



## HJR21-1002

**SHORT TITLE:** Water Project Eligibility List

**LONG TITLE:** Concerning approval of water project revolving fund eligibility lists administered by the Colorado Water Resources and Power Development Authority.

**COMMITTEES:** House Agriculture, Livestock & Water Committee and Senate Agriculture & Natural Resources Committee

**SPONSORS:** Rep. Arndt /Sen. Donovan

**PURPOSE OF THE BILL:** To add, delete, and modify the list of water projects eligible for funding from the Drinking Water Revolving Fund and the Water Pollution Control Revolving Fund.

**PROPONENTS OF THE BILL:** Colorado Water and Power Authority

**POTENTIAL STAKEHOLDERS:** Water providers and users, water treatment facilities, local governments including special districts,

**BACKGROUND:** The Drinking Water Revolving Fund and the Water Pollution Control Revolving Fund are managed by the Colorado Water and Power Authority, a quasi-governmental authority created by statute to provide low-cost financing for water projects. All 50 states plus Puerto Rico and the District of Columbia maintain two similar funds to manage funding provided the EPA which is matched by 20% contribution from the state.

**Is this bill necessary this year?** Yes. Under 37-91-107.8 (4) (b) C.R.S. additions and modifications to the list must be developed by the Water Quality Control Commission and submitted to the legislation on or before January 15 each year; a joint resolution must be adopted by both chambers of the General Assembly by April 1 and presented to the Governor pursuant to the Colorado Constitution. The Water Quality Control Commission may amend the list at any time to include emergency projects needed to prevent or address threats to public health and environment.

**How does the bill change current law?** Certain projects had been previously approved as to eligibility. This bill adds new projects, deletes some, and modifies the scope of others which are eligible to receive funds.

**Does the bill affect the prior appropriations system?** No.

**How is the bill implemented?** Communities apply for funding eligibility for infrastructure projects to study feasibility, develop, or improve facilities for supplying and treating drinking water and wastewater. Once on the eligibility list, they can apply for low interest loans. For 2021, the Authority Board of Directors is offering loans of less than \$3,000,000 as direct loans, at an interest rate of 2.25% or less if your community qualifies as disadvantaged. Loans may also receive a reduced interest rate if the project qualifies as "Green" and if the "Green" requirement has not been met by the Authority. Loans of over

\$3,000,000 are usually leveraged loans, which require the issuance of municipal bonds. These loans will have subsidized interest rates ranging from 70-80% of current market rates.

**Practical considerations:** Practical considerations include the amount of money available for loans and rate at which current loans are repaid.

**Fiscal Impact:** The program does not require an appropriation; it receives capital from EPA which is invested, and moneys generated from investment and interest paid on loans provides a revolving funding stream.

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