
Department of Environmental Management

Agency Responsibilities

The Department of Environmental Management administers an extensive capital program to meet environmental and public safety requirements for state-owned facilities and management areas and for various municipal and non-profit beneficiaries. Major project categories are described below.

Narragansett Bay and Watershed Restoration Projects – Bond authorizations approved in November 2004 and 2012 provide matching grants for water quality protection efforts in Narragansett Bay, its tributaries and surrounding watershed. The program provides matching grants to governmental and non-governmental agencies for projects that restore water quality, including non-point source pollution abatement and riparian restoration projects. The fund generally aids with projects that may not otherwise qualify for Rhode Island's other clean water financial assistance program. The Department has worked with municipalities and non-profits to complete over 30 projects across the State to improve water quality in Narragansett Bay and other watersheds.

Environmental Protection Programs – The department operates various programs for environmental protection and remediation. Activities including flood prevention, brownfields remediation, and storm water pollution prevention.

Open Space and Natural Land Protection – The department manages state acquisitions and grants to municipalities and non-profit agencies for the acquisition of title and development rights to critical natural resources. Open space is acquired to safeguard land from private development. Development rights purchases allow private ownership of land while protecting the existing level of use, generally as farmland or open space.

Municipal Recreation Projects – The department administers grant programs for municipal acquisition and development of recreational lands

and facilities. Bond financing is provided on a 50 percent matching basis; distressed communities are eligible for 75 percent financing.

State Recreation and Infrastructure Facilities – The department operates natural management areas, commercial fishing piers, and recreational facilities, for which bond authorizations and the Rhode Island Capital Plan Fund provides financing for acquisition, development, and renovation. Additional funds from federal, restricted and private sources are also utilized. The department also undertakes restoration and repair of state-owned dams in need of structural improvements with Rhode Island Capital Plan Fund resources.

Governor's Recommendations

Narragansett Bay and Watershed Restoration – The voters approved \$8.5 million in November 2004 and \$4.0 million in November 2012 to be used for several water pollution abatement projects, including matching grants and incentive grants to state and local entities, non-profit organizations and for-profit businesses for water quality restoration and protection projects. The bond funds may be used in conjunction with federal and local contributions. Examples of projects to be funded include point and non-point source pollution abatement, nutrient loading abatement, best management grants for farmers and businesses, and riparian buffer enhancements. The watershed approach to pollution identification and assessment, with the remediation responsibility assigned to the polluter wherever possible, is also part of the Department's community-based approach to improving the health of Narragansett Bay and its tributaries. Prior to FY 2010, \$6.6 million in bond proceeds were expended on the project. The Governor recommends the expenditure of general obligation bond proceeds totaling \$2.8 million in FY 2019, consisting of \$1.8 million from the 2004 bond authorization and \$1.0 million from the 2012 bond authorization.

Department of Environmental Management

Environmental Protection Programs

Storm Water Pollution Prevention – The Governor recommends a total of \$3.0 million from the 2016 general obligation bond authorization to provide up to seventy-five percent (75%) matching grants for public, private and/or non-profit entities for projects that reduce stormwater pollution. Funds will be administered through the existing Narragansett Bay and Watershed Restoration Fund. Contaminants carried by storm water result in waters unsafe for recreation, including beach closures, closed shell fish growing areas and other degraded conditions that impair the beneficial uses of our rivers, lakes and coastal waters. Much of RI's existing developed landscape lacks proper stormwater controls. Techniques utilizing green infrastructure are now available to capture and reduce the stormwater pollution. Investment to integrate stormwater management techniques including installation of green infrastructure through retrofitting is necessary to restore most known degraded waters. The projects will yield long-term benefits in terms of supporting Rhode Island's water-based economy, including tourism, and strengthening the resiliency of stormwater infrastructure with respect to changing precipitation patterns, and building public awareness and support for expanding local stormwater programs to continue needed restoration efforts.

Brownfield Remediation – The Governor recommends \$1.7 million in FY 2019 from the 2014 general obligation bond authorization of \$5.0 million; \$5.0 million from the 2016 bond authorization between FY 2019 and FY 2021; and a further \$4.0 million from the 2018 general obligation bond authorization between FY 2021 and FY 2022. Between 10,000 and 12,000 abandoned industrial sites lie idle in towns and cities across the state. These funds would provide matching grants to public, private, and/or non-profit entities for the cleanup, reinvestment, and re-use of these sites to create and attract jobs, protect the urban environment, remove hazards, and reduce the cost of storm water flooding. The

program funds will clean up blighted properties, create jobs, open up valuable real estate, and promote public health. This grant program, which helps accelerate redevelopment and supports smart growth, provides critical resources to facilitate the return of these sites to productive use. Grants will provide for both site preparation and redevelopment projects and can be used to fill gaps that exist in supporting data and/or to develop and analyze potential remedial strategies necessary to clean up and develop the site.

