



# State of Connecticut

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## Clean Water Fund 2011 Annual Report



# Connecticut Clean Water Fund

*Supporting the Planning, Design, and Construction of  
Municipal Water Quality Projects*

**Daniel C. Esty, J.D.**  
**Commissioner**



**Department of Energy and Environmental  
Protection**

*Administration of Connecticut's Clean Water Fund*

**Denise L. Nappier**

**State Treasurer**

*Fiscal Administration, Oversight of Loans and  
Administration of the Bond Financing Program*

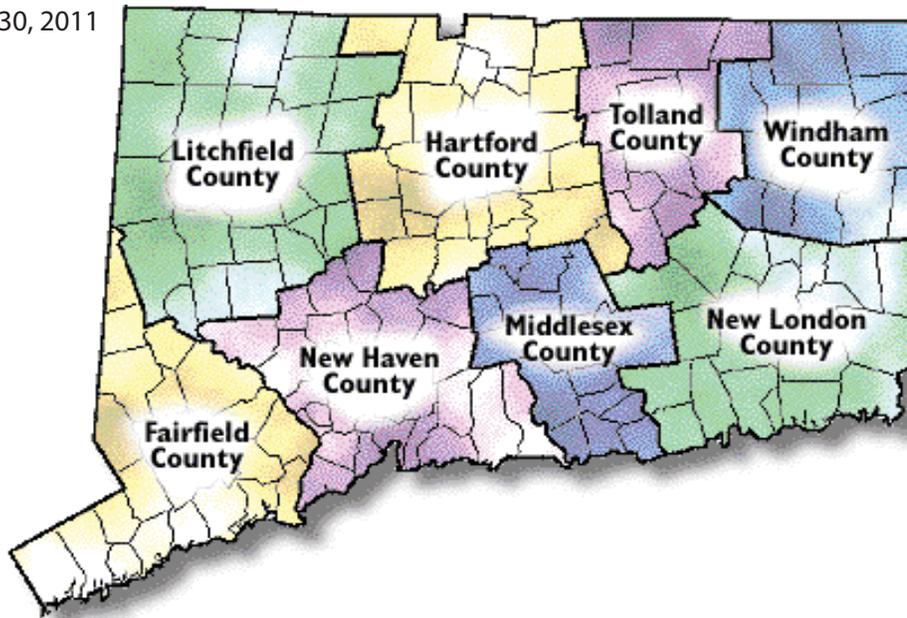


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# Communities Served by the Connecticut Clean Water Fund

As of June 30, 2011



**Fairfield County:** Bethel, Bridgeport, Brookfield, Danbury, Darien, Fairfield, Greenwich, New Canaan, Newtown, Norwalk, Redding, Ridgefield, Shelton, Stamford, Stratford, Trumbull, Westport

**Hartford County:** Bristol, Burlington, Canton, East Windsor, Enfield, Farmington, Manchester, Marlborough, MDC, New Britain, Plainville, Simsbury, Southington, South Windsor, Suffield, Windsor Locks

**Litchfield County:** Canaan, Goshen (Woodridge Lake), Litchfield, New Hartford, New Milford, Norfolk, North Canaan, Plymouth, Salisbury, Sharon, Thomaston, Torrington, Watertown, Winchester

**Middlesex County:** Chester, Clinton, Cromwell, Deep River, East Haddam, East Hampton, Essex, Middlefield, Middletown, Old Saybrook, Portland, Westbrook

**New Haven County:** Ansonia, Beacon Falls, Branford, Cheshire, Derby, East Haven, Guilford, Hamden, Meriden, Middlebury, Milford, Naugatuck, New Haven (GNHWPCA), North Branford, North Haven, Orange, Oxford, Seymour, Southbury, Wallingford, Waterbury, West Haven, Wolcott, Woodbridge

**New London County:** East Lyme, Groton, Jewett City, Ledyard, New London (includes Point-O'-Woods), Norwich, Seymour, Sprague, Stonington, Waterford

**Tolland County:** Bolton Lakes WPCA, Coventry, Hebron, Stafford, Storrs (UCONN), Tolland, Vernon

**Windham County:** Ashford, Brooklyn, Killingly, Plainfield, Putnam, Thompson, Willimantic, Windham, Woodstock

Within Connecticut's borders, there are approximately 450,000 acres of wetlands, 6,000 miles of

## REPORT INTRODUCTION

This report is the Annual Report to the Governor on the Connecticut Clean Water Fund for the fiscal year ending June 30, 2011. It has been prepared jointly by the Bureaus of Water Protection and Land Reuse and Financial and Support Services within the Department of Energy and Environmental Protection and the Debt Management Division of the Office of the State Treasurer.

The Connecticut Clean Water Fund includes the Clean Water State Revolving Fund program that provides financing for projects that have been identified by the Department of Energy and Environmental Protection (DEEP) as priorities for ensuring compliance with state and federal water quality standards.

This report includes the history of the Connecticut Clean Water Fund and the Clean Water State Revolving Fund, a review of project financing during FY 2011, projections of project funding, and the management initiatives for FY 2012.

As a major recipient of federal financial assistance, the State must provide audited statements and comply with the federal Single Audit Act of 1984 as well as the federal Clean Water Act, as amended. A firm of independent certified public accountants has prepared the audited statements for the fiscal year that ended June 30, 2011, as provided in this report.

This report includes references to the Drinking Water State Revolving Fund (Drinking Water SRF) for which a separate annual report is available. Copies of this and previous annual reports since 2001 are available at the State Treasurer's website at [www.state.ct.us/ott](http://www.state.ct.us/ott).



**Connecticut River in Downtown Hartford**

## EXECUTIVE SUMMARY

streams and rivers, over 2,000 lakes and reservoirs, and 600 square miles of estuarine water in the Long Island Sound. Sustaining these resources for today and tomorrow is a critical goal of the State of Connecticut and the primary purpose for the creation of the Connecticut Clean Water Fund (CWF) and its programs. The largest of the CWF programs is the Connecticut Clean Water State Revolving Fund Program (Clean Water SRF or CWSRF). The Clean Water SRF supports municipal wastewater infrastructure projects throughout the State and is a designated federal state revolving fund.

The program has provided wastewater infrastructure development in areas of Connecticut where more than 65% of the population resides.

The CWF 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 CWF is one of the most generous programs in the United States with 100% project financing which includes grants for a percentage of the project cost and subsidized 2% interest rate loans for the balance of the project cost.

There is significant coordination of efforts among the agencies of the State with Clean Water SRF responsibilities. The Connecticut DEEP carries out the environmental policies of the State and manages the CWF programs. The DEEP Bureau of Water Protection and Land Reuse administers the programs with the support of the Bureau of Financial and Support Services. Through a Memorandum of Agreement with the DEEP, the Office of the State Treasurer manages the bond financing program and provides the financial management and administration of the loan program.

Several water quality and environmental protection needs are addressed through programs and projects financed through the CWF. Through various statutes and regulations, the state uses the CWF to focus on specific stream segments or bodies of water where municipal discharges have resulted in impairment or pose a significant public health risk, and for which the reduction of pollution will substantially restore surface or groundwater. As of June 30, 2011, the CWF had made commitments totaling \$2.4 billion in grant and loan assistance to 92 communities including 14 municipalities that participate in regional districts or authorities. The program has continued to provide wastewater infrastructure development in areas of Connecticut where more than 65% of the population resides. The CWF also supports activities in the Nitrogen Credit Exchange Program and other programs and projects of the DEEP.

Primary sources of funding for the CWF programs 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). The Clean Water SRF also received federal economic stimulus funding under the American Recovery and Reinvestment Act (ARRA) of 2009 and continued to expend those funds through 2011. The amended Priority List (managed by the DEEP) for 2011 was further amended and expanded to include additional projects as a result of the federal economic stimulus funding received under the ARRA.

## SUMMARY OF ACTIVITIES AND ACCOMPLISHMENTS

The State of Connecticut's progress in building and improving the capacity of the local wastewater systems by working closely with cities and towns continued through 2011. As a result, the quality of water in Connecticut's rivers and streams continually improved, and consistent with the State's water quality management plans, the flow of nitrogen and other pollutants into Long Island Sound is being reduced.

The 2008 U.S. EPA Clean Watershed Needs Survey estimates that the overall need for improvements in Connecticut to meet the goals of the federal Clean Water Act is approximately \$4.7 billion, including treatment plant construction and combined sewer overflow (CSO) correction needs that are expected to exceed \$2.7 billion. These estimates did not include needed efforts to reduce phosphorus levels that could add over \$200 million to the total needs, nor do they include additional CSO correction needs based on more recent Long Term Control Plans for those facilities. Based on these estimates and with the provisions of the state-funded grants and low interest loan program, the DEEP estimates that the infrastructure needs over the next 20 years has risen to \$5.2 billion and about 65% of these costs are expected to be financed through the Clean Water SRF loan program.

Resources to meet existing and future needs, and support for the creation, development, and implementation of new program initiatives are continued priorities for the State. In fiscal year 2011, the State demonstrated its commitment to the CWF programs with annual authorizations and consistent staffing levels. The State provided bonding authorizations for the program of \$44.9 million in general obligation bonds and \$120 million in revenue bonds, as shown in Appendix I. In the midst of the current economic crunch experienced by most states including Connecticut, these authorizations are important economic development commitments that are consistent with the State's environmental program goals.

### *Loan Program*

The State 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.

#### *Progress in Water Quality*

- Quality of water in Connecticut's rivers and streams continually improves
- Flow of nitrogen and other pollutants reduced

#### *Progress in CWF*

- Disbursed over \$101.8 million for high priority water quality projects in 2011
- Bond Program enables low interest financing and effective use of financial resources to meet existing water quality needs
- Support for the creation, development, and implementation of new program initiatives

Connecticut recognizes the need for construction funds to be available year round, and with its generous 100% project financing program, participants received a package of financing including short- and long-term loans and grants.

Projects on the Priority List can enter into a loan agreement with interim financing. Loans are permanently financed after borrowers completely expend the project funds under their interim loan. Seven loan commitments closed during FY 2011 totaling \$73.8 million, as shown on the list of closed loans in Appendix IV. The projects are for planning and design, treatment plant upgrades and system improvements as required by several DEEP consent orders. During fiscal year 2011, the State disbursed \$101.8 million for Clean Water projects. On the loan portion, each borrower is obligated to repay the principal amount at a subsidized interest rate of 2%. In fiscal year 2011, borrower repayments including principal and interest totaled \$78.0 million.

### ***State Grant Program***

The State makes payments to the CWF to supplement project financing. To date, the municipalities have received \$580.7 million in CWF grants and \$69.7 million in total Long Island Sound (LIS) grants funded by general obligation bonds.

From 1991 to 2001, the State also subsidized debt service on the SRF bonds with the issuance of \$55.7 million in general obligation bonds for interest subsidy. Due to the issuance of refunding bonds which lowered interest costs and the level of overmatch already provided to the CWSRF, the State determined that the best use of the proceeds of the interest subsidy bonds would be to provide the required match for the Drinking Water SRF. Since 2003, cash contributions generated from the interest subsidy bond payments are held outside of the CWSRF and have been used to provide the required state match for the Drinking Water SRF.

### ***Investment Interest Earnings***

Program assets are held for the program and used as security for all bonds. As of June 2011, the State held \$1.54 billion in Clean Water assets that were invested in loans, the State's Short Term Investment Fund general obligation bonds, and guaranteed investment contracts. Earnings on these investments are used to pay a portion of the debt service on the SRF bonds. In FY 2011, earnings accounted for approximately 34.9% of the total debt service, totaling \$34.9 million. As bonds are repaid or based on established schedules, invested funds are released and reinvested to support the sustainability of the program. In FY 2011, \$7.7 million was reinvested by the Clean Water SRF and made available for future bond issues to fund new loans.

### ***Clean Water Projects***

As outlined in the biennial Intended Use Plan (IUP), all SRF projects are subject to the rigorous environmental review procedures of the Connecticut Environmental Policy Act. The SRF program continues to meet the goals established in the IUP, providing loans for a wide variety of projects. The primary recipients of Clean Water loans have been combined sewer overflow, wastewater treatment, and wastewater collection projects, although other projects such as drainage improvements, landfill closures, brownfields remediation, renewable energy projects, and other nonpoint source projects are eligible for funding.

The following highlights and accomplishments of 2011 clearly embody the CWF and Clean Water SRF program goals.

Provided financial, administrative, technical, and engineering oversight for major construction of wastewater treatment plant projects designed to update the capacity and reliability of each plant for 20 years and remove nitrogen to aid in the protection of Long Island Sound, including:

- Construction projects by the MDC to comply with a State Consent Order on combined sewer overflow correction and the EPA Consent Decree to eliminate sanitary sewer overflows.
- Infiltration and inflow removal projects in the MDC and sewer systems.

For the first time, funded a decentralized wastewater management project in the Town of Old Saybrook. This innovative alternative to large scale conventional infrastructure will resolve community pollution problems through the upgrade of individual on-site systems, installation of alternative technologies, and development of cluster and small community systems where on-site systems are infeasible. This approach will also meet the federal requirements of implementing “Green” alternatives.

Financial and administrative management as well as engineering oversight was provided for the EPA’s State and Tribal Assistance Grants (STAG) program.

Conducted technical reviews on construction plans and specifications for nitrogen removal projects at wastewater treatment plants. Construction is underway in South Windsor, New Hartford and Hartford. Manchester opened bids in August 2011. Support was also provided for denitrification improvements by the MDC. Each of these projects is providing cost-effective solutions for nitrogen removal to aid in the improvement of water quality in Long Island Sound.

The Minority Businesses/Women Businesses Enterprise (MBE/WBE) requirements and the EPA negotiated fair share goals for each of the projects were met and maintained.

As of June 30, 2011, cumulative EPA awards have totaled \$428.7 million, including the \$48 million of ARRA funding. The required state match is 20% of the total, and the State’s match contributions to the program exceed the \$76.1 million dollars required for the current capitalization grants by \$23.9 million. All the capitalization grants and match must remain in the revolving fund.

The development and installation of a new state revolving fund accounting and project management system continued in 2011, the customization process for the Clean Water Fund and DEEP was completed. The Department of Public Health began work on the customization for the Drinking Water Program. We will next turn to customizing the Treasurer’s Office phase of the project.

The CWF involvement in the DEEP LEAN program continued in 2011. The CWF application has been revised to clarify the requirements for a completed application. The process for creating new agreements was modified and streamlined.

## PROGRAM MANAGEMENT

The CWF has a long history of providing financial assistance to municipalities for the construction, rehabilitation, expansion, and improvement of publicly owned systems for the collection, treatment, and reclamation of wastewater prior to discharge into receiving waters.

Connecticut was one of the first states to create a state revolving fund that replaced long-standing state and federal grant programs. The CWF program managers ensure compliance with the federal Clean Water Act which has extensive reporting and data collection requirements that require the State to implement policies, procedures, and systems necessary to provide accurate and timely information on the activities of the Clean Water SRF. The federal Act also requires that the State provide sufficient staff and resources to manage and maintain the Clean Water SRF in perpetuity. Through the years, the following enhancements have expanded the Clean Water Fund program's ability to meet Connecticut's water quality needs.

- **1987:** The legislature amended the statutes to comply with the federal Water Quality Act of 1987 and to provide a new financing strategy to support the programs. The fund was initially created to provide financial assistance to municipalities for planning, design, and construction of wastewater collection and treatment projects.
- **1994:** The statutes were amended to include 55% planning grants in lieu of a grant and loan.
- **1996:** The statutes were amended to include the Drinking Water SRF and to create the subordinated refunding bond resolution to take advantage of opportunities to reduce debt costs.
- **1999:** The statutes were amended to increase the grant percentage for project costs for nitrogen removal projects at wastewater treatment facilities.
- **2002:** The Nitrogen Credit Trading Program was initiated and grants were increased from 20% to 25% for small communities regardless of project size and a 100% loan program for collection system improvements was instituted.
- **2002 - 2003:** The Treasurer restructured the financing program and implemented an innovative general revenue bond resolution, which increased the amount of available loan funding and improved the efficiency of the program.
- **2007:** The Clean Water Fund Advisory Group focused attention on all aspects of the Connecticut Clean Water Fund resulting in higher authorizations for funding.
- **2009:** Fully committed all funding under ARRA. Significantly increased authorizations for program loans and grants were approved, and the DEEP and State Treasurer completed key steps in the process of restructuring of the financial reporting and management systems in accordance with the amended Memorandum of Agreement. For the first time, the State issued two bond issues in one fiscal year to meet program needs and reduce debt service costs. The State also began changes in management of the DWF which will increase the capacity to manage all SRF projects.

- **2010:** ARRA funds were incorporated into the Project Priority List and the financing plan, which expanded the capacity of the program and provided the ability to address an additional \$85 million of needed projects.
- **2011:** First decentralized wastewater management project funded in Connecticut, providing municipalities with a broader range of options when addressing community pollution problems.

The collaboration between the Department of Energy and Environmental Protection and the Office of the State Treasurer began as early as 1987 when the agencies along with the Office of Policy and Management, recommended changes in the method of providing financial assistance by the State to municipalities for wastewater and water pollution control. Each agency has specific program management roles and responsibilities for the CWF and an overview of state agency participation is available in Appendix VIII and Appendix IX.

As the primary agency and the recipient of the federal capitalization grants for the Clean Water SRF on behalf of the State, the DEEP executes annual grant agreements with the federal EPA. Through a Memorandum of Agreement with the State Treasurer, originated in 1989 and amended in 2009, the State Treasurer has certain responsibilities with respect to management of the Clean Water Fund. A financial administrator in the Office of the State Treasurer manages and coordinates the various financial components and the revenue bonding program of the Clean Water Fund and the Drinking Water Fund Programs on a day-to-day basis.

In 2011, the DEEP was created to bring together the State's Department of Environmental Protection, the Department of Public Utility Control, and an energy policy group that had been based at the Office of Policy and Management. As further described in the appendices, the Bureau of Water Protection and Land Reuse administers the Clean Water Fund from within the Environmental Quality Division.

Leading the new agency is the new commissioner, Daniel C. Esty, who was appointed by Governor Malloy in March, 2011. Prior to becoming Commissioner, Esty was the Hillhouse Professor of Environmental Law and Policy at Yale University. He held faculty appointments in both Yale's Environment and Law Schools and was the Director of the Yale Center for Environmental Law and Policy and the Center for Business & Environment at Yale. Commissioner Esty is the author or editor of ten books and numerous articles on environmental policy issues and the relationships between environment and corporate strategy, competitiveness, trade, globalization, governance, and development including *Green to Gold: How Smart Companies Use Environmental Strategy to Innovate, Create Value, and Build Competitive Advantage*, which describes how pollution control and natural resource management have become critical elements of marketplace success and explains how leading-edge companies have folded environmental thinking into their core business strategies.

Commissioner Esty's career includes senior positions for the U.S. Environmental Protection Agency and practicing law in Washington, DC. He pioneered "a data-driven approach to environmental decision making" and developed the global Environmental Sustainability Index.

Commissioner Esty has served four years as an elected Planning and Zoning Commissioner in Cheshire, Connecticut and as a Director for The American Farmland Trust, Resources for the Future, and the Connecticut Fund for the Environment. In addition, he served as an energy and environmental policy advisor on the 2008 Obama Presidential campaign and as a member of the Presidential Transition Team. Commissioner Esty holds a B.A. from Harvard, an M.A. from Oxford, and a law degree from Yale.

### ***Major Programs of the Connecticut Clean Water Fund***

The CWF is managed pursuant to Section 22a-475 to 499 of the Connecticut General Statutes and provides low interest loans consistent with the federal Clean Water Act and grants for qualified Clean Water projects. The effective management of the CWF requires coordination with programs that participate in the achievement of the State's water quality goals. The programs of the CWF that most significantly contribute to the work of the Clean Water SRF include the Nitrogen Credit Exchange Program. Other programs

The purpose of the State's Revolving Fund programs is to provide a source of low interest loans and other types of financial assistance (other than direct grants) to local entities for the construction, rehabilitation, expansion or improvement of wastewater treatment or drinking water facilities in accordance with the State Act.

have included the Rivers Restoration Program, the Long Island Sound Grant Program, and the Coves and Embayments Program. Currently, the most active work being planned, designed, and completed by the CWF is in the CSO and WPCF upgrades to reduce nitrogen. The program management goal of the CWF and the Clean Water

SRF is to efficiently provide financial assistance at the lowest possible cost while ensuring that the State's water quality needs are met, now and in the future.

The Bureau of Water Protection and Land Reuse of the DEEP administers the CWF, primarily within its Municipal Facilities Section. The Bureau also monitors and assesses water quality and develops strategies to abate or prevent water pollution. The Municipal Facilities Section provides assistance to municipalities for municipal wastewater infrastructure upgrades and needs assessment through planning, design, and construction oversight, as well as the approval of permits for municipal discharges and enforcing the State's operator certification requirements. As more fully described in the Project Financing section, there are several project types and financing options for critical projects.

### *The Nitrogen Credit Exchange Program*

The Nitrogen Credit Exchange Program is the State's nutrient trading program, and it was one of the first such programs established in the U.S. The program is a mechanism for attaining the aggregate reduced nitrogen goal for Connecticut's wastewater treatment plants. The Connecticut Nitrogen Credit Exchange Program was created in 2001 by Section 22a-521 to 527 of the Connecticut General Statutes to promote and share the cost of nitrogen removal through a nitrogen credit trading mechanism established by the State among municipal wastewater treatment plants as mandated by the EPA under a joint Connecticut and New York Total Maximum Daily Load (TMDL) analysis. A TMDL defines the maximum amount of a pollutant that a body of water can absorb and still be healthy and sets an implementation schedule to attain pollutant reduction goals. The Long Island Sound TMDL requires that Connecticut and New York collectively attain a 58.5% reduction of nitrogen loading from all sources from an established baseline by 2014. A 64% reduction goal was set for Connecticut's wastewater treatment plants, a major source of nitrogen, through a waste load allocation process. During 2011, the TMDL is being revised based on the progress to date.

Collectively, a Nitrogen General Permit and the Nitrogen Credit Exchange form the foundation for the success of the nitrogen exchange program. The Nitrogen Credit Exchange Program provides an incentive to facilities that complete nitrogen treatment projects while allowing facilities that elect to defer construction of nitrogen treatment to remain in compliance with the General Permit by purchasing nitrogen credits. Nearly 14 million in credits have been exchanged since 2004. Treatment plant construction costs at wastewater treatment plants that include nitrogen removal will total nearly \$1.3 billion through 2014. The associated nitrogen removal costs are estimated to total over \$800 million, depending on the outcome of the TMDL and the Nitrogen Credit Exchange Program.

Program oversight is provided by a Nitrogen Credit Advisory Board that includes representatives from the DEEP, Office of the State Treasurer, Office of Policy and Management, along with nine members appointed by the General Assembly and the Governor representing municipal interests for a total of 12 members. The Nitrogen Credit Advisory Board also makes recommendations to the DEEP Commissioner regarding use of funds generated from the sale of nitrogen credits to support nitrogen removal projects, habitat restoration, and research. Nitrogen credit funds are currently being used to evaluate cold weather winter operations and train operators to attain higher levels of nitrogen removal during winter months, monitor nitrogen loads, support research through membership in the Water Environment Research Foundation, and study the consequences of Combined Sewer Overflow management on nitrogen treatment and loads.

### *The Long Island Sound Programs*

Long Island Sound, Connecticut's largest and most important natural resource is an estuary with an area of 1,320 square miles and a coastline stretching over 600 miles between New York and Connecticut. More than 8 million people live in the Long Island Sound watershed, and the activities that take place on and along the Sound – boating, fishing, tourism, and swimming – contribute an estimated \$5.5 billion per year to the regional economy. The Sound



also provides feeding, breeding, and nesting areas to more than 120 species of finfish and countless varieties of birds and other animals and a diversity of plant life. During the last three decades, Connecticut has made a significant commitment to protecting and restoring the Sound. Millions of dollars have been invested in communities throughout its watershed to address pollution concerns and protect the tidal wetlands along the Connecticut shore. *The preceding map shows major basin areas along Long Island Sound, surrounding towns and counties.*

Long Island Sound (LIS) research and other activities are eligible for Connecticut Clean Water Fund grants, when funds are made available. Projects are funded through the LIS Clean-Up Account of the Clean Water Fund which has provided state-funded grants for: low-cost, publicly available marine sanitation holding tank pumpouts and marine portable toilet dump stations along the coast of LIS and its coastal river tributaries; research toward protection; ambient monitoring of Long Island Sound; restoration and preservation of tidal coves and embayments, and nonpoint source pollution control projects. No new research projects have been funded through the LIS program since 1996.

Additional projects benefiting Long Island Sound have been funded through proceeds from the federal EPA Long Island Sound Study. The Long Island Sound system uses resources from the National Estuary Program and the federal Long Island Sound Restoration Act (LISRA) to fund research, monitoring, and restoration activities consistent with the Comprehensive Conservation and Management Plan developed by EPA and the partner states of Connecticut and New York. Through LISRA, DEEP has supplemented Clean Water Fund activities that reduce nitrogen loads to the Sound. Since 2003, these funds have been used to promote denitrification by providing 60-65% grants for planning and 100% grants for planning and design studies. No new funds to support planning and design grants were awarded in FY 2011.

## Emerging Initiatives

### *Reserve for Green Infrastructure Projects*

The 2009 ARRA award included a reserve for green infrastructure projects, and the funds were used as part of larger projects. The DEEP's strategy reviews each request for funding at each wastewater treatment facility discharging to inland fresh water and incorporates eligible green projects in the overall project funding package. The projects are designed to achieve the performance level assigned to that facility within several years of the issuance date.

### *Phosphorus*

Phosphorus is a naturally occurring element that is essential to support plant growth. When present in excessive amounts, phosphorus contributes to a process called "eutrophication" that can impair both aquatic life and recreational use of Connecticut's water resources. The DEEP's strategy assigns each wastewater treatment facility discharging to inland fresh water a phosphorus limit based on the potential for that discharge to contribute significantly to eutrophication in the receiving water. In the coming years, upon issuance of their discharge permit, each facility will be required to implement measures to achieve the performance level assigned to that facility within several years of the issuance date.



Bridgeport Seaside Park

## PROJECT FINANCING

The CWF program provides municipalities with critical financing, particularly when the DEEP has prepared administrative orders requiring pollution abatement or remedial action. The DEEP and municipalities may sign consent orders that set the parameters and timetables for the required actions.

The following chart shows the eligible project categories as defined by statute.

<p><b>Wastewater Treatment Plants</b></p>	<p>Eligible projects include treatment plant upgrades, hydraulic expansions, improved treatment levels, sludge-handling facilities, and mechanical upgrades to existing treatment processes. Projects are in two subcategories:</p> <p><b>AGING FACILITIES:</b> Many of the publicly owned wastewater systems throughout Connecticut were built before the inception of the Clean Water SRF program. These facilities have an average life expectancy of 20 years. The State continues to address the ongoing need to rebuild wastewater treatment plants by using a combination of grants and Clean Water SRF loans to ensure plants meet the minimum national standard of secondary treatment.</p> <p><b>ADVANCED WATER TREATMENT:</b> Many municipalities must meet higher levels of treatment, called advanced treatment, to comply with fishable-swimmable standards in the river or water body receiving the discharge. More than 30 large treatment facilities have been upgraded using grants and Clean Water SRF loan financing.</p>
<p><b>Correction of Combined System Overflow</b></p>	<p>Eligible projects include supplemental combined sewer overflow treatment, overflow consolidation, sewer separation, off-line storage, and improved conveyance systems to treatment plants.</p> <p>Many sewer collection systems, particularly in urban areas, have far exceeded their useful life, and the replacement of the combined storm water and wastewater systems eliminates overflows when treatment capacity is exceeded. Although grants and Clean Water SRF loans have financed projects throughout the State, combined sewer overflow problems persist in Hartford, New Haven, Bridgeport, and Norwich.</p>
<p><b>Small Community Projects</b></p>	<p>Small community projects are defined as projects serving small communities with less than 5,000 people or low-density sections of larger municipalities. Eligible projects include new sewer systems, community treatment systems, or decentralized wastewater management systems in districts.</p>
<p><b>Interceptor Sewers</b></p>	<p>Eligible projects include new interceptor sewers, which are main trunk lines, and pump stations with pressure force mains.</p>
<p><b>Nutrient Removal Projects</b></p>	<p>Eligible projects include nutrient removal systems as part of the building, upgrade or improvement of wastewater treatment facilities to meet the requirements of the General Permit for Nitrogen Discharges, or to meet the upcoming limits in the 2011 Interim Phosphorus Strategy.</p> <p>Long Island Sound is a significant natural resource providing recreational and aqua cultural benefits for the State and the region. It is essential to protect LIS from discharges that result in low levels of dissolved oxygen, which threaten fish and other aquatic life. The State has established programs, such as the Nitrogen Credit Exchange Program, to monitor and reduce discharges into the Sound. The Department has also established, with EPA concurrence, an interim Phosphorus Strategy to reduce the effluent concentration of this nutrient, which primarily affects freshwater systems.</p>
<p><b>Green Projects</b></p>	<p>Eligible projects include digester gas utilization, heat recovery and electrical generation, and energy efficiency measures.</p>

### *Infrastructure Needs*

The combined fiscal needs (in 2011 dollars) for all currently identified wastewater infrastructure categories over the next 20 years are shown in Table 1 below.

*Table 1: 20 Year Infrastructure Needs (\$millions)*

CSO Correction	\$2,691
Denitrification	\$461
Phosphorus Reduction	\$200
Decentralized Management	\$186
Infiltration / Inflow Correction	\$528
Secondary Treatment	\$316
Stormwater & Nonpoint	\$107
Sewer & Rehabilitation	\$546
Sewer Extensions	\$184
<b>Total</b>	<b>\$5,219</b>

### *The Project Priority List*

A key feature of the project financing program is the Project Priority List. After the capital budget appropriations have been made by the legislature, the Project Priority List is prepared for a two-year period. It includes all projects expected to receive funding in each fiscal year. The priority ranking system is used to determine the funding of municipal projects under the respective statutes and regulations and is the basis for committing available and anticipated state and federal funds.

The list is managed to allocate all federal and state financial assistance to high priority projects that are most consistent with the State's water quality objectives. Based on the priority ranking system and other specific management criteria, all anticipated eligible sewerage projects, as identified by the DEEP through the consent order process or by request of the municipalities, have been ranked for funding purposes and appear on a project priority list.

***Available Financing***

The CWF grant and loan programs for eligible project costs to municipalities are administered in accordance with Connecticut General Statutes Sections 22a-475 through 485 as described below.

***Grant Program - Funded 100% by the State***

The state grants available under the Clean Water Fund are:

<b>Clean Water Fund State Grants</b>	20% of eligible project costs for plants and plant improvements.
	25% of eligible initial project costs of regional authorities.
	25% of eligible project costs for small communities.
	30% of eligible nitrogen project costs related to reduction improvements.
	50% grants on those project costs associated with grants for eligible combined sewer overflow work. 55% for initial combined sewer overflow projects of regional authorities.
	55% planning grants for eligible projects, if funding is available.

***Loan Program***

Municipalities obtain a local funding authorization to secure their loans. There are three options for a municipality to secure its loan:

<b>Loan Security</b>	General obligation bond pledges of its full faith and credit for the loan.
	Revenue bond pledging system revenues of municipal systems with adequate sewer assessment collection history.
	General obligation/revenue bond pledge of both revenues from the sewer system and the municipality’s general obligation or “double-barreled” pledge, when the financial condition of a borrower is weaker than normal.

Each borrower’s loan agreement includes repayment terms and conditions, covenants for the maintenance of the project, and compliance with CWF regulations, state statutes and federal acts.

***Loan Only Program***

The State may also provide 100% loan financing for collection systems improvements. Only infiltration/inflow projects were funded with 100% loan financing in FY 2011.

### *Other Financing Programs*

From time to time there have been other financing programs that provide grants and/or loans to municipalities to augment their ability to plan and project consistent with the state's water quality goals. There have been no new authorizations in 2011 for these programs. Annual Clean Water SRF loan funding has fluctuated from fiscal year 1990 to 2011 depending on state authorizations, project readiness to proceed, and construction spending schedules. For fiscal year 2011, projects included \$68.8 million in of state grants, and \$106.3 million of project loans.

The fundable fiscal year 2011 Construction Projects list, a subset of the Project Priority List, was last formally updated in February 2011. The Project Priority List was originally dated June 25, 2010, as shown in Appendix VII. As part of the fundable list, projects are evaluated to determine which projects are ready to proceed to construction. The workable funding list for the coming year is currently being evaluated.

2011 Fundable Projects List			
Fundable FY2011 Projects: Construction (In Order of Priority Points)			
Pts	Municipalities	Description	Project Funding
44	New Haven	WPCF Denitrification Upgrade	\$ 11,000,000
40	MDC	WPCF Denitrification Upgrade	\$ 40,000,000
40	Norwalk (*)	WPCF Denitrification Upgrade	\$ 42,000,000
38	Manchester (*)	WPCF Denitrification Upgrade	\$ 23,000,000
36	Mattabassett	WPCF Denitrification Upgrade	\$ 0
35	MDC	Combined Sewer Overflow	\$ 52,470,000
35	New Haven	Combined Sewer Overflow	\$ 10,374,000
29	Middletown	Combined Sewer Overflow	\$ 663,000
* Norwalk's and Manchester's WPCF Denitrification Upgrades project funding represents partial funding of their project.			

The construction schedules of all WPCF denitrification upgrade projects identified for funding in FY2011 were evaluated in January, 2011. Projects that were not under construction by June 30, 2011 were removed from the Fundable Project List, and those funds are being allocated to the denitrification projects with the next highest number of priority points.

## BORROWERS

Borrowers may include any city, town, borough, consolidated town and city, consolidated town and borough, metropolitan district, water district, fire and sewer district, sewer district, or public authority. Each municipal organization must have authority to levy and collect taxes or impose charges for its authorized function and undertake the activities authorized by the state and federal acts.

### *Municipalities*

There are 81 municipal treatment plant facilities in the State. Most municipalities have established a water pollution control authority within the local government. Municipalities usually obtain loans using their general obligation pledge. Some have revenue pledge loans to directly use fee-based systems and reduce the debt and property tax burden. The eight municipalities with revenue pledge loans or commitments are Ansonia, Jewett City, Norwalk, Norwich, Stamford, South Windsor, Windham, and Windsor Locks.

### *Municipal Partnerships*

Since the inception of the program, the DEEP has encouraged cooperation among municipalities to meet water quality needs with loan agreements that may be structured to allow municipalities that pay for services to accept a pro-rata share of the loan repayments.

The municipal partnerships with Connecticut Clean Water Fund loans include:

- Danbury, with Bethel and Ridgefield – design and construction of a wastewater treatment facility in Danbury.
- Waterbury, with Cheshire, Watertown, and Wolcott – design and construction of a wastewater treatment facility in Waterbury.
- Vernon with Tolland, Ellington, and South Windsor – cooperative agreement.
- Jewett City and surrounding towns – cooperative agreement.

The CWF has been flexible in working with municipalities to create solutions that involve all parties from the beginning of the project to the start of operation. While no new partnerships were initiated for CWF projects during the year, such partnerships and regionalization are expected to be a trend as municipalities determine the cost and efficiency advantages of working together.

