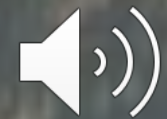


Financing for Innovation: Colorado State Revolving Fund

February 10, 2022
11am MT / 10am PT



Music: www.bensound.com

WATERNOW ALLIANCE

Financing for Innovation: Colorado State Revolving Fund

Q&A

You ask:13:05

How do I use these awesome tools?

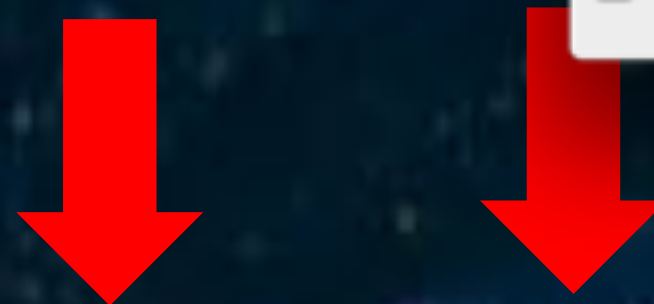
Joshua Jones answered:13:06

You are already using one of the most awesome tools. We'll discuss the rest right away.

Please input your question

☐ Send Anonymously

Send



Today's Speakers



JIM GRIFFITHS

Finance Director

Colorado Water Resources &
Power Development
Authority



MATT STEARNS

Project Development Engineer

Colorado Water
Conservation Board



VICTORIA ARLING

Colorado Basin Program Manager

WaterNow Alliance



CAROLINE KOCH

Water Policy Director

WaterNow Alliance

WATERNOW ALLIANCE

Agenda



- About WaterNow
- Colorado's SRF: How Does It Work?
- Complements to the SRF: CWCB Grants & Loans
- Thinking Outside the Pipe: Financing Innovation
- Panel Discussion: Flexibility for Climate & Drought Resilience
- Audience Q&A

PLEASE COMPLETE OUR WEBINAR EVALUATION!



WaterNow Alliance



WHO ARE WE?

WaterNow Alliance is a forum and network of local water leaders advancing sustainable, affordable, equitable and climate resilient water strategies

WHAT DO WE MEAN BY SUSTAINABLE?

Providing safe, healthy, and affordable water services for people while preserving the integrity of water resources and the environment for future generations.

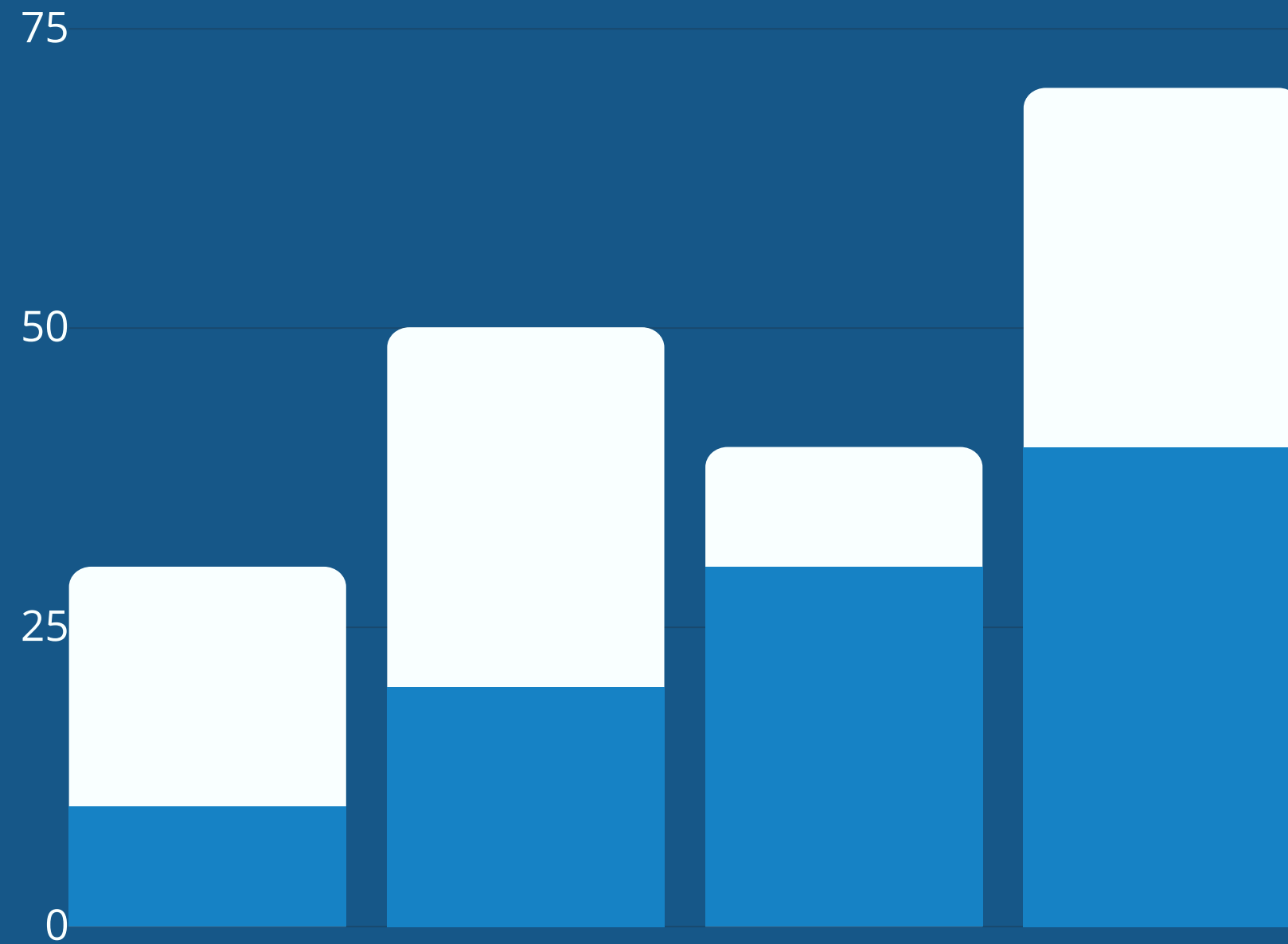


WHAT DO WE MEAN BY EQUITABLE?



Water equity means universal access to secure, affordable, safe, and healthy drinking water, and wastewater and stormwater management services. Equitable water infrastructure investment should support the long-term sustainability of our waterways, water systems, and utilities.

TIME FOR A POLL



Colorado's Drinking Water & Water Pollution Control Revolving Funds.