Flood Prevention – The Governor recommends \$3.0 million from a 2014 general obligation bond authorization, which consists of \$2.0 million in FY 2019 and \$1.0 million FY 2020. These funds will be used to provide project design and construction grants for the restoration and/or improved resiliency of vulnerable coastal habitats and the restoration of rivers and stream floodplains. Bond funds will assist in leveraging significant matching funds to support local projects to improve community resiliency and public safety in the face of increased flooding, major storm events, and environmental degradation.

Coastal Resiliency and Public Access Projects – The Governor recommends \$5.0 million beginning in FY 2021, as part of the 2018 general obligation bond authorization, for coastal resiliency and public access projects. The funding will provide grants for projects that prepare vulnerable cultural and recreational assets for climate change.

Waste Water Treatment Facility Resilience Improvements – The Governor recommends \$5.0 million beginning in FY 2020, as part of the 2018 general obligation bond authorization, for projects that support resiliency improvements to waste water treatment facilities. The funds will provide grants to these treatment facilities, many of which are vulnerable to flooding because their designs utilize low elevations.

Department of Environmental Management

Open Space and Natural Land Protection

Farmland Preservation and Acquisition – The Governor recommends a total of \$6.3 million from FY 2019 to FY 2022, in addition to \$3.2 million already spent prior to FY 2019, for farmland development rights to relieve farm owners from the economic pressure to sell their land for residential or commercial development, thus making the properties available for farming in perpetuity. Farming in Rhode Island is a \$414.0 million business and its future is dependent upon the availability of affordable farmland with high quality agriculture soil. Using bond funds, combined with other partnership funds, the RI Agricultural Land Preservation Commission acquires development rights on farms. In the current year, the Department will also begin the Access to Affordable Farmland program which will allow the Department to purchase farmland and then resell to qualified farmers with restrictions to require that the land be farmed. The importance to access to local food has also significantly increased in Rhode Island. The Department's Division of Agriculture is working with farmers to improve direct marketing of agricultural products. In FY 2019, the Governor recommends \$1.0 million in issued proceeds from the 2012 bond authorization and \$2.0 million from the 2014 bond authorization. The recommendation includes \$1.3 million in FY 2020 and \$1.0 million in each FY 2021 and FY 2022 from bond authorizations.

State Land Acquisition - Open Space – The Governor recommends a total of \$16.5 million for open space and land acquisition purchases by the department, including \$10.8 million spent prior to FY 2019. Land acquisition includes land and development rights to preserve coastal access and shoreline open space, including land acquisition and development rights related to the implementation of the Greenspace Plan. Under the Plan, the department uses state bond funds combined with federal and non-profit funds (i.e. Nature Conservancy, Champlin Foundation, Audubon Society, and various land trusts) to coordinate preservation projects and acquire real

estate. Goals of the department's land acquisition program include watershed protection, expansion of open space and recreation areas, protection of greenways, easements to recreation lands, and preservation of wildlife habitat and natural heritage areas. In FY 2019, the Governor recommends \$570,957 from the 2004 general obligation bond authorization; \$84,043 from the 2012 bond authorization; and \$2.0 million from the 2016 bond authorization. The recommendation includes \$1.7 million in FY 2020 and \$1.4 million in FY 2021 from bond authorizations.

Municipal Recreation Projects

Local Recreation Development – The Governor recommends a total of \$15.6 million in general obligation bond proceeds from FY 2019 to FY 2024 for grants to municipalities to acquire, develop and rehabilitate local recreational facilities to meet the ever-growing need for active recreational facilities. Projects include development of fields for baseball, soccer, and football, tennis courts, and playgrounds. State assistance is necessary for municipalities to be able to fund these community enhancement projects that promote active, healthy, recreational activities. Examples of recent projects include: completion of a track facility in East Greenwich, development of a multi-use recreational facility at Camp Meehan/Notte Park in North Providence. In the current year, the Governor recommends \$1.7 million from the 2012 authorization and \$1.0 million from the 2014 authorization. The Governor also recommends \$1.9 million in FY 2020, \$4.0 million in FY 2021, and 3.0 million in each fiscal year from FY 2022 and FY 2023; and \$1.0 million in FY 2024, all from bond proceeds.