### *Regional Borrowers*

Currently, the CWF provides loan and grant financing to three independent regional authorities: the Metropolitan District Commission (MDC), the Greater New Haven Water Pollution Control Authority (Greater New Haven WPCA), and the Bolton Lakes Regional Water Pollution Control Authority (Bolton Lakes Regional WPCA).

The MDC is a municipal corporation chartered by the Connecticut General Assembly in 1929 to provide safe, pure drinking water and environmentally responsible wastewater collection and treatment in the Greater Hartford area. The MDC supplies water and sewer services to its eight member municipalities: Bloomfield, East Hartford, Hartford, Newington, Rocky Hill, West Hartford, Wethersfield, and Windsor. The MDC also treats wastewater for small areas in the towns of Portland, Glastonbury, East Granby, South Windsor, and Farmington.

The MDC has four water pollution control facilities in Hartford, East Hartford, Rocky Hill, and Windsor, which are responsible for the processing and treatment of wastewater from member towns. Potential future commitments will be approximately \$400 to \$800 million.



**MDC Homestead AECOM Inspection of Curved Tunnel**

The Greater New Haven WPCA, pictured below and right, is responsible for the existing Clean Water SRF loans from four communities: New Haven, Hamden, East Haven, and Woodbridge.



### Greater New Haven WPCA Yale-Trumbull Sewer Separation Project



They are expected to borrow for new projects to improve existing facilities and correct future combined sewer overflows. Potential future commitments will be approximately \$200 to \$300 million.

The Bolton Lakes Regional WPCA, created by Bolton and Vernon, is responsible for new capital investment in a sewer system that will primarily serve residents of the Bolton Lake area in both towns. The authority continued with its sewer project in FY 2011. This phased project will be funded over the next four years based on the current scheduled completion dates.

Located in the Town of Cromwell, Connecticut, the Mattabassett District's Water Pollution Control Facility processes wastewater from New Britain, Berlin, Cromwell, Middletown, Newington, Rocky Hill, and Farmington, and discharges clean water into the nearby Connecticut River. In operation since 1968, the Facility treats on average 15 to 20 million gallons per day, with a peak flow in excess of 50 million gallons per day. The Mattabassett District, the fifth largest facility in Connecticut, continues to be in the top ten in lowest costs per gallon of wastewater treated, and one of the most efficient. The Mattabassett District maintains high standards of excellence and continually evaluates and installs the best available leading-edge technologies, including wet-packed tower odor scrubbing, biofiltration, carbon absorption for incinerator mercury emissions control, and ultra-high efficiency filters for submicron particle removal from incinerator emissions. Through the years, the Mattabassett District has implemented several innovations. In 2003, in response to Connecticut DEEP nitrogen removal requirements, the Mattabassett District converted two empty aeration tanks into nitrification/denitrification treatment systems. This, and a number of process changes to secondary treatment processes, resulted in successfully modifying a facility which was not originally designed to remove nitrogen into one that can remove over 50% of the nitrogen entering the facility.

### Mattabasset District--Aerial View



In February 2007, the District's new 140-foot extension with 160 feet of 16 diffusers located in the deeper part of the Connecticut River went online. This has meant that the Mattabasset District's treated effluent discharge is no longer visible. In that same year, the District's two new 1.5 megawatt emergency generators became operational.

The Mattabasset District's power generators can be activated immediately to supply its own power, and can add an additional 1.4 megawatts to the grid. In June 2011, the State legislature approved a charter revision bill for the Mattabasset District in Cromwell that would allow Middletown to join the regional water and sewer treatment facility's district. Middletown would join New Britain, Berlin and Cromwell as part of the district which is expected to embark upon a \$100 million denitrification upgrade project during FY 2012. Potential future commitments are expected to be approximately \$100 to \$150 million.

## PENDING PROJECTS

The table in Appendix V lists CWF borrowers with outstanding loans or undrawn loan commitments, and borrowers with new loan commitments that are expected to be executed through June 30, 2011. Many of the borrowers have multiple projects and loans. The municipalities with the largest percentage of loans and commitments include Waterbury, Stamford, and the MDC.

### Stamford

The Stamford Water Pollution Control Facility processes wastewater from the City of

Stamford and the neighboring Town of Darien, and discharges clean water into the East Branch of Stamford Harbor. There has been wastewater treatment at this site since 1900. The first plant was built in 1943, followed by one in 1976, and the latest in 2006 using \$126 million in funding from the CWF. The Stamford Water Pollution Control Authority operates the Water Pollution Control Facility (“Treatment Plant” located at Harbor View Avenue), and operates and maintains the wastewater collection system which includes about 300 miles of sanitary sewer and 22 pumping stations, as well as the dikes, levees, and three pumping stations associated with the Hurricane Barrier plus one additional stormwater pumping station. As one of the largest and most advanced treatment facilities in Connecticut, the Stamford Treatment Plant provides wastewater collection and treatment to a population of approximately 100,000 in Stamford and approximately 12,400 in Darien, including residential, commercial, government, and nonprofit customers.

To highlight the long-standing relationship between the State’s Clean Water Fund and several municipalities, following is a brief summary of a pending project in the City of Norwich.

### **Norwich**

The upgrades to the Norwich Wastewater Treatment Facility Plant primarily addressed combined sewer overflows in the City of Norwich. In the mid-1970s there were 43 active (CSOs) in Norwich; as of 2011 there are 15 active CSOs remaining. Much of the equipment and infrastructure at the plant and the pumping stations have been in continuous operation for over 30 years. Despite the fact that these systems have been regularly and responsibly maintained throughout the years, inevitably they will reach the end of their useful life.

Planned work is also necessary because the plant does not meet the new regulations enacted in 2002 that limit total nitrogen discharge from wastewater treatment plants. Norwich is one of the communities that does not meet the current limits and therefore pays for “credits” due to discharging nitrogen. Since the limits will become more and more stringent each year, the City will be required to purchase and higher and higher number of credits at an ever-increasing cost per credit. To achieve compliance with the total nitrogen regulations, the existing facilities must be modified.

The plant is managed by the Norwich Public Utilities which also supplies about 5 million gallons. The Norwich Public Utilities provides comprehensive water, sewer and electric services.

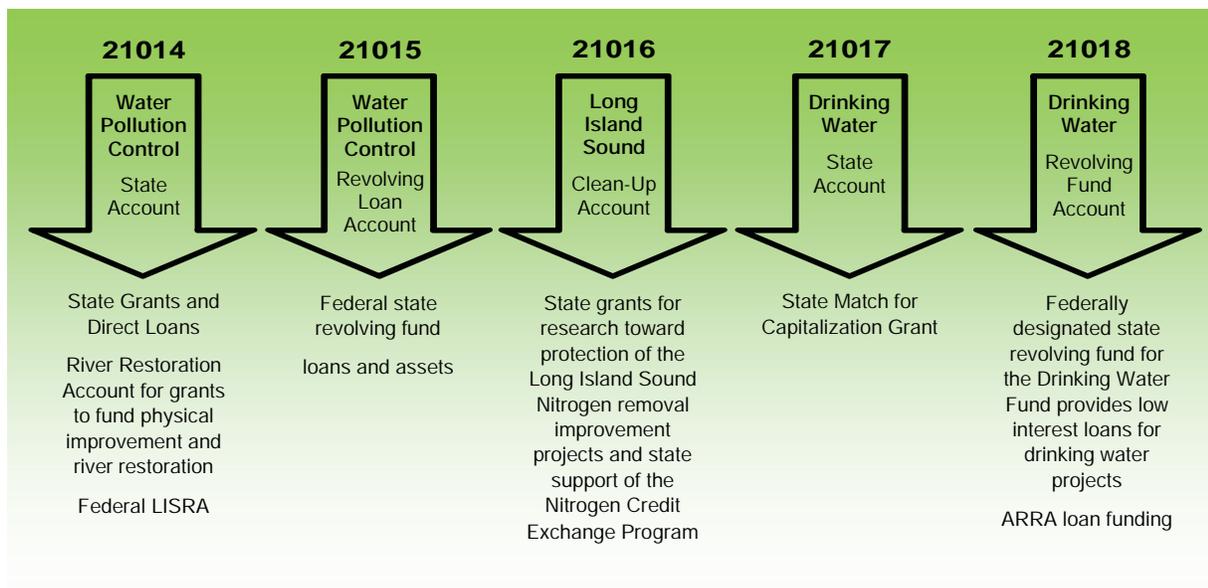
The wastewater upgrade project has four primary objectives:

- Eliminate the remaining 15 combined sewer overflows that cause the discharge of diluted, but untreated, waste into the Thames River basin.
- Remove nitrogen from treatment plant discharge. Nitrogen promotes algae growth and oxygen depletion in local waterways, which affect fish and other wildlife.
- Upgrade the plant to replace an aging infrastructure and ensure that Norwich facilities can support projected population and economic development growth.
- Reduce -- if not eliminate -- treatment plant odors, which affect the reviving harbor area.

As further detailed in Appendix XII, the CWF has more than \$2.4 billion in completed projects and project commitments including \$650.5 million in grants for wastewater and Long Island Sound projects as of June 30, 2011.

The goal of the Connecticut Clean Water Fund is to finance projects that will:

- Support construction upgrades or expansion of local wastewater treatment plants, especially to remove nitrogen from wastewater in order to protect the water quality of Long Island Sound.
- Remove phosphorus to meet freshwater quality goals for nutrient enrichment.
- Rebuild wastewater pumping stations and repair leaky sewers.
- Remediate surface and groundwater pollution caused by failing and substandard septic systems by sewerage or upgrading of subsurface systems.
- Construct separate stormwater systems or other abatement facilities to eliminate overflows caused by combined wastewater and stormwater systems.



## PROGRAM FINANCING FOR THE CLEAN WATER SRF

From 1987 to 1990, project loan costs were funded directly with the federal grant and the required state match. Since direct grants cannot be financed through the Clean Water SRF, the State created a state-funded grant component that has provided over \$500 million for

project grants within the CWF. Since the initial issuance of revenue bonds in 1991, loans to municipalities have been funded. The fund accounts of the Connecticut Clean Water Fund and the uses for each are shown in the preceding graphic.

### ***Federal Capitalization Grants***

The federal wastewater capitalization grants program is a major program for the EPA. Awards to the state of Connecticut have fluctuated since the inception of the program. Grants ranged from \$15-\$25 million from 1988 to 1996, but were reduced to \$7.5 million in 1997. Awards averaged approximately \$16 million per year from 1998 to 2004, but were reduced to \$13.2 million in 2005 and \$10.7 million in 2006. The 2007 year grant was \$12.9 million and the 2008 and 2009 grants were each \$8.3 million. During the year, the state was notified that the FY 2011 award of \$24.9 million has been allotted by Congress to our State. The grant application was filed with EPA during July 2011.

Federal ARRA Stimulus funding in the amount of \$48 million was awarded to the State through EPA in April 2009, and fully committed by EPA's February 17, 2010 deadline. To date all the projects have been initiated and \$21.9 million has been expended.

For the fiscal year period 1987 to 2011, the cumulative Capitalization Grant awards for the Clean Water SRF totaled \$428.7 million and includes the ARRA funding awarded in 2009. Although initially from 1987 to 1990, the federal capitalization grants were used to fund project loan costs, since that time these grants have been used to support the revenue-bonding program of the Clean Water SRF. It is expected that Connecticut will continue to experience fluctuating levels of federal grant awards. Annual capitalization grant amounts are shown in Appendix II.

Of the total amount awarded, \$419.9 million has been drawn and used as follows:

<b>Use of Cumulative Federal Capitalization Grants as of June 30, 2011</b>	
<b>(\$ millions)</b>	<b>Purpose</b>
\$313.9	Drawn based on project spending and used to provide credit and interest support of the revenue bonds since 1991
\$21.9	ARRA federal grant draws, loan, and administrative setaside
\$17.5	ARRA draws for administrative purposes
\$14.9	Draws from the administrative set-aside for eligible administrative expenses
\$51.7	Drawn and used for direct loans
\$419.9	TOTAL

The periodic cash draws by the State under the federal payment system are based on the costs incurred for eligible projects or activities by either all or a specific group of borrowers. The State has elected to base its cash draws on the costs incurred by a specified group of municipal projects on a dollar-for-dollar basis.

### *State Authorizations and Contributions*

The Connecticut Clean Water Fund program is one of the most highly subsidized in the country, demonstrating the State's commitment to high water quality for its citizens. As of June 30, 2011, \$1.9 billion of revenue bonds and \$1.04 billion of general obligation bonds have been authorized by the legislature and are fully allocated by the State Bond Commission. During FY 11 Public Act 09-2, Sections 5(a) and 6(d) and Public Act 10-44, Sections 25 and 35, effective July 1, 2010, authorized \$40 million of general obligation bonds and \$80 million of revenue bonds. PA 10 44, Sections 25 & 35 cancelled \$25 million of general obligation bonds and authorized an additional \$40 million of revenue bonds.

<b>State General Obligation Authorizations as of June 30, 2011</b>	
<b>(\$millions)</b>	<b>Purpose</b>
\$791.7	Grants made from the state account, including the Long Island Sound and Rivers Restoration Account and state match for the Drinking Water Fund and administrative expenses
\$93.5	Direct state funded loans
\$100.1	Match for the Connecticut CWF federal funds, as required in the capitalization grant agreement, including \$81 million used as security for revenue bonds
\$55.7	Interest subsidy for the revenue bonds issued for the Connecticut CWF This amount needs to be verified and if unchanged the 791.7 is the net for the grant balance.
\$1,041.0	TOTAL

### *State Funding Approval Process*

As discussed in the Project Financing section, DEEP develops its list of approved Connecticut Clean Water Fund projects, or project priority list, every two years. The amount available in any year is based on the amount of state general obligation and revenue bond funding authorized by the legislature. DEEP requests a lump sum allocation from the State Bond Commission, rather than submit each project once bids have been obtained. A pool of money is approved by the State Bond Commission for projects included on the priority list that the DEEP and the Office of the State Treasurer determine are ready to move forward. The current Project Priority List is shown in Appendix VII.

In 1997, the State provided an additional commitment to high quality drinking water with the creation of the Drinking Water SRF as part of the CWF due to the similarities between the federal programs. Authorizations for the Drinking Water and Clean Water SRF programs are combined, and as Drinking Water SRF projects are approved, authorizations are allocated to the Drinking Water SRF.

### ***State Match of Federal Capitalization Grants***

The State has provided sufficient funding to meet the state match requirements for the federal capitalization grants. The total \$100.1 million authorized shown in the above table and further detailed in Appendix II, is composed of \$19.1 million in qualified 100% state funded projects and \$81 million state general obligation bonds placed in the Fund. As of June 30, 2011, \$23.9 million is available to match future capitalization grants of over \$119.5 million, as shown in Appendix II.

### ***Revenue Bonding Program***

The State Treasurer is responsible for various financial components of the CWF including certain responsibilities with respect to the implementation and management of the revenue-bonding program within the overall authority for management of the State's debt. The financial administrator in the Office of the State Treasurer manages and coordinates the various financial components of the Clean Water SRF and the Drinking Water SRF programs and the revenue-bonding program on a day-to-day basis.

As further described in Appendix IX, the activities of the financial administrator are coordinated with those of the DEEP and OPM. The average annual amount is \$97.7 million over the 20-year period.

The activities of the financial administrator are primarily focused on the revenue bonding program which enhances the State's Clean Water SRF and allows the State to continually maintain the ability to provide grants and loans to finance the planning, design, and construction of water quality projects throughout the State. Prior to the initial issuance of revenue bonds, the Clean Water SRF funded loans to municipalities from federal capitalization grants and the proceeds of state general obligation bonds.

Since 1991, loans to municipalities have been primarily funded from the proceeds of the state revenue bonds. Since 2001, Drinking Water Fund loans have also been funded from the proceeds of state revenue bonds. Through FY 2011, 16 series of revenue bonds have been issued providing \$1.7 billion in loan commitments. Since inception of the program, \$439.2 million has been issued as refunding bonds. The proceeds of these revenue bonds are distributed to the Clean Water and Drinking Water federal SRF accounts and disbursed for loans made by each program on a first-come, first-serve basis to those borrowers who have executed loan agreements and as the borrowers incur project costs. The next bond issuance is planned for the spring of 2012.

### ***Description of the Bonds***

As more fully described in Appendix VIII, the bond resolutions for the Clean Water SRF programs govern the manner in which the bond-financing program is implemented, managed, and administered. The bonds are special obligations of the State payable solely from all moneys in the combined Clean Water SRF and Drinking Water SRF that are legally available for debt service payments under the resolutions. There are several important milestones in the development of the revenue bond financing program.

### *Revenue Bonding Program Milestones*

<b>1987</b>	Initiation of Clean Water Fund that provides a combination of grants and low-cost loans to municipalities: <ul style="list-style-type: none"> <li>• Annual interest rate of loans is 2%</li> <li>• Borrowers have 20 years to repay loans</li> </ul>
<b>1991</b>	First bonds issued to provide funds for project financing: <ul style="list-style-type: none"> <li>• Clean Water Fund issues \$100 million in Clean Water Fund Revenue Bonds</li> </ul>
<b>1996</b>	Clean Water Fund modified to comply with the Safe Drinking Water Act: <ul style="list-style-type: none"> <li>• The Fund now includes the Drinking Water Fund to provide financing to water companies</li> </ul>
<b>2003</b>	New Resolution adopted to expand the Clean Water Fund program: <ul style="list-style-type: none"> <li>• Clean Water Fund issues \$125 million in State Revolving Fund General Revenue Bonds and partially refunds certain prior revenue bonds</li> </ul>
<b>2008</b>	Effect cash defeasance to all remaining debt under the Old Resolution by transferring all assets to the New General Resolution
<b>2010</b>	Fully integrated ARRA funding into Clean Water Fund financing plan
<b>2011</b>	Utilized flexibility built into the financing plan with the 2003 restructuring, completed a combined bond issue and cash defeasance designed to maximize the funding capacity of the program while lowering borrowing costs

Since the 2003 SRF general revenue bond issue, all bond series have been issued under the 2002 Resolution. Originally, the Clean Water SRF utilized a “traditional” reserve fund model. In order to become more efficient, the State Treasurer shifted the SRFs to the new General Bond Resolution in 2002.

All bonds issued by the State have had fixed interest rates except the 2003 Series C bonds. The State issued variable rate bonds called auction rate securities, and entered into an interest rate swap agreement for converting its variable rate exposure to a fixed rate. During fiscal year 2011, the Series 2003C bonds were refunded and the swap was terminated. Additional information about the auction rate securities, swap and the refunding and termination, repayment of the bonds, and the investment of bond proceeds and other funds can be found in the enclosed financial statements, Appendix VIII and Appendix IX.

The bonds are rated at the highest available credit rating from all three rating agencies:

Fitch Ratings	AAA
Standard and Poor's	AAA
Moody's Investor's Service	Aaa

### *Ratings*

The bonds are rated at the highest available credit rating from all three rating agencies: AAA from Fitch Ratings and Standard & Poor's U. S. Public Finance Ratings, and Aaa by Moody's Investors Service.

Each rating reflects only the views of the respective rating agency, and an explanation of the significance of any rating may be obtained from the rating agency. There is no assurance that ratings will continue for any given period or that they will not be revised or withdrawn entirely by a rating agency if in their judgment, circumstances so warrant. The CWF was not impacted by the recent recalibration of municipal ratings by Moody's and Fitch.

### ***Loan Credit Quality***

The overall credit quality of the State's municipalities reflects positively on the Connecticut Clean Water Fund. The analysis and review of municipal financial conditions prior to awarding a project loan is essential to the long-term viability of the Connecticut Clean Water Fund. Each municipality applying for financial assistance submits documentation to evidence its ability to repay the loan. Required documents include financial statements, capital budgets, operating budgets, economic data, and the terms of any management contracts. The project-specific review can also include a feasibility study, which is a project capital cost repayment analysis with information on any projected need for increases in taxes or user fees.

The Connecticut Clean Water Fund program's loan administration includes separate loan servicing by the program's trustee bank. No defaults or late or delayed payments of more than 90 days have occurred to date. There is no grace period for late loan payments, although the agreements allow up to 30 days to cure other defaults. A policy is in place to implement collection procedures in the event of a late or delayed payment. Late payments have been for administrative rather than financial reasons. A summary of the standard loan agreement has been provided in Appendix XI.

<b>Loan Credit Quality</b>	
<b>Borrower Credit Ratings</b>	
<b>Aaa</b>	<b>12%</b>
<b>A-Aa</b>	<b>76%</b>
<b>B-Baa</b>	<b>8%</b>
<b>NR</b>	<b>4%</b>

The Connecticut Clean Water Fund loan portfolio is diverse, with approximately 88% of the loans and commitments to municipalities rated "A" or higher by Moody's Investors Service, as shown on the chart above and discussed in Appendix VI.

### ***Projected Investments Needed for Sustainability***

The volume of projects funded in each year, as measured by CWF agreements executed with municipalities, is a reflection of the both past demands on the program and the availability of funding through the bond commission. The average annual rate of CWF agreements is \$100.7 million. It is evident that meaningful progress in CSO projects, denitrification projects, other water quality needs, and maintenance of existing infrastructure are dependent upon consistent funding for the CWF.

In addition, current staffing levels are recognized as insufficient to meet this need. The DEEP and Treasurer's Office must supplement the program staffing to levels sufficient to handle the projected volume of projects.

The projected investments needed to sustain the demands of the CWF is part of the analysis of ateh CWF's sustainability. The projections are impacted by the construction industry, which is experiencing an annual inflation rate of approximately 5%. That rate is not expected to change substantially in the coming years. Concurrently, the annual average expenditure on projects needed to meet the wastewater infrastructure needs identified in the state's needs projections are expected to grow by at least 5% per year.

The grant percentage between 2008 and 2014 is projected at 35% of all costs, increasing to 40% between 2015 and 2028 as CSO projects become a greater percentage of all expenditures. With these assumptions and projections, the DEEP and the Treasurer's Office work together to maintain the sustainability of the CWF.

### ***Summary of Program Activities and Initiatives***

The planned program activities and initiatives for the CWF and the Clean Water SRF for fiscal year 2012 include:

- |   |
|---|
| <ul style="list-style-type: none"> <li>• Provide financial and administrative management of new applications for project financing. The DEEP anticipates the initiation of about 25 new Connecticut Clean Water Fund and Drinking Water Fund projects during FY 2012.</li> </ul>  |
| <ul style="list-style-type: none"> <li>• Received approval from EPA of new fair share minority/women-owned enterprises goals during FY 2012. New availability study/goals are due EPA May 2013.</li> </ul>  |
| <ul style="list-style-type: none"> <li>• Meet the EPA negotiated fair share minority/women-owned enterprises goal for each project.</li> </ul>  |
| <ul style="list-style-type: none"> <li>• Update the capital project submission plan for the State Bond Commission requests and maintain active communication with the Office of the State Treasurer and the Office of Policy and Management. Not sure I understand this one? Are you referring to the rolling spreadsheet required now by OPM?</li> </ul>               |
| <ul style="list-style-type: none"> <li>• Provide financial and administrative management of the EPA special appropriations grants.</li> </ul>   |
| <ul style="list-style-type: none"> <li>• Review capital budgeting process for Connecticut Clean Water Fund general obligation and revenue bond authorizations in order to optimize financing for Clean Water Fund projects. Prepare a capital budget request for FY 2012 and 2013. This was prepared August of 2010. The funding was approved under PA 11-57</li> </ul> |
| <ul style="list-style-type: none"> <li>• 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. Add staff as necessary within the constraints of funding.</li> </ul>   |

• Complete all stormwater utility pilot programs in three municipalities.
• Coordinate closely with the MDC and the Greater New Haven Water Pollution Control Authority on their significant clean water capital programs.
• Continue to explore opportunities for reducing debt costs.
• Continue work on the implementation of the new accounting and project management system.

## LONG-TERM PROJECTIONS

As the programs of the CWF meet their goals, the DEEP will be updating and revising cost estimations for critical water quality work. At present, the DEEP estimates the overall need for water quality improvement at \$4.7 billion through 2028, with treatment plant construction costs and combined sewer overflow correction program needs of over \$2.7 billion.

Ongoing discussions about the following issues will shape the program in the coming years:

LONG-TERM PLANNING	Coordination with DEEP and continued collaboration with other state agencies and the Office of the State Treasurer.
	Addressing areas of decentralized system management, including wastewater system assessments, as part of real estate transactions.
	Staffing needs to support Connecticut Clean Water Fund projects.
	Outreach and education efforts with systems in support of programs such as Nitrogen Credit Exchange.
	The priority of projects.

The State also will continue to develop additional financing alternatives. Following a comprehensive review during the year, long-term goals and objectives for the Clean Water SRF Plan of Finance are to:

LONG-TERM GOALS	Achieve low-cost of financing.
	Optimize cash management strategies.
	Continuously improve program administration including items such as consolidating resolutions and simplifying program administration.
	Accomplish appropriate asset/liability match.
	Demonstrate present value savings and/or actual debt service reduction with any refunding.

## CONDITION OF THE CONNECTICUT CLEAN WATER FUND

The listing in Appendix XII of wastewater treatment projects funded by the Connecticut Clean Water SRF as of June 30, 2011, shows the projects by municipality and the amounts of funding from each of the State's programs.

The Revenue Bond program has been in place since 1991. During the past 20 years, interest subsidy support provided by the State was as high as \$19.0 million for 1991, the first year of the revenue bond program, and was only \$3.6 million for the 2001 bond issue. No state-funded subsidy has been necessary since the 2003 issue that frees state bond authorizations for project purposes.

Program capacity projections continue to show that the program can sustain bond issuance of approximately \$90 million in revenue bonds per year through 2022 without further state-funded interest subsidy.

The increased capacity provided by the ARRA funding was utilized in two years. Depending on the needs of the program, the State may provide additional support for higher levels of revenue bond issuance in the future.

With the continued support of the State and the prudent management of the CWF assets, the program can continue to maintain its long-term sustainability, meeting both the requirements of the federal grants as well as the long-term water quality needs of the people of Connecticut.

Since the inception of Connecticut's Clean Water SRF Program, over 100 Connecticut municipalities have received grants and loans to finance more than 350 projects to improve local sewer systems, including treatment plants. Total project funding also includes \$70 million for Long Island Sound projects.



**Aerial View of Meriden Water Pollution Control Facility**

# APPENDICES

## APPENDIX I: STATE FUNDING AUTHORIZATIONS

State Funding Authorizations as of July 1, 2011	FY	Amount	Revenue Bond Authorizations as of July 1, 2011	FY	Amount
State Funding	1987	\$ 40,000,000			
State Funding	1988	40,000,000			
State Funding	1989	40,000,000			
State Funding	1990	60,000,000			
Bond Fund Transfer	1990	15,000,000			
State Funding (LIS)	1990	25,000,000			
State Funding	1991	100,000,000	Revenue Bond	1991	\$ 100,000,000
State Funding (LIS)	1991	25,000,000			
State Funding	1992	50,000,000	Revenue Bond	1992	200,000,000
State Funding	1993	30,000,000	Revenue Bond	1993	30,000,000
State Funding	1994	58,850,000	Revenue Bond	1994	93,800,000
State Funding	1995	75,020,000	Revenue Bond	1995	51,600,000
Funding Rescission	1995	(22,600,000)	Revision	1995	(8,500,000)
State Funding	1996	16,480,000	Revenue Bond	1996	125,400,000
State Funding	1997	23,580,000	Revenue Bond	1997	41,000,000
State Funding	1998	45,000,000	Revenue Bond	1998	151,300,000
State Funding	1999	14,000,000	Revenue Bond	1999	83,300,000
State Funding	1999	(14,000,000)			
State Funding	2000	43,400,000	Revenue Bond	2000	64,600,000
State Funding	2001	53,100,000	Revenue Bond	2001	66,900,000
State Funding	2002	40,000,000	Revenue Bond	2002	81,000,000
State Funding	2003	40,000,000	Revenue Bond	2003	158,000,000
Funding Deferral	2003	3,200,000			
State Funding	2004	0	Revenue Bond	2004	0
State Funding	2005	(60,000,000)	Revenue Bond	2005	0
State Funding	2006	20,000,000	Revenue Bond	2006	0
State Funding	2007	20,000,000	Revenue Bond	2007	100,000,000
State Funding	2008	90,000,000	Revenue Bond	2008	235,000,000
State Funding	2009	90,000,000	Revenue Bond	2009	180,000,000
State Funding	2010	65,000,000	Revenue Bond	2010	80,000,000
State Funding	2011	14,995,976	Revenue Bond	2011	120,000,000
<b>TOTAL:</b>		<b>\$1,041,025,976</b>			<b>\$1,953,400,000</b>

## APPENDIX II: STATE MATCH FOR FEDERAL CAPITALIZATION GRANTS

CWF Match Calculation		
Fiscal Year		Annual Total
1988		\$ 8,860,816
1989		\$ 9,259,793
1990		\$ -
1991		\$ 13,814,202
1992		\$ 26,144,911
1993		\$ -
1994		\$ -
1995		\$ -
1996		\$ 5,000,000
1997		\$ -
1998		\$ 19,000,000
1999		\$ 18,000,000
	Source of Match: State Funded Project Eligible as Match	\$ 19,061,430
	Source of Match: Privately Placed GO Bonds Issued to provide Match	\$ 81,018,292
	<b>TOTAL STATE MATCH:</b>	<b>\$ 100,079,722</b>
	Total Federal Capitalization Grants Requiring 20% State Match:	\$ 380,684,148
	<b>REQUIRED STATE MATCH:</b> (20%):	<b>\$ 76,136,830</b>
	<b>Amount over matched as of FY2011</b>	<b>\$ 23,942,892</b>
	Note 2: There have been no match contributions to the Fund since 1999	
	Note 3: Average annual capitalization grants is \$16.5 million. Overmatch will be exhausted by 2018	

## APPENDIX III: FEDERAL CAPITALIZATION GRANTS

Federal appropriations continue to be made annually to states for capital funding of wastewater treatment projects even though the Federal Act expired on June 30, 2007. The Clean Water SRF or CWSRF was further authorized through September 30, 1994. Congress has not reauthorized the Act since but the program continues to operate through language in the annual appropriations bill that funds the CWSRF.

The Clean Water Act both authorizes the Clean Water Fund and places legal constraints on its uses. Federal regulations limit the uses of program equity to loans, support for bonds issued to make loans, loan guarantees or insurance, refinancing prior debt, or administrative expenses associated with qualified projects. The Federal Capitalization Grant and the required match must be maintained by the Clean Water Fund in perpetuity.

Fiscal Year	Project Funds	Administrative Funds	FY Total
FY 87	\$0	\$ 283,660	\$7,091,500
FY 88	20,258,640	844,110	21,102,750
FY 89	21,277,361	886,557	22,163,918
FY 89	132,707	5,529	138,236
FY 90	21,955,014	914,792	22,869,806
FY 91	24,136,168	1,005,674	25,141,842
FY 91	1,828,380	76,182	1,904,562
FY 91	(1,536,000)	(64,000)	(1,600,000)
FY 92	22,850,942	952,123	23,803,065
FY 93	22,604,694	941,862	23,546,556
FY 94	14,025,908	584,413	14,610,321
FY 95	14,485,807	603,575	15,089,382
FY 95	2,026,008	84,417	2,110,425
FY 96	(2,026,008)	(84,417)	(2,110,425)
FY 96	23,728,949	988,706	24,717,655
FY 97	7,307,712	304,488	7,612,200
FY 98	15,836,515	659,855	16,496,370
FY 99	3,678,986	153,291	3,832,277
FY 99	15,837,846	659,910	16,497,756
FY 00	15,784,148	657,673	16,441,821
FY 01	15,643,869	651,828	16,295,697
FY 02	16,087,978	670,332	16,758,310
FY 03	15,576,771	649,032	16,225,803
FY 04	15,823,266	659,303	16,482,569
FY 05	12,673,014	528,042	13,201,056
FY 06	10,298,724	429,114	10,727,838
FY 07	12,587,288	344,470	12,931,758
FY 08	7,987,776	332,824	8,320,600
FY 09	7,987,680	292,820	8,280,500
FY 09*	46,089,888	1,920,412	48,010,300
<b>TOTAL</b>	<b>\$411,757,871</b>	<b>\$16,936,577</b>	<b>\$428,694,448</b>
*American Recovery and Reinvestment Act of 2009 funding.			

