Pump Station to reduce CSOs to the East River.
- o Continue to provide rigorous technical oversight to ensure that all projects lead to achievement of water quality standards; part of the technical oversight requires that each project design adds increased storm resiliency.
- o Continue to expedite project development and construction by providing planning and design funding. Planning projects will continue to be funded by state grant. Design funds will be made available for those projects that expect to be ready to proceed to construction within three years.
- o Explore revising PPL reserve amounts to meet changing water needs in state of CT and emerging issues such as cybersecurity, cost increases, and resiliency.
- o Collaboration between OTT, DPH, and DEEP to ensure long term sustainability of CT's Clean and Drinking Water Programs,
 - o develop strategies to improve PACE and uncommitted funds ratios,
 - o share best practices.
- o Continue identifying projects to comply with FFATA equivalency requirements in an amount equivalent to federal cap grant funds awarded on an ongoing basis.
- o Provide financial and administrative management and technical oversight for the EPA's State and Tribal Assistance Grants (STAG) program.
- o Build a robust pipeline of projects and ensure funds are disbursed in a timely and expeditious manner.
- o Develop strategies to improve internal and external outreach and communications about CWSRF programs and funding.
- o Provide sufficient and affordable project funding which supports EPA's Sustainability Policy by evaluating the economic and environmental needs of the community as well as the use and perpetuity of the CWSRF.

- o Continue to bring Publicly-Owned Treatment Works (POTW) into compliance with federal requirements.
- o Determine how to manage emerging issues such as:
 - o Tighter effluent limits for metals
 - o Control of pharmaceuticals and personal care products
 - o Continued adaptation to provide increased flood resiliency to wastewater facilities.
- o As the programs of the Clean Water Fund meet their goals, DEEP will update and revise cost estimations for critical water quality work. DEEP estimates the overall need for water quality improvement at \$2.2 billion through 2028, with treatment plant construction costs and combined sewer overflow correction program needs of over \$1.1 billion.
- o The State also will continue to develop additional financing alternatives. The long-term goals and objectives for the CWSRF are to:
 - o Maintain the fiscal integrity of the CWSRF in perpetuity through cash flow analysis, monitoring, and optimization of cash management strategies including leveraging and debt service reduction or present value savings or through the refunding or cash defeasance of bonds.
 - o Continuously improve efficiency and effectiveness of the program administration.
 - o Analyze and manage long term viability of the CWSRF to enhance the ability of the fund to provide low-cost financing for critical projects in perpetuity.
 - o Continue to blend federal CWSRF grant funds, state grant aid funds, with Tax-exempt revenue bond sale proceeds and/or equity to provide long term low interest financing to CWSRF for eligible projects.
 - o OTT will continue to leverage bonds by issuing tax-exempt municipal bonds secured by the CWSRF to enable funding for a greater number of projects than would otherwise be possible through a direct grant/loan program.

Section 6: Financial Management

a. Funding Summary:

The CWSRF provides assistance in the form of loans and state funded grants. Applications are accepted on a rolling basis; there is no deadline for application. The State has begun to contemplate the development of programs to provide guarantees and insurance. The CWSRF policies on setting terms for the various types of loan assistance provided by the fund e.g., interest rate, guarantee fees, repayment schedules are implemented in conjunction with the Office of the State Treasurer. The state agrees to accept grant funds that will be released by EPA utilizing the ASAP payment method. Access to grant funds will be in accordance with the following schedule:

6. Table 6: Schedule of Payments

Payment Quarter	Payment Amount	Federal Grant Award
FFY2026/Quarter 1	\$ 1,536,000.00	OSG
FFY2026/Quarter 2	\$ -	
FFY2027/Quarter 1	\$ -	
FFY2027/Quarter 2	\$ 41,535,000.00	Base, IJJA Supplemental, EC
Total	\$ 43,071,000.00	

Since inception, the following funding has been provided:

- Federal Title VI capitalization grants awarded through SFY2025 cumulative total of \$765.1M
- State General Obligation (GO) bond authorizations total \$2,105,125,976 ⁽¹⁾.
- State Revenue bond authorizations total \$4,486,080,000 ⁽²⁾.

