



# Funding Water/Wastewater Infrastructure Projects

Presented by GMS, Inc., Consulting  
Engineers and Spencer Fane LLP



COLORADO  
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# Overview of Workshop

- Learn about the agencies that fund water and wastewater projects
- Learn about grant and loan opportunities
- How to ensure your entity can obtain funding in light of TABOR
- Show examples of typical funding scenarios

# Who We Are

- GMS, Inc. Consulting Engineers has been serving Colorado since 1978
- Primarily work with rural communities
- Since our inception, GMS has been obtaining and administering funding for our clients. 80% of our projects have multiple funding sources
- Service oriented design firm with relationships with communities and funding agencies
- Spencer Fane LLP has represented special districts throughout Colorado for more than 40 years.
- We provide legal representation to local communities as general counsel, bond counsel and special counsel.
- Our attorneys assist community representatives and consultants regarding funding sources, loan transactions and TABOR.

# Project Pre-planning

- Eligibility Survey
- Preliminary Engineering Report
- TABOR implications



# TABOR Implications

TABOR is a provision in the Colorado constitution that prohibits governmental entities from incurring multiple fiscal year financial obligations without voter approval, and also imposes tax, debt and revenue limitations.



# Voter Approval

- Any new tax
- Tax rate increase
- Mill levy above prior year
- Extension of an expiring tax
- Tax policy change resulting in a net tax revenue gain
- New debt, with or without tax increase



# Enterprise

An “enterprise” is expressly excluded from TABOR requirements and is defined as:

- A government-owned business;

- Authorized to issue its own revenue bonds; and

- Receiving less than 10% of annual revenue in grants from all Colorado state and local governments combined.

Enterprise created by resolution adopted by Board or Council. Governing body of municipality acts as Board of enterprise. Lending agencies will want to see separate accounting for enterprise.

# Funding Partners for Water and Wastewater Projects



**COLORADO**

Department of Public  
Health & Environment



— BUREAU OF —  
RECLAMATION



**COLORADO**

Department of Local Affairs



Committed to the future of rural communities.



**COLORADO**

Colorado Water  
Conservation Board

Department of Natural Resources



# State Revolving Fund



**COLORADO**  
Department of Public  
Health & Environment



**COLORADO**  
Department of Local Affairs



- Water Pollution Control Revolving Fund (WPCRF)
- Drinking Water Revolving Fund (DWRF)
- Facilitating the Infrastructure Investment and Jobs Act (IIJA) monies



# Infrastructure Investment and Jobs Act (IIJA)

- Facilitated through the State Revolving Fund program

3 areas

1. Lead service water line replacement – 50% grant
  2. Emergent Contaminants – PFAS, manganese, etc. – 100% grant
  3. Supplemental State Revolving Fund – 50% grant
    - a. 10 criteria of which at least 3 criteria must be met for Drinking Water projects
    - b. Only Disadvantaged Communities qualify for clean water (WW/stormwater)
- 2026 Will be the final year of funding for this program

# Department of Local Affairs



- Community Development Block Grant
- Energy/Mineral Impact Assistance Fund (EIAF) – Planning Grants
- Energy/Mineral Impact Assistance Fund (EIAF) – Construction

# CDPHE Grants



- PFAS Grant
- Emergent Contaminants
- Water Quality Improvement Fund
- Small Communities Grant
- Assistance Grant

# Colorado Water Conservation Board



- Water Project Loan Program
- Colorado Water Plan Grants
- Water Supply Reserve Fund - Basin Roundtable Grants

# Loan Process

- General counsel and bond counsel will review loan documents
- Lender may require rate increases if system revenues are pledged
- If the borrowing entity has existing debt, it may be required to confirm its ability to pay the existing debt and any new debt being acquired (parity certificate or coverage certificate)
- Counsel may be asked to provide opinion letters regarding the municipality's or enterprise's proper execution, issuance and delivery of the loan documents and compliance with TABOR



# Federal Grant Sources



- WaterSMART Small-Scale Water Efficiency Program
- WaterSMART Water Efficiency Program
- Congressional Directed Spending
- Environmental Protection Agency (EPA)