Low-cost financing for water and wastewater infrastructure
including energy efficiency and water conservation projects

Water Quality Control Division - Grants and Loans Unit

Department of Local Affairs - Division of Local Government

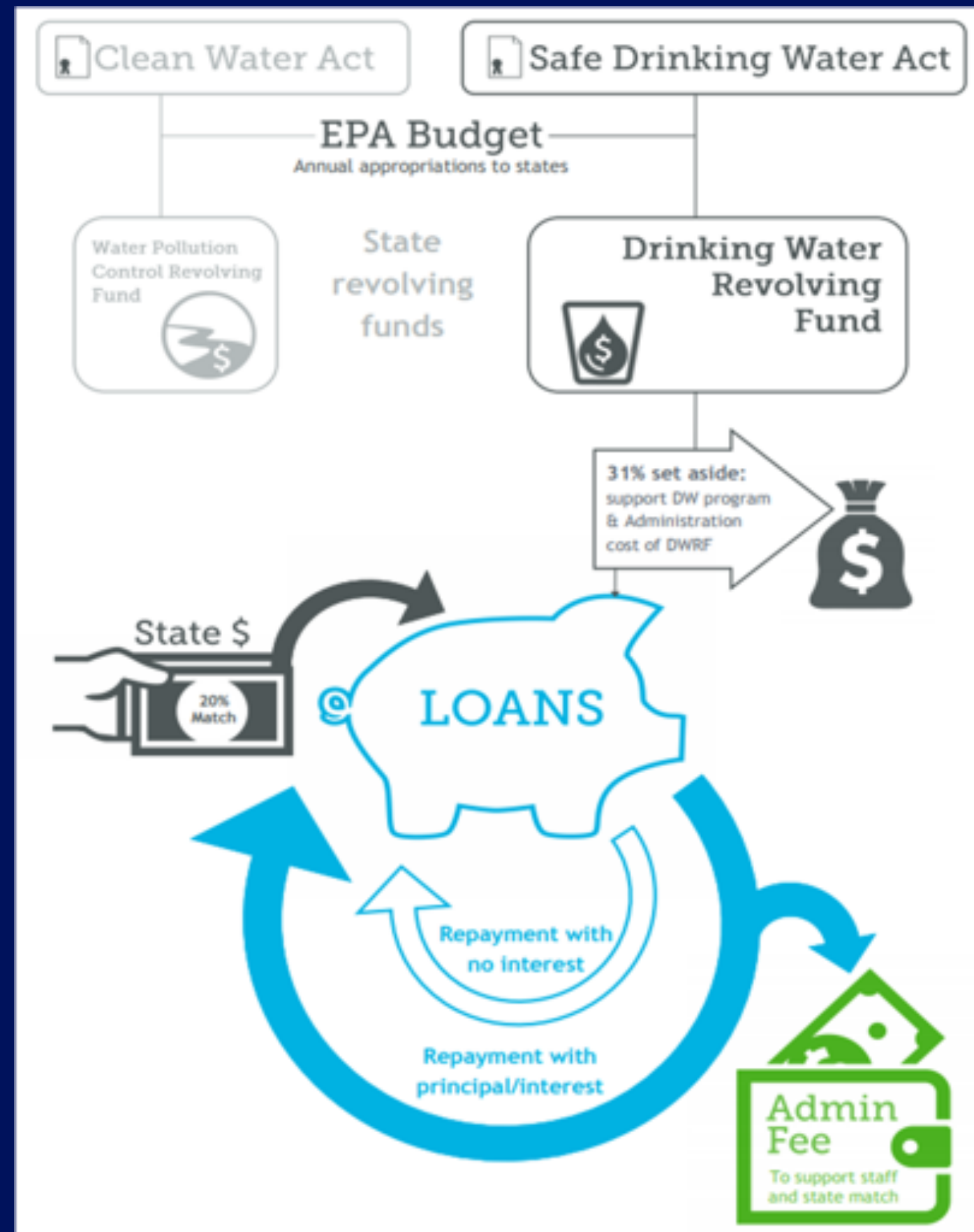
Colorado Water Resources and Power Development Authority



SRF: A perpetual funding source

Water Pollution
Control Revolving
Fund (WPCRF)

Drinking Water
Revolving Fund
(DWRF)



Drinking Water Revolving Fund - Eligibility

To be eligible, must be a public water system:

- Colorado local governments (Towns, Cities, Counties, Districts etc.)
- Private non-profit water systems (HOAs, Mutual Water Cos, etc.)

Eligible Project Categories



1. Treatment
2. Transmission and Distribution
3. Source Water - **Including Watershed Forest Health projects**
4. Water System Consolidation
5. Creation of a new system
6. **Projects that promote water & energy conservation.**



Water Pollution Control Revolving Fund - Eligibility

To be eligible, must be a Colorado local government (City, Town, County, District etc.)

Eligible Project Categories



1. Construction of a publicly owned treatment works (section 212)
2. Implementation of a management plan (section 319)
3. Construction, repair, or replacement of decentralized wastewater treatment systems that treat municipal wastewater or domestic sewage
4. Stormwater management projects
5. Measures to reduce the demand for publicly owned treatment works capacity **through water conservation, efficiency, or reuse**
6. **Development or implementation of watershed projects such as streambank restoration and post fire mitigation efforts.**
7. Reduction of energy consumption needs of the publicly owned treatment works
8. Reuse or recycling of wastewater, stormwater, or subsurface drainage water
9. Security measures for a publicly owned treatment works