## APPENDIX IV: LOANS CLOSED DURING FY 2011

Clean Water Fund Loan Closing Report							
Closing Date	Municipality	IFO/PLO	Project No	Amount	New PLO Amount	New IFO Amount	
July 7/16/2010	MDC	IFO	166-CSL1	27,500,000.00		27,500,000.00	Amendment
7/16/2010	MDC	IFO	619-D1	12,600,000.00		12,600,000.00	Amendment
Aug 8/16/2010	Point-O-Woods	IFO	501-C1	7,745,059.75		7,745,059.75	Amendment
Sept 9/30/2010	Marlborough	PLO	210-C1	8,151,742.86	8,151,742.86		
9/30/2010	Danbury	PLO	515-C	2,549,993.61	2,549,993.61		
Oct 10/18/2010	Meriden	IFO	209-CSL	1,950,998.00		1,950,998.00	
10/29/2010	Stratford	PLO	366-C1	46,145,571.64	46,145,571.64		
Nov 11/1/2010	Groton	PLO	386-C1	12,121,022.05	12,121,022.05		
11/1/2010	Groton	IFO	386-C2	743,389.39		743,389.39	Dangler
11/18/2010	MDC	IFO	639-C	41,301,329.00		41,301,329.00	
11/30/2010	Bridgeport	IFO	452-C	2,687,000.00		2,687,000.00	Certificate.
Dec 12/29/2010	Point-O-Woods	PLO	501-C1	7,649,893.48	7,649,893.48		
12/30/2010	Brookfield	PLO	584-C	3,747,081.53	3,747,081.53		
Jan 1/25/2011	Bridgeport	IFO	452-C1	6,506,981.65		6,506,981.65	Amendment
1/31/2011	Brigeport	PLO	625-CSL	1,672,256.65	1,672,256.65		
1/31/2011	MDC	PLO	578-CD1	2,619,263.62	2,619,263.62		
Feb 2/15/2011	Bridgeport	IFO	621-C	4,095,422.75		4,095,422.75	
2/16/2011	Old Saybrook	IFO	116-C	7,653,125.00		7,653,125.00	
2/23/2011	Norwich	IFO	495-C	6,135,297.40		6,135,297.40	
2/25/2011	MDC	IFO	619-C	12,069,908.32		12,069,908.32	
Mar 3/1/2011	Torrington	PLO	611-C	1,123,491.04	1,123,491.04		
May 5/16/2011	GNHWPCA	IFO	581-C1	15,624,921.60		15,624,921.60	Certificate
5/31/2011	Bridgeport	IFO	621.-D	1,424,956.91		1,424,956.91	Certificate
5/31/2011	Bridgeport	PLO	613-C	960,200.92	960,200.92		
5/31/2011	Glastonbury	PLO	454-C	18,600,000.00	18,600,000.00		
June 6/17/2011	MDC	IFO	619-C1	38,304,908.32		38,304,908.32	Amendment
6/30/2011	Meriden	PLO	382-C2	35,860,708.20	35,860,708.20		
6/30/2011	GNHWPCA	IFO	627-C	569,400.00		569,400.00	
6/30/2011	Southington	PLO	590-C1	11,068,356.31	11,068,356.31		
6/30/2011	Mattabassett District	PLO	567-D	3,476,946.45	3,476,946.45		
	<b>Totals</b>			<b>\$342,659,226.45</b>	<b>\$155,746,528.36</b>	<b>\$186,912,698.09</b>	
	Total New IFO Loans			7			
	Total Dollar Value on New IFO Loans			\$73,775,480.47			
	Total Dollar Value on PLO Loans			<b>\$155,746,528.36</b>			

## APPENDIX V: PENDING PROJECTS

Loan	Total IFO/PLO as of 06/30/11 <sup>(1)</sup>	Undrawn Loan Commitments <sup>(2)</sup>	Commitments Through 6/30/12 <sup>(3)</sup>	Total Commitments <sup>(4)</sup>
Ansonia	\$ 38,107,002	\$ 2,661,230	\$ -	\$ 40,768,232
Bethel	\$ 999,931	\$ -	\$ -	\$ 999,931
Bolton Lake RWPCA	\$ 3,417,864	\$ 3,749,819	\$ -	\$ 7,167,683
Branford	\$ 9,424,196	\$ -	\$ -	\$ 19,424,196
Bridgeport	\$ 34,405,252	\$ 9,372,684		\$ 43,777,936
Bristol	\$ 3,339,370	\$ -	\$ -	\$ 3,339,370
Brookfield	\$ 3,829,075	\$ -	\$ -	\$ 3,829,075
Burlington	\$ 2,416,136	\$ -	\$ -	\$ 2,416,136
Canaan F.D.	\$ 25,287	\$ -	\$ -	\$ 25,287
Canton	\$ 1,448,590	\$ -	\$ -	\$ 1,448,590
Cheshire	\$ 6,428,141	\$ -	\$ -	\$ 6,428,141
Chester	\$ 1,035,600	\$ -	\$ -	\$ 1,035,600
Coventry	\$ 7,544,273	\$ -	\$ -	\$ 7,544,273
Danbury	\$ 7,583,141		\$ 3,663,600	\$ 11,246,741
Darien	\$ 465,187	\$ -	\$ -	\$ 465,187
Deep River	\$ 2,615,987	\$ -	\$ -	\$ 2,615,987
Derby	\$ 1,027,005	\$ -	\$ -	\$ 1,027,005
East Haddam	\$ 410,885	\$ -	\$ -	\$ 410,885
East Hampton	\$ 373,183	\$ -	\$ -	\$ 373,183
East Lyme	\$ 1,207,849	\$ -	\$ -	\$ 1,207,849
East Windsor	\$ 2,944,299	\$ -	\$ -	\$ 2,944,299
Fairfield	\$ 19,108,026	\$ -	\$ -	\$ 19,108,026
Farmington	\$ 3,054,626	\$ -	\$ -	\$ 3,054,626
Glastonbury	\$ 18,535,277		\$ -	\$ 18,535,277
Gr.New Haven WPCA	\$ 29,538,926	\$ 10,410,980	\$ 10,369,400	\$ 50,319,306
Greenwich	\$ 9,994,219	\$ -	\$ -	\$ 9,994,219
Groton	\$ 11,244,360	\$ 660,471	\$ -	\$ 11,904,831
Hartford	\$ 1,581,511	\$ -	\$ -	\$ 1,581,511
Hebron	\$ 651,088	\$ -	\$ -	\$ 651,088
Jewett City	\$ 4,888,849	\$ -	\$ -	\$ 4,888,849
Ledyard	\$ 958,423	\$ -	\$ -	\$ 958,423
Litchfield	\$ 3,476,946	\$ -	\$ -	\$ 3,476,946
Manchester			\$ 58,165,168	\$ 58,165,168
Marlborough	\$ 8,607,405		\$ -	\$ 8,607,405
Mattabassett	\$ 3,476,946		\$ 50,000,000	\$ 53,476,946
Meriden	\$ 37,441,244	\$ 846,210	\$ -	\$ 38,287,454
MDC	\$ 121,227,042	\$ 95,684,838	\$ 24,858,594	\$ 241,770,474
Middlebury	\$ 92,463	\$ -	\$ -	\$ 92,463
Middlefield	\$ 1,700,867	\$ -	\$ -	\$ 1,700,867
Middletown	\$ 6,749,143	\$ -	\$ 2,226,562	\$ 8,975,705
Milford	\$ 41,420,033	\$ -	\$ -	\$ 41,420,033
Naugatuck	\$ 1,056,032	\$ -	\$ -	\$ 1,056,032
New Britain	\$ 4,056,199	\$ -	\$ -	\$ 4,056,199
New Canaan	\$ 5,473,917	\$ -	\$ -	\$ 5,473,917
New London	\$ 3,369,597	\$ -	\$ -	\$ 3,369,597
New Milford	\$ 5,096,010	\$ 19,744,482	\$ -	\$ 24,840,492
Newtown	\$ 7,195,877	\$ -	\$ -	\$ 7,195,877
North Branford	\$ 811,637	\$ -	\$ -	\$ 811,637
North Haven	\$ 1,608,639	\$ -	\$ -	\$ 1,608,639

Loan	Total IFO/PLO	Undrawn Loan	Commitments	Total
Norwalk	\$ 33,463,893	\$ 9,879,176	\$ -	\$ 43,343,069
Norwich	\$ 3,897,338	\$ 7,527,810	\$ -	\$ 11,425,148
Old Saybrook	\$ 703,548	\$ 6,949,577		\$ 7,653,125
Plainfield	\$ 994,824	\$ -	\$ -	\$ 994,824
Plainville	\$ 19,851,065	\$ -	\$ -	\$ 19,851,065
Plymouth	\$ 650,635	\$ -	\$ -	\$ 650,635
Point-O-Woods	\$ 7,493,545		\$ -	\$ 7,493,545
Portland	\$ 2,112,945	\$ -	\$ -	\$ 2,112,945
Redding	\$ 236,892	\$ -	\$ -	\$ 236,892
Ridgefield	\$ 876,728	\$ -	\$ -	\$ 876,728
Seymour	\$ 1,237,916	\$ -	\$ -	\$ 1,237,916
Shelton	\$ 16,695,517	\$ -	\$ -	\$ 16,695,517
Simsbury	\$ 17,540,653	\$ -	\$ -	\$ 17,540,653
South Windsor	\$ 24,383,235	\$ 5,955,314	\$ -	\$ 30,338,548
Southington	\$ 11,068,356		\$ -	\$ 11,068,356
Sprague	\$ 14,104	\$ -	\$ 765,000	\$ 779,104
Stafford	\$ 96,984	\$ -	\$ -	\$ 96,984
Stamford	\$ 57,016,236	\$ -	\$ -	\$ 57,016,236
Stonington	\$ 900,963	\$ -	\$ -	\$ 900,963
Stratford	\$ 44,976,335		\$ -	\$ 44,976,335
Suffield	\$ 346,402	\$ -	\$ -	\$ 346,402
Thomaston	\$ 5,138,202	\$ -	\$ -	\$ 5,138,202
Torrington	\$ 3,114,213		\$ -	\$ 3,114,213
Vernon	\$ 8,695,599	\$ -	\$ -	\$ 8,695,599
Wallingford	\$ 1,412,283	\$ -	\$ -	\$ 1,412,283
Waterbury	\$ 54,747,275	\$ -	\$ -	\$ 54,747,275
West Haven	\$ 28,586,250	\$ 10,051,798	\$ -	\$ 38,638,047
Westport	\$ 24,912,656	\$ -	\$ -	\$ 24,912,656
Winchester	\$ 518,835	\$ -	\$ -	\$ 518,835
Windham	\$ 13,581,604	\$ 2,779,595	\$ -	\$ 16,361,198
Windsor Locks	\$ 1,011,262	\$ -	\$ -	\$ 1,011,262
Woodstock	\$ 395,808	\$ -	\$ -	\$ 395,808
	\$ 878,135,654	\$ 186,273,984	\$ 150,048,324	\$ 1,214,457,962

## APPENDIX VI: BORROWERS BY CREDIT RATING

Loan	Total Commitments	Aaa	A& AA	B to Baa	Not Rated
Ansonia	\$ 40,768,232		\$ 40,768,232		
Bethel	\$ 999,931		\$ 999,931		
Bolton Lake RWPCA	\$ 7,167,683		\$ 7,167,683		
Branford	\$ 19,424,196		\$ 19,424,196		
Bridgeport	\$ 43,777,936		\$ 43,777,936		
Bristol	\$ 3,339,370		\$ 3,339,370		
Brookfield	\$ 3,829,075		\$ 3,829,075		
Burlington	\$ 2,416,136		\$ 2,416,136		
Canaan F.D.	\$ 25,287				\$ 25,287
Canton	\$ 1,448,590		\$ 1,448,590		
Cheshire	\$ 6,428,141		\$ 6,428,141		
Chester	\$ 1,035,600		\$ 1,035,600		
Coventry	\$ 7,544,273		\$ 7,544,273		
Danbury	\$ 11,246,741		\$ 11,246,741		
Darien	\$ 465,187	\$ 465,187			
Deep River	\$ 2,615,987		\$ 2,615,987		
Derby	\$ 1,027,005		\$ 1,027,005		
East Haddam	\$ 410,885		\$ 410,885		
East Hampton	\$ 373,183		\$ 373,183		
East Lyme	\$ 1,207,849		\$ 1,207,849		
East Windsor	\$ 2,944,299		\$ 2,944,299		
Fairfield	\$ 19,108,026	\$ 19,108,026			
Farmington	\$ 3,054,626	\$ 3,054,626			
Glastonbury	\$ 18,535,277	\$ 18,535,277			
Gr.New Haven WPCA	\$ 50,319,306		\$ 50,319,306		
Greenwich	\$ 9,994,219	\$ 9,994,219			
Groton	\$ 11,904,831		\$ 11,904,831		
Hartford	\$ 1,581,511		\$ 1,581,511		
Hebron	\$ 651,088		\$ 651,088		
Jewett City	\$ 4,888,849				\$ 4,888,849
Ledyard	\$ 958,423		\$ 958,423		
Litchfield	\$ 3,476,946		\$ 3,476,946		
Manchester	\$ 58,165,168		\$ 58,165,168		
Marlborough	\$ 8,607,405		\$ 8,607,405		
Mattabassett	\$ 53,476,946				\$ 53,476,946
Meriden	\$ 38,287,454		\$ 38,287,454		
MDC	\$ 241,770,475		\$ 241,770,475		
Middlebury	\$ 92,463		\$ 92,463		
Middlefield	\$ 1,700,867				\$ 1,700,867
Middletown	\$ 8,975,705		\$ 8,975,705		
Milford	\$ 41,420,033		\$ 41,420,033		
Naugatuck	\$ 1,056,032		\$ 1,056,032		
New Britain	\$ 4,056,199		\$ 4,056,199		
New Canaan	\$ 5,473,917	\$ 5,473,917			
New London	\$ 3,369,597		\$ 3,369,597		
New Milford	\$ 24,840,492		\$ 24,840,492		
Newtown	\$ 7,195,877		\$ 7,195,877		

Loan	Total Commitments	Aaa	A& AA	B to Baa	Not Rated
North Branford	\$ 811,637		\$ 811,637		
North Haven	\$ 1,608,639		\$ 1,608,639		
Norwalk	\$ 43,343,069	\$ 43,343,069			
Norwich	\$ 11,425,148		\$ 11,425,148		
Old Saybrook	\$ 7,653,125		\$ 7,653,125		
Plainfield	\$ 994,824		\$ 994,824		
Plainville	\$ 19,851,065		\$ 19,851,065		
Plymouth	\$ 650,635		\$ 650,635		
Point-O-Woods	\$ 7,493,545		\$ 7,493,545		
Portland	\$ 2,112,945		\$ 2,112,945		
Redding	\$ 236,892		\$ 236,892		
Ridgefield	\$ 876,728	\$ 876,728			
Seymour	\$ 1,237,916		\$ 1,237,916		
Shelton	\$ 16,695,517		\$ 16,695,517		
Simsbury	\$ 17,540,653	\$ 17,540,653			
South Windsor	\$ 30,338,548		\$ 30,338,548		
Southington	\$ 11,068,356		\$ 11,068,356		
Sprague	\$ 779,104		\$ 779,104		
Stafford	\$ 96,984		\$ 96,984		
Stamford	\$ 57,016,236		\$ 57,016,236		
Stonington	\$ 900,963		\$ 900,963		
Stratford	\$ 44,976,335		\$ 44,976,335		
Suffield	\$ 346,402		\$ 346,402		
Thomaston	\$ 5,138,202		\$ 5,138,202		
Torrington	\$ 3,114,213		\$ 3,114,213		
Vernon	\$ 8,695,599		\$ 8,695,599		
Wallingford	\$ 1,412,283		\$ 1,412,283		
Waterbury	\$ 54,747,275			\$ 54,747,275	
West Haven	\$ 38,638,047			\$ 38,638,047	
Westport	\$ 24,912,656	\$ 24,912,656			
Winchester	\$ 518,835		\$ 518,835		
Windham	\$ 16,361,198		\$ 16,361,198		
Windsor Locks	\$ 1,011,262		\$ 1,011,262		
Woodstock	\$ 395,808		\$ 395,808		
	<b>\$ 1,214,457,962</b>	<b>\$ 143,304,357</b>	<b>\$ 917,676,333</b>	<b>\$ 93,385,322</b>	<b>\$ 60,091,949</b>
Percentage		<b>12%</b>	<b>76%</b>	<b>8%</b>	<b>4%</b>

## APPENDIX VII: CLEAN WATER FUND PRIORITY RANKING LIST 2010 - 2011

No.	Priority Points	Town	Project Description	Clean Water Fund No.	Eligible Cost (\$ thousands)
1	44	New Haven GNH	WPCF Denitrification	333	N/A
2	44	Bridgeport	WPCF West Side Denitrification	TBD	N/A
3	40	Hartford MDC	WPCF Denitrification	520	\$120,000
4	38	Manchester	WPCF Denitrification	525	N/A
5	38	Bridgeport	WPCF East Side Dechlorination	TBD	\$990
6	36	Mattabasset	WPCF Denitrification	528	\$45,000
7	35	Hartford MDC	CSO Consolidation Piping	597	\$80,000
8	35	Hartford MDC	CSO WPCF Improvements	599	\$105,000
9	35	Hartford MDC	CSO Storage	600	\$165,000
10	35	Hartford MDC	CSO Separation	601	\$260,000
11	35	New Haven GNH	CSO Separation	186	\$160,000
12	35	New Haven GNH	CSO Consolidation Piping	TBD	\$30,000
13	35	New Haven GNH	CSO Storage	TBD	\$50,000
14	35	New Haven GNH	CSO WPCF Improvements	TBD	\$60,000
15	33	Bridgeport	CSO	452	\$4,500
16	33	Norwich	CSO Later Phases	448	\$48,000
17	33	Middletown	WPCF Abandonment	487	\$20,000
18	31	Torrington	WPCF Denitrification / Upgrade	546	\$27,200
19	31	Bristol	WPCF Denitrification Phase II	576	\$5,500
20	29	Clinton	Decentralized Systems	127	\$25,979
21	29	Old Saybrook	Decentralized Systems	116	\$24,460
22	29	Westbrook	Decentralized Systems	128	\$46,700
23	28	Rocky Hill MDC	WPCF Denitrification / Mods	192	\$2,100
24	28	Norfolk	WPCF Improvements	427	\$880
25	27	Norwich	WPCF Denitrification / Upgrade	495	\$30,000
26	27	Farmington	WPCF Denitrification	517	\$2,750
27	27	Goshen	WPCF Woodridge Lake & I/I	519	\$10,000
28	27	Plainfield	WPCF Denitrification / Upgrade	417	\$2,700
29	24	South Windsor	WPCF Denitrification / Upgrade	459	\$37,000
30	24	Killingly	WPCF Denitrification / Mods	524	\$18,500
31	24	New Milford	WPCF Denitrification / Expansion	292	\$28,803
32	23	New Hartford	WPCF Denitrification	579	\$9,100
33	21	East Hampton	WPCF Denitrification	293	\$22,000
34	21	Stafford	WPCF Upgrade	194	\$14,400
35	21	Plymouth	WPCF Denitrification	458	\$850
36	21	Putnam	WPCF Denitrification	449	\$16,900
37	20	Canton	WPCF Denitrification / Mods	514	\$6,500
38	19	Stonington	WPCF Upgrade: Mystic	TBD	\$15,000
39	18	Stonington	WPCF Upgrade: Pawcatuck	456	\$7,100
40	18	Stonington	WPCF Upgrade: Borough	TBD	\$3,600

No.	Priority Points	Town	Project Description	Clean Water	Eligible Cost (\$ thousands)
41	18	Chester	Interceptor to Deep River	577	\$1,500
42	18	Sprague	WPCF Upgrade	564	\$7,481
43	17	Bridgeport	Infiltration/Inflow Rehab	TBD	\$4,000
44	17	Bridgeport	Pump Station Rehab	TBD	\$4,000
45	17	Hartford MDC	Infiltration/Inflow Rehab	605	\$135,000
46	17	Waterbury	Infiltration/Inflow Rehab	580	\$40,000
47	15	Bristol	FOG facilities	511	\$150
48	15	Bristol	WPCF Pump Station	TBD	\$450
49	15	Greenwich	UV Disinfection	573	\$2,500
50	15	Naugatuck	Infiltration/Inflow Rehab	357	\$1,800
51	15	New Britain	Infiltration/Inflow Rehab	583	\$4,000
52	15	Norwalk	Infiltration/Inflow Rehab	397	\$1,165
53	15	Rocky Hill MDC	Infiltration/Inflow Rehab	422	\$6,200
54	15	Sharon	WPCF Upgrade	543	\$390
55	14	Bolton Lakes RWPCA	Sewers: Bolton Lakes Int	132	\$14,840
56	14	Bristol	Sewers: Cedar Lake	171	\$2,000
56	14	Bristol	Sewers: Cedar Lake	171	\$2,000
57	14	Marlborough	Sewers to East Hampton	527	\$11,000
58	14	Wolcott	Sewers: Cedar Lake	398	\$1,000
59	13	New Haven GNH	Infiltration/Inflow Rehab	334	\$4,000
60	13	New London	Infiltration/Inflow Rehab	507	\$2,460
61	13	Newington MDC	Infiltration/Inflow Rehab	491	\$8,800
62	13	Shelton	Infiltration/Inflow Rehab	473	\$1,159
63	13	Thompson	Decentralized: Thompson Hill	389	\$3,000
64	13	Torrington	FOG facility	8022	\$960
65	13	Windham	FOG facility	552	\$250
66	13	Windsor MDC	Infiltration/Inflow Rehab	319	\$1,600
67	12	Hartford MDC	Effluent Pump Station Improvements	522	\$3,000
68	12	Hartford MDC	Incinerator & Heat Recovery	TBD	\$17,586
69	11	Ansonia	Infiltration/Inflow Rehab	311	\$4,241
70	11	Bloomfield MDC	Infiltration/Inflow Rehab	TBD	\$7,091
71	11	Bristol	Sewers: Route 69	320	\$3,800
72	11	East Hartford MDC	Infiltration/Inflow Rehab	TBD	\$2,636
73	11	East Haven GNH	Infiltration/Inflow Rehab	TBD	\$11,000
74	11	Fairfield	Infiltration/Inflow Rehab	TBD	\$750
75	11	Hamden GNH	Infiltration/Inflow Rehab	TBD	\$4,000
76	11	Middletown	Infiltration/Inflow Rehab: 17a1-17C-19B	537	\$9,500
77	11	New Milford	Pump Station: West Side-Odor Control	585	\$200
78	11	Wethersfield MDC	Infiltration/Inflow Rehab	TBD	\$9,545
79	11	Woodbridge GNH	Infiltration/Inflow Rehab	TBD	\$800
80	9	Cheshire	Infiltration/Inflow Rehab	TBD	\$400
81	9	East Hampton	Infiltration/Inflow Rehab	TBD	\$1,400
82	9	New Milford	Infiltration/Inflow Rehab: Housatonic Ave	539	\$2,000
83	9	Torrington	Infiltration/Inflow Rehab	198	\$4,800
84	8	Burlington	Sewers: Whigville	512	\$1,250

No.	Priority Points	Town	Project Description	Clean Water	Eligible Cost (\$ thousands)
85	8	Cheshire	Sewers: South End	465	\$4,600
86	8	Darien	Sewers: Extensions	421	\$3,500
87	8	East Windsor	Sewers: Prospect Hill Rd	323	\$1,200
88	8	East Windsor	Sewers: North Road	325	\$2,239
89	8	Greenwich	Sewers: North Mianus	485	\$25,000
90	8	Lebanon	Sewers: Amston Lake	TBD	\$4,000
91	8	Mansfield	Sewers: Four Corners	TBD	\$5,000
92	8	Middletown	Sewers: South End	368	\$900
93	8	Middletown	Sewers: Saybrook & Main Rehab	531	NA
94	8	Montville	Sewers: Phase III Extension	212	\$2,000
95	8	Naugatuck	Sewers	332	\$1,500
96	8	Naugatuck	Pump Station: Horton Hill	534	\$355
97	8	New Haven GNH	Pump Station Replacement	335	NA
98	8	Norwich	Sewers: Interceptor	263	\$4,030
99	8	Plymouth	Sewers	339	\$1,000
100	8	Stonington	Sewer Expansion Program	545	\$32,500
101	8	Suffield	Sewers: Extension	300	\$420
102	7	Farmington	WPCF Odor Control Improvements	440	\$250
103	7	Middlebury	Pump Stations Rehab	TBD	\$2,700
104	7	Norfolk	Infiltration/Inflow Rehab	426	\$2,200
105	7	Salisbury	Infiltration/Inflow Rehab	428	\$1,800
106	7	Sharon	Infiltration/Inflow Rehab	544	\$750
107	7	Sharon	Sewer Replacement	TBD	\$1,000
108	6	Ansonia	Naugatuck / Central St. Siphons	TBD	\$300
109	6	Fairfield	WPCF Improvements	TBD	\$230
110	6	Vernon	Sewers: Mtn St. Reconstruction	548	\$500
111	4	Cheshire	Pump Station Upgrades	322	\$3,200
112	4	Cheshire	WPCF Upgrade (no denitrification)	TBD	\$4,400
113	4	Derby	WPCF Upgrade (no denitrification)	TBD	\$3,600
114	4	Enfield	Pump Station Rehab	289	\$575
115	4	Groton (Town)	Pump Station Improvements	419	\$3,920
116	4	Simsbury	Pump Station Upgrade: South PS	TBD	\$400
117	2	Bristol	Pump Station & Force Main	TBD	\$8,600
118	2	Colchester	Pump Station: Flatbrook	TBD	\$4,000
119	2	East Windsor	Pump Station Replacement	324	\$150
120	2	Plymouth	Pump Station Upgrade	493	\$1,250
121	2	Ridgefield	Pump Station: Quail Ridge	TBD	\$1,300
122	2	Windsor Locks	Pump Station: Dexter	TBD	\$1,500
<b>SUBTOTAL:</b>					<b>\$1,983,085</b>
(less) Partial CSO Funding:					(\$127,525)
<b>TOTAL Future Project Funding:</b>					<b>\$1,855,560</b>

## APPENDIX VIII: PROGRAM MANAGEMENT BY THE DEPARTMENT OF ENERGY AND ENVIRONMENTAL PROTECTION

The Connecticut Clean Water SRF is one of the major programs of the Connecticut Clean Water Fund, and was created and initially managed through the coordination of the Department of Energy and Environmental Protection and the Treasurer's Office. The State Clean Water Act gave the agencies certain statutory responsibilities for the Clean Water SRF, and the Bureaus of Water Protection and Land Reuse (BWPLR) and Financial and Support Services (BFSS) with program responsibility for the Connecticut Clean Water Fund worked together with the Debt Management Division of the Office of the State Treasurer almost seamlessly for many years.

The Department of Energy and Environmental Protection (DEEP) was created by Public Act 11-80. Effective July 1, 2011, DEEP brings together the former Departments of Environmental Protection and Public Utility Control along with the energy policy group from the Office of Policy and Management to give the State a better structure for decision-making. DEEP allows the State of Connecticut to integrate energy and environmental policies and programs in a more systematic, proactive, and coherent manner. Many of the pollution problems that the State faces are a function of energy choices, particularly the burning of fossil fuels and the integration of energy and environmental policymaking. This strategy is designed to position Connecticut as a national leader on energy and environmental issues.

The DEEP carries out the environmental policy of the State for conserving, improving and protecting the State's natural resources and environment and mitigating water, land and air pollution. The DEEP is organized into three main branches and the Office of the Commissioner:

The Energy Branch includes a new Public Utilities Regulatory Authority (PURA), which reviews rates for electricity, water, cable television and other utilities as well as a Bureau of Energy and Technology, which will develop forward-looking energy efficiency, infrastructure and alternative power programs. The PURA replaces the DPUC which enforced the regulations of the State with regard to utilities including privately owned public water systems with over 50 connections. The DPUC approves all rate change requests from privately owned public water systems. The DPUC reviews the capital budget requests and adjudicates over the enforcement of State laws.

The Environmental Quality Branch is comprised of the Bureaus of Air Management, Materials Management and Compliance Assurance, and Water Protection and Land Reuse. These bureaus protect the air, land and water resources of the state by regulating air emissions, wastewater discharges and solid and hazardous wastes. Tools used include

the development of regulations, policies and standards; permitting and enforcement; air and water quality monitoring; and public outreach and education.

Within the Environmental Conservation Branch, there are two bureaus. The Bureau of Natural Resources is charged with managing the state's natural resources (particularly fish, wildlife, and forests) through a program of regulation, management, research, and public education. The Bureau of Outdoor Recreation is charged with the conservation and management of statewide recreation lands and resources through the acquisition of open space and the management of resources, including state parks, to meet the outdoor recreation needs of the public.

The Office of the Commissioner, including the Offices of Chief of Staff, Planning and Program Development, Information Management, Adjudications, and Legal Counsel, provide administrative management, staff assistance, and ancillary service to aid the Commissioner and Bureau Chiefs in their efforts to carry out the mission of the agency. In addition, the centralized Bureau of Financial and Support Services provides a wide array of services including financial management, human resource management and purchasing for the entire agency.

The DEEP is responsible for coordinating the conservation, improvement and protection of the State's natural resources and environment, primarily by mitigating water, land and air pollution. To accomplish its mandate under the Connecticut Clean Water Act, within the new organizational structure, through the Bureaus of Water Protection and Land Reuse (BWPLR) enforce compliance with state and federal laws, discharge permits, rules and regulations pertaining to pollution control in the State. The DEEP is also responsible for the supervision of research related to restoring and rehabilitating Long Island Sound.

The BWPLR's mission is to protect and restore the State's surface water and groundwater, to protect public water supply, human health and safety, hazard mitigation, river restoration, and to preserve and enhance water based recreation, propagation of fish and aquatic life. The purpose of these activities is to maintain the natural character and economic well-being of the State. The BWPLR adopts water quality standards for the State's surface and groundwater resources, regulates municipal and industrial wastewater discharges, manages construction on and adjacent to coastal and inland water resources, enforces water quality standards, mitigates natural hazards, and controls floodplain development, river restoration water resource protection, and remediation of waste disposal sites.

### ***Municipal Facilities***

The Planning and Standards Division within the BWPLR administers the Connecticut Clean Water Fund, primarily within its Municipal Facilities Section. The Section provides 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. It is the role of the engineering and project management staff within the Municipal Facilities section to:

- Guide municipal decision makers and citizens on the need for projects;
- Give a clear explanation of how Clean Water Fund financing will assist them;
- Encourage all municipalities to pursue facility planning to address future needs.
- Collaborate among several units of DEEP to perform major tasks for the Clean Water Fund including:
  - Prepare the state capital budget request for the Clean Water Fund;
  - Create a project priority list of eligible municipal water quality projects and wastewater projects, based on approved state and federal appropriations;
  - Develop and enforce compliance schedules for each step of municipal pollution control projects, including planning, design and construction;
  - Review project funding with potential borrowers;
  - Review all project information to ensure compliance with project schedules and budgets including approval of project plans and specifications, amendments and determination of eligibility of proposed costs;
  - Support the Nitrogen Credit Exchange Program;
  - Support municipalities through outreach, monitoring and testing and assistance with planning and education.

A strong public outreach effort is one of the reasons for the success of the Clean Water Fund. Staff members routinely attend local water pollution control authority meetings, public hearings on proposed projects and public meetings on appropriations of local funds to support projects.

### ***Bureau of Financial and Support Services***

The BFSS provides business and accounting services for the Clean Water Fund and provides management and oversight of financial and project accounting responsibilities within DEEP including contract management and expense monitoring.

Though the use of CORE-CT and working with the Treasurer's Office, the BFSS has streamlined the processing of project payment while capturing more of the data needed to manage the programs and comply with reporting requirements of the EPA. The DEEP has also coordinated project management and program accounting with the use of a customized loan and grant management tracking system developed through the EPA.

## APPENDIX IX: PROGRAM MANAGEMENT BY THE STATE TREASURER'S OFFICE

The State Treasurer, elected for a term of four years as prescribed by the State Constitution, is responsible for the safe custody of the property and money of the State and makes disbursements on warrants drawn and presented by the State Comptroller. The State Treasurer receives all the money belonging to the State, makes disbursements as directed by statute, and manages, borrows, and invests all funds in the State's General Fund as well as the assets of the state pension, trusts and other funds. As authorized by the State Bond Commission, the State Treasurer 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 State Treasurer also ensures the timely payment of principal and interest, and provides information and data to private credit rating agencies.

Pursuant to a Memorandum of Agreement in 1989, updated in 2009, by the State Treasurer and the DEEP Commissioner, the State Treasurer manages financial components of the Clean Water Fund and has certain responsibilities with respect to the implementation and management of the Clean Water Fund. A financial administrator in the Office of the State Treasurer manages and coordinates the various financial components of the Clean Water Fund and the Drinking Water Fund Programs on a day-to-day basis with the DEEP and OPM. OPM manages the State's capital budget and oversees the bond allocation process. The financial administrator is also responsible for:

- Review of supporting data for financing of Clean Water Fund projects and credit related documents submitted by the borrowers;
- Preparation and review of loan and grant agreements and related documents;
- Management of the bond financing for the Clean Water Fund program including documentation of the projects to meet IRS requirements, investment of bond proceeds and other funds to maximize the yield and meet programmatic requirements and participation in the development of financing plan to new initiatives which might expand the use of revolving funds and leverage financing concepts within the State;
- Coordination of the independent audit of the State's federal account and the audit of all program accounts by the State Auditors of Public Accounts and the preparation of the annual report;
- Ongoing procedures including: surveillance of the borrowers' financial condition; compliance with secondary market disclosure regulations; loan administration, including preparation of loan schedule information and coordination with the trustee on billing and collection of loan payments;
- Participation as a member of the Nitrogen Credit Advisory Board created to administer the Nitrogen Credit Exchange Program

The DEEP and the State Treasurer have joint responsibility for the program's data management systems including an extensive project tracking system developed and maintained by the DEEP and a dual entry general ledger accounting system developed and maintained by the Office of the State Treasurer.

The program management goals and objectives of the Office of the State Treasurer relating to the Connecticut Clean Water Fund are to:

- Maintain accurate project funding and accounting systems for the SRF programs and develop a new project tracking and accounting system for the CWF;
- Develop additional capacity to provide low-cost financing for eligible projects, as simply and effectively as possible;
- Manage the payment process for the Nitrogen Credit Program and participate on the Nitrogen Credit Advisory Board;
- Assist municipal water quality projects by creating loan structuring responsive to local needs while ensuring integrity of the CWF;
- Maintain both the federal tax-exempt status and the high credit ratings of all of the program's publicly issued debt; and
- Continual review of outstanding debt for structural improvements and refunding savings.

#### **FINANCING PROGRAM ADMINISTRATION**

Both the DEEP and the Office of the State Treasurer are involved in the evaluation of each project funding application. After review by both offices, the project funding agreements are signed by the Commissioner of the DEEP. The State Treasurer has the responsibility to structure loans based on consideration of the borrower's financial condition and financial management capabilities, protection of the high credit quality of the state fund, as well as the laws and regulations of the State. In all cases funding is subject to the ranking of the project on the most current project priority listing and State Bond Commission approvals.

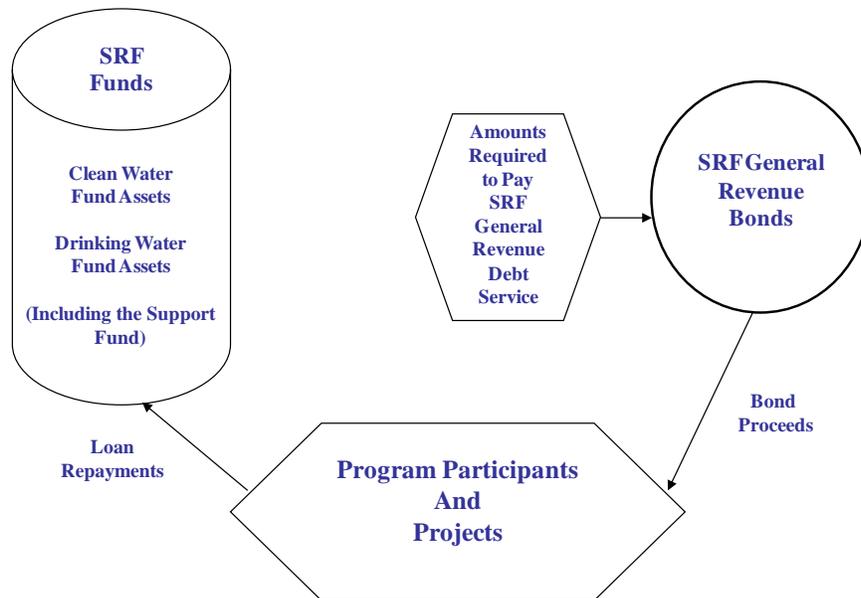
#### **PROGRAM BOND RESOLUTIONS**

Summarized below are the three resolutions under which bonds are outstanding. The flow of funds, security provisions and the accounts held by trustee under each resolution are further discussed in the financial statements.

<b>Summary of Bond Resolutions</b>				
<b>Resolutions</b>	<b>Security</b>	<b>Fund Account</b>	<b>Restricted/Unrestricted</b>	<b>Debt Outstanding as of 6/30/2011</b>
General Revenue Resolution <i>adopted Dec 17, 2002</i>	Available Money Assets of the Fund	Loan Fund	Restricted	<b>\$839 million CW \$60 million DW \$899 million</b>
		Debt Service Fund (DSF)	Restricted	
		Support Fund	Restricted	
		Revolving Fund	Unrestricted	
Bond Resolution <i>adopted Dec 7, 1990</i>	Revenue, Loans DSF and DSRF	Loan Fund	Restricted	<b>\$0</b>
		Debt Service Fund	Restricted	
		Debt Service Reserve Fund (DSRF)	Restricted	
		Sr. Sinking Fund	Restricted	
Subordinate Bond Resolution <i>adopted Feb 7, 1996</i>	Second Lien on Revenue and Loans	Debt Service Fund	Restricted	<b>\$0</b>

**Flow of Funds**

A schematic of the Clean Water Fund Financing Program follows:



**Bond Debt Service**

Repayment of the revenue bonds comes from loan repayments, interest earnings on assets and the State’s earlier interest subsidy contributions. All loan repayments are available for the payment of the bonds and the debt service schedule for all bonds outstanding is provided in the financial statements.