Roger Williams Park – The state has provided bond proceeds to the City of Providence for various renovations and upgrades at Roger Williams Park in Providence since 1989. Current work will include the construction of a new education center, demolition of existing facilities, and construction of a new tropical rain forest. Design is underway for the first project of the

Department of Environmental Management

Master Plan for the Zoo, or Phase 1 for the new Rainforest exhibit. The entire first phase will be completed in FY 2022 and mark the 150th anniversary of Roger Williams Park Zoo, which is one of the oldest in the nation. Once completed, the new exhibit will allow visitors to experience rare and exciting creatures from the rain forests of South America including birds, primates, and reptiles in a spacious and sunlit structure. The Governor recommends a total of \$18.0 million from a 2014 bond authorization to continue park and zoo improvements, including \$8.2 million spent prior to FY 2019. This recommendation includes \$3.6 million in each FY 2019 and FY 2020, and \$2.6 million in FY 2021.

Local Land Acquisition - The Governor recommends a total of \$18.5 million for grants to municipalities, local land trusts, and non-profit organizations for the acquisition and development rights of coastal and shoreline access points, open space land, and land suitable for public recreational facilities. This includes \$9.5 million spent prior to FY 2019. The program provides funds of up to 50-percent of the purchase price of the land and allows for the preservation of open space which possesses natural, ecological, agricultural, or scenic values. Over 160 conservation projects preserving over 10,000 acres of land have been completed to date including Sunset Farms in Narragansett, Weetamoe Woods in Tiverton, Glacier Park in Westerly, and Mount Hope Farm in Bristol. In the current year, the Governor recommends \$5.0 million from 2004, 2012, and 2016 bond authorization funds. In FY 2020 through FY 2023, \$1.0 million annually is recommended from 2016 and 2018 bond authorizations.

State Recreational Facilities

Recreational Facilities Improvements – The Department is responsible for maintenance and operation of over fifty state-owned buildings, twenty-five miles of roads, and several bridges in state parks and management areas. The Governor recommends a combination of Rhode Island Capital Plan Fund resources, federal financing, and issued general obligation bond proceeds for

the asset protection of these projects. Currently, the department is making renovations and improvements of facilities at Colt Stone Barn, Fort Adams State Park, and the Goddard State Park Beach pavilion and parking lot. In FY 2019, the Governor recommends the remaining balance from the 2004 bond authorization of \$1.2 million; \$800,000 in federal funds; and \$3.1 million from the Rhode Island Capital Plan Fund, for a total of \$5.1 million. The recommendation totals \$3.1 million and \$2.1 million in FY 2020 and FY 2021, respectively. The Governor recommends \$2.5 million in FY 2022 and FY 2023 and \$3.0 million in FY 2024. Prior to FY 2019, \$36.2 million was spent on the project, including \$20.1 million of Rhode Island Capital Plan Fund financing.

Fort Adams Trust/Rehabilitation – Fort Adams contains significant American military history artifacts and is a National Landmark Structure. Project funds will be used for continuing improvements to the uniquely designed and engineered structures at the park. Prior to FY 2019, \$2.9 million in Rhode Island Capital Plan Fund financing was spent, and the Governor recommends an additional \$317,353 in FY 2019. Beginning in FY 2020, the Governor recommends \$300,000 per year.

Fort Adams Sailing Improvements/Mid-Park – The Governor recommends a total of \$13.2 million for improvements to the Fort Adams State Park to create an event center to host sailing events. The Department has been working with the Rhode Island Commerce Corporation to design improvements to Fort Adams that will allow it to host large sailing events, such as the America's Cup, the Extreme Sailing Championship, and the Volvo Regatta. In the summer of 2012, Rhode Island hosted America's Cup races. \$3.6 million in private funding from Sail Newport and \$9.5 million in Rhode Island Capital Plan Fund financing was spent prior to FY 2019. The Governor recommends expenditures of the remaining \$75,249 of Rhode Island Capital Plan Fund financing in FY 2019.

Department of Environmental Management

State Bikeway Development – The Governor recommends a total of \$15.0 million in general obligation bond funds for the design and construction of bikeways, including the completion of the Blackstone River Bikeway and the South County Bikeway. Since the opening of the East Bay Bicycle Path in 1995, to the recent efforts in extending the Trestle Trail bikeway westward to Connecticut, Rhode Island has created a diverse system of bikeways that are used by cyclists for recreation and commuting purposes. Competition for funding under the “Transportation Alternative Programs,” the elimination of earmark funds, and the competing needs of Rhode Island’s highway road and bridge infrastructure have had a significant impact on the availability of state funds for bikeway development. These funds are critical to keep the momentum going and to complete high priority projects. The Governor recommends expenditures of \$9.8 million from a 2016 bond authorization and \$5.0 million from a 2018 authorization.

