



COLORADO MUNICIPAL LEAGUE  
**100<sup>TH</sup> ANNUAL  
CONFERENCE**

JUNE 21-24 | BRECKENRIDGE, CO

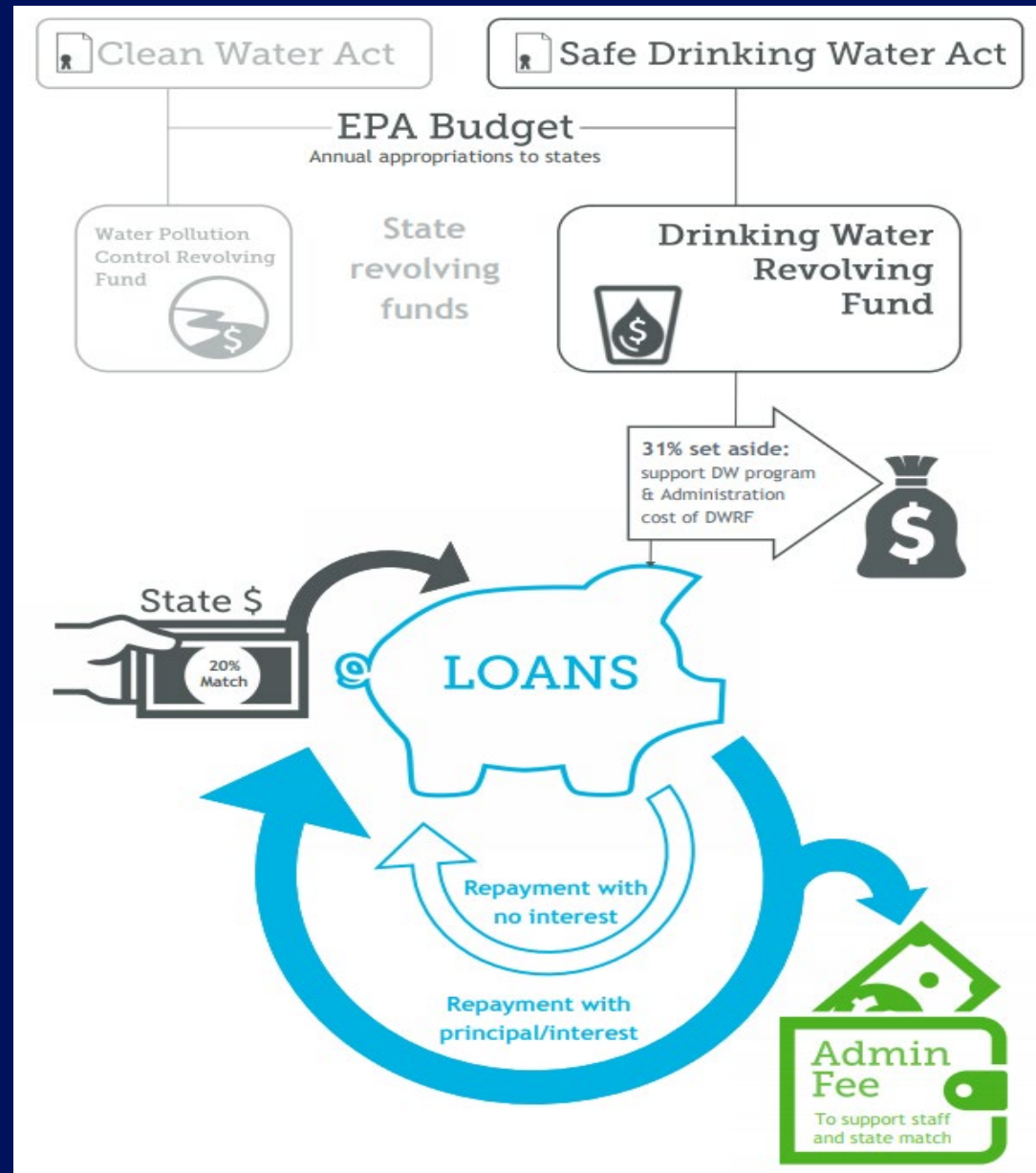
**Funding Drinking Water and  
Wastewater Improvements with  
the State Revolving Fund**



# SRF: A perpetual funding source

Water Pollution Control Revolving Fund (WPCRF)

Drinking Water Revolving Fund (DWRF)



# Who are we? Partner Agencies and Roles

## Water Quality Control Division of the Colorado Department of Public Health & Environment (WQCD)

- Primacy agency.
- Program administration (including managing set asides and technical assistance programs).
- Technical review and advisory role.
- Federal reporting.

