

# CSU Presentation October 17, 2017

Financing and Funding Sources for Water Infrastructure

Colorado Water Resources and Power Development Authority



**COLORADO**  
Water Quality Control Division  
Department of Public Health & Environment



**COLORADO**  
Department of Local Affairs

# Authority Programs



**Water Revenue Bonds (1981)**

**Water Pollution Control Revolving Fund (1988)**

**Small Water Resources Projects (1989)**

**Drinking Water Revolving Fund (1995)**

**Small Hydropower Loan Program (2008)**

# 2018 Eligibility Lists



## Water Pollution Control Revolving Fund (WPCRF)

- 280 eligible projects
- Estimated project costs – \$7,336,550,616

## Drinking Water Revolving Fund (DWRF)

- 347 eligible projects
- Estimated project costs – \$7,509,790,352

# State Revolving Fund Program



- Low interest loan program to finance the design and construction of public drinking water and wastewater infrastructure projects.
- Direct loans: Projects up to \$3.0 million (Starting Jan. 1 2018)
- Leveraged loans: Projects greater than \$3.0 million (Starting Jan. 1 2018)
- Partner Agencies: DOLA & WQCD
- Loan terms: Up to 30 years – Wastewater  
Up to 20 years – Drinking Water  
Up to 30 years – Drinking Water Disadvantaged Communities

# Grant Assistance



## Planning grants

- Up to \$10k per project
- Eligible projects:
  - Qualify as a Disadvantaged Community
  - On Eligibility list or being added
  - 20% Match Requirement
- Requires completed prequalification form and pre-application meeting

## Design and engineer grants

- Eligible projects: Same criteria as Planning Grants- (feasible projects)
  - Grant size based on project type and expense; Max - \$300,000 (Starting Jan. 1 2018)
- Requires completed and approved project needs assessment- includes TMF and environmental determination

# State Revolving Fund Summary

Approximately 346 active loans  
Total in excess of \$814,000,000



## Colorado program totals since inception

- DWRF Cap Grants received ~\$335M.
- DWRF Loans issued ~\$574M.
  - 253 Loans.
- WPCRF Cap Grants received ~\$348M.
- WPCRF Loans issued ~\$1.17B.
  - 283 Loans.



## 2017 Program capacities

- DWRF ~\$76,000,000.
- WPCRF ~\$102,000,000.

# Challenges

- Funding Sources
- Requirements
- Political Will
- Eligibilities
- Affordability



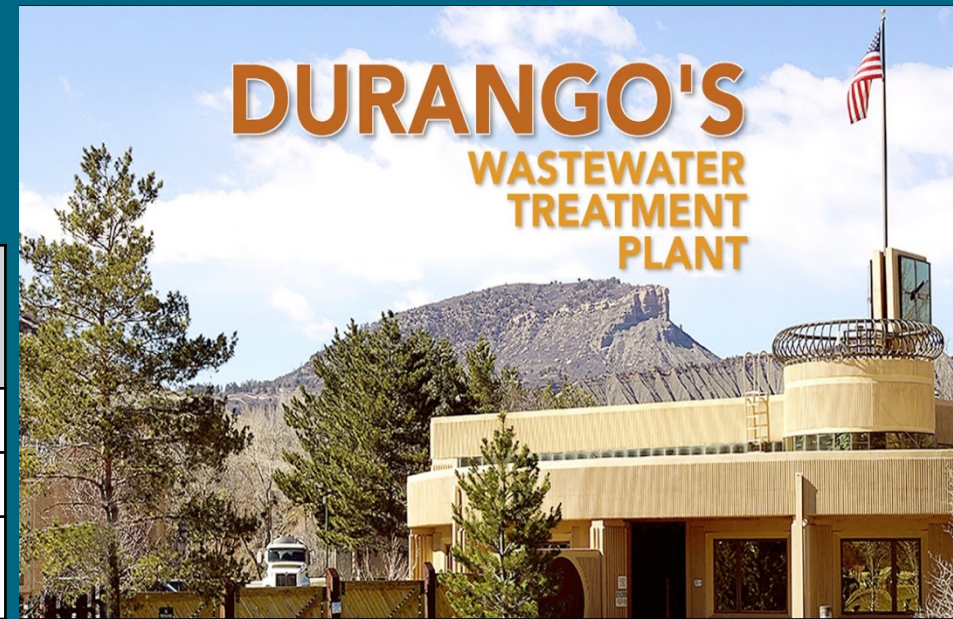
CHALLENGE ACCEPTED



# City of Durango

- **Project Description** - The project consists of renovating the existing wastewater treatment plant in the current location, utilizing a secondary process to address capacity issues and to meet effluent requirements of the Colorado Water Quality Control Commission's Regulation 85, and includes additional facility upgrades and improvements.
- **Loan Amount** - \$62,200,000  
(\$2,500,000 @ 0% Green)
- **Interest rate** - 1.74% (1.67% w/ green)
- **Savings**

Name of the financing	Bond interest rate	Subsidized loan rate (70% of the bond rate)	Average annual bond/loan repayments
Durango – WPCRF – 11/3/16 <b>actual</b>	2.48%	<b>1.74%</b>	\$3,272,000
Durango – WPCRF – 12/2/16 <b>hypothetical</b>	3.54%	2.48%	\$3,530,000
Durango – stand-alone - 12/2/16 <b>hypothetical</b>	4.14%	4.14% (no subsidy)	\$4,500,000







# Water Revenue Bond Program

## Projects

Water and wastewater treatment plants, pump stations, dams/reservoirs, water rights, pipelines, wells, meters, reuse, storage tanks, etc., including facilities for streamflow improvements and for stabilization of stream and river banks.