- 1) Includes bonds allocated to the drinking water program managed by the [State Department of Public Health](#). \$44 Million of the revenue bonding authorized for the Clean Water Program has been allocated to the Drinking Water program.
- 2) Includes bonds allocated to the drinking water program. \$493 Million of the revenue bonding authorized for the Clean Water Program has been allocated to the Drinking Water program.

Funding available for state FY2027 is as follows:

Unallocated state revenue bond authorizations: \$666,000,000

Unallocated state general obligation bond authorizations: \$138,350,000

7. Table 7: State Bonding Authorizations

	Anticipated SFY2026 Funds Authorized	Anticipated SFY2027 Funds Authorized
State General Obligation Bonds ^(1, 2)	\$ 130,000,000.00	\$ 170,000,000.00
State Revenue Bonds ⁽¹⁾	\$ -	\$ 450,000,000.00
Federal Capitalization Base Grant ⁽³⁾	\$ 19,436,000.00	\$ 8,751,000.00
Federal SRF IJJA Supplemental Grant ⁽⁴⁾	\$ 30,179,000.00	\$ 30,179,000.00
Federal IJJA EC ⁽⁵⁾	\$ 2,605,000.00	\$ 2,605,000.00
Total Anticipated Funds	\$ 182,220,000.00	\$ 661,535,000.00

- (1) CT FY 2026 – FY 2027 BIENNIUM BUDGET [CT FY26-27 Final Budget](#) [Public Act 25-168](#) and 25-174
- (2) The entire FY26 General Obligation Bonds Authorization is \$133,000,000 but \$3,000,000 is reallocated to the Drinking Water Fund (DWF). The entire FY26 Revenue Bonds Authorization is \$50,000,000 but the entire \$50,000,000 is reallocated to the DWF. The entire FY27 General Obligation Bonds Authorization is \$175,000,000 but \$5,000,000 is reallocated to the DWF. The entire FY26 Revenue Bonds Authorization is \$500,000,000 but \$50,000,000 is reallocated to the DWF.
- (3) Federal Amounts estimated after earmarks, including 604(b). *Italics indicate the estimated amount.*
- (4) IJJA = Infrastructure Investment Jobs Act, *estimated amount*; Refer to Section 4b for more information on this IJJA grant.
- (5) IJJA = Infrastructure Investment Jobs Act, EC = Emerging Contaminants Grant (EC), refer to Section 3g for more information. EC allotments shown deduct 604(b) allocation.

b. State Match:

The State of Connecticut has provided its required match by funding loans for eligible project costs and issuing State bonds since 1991. The State will continue to provide state bond authorizations for match and designate projects to demonstrate the expenditure of the match in a section of the fund specially identified for this purpose. The bonds are deposited into the state revolving fund (SRF) and the proceeds used to support revenue bonds as part of the State's leveraging strategy. The principal and interest for these bonds are to be paid by the State outside of the SRF. The state reports only required state match of GO bond funds at 20% or as required by the terms of each capitalization grant to EPA. However, due to robust state support for CT's CWF program, CT's GO bond (state grants) and Revenue bond (state loan) represent a significant overmatch of EPA federal capitalization requirements since the 1987 inception of the program. This additional state support enables CT to fund many projects which would not otherwise be funded if only federal grant and minimum state match requirements were provided, with over \$4.5B in total project funding despite receiving only \$724M in federal grant funding.

The [CT Bond Commission](#) approves funds for CWF bonding, CT DEEP submits a B107 allotment request, and funds are then posted by the Office of the State Comptroller for DEEP to expend. DEEP has requested an additional \$8,000,000 of state matching GO funds, anticipated to be approved by the Bond Commission in state FY27/federal FY26. Once state matching funds are approved by the state Bond Commission and allotted to DEEP, state match is immediately transferred into a separate account with an identifying special ID (SID) in the State's accounting system. State match funds are then assigned to an eligible project and disbursed prior to federal funds disbursement.

