



STATE OF CONNECTICUT

TREASURER SHAWN T. WOODEN

TREASURER WOODEN: CLEAN WATER FUND'S GREEN BOND SALE SHATTERS STATE RECORDS

*PROGRAM MAKES HISTORY WITH RETAIL ORDERS TOPPING \$240 MILLION IN ONE DAY,
WHILE INTEREST COSTS DROPPED TO A RECORD LOW AT 2.69%*

FOR IMMEDIATE RELEASE

HARTFORD, CT – State Treasurer Shawn Wooden announced today that investment in Connecticut's clean water infrastructure is strong with the sale of **\$280 million of State of Connecticut State Revolving Fund General Revenue bonds**, most of which were sold as Green Bonds. These bonds help finance critical wastewater and drinking water infrastructure projects through the State's Clean Water and Drinking Water Programs, which have provided \$3 billion in grant and loan commitments throughout the State of Connecticut. With stable outlooks ratings by all three credit agencies, the Bonds have a "Aaa" credit rating from *Moody's Investors Service* and a "AAA" credit rating for *Standard & Poor's and Fitch*.



"These record sales and low interest costs are positive signals that investors see Connecticut moving in the right direction and the strength of the State Revolving Fund General Revenue bond program," said **Connecticut Treasurer Shawn Wooden**. "By lowering the cost of borrowing, we're able to fund more projects for Connecticut's cities and towns at our low 2% loan rate. This has a tremendous positive impact on our environment, economy and quality of life for Connecticut residents."

Bonds were offered in two series:

- \$250 million in new money Series A bonds were offered as Green Bonds through the State's Clean Water and Drinking Water Programs.
- \$30 million in Series B refunding bonds were offered to refinance existing bonds to lower interest rates for \$3 million in debt service savings over the next four years.

The bond sale generated more than \$240 million in orders from individual investors during an exclusive one-day retail order period on Wednesday, June 19. **This is the highest level of retail orders in the 20-year history of this bonding program.** The balance of the bonds were offered to institutional investors on Thursday, June 20, and generated an additional \$128 million in orders.

The overall interest cost on the Series A 20-year bond issue was 2.69%, the lowest cost achieved on the sale of any similar bond issue in the twenty-year history of the program. In addition, **the bond pricing spreads on the bonds were among the lowest spreads achieved in the program's history.**

About Green Bonds

Green Bonds, first issued in 2008 by the World Bank, are dedicated to financing environmentally friendly projects. To date, \$38.9 billion of Green Bonds have been issued by over 140 different municipal issuers.

“Including this latest issue, the Connecticut Treasury has issued \$940 million of Green Bonds since 2014. The Green Bond market is an exciting, rapidly expanding marketplace designed to meet the needs of the growing group of investors who have mandates to invest in sustainable projects that will help preserve our environment for future generations,” said Treasurer Wooden.

The State follows the process guidelines as specified by the Green Bond Principles, which is a voluntary standard for issuing Green Bonds by a group of environmental finance experts and banks active in the development of the Green Bonds market. Investor feedback received thus far shows that over \$55 million of bond orders were driven by the State's Green Bond designation.

The State entered into an agreement with Sustainalytics to review its Green Bond framework and provide a Second Party Opinion on the Series 2019 Series A Green Bonds. In 2017, the State was the first State Revolving Fund to seek a Second Party Opinion. Sustainalytics reviewed the State's framework for alignment with the four key pillars of the Green Bond Principles: use of proceeds, project selection, management of proceeds, and reporting and concluded the program “follows the guidance provided by the Green Bond Principles and is in alignment with its four pillars...and is robust and credible.”

About Use of Proceeds

There are currently over 40 projects that will be receiving funding from this bond sale all across the State.

On the Clean Water side, proceeds will fund current water pollution control facility upgrades in Bridgeport, Bristol, Enfield, Farmington, Killingly, Hartford, Plainville, Thomaston, Torrington, and Waterbury. The facility upgrades will reduce the amount of nutrients, including nitrogen and phosphorus, which are discharged into the state's rivers and ultimately Long Island Sound. In addition, 12 additional projects of varying needs will also be receiving funding from this issue.

Drinking Water projects that will be financed include new water main transmission lines and/or pump station upgrades in Bethel, Hartford, and Wethersfield, and upgrades of water treatment facilities in Groton and New Britain are also being funded. Finally, another 11 projects ranging from emergency generator installation to water tank replacements and improvements to filtration systems are also receiving funding.

An additional 21 projects spanning the entire state are expected to commence within the next year and could be funded in some part by this bond issue.

About The Connecticut State Revolving Fund Program

Connecticut's SRF program provides communities with the opportunity to receive up to 100% funding for construction, rehabilitation, expansion or improvement of critical wastewater treatment or drinking water facilities across the State. This is accomplished through loans funded through State Revolving Fund revenue bonds, federal capitalization grants, and state grants funded by General Obligation bonds.

The Clean Water and Drinking Programs are managed through an interagency team. The State Treasurer's Office manages the State Revolving Fund bond financing program and provides the financial management and administration of the revolving loan program. The Department of Energy and Environmental Protection administers the wastewater treatment program while the Department of Public Health administers the drinking water infrastructure program.

The bonds were offered through an underwriting syndicate led by Morgan Stanley. Bond counsel for the program is Hardwick Law firm. Financial advisors are Lamont Financial and Hilltop Securities. The bonds are scheduled to close on July 9, 2019.

More information on the sale is available at www.buyctbonds.com.

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