## Cross-Collateralization

Loan repayments from both the Drinking Water Fund and the Clean Water Fund State Revolving Fund Programs are available to pay all bonds. This cross-collateralization of the State Revolving Fund Programs has been structured in accordance with the EPA regulations, interpretations and guidance and the Bond Resolution, as amended and supplemented.

## Investments and Reserve Account Information

The 2002 bond resolution as well as state and federal law govern the investments of the Clean Water Fund. Certain moneys are held in the State's Short Term Investment Fund (STIF) and some funds are invested pursuant to investment agreements with AA providers, which are collateralized with securities issued or guaranteed by the U.S. Government or agencies or instrumentalities whose market value is at least 100% of the funds invested. Upon the issuance of the 2003 bonds and the restructuring of the program's debt, certain of the long-term investments became unrestricted assets of the Clean Water Fund.

CONNECTICUT CLEAN WATER FUND RESTRICTED ACCOUNTS*							
Bond Series	Revenue Bond Amount	Federal Grants Pledged	GO Bonds	Direct Loan Repayments	Reserve Fund 'Free-Up'	GO Interest Subsidy	Support Fund Assets
<b>Clean Water Fund</b>							
1991	\$100,000,000	\$37,126,619	\$12,873,381	\$0	\$0	\$19,690,000	\$0
1992	105,000,000	25,155,089	26,144,911	1,200,000	0	6,715,000	0
1993	50,000,000	23,600,217	0	1,399,783	0	7,200,000	0
1994	75,000,000	32,222,500	0	2,900,000	2,377,500	5,100,000	0
1996	80,000,000	18,064,373	5,000,000	7,183,127	9,752,500	3,290,000	0
1997	110,000,000	20,415,930	19,000,000	4,016,570	11,567,500	5,200,000	0
1999	125,000,000	25,088,408	18,000,000	5,389,093	14,022,500	4,875,000	0
2001	70,385,254	3,124,857	0	5,000,000	23,270,000	3,605,000	0
2003	95,255,000	0	0	0	0	0	19,112,776
2004	0	0	0	0	0	0	0
2005	0	0	0	0	0	0	0
2006	145,000,000	0	0	0	0	0	24,078,454
2008	171,195,000	0	0	0	0	0	18,463,136
2009	194,765,000	0	0	0	0	0	10,739,528
2011	166,464,150	0	0	0	0	0	26,195,279
<b>Subtotal:</b>	<b>1,488,064,404</b>	<b>184,797,993</b>	<b>81,018,292</b>	<b>27,088,573</b>	<b>60,990,000</b>	<b>55,675,000</b>	<b>98,589,173</b>
<b>Drinking Water Fund</b>							
2001	29,614,746	13,206,447	10,398,696	0	0	0	0
2002	0	0	0	0	0	0	0
2003	22,830,000	0	0	0	0	0	4,308,747
2004	0	0	0	0	0	0	0
2005	0	0	0	0	0	0	0
2006	5,000,000	0	0	0	0	0	822,595
2008	25,000,000	0	0	0	0	0	3,715,256
2009	4,675,000	0	0	0	0	0	0
2011	16,464,850	0	0	0	0	0	0
<b>Subtotal:</b>	<b>103,584,596</b>	<b>13,206,447</b>	<b>10,398,696</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>8,846,598</b>
<b>CWF total</b>	<b>\$1,591,649,000</b>	<b>\$198,004,440</b>	<b>\$91,416,988</b>	<b>\$27,088,573</b>	<b>\$60,990,000</b>	<b>\$55,675,000</b>	<b>\$107,435,771</b>
* includes Debt Service Revolving Funds in 1991 to 2001; Revolving Funds in 2003 and 2006 restricted accounts except Loan Fund and Debt Service Fund							

## APPENDIX X: APPLICATION PROCESS

### ***Financing Application and Approval***

To qualify for funding from the Clean Water Fund, a project must be listed on the Priority List of eligible water quality projects prepared by the DEEP. The Priority List includes the projects expected or proposed to receive financial assistance under the program for a two year period. As a condition to being placed on the Priority List, a borrower seeking funding for a waste water treatment facility must have previously received an administrative abatement order from the DEEP directing the borrower to alleviate existing or potential wastewater disposal problems. Once a project is placed on the Priority List, the potential loan recipient must file an application for financial assistance for the project. The DEEP and the Office of the State Treasurer determine whether, and on what terms and conditions, financial assistance will be provided, including whether or not the State will issue revenue bonds to finance all or a portion of the cost of a project. Loan to assist an eligible project from available moneys in any of the other accounts in the State Revolving Fund Program. Grants to municipalities for qualified wastewater projects are funded solely from state general obligation bonds.

Once all approvals are in place and after completion of an overall review of the project loan agreement and the other loan documents, a closing is scheduled with the Office of the State Treasurer. The project loan agreement is then executed and signed first by the borrower, then by the DEEP Commissioner. The State Attorney General also reviews and approves the document forms. Once the closing has taken place, the DEEP provides the project administration, contract coordination with the municipality and review of all invoices, working closely with DEEP Municipal Facilities Section regarding approvals and change orders. Funds are disbursed on a first-come, first-served basis as project costs are incurred. Under the terms of the loan, the specific amounts disbursed to any borrower will depend upon the actual progress of construction.

Upon project completion, the loan is converted to a long-term obligation, called a Project Loan Obligation (PLO). The borrower is billed according to the terms of the PLO. Generally, all borrowers make monthly repayments. Project audit requirements are subject to the provisions of the State's Single Audit Act (Chapter 55b of the Connecticut General Statutes). DEEP and its staff of engineers assist borrowers through the entire process as each department completes its work.

To comply with IRS and SEC rules, all borrowers are required to sign a Project Tax Questionnaire and a Continuing Disclosure Agreement (CDA). The Project Tax Questionnaire may need to be refiled when bonds are issues and the CDA assists the State in complying with the requirements of the Securities and Exchange Commissions Rule 15c2-12. The CDA agreement requires a borrower to provide certain information and notification of material events in support of the State revenue bond issues.

## APPENDIX XI: SUMMARY OF PROJECT LOAN AND GRANT AGREEMENTS

In accordance with the State's SRF and as required by the Connecticut General Statutes, financial assistance is provided to the borrower pursuant to a project loan and grant funding agreement between the borrower and the State. Under each agreement, the State agrees to make loans and provide grants for eligible project costs as incurred by the borrower, upon the terms and in the maximum amount specified. Funds are disbursed to pay eligible project costs as incurred by the municipality, and the amounts of loan and grant are equal only to the aggregate of such disbursed amounts. Thus, the municipality is obligated to repay only that amount that it actually draws down as loan for the payment of project costs.

Each project loan and grant agreement specifies a scheduled completion date and the amortization of the loan is expected to begin one year from the project's scheduled completion date with the final maturity set at twenty years from the scheduled completion date. Loans are secured by a municipal pledge of full faith and credit and/or a dedicated source of revenue. Principal and interest payments are payable in equal monthly installments, with an option to pay the first year's payments with a single annual installment not later than one year after the scheduled completion date.

Below is a section-by-section summary of a typical project agreement:

<b>SECTION I</b>	Definitions		
<b>SECTION II</b>	The Project: Project Description and Eligible Project Costs		
<b>SECTION III</b>	The Grant: The Project Grant, Increase in Project Grant, Required Repayment of the Grant, and Disbursement of Project Grant		
<b>SECTION IV</b>	The Loan: The Loan Commitment, Increase in Loan Commitment, The Interim Funding Obligations and Project Loan, Disbursement of Project Loan and Project Grant Proceeds, Required Repayment of Obligations, Optional Prepayment of Principal, Method of Payments and New Municipality		
<b>SECTION V</b>	Representations & Warranties: Existence and Power, Authority, No Litigation Pending, Expenditure of Project Grant and Project Loan by Municipality, Validity, and Events of Default.		
<b>SECTION VI</b>	Conditions Precedent: Written Documentation, Evidence of Municipal Action, Opinion of Bond Counsel, Signature and No Litigation Certificate, No Event of Default, Representations and Warranties, Compliance with Federal and State Requirements, and Procedures for Compliance with Davis-Bacon Act		
<b>SECTION VII</b>	Agreements of the Municipality: Design and/or Construction, Municipality to Pay Excess Cost of Project, Inspection of Project By State, Maintenance of Project Records, Maintenance of Existence, Use of Proceeds, Tax Compliance, Nondiscrimination, Executive Orders of the Governor, Insurance Indemnification, Audits, Waiver of Governmental Immunity, Expenses, Completion of Project; Audit, Maintenance of Project, Continuing Disclosure; Official Statement, and MBE/WBE Requirements		
<b>SECTION VIII</b>	Agreements of the State: Loan and Grant, Termination, Notification of Approval, and Audit and Project Grant		
<b>SECTION IX</b>	Defaults: Events of Default and Remedies		
<b>SECTION X</b>	Miscellaneous: Waivers, Notices, Litigation, Connecticut Law, Interpretation, Severability, Survival of Representations, Warranties and Covenants, Successors and Assigns, Incorporation of Other Documents, Amendments, Cancellation, Effective Date, Other Provisions of State Contracts, and Public Records Disclosure		
<b>Exhibit I</b>	Form of Interim Funding Obligation	<b>Exhibit VII</b>	Certification of System of Charges, Assessments and Other Revenues
<b>Exhibit II</b>	Form of Project Loan Obligation	<b>Exhibit VIII</b>	Form of Request for Advance
<b>Exhibit III</b>	Form of Opinion of Bond Counsel	<b>Exhibit IX</b>	Closing Statement
<b>Exhibit IV</b>	Municipality Authorizing Action and Certification	<b>Exhibit X</b>	Conditions Precedent
<b>Exhibit V</b>	Municipal Continuing Disclosure Agreement	<b>Exhibit XI</b>	Insurance Requirements
<b>Exhibit VI</b>	Budget		

## APPENDIX XII: CWF FUNDED PROJECTS

FY 1987-1990 CWF Funded Projects										
Municipality	Project Number	Contract Date	SCD	State Grant Amount	State LIS Grant Amount	Federal Grant Amount *	Non-SRF CWF State Loan NQ	State Match Title VI Amount	Title VI SRF Revenue Loan Amt	Total SRF Project Funding
Manchester	100-C	10/14/87	8/31/90	3,238,332	0	10,203,995	14,300,000	0	0	17,538,332
Suffield	101-C	3/18/88	12/1/89	1,511,595	0	5,572,661	10,837,895	0	0	12,349,490
Bridgeport	109-C	4/26/91	11/1/91	469,205	819,428	3,175,300	1,549,385	0	0	2,838,018
Bridgeport	109-CD1	4/26/91	9/30/93	214,750	0	319,229	492,141	0	0	706,892
Bridgeport	109-CD2	4/26/91	4/30/95	999,091	0	638,050	999,192	0	0	1,998,284
subtotal:				<b>6,432,974</b>	<b>819,428</b>	<b>19,909,235</b>	<b>28,178,613</b>	<b>0</b>	<b>0</b>	<b>35,431,015</b>
Municipality	Project Number	Contract Date	SCD	State Grant Amount	State LIS Grant Amount	Fed Direct Loan Amount	Non-SRF CWF State Loan NQ	State Match Title VI Amount	Title VI SRF Revenue Loan Amt	Total SRF Project Funding
East Lyme	112-C	12/10/87	3/1/90	1,770,446	0	0	0	8,860,816	0	10,631,262
No. Haven	104-C	10/11/88	10/31/91	4,414,816	0	12,481,499	0	0	6,136,141	23,032,455
New Haven	107-C	11/22/88	12/31/89	1,263,158	0	1,200,142	0	0	93,029	2,556,329
Danbury	103-D	11/22/88	5/15/89	473,184	0	2,725,595	0	0	0	3,198,779
East Lyme	175-C	2/3/89	5/31/91	561,745	0	0	100,000	1,092,206	714,897	2,468,848
Plymouth	102-C	4/3/89	6/30/91	2,288,886	0	7,547,568	0	0	3,303,961	13,140,415
Middletown	114-C	4/18/89	6/30/93	2,109,631	0	792,642	0	0	179,795	3,082,068
Stonington	141-C	6/15/89	5/31/90	577,741	0	0	0	1,600,000	922,259	3,100,000
Bridgeport	164-D	8/28/89	5/31/91	215,427	0	0	2,742,955	0	0	2,958,382
Middletown	209-D	9/1/89	10/31/91	312,028	0	0	757,532	0	0	1,069,560
New Haven	108-D	9/28/89	12/1/90	0	332,635	0	919,997	0	0	1,252,632
Ridgefield	110.1-C	12/21/89	9/30/92	172,582	0	0	0	0	733,913	906,495
Ridgefield	110.2-C	3/31/90	9/30/92	1,845,733	0	1,670,825	0	0	7,605,997	11,122,555
East Lyme	176-C	5/10/90	6/30/94	1,239,854	0	0	100,257	0	8,487,938	9,828,049
subtotal:				<b>17,245,232</b>	<b>332,635</b>	<b>26,418,270</b>	<b>4,620,741</b>	<b>11,553,021</b>	<b>28,177,929</b>	<b>88,347,828</b>
<b>TOTAL Funded Projects for FY 1987-90:</b>				<b>23,678,205</b>	<b>1,152,063</b>	<b>26,418,270</b>	<b>32,799,354</b>	<b>11,553,021</b>	<b>28,177,929</b>	<b>123,778,843</b>

\* Federal grant amount not included as SRF funding

FY 1990 - 1991 CWF Funded Projects										
Danbury	103-C	7/20/90	7/30/93	9,527,045	0	0	0	6,567,587	52,600,074	68,694,706
New Haven Pub.	6224-R	11/8/90	N/A	0	30,000	0	0	0	0	30,000
Fairfield Univ.	6222-R	11/8/90	N/A	0	7,048	0	0	0	0	7,048
Guilford Public	6233-R	11/8/90	N/A	0	4,573	0	0	0	0	4,573
Waterbury Public	6240-R	11/9/90	N/A	0	4,992	0	0	0	0	4,992
Cheshire	111.1-C	11/13/90	7/15/90	138,168	0	0	0	567,432	0	705,600
Conn. College	6220-R	11/21/90	N/A	0	51,175	0	0	0	0	51,175
Newington Public	6238-R	11/21/90	N/A	0	5,074	0	0	0	0	5,074
Schooner Inc.	6230-R	12/3/90	N/A	0	50,000	0	0	0	0	50,000
No. Stonington Pub.	6239-R	12/3/90	N/A	0	4,900	0	0	0	0	4,900
Trumbull Public	6235-R	12/6/90	N/A	0	4,806	0	0	0	0	4,806
Norwalk Bd of Ed	6232-R	12/11/90	N/A	0	4,992	0	0	0	0	4,992
Brooklyn	134-D/C	12/14/90	6/30/91	115,336	0	0	0	0	478,367	593,703
Nature Center	6229-R	12/18/90	N/A	0	7,985	0	0	0	0	7,985
Cheshire	111.0-C	12/27/90	7/31/90	2,549,075	0	0	0	0	12,569,081	15,118,156

Municipality	Project Number	Contract Date	SCD	State Grant Amount	State LIS Grant Amount	Fed Direct Loan Amount	Non-SRF CWF State Loan NQ	State Match Title VI Amount	Title VI SRF Revenue Loan Amt	Total SRF Project Funding
Cheshire	111.0-CD1	12/27/90	10/31/94	153,961	0	0	0	0	1,425,949	1,579,910
East Lyme	112-CD1	12/31/90	6/30/91	59,114	0	0	0	373,389	0	432,503
Bridgeport Public	6237-R	1/10/91	N/A	0	5,000	0	0	0	0	5,000
Norwich Free Acad.	6242-R	1/10/91	N/A	0	5,000	0	0	0	0	5,000
Fairfield Univ.	6091-R	1/10/91	N/A	0	2,000	0	0	0	0	2,000
Groton Public	6241-R	1/10/91	N/A	0	5,000	0	0	0	0	5,000
Seymour	121-C	1/28/91	4/30/92	1,890,643	0	0	0	0	10,257,454	12,148,097
Wesleyan Univ.	6223-R	2/13/91	N/A	0	61,663	0	0	0	0	61,663
E. Htfd Bd of Ed	6236-R	2/21/91	N/A	0	4,780	0	0	0	0	4,780
East Lyme Public	6231-R	2/28/91	N/A	0	5,000	0	0	0	0	5,000
Greenwich	115-C	3/25/91	4/1/93	5,195,334	0	0	10,211	0	27,053,620	32,259,166
Middletown	114-CD1	3/27/91	6/30/93	0	0	0	0	0	1,151,932	1,151,932
New Haven	108-C	4/15/91	7/1/92	0	7,767,873	0	0	0	7,935,645	15,703,518
Middletown	209-C	4/26/91	5/31/92	0	908,540	0	0	0	1,027,979	1,936,520
UCONN	6227-R	5/1/91	N/A	0	116,514	0	0	0	0	116,514
UCONN	6228-R	5/1/91	N/A	0	358,208	0	0	0	0	358,208
UCONN	6219-R	5/6/91	N/A	0	44,847	0	0	0	0	44,847
Woodstock Acad.	6234-R	5/6/91	N/A	0	4,975	0	0	0	0	4,975
Sprague	154-D/C	5/13/91	4/30/92	71,857	0	0	0	0	338,504	410,361
Ferry Landing	3008-CO	5/15/91	N/A	0	25,000	0	0	0	0	25,000
Norwalk	5001-CL	5/20/91	N/A	78,750	0	0	0	0	0	78,750
Thomaston	5000	6/3/91	N/A	23,321	0	0	0	0	0	23,321
Stratford	5004-CL	6/3/91	N/A	96,900	0	0	0	0	0	96,900
Hamden	178-P	6/14/91	8/31/92	0	0	0	135,202	0	0	135,202
Ambient Monitoring	7000	6/26/91	N/A	0	197,680	0	0	0	0	197,680
Aquaculture		5/22/91	N/A	0	302,320	0	0	0	0	302,320
			<b>Subtotal:</b>	<b>23,678,205</b>	<b>1,152,063</b>	<b>26,418,270</b>	<b>32,799,354</b>	<b>11,553,021</b>	<b>28,177,929</b>	<b>152,381,877</b>
<b>Total Funded Projects for FY 1990-91</b>				<b>19,899,505</b>	<b>9,989,946</b>	<b>0</b>	<b>145,414</b>	<b>7,508,408</b>	<b>114,838,605</b>	<b>152,381,877</b>

#### FY 1991 - 1992 CWF Funded Projects

New London	5002-CL	7/3/91	N/A	70,000	0	0	0	0	0	70,000
Watertown FD	5003-CL	7/5/91	N/A	6,697	0	0	0	0	0	6,697
Essex	135-P	7/15/91	12/31/91	0	0	0	132,079	0	0	132,079
Willimantic	5009-CL	7/25/91	N/A	27,663	0	0	0	0	0	27,663
Bristol	5008-CL	8/2/91	N/A	51,000	0	0	0	0	0	51,000
Torrington	5011-CL	8/2/91	N/A	36,750	0	0	0	0	0	36,750
Glastonbury	5010-CL	8/2/91	N/A	18,785	0	0	0	0	0	18,785
Meriden	5005-CL	8/12/91	N/A	60,900	0	0	0	0	0	60,900
Leets Island	3004-CO	8/20/91	N/A	0	2,500	0	0	0	0	2,500
Simsbury	5007-CL	9/3/91	N/A	9,750	0	0	0	0	0	9,750
Norwich	5029-CL	9/27/91	N/A	44,625	0	0	0	0	0	44,625
Groton	5015-CL	9/27/91	N/A	35,000	0	0	0	0	0	35,000
Plainfield	5013-CL	9/27/91	N/A	2,727	0	0	0	0	0	2,727

Municipality	Project Number	Contract Date	SCD	State Grant Amount	State LIS Grant Amount	Fed Direct Loan Amount	Non-SRF CWF State Loan NQ	State Match Title VI Amount	Title VI SRF Revenue Loan Amt	Total SRF Project Funding
South Windsor	5024-CL	9/27/91	N/A	25,060	0	0	0	0	0	25,060
Southington	5027-CL	9/27/91	N/A	34,405	0	0	0	0	0	34,405
Shelton	5012-CL	9/27/91	N/A	19,180	0	0	0	0	0	19,180
Derby	5023-CL	9/27/91	N/A	22,780	0	0	0	0	0	22,780
MDC	5021-CL	9/30/91	N/A	379,588	0	0	0	0	0	379,588
West Haven	5016-CL	9/30/91	N/A	111,125	0	0	0	0	0	111,125
Mattabasset	5017-CL	9/30/91	N/A	140,000	0	0	0	0	0	140,000
Fletchers Creek	3007-CO	10/23/91	N/A	0	13,000	0	0	0	0	13,000
Beacon Falls	5019-CL	10/25/91	N/A	4,626	0	0	0	0	0	4,626
East Haddam	173-P	11/1/91	1/31/92	0	0	0	38,591	0	0	38,591
Branford	5020-CL	11/5/91	N/A	110,000	0	0	0	0	0	110,000
Ansonia	5022-CL	11/21/91	N/A	18,375	0	0	0	0	0	18,375
East Hampton	5031-CL	11/27/91	N/A	4,620	0	0	0	0	0	4,620
Enfield	5028-CL	12/13/91	N/A	52,500	0	0	0	0	0	52,500
Bridgeport	5026-CL	12/15/91	N/A	234,209	0	0	0	0	0	234,209
Wallingford	5014-CL	12/27/91	N/A	33,369	0	0	0	0	0	33,369
Quiambug Cove	8012-CO	12/27/91	N/A	0	85,978	0	0	0	0	85,978
Vernon	244-C	12/27/91	11/30/92	159,085	0	0	0	0	649,740	808,825
Stonington	5036-CL	12/27/91	N/A	73,761	0	0	0	0	0	73,761
New Haven Public	6270-R	1/2/92	N/A	0	102,670	0	0	0	0	102,670
UCONN	6262-R	1/8/92	N/A	0	9,000	0	0	0	0	9,000
UCONN	6261-R	1/8/92	N/A	0	21,516	0	0	0	0	21,516
UCONN	6268-R	1/8/92	N/A	0	99,260	0	0	0	0	99,260
Univ of New Haven	6264-R	1/12/92	N/A	0	106,087	0	0	0	0	106,087
New Milford	5032-CL	1/24/92	N/A	5,355	0	0	0	0	0	5,355
Fairfield	5006-CL	1/24/92	N/A	36,944	0	0	0	0	0	36,944
UCONN	6265-R	1/27/92	N/A	0	110,095	0	0	0	0	110,095
UCONN	6267-R	1/27/92	N/A	0	225,555	0	0	0	0	225,555
UCONN	6263-R	1/27/92	N/A	0	131,670	0	0	0	0	131,670
Torrington	162-C	2/10/92	3/31/94	2,741,276	0	0	371,600	0	12,024,879	15,137,755
Milford	5033-CL	2/11/92	N/A	25,810	0	0	0	0	0	25,810
Bridgeport	164-C	2/13/92	1/31/93	422,669	0	0	2,193,820	0	0	2,616,489
Vernon	211-C	2/14/92	5/31/92	38,013	0	0	0	0	199,611	237,623
Waterbury Bd of Ed	6259-R	2/21/92	N/A	0	5,047	0	0	0	0	5,047
East Lyme Public	6256-R	2/21/92	N/A	0	2,992	0	0	0	0	2,992
Vernon	5018-CL	2/28/92	N/A	32,000	0	0	0	0	0	32,000
Riverwatch Network	6260-R	3/4/92	N/A	0	23,500	0	0	0	0	23,500
Reg Planning Assoc	6269-R	3/4/92	N/A	0	49,997	0	0	0	0	49,997
Stamford	5030-CL	3/12/92	N/A	0	0	0	0	0	0	0
New Haven	5037-CL	3/12/92	N/A	280,000	0	0	0	0	0	280,000
Norwalk Mill Pond	8009-CO	3/17/92	N/A	0	53,800	0	0	0	0	53,800
North Branford	138-PDC	3/19/92	9/30/93	1,584,946	0	0	198,035	0	7,029,388	8,812,369
Litchfield	5035-CL	3/31/92	N/A	1,989	0	0	0	0	0	1,989

Municipality	Project Number	Contract Date	SCD	State Grant Amount	State LIS Grant Amount	Fed Direct Loan Amount	Non-SRF CWF State Loan NQ	State Match Title VI Amount	Title VI SRF Revenue Loan Amt	Total SRF Project Funding
Norwalk Bd of Ed	6257-R	3/31/92	N/A	0	5,925	0	0	0	0	5,925
Wesleyan Univ.	6266-R	3/31/92	N/A	0	38,186	0	0	0	0	38,186
Middletown	5034-CL	4/10/92	N/A	70,815	0	0	0	0	0	70,815
Stamford Pub. Sch.	6249-R	4/15/92	N/A	0	5,990	0	0	0	0	5,990
W. Haven Bd of Ed	6255-R	4/24/92	N/A	0	5,980	0	0	0	0	5,980
Interdistrict Comm	6253-R	4/24/92	N/A	0	6,000	0	0	0	0	6,000
Ridgefield Bd of Ed	6254-R	4/28/92	N/A	0	5,342	0	0	0	0	5,342
Hartford Bd of Ed	6252-R	4/28/92	N/A	0	6,000	0	0	0	0	6,000
Newington Bd of Ed	6248-R	5/14/92	N/A	0	228	0	0	0	0	228
East Hampton	247-C	5/21/92	3/31/93	185,273	0	0	0	0	837,030	1,022,302
West Haven	9900-BNR	5/22/92	N/A	0	29,846	0	0	0	0	29,846
Branford	9902-BNR	6/23/92	N/A	0	92,968	0	0	0	0	92,968
Hebron	124-DC	6/30/92	11/30/93	1,606,818	0	5,329,036	153,138	0	2,186,095	9,275,087
<b>TOTAL Funded Projects for FY 1991-92:</b>				<b>8,818,486</b>	<b>1,239,132</b>	<b>5,329,036</b>	<b>3,087,263</b>	<b>0</b>	<b>22,926,743</b>	<b>41,400,660</b>

#### FY 1992 - 1993 CWF Funded Projects

Farmington	159-C	7/2/92	4/30/94	3,380,445	0	0	0	0	18,453,777	21,834,222
Leets Island	3005-CO	7/13/92	N/A	0	8,250	0	0	0	0	8,250
MDC	105-P	7/23/92	6/30/92	315,555	0	0	369,903	0	0	685,458
Corps of Eng.	3001-CO	7/24/92	N/A	0	30,000	0	0	0	0	30,000
New Haven	272-D	7/28/92	1/31/93	98,913	175,892	0	0	0	432,387	707,192
East Lyme	177-C	8/13/92	9/30/94	1,163,170	0	0	20,022	0	578,665	1,761,856
Milford	9905-BNR	8/19/92	N/A	0	25,000	0	0	0	0	25,000
Stratford	9903-BNR	8/19/92	N/A	0	9,750	0	0	0	0	9,750
Hebron	124-CD1	8/31/92	11/30/93	268,719	0	0	39,869	0	1,855,191	2,163,780
New Haven	9904-BNR	9/4/92	N/A	0	86,085	0	0	0	0	86,085
Ashford	284-P	9/11/92	4/30/93	0	0	0	50,000	0	0	50,000
Bridgeport	9907-BNR	9/28/92	N/A	0	52,273	0	0	0	0	52,273
Stamford	9901-BNR	10/5/92	N/A	0	40,000	0	0	0	0	40,000
UCONN	6225-R	10/7/92	N/A	0	225,787	0	0	0	0	225,787
Portland	278-P	10/30/92	3/31/93	0	0	0	237,984	0	0	237,984
Middletown	262-C	10/30/92	2/28/94	0	901,256	0	0	0	1,766,655	2,667,911
W. River Park	8008-CO	10/30/92	N/A	0	24,108	0	0	0	0	24,108
Stamford	117-C	10/30/92	11/30/94	646,162	0	0	0	0	2,731,211	3,377,373
Stafford	282-C	10/30/92	4/30/93	194,659	0	0	0	0	896,560	1,091,218
Middletown	260-C	10/30/92	6/30/94	0	499,794	0	0	0	683,739	1,183,534
Fairfield	9906-BNR	11/9/92	N/A	0	23,500	0	0	0	0	23,500
Westport	9910-BNR	11/17/92	N/A	0	23,500	0	0	0	0	23,500
Mianus River	8003-CO	12/16/92	N/A	0	76,000	0	0	0	0	76,000
Bridgeport	206-D	12/22/92		181,783	0	0	2,810,440	0	0	2,992,223
New Canaan	9909-BNR	1/5/93	N/A	0	27,946	0	0	0	0	27,946
West Haven	166-CD1	1/19/93	7/1/95	1,482,827	0	0	0	0	2,769,461	4,252,288
West Haven	166-C	1/19/93	10/30/93	1,361,970	0	0	0	0	9,213,384	10,575,353

(continued)

Municipality	Project Number	Contract Date	SCD	State Grant Amount	State LIS Grant Amount	Fed Direct Loan Amount	Non-SRF CWF State Loan NQ	State Match Title VI Amount	Title VI SRF Revenue Loan Amt	Total SRF Project Funding
Seymour	146-C	2/23/93	6/30/94	800,379	0	0	0	0	4,714,906	5,515,285
UCONN	6226-R	2/23/93	N/A	0	141,140	0	0	0	0	141,140
Greenwich	9908-BNR	2/25/93	N/A	0	29,724	0	0	0	0	29,724
Waterbury	201-P	3/1/93	8/31/94	0	0	0	0	0	4,007,585	4,007,585
Canton	120-C	3/2/93	6/30/93	392,524	0	0	0	0	2,265,032	2,657,556
Bluff Point	8005-CO	3/3/93	N/A	0	14,700	0	0	0	0	14,700
Suffield	306-C	3/30/93	11/30/93	301,239	0	0	0	0	1,589,472	1,890,711
Suffield	306-C1	3/30/93	11/30/94	108,808	0	0	0	0	610,016	718,824
New Haven	243-C	3/31/93	3/1/94	0	1,032,592	0	0	0	1,054,378	2,086,970
Ferry Landing	3009-CO	4/4/93	N/A	0	307,000	0	0	0	0	307,000
Jewett City	5039-CL	4/7/93	N/A	7,052	0	0	0	0	0	7,052
West Haven	4900-BNR	4/16/93	N/A	0	771,000	0	0	0	0	771,000
Bridgeport	218-C	4/26/93	7/31/96	9,405,545	0	0	34,259,604	0	0	43,665,149
Middletown	114-CD2	4/29/93	6/30/93	0	0	0	70,185	0	177,416	247,601
Meriden	216-C	5/21/93	12/31/93	398,875	0	0	0	0	2,320,480	2,719,355
Vernon	244-CD1	5/28/93		12,968	0	0	0	0	51,873	64,841
Vernon	200-D	5/28/93	9/30/93	0	0	0	0	0	0	0
Wilson Cove	8011-CO	5/28/93	N/A	0	32,450	0	0	0	0	32,450
Middletown	266-C	6/1/93	5/31/94	559,026	0	0	0	0	652,782	1,211,808
Westport	4910-BNR	6/9/93	N/A	0	530,000	0	0	0	0	530,000
New Haven	4904-BNR	6/9/93	N/A	0	4,384,262	0	0	0	0	4,384,262
Middletown	304-C	6/14/93	7/31/93	71,152	0	0	0	0	320,953	392,105
New Haven	108-CD1	6/14/93	10/31/93	458,445	0	0	0	0	529,473	987,918
Norwalk	4911-BNR	6/22/93	N/A	0	1,022,190	0	0	0	0	1,022,190
Norwalk	9911-BNR	6/22/93	N/A	0	29,800	0	0	0	0	29,800
<b>TOTAL Funded Projects for FY 1992-93:</b>				<b>21,610,217</b>	<b>10,523,998</b>	<b>0</b>	<b>37,858,006</b>	<b>0</b>	<b>57,675,395</b>	<b>127,667,616</b>

#### FY 1993 - 1994 CWF Funded Projects

Marsh Road	8004-CO	7/9/93	N/A	0	21,084	0	0	0	0	21,084
Wesleyan Univ.	6310-R	7/9/93	N/A	0	26,739	0	0	0	0	26,739
Milford	4905-BNR	7/19/93	N/A	0	1,436,173	0	0	0	0	1,436,173
Greenwich	115-CD1	7/30/93	5/31/94	1,788,416	0	0	0	0	8,423,535	10,211,951
MDC	285-D	7/30/93	9/30/93	0	372,978	0	0	0	875,983	1,248,960
Branford	275-P/D	7/30/93	6/30/93	29,553	0	0	0	0	284,863	314,416
Middletown	261-C	7/30/93	5/31/95	502,985	0	0	0	0	610,612	1,113,597
Stratford	246-C	8/5/93	2/28/95	770,691	0	0	0	0	3,340,576	4,111,267
New Canaan	185-P	8/16/93	7/30/93	0	0	0	185,063	0	0	185,063
Lighthouse Point	8007-CO	8/20/93	N/A	0	17,346	0	0	0	0	17,346
Stamford	4901-BNR	9/22/93	N/A	0	1,909,000	0	0	0	0	1,909,000
Ridgefield	9912-BNR	9/28/93	N/A	0	10,000	0	0	0	0	10,000
Univ. of New Haven	6317-R	10/26/93	N/A	0	239,006	0	0	0	0	239,006
Wetland Restoration	2001-CO	11/1/93	N/A	0	318,250	0	0	0	0	318,250
Stratford	4903-BNR	11/2/93	N/A	0	773,888	0	0	0	0	773,888

