



The Office Of State Treasurer
Denise L. Nappier

News

FOR IMMEDIATE RELEASE
April 15, 2015

CELEBRATE EARTH DAY WITH AN INVESTMENT IN AAA RATED CONNECTICUT GREEN BONDS!

Treasurer Nappier Announces State's First All Green Bond Sale Proceeds To Fund Critical Clean Water and Drinking Water Projects

HARTFORD, CT – State Treasurer Denise L. Nappier announced today that her office plans to issue the first State of Connecticut all Green Bond issue next week to finance critical wastewater and drinking water infrastructure projects statewide through the State's Clean Water and Drinking Water Programs.



The \$250 million bond issue follows the State's successful first issuance of Green Bonds last fall, a \$60 million offering which was part of a larger \$300 million General Obligation bond sale.

"We are pleased to be working with the Connecticut Treasury again to offer Green Bonds, this time to finance low cost loans to Connecticut municipalities for Clean Water projects that are so important to our overall quality of life here in Connecticut." said Department of Energy and Environmental Protection Commissioner Robert Klee.

"Safe and adequate drinking water is vital to Connecticut's economy and to the public health of our residents," said Department of Public Health Commissioner Dr. Jewel Mullen. "These Green Bonds will help fund critical improvements to public water systems to ensure that our drinking water continues to meet the highest quality standards."

The proceeds of the bond sale will fund projects across the State. On the clean water side, proceeds will fund water pollution control facility upgrades in Hartford, Bridgeport, Cheshire, Manchester, New Haven, Plymouth, and the Mattabassett District. The facility upgrades will reduce the amount of nutrients, including nitrogen and phosphorus, that are discharged into the state's rivers and ultimately Long Island Sound.

Drinking water projects that will be financed include new water main transmission lines and/or pump station upgrades in New London, Norwalk, and Norwich, as well as the upgrade of water treatment facilities in Meriden and West Hartford.

Green Bonds, first issued in 2008 by the World Bank, are dedicated to financing environmentally friendly projects. To date, \$3.7 billion of Green Bonds have been issued by more than 20 different municipal issuers. So far in 2015, eight municipal issuers have issued a total of \$1.04 billion in Green Bonds.

The State will again follow the process guidelines as specified by the Green Bond Principles, which is a voluntary standard for issuing Green Bonds established last year by a group of environmental finance experts and banks active in the development of the Green Bonds market.

The Green Bond offerings are designed to meet the needs of the growing group of investors who have mandates to invest in sustainable projects. The Office of the Treasurer expects the bonds to appeal to investors that are interested in both the State's AAA rated bonds and the funding of projects that have a positive impact on the environment.

The credit ratings on the bonds were affirmed by all three credit rating agencies with stable outlooks. The ratings are Aaa from Moody's Investor Service and AAA for Standard & Poor's and Fitch. The bonds are being offered to individual investors on a priority basis during a two day retail order period scheduled for Monday, April 20 and Tuesday, April 21. The final pricing and sale is scheduled for Earth Day, April 22, 2015.

This bond sale represents the largest new-money bond issue in the history of the Clean Water and Drinking Water programs. The bonds are being offered through an underwriting syndicate led by Goldman Sachs, a leading investment banking firm for Green Bond issues.

Investors can learn more about purchasing these State of Connecticut Green Bonds at www.BuyCTBonds.com.

Treasurer Nappier's Green Initiatives

The sale of Green Bonds is one of a series of environmental initiatives that the Treasurer's Office has launched or been involved with.

In 2003, Treasurer Nappier was a convener of the first Investor Summit on Climate Risk, held at the United Nations in New York City, which led to the founding of the Investor Network on Climate Risk. In 2005, the Office in conjunction with the Department of Energy and Environmental Protection sponsored the first ever summit for the insurance industry on climate change.

More recently, the Office was instrumental in drafting legislation to establish Connecticut's Green Bank, a quasi-public State agency to implement Connecticut's energy strategies to achieve cleaner, cheaper and more reliable sources of energy while creating jobs and enhancing local economic development.

The Office is also currently a key player in the State's "Lead by Example" task force, which created a new standardized Energy Performance Contracting program for the State and local governments whereby energy saving initiatives are financed through guaranteed future energy savings.

The Connecticut Clean Water Program

The Connecticut Clean Water Fund (CWF) is the state's environmental infrastructure assistance program. It partners with local governments in projects that improve water quality and protect public health while sustaining the State's significant natural resources, including 450,000 acres of wetlands, 6,000 miles of streams and rivers, over 2,000 lakes and reservoirs, and 600 square miles of estuarine water in Long Island Sound.

The CWF was established in 1986 to provide financial assistance to municipalities for planning, design and construction of wastewater collection and treatment projects. The fund was modified in 1996 to include the Drinking Water State Revolving Fund to assist community and non-profit, non-community public water systems in complying with the Safe Drinking Water Act by providing low cost financing for infrastructure improvement projects, such as upgrades and renovations to their existing water systems. Examples include storage tanks, treatment, and water mains.

Since inception, the Clean Water and Drinking Water Programs have made more than \$3 billion in grant and loan commitments to more than 120 communities in Connecticut, including 18 municipalities that participate in regional districts or authorities.

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 Annual Reports of the Clean Water Program are available on the Treasurer's website at:

http://www.ott.ct.gov/news_cleanwaterfund_reports.html

The Department of Energy and Environmental Protection administers the wastewater treatment program while the Department of Public Health administers the drinking water infrastructure program. Both departments work to publish their respective biennial project priority lists which are used to allocate all federal and state financial assistance.

In order to develop the priority list, each project is evaluated and assigned points based on the project's anticipated positive environmental impact.

The current Clean Water Program project priority list can be found at:

http://www.ct.gov/deep/lib/deep/water/municipal_wastewater/final_fy2014_2015cwf_pl.pdf

The current Drinking Water Program project priority list can be found at:

http://www.ct.gov/dph/lib/dph/drinking_water/pdf/2014-04-09_Revised_SF2015_PPL.pdf

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