Cumulative state match provided with state funded bonds totals \$149 million through 6/30/2026. An additional \$8M is anticipated in SFY27. The charts below summarize the source of the state match that has been provided:

8. Table 8: State Match Provided

State Match Provided: IJJA and Base		
State Match Provided	Grant Per Year	State Match Amount
FY 1987-2019	563,628,148.00	112,725,630.00
FY 2020	19,467,000.00	3,893,400.00
FY 2021	19,465,000.00	3,893,000.00
FY 2022	14,175,000.00	2,835,000.00
IJJA FY2022	21,804,000.00	2,180,400.00
Base FY 2023	9,189,000.00	1,837,800.00
IJJA FY2023	25,535,000.00	2,553,500.00
Base FY 2024	10,001,000.00	2,000,200.00
IJJA FY2024	27,860,000.00	5,572,000.00
Base FY 2025	19,436,000.00	3,887,200.00
IJJA FY2025	30,179,000.00	6,035,800.00
Base FY 2026	8,751,000.00	1,750,200.00
IJJA FY2026	30,179,000.00	6,035,800.00
Totals	683,264,148.00	155,199,930.00

9. Table 9: State Match Sources

State Match Sources		
State Fiscal Year ▼	Deposit Date ▼	State Match Provided ▼
1987-2019	Provided by State Bonds	\$ 110,079,721
2020	6/26/2019	\$ 7,000,000
2022	12/18/2019	\$ 5,000,000
2023	12/21/2021	\$ 5,000,000
2024	12/21/2021	\$ 5,000,000
2025	12/21/2021	\$ 6,978,000
2026	10/22/2025	\$ 9,923,000
2027	Anticipated SFY27	\$ 8,000,000
	Total State Match Available	\$ 156,980,721
	Total State Overmatch	\$ 1,780,791

The \$149 million of state match provided by State of Connecticut general obligation bonds plus the additional \$8 million anticipated in SFY27 come from state bond sources. The state GO match bonds are not repaid by the CWSRF. The terms of the bonds match the terms of the CWSRF bonds.

In accordance with 40 CFR, Section 35.3135(b)(4) the excess match may be banked toward subsequent match requirements. The State of Connecticut has expended match in excess of the minimum 20% requirement through SFY 2027.

c. Proportionality:

The State of Connecticut expended match in excess of the minimum 20% requirement according to the projects identified in Table 5, allowing 100% federal disbursements. On November 18, 2022, the EPA Office of Grants and Debarment (OGD) approved a permanent regulatory exception to the SRF cash draw rules. This exception eliminates the requirement for the states to draw SRF disbursement requests at a proportional federal to state ratio. The state has opted to continue following proportionality. Overmatch is available per Table 7 and Table 8 and the state intends to continue demonstrating expenditure of the required amount of state match prior to drawing federal funds. Federal FY25 state match was disbursed to the Metropolitan District Commission's (MDC) Project 692-C amendment, consisting of the construction of the South Hartford Conveyance and Storage Tunnel and is being completed as part of the MDC CSO Long-Term Control Plan.

FFY22, 23, 24, and 25 IIJA Supplemental state match was provided to Project 743-C Norwich Public Utilities for expanding and upgrading their existing Water Pollution Control Facility (WPCF). FFY26 IIJA Supplemental state match is also anticipated to go to Norwich 743-C as previously approved by EPA. This Publicly Owned Treatment Works (POTW) was constructed circa 1955 and is overdue for facility wide improvements. Improvements will increase the facility peak capacity to 20 MGD which will be a critical component in their CSO Long Term Control Plan. The upgraded facility will also be more resilient and able to pump out against a flooded river condition. The overall project will improve capacity, reliability and

operational flexibility while adding nitrogen removal and treating more water to higher treatment standards.