Greenway Blackstone Valley Park Improvements – A total of \$1.7 million in RICAP financing is recommended for the Blackstone Valley Bike Path/State Park, to be utilized for the construction of the bike path and other construction and restoration work within the Blackstone Valley. The Bike Path is scheduled to be a 17.1 mile by 12-foot wide scenic bike path that will connect to the East Bay Bike Path, eventually making a continuous 31.9-mile route for alternative transportation. The Department is working with the “Friends of the Blackstone River” for improvements to river access, safety and complement the State’s efforts in the improvements of this river corridor. \$814,260 of the project funding has already been spent; the Governor recommends expending the remaining funds in FY 2019.

Historic State Park Development Program – Funding for this project is directed towards capital improvement projects to the Park system, matching bond funds with other available sources, including the National Park Service’s

Land and Water Conservation Fund (which recently doubled its stateside allocation to program to just under \$1.0 million annually). The improvements to be made under this project would be in conjunction with the projects encompassed under the Recreational Facility Improvements Project. A small portion of these funds will be used for critical infrastructure improvements to working farms under state ownership and managed and operated under agreements to agriculturally focused entities. Priority improvements include Colt State Barn renovations, restoration of the Fort Adams State Park Visitor’s Center, repairs to the Goddard State Park Beach pavilion and parking lot, and agriculture improvements on various state-owned farms. In the current fiscal year, the Governor recommends expenditures of \$1.9 million from a 2016 general obligation bond authorization, and \$1.0 million in each FY 2020 and FY 2021 from the same authorization.

State Infrastructure Facilities

State Recreation Building Demolition – The Governor recommends Rhode Island Capital Plan Funds of \$189,202 in FY 2019 to complete the demolition of thirty-four buildings statewide that need to be demolished to either remove liability for the State, or to enhance visitor experiences at the Department’s properties. The demolition of these buildings would eliminate potential public safety issues. Prior to FY 2019, the agency spent \$10,798.

Galilee and Newport Piers – The Governor recommends a combination of Rhode Island Capital Plan Funds and federal funds to complete capital improvements at those port facilities and piers that support the State’s commercial marine fishing industry and provide access points for the Department’s enforcement and marine wildlife divisions. The Port of Galilee berths over 170 commercial fishing vessels annually. The Department has consistently made major infrastructure improvements to the port including pier replacements and recent southern bulkhead replacement bring these facilities up to today’s

Department of Environmental Management

standards in support of the State's commercial fishing industry. Funding will be utilized for the capital improvements needed for the northern bulkhead. These funds would be used to repair and/or replace all structural elements, dolphin clusters, and electrical services. The State Pier in Newport currently houses over 40 fishing vessels and provides the only affordable berthing space for the local commercial fleet. Most of the major reconstruction at Newport was completed in previous years; continued financing will be used for securing the heavy-duty pier and its electrical service, upgrades to the office building, and fender pile replacements. Prior to FY 2019, \$11.8 million was spent on the Galilee Piers, including \$5.5 million in Rhode Island Capital Plan Funds; and \$1.5 million of Rhode Island Capital Plan Funds has been spent on the Newport Piers. In FY 2019, the Governor recommends \$193,750 in Rhode Island Capital Plan Funds at Newport and \$1.0 million in Galilee. In FY 2020, the Governor recommends \$2.0 million in Rhode Island Capital Plan Funds to match \$1.6 million in federal funds, as well as \$400,000 in RICAP funding in FY 2021 and FY 2022. \$1.1 million is recommended in FY 2023 and FY 2024.

State-Owned Dam Rehabilitation – This project includes the design and construction and repairs to state-owned dams in various recreation and management areas operated by the department. The rehabilitation projects are for dams classified as high-hazard dams which is a measure of downstream hazard potential, not only a measure of the potential for failure. The repairs are also necessary to manage water levels at recreational fishing and swimming areas. Over the past eleven years the Department has completed the repair of the Olney Pond Dam at Lincoln Woods State Park, the Bowdish Lake Dam in Burrillville, the Stillwater Reservoir Dam in Smithfield, and the JL Curran Dam in Cranston. Currently, design is underway for the Lower Curran Dam and Wyoming Dam in Richmond/Hopkinton as well as Trestle Trail culvert. Prior to FY 2019, \$3.4 million in Rhode Island Capital Plan Funds was utilized for these projects; the Governor recommends an additional \$240,000 in FY 2019

and \$930,000 in FY 2023 and FY 2024. Beginning in FY 2020, expenditures of \$2.0 million from the 2018 bond authorization are recommended. Lastly, in FY 2022: \$2.0 million and FY 2023: \$400,000 from the 2018 bond authorization is recommended.