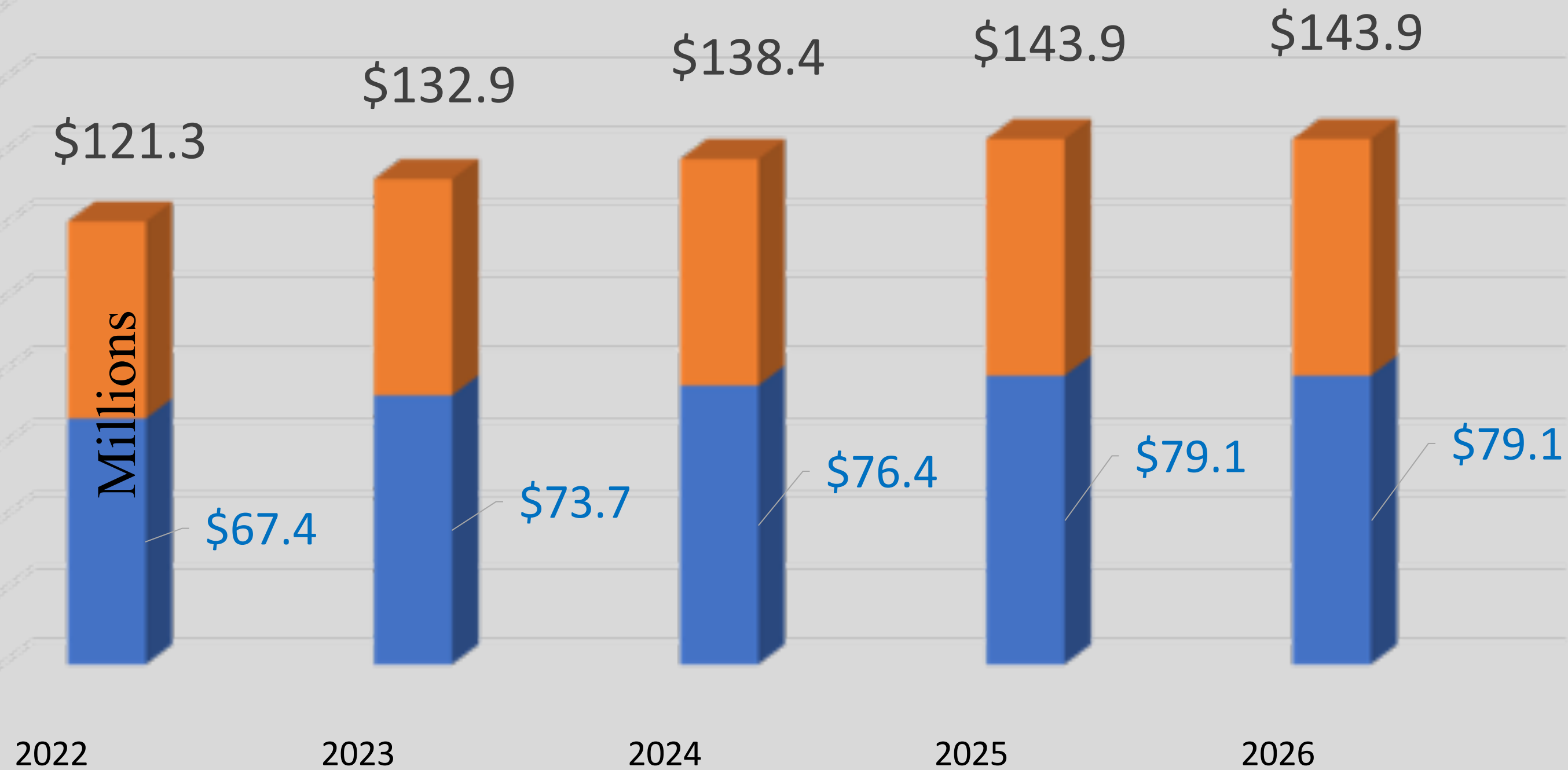


DWRF & WPCRF

- Some limited grant funds plus reduced interest rates may be available for your project if certain economic metrics are met (disadvantaged community)
 - DWRF & WPCRF - design and engineering grants up to \$300,000.
 - DWRF only - some loan principal forgiveness up to \$1,000,000.
- Green Projects
 - WPCRF - may receive reduced interest rate. Two tiers of rates.
- Loan terms up to 30 years for both DWRF and WPCRF.
- 7 Loan application deadlines: Jan. 15 (Spring Issue), Feb. 15, April 15, June 15 (Fall Issue), Aug. 15, Oct. 15, and Nov. 15.
- Bi-partisan Infrastructure Law (BIL) - additional loan and grant funding coming soon for all borrowers.
 - DWRF - targeted at lead lines and emerging contaminants, but also some funds for general projects. Some principal forgiveness.
 - WPCRF - generally less funding than for DW. Possibly some principal forgiveness.



Colorado's 5-year BIL Allotment Amounts (estimated)



Principal Forgiveness (grants)

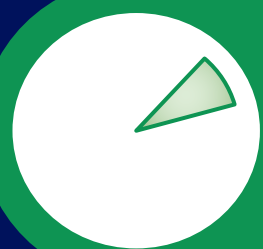
Loan Funds



Green Project Reserve (GPR)

- Currently available for WPCRF projects only
- Green Project Reserve Categories:
 - ❑ Green infrastructure
 - ❑ Water efficiency
 - ❑ Energy efficiency
 - ❑ Environmentally innovative activities.
- Qualify as a categorically green project or through a business case

Green Components costs:



Greater than 15% but less than 20% of project cost.



Equal to or greater than 20% of project cost

Interest rates are:

- 1.5% loan interest rate on loans up to \$3 million
 - Loans more than \$3 million, reduced rate on first \$3 million
-
- 0.5% loan interest rate on loans up to \$3 million
 - Loans more than \$3 million, reduced rate on first \$3 million



Disadvantaged Communities

- Population of 10,000 or less
- Meeting certain primary and secondary factors including:
 - Primary
 - Median Household Income (MHI)
 - Median Home Value (MHV)
 - County 24-month unemployment rate or job loss over 10-years
 - Secondary
 - County Median Household Income (MHI)
 - County 10-year population change
 - Household assessed value
 - Current & projected system debt per tap to MHV
 - System full-cost per tap to MHI



SUPPORTING ALL OF COLORADO'S WATER NEEDS



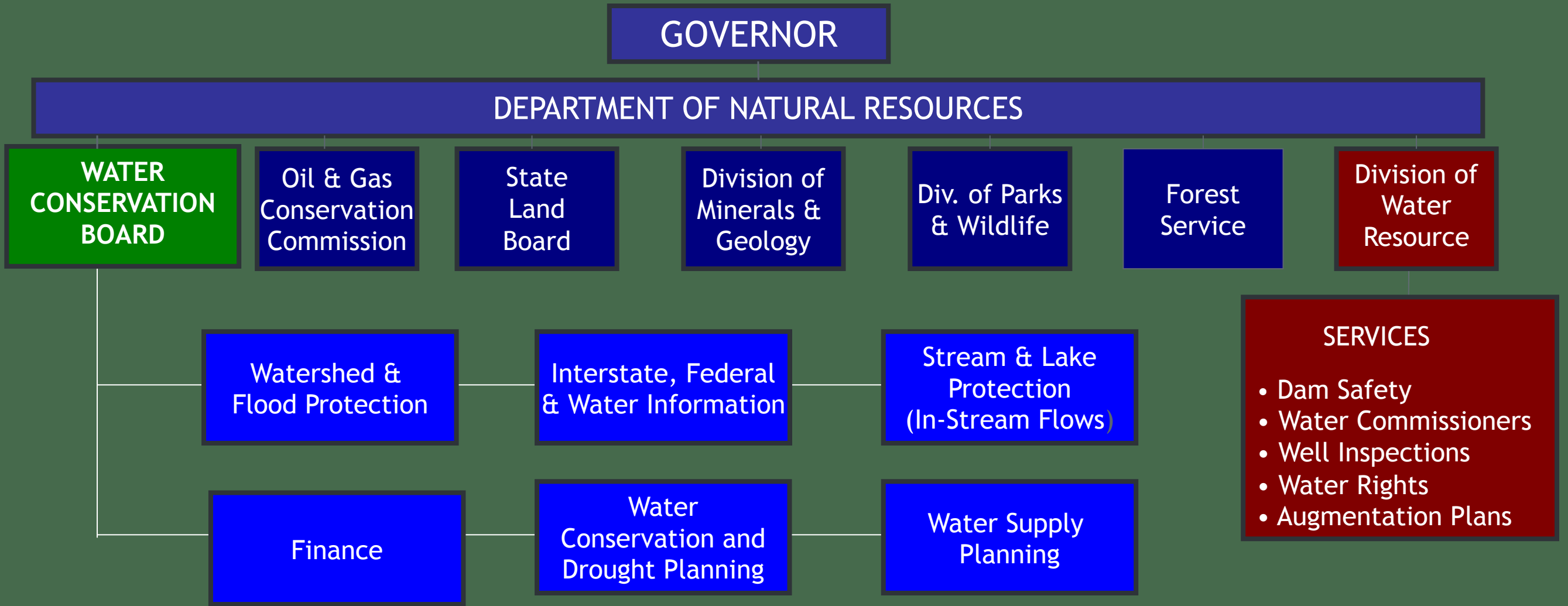
COLORADO

Colorado Water
Conservation Board

Department of Natural Resources

CWCB Financial Resources
Presented by: Matt Stearns, P.E.