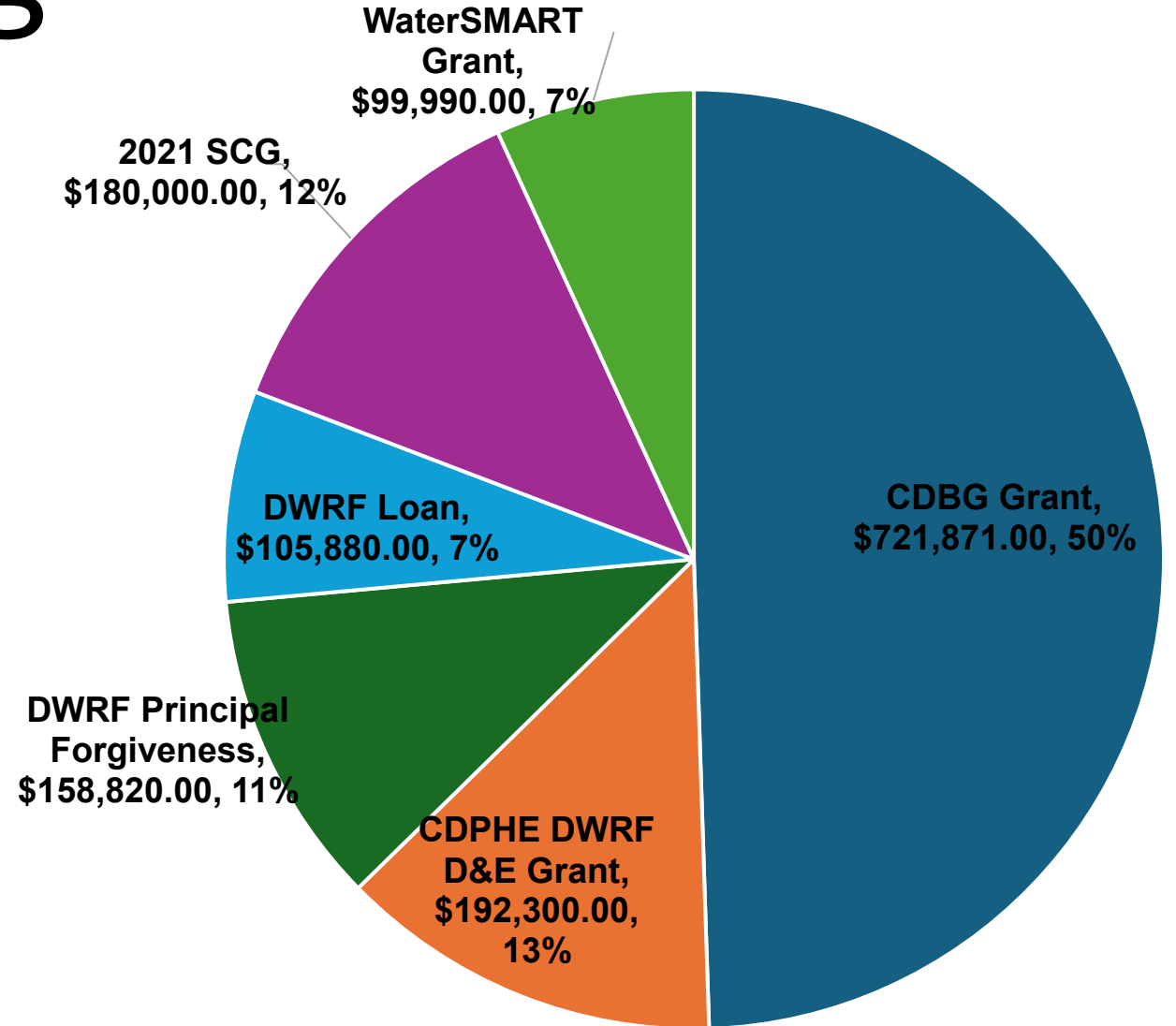
# Example Project: Water System Improvements

- Total Project Cost: \$2,159,500 to include water distribution system replacement and water storage modifications
- Community of 600 residents
- Qualifies for Design and Engineering Grant
- Qualifies for Community Development Block Grant