Marine Infrastructure and Pier Development – The Governor recommends a total of \$6.8 million from FY 2019 to FY 2024 for marine infrastructure and pier development at sites critical to Rhode Island's tourism and fishing economy. These funds will be used to develop piers at India Point in Providence, Rocky Point in Warwick and the former Navy pier in Middletown. Additionally, funding will allow the Department to contract for a Marine Facilities Master Plan at the Jerusalem facility in South Kingstown to redevelop this site for partnership opportunities related to aquaculture and research. Aquaculture is a rapidly growing industry in Rhode Island. The Governor recommends \$1.3 million from the Rhode Island Capital Plan Fund in FY 2019; \$750,000 in FY 2020, \$1.0 million in FY 2021, and \$1.3 million in each FY 2022 to FY 2024.

Natural Resources Offices/Visitor's Center - The Governor recommends a total of \$5.7 million from the Rhode Island Capital Plan Fund for the construction of a new office facility in the Arcadia Management Area at Browning Mill Pond in the Town of Richmond. This facility will serve as the gateway center for public access to Arcadia Management Area and consolidate administrative offices of the Department's Fish and Wildlife and Forestry Divisions. Currently, these office spaces are scattered across the State. The facility would also be utilized as a visitor's center for people using the Arcadia Management Area for fishing, hunting, hiking, mountain biking, swimming, and horseback riding. Expenditures prior to FY 2019 total \$511,349. The Governor recommends expenditures of \$175,000 in FY 2019, \$2.0 million in FY 2023, and \$3.0 million in FY 2024.

Department of Environmental Management

Fish and Wildlife Maintenance Facility -

The Governor recommends a total of \$424,901 in federal funds and \$313,495 in insurance proceeds for the construction of a new maintenance facility for the Division of Fish & Wildlife in FY 2019. The existing facilities at the Great Swamp Management area are over thirty years old and are incapable of housing the heavy equipment and research equipment used in managing fish and game areas supervised by the State. The project is a continuation of improvements to the Great Swamp Facility, which is a focal point of activities for the division including research activities, wildlife management, and public involvement for all fish and wildlife efforts of the department.

Coastal Resources Management Council

Agency Responsibilities

The Rhode Island Coastal Resources Management Council is responsible for managing, preserving and restoring the coastal resources of Rhode Island through long-range planning that is embodied in the R.I. Coastal Resources Management Program, adopted in 1976, federally approved in 1978, and revised substantially in 1983 and 1996. The program defines the various types of shorelines and the activities and restrictions appropriate for each. For example, 70.0 percent of Rhode Island's shoreline is designated as either conservation or low intensity use and is protected from commercial development through restrictions on the type of allowable water structures.

In addition to the permitting process and other regulatory activities, the Council acts as the lead agency for Rhode Island's dealings with the U.S. Army Corps of Engineers. The latter has administered funds for various capital project activities, such as the dredging of the Providence shipping channel, habitat restoration and beach replenishment and restoration. The Agency also is the lead agency for certain projects funded by the Department of the Interior.

Governor's Recommendations

Coastal and Estuary Habitat Restoration Trust Fund – The Governor recommends the expenditure of \$250,000 in restricted receipts from the Oil Spill Prevention, Administration and Response Fund, (OSPAR) in each fiscal year from 2019 to 2024. The financing will preserve and restore coastal wetlands, fish runs, and eelgrass beds that protect the shore from storms and erosion, serve as breeding grounds for recreational and commercial fishing, filter out pollution, and hinder the spread of mosquitoes. Restoration projects are reviewed and selected by the R.I. Habitat Protection Team. Past project work totaling \$3.9 million has included salt marsh restorations, dam Improvements, fish passage restoration, habitat planning & enhancements, wetlands restoration.

Confined Aquatic Dredged Material Disposal Cells – The Governor recommends the expenditure of \$10.5 million in Certificate of Participation funds and \$500,000 from the Coastal Resources Management Council Dredge Fund in FY 2021 to provide the state match for a new confined aquatic disposal cell (CAD cell), to store dredged contaminated sediments in depressions at the bottom of an aquatic system. The CAD cell is required to contain material displaced during the Army Corps of Engineers' upcoming dredging of the Providence Harbor. The additional space in the CAD cell will generate revenue from the fees charged to other marinas and harbors to dispose their own material. The funding will be transferred to the Army Corps of Engineers, which will conduct the actual dredging work and creation of the CAD cells.