ORGANIZATIONAL CHART

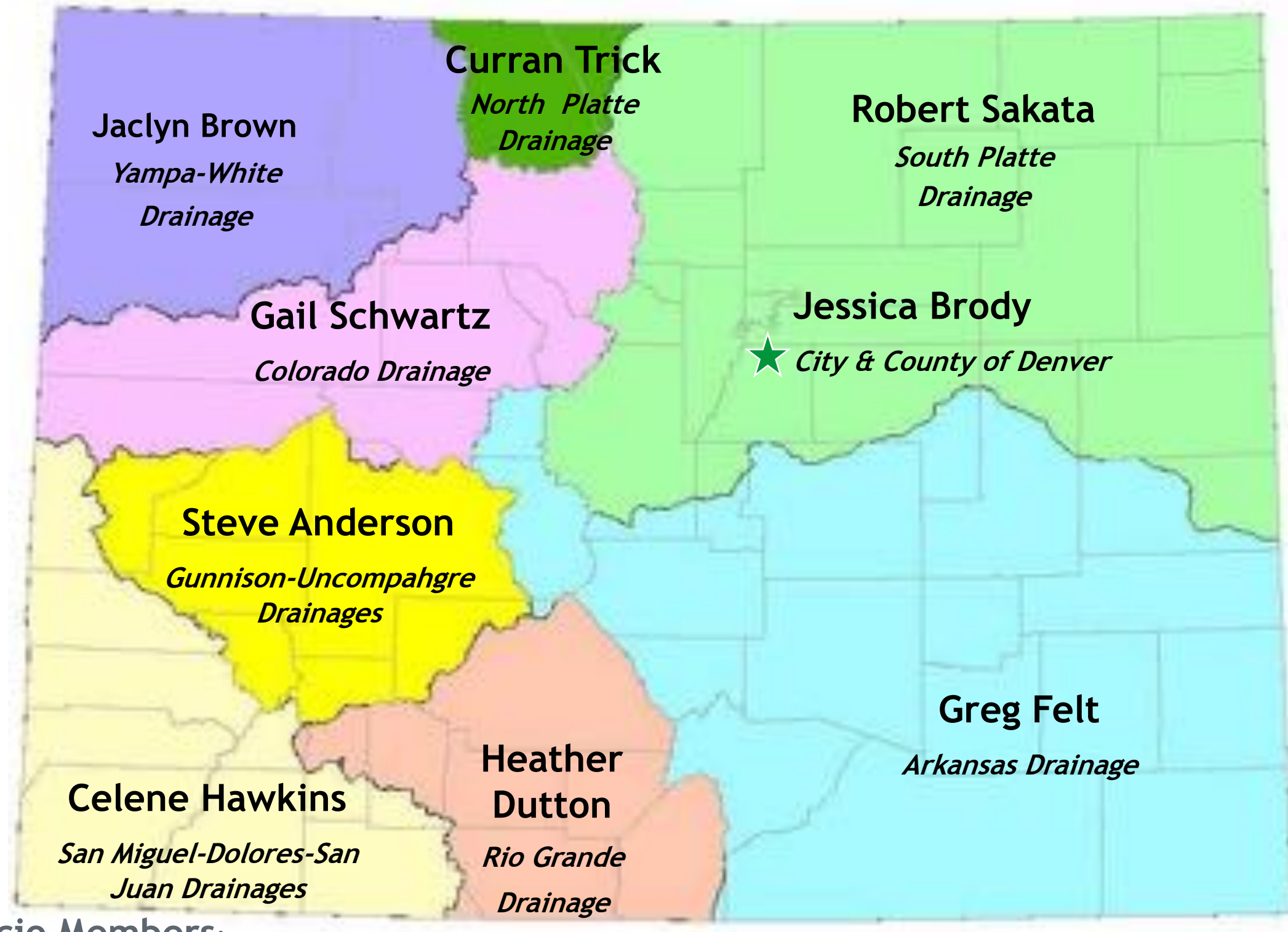




Operations/Programs:

- Water Project Loan Program
- Water Conservation and Drought Planning
- Interstate Compact Protection
- Stream and Lake Protection
- Watershed & Flood Protection
- Decision Support Systems
- Water Supply Planning





Ex-Officio Members:

Dan Gibbs, DNR Director (voting)

Kate Greenberg, CDA Director

Phil Weiser, Attorney General

Dan Prenzlów, CPW Director

Kevin Rein, State Engineer

Becky Mitchell, CWCB Director



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~\$50M per year

CWCB LOAN PROGRAM

- *Revolving - repayments fund future loans and CWCB*
- *Eligible Projects: untreated water projects such as:
Reservoirs, ditches & canals, pipelines, river
diversion structures, water rights purchases,
wells, water meters AND hydropower projects*
- *Applications are accepted year-round*

Water Project Loans: Governmental



- Interest Rate set by Median Household Income (MHI)
 - Currently ~1.6% to 2.1% @ 30 years; Market Driven
- TABOR Compliance (Enterprise vs. General Obligation)
- Collateral
- Repayment Stream - Taxes or Rates, No Tap Fees
 - Amortized on Loan Fund Expenditures Only
 - NO Payments until Construction is Complete
- Typical Borrower (Averages)
 - Water Bill ~\$30-\$60/mo
 - System Debt ~\$2.5K-\$5K/tap



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Department of Natural Resources



WATER PLAN GRANTS
~\$10M per year

CWCB
Grants

- *Implements the goals of the Colorado Water Plan*
- *Multiple Benefits/Purposes Prioritize Higher*
- *Applications: July 1 & Dec 1*
 - *Storage and Supply (Now includes ATM)*
 - *Conservation & Land Use Planning (Now includes Water Efficiency)*
 - *Engagement and Innovation*
 - *Agricultural*
 - *Environmental & Recreation (Now includes Watershed Restoration)*

Water Supply Reserve Fund \$3M per year

CWCB Grants

- *Locally Driven Through Basin Roundtables*
 - *Grants to Address Water Issues (Treated and Untreated)*
 - *Each Basin is Unique (Priorities, Schedule, etc.)*
 - *Two-Step Approval Process (Local Roundtable; CWCB)*
 - *Contact Local Basin Roundtable for Details*