Municipality	Project Number	Contract Date	SCD	State Grant Amount	State LIS Grant Amount	Fed Direct Loan Amount	Non-SRF CWF State Loan NQ	State Match Title VI Amount	Title VI SRF Revenue Loan Amt	Total SRF Project Funding
UCONN	6313-R	11/5/93	N/A	0	49,854	0	0	0	0	49,854
Ridgefield	110-CD1	11/15/93	6/30/94	83,655	0	0	0	0	374,498	458,153
Alewife Cove	8013-CO	11/18/93	N/A	0	40,000	0	0	0	0	40,000
MDC	285-C	11/18/93	10/31/95	2,616,344	10,869,998	0	0	0	15,322,113	28,808,454
UCONN	6314-R	11/22/93	N/A	0	188,224	0	0	0	0	188,224
Univ. of New Haven	6221-R	11/23/93	N/A	0	102,572	0	0	0	0	102,572
Wesleyan Univ.	6316-R	11/29/93	N/A	0	151,803	0	0	0	0	151,803
Watertown FD	312-C	11/30/93	9/30/94	186,377	0	0	0	0	780,112	966,489
East Windsor	302-C	12/2/93	3/31/96	1,474,598	0	0	0	0	10,812,482	12,287,080
Middlebury	303-C	12/30/93	7/31/94	131,748	0	0	0	0	583,971	715,719
Lighthouse Point	8006-CO	1/14/94	N/A	0	9,760	0	0	0	0	9,760
Fairfield	4906-BNR	2/1/94	N/A	0	2,595,500	0	0	0	0	2,595,500
Danbury	305-C	2/14/94	7/30/94	69,588	0	0	0	0	441,322	510,910
Jewett City	179-P	3/15/94	4/30/95	0	0	0	287,437	0	0	287,437
Old Field Creek	3011-CO	3/25/94	N/A	0	27,600	0	0	0	0	27,600
Vernon	200-C	3/31/94	12/31/96	4,811,217	0	0	0	0	27,635,550	32,446,767
UCONN	6322-R	4/21/94	N/A	0	245,570	0	0	0	0	245,570
UCONN	6323-R	5/18/94	N/A	0	61,887	0	0	0	0	61,887
New Haven	272-C	5/18/94	3/31/96	3,204,703	0	0	0	0	3,314,300	6,519,003
Nature Conservancy	6320-R	5/20/94	N/A	0	114,898	0	0	0	0	114,898
Connecticut College	6318-R	5/20/94	N/A	0	76,654	0	0	0	0	76,654
Yale University	6319-R	5/27/94	N/A	0	165,887	0	0	0	0	165,887
MDC	274-C	6/8/94	10/31/95	1,978,564	0	0	0	0	8,915,228	10,893,792
Univ. of New Haven	6321-R	6/10/94	N/A	0	148,642	0	0	0	0	148,642
UCONN	6324-R	6/16/94	N/A	0	52,025	0	0	0	0	52,025
Sasco Brook	8014-CO	6/26/94	N/A	0	8,359	0	0	0	0	8,359
Waterford	151-C	6/27/94	12/31/94	385,359	0	0	1,512,205	0	0	1,897,565
New Milford	143-C	6/29/94	12/30/95	954,614	0	0	350,636	0	4,893,572	6,198,822
Ridgefield	4912-BNR	6/30/94	N/A	0	200,000	0	0	0	0	200,000
<b>TOTAL Funded Projects for FY 1993-94:</b>				<b>18,988,413</b>	<b>20,233,696</b>	<b>0</b>	<b>2,335,342</b>	<b>0</b>	<b>86,608,716</b>	<b>128,166,166</b>

#### FY 1994 - 1995 CWF Funded Projects

Ledyard	119-D	7/1/94	9/1/95	0	0	0	0	0	0	0
Norwalk	190-L	7/13/94	7/1/95	0	0	0	4,550,161	0	0	4,550,161
UCONN	6315-R	7/23/94	N/A	0	208,480	0	0	0	0	208,480
Thomaston	264-C	8/1/94	4/30/96	57,407	0	0	130,000	0	947,413	1,134,820
Fairfield	245-D	8/4/94	10/1/95	81,972	0	0	0	0	334,689	416,661
North Branford	138-CD1	9/30/94	9/30/94	10,619	0	0	0	0	(11,631)	(1,012)
New London	187-C	10/13/94	12/31/95	926,378	0	0	29,000	0	4,589,393	5,544,771
New Haven	333-C	10/21/94	4/30/96	618,750	0	0	0	0	2,474,972	3,093,722
Newtown	113-C	10/31/94	12/31/96	0	0	0	0	0	4,570,000	4,570,000
Newtown	113-C2	10/31/94	10/31/97	3,863,917	0	0	300,000	0	15,828,596	19,992,513
Norwich	106-P/D/C	11/30/94	10/31/96	2,245,242	350,083	0	379,800	0	3,029,773	6,004,897

Municipality	Project Number	Contract Date	SCD	State Grant Amount	State LIS Grant Amount	Fed Direct Loan Amount	Non-SRF CWF State Loan NQ	State Match Title VI Amount	Title VI SRF Revenue Loan Amt	Total SRF Project Funding
David Pond	8002-CO	12/21/94	N/A	0	210,000	0	0	0	0	210,000
UConn	6325-R	2/1/95	N/A	0	245,019	0	0	0	0	245,019
Norwalk	190-P/D	2/14/95	6/30/96	0	0	0	0	0	0	0
Fairfield	355-C	2/15/95	6/30/96	347,755	0	0	0	0	1,574,814	1,922,569
Milford	356-C	2/21/95	1/31/96	32,765	0	0	0	0	148,605	181,370
Fairfield	245-PG	3/3/95	NA	257,974	0	0	0	0	0	257,974
Canaan FD	189-C	3/17/95	5/30/95	30,014	0	0	0	0	121,377	151,391
Middletown	295-C	3/30/95	4/30/97	2,034,229	0	0	0	0	2,073,684	4,107,913
Norwalk	381-D	4/3/95	6/30/96	0	0	0	0	0	0	0
North Branford	380-PG	4/13/95	NA	16,632	0	0	0	0	0	16,632
Hebron	124-CD2	5/3/95	5/30/95	306,202	0	0	0	0	1,133,393	1,439,596
New Haven	243-CD1	5/14/95	12/31/95	0	660,001	0	0	0	666,191	1,326,192
Cheshire Mills Mdw.	3010-CO	5/15/95	N/A	0	23,285	0	0	0	0	23,285
Greenwich	4908-BNR	5/25/95	N/A	0	420,754	0	0	0	0	420,754
New Milford	379-PG	6/1/95	N/A	13,258	0	0	0	0	0	13,258
Branford	358-PG	6/1/95	NA	245,585	0	0	0	0	0	245,585
Bridgeport	208-D	6/21/95	11/30/95	681,136	0	0	0	0	706,147	1,387,282
Seymour	146-CD1	6/29/95	6/30/96	140,406	0	0	0	0	627,428	767,834
Middletown	262-CD1	6/30/95	1/31/96	0	20,514	0	0	0	834,240	854,753
<b>TOTAL Funded Projects for FY 1994-95:</b>				<b>11,910,241</b>	<b>2,138,137</b>	<b>0</b>	<b>5,388,961</b>	<b>0</b>	<b>39,649,082</b>	<b>59,086,420</b>

<b>FY 1995 - 1996 CWF Funded Projects</b>										
Wetland Restoration	3012-CO	7/15/95	N/A	0	308,000	0	0	0	0	308,000
Redding	131-C	8/7/95	4/1/96	296,327	0	0	0	0	1,293,905	1,590,232
Waterbury	201-D	8/10/95	7/31/96	1,505,257	0	0	0	0	6,447,616	7,952,873
Groton	386-PG	8/24/95	6/30/96	128,651	0	0	0	0	0	128,651
Middletown	363-C	8/25/95	10/31/97	1,656,654	0	0	79,626	0	1,751,985	3,488,265
UConn	6326-R	8/28/95	N/A	0	249,901	0	0	0	0	249,901
Norwalk	301-C	8/31/95	12/31/96	426,521	0	0	0	0	1,934,212	2,360,733
MDC	270-C	8/31/95	12/30/96	6,036,844	0	0	0	0	6,690,902	12,727,747
Thompson	389-PG	9/9/95	NA	29,774	0	0	0	0	0	29,774
Berlin	391-PG	9/25/95	N/A	27,500	0	0	0	0	0	27,500
UConn	6329-R	9/25/95	N/A	0	106,314	0	0	0	0	106,314
Cheshire Sybil Crk.	3002-CO	9/28/95	N/A	0	83,500	0	0	0	0	83,500
East Haddam	173-D/C	10/10/95	11/30/97	297,377	0	0	90,000	0	1,471,364	1,858,741
New Canaan	185-D	10/13/95	NA	0	0	0	0	0	0	0
Wesleyan Univ.	6327-R	11/9/95	N/A	0	59,074	0	0	0	0	59,074
Middletown	261-CD1	11/15/95	3/31/97	1,193,190	0	0	0	0	1,205,526	2,398,716
UConn	6330-R	11/21/95	N/A	0	138,814	0	0	0	0	138,814
UConn	6331-R	11/21/95	N/A	0	38,193	0	0	0	0	38,193
West Haven	167-D	12/15/95	4/30/96	0	0	0	293,596	0	0	293,596
East Windsor	380005-RI	1/4/96	N/A	30,000	0	0	0	0	0	30,000
UConn	6032-R	2/1/96	N/A	0	101,060	0	0	0	0	101,060

Municipality	Project Number	Contract Date	SCD	State Grant Amount	State LIS Grant Amount	Fed Direct Loan Amount	Non-SRF CWF State Loan NQ	State Match Title VI Amount	Title VI SRF Revenue Loan Amt	Total SRF Project Funding
MDC	383-PG	2/23/96	12/31/96	91,462	0	0	0	0	0	91,462
Stratford	246-CD1		6/30/96	148,489	0	0	0	0	615,122	763,612
Burlington	321-C	3/29/96	6/30/97	385,076	0	0	0	0	1,631,817	2,016,893
Woodstock	277-C	3/29/96	3/1/97	369,510	0	0	0	0	1,580,232	1,949,742
Bridgeport	208-C	3/6/96	5/31/97	3,789,833	0	0	78,931	0	3,810,902	7,679,665
Naugatuck	184-CI/I	4/22/96	4/30/98	48,926	0	0	0	0	480,131	529,056
Naugatuck	184-CTP	4/22/96	4/30/98	210,550	0	0	0	0	1,197,223	1,407,773
Norwalk Mill Pond	8010-CO	4/25/96	N/A	0	350,000	0	0	0	0	350,000
Ledyard	119-D/C	5/1/96	1/1/98	695,679	0	0	0	0	2,911,665	3,607,344
East Hartford	380010-RI	4/15/96	N/A	10,000	0	0	0	0	0	10,000
West Haven	167-C	4/26/96	10/31/97	714,361	0	0	0	0	4,858,956	5,573,317
David Pond	8001-CO	5/17/96	N/A	0	17,179	0	0	0	0	17,179
New Haven	380001-RI	5/9/96	N/A	24,000	0	0	0	0	0	24,000
East Haven	308-C	5/24/96	8/1/96	55,067	0	0	0	0	238,575	293,642
New Haven	350-D	5/29/96	7/31/97	592,747	0	0	0	0	1,141,173	1,733,920
Windham	380008-RI	6/18/96	N/A	134,943	0	0	0	0	0	134,943
<b>TOTAL Funded Projects for FY 1995-96:</b>				<b>18,898,736</b>	<b>1,452,035</b>	<b>0</b>	<b>542,153</b>	<b>0</b>	<b>39,261,306</b>	<b>60,154,230</b>

#### FY 1996 - 1997 CWF Funded Projects

Stamford	375-C	7/26/96	1/31/97	204,484	0	0	0	0	864,280	1,068,764
ACOE Bride Brook	3003-CO	8/14/96	N/A	0	61,000	0	0	0	0	61,000
Leets Island Design	3006-CO	8/28/96	N/A	0	20,525	0	0	0	0	20,525
Danbury	380002-RI	9/12/96	N/A	21,500	0	0	0	0	0	21,500
Norwalk	190-D/C	9/25/96	9/30/99	7,279,799	0	0	548,667	0	40,745,455	48,573,921
DEP	380011-RI	10/21/96	N/A	19,900	0	0	0	0	0	19,900
Bridgeport	372-C	10/31/96	12/31/98	2,414,630	0	0	0	0	3,211,547	5,626,178
Bridgeport	372-CD1	12/1/99	1/31/01	1,433,038	0	0	0	0	1,858,034	3,291,072
Wesleyan Univ.	6328-R	10/31/96	N/A	0	107,263	0	0	0	0	107,263
Litchfield	396-PDC	11/14/96	1/31/97	314,150	0	0	0	0	900,340	1,214,490
Jewett City	443-D	11/26/96	8/31/97	13,194	0	0	0	0	80,095	93,289
Derby	367-PG	11/26/96	12/31/96	53,900	0	0	0	0	0	53,900
Stonington	196-D/C	11/27/96	8/31/97	381,104	0	0	0	0	1,563,520	1,944,624
Fairfield	399-PG	12/6/96	12/31/96	136,620	0	0	0	0	0	136,620
New London	187-CD1	12/18/96	6/30/99	321,915	0	0	0	0	1,306,151	1,628,066
Ansonia	311-PG	12/20/96	4/30/97	172,810	0	0	0	0	0	172,810
Stamford	414-PG	12/20/96	N/A	264,019	0	0	0	0	0	264,019
Brgpt East Side Stp	206-C/C1	1/22/97	7/31/00	12,500,440	0	0	0	0	32,033,046	44,533,486
Bridgeport	416-PG	2/11/97		395,582	0	0	0	0	0	395,582
New Haven	272-CD1	3/19/97	9/30/98	0	0	0	0	0	0	0
Norwich	298-C	3/24/97	6/30/99	1,335,070	0	0	0	0	1,507,962	2,843,032
North Canaan	380007-RI	3/25/97	N/A	28,733	0	0	0	0	0	28,733
New Canaan	185-D/C		5/31/99	2,639,354	0	0	0	0	12,440,686	15,080,040
Waterbury	201-C	5/30/97	7/31/00	26,743,551	1,968,510	0	200,000	0	80,363,282	109,275,343

Municipality	Project Number	Contract Date	SCD	State Grant Amount	State LIS Grant Amount	Fed Direct Loan Amount	Non-SRF CWF State Loan NQ	State Match Title VI Amount	Title VI SRF Revenue Loan Amt	Total SRF Project Funding
Darien	407-PG	6/6/97		90,750	0	0	0	0	0	90,750
<b>TOTAL Funded Projects for FY 1996-97:</b>				<b>56,764,543</b>	<b>2,157,298</b>	<b>0</b>	<b>748,667</b>	<b>0</b>	<b>176,874,399</b>	<b>236,544,907</b>

<b>FY 1997 - 1998 CWF Funded Projects</b>										
Westbrook-Mid Bch	8015-CO	9/3/97	N/A	0	65,275	0	0	0	0	65,275
Middletown	371-C	10/28/97	10/31/01	3,393,752	0	0	0	0	3,525,940	6,919,692
Branford	358-D	12/30/97	9/30/98	192,515	0	0	0	0	1,270,151	1,462,666
West Haven	425-PG	12/31/97	11/30/97	35,310	0	0	0	0	0	35,310
Stratford	246-CD2	12/31/97	12/31/97	139,556	0	0	0	0	572,273	711,829
Plainfield	417-PG	1/12/98	10/1/98	164,340	0	0	0	0	0	164,340
Westbrook	128-PG	1/15/98		154,000	0	0	0	0	0	154,000
Meriden	388-C	1/26/98	12/31/97	126,753	0	0	0	0	571,353	698,105
New Britain	400-PG	2/25/98	11/30/98	510,389	0	0	0	0	0	510,389
Meriden	388-PG	2/26/98		30,878	0	0	0	0	0	30,878
New Haven	272-CD2	3/20/98	9/30/98	2,131,993	0	0	0	0	2,225,629	4,357,622
MDC	361-C	4/15/98	12/31/99	2,557,675	0	0	10,100	0	2,624,979	5,192,754
Litchfield	181-C	5/19/98	7/31/98	127,697	0	0	78,560	0	491,867	698,124
West Haven	347-C	5/29/98	11/30/99	381,053	0	0	0	0	1,618,947	2,000,000
Ansonia	311-PG1	6/12/98	11/9/99	223,740	0	0	0	0	0	223,740
Burlington	321-CD1	6/30/98	10/31/99	120,635	0	0	0	0	518,460	639,096
DEP	380011-C	6/30/98	N/A	56,575	0	0	0	0	0	56,575
<b>TOTAL Funded Projects for FY 1997-98:</b>				<b>10,346,862</b>	<b>65,275</b>	<b>0</b>	<b>88,660</b>	<b>0</b>	<b>13,419,598</b>	<b>23,920,395</b>

<b>FY 1998 - 1999 CWF Funded Projects</b>										
Fairfield	245-C	7/9/98	7/1/98	150,708	0	0	0	0	830,224	980,932
DEP*	380011-C	7/16/98	N/A	56,575	0	0	0	0	0	56,575
Woodstock	413-PG	7/17/98	N/A	16,928	0	0	0	0	0	16,928
Oxford	423-PG		N/A	37,604	0	0	0	0	0	37,604
Putnam*	380006-C	7/27/98	N/A	100,000	0	0	0	0	0	100,000
Stonington	196-CD1	8/27/98	12/31/99	258,096	0	0	0	0	1,148,280	1,406,376
Fairfield	399-D	8/28/98	7/1/98	266,437	0	0	0	0	2,280,106	2,546,543
Thomaston	197-C	8/31/98	3/31/01	1,722,430	0	0	0	0	9,091,656	10,814,086
Middlefield	182-C	8/31/98	11/30/00	373,388	0	0	0	0	3,271,712	3,645,100
Danbury*	380002-C	9/21/98	N/A	62,580	0	0	0	0	0	62,580
Naugatuck	184-CD1	5/14/99	9/1/99	135,528	0	0	0	0	566,969	702,496
New London	390-C	9/30/98	3/31/99	384,859	0	0	0	0	1,615,141	2,000,000
Simsbury	392-PG	12/14/98	1/1/99	68,557	0	0	0	0	0	68,557
New Haven	431-PG	11/13/98	12/31/99	1,177,000	0	0	0	0	0	1,177,000
West Haven	348-C	11/24/98	11/30/00	0	0	0	0	0	4,407,222	4,407,222
Darien	407-C	1/26/99	12/1/00	216,403	0	0	0	0	894,671	1,111,075
Norwalk	397-C	1/26/99	1/31/99	159,259	0	0	0	0	673,270	832,529
MDC	319-C	2/16/99	12/31/98	419,975	0	0	0	0	1,691,005	2,110,980
Old Saybrook	116-PG	3/22/99	3/31/99	204,146	0	0	0	0	0	204,146

Municipality	Project Number	Contract Date	SCD	State Grant Amount	State LIS Grant Amount	Fed Direct Loan Amount	Non-SRF CWF State Loan NQ	State Match Title VI Amount	Title VI SRF Revenue Loan Amt	Total SRF Project Funding
West Haven	444-C	2/16/99	9/30/00	397,000	0	0	0	0	1,603,000	2,000,000
Enfield	403-C	5/7/99	8/30/00	360,229	0	0	0	0	0	360,229
Fairfield	399-C	5/14/99	7/30/02	8,537,526	0	0	0	0	29,436,399	37,973,925
Manchester*	380016-C	12/21/98	6/30/99	100,000	0	0	0	0	0	100,000
MDC	383-C	3/10/99	6/30/99	1,009,706	0	0	0	0	4,241,334	5,251,040
<b>TOTAL Funded Projects for FY 1998-99:</b>				<b>16,214,934</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>61,750,989</b>	<b>77,965,923</b>

\* River Projects

FY 1999 - 2000 CWF Funded Projects										
Derby	367-C	7/6/99	2/26/00	674,613	0	0	0	0	2,347,440	3,022,053
New Haven	350-C	7/28/99	9/30/02	3,092,371	0	0	0	0	3,364,745	6,457,116
Waterbury	344-C	8/31/99	4/30/02	9,721,551	0	0	750,000	0	10,797,353	21,268,904
Bristol	415-PG	10/29/99	DONE	522,500	0	0	0	0	0	522,500
Wethersfield*	380009-C	8/31/99		17,100	0	0	0	0	0	17,100
Stamford	414-D	1/25/00	6/30/00	381,812	0	0	0	0	3,574,208	3,956,020
Wolcott	398-PG	4/17/00	DONE	25,864	0	0	0	0	0	25,864
Southington	9913-BNR	5/18/00		0	67,600	0	0	0	0	67,600
Wallingford	479-BNR	2/24/00		0	55,900	0	0	0	0	55,900
North Haven	9914-BNR	4/17/00		0	25,000	0	0	0	0	25,000
Bridgeport	4907-BNR	1/28/00		0	276,842	0	0	0	0	276,842
Branford	358-C	5/18/00	9/30/02	3,615,925	0	0	0	0	20,929,997	24,545,922
Portland	340-C	5/31/00	1/31/01	723,351	143,436	0	0	0	4,031,639	4,898,427
<b>TOTAL Funded Projects for FY 1999-2000:</b>				<b>18,775,087</b>	<b>568,778</b>	<b>0</b>	<b>750,000</b>	<b>0</b>	<b>45,045,382</b>	<b>65,139,248</b>

FY 2000 - 2001 CWF Funded Projects										
Cheshire	915-BNR	9/27/00	3/31/01	0	51,500	0	0	0	0	51,500
Glastonbury	454-PG	10/5/00	12/31/00	90,163	0	0	0	0	0	90,163
Plainfield	417-PG1	10/13/00	3/31/01	135,075	0	0	0	0	0	135,075
Suffield	478-PG	10/13/00	9/30/01	190,088	0	0	0	0	0	190,088
Greenwich	430-C	10/31/00	10/31/99	172,169	0	0	0	0	708,676	880,845
Plymouth	458-PG	11/7/00	10/31/00	13,750	0	0	0	0	0	13,750
Ansonia	311-PG2	11/7/00	3/1/01	64,968	0	0	0	0	0	64,968
Coventry	461-PG	11/7/00	4/30/01	58,300	0	0	0	0	0	58,300
Stratford	366-PG	11/15/00	3/31/01	199,878	0	0	0	0	0	199,878
New London	455-PDC	9/22/00	8/30/01	701,767	0	0	0	0	2,014,170	2,715,937
Bridgeport	283-PG	12/13/00	11/30/00	0	483,945	0	0	0	0	483,945
Woodbridge	434-PG	12/7/00	10/31/00	43,022	0	0	0	0	0	43,022
Norwalk	190CD1	12/15/00	12/31/01	0	0	0	0	0	0	0
MDC	405-C	12/14/00	12/31/01	1,983,762	0	0	0	0	8,163,200	10,146,962
MDC	267-C	12/14/00	9/30/02	1,235,143	0	0	0	0	5,213,046	6,448,189
Southbury	477-PG	12/13/00	12/1/01	0	126,557	0	0	0	0	126,557
New Milford	292-PG	12/21/00	6/30/01	0	106,843	0	0	0	0	106,843
Woodbridge	434-C	12/20/00	1/31/01	69,039	0	0	0	0	312,272	381,311

Municipality	Project Number	Contract Date	SCD	State Grant Amount	State LIS Grant Amount	Fed Direct Loan Amount	Non-SRF CWF State Loan NQ	State Match Title VI Amount	Title VI SRF Revenue Loan Amt	Total SRF Project Funding
New Haven	463-C	11/10/00	1/31/04	0	0	0	0	0	0	0
West Haven	346-C	6/30/03	12/31/02	188,397	0	0	0	0	801,945	990,341
Shelton	411-PG	9/28/00	N/A	220,689	0	0	0	0	0	220,689
Stonington	456-PG	1/26/01	6/1/02	0	277,302	0	0	0	0	277,302
Plainville	432-PG	2/22/01	3/1/01	48,889	0	0	0	0	0	48,889
Litchfield	499-D	1/26/01	3/31/01	0	0	0	0	0	0	0
Norwich	349-C	2/7/01	12/31/01	840,756	0	0	0	0	880,594	1,721,350
Waterbury	201-CD1	12/31/00	12/31/02	2,202,111	0	0	0	0	1,137,959	3,340,070
New London	390-CD1	2/27/01	12/31/00	165,215	0	0	0	0	700,861	866,076
Groton	386-PG1	3/7/01		96,062	0	0	0	0	0	96,062
West Haven	348-C1	2/28/01	12/30/03	1,264,589	0	0	0	0	1,728,831	2,993,419
Bristol	464-PG	4/10/01	4/1/02	0	223,795	0	0	0	0	223,795
South Windsor	459-PDC	4/12/01	7/1/01	209,110	0	0	0	0	800,000	1,009,110
Cheshire	394-PG	5/23/01		104,082	0	0	0	0	0	104,082
Norwalk	190-L1	4/24/01	7/1/01	0	0	0	4,930,815	0	0	4,930,815
Bristol	498-DC	6/20/01	6/30/01	339,830	0	0	0	0	1,483,380	1,823,210
Bristol	415-DC	11/27/00	6/30/01	346,894	0	0	0	0	1,409,533	1,756,427
Bridgeport	409-D	4/3/01	4/30/03	581,711	0	0	0	0	611,285	1,192,996
<b>TOTAL Funded Projects for FY 2000-01:</b>				<b>11,565,458</b>	<b>1,269,942</b>	<b>0</b>	<b>4,930,815</b>	<b>0</b>	<b>25,965,751</b>	<b>43,731,966</b>

<b>FY 2001 - 2002 CWF Funded Projects</b>										
Municipality	Project Number	Contract Date	SCD	State Grant Amount	State LIS Grant Amount	Fed Direct Loan Amount	Non-SRF CWF State Loan NQ	State Match Title VI Amount	Title VI SRF Revenue Loan Amt	Total SRF Project Funding
Berlin	391-PG1	7/11/01	3/31/99	33,550	0	0	0	0	0	33,550
Point O' Woods	501-PG	7/5/01	9/30/01	70,226	0	0	0	0	0	70,226
East Hampton	480-C	7/26/01	12/31/01	201,571	0	0	0	0	503,694	705,266
New Haven	463-C1	7/17/01	1/31/04	10,073,288	0	0	0	0	11,236,716	21,310,004
Waterbury	351-C	8/24/01	4/30/03	1,057,560	0	0	0	0	2,953,070	4,010,630
MDC	494-C	10/30/01	12/31/02	1,968,392	0	0	0	0	2,168,792	4,137,184
Stamford	414-C	12/21/01	8/31/05	8,035,157	15,626,407	0	0	0	73,561,481	97,223,045
New Britain	400-DC	1/11/02	1/31/03	578,186	0	0	0	0	2,317,896	2,896,082
Middletown	487-PG	2/15/02	2/28/03	0	54,175	0	0	0	0	54,175
Bridgeport	372-CD2	3/11/02	3/31/03	1,186,484	0	0	0	0	649,570	1,836,054
Litchfield	499-C	3/28/02	7/31/03	1,076,058	0	0	0	0	4,595,198	5,671,256
Greenwich	364-C	1/15/02	12/31/03	1,578,306	0	0	0	0	8,671,620	10,249,926
MDC-Weth. Cove	451-C	4/15/02	6/30/04	3,959,893	0	0	0	0	3,987,010	7,946,903
Milford	502-PG	3/13/02	8/1/02	0	311,850	0	0	0	0	311,850
Ledyard	505-PG	5/3/02	5/1/02	0	36,438	0	0	0	0	36,438
Sharon	506-PG	5/20/02	4/30/03	0	77,550	0	0	0	0	77,550
Farmington	440-PG	4/11/02	7/1/02	0	48,886	0	0	0	0	48,886
South Windsor	503-PG	4/1/02	8/1/02	0	132,000	0	0	0	0	132,000
Naugatuck	555-PG	6/20/02	5/31/02	0	26,950	0	0	0	0	26,950
Portland	340-C1	NO IFO	12/31/02	206,813	0	0	0	0	0	206,813
Bristol	504-C	6/30/03	12/31/02	358,357	0	0	0	0	1,488,101	1,846,458
<b>TOTAL Funded Projects for FY 2001-02:</b>				<b>30,383,843</b>	<b>16,314,256</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>112,133,147</b>	<b>158,831,245</b>

FY 2002 - 2003 CWF Funded Projects										
Municipality	Project Number	Contract Date	SCD	State Grant Amount	State LIS Grant Amount	Fed Direct Loan Amount	Non-SRF CWF State Loan NQ	Title VI SRF Rev Loan Amt	LISRA Title VI Fed Grant Amt *	Total SRF Project Funding
Windsor Locks**	436-PDC	11/26/02	5/31/02	635,136	0	0	0	1,715,669		2,350,805
Stafford**	558-PG	10/28/02	9/30/02	0	44,000	0	0	0		44,000
Salisbury	193-PDC	NA	7/1/02	57,251	0	0	0	0		57,251
Bridgeport**	416-C	7/31/02	7/23/03	1,376,309	0	0	0	3,384,911		4,761,220
Plainfield	417-C	1/17/03	11/30/03	355,224	0	0	0	1,606,152		1,961,376
Bristol	562-C	2/20/03	11/30/03	165,015	0	0	0	693,527		858,542
New Britain	488-C	2/24/03	5/30/04	681,388	0	0	0	2,695,515		3,376,903
Farmington	517-PG	NA	1/31/03	0	28,125	0	0	0		28,125
Middletown	362-C	4/24/03	6/30/05	1,224,506	0	0	0	1,574,008		2,798,514
Killingly**	524-PG	NA	8/1/04	0	96,355	0	0	0	96,335	96,355
Plainville**	542-PG	NA	4/1/03	0	110,500	0	0	0	77,500	110,500
<b>TOTAL Funded Projects for FY 2002-03:</b>				<b>4,494,830</b>	<b>278,980</b>	<b>0</b>	<b>0</b>	<b>11,669,782</b>	<b>173,835</b>	<b>16,443,591</b>

\* LISRA Federal Grants eff FY 2003 \*\* Nitrogen Removal Projects

FY 2003 - 2004 CWF Funded Projects										
MDC	508-PG	7/18/03	6/30/03	0	149,348	0	0	0	128,906	149,348
New Hartford	560PG	7/24/03	9/30/03	45,161	0	0	0	0	0	45,161
Ansonia	554-PG	7/30/03	7/1/04	0	198,925	0	0	0	120,000	198,925
Torrington	546-PG	7/30/03	7/1/04	0	101,172	0	0	0	101,172	101,172
Meriden	382-PG	7/30/03	8/1/03	0	253,562	0	0	0	82,997	253,562
Windham	551-PG	7/30/03	3/31/04	0	169,063	0	0	0	85,525	169,063
New Haven	563-DC	8/15/03	8/31/05	0	0	0	0	0	0	0
Putnam	449-PG	9/2/03	4/1/04	0	59,955	0	0	0	59,955	59,955
West Haven	549-PG	9/2/03	12/31/03	0	303,268	0	0	0	239,260	303,268
Norwich	448-PG	12/3/03	7/1/04	0	117,821	0	0	0	117,821	117,821
Winchester	553-PG	10/30/03	7/1/04	0	23,250	0	0	0	23,250	23,250
Stafford	194-PG	11/18/03	10/1/04	0	57,410	0	0	0	57,410	57,410
Plainfield	191-PG	12/22/03	11/1/04	0	24,500	0	0	0	24,500	24,500
Abbey/R. Laudis*	380024-C	12/22/03		50,000	0	0	0	0	0	50,000
West Haven	346-CD1	12/10/03	6/30/04	0	0	0	0	0	0	0
West Haven	348-CD1	12/30/04	3/31/06	415,101	0	0	0	617,707	0	1,032,809
Norwalk	190-CD1	12/30/03	6/30/04	1,581,833	0	0	0	1,830,187	0	3,412,020
Sprague	564-PG	1/6/04	8/1/04	0	36,572	0	0	0	36,572	36,572
Norfolk Sewer Dist.	565-PG	3/22/04	3/1/05	88,135	0	0	0	0	0	88,135
Woodridge Lake SD	519-PG	3/22/04	7/31/04	0	94,302	0	0	0	0	94,302
Coventry	461-DC	12/22/02	6/30/07	1,598,359	0	0	0	6,263,437	0	7,861,795
Danbury	515-PG	4/16/04	2/1/05	23,100	0	0	0	0	0	23,100
Manchester*	380017-1	4/16/04		60,738	0	0	0	0	0	60,738
Bridgeport	559-C	12/22/03	6/30/05	308,829	0	0	0	1,260,316	0	1,569,145
<b>TOTAL Funded Projects for FY 2003-04:</b>				<b>4,171,256</b>	<b>1,589,148</b>	<b>0</b>	<b>0</b>	<b>9,971,647</b>	<b>1,077,368</b>	<b>15,732,051</b>

\* River Projects

FY 2004 - 2005 CWF Funded Projects										
Municipality	Project Number	Contract Date	SCD	State Grant Amount	State LIS Grant Amount	Fed Direct Loan Amount	Non-SRF CWF State Loan NQ	Title VI SRF Rev Loan Amt	LISRA Title VI Fed Grant Amt	Total SRF Project Funding
New Haven	509-PG	7/12/04	7/1/04	0	79,500	0	0	0	79,500	79,500
Waterbury	351-CD1	8/19/04	5/31/05	366,279	0	0	0	1,340,977	0	1,707,256
Mattabassett Dist	567-PG	9/2/04	3/1/05	0	259,472	0	0	0	259,472	259,472
Deep River	500-C	7/30/04	4/30/06	1,125,000	0	0	0	3,375,000	0	4,500,000
Stratford	366-D	9/2/04	6/30/05	0	416,418	0	0	1,297,068	1,713,486	1,713,486
South Windsor	109-CSL	9/23/04	5/31/05	0	0	0	0	402,727	0	402,727
Bridgeport	409-C	9/10/04	7/31/06	1,886,749	0	0	0	1,911,749	0	3,798,498
Waterbury	201-CD2	10/28/04	7/31/07	2,022,647	0	0	0	3,438,594	0	5,461,241
New Haven	563-C1	11/2/04	8/31/05	8,861,758	0	0	0	8,961,758	0	17,823,515
East Hampton	556-PG	12/16/04	2/1/05	77,880	0	0	0	0	0	77,880
West Haven	346-CD2	12/30/04	11/30/06	208,603	0	0	0	801,055	0	1,009,659
Milford	502-D	1/31/05	9/30/05	803,475	0	0	0	2,561,525	0	3,365,000
New Haven	463-CD1	1/31/05	11/30/05	1,924,277	0	0	0	957,546	0	2,881,823
Simsbury	392-C	2/10/05	9/30/07	6,788,572	0	0	0	20,051,511	0	26,840,083
Jewett City	443-C	4/21/05	3/31/05	3,134,900	0	0	0	11,702,090	0	14,836,990
Windsor Locks	393-PG	5/13/05	6/1/06	191,600	0	0	0	0	150,590	191,600
Thompson	570-PG	5/13/05	3/31/06	54,781	0	0	0	0	54,781	54,781
West Haven	549-PG1	4/29/05	12/31/05	9,425	0	0	0	0	0	9,425
Stafford	194-PG1	5/13/05	12/31/05	9,750	0	0	0	0	9,750	9,750
Norwich	448-PG1	6/27/05	12/31/05	101,092	0	0	0	0	0	101,092
Sprague	564-PG1	4/29/05	12/31/05	51,891	0	0	0	0	0	51,891
<b>TOTAL Funded Projects for FY 2004-05:</b>				<b>27,618,679</b>	<b>755,390</b>	<b>0</b>	<b>0</b>	<b>56,801,600</b>	<b>2,267,579</b>	<b>85,175,669</b>