Green Hill Pond Study – The Governor recommends \$28,875 in Rhode Island Capital Plan Fund financing in FY 2019. The funds will support a study on dredging in Green Hill Pond, with the intent of determining if the shell fishing ban could be lifted. Prior expenditures totaled \$21,125.

Narragansett Bay Special Area Management Plan (SAMP) – The Governor recommends \$250,000 in Rhode Island Capital Plan Fund financing in the current year to create a management plan to protect and manage Narragansett Bay resources, as the State has done with past Ocean and Shoreline SAMPs.

Providence Rivers Dredging – The Governor recommends \$7.0 million in general obligation bonds approved in the November 2018 Election for dredging sections of the Providence River, the Woonasquatucket River, and the Moshassuck River for purposes of economic development, infrastructure maintenance, enhanced tourism opportunities, and improved water depths for boating, recreation, and climate resiliency. The total approved by the voters was \$7.0 million.

Coastal Resources Management Council

The recommendation totals \$700,000 in FY 2020 and \$6.3 million in FY 2021.

Rhode Island Coastal Storm Risk Study – The Governor recommends the expenditure of a total \$1.5 million in Rhode Island Capital Fund financing to begin in FY 2019 to match a total of \$8.6 million in Army Corps of Engineers federal funds to investigate responses to major storms such as Hurricane/Tropical Storm Sandy that would reduce future flood risks in ways that would support long term resiliency of coastal ecosystems and reduce the economic costs of such storm events. The study will include plan formulation and engineering analyses with decision criteria to identify the most effective risk management strategies to support community resilience.

Rhode Island Infrastructure Bank

Agency Responsibilities

The Rhode Island Infrastructure Bank (RIIB), formerly the Clean Water Finance Agency, functions as a body politic, a corporate and public instrumentality having a distinct legal existence from the State of Rhode Island. The mission of the agency is to provide low-cost financing to municipalities, suppliers of drinking water, sewer commissions and wastewater management districts by means of the State Revolving Fund (SRF) programs. The SRF programs are designed to leverage state bond funds, increasing the availability of money to borrowers by a ratio of ten to one. The SRF loan programs consist of a Clean Water SRF, a Safe Drinking Water SRF, and a Rhode Island Water Pollution Control Revolving Fund.

The Clean Water SRF is capitalized by federal Environmental Protection Agency (EPA) capitalization grants, proceeds from general obligation bond referenda and other borrowing as authorized. An estimated \$1.4 billion will be required to address Rhode Island's wastewater priorities through 2020. Eligible projects include water pollution control facility capital improvements, non-point pollution reduction programs (including landfill closures and septic systems repairs), and estuary protection programs.

To be eligible for Clean Water SRF financing, projects must meet EPA criteria, be approved by the Department of Environmental Management, and meet RIIBCWFA criteria as to financial soundness. Once approved by all parties, projects are funded by federal, state and/or investors' dollars acquired by the sale of tax-exempt revenue bonds. States are required to provide a match of 20.0-percent of available federal funds. The RIIB can also make direct loans using federal and state match dollars.

The Safe Drinking Water SRF is designed to function in the same manner as the Clean Water SRF. With the Department of Health as its regulatory partner, the CWFA uses the Safe

Drinking Water SRF to finance the acquisition, design, planning, construction, enlargement, repair, protection or improvement to public drinking water supplies. Currently, there are 484 active public water systems in the State of Rhode Island. The drinking water systems that are eligible for Safe Drinking Water SRF loans are community water systems, both private and publicly owned; and non-profit, non-community water systems. The Department of Health has estimated the total funding need of Rhode Island's public systems over the next 20 years to be approximately \$577.0 million of which \$312 million are identified as high priority.

In August 1996, the 104th Congress approved the Safe Drinking Water Act Amendments that, for the first time, authorized the award of EPA capitalization grants to safe drinking water SRFs. Rhode Island's share of the capitalization grant monies is estimated to be \$9.2 million per year through FY 2019. To be eligible for these funds, the State is required to provide a 20.0 percent state match.

The Rhode Island Water Pollution Control revolving Fund (RIWPCRF) receives the state capital contribution, including proceeds from the Water Quality management bond authorization, before the funds are transferred to the Clean Water and Drinking Water SRFs. The RIIB uses interest and loan repayments to finance projects not meeting federal requirements. The Fund also administers the Rhode Island Zero Interest Loan Fund that has issued 46 zero and subsidized interest loans worth \$222.0 million.