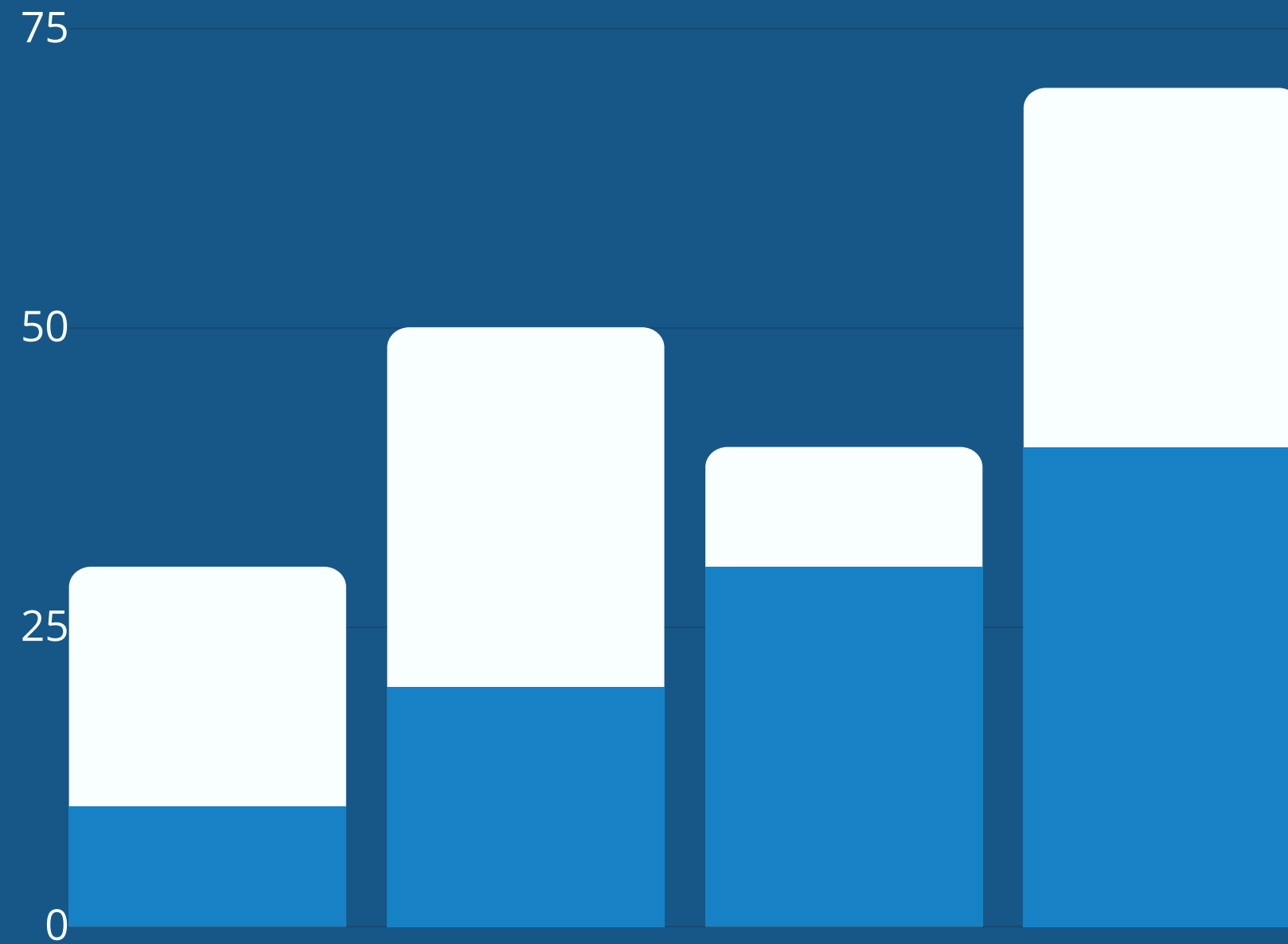


COLORADO

Colorado Water
Conservation Board

Department of Natural Resources

TIME FOR A POLL



TAP INTO RESILIENCE



- ✓ Creates pathways and opportunities to invest capital at large scale in decentralized infrastructure
- ✓ Expanding the definition of water infrastructure to include distributed solutions
- ✓ Putting distributed installations on non-utility owned properties in multi-year capital plans along with conventional counterparts

tapin.waternow.org

WATERNOW ALLIANCE



WHAT IS ONSITE, LOCALIZED, DISTRIBUTED WATER INFRASTRUCTURE?

- ✓ Distributed over many properties, public and private
- ✓ Not owned and operated by city/utility/water agency
- ✓ Operate in concert with built infrastructure
- ✓ Paid for by the utility

CATEGORIES OF DISTRIBUTED INFRASTRUCTURE

- ✓ Private Service Line Replacement
- ✓ Water Use Efficiency and Conservation
- ✓ Stormwater and Flood Management