Federal FY26 IJA state match will be provided to these or similar eligible construction projects which advance CT's clean water priorities as outlined in the FY24/25 or FY26/27 Project Priority List.

d. Fee Income:

Currently, there are no other charges to the municipalities for the services provided as part of the program.

e. Program Administration:

DEEP is currently using 4 percent of the Federal Capitalization Grant for administrative purposes. Federal administrative grant funding for FY2026 grants as shown in Table 2, pursuant to the Clean Water Act. DEEP has funds in undrawn administrative funds as of June 30, 2026. State funded administrative charges are not specified as they are paid outside of the CWSRF.

f. Travel:

EPA approves the use of Federal funds for travel budgeted in capitalization grants for implementing the CWSRF program. The State agrees to use Federal funds to participate in training and professional development activities integral to the effective implementation and management of the CWSRF program.

g. Office of Water State Revolving Funds Information Management System (OWSRF)

The State agrees to input data, as required by EPA to OWSRF, which replaced the previous data reporting system Clean Water National Information Management System (CWNIMS). The State files the OWSRF project data reporting requirements on a quarterly and annual basis consistent with federal EPA requirements, in collaboration with EPA's contractor Northbridge.

EPA agrees to provide technical assistance to the State in its use of the OWSRF as a management information system. CT continues to partner with EPA Region 1, EPA Headquarters, and Northbridge contractor staff to resolve data reporting inconsistencies between CT's internal accounting records and EPA OWSRF data records.

h. Loan Repayment Funds:

Monthly repayments may be in the form of level debt or level principal at the discretion of the municipality. Repayment of outstanding loans are deposited into the Revolving Fund Account and used for eligible program purposes consistent with the Clean Water Fund's leveraged funding strategy including bond debt service, and any reserve funds necessary to maintain the credit ratings.

i. Anticipated Cash Draw Ratio:

Currently Connecticut draws federal reimbursement at 100% because state match from prior years has been expended in excess of the 20% match requirement. The State anticipates that the state match will continue to be drawn and expended in advance of the federal reimbursement.

j. Transfer of Funds from the Drinking Water State Revolving Fund:

DEEP reserves the authority to transfer additional funds as appropriate, at some time in the future, between the CWSRF and DWSRF program. To date there have been no transfers of federal funds between the programs and DEEP does not currently plan on transferring funds to or from the DWSRF in FFY2026.

k. Estimated Sources and Uses:

The Sources and Uses table below identify the sources and the uses of available funds in the CWSRF in FFY2026/state FY2027. Additional projects identified on the state's FY26/27 Priority List are expected to be funded in State FY27/28. Sources of funds include federal capitalization grants and state matching funds, as well as leveraged bond proceeds, investment earnings and repayments. The majority of available funds are used to pay for water quality projects. Any remaining funds are rolled forward into the available balance for future project funding, consistent with approved uses detailed in CT DEEP's priority list. Funds are also used to pay for administration. The State also provides funds for administration and for debt service on leveraged and state match bonds.

Public Act 20-1 provided the state general obligation and revenue bond authority necessary to proceed with the Priority List process. The fundable projects list is determined from this authorization amount. The State Bond Commission then approves the allocation of bonds that allows DEEP to enter into project agreements with the Municipalities. The list of projects in Table 4 of wastewater treatment projects funded by the Connecticut Clean Water SRF shows historical project commitments by municipality and the amounts of state and federal funding assigned as of June 30, 2026. The state's FY24/25 and FY26/27 priority lists include a robust pipeline of projects which sufficiently cover all carry forward funds identified in the below Sources and Uses Table into state FY27.

10. Table 10: Sources and Uses

Sources and Uses Table FFY2026			
SOURCES OF FUNDS		USES OF FUNDS	
Carry Forward Funds	Amount	Projects Estimates*	Amount
Beginning Cash Balance State SRF Funds	\$342,184,483	Existing Commitments	
One Time State Loan Forgiveness	\$59,879,724	Existing Loan Commitments (Undrawn IFO Balances)	\$463,981,094
Carry Forward Capitalization Grant Funds	\$50,242,245	FY2026 Submitted CWF Applications	\$37,157,332
Carry Forward State Match Funds	\$-	Existing One Time State Loan Forgiveness Commitments	\$16,509,174
Total Carry Forward Funds	\$452,306,452	Total Existing Commitment	\$517,647,600
FY2026 Proposed EPA Grant Funds		Projected (Pending) Commitments*	