The 2014 Appropriations Act established the Municipal Road and Bridge Revolving Fund, requiring the Agency to establish and administer a revolving fund to receive funds from various sources, specifically funds from bond issuance premium proceeds, to be used to provide financial assistance to municipalities (such as subsidized direct loans) for projects approved by the Agency and the Department of Transportation.

Rhode Island Infrastructure Bank

Beginning with the FY 2016 budget, the scope of the Clean Water Finance Agency was expanded, and the entity renamed. The new organization, the RIIB, now provides energy efficiency and renewable energy financing for local businesses by allowing commercial properties to be eligible for the Property Assessed Clean Energy Program (PACE), for storm water management loans, and for federally-funded Brownfields projects. The RIIB will also provide new funding for energy efficiency retrofits and renewable energy projects to Rhode Island's municipalities and school districts, by accessing federal energy conservation funding.

Governor's Recommendation

Clean Water State Revolving Fund – The Governor recommends total expenditures of \$457.4 million between FY 2019 and FY 2024. Expenditures in Clean Water SRF loans are financed from revenue bonds (\$40.0 million in each FY 2019 and FY 2020; \$190.0 million in FY 2021 through FY 2023), Environmental Protection Agency federal funds (\$10.8 million in FY 2019 and \$11.0 million in FY 2020, and \$44.0 million in FY 2021 through FY 2024), and Revolved Capitalization Grants (\$13.5 million in each FY 2019 and FY 2020, and \$57.0 million in FY 2021 through FY 2024). In FY 2019, \$943,922 remaining of a \$12.0 million bond authorization (P.L. 2012 Ch.241) will be used with federal capitalization grants to provide low-interest subsidized loans for local governments to finance approved water pollution abatement projects. The Capital Plan also includes the 2014 bond authorization (P.L. 2014 Ch. 145) of \$15.0 million in FY 2019 and \$5.0 million in FY 2020. Lastly, another \$7.9 million is recommended in FY 2019 and FY 2020 from the 2018 authorization (P.L. 2018 Ch. 475)

These funds have supported \$1.5 billion in low-interest loans to two dozen municipalities, Providence Water, the Rhode Island Airport Corporation, and the Narragansett Bay Commission.

Safe Drinking Water State Revolving Fund – The Governor recommends SRF loans of \$47.1 million in FY 2019. Over the period FY 2019 through FY 2024, the Governor recommends a total of SRF loans of \$327.8 million, including \$210.0 million in revenue bonds, and \$36.0 million in revolved capitalization grants, to be used to match \$71.1 million in Environmental Protection Agency federal funds and \$10.7 million in agency funds.

To date, the Agency has spent a total of \$470.1 million from all fund sources. These funds have supported municipalities and water systems for water main cleaning, pipe rehabilitation, water meters, and storage tank replacement.

Municipal Road and Bridge Revolving Fund – The Governor recommends \$17.5 million in FY 2019 and again in FY 2020, and \$90.0 million over the period of FY 2021 to FY 2024 from revenue bonds and other funds to support loans to municipalities for road and bridge projects.

Efficient Building Fund (EBF) – The EBF is a public building energy efficiency and renewable energy investment program that will provide municipalities, school districts, and quasi-state entities with access to capital to make renewable energy and energy efficient improvements to their facilities. The Governor recommends expenditures of \$102.0 million in revenue bonds and other funds between FY 2019 and FY 2024.

Water Pollution Control Revolving Fund – The Governor recommends the utilization of interest earnings and revolved capitalization grants on Clean Water bonds issued by the State to finance the Water Pollution Control Revolving Fund. The Agency has spent \$2.6 million in interest earnings and \$1.9 million in revolved capitalization grants prior to FY 2019. The Agency will spend an additional \$250,000 from interest earnings in FY 2019 through FY 2023, as well as Revolved Capitalization Loan repayments totaling \$600,000 in FY 2019 through FY 2023.

Rhode Island Infrastructure Bank

RI Water Quality Protection Charge Fund – The Governor recommends \$900,000 per year from FY 2019 through FY 2024 to provide low-cost funds for land acquisition for watershed protection and other projects needed by drinking water suppliers.

Narragansett Bay Commission

Agency Responsibilities

In 1991, legislation was enacted merging the Blackstone Valley District Commission (BVDC) into the Narragansett Bay Commission (NBC). The merger took effect in January 1992. As a result of the merger, NBC's service area was expanded to include the areas formerly served by the BVDC, including the cities of Pawtucket and Central Falls, and portions of the towns of Cumberland, Lincoln, Smithfield, and the City of East Providence.