FY 2005 - 2006 CWF Funded Projects										
Cheshire	481-C	7/7/05	3/31/07	2,223,561	0	0	0	5,226,439	0	7,450,000
Ansonia	311-C	7/13/05	9/30/06	913,668	0	0	0	5,319,961	0	6,233,629
Plainville	542-D	7/18/05	3/31/06	219,648	0	0	0	733,677	953,325	953,325
Westport	550-C	7/19/05	9/1/08	8,214,369	0	0	0	29,308,869	0	37,523,238
Marlborough	210-D	7/13/05	1/31/06	241,664	0	0	0	972,991	0	1,214,655
Old Saybrook	116-PG1	8/1/05	12/31/06	132,931	0	0	0	0	0	132,931
Wallingford	479-C	8/11/05	8/1/05	868,297	0	0	0	2,187,092	0	3,055,389
Windham	551-D	9/29/05	1/31/07	199,854	0	0	0	789,646	989,500	989,500
Branford	138-CSL	1/18/06	2/1/07	0	0	0	0	7,442,287	0	7,442,287
Bridgeport	572-C	1/31/06	1/31/06	154,092	0	0	0	624,067	0	778,159
Meriden	382-D	2/1/06	10/1/06	229,314	0	0	0	760,420	989,734	989,734
South Windsor	135-CSL	2/1/06	7/1/06	0	0	0	0	1,569,370	0	1,569,370
Orange	437-PG	2/23/06	8/1/05	11,550	0	0	0	0	0	11,550
Manchester	526-C	2/23/06	5/1/06	237,612	0	0	0	0	0	237,612
Milford	111-CSL	2/28/06	1/31/07	0	0	0	0	2,050,307	0	2,050,307
Stratford	105-CSL	3/9/06	1/31/07	0	0	0	0	1,964,400	0	1,964,400
North Haven	489-C	4/20/06	4/30/06	355,818	0	0	0	889,772	0	1,245,589

Municipality	Project Number	Contract Date	SCD	State Grant Amount	State LIS Grant Amount	Fed Direct Loan Amount	Non-SRF CWF State Loan NQ	Title VI SRF Rev Loan Amt	LISRA Title VI Fed Grant Amt	Total SRF Project Funding
Bristol	464-C	4/20/06	3/31/06	201,525	0	0	0	470,225	29,250	671,750
Shelton	165-C	4/27/06	8/31/08	4,664,341	0	0	0	16,907,636	0	21,571,976
New Britain	583-C	4/28/06	1/31/07	290,084	0	0	0	1,491,011	0	1,781,095
Killingly	524-PG1	5/3/06	6/30/06	84,440	0	0	0	0	0	84,440
Cheshire	112-CSL	5/22/06	3/31/07	0	0	0	0	1,568,900	0	1,568,900
Winchester	553-C	6/19/06	1/31/07	294,086	0	0	0	714,802	0	1,008,888
MDC	578-C	6/29/06	6/30/07	5,975,902	0	0	0	6,126,413	0	12,102,315
MDC	142-CSL	6/29/06	2/29/08	0	0	0	0	6,200,000	0	6,200,000
Bridgeport *	559-C	12/22/03	6/30/05	(3,979)	0	0	0	(24,126)	0	(28,104)
Waterbury**	351-CD1	8/19/04	5/31/05	(77,284)	0	0	0	(797,154)	0	(874,438)
Jewett City**	443-C	4/21/05	3/31/05	0	0	0	0	(3,530,084)	0	(3,530,084)
<b>TOTAL Funded Projects for FY 2005-06:</b>				<b>25,431,494</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>88,966,920</b>	<b>2,961,809</b>	<b>114,398,414</b>

\* FY 03-04 project \*\* FY 04-05 project

#### FY 2006 - 2007 CWF Funded Projects

Bridgeport	102-CSL	7/12/06	2/28/09		0	0	0	4,973,000		4,973,000
Suffield	478-C	7/27/06	9/30/07	1,246,975	0	0	0	0		1,246,975
MDC Hartford	160-C	9/5/06	6/30/07	4,341,442	0	0	0	4,577,758		8,919,200
Milford	532-C	10/23/06	5/31/09	4,081,296	0	0	0	15,926,704		20,008,000
Burlington	513-C	9/28/06	8/31/07	716,250	0	0	0	2,183,750		2,900,000
Bridgeport	575-C	9/29/06	3/31/08	2,321,469	0	0	0	3,038,719		5,360,187
Beacon Falls	591-C	10/26/06	9/30/06	83,389	0	0	0	343,556		426,945
Stratford	366-C	9/28/06	6/30/09	8,146,418	0	0	0	24,487,068	1,713,486	32,633,486
Ansonia	554-D	11/13/06	4/1/08	263,216	0	0	0	988,682	1,251,898	1,251,898
Naugatuck	175-CSL	12/15/06	6/30/07		0	0	0	472,000		472,000
Shelton	104-CSL	1/25/07	11/30/07		0	0	0	2,590,293		2,590,293
Point-O-Woods	501D	1/12/07	7/1/08	167,616	0	0	0	708,324		875,940
Branford	139-CSL	3/22/07	12/1/07		0	0	0	2,520,000		2,520,000
Gr New Hvn. WPCA	581-C	5/9/07	12/31/08	5,117,984	0	0	0	5,303,017		10,421,000
West Haven	549-D	5/15/07	7/1/08	405,261	0	0	0	1,246,561	1,235,852	1,651,822
Plainville	183-CSL	6/27/07	10/1/08		0	0	0	2,500,000		2,500,000
Groton	386-C	6/20/07	5/1/09	5,875,000	0	0	0	9,361,766		15,236,766
Winchester	553-C				0	0	0		44,200	0
<b>SUBTOTAL List of New Projects for FY 2006-07:</b>				<b>32,766,315</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>81,221,197</b>	<b>4,245,436</b>	<b>113,987,512</b>
<b>Subtotal - Amendments to Existing Projects:</b>				<b>13,544,930</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>26,761,142</b>	<b>1,893,396</b>	<b>40,306,072</b>
<b>Subtotal - Changes to Amended Agreements:</b>				<b>-16,150,999</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-32,709,790</b>	<b>-3,724,240</b>	<b>-48,860,790</b>
<b>TOTAL New Projects and Amendments:</b>				<b>30,160,242</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>75,272,549</b>	<b>2,414,592</b>	<b>105,432,795</b>

#### FY 2007 - 2008 CWF Funded Projects

##### New Projects (IFO)

Gr New Hvn. WPCA	206-CSL	8/2/07	11/30/08	0	0	0	0	4,000,000	0	4,000,000
MDC	149-CSL	11/1/07	9/30/08	0	0	0	0	12,710,000	0	12,710,000
MDC	508-C	11/1/07	10/31/07	537,096	0	0	64,050	1,288,276	91,500	1,889,422
MDC	520-C	12/14/07	9/30/08	2,058,638	0	0	0	4,837,463	0	6,896,101

(continued)

Municipality	Project Number	Contract Date	SCD	State Grant Amount	State LIS Grant Amount	Fed Direct Loan Amount	Non-SRF CWF State Loan NQ	Title VI SRF Rev Loan Amt	LISRA Title VI Fed Grant Amt	Total SRF Project Funding
MDC	521-C	12/14/07	3/31/08	4,284,559	0	0	0	4,240,340	0	8,524,899
Bridgeport	452-C	3/7/08	5/31/10	2,646,000	0	0	0	2,687,000	0	5,333,000
Meriden	382-C	3/31/08	5/31/10	10,186,837	0	0	0	33,342,762	0	43,529,599
Canton	155-CSL	4/21/08	7/1/09	0	0	0	0	1,400,000	0	1,400,000
Plainville	542-C	4/21/08	9/30/09	5,065,269	0	0	0	19,066,549	0	24,131,818
Southington	590-C	4/21/08	6/30/10	4,223,366	0	0	0	10,247,810	0	14,471,175
Glastonbury	454-C	6/20/08	12/31/10	6,909,436	0	0	0	23,701,544	0	30,610,980
Norwalk	616-PG	6/5/08	3/31/10?	240,000	0	0	0	0	0	240,000
Marlborough	210-C	6/30/08	9/30/10	2,250,000	0	0	0	6,750,000	0	9,000,000
<b>SUB TOTAL List of New Projects (IFO):</b>				<b>38,401,201</b>	<b>0</b>	<b>0</b>	<b>64,050</b>	<b>124,271,744</b>	<b>91,500</b>	<b>162,736,994</b>

<b>FY 2007-08 New Projects (PLO)</b>										
Milford	111-CSL	2/28/06	1/31/07	0	0	0	0	1,737,319	0	1,737,319
Stratford	105-CSL	3/9/06	1/31/07	0	0	0	0	1,837,123	0	1,837,123
Marlborough	210-D	7/13/05	1/31/06	241,664	0	0	0	908,774	0	1,150,438
Ansonia	311-DC	7/13/05	9/30/06	913,668	0	0	0	5,082,808	0	5,996,476
Cheshire	112-CSL	5/22/06	3/31/07	0	0	0	0	1,497,614	0	1,497,614
Cheshire	481-C	7/7/05	3/31/07	2,165,786	0	0	0	5,226,439	0	7,392,226
New Britain	583-C	4/28/06	1/31/07	290,084	0	0	0	1,173,344	0	1,463,428
Middletown	362-C	4/24/03	6/30/05	1,224,506	0	0	0	1,574,008	0	2,798,514
Bridgeport	208-C	3/6/96	5/31/97	3,780,185	0	0	0	0	0	3,780,185
Bridgeport	208-D	6/21/95	11/30/95	667,283	0	0	0	0	0	667,283
Bgpt East Side Stp	206-C1	1/22/97	7/31/00	12,471,466	0	0	0	0	0	12,471,466
Bridgeport	206-D	12/22/92	9/30/93	181,666	0	0	0	0	0	181,666
New Haven	463-CD1	1/31/05	11/30/05	1,675,165	0	0	0	934,984	0	2,610,149
Naugatuck	175-CSL	12/15/06	6/30/07	0	0	0	0	472,000	0	472,000
Suffield	478-C	7/27/06	9/30/07	1,157,875	0	0	0	0	0	1,157,875
MDC Hartford	160-C	9/5/06	6/30/07	1,800,719	0	0	0	1,888,557	0	3,689,276
MDC Hartford	160-C1	9/5/06	6/30/07	1,834,021	0	0	0	1,921,859	0	3,755,880
Winchester	553-C	6/19/06	7/31/07	266,251	0	0	0	642,019	44,200	908,270
Burlington	513-C	9/28/06	8/31/07	693,620	0	0	0	2,102,440	0	2,796,060
Simsbury	392-C	2/10/05	9/30/07	5,640,542	0	0	0	20,019,205	0	25,659,747
Simsbury	392-C1	2/10/05	9/30/07	121,733	0	0	0	1,018,011	0	1,139,744
MDC	508-C	4/30/08	10/31/07	508,813	0	0	64,050	1,168,028	91,500	1,740,891
Shelton	104-CSL	1/25/07	11/30/07	0	0	0	0	2,590,293	0	2,590,293
Coventry	461-C1	6/30/08	12/31/07	2,782,483	0	0	0	9,815,810	0	12,598,293
Beacon Falls	591-C	10/26/06	9/30/06	83,389	0	0	0	0	0	83,389
<b>SUBTOTAL List of New Projects (PLO):</b>				<b>38,500,919</b>	<b>0</b>	<b>0</b>	<b>64,050</b>	<b>61,610,634</b>	<b>135,700</b>	<b>100,175,603</b>
<b>SUBTOTAL List of New IFO/PLOs for FY 07-08:</b>				<b>76,902,120</b>	<b>0</b>	<b>0</b>	<b>128,100</b>	<b>185,882,378</b>	<b>227,200</b>	<b>262,912,597</b>
<b>Subtotal Changes to Amended Agreements:</b>				<b>-54,587,318</b>	<b>0</b>	<b>0</b>	<b>-64,050</b>	<b>-109,496,971</b>	<b>-1,849,186</b>	<b>-164,148,339</b>
<b>Subtotal Amendments to Existing Projects:</b>				<b>27,853,607</b>	<b>405,261</b>	<b>0</b>	<b>1,297,068</b>	<b>102,407,887</b>	<b>2,129,456</b>	<b>131,963,824</b>
<b>TOTAL New Projects and Amendments:</b>				<b>50,168,409</b>	<b>405,261</b>	<b>0</b>	<b>1,361,118</b>	<b>178,793,294</b>	<b>507,470</b>	<b>230,728,082</b>

**FY 2008 - 2009 CWF Funded Projects**

Municipality	Project Number	Contract Date	SCD	State Grant Amount	State LIS Grant Amount	Fed Direct Loan Amount	Non-SRF CWF State Loan NQ	Title VI SRF Rev Loan Amt	LISRA Title VI Fed Grant Amt	Total SRF Project Funding
<b><i>New IFO Projects</i></b>										
Bridgeport	613-D	7/17/08	6/30/09	27,823	0	0	0	126,291	0	154,114
Point O' Woods	501-C	7/30/08	12/31/10	1,924,988	0	0	0	6,265,674	0	8,190,662
Point O' Woods	20080-C2	7/30/08	12/31/10	0	0	0	0	0	0	0
Stafford	194-D	8/12/08	6/30/09	147,950	0	0	0	544,050	0	692,000
Chester	577-C	8/14/08	7/31/09	375,000	0	0	0	1,125,000	0	1,500,000
MDC-Tremont	619-D	10/16/08	9/30/10	9,600,000	0	0	0	9,600,000	0	19,200,000
Windham	551-C	10/31/08	10/31/12	3,977,235	0	0	0	15,811,494	0	19,788,729
New Haven	614-PG	11/4/08	6/30/09	240,000	0	0	0	0	0	240,000
New London	615-PG	11/4/08	12/31/09	240,000	0	0	0	0	0	240,000
Milford	568-PG	11/7/08	9/30/08	467,940	0	0	0	0	0	467,940
Ansonia	554-C	11/25/08	7/1/11	10,136,760	0	0	0	35,764,481	0	45,901,241
Bolton Lakes	132-D	12/30/08	12/31/13	201,850	0	0	0	605,550	0	807,400
Portland	571-PG	12/16/08	12/31/08	10,712	0	0	0	0	0	10,712
MDC	166-CSL	1/9/09	9/30/10	0	0	0	0	20,000,000	0	20,000,000
Tolland	136-PG	1/21/09	2/28/10	160,710	0	0	0	0	0	160,710
Danbury	515-C	1/30/09	9/30/09	1,102,716	0	0	0	2,597,287	0	3,700,003
Bridgeport	625-CSL	5/15/09	1/31/10	0	0	0	0	1,842,303	0	1,842,303
Norwich	200801-C	6/30/09	5/30/09	0	0	0	0	0	0	0
<i>SUBTOTAL List of New Projects (IFO):</i>				28,613,683	0	0	0	94,282,130	0	122,895,814
<b><i>New PLO Projects and Revised Grant Closeouts</i></b>										
Middletown	362-CD1	7/31/08	1/31/08	482,473	0	0	0	1,974,803	0	2,457,276
Windham	551-D	7/31/08	1/31/08	168,650	0	0	668,189	0	817,528	836,839
Shelton	165-C	8/19/08	8/31/08	4,555,902	0	0	0	16,548,262	0	21,104,165
MDC	142-CSL	9/4/08	2/29/08	0	0	0	0	6,200,000	0	6,200,000
MDC	521-C	9/30/08	3/31/08	4,211,644	0	0	0	4,240,340	0	8,451,984
Branford	139-CSL	12/1/08	12/1/07	0	0	0	0	2,500,898	0	2,500,898
MDC	578-C	12/19/08	6/30/08	2,065,570	0	0	0	2,042,741	0	4,108,311
Westport	550-DC	2/27/09	9/1/08	7,882,235	0	0	0	28,413,485	0	36,295,720
MDC	149-CSL	3/31/09	9/30/08	0	0	0	0	12,710,000	0	12,710,000
Bridgeport	575-C	3/31/09	3/31/08	2,058,725	0	0	0	2,323,913	0	4,382,638
Bridgeport	575-C	3/31/09	9/30/08	0	0	0	0	0	0	0
MDC	520-C	3/31/09	9/30/08	1,940,783	0	0	0	4,547,580	0	6,488,363
Plainville	183-CSL	4/1/09	10/1/08	0	0	0	0	2,429,116	0	2,429,116
Chester	577-C	6/30/09	7/31/09	375,000	0	0	0	1,125,000	0	1,500,000
Norwich	200801-C	6/30/09	5/30/09	0	0	0	0	0	0	0
<i>SUBTOTAL List New Projects (PLO):</i>				23,740,982	0	0	668,189	85,056,139	817,528	109,465,309
<i>SUBTOTAL List of New IFO/PLO for FY 08-09:</i>				52,354,665	0	0	668,189	179,338,269	817,528	232,361,126
<i>Subtotal Changes to Amended Agreements:</i>				-28,793,111	0	0	-789,646	-92,389,536	-989,500	-121,972,293
<i>Subtotal Amendments to Existing Projects:</i>				15,788,427	0	0		14,405,578		30,194,005
<b>TOTAL New Projects and Amendments:</b>				<b>39,349,982</b>	<b>0</b>	<b>0</b>	<b>-121,457</b>	<b>101,354,310</b>	<b>-171,972</b>	<b>140,582,835</b>

**FY 2009 - 2010 CWF Funded Projects**

Municipality	Project Number	Contract Date	SCD	State Grant Amount	Fed Direct Loan Amount	Non-SRF CWF State Loan NQ	Title VI SRF Rev Loan Amt	LISRA Title VI Fed Grant Amt	ARRA Federal Loan Amt*	Total SRF Project Funding
<i>* ARRA Federal Loan projects eff FY 2009-10; no additional State LIS Grant funded projects as of FY 2007-08</i>										
<b>New IFO Projects</b>										
Bridgeport	205-PG	7/27/09	9/30/11	1,158,918	0	0	0	0	0	1,158,918
Old Saybrook	116-PG2	7/27/09	12/31/09	309,027	0	0	0	0	0	309,027
Mattabassett	567-D	7/31/09	12/31/10	1,136,985	0	0	3,963,015	0	0	5,100,000
Bridgeport	621-D	7/31/09	12/31/10	1,399,957	0	0	1,424,957	0	0	2,824,914
Bridgeport	613-C	7/31/09	11/30/10	256,878	0	0	1,054,510	0	0	1,311,388
Vernon	547-PG	9/3/09	9/30/09	48,290	0	0	0	0	0	48,290
Stonington	456-PG1	9/11/09	9/30/09	165,397	0	0	0	0	0	165,397
MDC-Hartford Reg	626-C	9/15/09	1/31/12	7,915,262	0	0	15,596,910	0	14,403,090	37,915,262
Bolton Lakes	132-C	9/30/09	12/31/13	2,139,717	0	0	7,167,683	0	0	9,307,400
Clinton	127-PG	10/15/09	12/31/10	307,395	0	0	0	0	0	307,395
Hamden	486-PG	11/4/09	12/31/10	207,900	0	0	0	0	0	207,900
Fairfield	608-PG	11/20/09	12/31/11	215,184	0	0	0	0	0	215,184
New Milford	292-C	12/15/09	12/31/12	6,339,257	0	160,000	23,500,546	0	0	29,999,803
West Haven	549-C	12/21/09	7/1/12	9,961,811	0	827,983	27,974,480	1,651,822	0	38,764,274
Norwalk	612-C	1/11/10	1/31/12	14,379,431	0	0	21,376,781	0	0	35,756,212
Norwich	607-PG	1/20/10	12/31/10	1,244,041	0	0	0	0	0	1,244,041
Middletown	537-PG	1/20/10	12/31/10	709,212	0	0	0	0	0	709,212
Norwich	448-PG2	2/2/10	12/31/10	61,275	0	0	0	61,275	0	61,275
Torrington	611-C	1/27/10	9/1/10	277,000	0	0	1,163,000	0	0	1,440,000
MDC-Hartford Reg	633-C	2/5/10	12/31/12	1,804,768	0	0	7,804,070	0	7,681,648	17,290,486
Manchester	288-PG	1/20/10	12/31/10	186,790	0	0	0	0	0	186,790
Cheshire	618-PG	2/24/10	3/31/11	273,680	0	0	0	0	0	273,680
Brookfield	584-C	3/30/10	6/30/10	1,231,906	0	0	3,972,098	0	0	5,204,004
South Windsor	503-C	4/12/10	9/30/12	7,760,005	0	0	28,378,493	0	0	36,138,498
Suffield	635-PG	3/30/10	5/1/12	102,843	0	0	0	0	0	102,843
Avon	592-PG	5/14/10	12/31/11	183,579	0	0	0	0	0	183,579
Greenwich	438-PG	5/14/10	6/30/10	705,350	0	0	0	0	0	705,350
Manchester	557-PG	5/14/10	6/30/10	263,877	0	0	0	0	0	263,877
Norwich	625-D	6/15/10	12/31/11	908,801	0	0	3,148,959	175,040	0	4,057,760
<b>SUBTOTAL New Projects (IFO):</b>				<b>61,654,535</b>	<b>0</b>	<b>987,983</b>	<b>146,525,502</b>	<b>1,888,137</b>	<b>22,084,738</b>	<b>231,252,758</b>

Municipality	Project Number	Contract Date	SCD	State Grant Amount	Fed Direct Loan Amount	Non-SRF CWF State Loan NQ	Title VI SRF Rev Loan Amt	LISRA Title VI Fed Grant	ARRA Federal Loan Amt*	Total SRF Project Funding
<b>Amendments &amp; Extensions/(IFO's)</b>										
Bridgeport	102	8/31/09	2/28/10	0	0	0	0	0	0	0
Marlborough	210	3/1/2009	12/31/10	447,390	0	0	1,422,171	0	0	1,869,561
Groton	386	10/28/09	11/1/09	199,717	0	0	3,502,645	0	0	3,702,362
Milford	532	10/29/09	11/30/09	0	0	0	0	0	0	0
Meriden	382	1/19/10	12/31/10	530,489	0	808,577	579,718	1,173,412	0	1,918,785
Norwalk	616	6/5/08	6/30/10	0	0	0	0	0	0	0
New Haven	614	11/4/08	6/30/10	0	0	0	0	0	0	0
Danbury	515	3/31/10	3/31/10	0	0	0	0	0	0	0

Stratford	366	4/30/10	4/30/10	0	0	0	0	0	0	0
Groton	386	3/3/10	5/1/10	0	0	0	0	0	0	0
Bridgeport	625	5/19/10	7/31/10	0	0	0	0	0	0	0
Southington	530	5/28/10	12/31/10	406,500	0	0	348,500	0	0	1,355,000
Total Amendments & Extensions (IFO's)				1,584,096	0	0	6,453,035	1,173,412	0	8,845,709
Danglers				0	0	0	0	0	0	0
Total Danglers				0	0	0	0	0	0	0
Total Amendments/Extensions/Danglers (IFO's)				1,584,096	0	808,577	6,453,035	1,173,412		8,845,709
<b>New PLO Projects and Revised Grant Closeouts</b>										
Gr New Hvn. WPCA	206-CSL	11/30/09	5/30/09	0	0	0	3,952,524	0	0	3,952,524
Canton	155-CSL	1/4/10	7/1/09	0	0	0	1,295,791	0	0	1,295,791
Plainville	542-C	3/30/10	9/30/09	4,938,955	0	0	19,066,549	0	0	24,005,505
Ansonia	554-PG	7/30/03	7/1/04	0	0	0	0	0	0	0
Stafford	194-PG1	5/13/05	12/31/05	9,221	0	0	0	9,221	0	9,221
Meriden	382-D	1/19/10	10/1/06	0	0	760,420	-760,420	0	0	0
Milford	532-C1	5/28/10	11/30/09	11,756,570	0	0	42,260,238	0	0	54,016,807
Bridgeport	102-CSL	6/30/10	2/28/10	0	0	0	4,608,318	0	0	4,608,318
Winchester	553-C	1/31/08	7/31/07	0	0	30,940	-30,940	0	0	0
Plainville	542-D	9/28/06	3/31/06	0	0	727,352	-727,352	0	0	0
Windham	551-D	7/31/08	1/31/08	0	0	789,646	-789,646	0	0	0
SUBTOTAL List of New Projects (PLO):				16,704,746	0	2,308,357	68,875,063	9,221	0	87,888,166
SUBTOTAL List of New IFO/PLO for FY 09-10:				78,359,281	0	3,296,341	215,400,565	1,897,358	22,084,738	319,140,924
Subtotal Changes to Amended Agreements:				-17,208,061	-405,261	-760,420	-74,529,527	-2,651,306	0	-92,903,268
Total New IFO/PLO Amendments to Existing Projects:				62,735,316	-405,261	344,499	147,324,074	419,464	22,084,738	235,083,366

#### FY 2010 - 2011 CWF Funded Projects

Municipality	Project Number	Contract Date	SCD	State Grant Amount	Fed Direct Loan Amt	Non-SRF CWF State Loan NO	Title VI SRF Rev Loan Amt	LISRA Title VI Fed Grant	ARRA Federal Loan Amt	Total SRF Project Funding
<b>New IFO Projects</b>										
Prospect	637	7/8/10	12/31/10	24,200	0	0	0	0	0	24,200
Lebanon	636	7/13/10	9/30/10	19,250	0	0	0	0	0	19,250
Trumbull	638	7/23/10	9/30/11	105,325	0	0	0	0	0	105,325
New Hartford	579	8/31/10	6/1/11	1,047,018	0	0	0	0	0	1,047,018
Montville	632	9/23/10	6/30/11	484,981	0	0	0	0	0	484,981
Meriden	209	10/18/10	12/31/11	0	0	0	1,950,998	0	0	1,950,998
MDC	639	11/18/10	8/31/12	14,913,285	0	0	41,301,329	0	0	56,214,614
Norwalk	385	11/23/10	12/31/10	51,536	0	0	0	0	0	51,536
Old Saybrook	116	2/16/11	12/30/13	2,346,875	0	0	7,653,125	0	0	10,000,000
Norwich	495	2/25/11	6/1/12	1,471,324	0	0	6,135,297	0	0	7,606,621
Bridgeport	621	2/15/11	7/31/12	4,068,922	0	0	4,095,422	0	0	8,164,345
MDC	619	2/25/11	9/30/13	13,155,560	0	0	12,069,908	0	0	25,225,468
Bristol	640	4/14/11	12/31/12	39,932	0	0	0	0	0	39,932
Bristol	622	6/9/11	2/29/12	534,667	0	0	0	0	0	534,667
Derby	641	6/22/11	12/31/12	284,369	0	0	0	0	0	284,369
GNHWPCA	622	6/30/11	2/28/12	130,600	0	00	569,400	0	0	700,000
Ansonia	554	11/25/08	7/1/11	0	0	0	0	0	0	0
Subtotal New Projects (IFO)				38,677,846	0	0	73,775,480			112,453,327

*Amendments & Extensions*

MDC	166	7/16/10	9/30/11	0	0	0	7,500,000	0	0	7,500,000
MDC	619	7/16/10	9/30/11	3,000,000	0	0	3,000,000	0	0	6,000,000
Tolland	136	8/23/10	6/30/11	0	0	0	0	0	0	0
Point O'Woods	501	8/16/10	7/1/11	,78,9380	0	0	771,062	0	0	850,000
Bridgeport	452	3/7/08	11/30/10	0	0	0	0	0	0	0
Bridgeport	452	1/25/11	5/31/14	3,531,981	0	288,000	3,531,981	0	0	7,351,963
GNHWPCA	581	5/16/11	6/30/11	0	0	0	0	0	0	0
Bridgeport	621	5/31/11	12/31/10	0	0	0	0	0	0	0
MDC	619	6/14/11	9/30/13	26,235,000	0	0	26,235,000	0	0	52,740,000

---

*Total Amendments & Extensions (IFO)s* 32,845,919 0 288,000 41,038,043 0 0 74,171,963

*Danglers*

Groton	386	11/1/10	5/1/11	0	0	0	743,389	0	0	0
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*Total Amendments/Extensions/Danglers* 32,845,919 0 288,000 41,781,433 0 0 74,915,352

***New PLO Projects and Revised Grant Closeouts***

Danbury	515	9/30/10	3/31/10	1,098,900	0	0	2,549,993	0	0	3,648,893
Marlborough	210	9/30/10	12/31/10	2,697,390	0	0	8,151,742	0	0	10,849,133
Stratford	366	10/29/10	4/30/10	12,873,677	0	1,297,068	44,848,503	1,713,486	0	59,019,249
Groton	386	11/1/10	5/1/10	6,074,717	0	0	12,121,022	0	0	18,195,739
Point O'Woods	200802	12/29/10	12/31/10	0	0	0	0	0	0	0
Brookfield	584	12/30/10	6/30/10	1,231,906	0	0	3,747,081	0	0	4,978,987
Point O'Woods	501	12/29/10	7/1/11	2,134,166	0	0	7,649,893	0	0	9,784,059
MDC	578	1/31/11	12/31/10	1,958,122	0	0	7,649,893	0	0	4,577,385
Bridgeport	625	1/31/11	7/31/10	0	0	0	2,619,263	0	0	1,672,256
Torrington	611	3/1/11	9/1/10	272,459	0	0	1,123,491	0	0	1,395,950
Glastonbury	454	5/31/11	12/31/10	6,630,974	0	0	18,600,000	0	0	25,230,974
Bridgeport	613	5/31/11	11/30/10	235,267	0	0	960,200	0	0	1,195,468
Meriden	382	6/30/11	12/31/10	10,717,326	0	808,577	35,052,130	1,173,412	0	47,751,446
Mattabassett	567	6/30/11	12/31/10	1,001,679	0	0	3,476,946	0	0	4,478,626
Southington	590	6/30/11	6/30/10	4,538,241	0	0	11,068,356	0	0	15,606,597

---

Subtotal List of New Projects (PLO): 51,464,829 0 2,105,645 153,640,882 2,886,898 0 208,384,769

*Reversal of Original Amounts PLO's*

Danbury	515	9/30/10	9/30/09	-1,102,716	0	0	-2,597,287	0	0	-3,700,003
Marlborough	210	9/30/10	12/31/10	-2,697,390	0	0	-8,172,171	0	0	-10,869,561
Stratford	366	10/29/10	4/30/10	-12,873,677	0	-1,297,068	-45,873,564	-1,713,486	0	-60,044,310
Groton	386	11/1/10	5/1/10	-6,074,717	0	0	-12,864,411	0	0	-18,869,561
Point O'Woods	200802	4/30/08	12/31/10	0	0	0	0	0	0	0
Brookfield	584	3/30/10	6/30/10	-1,231,906,	0	0	-3,972,098	0	0	-5,204,004
Point O'Woods	501	12/29/10	7/1/11	-2,171,542	0	0	-7,745,059	0	0	-9,916,602
MDC	578	12/19/08	12/31/10	-3,910,332	0	0	-4,083,671	0	0	-7,994,004
Bridgeport	625			0	0	0	-1,842,303	0	0	-1,842,303
Torrington	611	3/1/11	9/1/10	-277,000	0	0	-1,163,000	0	0	-1,440,000
Glastonbury	454	5/31/11	12/31/10	-6,909,436	0	0	-23,701,543	0	0	-30,610,980
Bridgeport	613	5/31/11	11/30/10	0	0	0	-1,054,510	0	0	-1,311,387

<i>Municipality</i>	<i>Project Number</i>	<i>Contract Date</i>	<i>SCD</i>	<i>State Grant Amount</i>	<i>Fed Direct Loan Amt</i>	<i>Non-SRF CWF State Loan NG</i>	<i>Title VI SRF Rev Loan Amt</i>	<i>LISRA Title VI Fed Grant</i>	<i>ARRA Federal Loan Amt</i>	<i>Total SRF Project Funding</i>
Meriden	382	6/30/11	12/31/10	-10,717,326	0	-808,577	-33,922,480	-1,173.412	0	-46,621,796
Mattabassett	567	6/30/11	12/31/10	-1,136,985	0	0	-3,963,015	0	0	-5,100,000
Southington	590	6/30/11	6/30/10	-4,629,865	0	0	-11,196,309	0	0	-15,826,175
Bridgeport	613	4/31/09	6/30/09	-27,822	0	0	-126,291	0	0	-154,114
Bolton Lakes	132	9/30/09	12/31/13	-201,850	0	0	-605,550	0	0	-807,400
Total of Changes to Amended Project Agreements				<b>-54,219,445</b>	0	-2,105,645	-162,883,266	-2,886,898	0.00	-220,381,769
Total New IFOs and Amendments to Existing Agreements				<b>68,769,150</b>	0	288,000	106,314,529	0.00	0.00	175,371,679

**SUMMARY OF ANNUAL CLEAN WATER FUND GRANT & LOAN COMMITMENTS**

FISCAL YEAR	STATE GRANT AMOUNT	STATE LIS GRANT AMOUNT	TITLE V1 FEDERAL DIRECT LOAN AMOUNT*	NON--SRF CWF STATE LOAN NQ AMOUNT	STATE MATCH TITLE VI AMOUNT	TITLE V1 SRF REV LOAN AMOUNT	ARRA - FEDERAL LOAN AMOUNT	TOTAL SRF PROJECT FUNDING**
1987-92	\$0	\$0	\$19,909,235	\$0	\$0	\$0	\$0	\$19,909,235
1987-90	\$23,678,205	\$1,152,063	\$26,418,270	\$32,799,354	\$11,553,021	\$28,177,929	\$0	\$123,778,843
1990-91	\$19,899,505	\$9,989,946	\$0	\$145,414	\$7,508,408	\$114,838,605	\$0	\$152,381,877
1991-92	\$8,818,486	\$1,239,132	\$5,329,036	\$3,087,263	\$0	\$22,926,743	\$0	\$41,400,660
1992-93	\$21,610,217	\$10,523,998	\$0	\$37,858,006	\$0	\$57,675,395	\$0	\$127,667,616
1993-94	\$18,988,413	\$20,233,696	\$0	\$2,335,342	\$0	\$86,608,716	\$0	\$128,166,166
1994-95	\$11,910,241	\$2,138,137	\$0	\$5,388,961	\$0	\$39,649,082	\$0	\$59,086,420
1995-96	\$18,898,736	\$1,452,035	\$0	\$542,153	\$0	\$39,261,306	\$0	\$60,154,230
1996-97	\$56,764,543	\$2,157,298	\$0	\$748,667	\$0	\$176,874,399	\$0	\$236,544,907
1997-98	\$10,346,862	\$65,275	\$0	\$88,660	\$0	\$13,419,598	\$0	\$23,920,395
1998-99	\$16,214,934	\$0	\$0	\$0	\$0	\$61,750,989	\$0	\$77,965,923
1999-2000	\$18,775,087	\$568,778	\$0	\$750,000	\$0	\$45,045,382	\$0	\$65,139,248
2000-01	\$11,565,458	\$1,269,942	\$0	\$4,930,815	\$0	\$25,965,751	\$0	\$43,731,966
2001-02	\$30,383,843	\$16,314,256	\$0	\$0	\$0	\$112,133,147	\$0	\$158,831,245
2002-03	\$4,494,830	\$278,980	\$0	\$0	\$0	\$11,669,782	\$0	\$16,443,591
2003-04	\$4,171,256	\$1,589,148	\$0	\$0	\$0	\$9,971,647	\$0	\$15,732,051
2004-05	\$27,618,679	\$755,390	\$0	\$0	\$0	\$56,801,600	\$0	\$85,175,669
2005-06	\$25,431,494	\$0	\$0	\$0	\$0	\$88,966,920	\$0	\$114,398,414
2006-07	\$30,160,246	\$0	\$0	\$0	\$0	\$75,272,549	\$0	\$105,432,795
2007-08	\$50,168,409	\$405,261	\$0	\$1,361,118	\$0	\$178,793,294	\$0	\$230,728,082
2008-09	\$39,349,982	\$0	\$0	(\$121,457)	\$0	\$101,354,310	\$0	\$140,582,835
2009-10	\$62,735,317	(\$405,261)	\$0	\$3,344,499	\$0	\$147,324,074	\$22,084,738	\$235,083,366
2010-11	\$68,769,150	\$0	\$0	\$288,000	\$0	\$106,314,530	\$0	\$175,371,680
Totals	\$580,753,892	\$69,728,074	\$51,656,541	\$93,546,794	\$19,061,429	\$1,600,795,745	\$22,084,738	\$2,437,627,214

\*Total Federal Direct Loans (87-92)

\*\* Totals may not add due to rounding



BALANCE SHEET

State Account (21014) --Unaudited

	Fiscal Year Ended June 30, 2011	Fiscal Year Ended June 30, 2010
<b>(in thousands)</b>		
<b>ASSETS</b>		
Cash and equivalents	36,789,021	17,919,836
Loans receivable	13,224,945	20,860,625
Interest receivable (loans)	-	14,468
Interest receivable	89,783	120,171
<b>(investments)</b>		
<b>Restricted assets (investments):</b>		
Interest subsidy bonds	6,355,000	7,820,000
<b>Total investments</b>	56,458,749	46,735,100
<b>Total assets</b>	56,458,749	46,735,100
<b>LIABILITIES</b>		
Due to federal account	-	-
<b>Total liabilities</b>	-	-
<b>FUND BALANCE:</b>		
Prior fund balance	46,735,100	38,064,293
Net Income/(Loss)	9,723,649	8,670,807
<b>Current fund balance</b>		
<b>Total liabilities and fund balance</b>	56,458,749	46,735,100

**Statement of Revenue and Expenses and the Change in Fund  
Balance: State Account (21014) – Unaudited**

	<b>Fiscal Year Ended June 30, 2011</b>	<b>Fiscal Year Ended June 30, 2010</b>
<b>(in thousands)</b>		
<b>OPERATING REVENUE:</b>		
Interest on loans	298,885	377,350
Interest on investments	422,902	606,795
Miscellaneous revenue	-	-
	712,787	984,145
<b>OPERATING EXPENSES:</b>		
Salaries & benefits	2,468,189	3,060,390
Indirect costs	-	-
Other	24,193	17,377
	2,492,383	3,077,767
<b>Income before Operating transfers</b>	<b>(1,770,596)</b>	<b>(2,093,622)</b>
<b>Operating transfers:</b>		
Grants	(40,381,431)	(35,105,968)
Bond Proceeds	59,095,000	50,000,000
Other operating transfers	(7,219,324)	(4,129,604)
<b>Total Operating Transfers</b>	<b>11,494,245</b>	<b>10,764,428</b>
<b>Net Income after Transfers:</b>	<b>9,723,649</b>	<b>8,670,807</b>
<b><u>Fund Balance</u></b>		
Beginning of the year	46,735,100	38,064,293
End of the year	56,458,749	46,735,100

\* Does not include adjustment for 21015 salary & benefit expenses.