Lead Line Replacement



Onsite Re-use



Conservation and Efficiency Programs



Green Stormwater Infrastructure



Watershed Protection Efforts

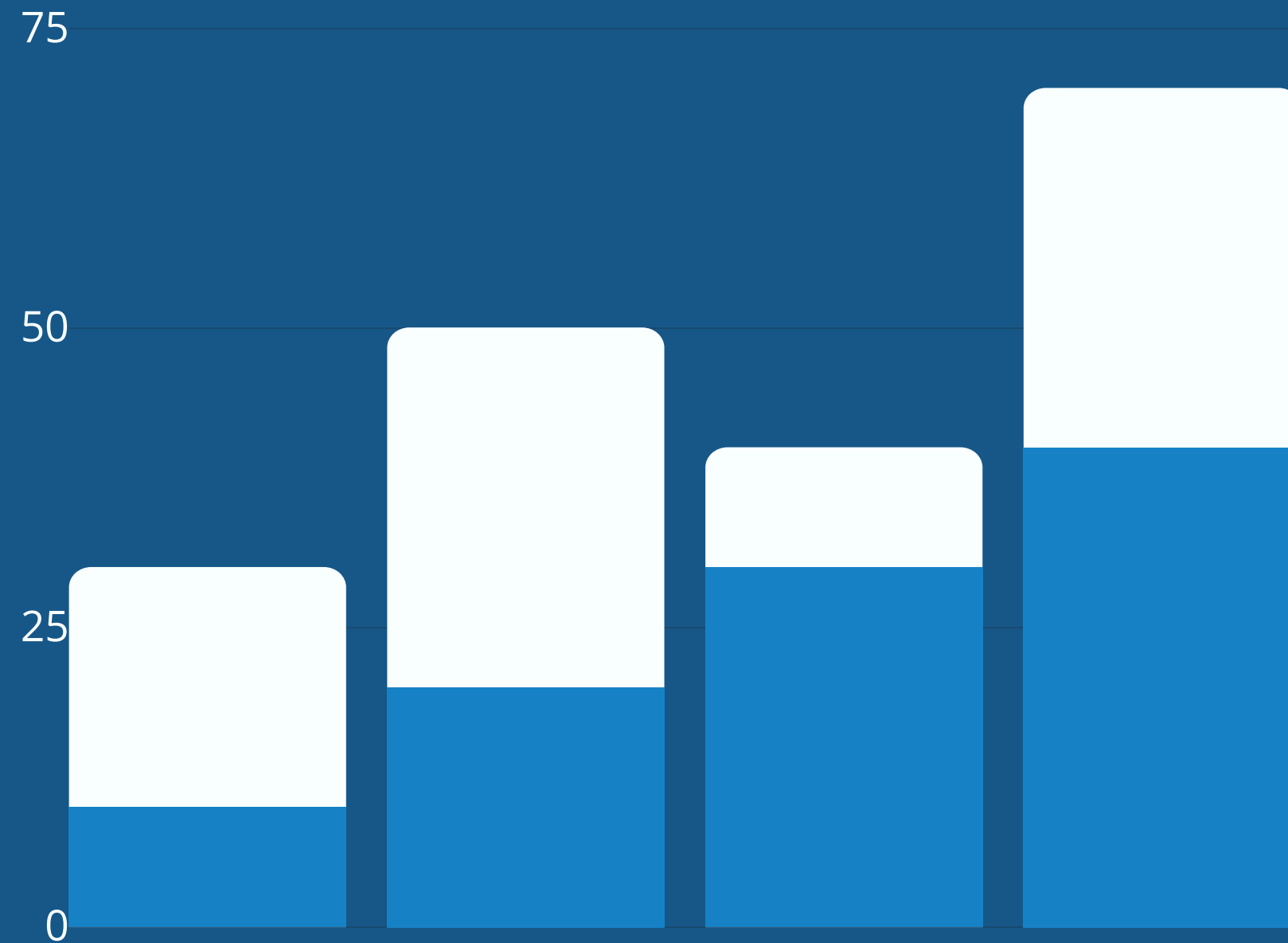


BIG PICTURE BENEFITS OF LOCALIZED STRATEGIES

- ✓ Environmentally sustainable
- ✓ Build climate resilience
- ✓ Often more affordable
- ✓ Advance social equity
- ✓ Protect public health
- ✓ Create local, green jobs



TIME FOR A POLL



TAP INTO RESILIENCE TOOLKIT



Do you have a sustainability vision for your city?

Our toolkit is here to help.



**Localized Infrastructure Decision-Making Framework**

To explore lessons learned from TIR Case Studies click through WaterNow's **10-part decision-making framework** for deploying localized water infrastructure strategies at larger scale as best fit a community's particular needs.

**What are my financing options?**

To learn about accessing capital dollars and other revenue streams to pay for decentralized water infrastructure and solutions to common legal, financial and accounting questions that arise when increasing investments in these environmentally friendly programs click through the "**What are my financing options**" sections.

**Localized water infrastructure implementation strategies**

To learn about common challenges – and corresponding solutions – for public utilities deploying decentralized strategies on public property not directly owned or controlled by the water utility ("public non-utility property") and private property click through the "**Localized water infrastructure implementation strategies**" section.

**Toolkit Quick Reference Library**

Click here for **quick references** to Toolkit resources, example documents, and case studies.

**Ask an Expert**

Connect with Tap into Resilience **expert panelists**.

[Ask an Expert](#)

Visit tapin.waternow.org/toolkit to view full toolkit

What are my financing

Accessing State, Federal, and Philanthropic Funding

The financing sections cover

In addition to operating budget funds and debt proceeds, utilities can access state, federal, and philanthropic dollars to help finance localized water infrastructure in their communities. These sources of funding are attractive for utilities to do the necessary work and advance planning to obtain, they can offer some debt forgiveness.



Utility Costs



Debt Financing



Accessing Funding

Materials are reviewed to provide an overview of that to help you understand, for example ordinance requirements, and quick access to a summary of funding sources.

Explore for yourself

State Revolving Fund

The *Clean Water and Drinking Water State Revolving Fund* programs are a federal program that provides communities a permanent, independent source of low-cost financing for water infrastructure projects. Communities that make use of the State Revolving Fund can access market interest rate loans and loan forgiveness (similar to grants) offered for water infrastructure projects and often for "green" projects, such as water efficiency and green infrastructure.

SRF Eligibility

SRF for private property localized infrastructure

Green project reserve



CWSRF 101 Presentation

Explanations on CWSRF infrastructure banks, and project eligibility are addressed in the EPA's CWSRF 2015 presentation.

[Read more](#)



CWSRF Application Process Visual

This California Clean Water State Revolving Fund infographic delineates a construction application process from planning phase to construction and loan forgiveness.

[Read more](#)



Annual Report: CWSRF Programs

This year (2015) the CWSRF provided \$5.8 billion to eligible projects and will continue to grow, while prioritizing those with the biggest public health impact.

[Read more](#)

tapin.waternow.org/toolkit

Water

Equitable & Affordable Water Infrastructure Investments



Welcome to the WaterNow



first, and
contami

The Wat
all levels

navigate these challenges
problems. Within this part
communities at the forefr

There are 6 major sections
with localized Water Infra
Through Partnerships, an
ArcGIS-based portal to ca
communities and others v

Water utilities serving frontline communities not only face water management challenges, but also encounter difficulties in accessing funding and financing mechanisms to invest in needed water infrastructure upgrades. Frontline communities' special challenges accessing the funding required to invest in vital water infrastructure range from **severely reduced federal financial support** for local water systems over the years, to **financially distressed rate bases** that cannot afford the cost of needed infrastructure, **declining populations** leading to a smaller number of customers within the utility service area, and/or **lack of internal capacity and expertise** to apply for the grant and support programs that are available. The COVID-19 pandemic intensified these already pressing issues as revenue losses hit urban areas hard.

Click through the sub-sections below to learn about available **federal and state grant and loan options for frontline communities** and how to **ensure inter-generational equity** when making water infrastructure investments.

Avoiding Water Shutoffs



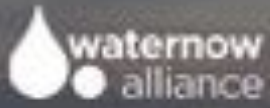
tapin.waternow.org/toolkit/#frontline



WATERNOW ALLIANCE

GREEN STORMWATER INFRASTRUCTURE





City of Hoboken

Building urban resilience in the square mile city

Project at a Glance

Utility Overview

- Location: City of Hoboken, New Jersey
- Population served: ~55,000
- Service area: 1 square mile

Challenges

- Urban flooding
- Combined sewer overflows
- Aging infrastructure
- Sea level rise

Solution

• A comprehensive strategic green infrastructure plan, developed in cooperation with regional partners, that will add more place-based green space and permeable surfaces throughout the city designed to capture more stormwater where it falls before it reaches the combined sewer system.

Costs and Funding Sources

Total program cost: \$150 million

Funding sources:

- \$18 million municipal bond
- \$7.5 million municipal Open Space Trust Fund
- \$3 million Hudson County Open Space Trust Fund
- \$15 million in federal grants
- \$73 million in State Revolving Fund loans
- \$35 million in leveraged funds from project partners, such as North Hudson Sewerage Authority

Benefits



Capture over 2,500,000 gallons of stormwater



Reduced frequency and volume of combined sewer overflows



Climate change adaptation



Coastal and urban stormwater flooding resilience



Transit systems resilience



Improves access to transit systems



Doubled the amount of open space



Revitalized neighborhoods and improved quality of life



Created ~80 seasonal green jobs for high school students



1

SMART IRRIGATION CONTROLLERS



Project at a Glance

Utility Overview

- Utility: Spanish Fork Public Works
- Location: Spanish Fork, Utah
- Population served: ~43,000
- Service area: 15 square miles

Challenges

- Growing peak water demand
- Limited water system capacity
- Recurring drought
- State water conservation goals

Solution

- Innovative water conservation program to install free smart irrigation controllers for residential customers to reduce pressurized outdoor irrigation and stagger watering times to lower peak demand.