# Example Funding

- 7% funded locally through the loan
- Received loan principal forgiveness
- Leveraged funding from various sources
- Very small community of 60 residents

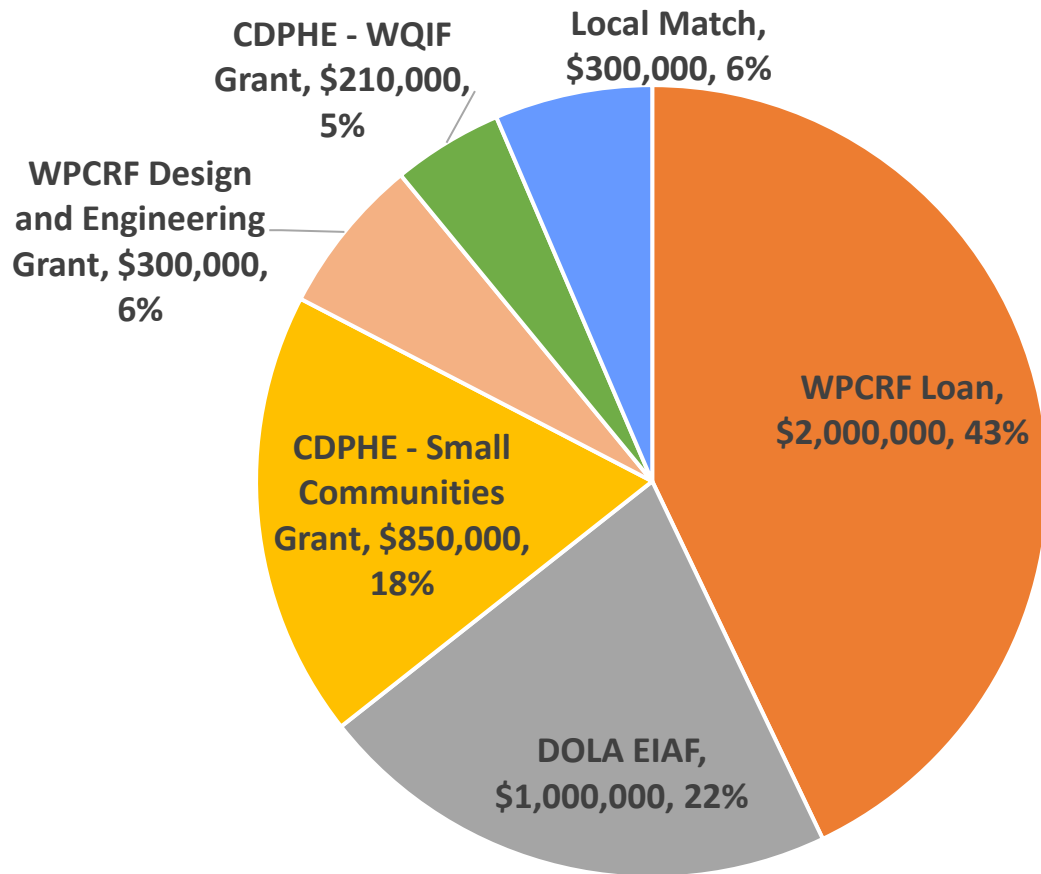


# Example Project: New Wastewater Treatment Facility

- Total Project Cost: \$4,660,000
- New WWTF required to meet new discharge permit
- Disadvantaged Community



# Example Project: New Wastewater Treatment Facility



- \$4,660,000
- 43% funded locally through a loan
- Leveraged funding from DOLA and CDPHE covering 57% of project

# Conclusion

- In this environment, true shovel-ready projects will be more likely to receive grant funding.
- Planning ahead is critical to being ready for funds.
- Remember- Funding is dynamic and is always changing
- Projects begin with a Preliminary Engineering Report and the Eligibility Survey- **DUE JUNE 30th**
- Each project is unique
  - Financial Status of Community
  - Type of Project
  - Cost of Project
- Leveraging funding and appropriate phasing is key to a financially successful project





# THANK YOU!

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