BALANCE SHEET

Long Island Sound Account (21016) – Unaudited

	Fiscal Year Ended June 30, 2011	Fiscal Year Ended June 30, 2010
(in thousands)		
<b>ASSETS</b>		
Cash and equivalents	1,884,397	2,021,150
Due to other state funds	-	-
Due from comptrollers	-	-
	<hr/>	<hr/>
<b>Total assets</b>	<b>1,884,397</b>	<b>2,021,150</b>
	<hr/>	<hr/>
<b>LIABILITIES</b>		
Due to comptroller	-	-
Total liabilities	-	-
<b>FUND BALANCE:</b>		
Prior fund balance	2,021,150	2,087,213
Net Income/(Loss)	(136,753)	(66,064)
Current fund balance	<hr/> 1,884,397	<hr/> 2,021,150
<b>Total liabilities and fund balance</b>	<hr/> <b>1,884,397</b>	<hr/> <b>2,021,150</b>

**Statement of Revenue and Expenses and the Change in Fund  
Balance: Long Island Sound Account (21016) – Unaudited**

	<b>Fiscal Year Ended June 30, 2010</b>	<b>Fiscal Year Ended June 30, 2011</b>
<b>(in thousands)</b>		
<b>OPERATING REVENUE:</b>		
Interest on investments	2,011	2,912
Miscellaneous revenue		
	<hr/>	<hr/>
	2,011	2,912
<b>OPERATING EXPENSES:</b>		
Salaries & benefits	0	0
Indirect costs	0	0
Other	138,764	15,297
	<hr/>	<hr/>
	138,764	15,297
<b>Income before Operating transfers</b>	<b>(136,753)</b>	<b>(12,386)</b>
<b>Operating transfers:</b>		
Grants	0	(53,678)
Bond Proceeds	0	0
Other operating transfers	0	0
<b>Total Operating Transfers</b>	<hr/> <b>0</b> <hr/>	<hr/> <b>(53,678)</b> <hr/>
<b>Net Income after Transfers:</b>	<hr/> <b>(136,753)</b> <hr/>	<hr/> <b>(66,064)</b> <hr/>
<b><u>Fund Balance</u></b>		
<b>Beginning of the year</b>	2,021,150	2,087,213
<b>End of the year</b>	1,884,397	2,021,150

**STATE OF CONNECTICUT CLEAN WATER FUND -  
WATER POLLUTION CONTROL AUTHORITY FEDERAL  
REVOLVING LOAN ACCOUNT (STATE REVOLVING FUND)**

**AUDIT REPORTS AND SCHEDULES IN  
ACCORDANCE WITH OMB CIRCULAR A-133**

**June 30, 2011 and 2010**

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**STATE OF CONNECTICUT CLEAN WATER FUND -  
WATER POLLUTION CONTROL AUTHORITY FEDERAL  
REVOLVING LOAN ACCOUNT (STATE REVOLVING FUND)  
June 30, 2011 and 2010**

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# SEWARD AND MONDE

CERTIFIED PUBLIC ACCOUNTANTS  
296 STATE STREET  
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## INDEPENDENT AUDITORS' REPORT

Ms. Denise L. Nappier, Treasurer

Mr. Daniel C. Esty, Commissioner,  
Department of Energy and Environmental Protection,  
State of Connecticut

We have audited the accompanying financial statements of the State of Connecticut Clean Water Fund - Water Pollution Control Authority Federal Revolving Loan Account (State Revolving Fund) (SRF) (an enterprise fund of the State of Connecticut) as of and for the years ended June 30, 2011 and 2010, as listed in the table of contents. These financial statements are the responsibility of the SRF's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As discussed in Note 1, the financial statements present only the Clean Water Fund - Water Pollution Control Authority Federal Revolving Loan Account and do not purport to, and do not, present fairly the financial position of the State of Connecticut, as of June 30, 2011 and 2010, and the changes in its financial position, or, where applicable, its cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the State of Connecticut Clean Water Fund - Water Pollution Control Authority Federal Revolving Loan Account - SRF as of June 30, 2011 and 2010, and the changes in financial position and cash flows thereof for the years then ended in conformity with U.S. generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 15, 2011 on our consideration of the State of Connecticut Clean Water Fund - Water Pollution Control Authority Federal Revolving Loan Account - SRF's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

U.S. generally accepted accounting principles require that the management's discussion and analysis on pages 3 through 8 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Government Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with U.S. generally accepted auditing standards, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statements. The schedule of expenditures of federal awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with U.S. generally accepted auditing standards. In our opinion, the information is fairly stated in all material respects in relation to the financial statements taken as a whole.

*Seward and Monde*

September 15, 2011

**OFFICE OF THE TREASURER  
STATE OF CONNECTICUT  
CLEAN WATER FUND  
FISCAL YEAR ENDED JUNE 30, 2011**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

This Management Discussion and Analysis (MD&A) of the State of Connecticut Clean Water Fund - Water Pollution Control Federal Revolving Loan Account (State Revolving Fund) provides an introduction to the major activities affecting the operation of the state revolving fund and is a narrative overview of the financial performance for the fiscal year ended June 30, 2011. The information contained in this discussion should be considered in conjunction with the Fund's basic financial statements and the notes thereto.

**Financial Highlights**

Changes in Net Assets - Net assets under management in the Clean Water Fund at the close of the fiscal year 2011 were \$665,005,363 including assets of \$1,562,865,491 offset by liabilities of \$897,860,128 compared to fiscal year 2010 net assets of \$653,576,354 including assets of \$1,469,738,489 offset by liabilities of \$816,162,135. Fund net assets increased by \$11,429,009 or 1.7% primarily reflecting increased loan activity and the issuance of bonds at lower interest rates.

Net Assets of the Clean Water Fund are categorized as follows:

Restricted - includes net assets that have been restricted in use in accordance with the terms of an award, agreement or by state law.

Unrestricted - includes all net assets not restricted and available for any program purpose. The majority of the net assets are invested and portions are restricted in accordance with the requirements of state statutes and the federal Clean Water Act. Restricted assets represent the amount of assets which relate to the federal capitalization grants and associated state match.

The financial statements show restricted fund net assets of \$660,342,067 an increase of \$25,779,805 or 4.1% above the 2010 balance.

Liabilities: Bonds Outstanding - During the year bonds were issued to fund new projects. The Fund's total debt outstanding increased during the fiscal year by \$71,200,091 to \$839,018,172 as a result of a new bond issue (\$166,470,850), scheduled debt repayments (\$67,309,595) and a cash defeasance (\$27,961,164).

Loans Receivable - Total loans receivable increased by \$48,460,926 from \$829,666,617 to \$878,127,543 due to new loans.

Operating Revenues - The Fund's gross operating income decreased by \$1,491,683 or 8.4% to \$16,194,589 reflecting the impact of prepayments on loans receivable.

Statement of Cash Flows - The Statement of Cash Flows shows a decrease in cash for the year of \$2,406,748.

Capitalization Grants - During the year, \$32,839,539 was drawn from the EPA for projects, compared to \$16,997,789 in 2010. To date, since inception, the State has drawn \$419,963,278. Cumulative federal wastewater capitalization grant awards totaled \$428,734,448.

## **Overview of the Financial Statements**

The Clean Water Fund financial statements are reported by the Office of the Treasurer in conjunction with the Department of Energy and Environmental Protection (DEEP). The Treasurer is responsible for the reporting of the detailed financial information in the Clean Water Fund financial statements. The Clean Water Fund is classified as an enterprise fund within the Proprietary Funds of the State of Connecticut. Proprietary Funds focus on the determination of the change in fund net assets, financial position, and cash flows for governmental activities that operate similar to a commercial enterprise. Proprietary funds use the accrual basis of accounting. The Clean Water Fund Balance Sheets, Statements of Revenues, Expenses and Changes in Fund Net Assets, and Statements of Cash Flows together provide information about the activities of the Fund as a whole and present an overall view of the Fund's finances. The Statements of Revenues, Expenses and Changes in Fund Net Assets divide the activities of the Fund into two categories:

Operating Activities (including the Wastewater Loan Program) and Nonoperating Activities (including investment of funds and the Revenue Bond Program).

### **Operating Activities**

#### **The Wastewater Loan Program**

For the Wastewater Loan Program activities, the statements indicate the amount of loans financed during the past year. The statements indicate the amount of interest income generated by the investment of funds and describe the structure of the investments. For the Revenue Bond Program activities, these statements indicate the amount of bonds retired during the year and the remaining amount of bonds to be repaid in the future. Fund financial statements also provide information about activities of the Fund as a recipient of federal capitalization grants and the amount of capitalization grants remaining for future use. The Clean Water Fund issues revenue bonds and uses the proceeds to provide financing for Clean Water and Drinking Water projects. Where necessary, due to the issuance of bonds and investment activities for both the Clean Water Fund and Drinking Water Fund, bond proceeds, interest income and expenses may be allocated between the Clean Water Fund and the Drinking Water Fund.

Loans are made to municipalities for project funding and consist of construction loans or interim funding obligations (IFOs) which accrue interest during construction and long-term permanent financing obligations (PLOs) which are signed after projects are completed. The PLOs have 20 year repayment terms and can be prepaid at any time without penalty. There are several state grants available to participants in this program.

Construction loans in progress totaled \$189,258,485 a decrease of \$45,122,247. Payments to municipalities for ongoing projects totaled \$111,099,247. Completed projects which were permanently financed during the year totaled \$155,746,528.

At year-end there are no delinquent loans in the Wastewater loan program. Further details about the loans can be found in the notes to the financial statements.

New construction loan commitments totaled \$115,101,523.

Loan repayment collection services are provided by the Trustee, US Bank. Repayments on loans made by the DEP since 1987 are paid to the Clean Water Fund account held at US Bank. These funds provide security for the Bonds and any new Bonds issued thereafter.

## **Non-Operating Activities**

### **Investment of Funds**

The federal capitalization grants and state matching funds are used to provide leveraged financing for eligible projects in the state. 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 currently invests in the State's Short Term Investment Fund (STIF) and in guaranteed investment agreements with financial institutions. The 2002 bond resolution requires that the investment agreements be with, or be guaranteed by, institutions with ratings in the two top rating categories given by Standard & Poor's and Moody's Investors Service or any rating service recognized by the State Banking Commissioner. Certain moneys currently held in the Fund are invested pursuant to investment agreements with AA providers which are collateralized with securities issued or guaranteed by the U.S. Government or agencies or instrumentalities whose market value is at least 100% of the funds invested.

### **The Bond Program**

The Connecticut Clean Water Fund has issued bonds under three bond resolutions since 1991 and proceeds have been used for provide funding for both the Clean Water State Revolving Fund and the Drinking Water State Revolving Fund programs. The issuance of bonds under the third general bond resolution resulted in the creation of three additional fund accounts and including the Senior Sinking Fund and the Support Fund which are restricted accounts and the General Revenue Revolving Fund account is unrestricted. All three accounts are held by the Trustee.

The Fund has issued long-term debt obligations backed by the pledge of specific assets including loans, reserve funds and other program assets and currently, bonds are outstanding under the 2002 General Revenue Bond Resolution. Pursuant to the 2002 bond resolution and the State Act, the Long-term debt obligations of the Fund are special obligations of the State which are payable only from the revenues or monies available in the Fund. The proceeds of bonds issued by the Fund were uses for program purposes including the funding of loans to

Clean Water Fund borrowers. During the year, the state issued bonds for new projects. Further information about outstanding bonds can be found in the notes to the financial statements.

The program's advisors are:

Bond Counsel - Edwards, Angell, Palmer and Dodge  
 Bond Counsel - Hardwick Law Firm, LLC  
 Financial Advisors - Lamont Financial Services Corporation  
 Financial Advisors - First Southwest  
 Auditor - Seward & Monde CPAs  
 Trustee - US Bank  
 Loan Repayment Collection Services - US Bank  
 Verification Agent – AMTEC  
 Arbitrage Rebate Calculation Services – AMTEC  
 General Counsel - Attorney General of the State of Connecticut

### Credit Ratings

The Connecticut Clean Water Fund is the recipient of credit ratings from three nationally recognized credit rating agencies as follows: AAA from Standard and Poor's, AAA from Fitch Investors Services and Aaa from Moody's' Investor Services.

### SELECTED FINANCIAL INFORMATION

	<u>2011</u>	<u>2010</u>	<u>Increase (Decrease)</u>
Change in Net Assets	\$ 11,429,009	\$ 13,887,722	(\$ 2,458,713)
Operating Revenues	\$ 16,194,589	\$ 17,686,272	(\$ 1,491,683)
Federal Capitalization Grants	\$ 103,727	\$ 10,380,764	(\$10,277,037)
Federal Capitalization Grants - American Recovery and Reconciliation Act (ARRA)	\$ 23,734,458	\$ 15,594,671	\$ 8,139,787
Loans Outstanding - current and long-term portions	\$878,127,543	\$829,666,617	\$48,460,926
Interest on Loans	\$ 16,194,589	\$ 17,686,272	(\$ 1,491,683)
Interest on Investments	\$ 15,415,820	\$ 16,891,152	(\$ 1,475,332)
Operating Expenses - Less ARRA grants to recipients	\$ 722,882	\$ 1,017,768	(\$ 294,886)
Interest Expense	\$ 36,004,602	\$ 44,205,639	(\$ 8,201,037)

### ECONOMIC CONDITIONS AND OUTLOOK

As the nation continues to grapple with the aftermath of the 2008 and 2009 financial crisis, economic growth during the past two years has been weak and erratic. Connecticut has experienced very modest recovery and like other states, has dealt with budget deficits with various strategies of cost cutting and deficit mitigation. Some recovery continued during fiscal year 2011 and tax revenue was up in most major tax categories including the income tax, and insurance company's tax. However economic growth was not sufficient enough to achieve

sustainable reductions in the unemployment rate, now at the national rate of 9.1 percent, an historical high for Connecticut. Additional economic indicators, both nationally and statewide, have been mixed in FY 2011. Most notably, foreclosures continue to grow as more homes are on the verge of foreclosure and more homeowners face foreclosure following unexpected job loss. Furthermore, existing home sales have declined and home prices have dropped. Connecticut has begun to address the level of its spending and the liabilities in the State employee's Retirement Plan for both current and future retirees through recent labor concession agreements. By the end of the fiscal year, the State's economic and financial situation continued to slowly improve, as indicated by modest surplus generated.

The State continues to enjoy the highest per capita income in the nation, while challenged with relatively high costs (fuel, housing, health care and electricity), traffic congestion, an aging population and a widening disparity in economic prosperity between our urban and suburban residents. While Connecticut's economy seems sufficiently diversified, economic growth is expected to be slow in the coming year at a time when there are significant needs for transportation and water infrastructure upgrades and improvements. Local, state and federal budget constraints which resulted in a slowdown in the initiation of water quality and pollution control projects in recent years will continue to mean greater pressure on the Fund to provide critical financial assistance for major projects in the future. Connecticut's outlook this year is more uncertain in light of economic volatility and cutbacks in federal assistance. The year-end surplus notwithstanding, while the State's AA/Aa2/AA ratings were maintained, one of the State's three credit rating agencies revised its outlook to negative. With a balanced budget in place, Connecticut has begun to focus on economic development and job creation as the number one priority. All of these factors impact how Connecticut municipalities plan and implement the capital projects funded by the Clean Water Fund.

The major concern for the Clean Water Fund continues to be working with the state's legislators to set priorities and provide financing for critical work, especially for municipal authorities serving several localities. The program continues to provide a most efficient strategy to fund critical projects while maintaining a long term financing structure that can provide financing for current and future water quality needs. The newly created Department of Energy and Environmental Protection and the Office of the Treasurer, working together, will continue to assist the legislators and the municipalities in determining the most cost effective and efficient way to meet their water quality needs.

The Debt Management Division continually monitors the impact of credit ratings of investment providers and municipalities, and assists in the preparation of comments on financial regulation. We will continue to monitor and participate in industry discussions on infrastructure, including water and transportation, as well as the economic development and growth potential for the state.

## **REQUIRED SUPPLEMENTARY INFORMATION**

The Clean Water Fund does not separately report required supplementary information that contains budgetary comparison schedules; schedules presenting infrastructure assets or supplementary pension fund information because this information is recorded by the State of Connecticut.

The Notes to the Financial Statements provide additional information that further explains and supports the information in the financial statements. The Notes provide additional information that is essential to a full understanding of the data provided in the Clean Water Fund's financial statements.

## CONTACTS

This financial report is designed to provide a general overview of the Clean Water Fund's finances. Questions about this report or requests for additional information should be addressed to:

Clean Water Fund Financial Administrator  
Connecticut State Treasurer's Office  
Debt Management Division  
55 Elm Street  
Hartford, CT 06106-1773  
Telephone (860) 702-3134  
[www.state.ct.us/ott](http://www.state.ct.us/ott)

Questions about the Clean Water Fund and water quality in Connecticut should be addressed to:

Connecticut Department of Energy and Environmental Protection  
Bureau of Water Protection and Land Reuse  
79 Elm Street  
Hartford, CT 06106  
Telephone (860) 424-3704  
[www.state.ct.us/dep](http://www.state.ct.us/dep)

**STATE OF CONNECTICUT CLEAN WATER FUND -  
WATER POLLUTION CONTROL AUTHORITY FEDERAL  
REVOLVING LOAN ACCOUNT (STATE REVOLVING FUND)  
BALANCE SHEETS  
June 30, 2011 and 2010**

	2011	2010
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 2,014,165	\$ 4,420,913
Interest receivable - investments	4,153,958	4,454,015
Interest receivable - loans	4,265,653	7,302,739
Grants receivable	-	9,001,354
Loans receivable	253,810,740	291,256,200
Total current assets	264,244,516	316,435,221
Noncurrent assets:		
Loans receivable	624,316,803	538,410,417
Revolving fund	204,373,876	223,540,128
Deferred losses on early retirement of bonds	16,333,690	17,589,726
Restricted assets:		
Bond proceeds fund	148,006,056	67,542,933
Revolving fund	96,460,471	110,368,242
Debt service fund	92,280,096	97,088,505
Support fund	116,849,983	98,763,317
Total restricted assets	453,596,606	373,762,997
Total noncurrent assets	1,298,620,975	1,153,303,268
Total assets	\$ 1,562,865,491	\$ 1,469,738,489
<b>LIABILITIES</b>		
Current liabilities:		
Interest payable on revenue and refunding bonds	\$ 9,127,763	\$ 9,362,951
Revenue bonds payable	47,986,876	37,063,671
Refunding bonds payable	22,699,856	30,245,923
Total current liabilities	79,814,495	76,672,545
Noncurrent liabilities:		
Premiums on revenue and refunding bonds	49,714,193	38,981,103
Revenue bonds payable	583,900,726	493,377,917
Refunding bonds payable	184,430,714	207,130,570
Total noncurrent liabilities	818,045,633	739,489,590
Total liabilities	897,860,128	816,162,135
<b>FUND NET ASSETS</b>		
Unrestricted	4,663,296	19,014,092
Restricted for loans	660,342,067	634,562,262
Total fund net assets	665,005,363	653,576,354
Total liabilities and fund net assets	\$ 1,562,865,491	\$ 1,469,738,489

See notes to financial statements.

**STATE OF CONNECTICUT CLEAN WATER FUND -  
WATER POLLUTION CONTROL AUTHORITY FEDERAL  
REVOLVING LOAN ACCOUNT (STATE REVOLVING FUND)  
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS  
For the years ended June 30, 2011 and 2010**

	<u>2011</u>	<u>2010</u>
<b>OPERATING REVENUES</b>		
Interest on loans	\$ 16,194,589	\$ 17,686,272
<b>OPERATING EXPENSES</b>		
Salaries	425,666	612,734
Employee benefits	265,300	375,171
Other	31,916	29,863
Project grants	8,745,156	7,484,041
Total operating expenses	<u>9,468,038</u>	<u>8,501,809</u>
Operating income	<u>6,726,551</u>	<u>9,184,463</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>		
Interest on investments	15,415,820	16,891,152
Amortization of bond premium	4,264,738	4,096,128
Interest expense	( 36,004,602)	( 44,205,639)
Arbitrage expense	<u>-</u>	<u>( 53,881)</u>
Total nonoperating revenues (expenses)	<u>( 16,324,044)</u>	<u>( 23,272,240)</u>
Loss before federal capitalization grants and transfers	<u>( 9,597,493)</u>	<u>( 14,087,777)</u>
<b>FEDERAL CAPITALIZATION GRANTS</b>		
Project funds - loans	14,370,147	17,501,428
Project funds - grants	8,745,156	7,484,041
Administrative set-asides	722,882	989,966
Total federal capitalization grants	<u>23,838,185</u>	<u>25,975,435</u>
<b>OPERATING TRANSFERS</b>	<u>( 2,811,683)</u>	<u>2,000,064</u>
Change in fund net assets	11,429,009	13,887,722
<b>FUND NET ASSETS, beginning</b>	<u>653,576,354</u>	<u>639,688,632</u>
<b>FUND NET ASSETS, ending</b>	<u>\$ 665,005,363</u>	<u>\$ 653,576,354</u>

See notes to financial statements.

**STATE OF CONNECTICUT CLEAN WATER FUND -  
WATER POLLUTION CONTROL AUTHORITY FEDERAL  
REVOLVING LOAN ACCOUNT (STATE REVOLVING FUND)  
STATEMENTS OF CASH FLOWS  
For the years ended June 30, 2011 and 2010**

	2011	2010
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Interest received on loans	\$ 19,231,675	\$ 14,535,229
Loan originations	( 111,099,247)	( 108,947,086)
Principal paid on loans receivable	62,638,321	60,449,866
Payments to employees for salaries and benefits	( 690,966)	( 987,905)
Payments on project grants	( 8,745,156)	( 7,484,041)
Other payments	( 31,916)	( 29,863)
Net cash used by operating activities	( 38,697,289)	( 42,463,800)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Federal capitalization grants	32,839,539	16,997,789
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Repayment of revenue bonds payable	( 37,063,672)	( 31,256,987)
Repayment of refunding bonds payable	( 30,245,923)	( 22,488,435)
Proceeds from revenue bonds payable	166,470,850	-
Proceeds from refunding bonds payable	-	115,835,000
Premium received on revenue and refunding bonds	16,330,815	10,381,914
Payment to refunded revenue bond escrow agent	( 31,553,641)	( 74,758,450)
Interest paid on revenue and refunding bonds	( 32,724,264)	( 37,112,634)
Operating transfers	( 2,811,683)	2,000,064
Payments on arbitrage liability	-	( 53,881)
Net cash provided (used) by noncapital financing activities	48,402,482	( 37,453,409)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest received on investments	15,715,877	17,065,725
Decrease (increase) in bond proceeds fund	( 80,463,123)	105,935,165
Decrease (increase) in revolving fund	19,166,252	( 64,334,096)
Decrease in restricted assets	629,514	7,703,192
Net cash provided (used) by investing activities	( 44,951,480)	66,369,986
Net change in cash and cash equivalents	( 2,406,748)	3,450,566
<b>CASH AND CASH EQUIVALENTS, beginning</b>	4,420,913	970,347
<b>CASH AND CASH EQUIVALENTS, ending</b>	\$ 2,014,165	\$ 4,420,913
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH USED BY OPERATING ACTIVITIES</b>		
Operating income	\$ 6,726,551	\$ 9,184,463
Adjustments to reconcile operating income to net cash used by operating activities:		
Changes in assets and liabilities:		
Decrease (increase) in interest receivable - loans	3,037,086	( 3,151,043)
Increase in loans receivable	( 48,460,926)	( 48,497,220)
Net cash used by operating activities	(\$ 38,697,289)	(\$ 42,463,800)

See notes to financial statements.

STATE of CONNECTICUT CLEAN WATER FUND - WATER POLLUTION CONTROL  
AUTHORITY FEDERAL REVOLVING LOAN ACCOUNT (STATE REVOLVING FUND)  
NOTES to FINANCIAL STATEMENTS  
June 30, 2011 and 2010

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1 - NATURE OF ORGANIZATION

The State of Connecticut Clean Water Fund - Water Pollution Control Authority Federal Revolving Loan Account (State Revolving Fund or SRF), an enterprise fund of the State of Connecticut, established pursuant to Connecticut General Statutes Section 22a-475 to 22a-483, provides financial assistance to the municipalities of Connecticut for the planning, design and construction of water quality projects. The SRF is funded through revenue bonds, State contributions, and federal grants as established under Title VI of the Water Quality Act of 1987 (Act), which requires the State of Connecticut (State) to match federal funds to the extent of 20% of federal funds received.

2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the SRF conform to U.S. generally accepted accounting principles as applicable to government enterprises. The following is a summary of the SRF's significant accounting policies:

Basis of Accounting

The financial statements are prepared using the accrual basis of accounting and the flow of economic resources as specified by the Governmental Accounting Standards Board's (GASB) requirements for an enterprise fund.

Under GASB Statement No. 20, *Accounting and Reporting for Proprietary Funds and other Governmental Entities that Use Proprietary Fund Accounting*, the SRF has elected to apply all Financial Accounting Standards Board Statements and Interpretations issued on or before November 30, 1989, except those that conflict with or contradict GASB pronouncements.

Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

### Operating and Nonoperating Revenues and Expenses

The SRF's principal operation consists of making low interest loans and grants to municipalities in Connecticut. Operating revenue consists of interest earned on those loans. Operating expenses consist of personnel, other expenses and grants incurred in the initial approval, disbursement and ongoing servicing of these loans and grants.

Nonoperating revenues include interest earned on investments and nonoperating expenses include interest expense on revenue and refunding bonds.

### Revenue Recognition

Federal capitalization grants are reported as nonoperating revenue and are recognized as federal funds are drawn and as the SRF expenditures are made.

### Cash and Cash Equivalents

For purposes of the statements of cash flows, the SRF considers all highly liquid investments with an original maturity of three months or less to be cash equivalents. However, the SRF's policy is to exclude restricted assets from cash equivalents for purposes of the statements of cash flows due to the limitations imposed on their use by the Clean Water Fund Revenue Bond Program General Bond Resolutions, adopted by the State Bond Commission on December 7, 1990, as amended and supplemented (the "1990 Resolution") and on December 17, 2002 (the "Resolution").

### Investments

The SRF's policy is to present all investments at fair value except for money market investments and investment contracts, which the SRF has elected to report at amortized cost. The fair value of investments traded on public markets is determined using quoted market prices. The fair value of state general obligation bonds, which are not traded on a public market, is estimated using a comparison of other State general obligation bonds. Based on this comparison, the cost or par value of the state general obligation bonds approximates their estimated fair value.

There were no material investment gains or losses for the years ended June 30, 2011 and 2010.

### Loans, Allowance for Loan Losses and Credit Risk

The SRF makes loans to municipalities in the State of Connecticut for planning, design and construction of water quality projects. Interest on the loans is calculated at two percent of the outstanding balance and recognized as it is earned. The loans are secured by the full faith and credit or revenue pledges of the municipalities, or both. No allowance for loan losses is considered necessary based on management's evaluation of the collectability of the loans. The evaluation takes into consideration such factors as changes in the size of the municipal loans, overall quality, review of specific problem loans, and current economic conditions and trends that may affect the borrowers' ability to pay.

### Restricted Assets

Restricted assets consist of investments, which are segregated into funds and accounts in accordance with the Resolution as previously described, plus amounts determined to be prudent by management including amortizing long-term investments. The Resolution restricts investments to: a) the State Treasurer's Short-Term Investment Fund, b) Tax Exempt Proceeds Fund of the State, c) interest bearing time deposits held by the trustee, a member bank of the Federal Reserve System, or a bank which is insured by the Federal Deposit Insurance Corporation and d) Investment Obligations as defined in the Resolution.

### Bond Premiums/Deferred Loss

The premiums on the revenue and refunding bonds are being amortized over the term of the bonds on a straight-line basis, which yields results equivalent to the interest method.

The deferred losses on early retirement of bonds (Note 8) are being amortized using the outstanding bond method, which yields results equivalent to the interest method.

## Revenue Bonds

The following funds and accounts have been established in accordance with the 1990 Resolution:

<u>Fund / Account</u>	<u>Description and Use</u>
Revenue Fund	Receives all pledged receipts including loan repayments from the municipalities. Out-flows include amounts transferred to the interest and principal accounts of the debt service fund for payment of current debt service.
a. Pledged Receipts Account	
b. Earnings Account	Receives all earnings on funds and investments in all funds and accounts. Out-flows include amounts transferred to the interest and principal accounts of the debt service fund for payment of current debt service.
Loan Fund	Receives proceeds from the sale of revenue bonds as specified and determined by the Resolution. Funds expended for purposes of the State Revolving Fund program, including the financing of loans to municipalities.
Debt Service Reserve Fund	Required to be funded in an amount equal to 50% of all outstanding bonds. The reserve is funded by federal capitalization grant payments drawn under the federal letter of credit and state general obligation bonds. Investment income is transferred to the revenue fund for debt service payments. Used for payment of principal and interest in the event of deficiencies in the revenue accounts.
Debt Service Fund	Receives amounts from the revenue fund accounts sufficient to pay the interest portion due on each interest payment date. Pays interest on outstanding bonds.
a. Interest Account	
b. Principal Account	Receives amounts from the revenue fund accounts sufficient to pay the principal or current sinking fund installments. Pays principal on outstanding bonds.
c. Redemption Account	Receives amounts from the interest and principal accounts for the redemption of bonds. Used for redemption of bonds.
d. Capitalized Interest Account	Receives any capitalized interest received by the trustee. Amounts in the account are transferred for payment of capitalized interest on outstanding bonds.
Interest Subsidy Fund	Established outside of the state revolving fund, principal and investment income is transferred to the revenue fund, then to the debt service fund for payment of debt service. Provides payment of principal and interest in the event of a deficiency in the debt service reserve fund.
Administrative Fund: Cost of Issuance Account	Established outside the SRF, receives a portion of the revenue bond proceeds. Investment income is transferred to the revenue fund for debt service payments. Used to pay issuance cost on revenue bonds.
Rebate Fund	Receives any earnings required to be rebated to the United States pursuant to the Tax Regulatory Agreement. Used for IRS obligations as required.

The cash defeasance (see Note 8), on June 30, 2008, allowed all assets of the Revolving Fund that had previously been pledged to the Bonds issued under the 1990 Resolution and the Subordinate Bond Resolution to be released from that pledge and such assets or the receipts thereon are now available money under the Resolution. As a result of the cash defeasance or as fund/account balances are depleted, some of the funds/accounts listed above were or will be closed.

The following funds and accounts have been established in accordance with the Resolution adopted December 17, 2002:

Fund / Account	Description and Use
Revolving Fund	The Revolving Fund consists of amounts in the water pollution control federal revolving loan account and drinking water federal revolving loan account. The State maintains the Revolving Fund in accordance with the Federal Act. The State shall transfer to the Debt Service Fund any amounts necessary, together with any amounts on deposit therein, sufficient to pay principal of, redemption premium, if any, and interest on bonds.
Bond Proceeds Fund	Receives proceeds from the sale of revenue bonds as specified and determined by the Resolution. Funds are expended for purposes of financing loans to borrowers under the State Revolving Fund program and if other monies are not available, payment of principal and interest on bonds.
Debt Service Fund	Receives amounts from the Revolving Fund, Support Fund and, if necessary, Bond Proceeds Fund sufficient to pay the debt service on the bonds. Pays principal and interest on outstanding bonds.
Support Fund	The Support Fund, and accounts therein, shall be funded in the amounts and in the manner set forth in a Supplemental Resolution. Monies in the Support Fund shall be transferred to the Debt Service Fund to pay the interest, principal and Sinking Fund Installments and Redemption Price due on Bonds, in accordance with the schedule set forth in the applicable Supplemental Resolution.
Administrative Fund: Cost of Issuance Account	Established outside the SRF, receives a portion of the revenue bond proceeds. Investment income is transferred to the revenue fund for debt service payments. Used to pay issuance cost on revenue bonds.
Rebate Fund	Receives any earnings required to be rebated to the United States pursuant to the Tax Regulatory Agreement. Used for IRS obligations as required.

#### Fund Net Assets - Restricted for Loans

The fund net assets restricted for loans represents amounts accumulated from federal drawdowns, less administrative expenses not exceeding 4% of the federal grant, transfers from the State representing the 20% match on federal funds and interest earned on municipal loans.

#### Subsequent Events

The SRF has evaluated subsequent events for the period after June 30, 2011 through September 15, 2011, the date the financial statements were available to be issued.