FFY 2026 Base Capitalization Grant	\$8,751,000	Pending Loan Commitments (includes FY2026 PPL Fundable Projects)	\$83,274,751
FFY 2026 Base State Match (20%)	\$1,750,200	FY2026 PPL Estimated CWSRF Reserves	\$174,650,000
Total Base Capitalization Grant Funds	\$10,501,200	Pending Additional Federal Subsidy	\$23,289,710
FFY 2026 IIJA Supplemental Capitalization Grant	\$30,179,000	State Match Applied to Projects	\$7,786,000
FFY 2026 IIJA State Match (20%)	\$6,035,800	Projected Commitments Estimate	\$289,000,461
Total IIJA Grant Funds	\$36,214,800	Administrative Uses Estimates	
FFY 2026 Emerging Contaminants (EC) Capitalization Grant Funds	\$2,605,000		
FFY 2026 EC State Match (0%)	\$-	CWSRF Administration (4%)	\$3,701,810
Total Emerging Contaminants Available	\$2,605,000	FY 24 Bond Debt Service	\$71,796,000
Total All Federal Grant FY2026	\$49,321,000	Total Administrative Estimates	\$75,497,810
Other Estimated Funds		* Projected Estimates include all reserves, fundable set asides, construction, and tech assistance activities for state FY26.	
Loan Repayment Funds (Principal & Interest State Revolving Fund)	\$101,960,246		
Investment Earnings	\$23,196,486		
Estimated Other Funds	\$125,156,732		
Total Estimated Sources of Funds	\$626,784,184	Total Estimated Uses of Available Funds	\$882,145,871
Balance of Available Funds		-\$255,361,687	

I. Financial Management Strategies:

The Revenue Bond program has been in place since 1991. Since the Program's inception interest subsidy support provided by the State has been as high \$19.0 million in 1991 and as low as \$3.6 million in 2001. No state-funded subsidy has been necessary since the 2001 revenue bond issue. This means that more state bond authorizations are now freed up for project purposes. Program capacity was increased in FY2021/2022 through receipt of \$289.5 million of loan prepayments. Given this inflow of funds to be recycled, new projects will be funded through program equity for the coming fiscal year, and future bond issuance will be delayed beyond 2026. The last bond sale was in July 2019. Refunding took place in May/June 202. Another refunding is anticipated per Addendum 1.

The program capacity projections continue to show that the program can sustain funding levels of \$150 million per year without further State-funded interest subsidy through 2039. Depending on the needs of the program, the State may provide additional support for higher levels of revenue bond issuance in the future. Through effective management of the CWSRF, prudent leveraged bond financing and continued legislative support through authorizations, the State's program will be available to ensure compliance with the Water Quality Act of 1987. The State continually strives to ensure that the fund is a self-sustaining program now and into the future.

To assist communities with financial sustainability, DEEP has published the document entitled "*Methods of Capital Cost Recovery on Water Pollution Control Projects*" and has published and continues to update the document entitled "*The Cost of Clean Water, A Sewer User Charge Rate Survey and Guidance Manual*". The planning process must demonstrate appropriate rate structures to ensure that capital cost debt service and ongoing operation and maintenance costs can be met.

Section 7: Program Management

a. Assurances and Specific Proposals

The authority for this agreement is under the Clean Water Act, Title VI, Sections 601-607 and 40 CFR 35.3130(b) and 40 CFR 35.3150(b). In accordance with 40 CFR 35.3130(b), at the option of the State, the organizational and administrative framework and those procedures of the CWSRF program that are not expected to change annually may be described in the Operating Agreement. EPA will incorporate this agreement by reference in the annual capitalization grant agreement between EPA and the State of Connecticut (DEEP and OTT), and DEEP will incorporate this agreement by reference in the State's IUP. DEEP has provided the necessary assurances and certifications as part of the Operating Agreement between DEEP and EPA. The Operating Agreement (OA) describes the mutual obligations between EPA and DEEP, and through a Memorandum of Understanding, with OTT. The purpose of the OA is to provide a framework of procedures to be followed in the management and administration of the CWSRF. The OA was last updated in 2020/2021 timeframe.

