



State Revolving Fund (SRF) Prioritization Process Summary and Frequently Asked Questions

The State Revolving Fund (SRF) has improved the project prioritization process, which will go into effect in 2025. The goal of these improvements is to enable eligible systems to apply for SRF funding equitably. They are necessary due to increased demand for the program and cuts to the SRF base funding received from the EPA.

The old process was first-come, first-served and only considered project priority at the end, which limited funding availability for priority projects. The new prioritization process will implement project priority scoring early in the process to provide advance notice of project priority and funding opportunities. Project priority scoring is based on the criteria in the priority scoring models in Attachment I of the Drinking Water Revolving Fund and Water Pollution Control Revolving Fund Intended Use Plans (IUPs).

The improved process will use a priority point threshold to determine when a project may submit a loan application. Projects that score at or above the threshold may apply at any loan cycle during the year (“Open” and “Limited” cycles are shown in the schedule below). Projects that score below the threshold may only apply at the “Open” cycles. Applicants will be provided a preliminary score at the Prequalification stage and a final score at the Project Needs Assessment stage. The proposed schedule for “Open” and “Limited” cycles is shown below:

- January 5th (leveraged) - Open
- February 5th - Open
- April 5th - Open
- June 5th (leveraged) - Open
- August 5th - Limited
- October 5th - Limited
- November 5th - Limited

Q How will the priority point threshold be calculated, and how will points be assigned?

A The SRF program will apply the criteria and point values that are described in Attachment 1 of the Drinking Water State Revolving Fund (DWRF) and Water Pollution Control Revolving Fund (WPCRF) Intended Use Plans. The application

points threshold will be calculated by comparing available funds, application scores, and requested funds for each application in the pipeline of projects.

Q Will this prioritization be similar to the American Recovery and Reinvestment Act (ARRA) prioritization process?

A This prioritization process is based on established priorities and point values described in the Intended Use Plan and does not prioritize shovel readiness. It will maintain the schedule flexibility that the SRF program is known for offering to applicants.

Q What will happen if the project does not apply for a loan within 12 months or 18 months of receiving Project Needs Assessment approval?

A The project's score will be recalculated to incorporate any resulting point changes after 12 months.

A The applicant's Disadvantaged Community (DAC) status will be reassessed after 18 months.

Q Will there be caps or limits on funding available during the Open Cycle?

A The program does not intend to apply additional caps or maxes beyond those already set based on demand. However, the January and February loan application cycles may have limited available funding.

Q Will the Prioritization process continue through 2025?

A Yes, the prioritization process is expected to continue into the foreseeable future.

Q How quickly will entities receive their score after submitting the pre-qualification form?

A Applicants will receive their initial score in the pre-qualification review letter that follows their pre-qualification meeting. The score will be updated after review of the Project Needs Assessment.

Q Will prioritization happen within loan application cycles?

A Possibly, prioritization within loan cycles will occur when the requested funding exceeds the available funding.

Q If a project scores above the priority points threshold, are funding and principal forgiveness guaranteed?

A No, our prioritization process is designed to improve the chances of funding high-priority projects and increase certainty, but funding and principal forgiveness are not guaranteed. Both are dependent on the amount of funding



available and approval by the Colorado Water Resources and Power Development Authority Board of Directors at the time that an entity applies for a loan.

Q What if an applicant wants to dispute its prioritization score?

A If applicants have questions or concerns regarding their project prioritization score, they should discuss them with their SRF project manager.

Q When is a community determined to be a Disadvantaged Community (DAC)?

A Applicants are preliminarily evaluated at the PreQualification stage and then given a final assessment at the Project Needs Assessment stage.