### 3 - CASH DEPOSITS AND INVESTMENTS

According to GASB Statement No. 40, *Deposit and Investment Risk Disclosures*, the SRF needs to make certain disclosures about deposits and investment risks that have the potential to result in losses. Thus, the following deposit and investment risks are discussed below:

Interest Rate Risk - the risk that changes in interest rates will adversely affect the fair value of an investment.

Credit Risk - the risk that an issuer or other counterparty to an investment will not fulfill its obligation.

Concentration of Credit Risk - the risk of loss attributed to the magnitude of an investment with a single issuer.

Custodial Credit Risk (deposits) - the risk that, in the event of a bank failure, the SRF's deposits may not be recovered.

Custodial Credit Risk (investments) - the risk that, in the event of a failure of the counterparty, the SRF will not be able to recover the value of investments or collateral securities that are in the possession of an outside party.

#### Cash and cash equivalents

Cash and cash equivalents of the SRF include funds held by the Connecticut State Comptroller and US Bank.

As of June 30, 2011 and 2010 funds held by the State Comptroller were \$2,013,909 and \$4,420,658, respectively. These funds are pooled with other State of Connecticut accounts, and custodial credit risk cannot be determined at the SRF level.

As of June 30, 2011 funds held by STIF were \$337,813,931, of which \$148,006,056 is included in the bond proceeds fund, \$182,817,596 is included in the revolving fund, \$6,990,023 is included in the debt service fund and \$256 is included in cash on the Balance Sheet. As of June 30, 2010 funds held by STIF were \$264,155,176, of which \$67,542,933 is included in the bond proceeds fund, \$196,611,988 is included in the revolving fund, and \$255 is included in cash on the Balance Sheet. STIF is a money market investment pool, rated AAAM as of June 30, 2011 by Standard and Poor's, in which the State, municipal entities, and political subdivisions of the State are eligible to invest. The State Treasurer with the advice of the Investment Advisory Council, whose members include outside investment professionals and pension beneficiaries, establishes investment policies and guidelines. The State Treasurer is authorized to invest STIF funds in U.S. government and agency obligations, certificates of deposit, commercial paper, corporate bonds, savings accounts, bankers' acceptances, repurchase agreements, asset-backed securities, and student loans.

As of June 30, 2011 funds held in Fidelity Institutional Government Money Market (FIGMM) were \$5,485,983, of which \$5,480,983 is included in the debt service fund and \$5,000 is included in the revolving fund on the balance sheet. As of June 30, 2010 funds held in FIGMM

were \$9,816,564, of which \$8,514,376 is included in the debt service fund, and \$1,302,188 is included in the revolving fund on the Balance Sheet. FIGMM is a money market investment pool, managed by Fidelity Investments, normally investing at least 80% of assets in U.S. Government securities and repurchase agreements for those securities and generally maintaining a dollar-weighted average maturity of 60 days or less.

## Investments

As of June 30, 2011, the SRF had the following investments and maturities:

Investment Type	Fair Value	Investment Maturities (in years)				Rating
		Less than 1	1 - 5	6 - 10	More than 10	
U.S. Treasury State & Local Governments	\$ 73,505,651	\$ 4,449,448	\$ 60,246,145	\$ 6,162,333	\$ 2,647,725	Unrated
Guaranteed Investment Contracts	55,806,437	-	-	39,488,024	16,318,413	Aaa
Guaranteed Investment Contracts	19,356,124	-	-	-	19,356,124	AA+
Guaranteed Investment Contracts	51,060,529	-	-	-	51,060,529	A
Guaranteed Investment Contracts	44,582,002	-	-	44,582,002	-	A+
Guaranteed Investment Contracts	46,892,245	6,685,470	31,830,163	8,376,612	-	A-
Connecticut General Obligation Bonds	23,467,836	1,672,029	1,916,556	9,095,811	10,783,440	AA
	<u>\$ 314,670,824</u>	<u>\$ 12,806,947</u>	<u>\$ 93,992,864</u>	<u>\$ 107,704,782</u>	<u>\$ 100,166,231</u>	

As of June 30, 2010, the SRF had the following investments and maturities:

Investment Type	Fair Value	Investment Maturities (in years)				Rating
		Less than 1	1 - 5	6 - 10	More than 10	
U.S. Treasury State & Local Governments	\$ 52,879,542	\$ 3,211,594	\$ 36,582,298	\$ 9,780,088	\$ 3,305,562	Unrated
Guaranteed Investment Contracts	59,223,769	-	-	42,905,356	16,318,413	Aaa
Guaranteed Investment Contracts	81,333,111	-	-	-	81,333,111	AA+
Guaranteed Investment Contracts	48,082,411	-	-	48,082,411	-	A+
Guaranteed Investment Contracts	54,017,799	1,319,689	42,422,411	10,275,699	-	A-
Connecticut General Obligation Bonds	27,795,008	735,622	3,311,688	12,179,458	11,568,240	AA
	<u>\$ 323,331,640</u>	<u>\$ 5,266,905</u>	<u>\$ 82,316,397</u>	<u>\$ 123,223,012</u>	<u>\$ 112,525,326</u>	

## Interest Rate Risk

The SRF's policy for managing interest rate risk is to have the maturity or redemption dates of investments coincide as nearly as practicable with the times at which funds will be required for purposes as established in the General Bond Resolutions.

## Credit Risk

The SRF minimizes exposure to this risk by investing in Investment Obligations as defined by the Resolution.

## Concentration of Credit Risk

The SRF currently invests approximately 69.2% and 75.0%, at June 30, 2011 and 2010, respectively, in long-term investment agreements with AIG Matched Fund Corp., Natixis Funding Corp., Societe Generale, Trinity Plus Funding and Bank of America.

## 4 - LOANS RECEIVABLE

The SRF loans funds to qualified municipalities at an annual interest rate of two percent, secured by the full faith and credit or revenue pledges of the municipalities, or both. Principal and interest payments on loans are payable over a 20 year period in equal monthly installments commencing one month after the scheduled completion date, or in a single annual installment representing the first year's principal and interest not later than one year after the scheduled completion date and thereafter in monthly or annual installments.

Loans receivable by type are as follows as of June 30:

	<u>2011</u>	<u>2010</u>
Construction in process	\$ 189,258,485	\$ 234,380,732
Completed projects	<u>688,869,058</u>	<u>595,285,885</u>
	<u>\$ 878,127,543</u>	<u>\$ 829,666,617</u>

Aggregate maturities of loans receivable in subsequent years for completed projects are as follows:

<u>Year ending June 30</u>	
2012	\$ 64,552,255
2013	59,501,236
2014	53,486,825
2015	50,886,819
2016	49,929,409
Thereafter	<u>410,512,514</u>
	<u>\$ 688,869,058</u>

## 5 - FEDERAL LETTER OF CREDIT

The following represents a summary of the cumulative amount of funds awarded and drawn, as well as the amount of funds available under the U.S. Environmental Protection Agency's letter of credit as of June 30:

	<u>2011</u>	<u>2010</u>
Awarded	\$ 380,724,148	\$ 380,724,148
Drawn	<u>380,634,148</u>	<u>372,144,197</u>
Available federal letter of credit	<u>\$ 90,000</u>	<u>\$ 8,579,951</u>

The following represents a summary of the cumulative amount of funds awarded and drawn under the American Recovery and Reinvestment Act of 2009 (ARRA) award as of June 30:

	<u>2011</u>	<u>2010</u>
Awarded	\$ 48,010,300	\$ 48,010,300
Drawn	<u>39,329,130</u>	<u>14,979,541</u>
Available federal letter of credit	<u>\$ 8,681,170</u>	<u>\$ 33,030,759</u>

## 6 - RESTRICTED ASSETS

Restricted assets as of June 30 are comprised of the following:

	<u>2011</u>	<u>2010</u>
Cash equivalents:		
Money market investment pool	\$ 160,477,062	\$ 76,057,309
Investments:		
U.S. Treasury State & Local Governments	73,505,651	52,879,542
Guaranteed Investment Contracts	217,697,337	242,657,090
Connecticut General Obligation Bonds	<u>1,916,556</u>	<u>2,169,056</u>
	<u>\$ 453,596,606</u>	<u>\$ 373,762,997</u>

## 7 - RELATED PARTY TRANSACTIONS

The SRF is one fund of many within the State of Connecticut financial reporting structure and as a result, certain transactions including operating transfers, loans receivable and allocation of expenses among funds are under the direction of the State.

### Investments

The SRF has invested in the State Treasurer's Short Term Investment Fund and also holds State General Obligation Bonds as presented in Note 3.

### Allocation of Expenses

Fringe benefit costs which are incurred at the State level are applied as a percentage of salaries to all State governmental units, including the SRF. For the years ended June 30, 2011 and 2010, the basic rates were 62.33% and 61.23%, respectively, of the SRF wages and the amounts charged aggregated \$265,300 and \$375,171, respectively.

## 8 - BONDS PAYABLE

A summary of changes in bonds payable during the year ended June 30, 2011 is as follows:

	Balance June 30, 2010	Issued	Principal Defeasance	Principal Paydowns	Balance June 30, 2011
Revenue bonds	\$ 530,441,588	\$ 166,470,850	\$ 27,961,164	\$ 37,063,672	\$ 631,887,602
Refunding bonds	237,376,493	-	-	30,245,923	207,130,570
	<u>\$ 767,818,081</u>	<u>\$ 166,470,850</u>	<u>\$ 27,961,164</u>	<u>\$ 67,309,595</u>	<u>\$ 839,018,172</u>

A summary of changes in bonds payable during the year ended June 30, 2010 is as follows:

	Balance June 30, 2009	Issued	Principal Defeasance	Principal Paydowns	Balance June 30, 2010
Revenue bonds	\$ 561,698,575	\$ -	\$ -	\$ 31,256,987	\$ 530,441,588
Refunding bonds	265,404,928	115,835,000	121,375,000	22,488,435	237,376,493
	<u>\$ 827,103,503</u>	<u>\$ 115,835,000</u>	<u>\$ 121,375,000</u>	<u>\$ 53,745,422</u>	<u>\$ 767,818,081</u>

### Revenue Bonds

The proceeds of the SRF's bonds are to be used to provide funds to make loans to Connecticut municipalities, for use in connection with the financing or refinancing of wastewater and drinking water treatment projects.

The State of Connecticut has issued the following bonds, a portion of which has been allocated to the Drinking Water Fund:

Issue Date	Issue Name	Original Par Amount	Balance Outstanding June 30, 2011
01/01/1991	Clean Water Fund Revenue Bonds, 1991 Series	\$ 100,000,000	\$ -
01/01/1992	Clean Water Fund Revenue Bonds, 1992 Series	105,000,000	-
01/01/1993	Clean Water Fund Revenue Bonds, 1993 Series	50,000,000	-
06/01/1994	Clean Water Fund Revenue Bonds, 1994 Series	75,000,000	-
03/01/1996	Clean Water Fund Revenue Bonds, 1996 Series	80,000,000	-
03/15/1996	Clean Water Fund Subordinate Revenue Refunding Bonds, 1996 Series	48,445,000	-
09/01/1997	Clean Water Fund Revenue Bonds, 1997 Series	110,000,000	-
04/15/1999	Clean Water Fund Revenue Bonds, 1999 Series	125,000,000	-
05/01/1999	Clean Water Fund Subordinate Revenue Refunding Bonds, 1999 Series	78,995,000	-
06/01/2001	Clean Water Fund Revenue Bonds, 2001 Series	100,000,000	-
07/10/2003	State Revolving Fund General Revenue Bonds, 2003 Series A	118,085,000	46,611,420
07/10/2003	State Revolving Fund Refunding General Revenue Bonds, 2003 Series B	115,785,000	70,515,570
07/10/2003	State Revolving Fund Refunding General Revenue Bonds, 2003 Series C-1	55,000,000	-
07/10/2003	State Revolving Fund Refunding General Revenue Bonds, 2003 Series C-2	66,375,000	-
07/27/2006	State Revolving Fund General Revenue Bonds, 2006 Series A	150,000,000	122,805,332
07/27/2006	State Revolving Fund Refunding General Revenue Bonds, 2006 Series B	30,070,000	970,000
08/06/2008	State Revolving Fund General Revenue Bonds, 2008 Series A	196,195,000	106,795,000
06/25/2009	State Revolving Fund General Revenue Bonds, 2009 Series A	199,440,000	189,205,000
06/25/2009	State Revolving Fund Refunding General Revenue Bonds, 2009 Series B	44,560,000	27,665,000
07/09/2009	State Revolving Fund Refunding General Revenue Bonds, 2009 Series C	115,835,000	107,980,000
03/26/2011	State Revolving Fund General Revenue Bonds, 2011 Series A	182,935,000	166,470,850
	Total	<u>\$ 2,146,720,000</u>	<u>\$ 839,018,172</u>

Debt service on these bonds has been paid and is to be paid from a combination of pledged receipts, earnings on investments held in the debt service reserve funds, maturing principal and interest on investments, amounts held in the interest subsidy funds and amounts held in the support funds. "Pledged receipts" means payments of principal and interest on municipal obligations, including both timely and delinquent payments with late charges, if any, and includes any fees and charges, fines and penalties collected or held by the State.

Pledged receipts include the repayments of loans made by the Obligated Group, including all loans previously funded as well as future loans. Although amounts attributable to the Obligated Group are tracked separately for federal reporting purposes, all pledged receipts will secure all bonds of the revenue bond program. The Act and the General Bond Resolution adopted December 7, 1990 permit the pledging of assets of both the SRF and the Drinking Water Fund SRF to secure all bonds.

The State of Connecticut issued State Revolving Fund General Revenue Bonds 2003 Series A dated July 10, 2003 pursuant to the General Bond Resolution adopted December 17, 2002. In accordance with the State Revolving Fund General Revenue Bonds, 2003 Series Plan of Finance, the State allocated the proceeds of 2003 Series Bonds between the SRF and the Drinking Water Fund with \$85,021,200 allocated to the SRF and \$33,063,800 allocated to the Drinking Water Fund. The Drinking Water Fund (an enterprise fund of the State of Connecticut) was also established pursuant to Connecticut General Statutes Section 22a-475 to 22a-483 and provides assistance to municipalities of Connecticut to finance the costs of infrastructure needed to achieve or maintain compliance with the Safe Drinking Water Fund Act. Debt service on the

2003 Series Bonds is paid from any available monies in the SRF and the Drinking Water Fund. The State has pledged amounts in the bond proceeds fund, the support fund and the debt service fund pursuant to the Resolution. After a review of the total expenditures from both programs since 2003, as of July 1, 2006, the State transferred \$10,210,105 in 2003 bond proceeds from the Drinking Water Fund to the Clean Water Fund. An equal principal amount of 2003 Series Bonds will now be designated Clean Water bonds and will be payable from Clean Water revenues for their remaining term. The 2003 Support Fund balances for each program are similarly impacted by the reassignment. Available money equal to \$1,734,740 in the Clean Water Fund's General Revenue Revolving Fund has been deposited in the Clean Water Fund's 2003 Support Fund and \$1,734,740 in the Drinking Water 2003 Support Fund has become available money in the Drinking Water Fund's General Revenue Revolving Fund. Other related accounts were affected and adjusted to reflect the transfer.

The State of Connecticut issued State Revolving Fund General Revenue Bonds 2006 Series A dated July 27, 2006 pursuant to the General Bond Resolution adopted December 17, 2002. In accordance with the State Revolving Fund General Revenue Bonds, 2006 Series Plan of Finance, the State allocated the proceeds of 2006 Bond Series between the SRF and the Drinking Water Fund with \$145,000,000 allocated to the SRF and \$5,000,000 allocated to the Drinking Water Fund. Debt service on the 2006 Series Bonds is to be paid from any available monies in the SRF and the Drinking Water Fund. The State has pledged amounts in the bond proceeds fund, the support fund and the debt service fund pursuant to the Resolution.

The State of Connecticut issued State Revolving Fund General Revenue Bonds 2008 Series A dated August 6, 2008 pursuant to the General Bond Resolution adopted December 17, 2002. In accordance with the State Revolving Fund General Revenue Bonds, 2008 Series Plan of Finance, the State allocated the proceeds of 2008 Series Bonds between the SRF and the Drinking Water Fund with \$171,195,000 allocated to the SRF and \$25,000,000 allocated to the Drinking Water Fund. Debt service on the 2008 Series Bonds is to be paid from any available monies in the SRF and the Drinking Water Fund. The State has pledged amounts in the bond proceeds fund, the support fund and the debt service fund pursuant to the Resolution.

The State of Connecticut issued State Revolving Fund General Revenue Bonds 2009 Series A dated June 25, 2009 pursuant to the General Bond Resolution adopted December 17, 2002. In accordance with the State Revolving Fund General Revenue Bonds, 2009 Series Plan of Finance, the State allocated the proceeds of 2009 Series Bonds between the SRF and the Drinking Water Fund with \$194,765,000 allocated to the SRF and \$4,675,000 allocated to the Drinking Water Fund. Debt service on the 2009 Series Bonds is to be paid from any available monies in the SRF and the Drinking Water Fund. The State has pledged amounts in the bond proceeds fund, the support fund and the debt service fund pursuant to the Resolution.

The State of Connecticut issued State Revolving Fund General Revenue Bonds 2011 Series A dated March 26, 2011 pursuant to the General Bond Resolution adopted December 17, 2002. In accordance with the State Revolving Fund General Revenue Bonds, 2011 Series Plan of Finance, the State allocated the proceeds of 2011 Series Bonds between the SRF and the Drinking Water Fund with \$166,470,850 allocated to the SRF and \$16,464,150 allocated to the Drinking Water Fund. Debt service on the 2009 Series Bonds is to be paid from any available monies in the SRF and the Drinking Water Fund. The State has pledged amounts in the bond proceeds fund, the support fund and the debt service fund pursuant to the Resolution.

Revenue bonds payable consist of the following as of June 30:

	<u>2011</u>	<u>2010</u>
Serial bonds, with interest rates from 1.00% to 5.00%, maturing from 2011 through 2028	<u>\$ 631,887,602</u>	<u>\$ 530,441,588</u>

Refunding Bonds - 2003 Series

On July 10, 2003 the State issued \$115,785,000 of State Revolving Fund Refunding General Revenue Bonds 2003, Series B with interest rates of 2.0% to 5.9% and \$121,375,000 of State Revolving Fund Refunding General Revenue Bonds, 2003 Series C (2003 Series B and C Refunding Bonds) as auction rate bonds to advance refund Clean Water Fund 1997, 1999 and 2001 Series Revenue Bonds (Refunded Bonds) with principal balances totaling \$272,805,000 and interest rates of 4.3% to 7.0%. The State allocated \$7,572,339 of the 2003 Series B Refunding Bonds to the Drinking Water Fund. The Refunded Bonds mature at various dates through September 1, 2022.

The net proceeds of the 2003 Series B and C Refunding Bonds of \$291,594,387 were used to purchase U.S. Government securities and those securities were placed in an irrevocable trust with an escrow agent to provide debt service payments until the Refunded Bonds are called on various dates through October 1, 2011. The advance refunding met the requirements of an in-substance debt defeasance and, accordingly, the Refunded Bonds with a principal balance of \$254,971,000 were removed from the SRF's balance sheet. As of June 30, 2011 and 2010, the outstanding principal balance of the Refunded Bonds was \$42,386,000.

The difference of \$37,699,081 between the book value of the Refunded Bonds and the amount deposited to the irrevocable trust to fund their debt service represents a loss which has been deferred and is being recognized as an adjustment of interest expense over the life of the 2003 Series B and C Refunding Bonds using the outstanding bond method. Amortization of the deferred loss for the years ended June 30, 2011 and 2010 totaled \$1,896,035 and \$3,694,778, respectively.

The interest rate on the 2003 Series C Bonds was hedged with an interest rate swap (see Note 10). The 2003 Series C Bonds were issued as auction rate securities with two interest rate reset modes (\$55,000,000 in daily mode and \$67,375,000 in 28-day mode). The maximum interest rate on the Bonds is capped as 150% of one-month LIBOR if auctions fail.

These bonds were defeased on July 30, 2009. See Refunding bonds - 2009 Series C.

### Refunding Bonds - 2006 Series

On July 27, 2006 the State issued \$30,070,000 of State Revolving Fund Refunding General Revenue Bonds 2006, Series B (2006 Series B Refunding Bonds) with interest rates of 3.75% to 5.0% to advance refund Clean Water Fund 1996 Series Revenue and Refunding Bonds (Refunded Bonds) with principal balances totaling \$34,065,000 and interest rates of 4.6% to 5.6%. The Refunded Bonds were to mature at various dates through May 1, 2018 but were called on September 8, 2006.

The net proceeds of the 2006 Series B Refunding Bonds of \$34,422,009 were used to purchase U.S. Government securities and those securities were placed in an irrevocable trust with an escrow agent to provide debt service payments until the Refunded Bonds are called on various dates through October 1, 2011. The advance refunding met the requirements of an in-substance debt defeasance and, accordingly, the Refunded Bonds with a principal balance of \$34,065,000 were removed from the SRF's balance sheet.

The difference of \$357,009 between the book value of the Refunded Bonds and the amount deposited to the irrevocable trust to fund their debt service represents a loss which has been deferred and is being recognized as an adjustment of interest expense over the life of the 2006 Series B Refunding Bonds using the outstanding bond method. Amortization of the deferred loss for the years ended June 30, 2011 and 2010 totaled \$22,540 and \$58,878, respectively.

### Cash Defeasance - 2008

On June 30, 2008 the SRF paid \$109,472,658 to advance refund Clean Water Fund 1993, 1997, 1999 and 2001 Series Revenue and Refunding Bonds (Refunded Bonds) with principal balances totaling \$105,025,734 and interest rates of 4.0% to 6.0%. The Refunded Bonds were scheduled to mature at various dates through March 1, 2020.

The \$109,472,658 was used to purchase U.S. Government securities and those securities were placed in an irrevocable trust with an escrow agent to provide debt service payments and the call premium until the Refunded Bonds are called on various dates through October 1, 2012. The advance refunding met the requirements of an in-substance debt defeasance and, accordingly, the Refunded Bonds with a principal balance of \$105,025,734 were removed from the SRF's balance sheet. As of June 30, 2011 and 2010 the outstanding principal balances of the Refunded Bonds were \$7,488,661 and \$15,728,661, respectively.

The difference of \$5,107,760 between the book value of the Refunded Bonds and the amount deposited to the irrevocable trust to fund their debt service represents a loss which has been deferred and is being recognized as an adjustment of interest expense over the life of the Refunding Bonds using the outstanding bond method. Amortization of the deferred loss for the years ended June 30, 2011 and 2010 totaled \$567,528.

### Refunding Bonds - 2009 Series B

On June 25, 2009 the State issued \$44,560,000 of State Revolving Fund Refunding General Revenue Bonds 2009, Series B (2009 Series B Refunding Bonds) with interest rates of 2.0% to 5.0% to refund on a current basis Clean Water Fund Subordinate Revenue Refunding Bonds, Series 1999, maturing after July 15, 2009, which were previously cash defeased on June 30, 2008. The Bonds were called on July 15, 2009.

The net proceeds of the 2009 Series B Refunding Bonds of \$46,616,550 were used to purchase U.S. Government securities and those securities were placed in an irrevocable trust with an escrow agent to provide debt service payments until the Refunded Bonds were paid on July 15, 2009.

### Refunding Bonds - 2009 Series C

On July 30, 2009 the State issued \$115,835,000 of State Revolving Fund Refunding General Revenue Bonds 2009, Series C (2009 Series C Refunding Bonds) with interest rates of 1.5% to 5.0% to refund on a current basis Clean Water Fund Refunding General Revenue Bonds, Series 2003 C-1 and C-2.

The net proceeds of the 2009 Series C Refunding Bonds of \$121,375,000 were used to purchase U.S. Government securities and those securities were placed in an irrevocable trust with an escrow agent to provide debt service payments until the Refunded Bonds were paid on July 31 and August 3, 2009. The advance refunding met the requirements of an in-substance debt defeasance and, accordingly, the Refunded Bonds with a principal balance of \$121,375,000 were removed from the SRF's balance sheet.

The difference of \$6,728,739 between the book value of the Refunded Bonds and the amount deposited to the irrevocable trust to fund their debt service represents a loss which has been deferred and is being recognized as an adjustment of interest expense over the life of the Refunding Bonds using the outstanding bond method. Amortization of the deferred loss for the years ended June 30, 2011 and 2010 totaled \$877,833 and \$665,015, respectively.

### Cash Defeasance - 2011

On March 24, 2011 the SRF paid \$31,553,641 to advance refund Clean Water Fund 2003 Series A Revenue (Refunded Bonds) with principal balances totaling \$27,961,164 and an interest rate of 5.0%. The Refunded Bonds were scheduled to mature at various dates through October 1, 2019.

The \$31,553,641 was used to purchase U.S. Government securities and those securities were placed in an irrevocable trust with an escrow agent to provide debt service payments until the Refunded Bonds are called on October 1, 2013. The advance refunding met the requirements of an in-substance debt defeasance and, accordingly, the Refunded Bonds with a principal balance of \$27,961,164 were removed from the SRF's balance sheet. As of June 30, 2011 the outstanding principal balances of the Refunded Bonds were \$27,961,164.

The difference of \$2,258,466 between the book value of the Refunded Bonds and the amount deposited to the irrevocable trust to fund their debt service represents a loss which has been deferred and is being recognized as an adjustment of interest expense over the life of the Refunding Bonds using the outstanding bond method. Amortization of the deferred loss for the year ended June 30, 2011 totaled \$150,564.

### Bond Maturities

Requirements at June 30, 2011 to retire the SRF's revenue and refunding bonds are as follows:

<u>Year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2012	\$ 70,686,732	\$ 35,225,812
2013	70,578,437	33,804,022
2014	67,603,431	30,781,763
2015	71,467,846	27,871,090
2016	72,032,466	24,679,150
2017-2021	257,382,078	86,210,879
2022-2026	200,945,049	30,433,467
2027-2028	<u>28,322,133</u>	<u>1,389,571</u>
	<u>\$ 839,018,172</u>	<u>\$ 270,395,754</u>

### 9 - ARBITRAGE LIABILITY

The Internal Revenue Code provides that interest on certain obligations issued by states, including SRF revenue bonds, is not taxable to the holder provided that bond proceeds are not invested in higher yielding investments, which is referred to as arbitrage. To mitigate arbitrage with respect to the SRF's 2001, 2003, 2006, 2008, 2009 and 2011 series revenue bonds, the SRF is required to remit excess investment income to the federal government. There was no arbitrage expense for June 30, 2011. The arbitrage expense was \$53,881 for June 30, 2010.

### 10 - INTEREST RATE SWAPS

On July 10, 2003 when the 2003 Series C refunding bonds were issued, the State entered into fixed payor interest rate swap agreements to lock-in a synthetic fixed rate of 3.1789%. The fixed payor swap agreements provided for the State to pay fixed rates of 3.1789% until October 1, 2013 and 3.0299% thereafter until October 1, 2022 to the swap counterparty and to receive variable payments from the counterparty. The swap agreements included two components in order to better match the swap payments with the underlying auction rates.

The State secured a fixed payment rate of 3.0299% with Swap A in return for receiving a floating payment rate of 1-month London Interbank Offered Rate (LIBOR) multiplied by 67%. Swap A included an option for the State to terminate the agreement effective October 1, 2013 and semiannually thereafter. The notional amount of the swaps were \$121,375,000

The floating rates on the 2003 Series C refunding bonds were expected to trade based on the tax-exempt Securities Industry and Financial Markets Association Municipal Swap index which could equal more than 67% of LIBOR creating a mismatch between floating receipts from the swap agreement and floating interest payments under the 2003 Series C bonds. This situation is called basis risk. To mitigate this risk, the State entered into Swap B.

Swap B paid the State a floating rate equaling the lesser of 33% of LIBOR or (58% of LIBOR plus 0.39%) minus 67% of LIBOR, subject to a 0% minimum. The State made fixed payments with an interest rate of 0.149%. Swap B was to mature on October 1, 2013 and contained no termination option. The combined effect of the swaps was that the State received a higher percentage of LIBOR when LIBOR rates are below 4.33% (to a maximum of 100% of LIBOR) and a lower percentage of LIBOR when rates are higher (to a minimum of 67% of LIBOR). The creation of this structure ("Collar") approximates the relationship between the BMA and the taxable LIBOR index, thereby reducing basis risk.

On July 30, 2009 the State issued 2009 Series C Refunding Bonds to refund on a current basis the 2003 Series C Refunding Bonds and to pay the termination fee on the interest rate swap agreements. The termination fee was \$4,441,000 and is included in interest expense on the Statement of Revenues, Expenses and Changes in Fund Net Assets for the year ended June 30, 2010.

#### 11 - FUND NET ASSETS

The following represents an analysis of fund net assets for the years ended June 30, 2011 and 2010:

	<u>Unrestricted</u>	<u>Restricted for Loans</u>	<u>Total</u>
Balance at June 30, 2009	\$ 34,786,394	\$604,902,238	\$ 639,688,632
Change in fund net assets	<u>( 15,772,302)</u>	<u>29,660,024</u>	<u>13,887,722</u>
Balance at June 30, 2010	19,014,092	634,562,262	653,576,354
Change in fund net assets	<u>( 14,350,796)</u>	<u>25,779,805</u>	<u>11,429,009</u>
Balance at June 30, 2011	<u>\$ 4,663,296</u>	<u>\$660,342,067</u>	<u>\$ 665,005,363</u>

## 12 - OPERATING TRANSFERS

Operating transfers consist of the following for the years ended June 30:

	<u>2011</u>	<u>2010</u>
Pledged loan repayments	\$ 1,576,871	\$ 2,072,631
Reallocation of funds to DWF	( 7,000,000)	-
Operating expenses transfer	693,452	989,966
Operating expenses reimbursement	( 1,204,855)	-
IFO loan reclassifications	3,814,739	2,831
Reallocation of deferred loss on 2003 refunding bond	-	( 938,389)
Transfer related to cost of issuance of bond offerings	( 801,664)	( 400,914)
Transfer related to DWF debt service	109,774	273,939
	<u>(\$ 2,811,683)</u>	<u>\$ 2,000,064</u>

## 13 - LOAN FUNDING COMMITMENTS

The SRF has entered into various loan agreements with municipalities to fund the planning, design and construction of water quality projects. The following represents a summary of loan commitments at June 30:

	<u>2011</u>	<u>2010</u>
Total funds committed to municipalities	\$ 1,214,457,962	\$ 1,228,537,599
Loan amount outstanding to municipalities	<u>878,127,543</u>	<u>829,666,617</u>
Loan commitments outstanding	<u>\$ 336,330,419</u>	<u>\$ 398,870,982</u>

In addition, the SRF has ARRA project grant commitments of \$6,815,747 and \$15,560,903 as of June 30, 2011 and 2010, respectively.

## 14 - RISK MANAGEMENT

The State of Connecticut is responsible for risk management of the SRF activities through the use of commercial and self-insurance.

# SEWARD AND MONDE

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## INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Ms. Denise L. Nappier, Treasurer

Mr. Daniel C. Esty, Commissioner,  
Department of Energy and Environmental Protection,  
State of Connecticut

We have audited the financial statements of the State of Connecticut Clean Water Fund - Water Pollution Control Authority Federal Revolving Loan Account (State Revolving Fund) (SRF) (an enterprise fund of the State of Connecticut) as of and for the year ended June 30, 2011, and have issued our report thereon dated September 15, 2011. We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

### INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audit, we considered the SRF's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the SRF's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the SRF's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

## COMPLIANCE AND OTHER MATTERS

As part of obtaining reasonable assurance about whether the SRF's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the management of the SRF and federal awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.

*Seward and Monde*

September 15, 2011

# SEWARD AND MONDE

CERTIFIED PUBLIC ACCOUNTANTS  
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## INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Ms. Denise L. Nappier, Treasurer

Mr. Daniel C. Esty, Commissioner,  
Department of Energy and Environmental Protection,  
State of Connecticut

### COMPLIANCE

We have audited the compliance of the State of Connecticut Clean Water Fund - Water Pollution Control Authority Federal Revolving Loan Account (State Revolving Fund) (SRF) (an enterprise fund of the State of Connecticut) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that could have a direct and material effect on each of SRF's major federal programs for the year ended June 30, 2011. The SRF's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of SRF's management. Our responsibility is to express an opinion on the SRF's compliance based on our audit.

We conducted our audit of compliance in accordance with U.S. generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the SRF's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the SRF's compliance with those requirements.

In our opinion, the SRF complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011.

#### INTERNAL CONTROL OVER COMPLIANCE

Management of SRF is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the SRF's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of SRF's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the management of SRF and federal awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.

*Seward and Monde*

September 15, 2011

STATE OF CONNECTICUT CLEAN WATER FUND - WATER POLLUTION CONTROL  
 AUTHORITY FEDERAL REVOLVING LOAN ACCOUNT (STATE REVOLVING FUND)  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 For the year ended June 30, 2011

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<u>Federal Grantor; Program Title</u>	<u>Federal CFDA Number</u>	<u>Expenditures</u>
ENVIRONMENTAL PROTECTION AGENCY		
Direct:		
Capitalization Grants for State Revolving Fund	66.458	\$ 103,727
Capitalization Grants for State Revolving Fund	ARRA - 66.458	<u>23,734,458</u>
		<u><u>\$ 23,838,185</u></u>

See notes to schedule.

STATE OF CONNECTICUT CLEAN WATER FUND - WATER POLLUTION CONTROL  
AUTHORITY FEDERAL REVOLVING LOAN ACCOUNT (STATE REVOLVING FUND)  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the year ended June 30, 2011

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A - ACCOUNTING BASIS

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the State of Connecticut Clean Water Fund - Water Pollution Control Authority Federal Revolving Loan Account (State Revolving Fund) and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the financial statements.

Revenues are recognized to the extent of expenditures. Expenditures have been recognized to the extent that administrative costs have been incurred by the SRF and charged to the grant and federal funds have been loaned to municipalities during the year.

B - MUNICIPAL LOAN BALANCES

The balance of outstanding loans to municipalities totaled \$878,127,543 as of June 30, 2011.

STATE OF CONNECTICUT CLEAN WATER FUND - WATER POLLUTION CONTROL  
 AUTHORITY FEDERAL REVOLVING LOAN ACCOUNT (STATE REVOLVING FUND)  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 For the year ended June 30, 2011

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SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued: Unqualified

Internal control over financial reporting:

Material weakness(es) identified?  Yes  No

Significant deficiency(ies) identified?  Yes  None reported

Noncompliance material to financial statements noted?  Yes  No

Federal Awards

Internal control over major programs:

Material weakness(es) identified?  Yes  No

Significant deficiency(ies) identified?  Yes  None reported

Type of auditors' report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133?  Yes  No

Identification of Major Programs:

<u>CFDA Number</u>	<u>Name of Federal Program</u>
66.458	Capitalization Grants for State Revolving Fund
ARRA 66.458	Capitalization Grants for State Revolving Fund

Dollar threshold used to distinguish between type A and type B programs \$ 715,146

Auditee qualified as low risk auditee?  Yes  No

SECTION II - FINANCIAL STATEMENT FINDINGS

No findings are reported.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No findings or questioned costs are reported.