The OA addresses our commitment to key CWSRF requirements, including:

- 1) 602(a): Environmental Reviews - The CWSRF will conduct environmental reviews according to the State Environmental Review Process developed for the SRF.
- 2) 602(b)(3): Binding Commitments - The State of Connecticut certifies that it will enter into binding commitments equal to at least 120% of each quarterly grant payment within one year from receipt.
- 3) 602(b)(4): Timely expenditure - The State of Connecticut certifies that it will expend all funds in the SRF in a timely manner.

b. Federal Requirements

Connecticut will strive to meet compliance in an amount equivalent to the amount of the capitalization grant for the following requirements:

- o Clean Water Act, Section 508
- o Clean Air Act Section 306
- o The Davis-Bacon Act (40 U.S.C. 276a to a-7)
- o American Iron and Steel (AIS) (2 CFR 180, Subpart C)
- o Single Audit Act (OMB A-133)
- o Federal environmental and super crosscutters
- o Telecommunications Prohibition (2 CFR § 200.216)
- o Federal signage requirements
- o Uniform Relocation and Real Property Acquisition Policies Act
- o Binding Commitments: §§ 35.3135(c)
- o Expeditious and timely expenditure: 35.3135(d)
- o First use of Funds: 35.3135(e)
- o Compliance with title II requirements: 35.3135(f)
- o Environmental Review Requirements: 35.3140
- o The Build America, Buy America Act (BABA)*
- o Federal Funding Accountability and Transparency Act (FFATA) reporting*

*Note: BABA and FFATA reporting requirements are applied only to federal equivalency projects. All other federal requirements are applied to all CT CWF projects.

All CTWSRF funded contracts contain standard language requiring funding recipients to comply with the above federal requirements. Assistance recipients identified will:

- o Submit Single Audit reports in all years when disbursements of federal/state funds (both CWSRF and non-CWSRF federal funds) meet or exceed federal and/or state limits. Federal single and state audit requirements are included as standard language in CT CWSRF agreements.
- o Prohibiting contract awards to disbarred/suspended contractors per federal uniform guidance Federal Acquisition Regulation (FAR) Section Subpart 9.4- Debarment, Suspension, and Ineligibility.
- o Demonstrate compliance with the federal environmental crosscutting authorities during the environmental review and project planning stage.
- o Report on executive compensation as outlined in the Federal Funding Accountability and Transparency Act.

d. Audits and Reporting

DEEP is committed to transparency and accountability. Program information, the Priority List and other Clean Water Fund related materials are posted on the DEEP website. The Annual Report published by the Office of State Treasurer is posted at: [Office of State Treasurer](#). An independent audit is conducted by an outside CPA firm annually, with results published as part of each year's annual report.

e. Geospatial Data Standards

All geospatial data created will be consistent with Federal Geographic Data Committee endorsed standards as required by EPA.

f. PER Action Items Report

The EPA provides CT with a report of action items (PER) at the conclusion of the annual review. Status of all outstanding items requested by the EPA's 2023 and 2024 PERs is below.

22) The 2022 IIJA Supplemental additional subsidy commitment amount is less than the disbursed amount. Please review the commitment and disbursement amounts, make any necessary corrections, and notify the project officer.

Deadline: April 4th, 2026

State Response: Disbursement information is updated quarterly in OWSRF by Northbridge. CT DEEP has verified disbursements for FY2022 IIJA grant in CORE-CT, CT's accounting system. CT has provided EPA with backup detailing both project and administrative disbursements for FY2022 IIJA funds. IIJA Supplemental additional subsidy commitment amounts shown in Appendix IV of CT's Annual Report reflect project commitments only. Administrative commitments by grant/year are detailed in Appendix III of the Annual Report. CT will update Appendix IV on the FY25 Annual Report to reflect changes in additional subsidy commitments for all grant years.

Section 8: Public Review and Comment

This IUP along with The State's Priority List provides the basis for negotiation of the capitalization grant agreement and the schedule of grant payments (see Section 6a) as required by Section 601(b) of Title VI. As a result, public notice of the contents of this IUP and the State's Priority List have been provided for comment and review as required per Section 605(c)(1) of Title VI.