The merger resulted in the consolidation of the two largest wastewater treatment facilities in Rhode Island. The Field's Point plant, which services NBC's original district, handles average dry weather flows of 50 million gallons per day (mgd) and the Bucklin Point facility, which services the area formally served by the BVDC, handles average dry weather flows of 23 mgd. Together, these two facilities serve 10 communities and 300,000 people or about one-third of Rhode Island's population. NBC owns, operates and maintains seven pump stations. Four of the seven are within the original NBC district, while three are within the former BVDC district. NBC is responsible for 86 of the 89 combined sewer overflows (CSOs) in Rhode Island (59 in the original NBC district and 27 in the old BVDC district), and over 89 miles of underground interceptors and 32 tide gates.

While BVDC ceased to exist as a legal entity in January 1992, the following discussion on each agency's bond authorization is provided to place the state's general obligation commitment to NBC and BVDC in a historical perspective. In November of 1980, the voters approved a bond issue of \$87.7 million to finance capital improvements to be undertaken by the Narragansett Bay Water Quality Management District Commission. In 1990, \$15.0 million of this authorization was reallocated by a referendum to the Blackstone Valley District (\$6.0 million) and the Pawtucket River District Commission (\$9.0 million). In November 1992, the voters approved a \$15.0 million bond

referendum that restored to NBC the funds that had been reallocated to the Blackstone Valley District and the Pawtucket River District Commission. Although the \$93.7 million of bonds are general obligations of the State, user fees are required under the authorizing statute of the commission to support debt service costs for no more than \$14.1 million of such bonds and general operating expenses and other debt service requirements of the Commission.

While the size and timing of the 1980 bond authorization was based upon the anticipated termination of the federal Clean Water Act grant program, the federal program continued for several years to provide the Commission with additional resources. Since the Commission assumed full responsibility for the metropolitan Providence system on May 2, 1982, it has received grants from the United States Environmental Protection Agency under provisions of the Clean Water Act, and matching grants from the Rhode Island Department of Environmental Management. In addition, the Clean Water Finance Agency has provided the Commission with below-market rate State Revolving Fund loans. The Commission is also authorized to issue its own revenue bonds to finance system-wide improvements. The Commission has indicated that a substantial share of its new and existing projects will be funded from other fund sources that would include state revolving funds, revenue bonds, or other fund sources. All spending in FY 2019 through FY 2024 is described below.

Governor's Recommendation

Wastewater Treatment Facility Improvements – The Governor recommends expenditures of \$24.3 million from FY 2019 through FY 2024 to address wastewater treatment facility improvements. Projects include blower improvements; construction of a water quality science building that will be a 36,790-square foot facility that will house laboratory staff and equipment; final clarifiers improvements; refurbishment of an operations and lab building

Narragansett Bay Commission

for reuse, which consists of the installation of a combined heat and power system that will burn the biogas generated from the anaerobic biosolids digestion process; and floor protection. These projects also include inspection, clearing, repair, and construction of NBC energy efficiency upgrades.

Infrastructure Management – The Governor recommends expenditures of \$3.7 million from FY 2019 through FY 2024 to address NBC interceptor easement restorations; construct facility electrical improvements; and purchase three 1.5 MW offsite wind turbines that convert wind energy to electricity.

Phase III CSO Facilities – The Governor recommends expenditures of \$344.7 million from FY 2019 through FY 2024 for NBC’s design and construction of the third and final phase of the federally mandated CSO Abatement Program required as part of a consent agreement between NBC and the Rhode Island Department of Environmental Management. The Phase III CSO Program is subdivided into four phases to be completed over a period of 22 years. This is the first Phase of the Phase III facilities and includes the design and construction of a deep rock tunnel in Pawtucket approximately 13,000 feet in length along the Seekonk and Blackstone Rivers, and a Pump Station to convey flow to the Bucklin Point WWTF in East Providence. Expenditures after FY 2024 will total \$411.9 million.

Interceptor Inspection & Cleaning – The Governor recommends expenditures of \$3.0 million from FY 2019 through FY 2024 to address remote television inspection and grit/debris removal and disposal.

Interceptor Restoration & Construction – The Governor recommends expenditures of \$32.0 million from FY 2019 through FY 2024. Some of the projects involved include work on the Moshassuck Valley interceptor; the Louisquisset Pike interceptor construction in the northern section of the Town of Lincoln to accommodate

the additional flow resulting from expected development; and improvements to the Johnston Sewer.

Sewer System Improvements – The Governor recommends \$4.7 million from FY 2019 to FY 2022 to ensure structural integrity of the sewage systems and pump stations. The financing will also support easement restoration.