## Loans

- \$300,000 to \$500,000,000
- Cost of issuance up to \$250,000 is covered by the Authority (currently)
- Arbitrage rebate calculations and trustee fees are paid by the Authority
- No subsidy on interest rates
- Interest rates based on market rate for insured revenue bonds (if available)
- Terms are generally 20 years or less, but can be longer.
- Debt Service Reserve Fund Required (if surety bond not available)
- Low Coverage Requirements

**Example** - City of Steamboat \$12,910,000 @ 4.012%, 20 Years

- Cost of Issuance - \$233,725 (all covered by Authority)



# Small Hydropower Loan Program

## Projects

New hydropower facilities (10 Megawatts or less); Includes turbines (mechanical and electrical), pipelines, necessary remodel/reconfiguration of the building housing the facilities and transmission lines.

## Loans

Maximum loan of \$5 million per governmental agency

Interest rate is 2%

Maximum term is 30 years

A FERC or BOR exemption or permit is required

## Matching Grants

For feasibility studies, design and permitting

10 Grants at \$15K per governmental agency

\$1 to \$1 match is required

# Loans Executed

## October 17, 2017



### INTERIM LOANS

4 Loans (currently)

\$4,119,853

### WATER REVENUE BONDS

23 Loans (1986 – current)

\$508,370,000

### SMALL WATER RESOURCES PROJECTS

48 Loans (1990 – current)

\$149,590,000

### SMALL HYDROPOWER LOAN PROGRAM

4 Loans (2008 – current)

\$5,899,360

### DRINKING WATER REVOLVING FUND

253 Loans (1995 – current)

\$573,576,721

### WATER POLLUTION CONTROL REVOLVING FUND

283 Loans (1989 – current)

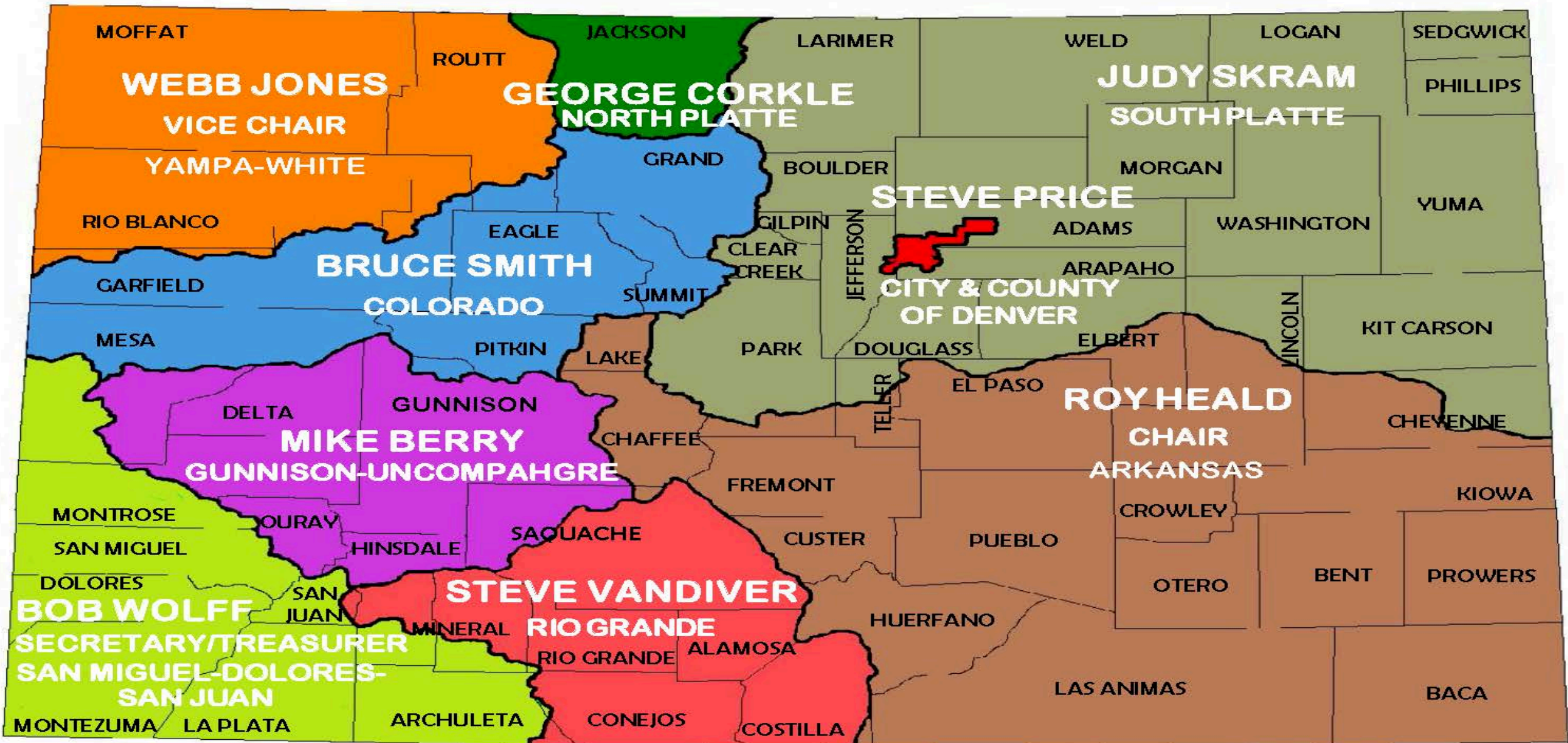
\$1,169,537,578

### TOTAL

615 Loans

\$2,411,093,512

# Colorado Water Resources and Power Development



# CWRPDA Contact

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