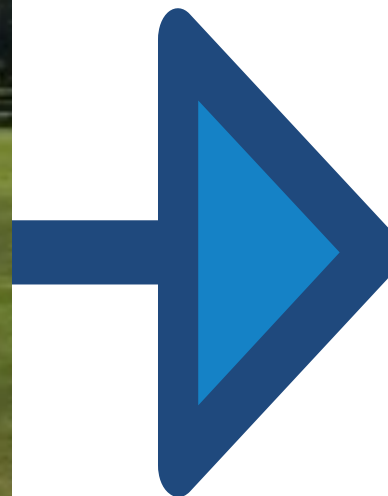
Costs and Funding Sources

- Total project cost: ~\$330,000
- Funding sources:
 - Operating budget: ~\$30,000 for professional installers, utility vehicles, and conservation staff
 - Grants: \$300,000 to purchase smart controllers
 - (State of Utah Department of Natural Resources: \$150,000 and Central Utah Water Conservancy District: \$150,000)

Benefits

-  Lowered peak daily demand by 0.5%
-  Reduced pressurized irrigation by 4,500 gallons, or 17%
-  Only 1.2% increase in demand despite a 4% population growth in 2018
-  App-enabled technology saved participating residential customers time and money
-  Provides real time data to customers
-  Improves metering accuracy
-  Helps identify leaks sooner

CONVERTING TURF TO WATERWISE LANDSCAPING



Federal Funding Opportunities: USBR WaterSMART Program



APPLICATION SUPPORT FOR WATERSMART

tapin.waternow.org/toolkit



WaterSMART Grant Application Support



WaterNow is available to provide pro-bono support in applying for WaterSMART funding opportunities. This includes (but is not limited to):

- 1-on-1 calls to explain programs, address specific project questions, and provide tips for submitting a competitive application
- Connections and guidance on calls with relevant WaterSMART staff
- Research on specific application questions (e.g. quantifying water savings or identifying your nexus to Reclamation)
- Application and budget templates
- And more, depending on what your community's specific needs are!

If you're interested in applying for a WaterSMART funding opportunity and would like WaterNow's assistance, fill out this short form and we'll be in touch.

Name, Title & Affiliation

Email

Where are you located?

What type of project are you working on?

May WaterNow contact you to follow up?

- ☐ Yes
☐ No

Submit

Efficiency Funding for Colorado River Basin
western water decisionmakers with no-cost, ts.

plications.

nding to implement secondary irrigation

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2 funding to expand their existing grass
es to users replacing turf grass with low
in the service area, estimated at

ill address aquifer overdraft and increase the

support services listed above, WaterNow

grant application. DWA is now applying for a

portunity to further expand their grass

CO received \$1.49M in WEEG funding for
rastructure with estimated water savings of
ley had submitted an application for
n FY2019 but were not successful in receiving
on strengthening their application.

Application Tips

1. Before applying, review the objectives of the Funding (Announcement (FOA), eligible project types and evaluate determine if your proposed project is a good fit for the sure, WaterNow staff and BoR Program Coordinators
2. Copy and paste the evaluation criteria from the FOA in responding fully and clearly to all criteria.
3. Review the application checklist (Page iii of every FOA) complete application with all required supporting materials

WATERNOW ALLIANCE

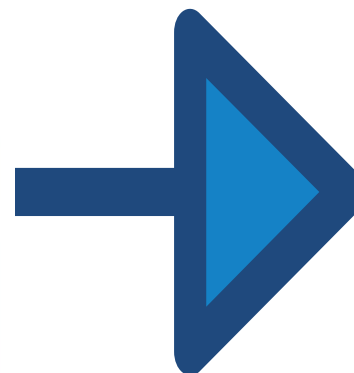
ALTERNATIVE TRANSFER MECHANISMS



ALTERNATIVE TRANSFER METHODS

FLEXIBLE & INNOVATIVE WATER SUPPLY
ALTERNATIVES

A GUIDE FOR LOCAL LEADERS IN COLORADO



ATMs are an alternative to "buy and dry" transactions and offer the following benefits over the permanent transfer of water away from agriculture:

PRESERVE OPEN SPACE



ATMs can protect Colorado's open landscapes and wildlife habitat.

MAINTAIN REGIONAL ECONOMIES



ATMs protect farmers and the numerous jobs and industries that depend on them.

ACCESS TO LOCAL FOOD



ATMs support continued local agricultural production providing access to local food.

COMMUNITY BUFFER ZONES



ATMs support Coloradans' interest in keeping agricultural land between neighboring communities.

ENVIRONMENTAL PRESERVATION



By keeping farmland in production, ATMs prevent environmental impacts such as non-native weeds, lack of pollinators, and erosion.