In conformance with federal regulations governing the capitalization grant that the DEEP receives from the federal Environmental Protection Agency and the CWF Regulations, the DEEP issued a notice of public hearing for the FY2026/2027 Priority List on December 22, 2025, which provided notification on the time, date and location of the public hearing. Written comments were due February 27, 2026, to the DEEP. On December 22, 2025, the Department notified subscribers of the Municipal Wastewater Listserv of the availability of the Draft FY2026/2027 Priority List, and associated Table 1 and the public notice. A public hearing was held on February 5, 2026 at 10:30AM via Zoom with oral comments registrations accepted by February 4, 2026. In addition, the Department placed the Hearing Examiner's report for the FY2026/2027 Priority List on the Department's Municipal Wastewater webpage.

The "Request to Place Project on Priority List" form and an instructional "Call for Projects" Memorandum dated November 20, 2024, were sent out to municipal officials subscribed to the [DEEP Municipal Wastewater Updates Newsletter](#) for the FY2026/2027 Priority List. The public is able to subscribe to the newsletter via a link at the bottom of the main DEEP [Municipal Wastewater](#) webpage. The deadline to submit the project forms for the FY2026/2027 Priority List was February 27, 2026. DEEP also reminded municipalities and consultants about the "Call for Projects" at outreach events hosted by the [New England Water Environment Association](#) (NEWEA) on January 27, 2026; and by the [Connecticut Water Environment Association \(CT WEA\)](#) on February 14, 2026. Municipalities were permitted to submit revised project forms for the FY2026/2027 Priority List until February 28, 2026.

Since then, DEEP has completed its evaluation of the project proposals for construction readiness and scored the projects with priority points as prescribed in the Regulations of Connecticut State Agencies (RCSA) Sec. 22a-482-1(c). CT DEEP adopted the Final FY2026/2027 Priority List on July 20, 2026. The final FY2026/2027 Priority List and Hearing Examiner's Report was public noticed on July 27, 2026. The draft IUP will be posted on DEEP's website for a 30 day public comment period.

State of Connecticut



Revolving Fund Programs Clean and Drinking Water Loan Program Dual ADDENDUM 1 Intended Use Plan

ADDENDUM 1 CWSRF 2026 INTENDED USE PLAN – FFY 2026
ADDENDUM 1 DWSRF 2026 INTENDED USE PLAN – FFY 2026

Notification of Stand-Alone Refunding of 2017A & B Revenue Bond Transaction

Programs: Drinking Water State Revolving Fund (DWSRF) & Clean Water State Revolving Fund (CWSRF)

Date: (estimated February 2027)

Purpose of Addendum

This addendum to the Connecticut Intended Use Plan (IUP) for both the Drinking Water State Revolving Fund (DWSRF) and the Clean Water State Revolving Fund (CWSRF) serves as formal notification to the U.S. Environmental Protection Agency (EPA) of the state's intent to execute a stand-alone refunding of the 2017A&B and Revenue Bond transaction. In accordance with EPA guidance, this notification is provided through the IUP in lieu of a separate advisement letter.

Description of Refunding Transaction

- **Original Bond Issue:** 2017A and B Revenue Bonds
- **Purpose of Refunding:** To achieve debt service savings and improve long-term financial efficiency of the SRF programs
- **Nature of Refunding:** Stand-alone refunding; no new leveraging or issuance of additional debt
- **Estimated Timing:** [January /2027]
- **Impact on Programs:** No change to project eligibility, priority ranking systems, or funding allocations under either program
- **The Bond Transaction:** Will proceed only upon receipt of required internal approvals and if prevailing market conditions generate a positive net present value (NPV) savings.

Program Implications

This refunding transaction is strictly financial in nature and does not alter the structure, operations, or objectives of the DWSRF or CWSRF programs. The refunding will not affect the terms of existing loans, nor will it impact the availability of funds for future projects. Both programs will continue to operate in accordance with the approved IUP and all applicable federal requirements.

EPA Notification

This addendum fulfills the EPA's advisement that states notify the Agency prior to entering the bond market. Should additional documentation or clarification be required, Connecticut will provide it upon request.

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