MAKE AGRICULTURE FINANCIALLY VIABLE

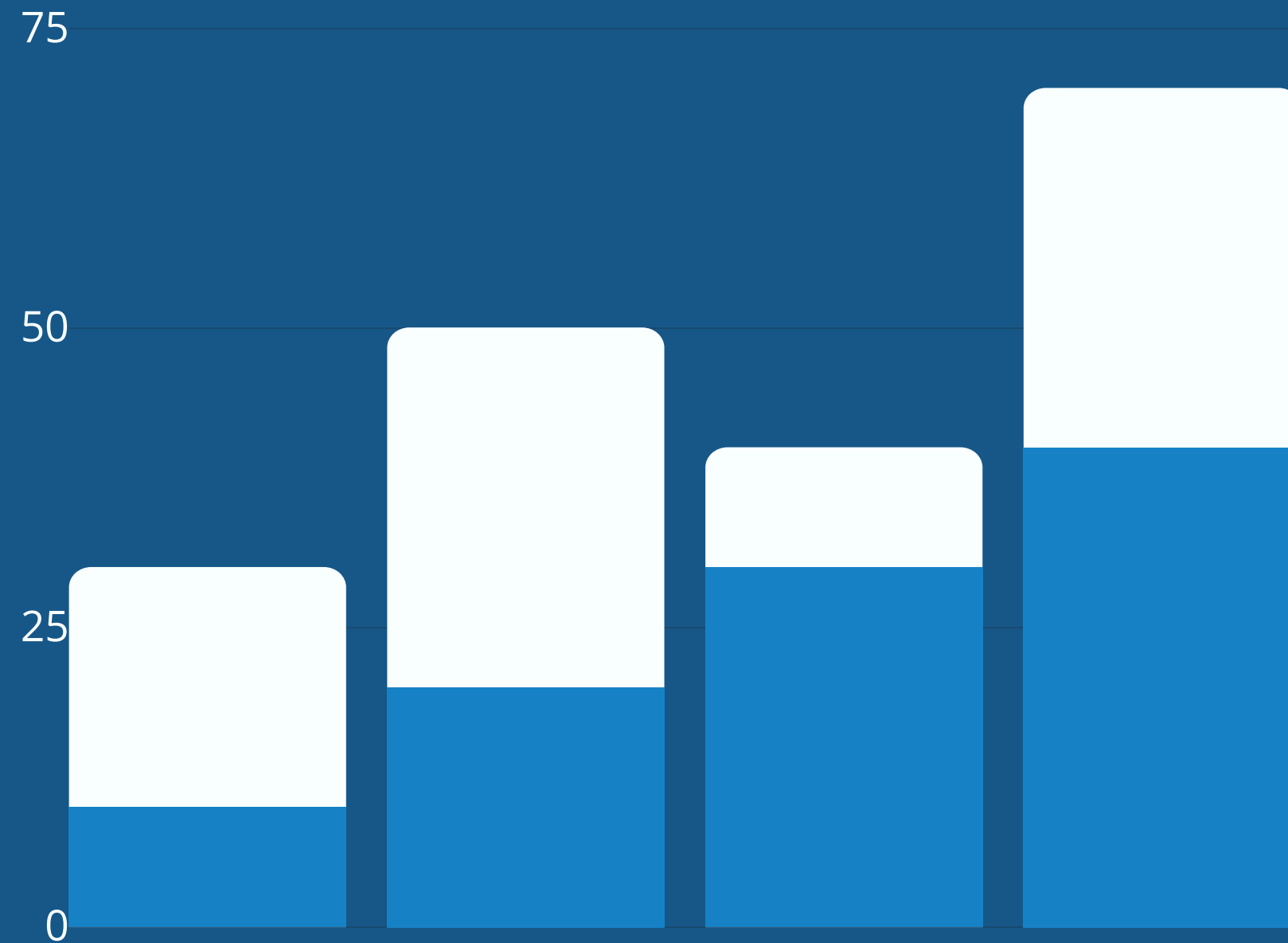


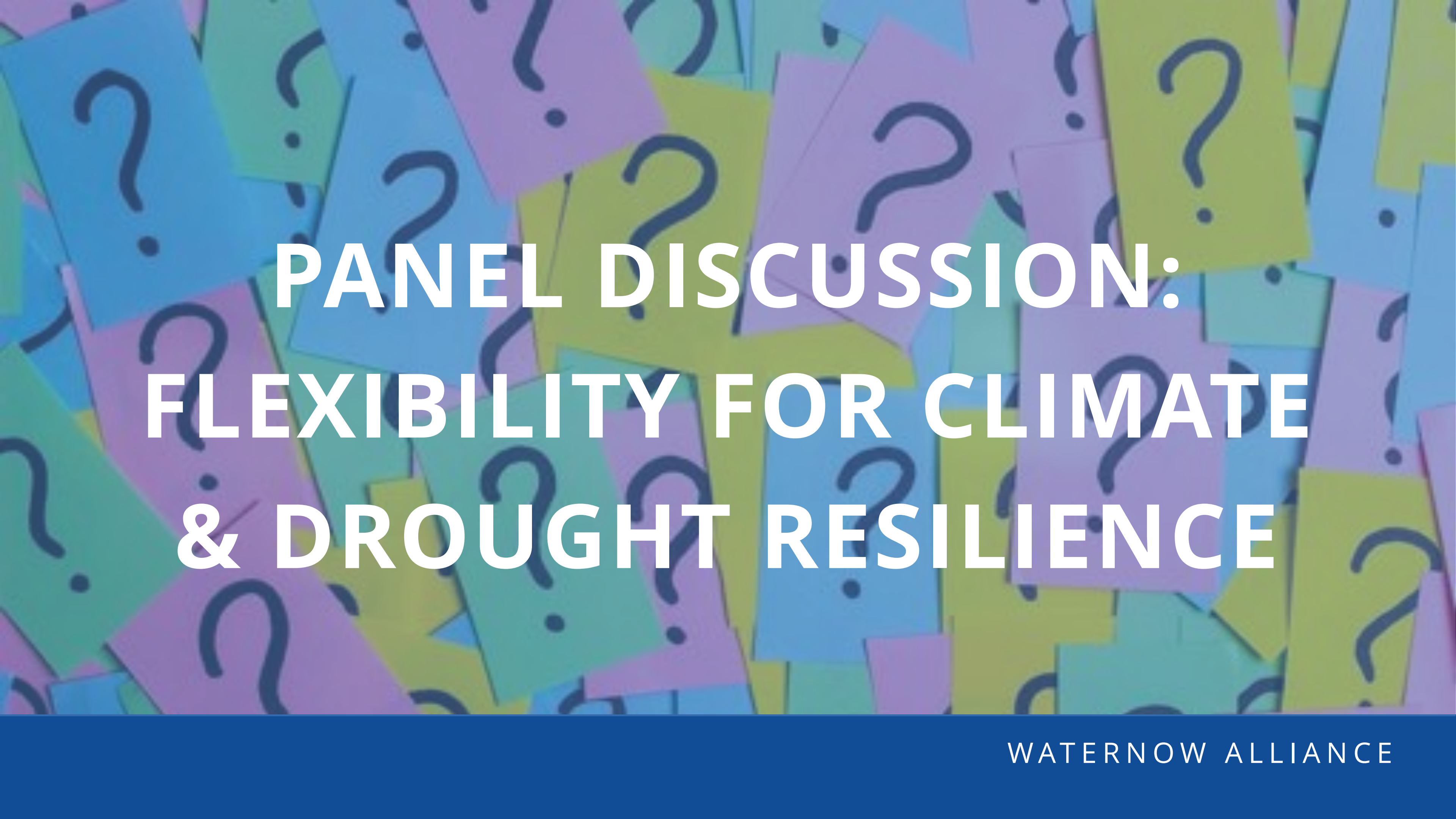
ATMs can provide critical financial support to local farmers to upgrade systems and equipment and to provide revenue during drought.

<https://waternow.org/project/colorado-atms/>

WATERNOW ALLIANCE

TIME FOR A POLL



The background of the slide is a collage of overlapping, torn-edge sticky notes in various colors including light blue, teal, lavender, and lime green. Each sticky note features a large, dark blue question mark. The text is centered over this pattern.

PANEL DISCUSSION: FLEXIBILITY FOR CLIMATE & DROUGHT RESILIENCE

WATERNOW ALLIANCE



TAP INTO RESILIENCE SUMMIT

April 13 - 14, 2022

Location: | The Inn at Penn
Philadelphia, PA

**MARK YOUR
CALENDARS**



SCAN ME

<https://waternow.org/2022-tap-into-resilience-summit/>

JOIN THE ALLIANCE

LEARN MORE AND SIGN UP

www.waternow.org/join-the-leaders



WATERNOW ALLIANCE



THANK YOU

FOR MORE INFORMATION EMAIL
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