## Colorado Water Resources & Power Development Authority (CWRPDA or “the Authority”)

- Financial structure.
- Manages budgets and investments.
- Disburses funds.
- Federal reporting.
- Provides state match.
- Loan portfolio monitoring.

## Colorado Department of Local Affairs (DOLA)

- Conducts financial capacity assessments.
- Financial and managerial assistance to systems.
- Coordinates funding collaboration.
- SRF outreach.



# State Revolving Fund Base Program

Low interest loan program to finance the design and construction of public drinking water, wastewater and stormwater infrastructure projects.

- Direct loans or leveraged loans
- Loan terms: Up to 30 years.
- **7 loan application deadlines:** Jan. 15 (Spring Issue), Feb. 15, April 15, June 15 (Fall Issue), Aug. 15, Oct. 15, and Nov. 15.
- Eligible entities:
  - DWRF: Colorado local governments or private non-profits
  - WPCRF: Colorado local governments



# State Revolving Fund Base Program



## Green Project Reserve

- Reduced interest rate for first \$3M of a loan request
- Currently available for clean water projects only (Water Pollution Control Revolving Fund)
- Green Project Reserve Categories:
  - Green infrastructure
  - Water efficiency
  - Energy efficiency
  - Environmentally innovative activities.
  - Or qualify as a categorically green project or through a business case

## Disadvantaged Communities

- Reduced interest rates, planning, design & engineering grants, and loan forgiveness (when funds are available)
- For applicants that serve communities smaller than 10,000 people
- Local governments are eligible for all benefits. Private non-profits are only eligible for the reduced interest rates and planning grants.
- Meeting certain primary and secondary factors



# Colorado State Revolving Fund Programs

**New** Funding Created by the Bipartisan Infrastructure Law (BIL)

Category	Required % as Grant or Loan Forgiveness	CY 2022	CY 2023	CY 2024	CY 2025	CY 2026
DWRF supplemental	49%	\$35,550,000	Funding is expected to be similar to CY 2022 for each subsequent year.			
WPCRF supplemental	49%	\$14,236,000				
DWRF Lead Service Line	49%	\$56,015,000				
DWRF Emerging Contaminants	100%	\$14,927,000				
WPCRF Emerging Contaminants	100%	\$747,000				



# BIL Grant/Loan Forgiveness Distribution Requirements

Category	Required % as Grant or Loan Forgiveness	Eligibility
DWRF supplemental	49%	Disadvantaged communities and expanded eligibility criteria
WPCRF supplemental	49%	Disadvantaged communities and expanded eligibility criteria
DWRF Lead Service Line	49%	Disadvantaged communities and expanded eligibility criteria
DWRF Emerging Contaminants	100%	Any applicant, but 25% of the pot must go to disadvantaged communities or communities with populations less than 25K
WPCRF Emerging Contaminants	100%	Any applicant, but disadvantaged communities must be prioritized



# BIL Grant/Loan Forgiveness Eligibility Criteria

Qualification Criteria	Points
Meet base (existing) program disadvantaged communities criteria	3
The prospective borrower's project removes lead or emerging contaminants to reduce drinking water health risks.	1
Percentage of population within a community that identifies as minority is equal to or greater two-thirds of communities in the state, (2022 benchmark is 25%).	1
Percentage of the population within a community living under 200% of poverty level that is equal to or greater than two-thirds of communities in the state, (2022 benchmark is 35%).	1
Percentage of population within a community that are housing burdened is equal to or greater than two thirds of communities in the state, (2022 benchmark is 30%).	1
Rates compared to Median Household Income exceed the ratio of estimated annual median rates to state Median Household Income. 2022 benchmarks are 1.35% for combined sewer and drinking water, 0.80% for water, and 0.55% for sewer.	1
Community Median Household Income is less than the State Median Household Income, (2022 benchmark is \$75,231), (1 point).	1
Community Median Household Income that exceeds 125% of the State Median Household Income, (2022 benchmark is \$94,039), will lose one point (-1 point)	
Population loss or growth is slower than the state's over 5 years (2022 benchmark is 1%)	1
Total possible score of 1 point: <ul style="list-style-type: none"> <li>County-level job loss over 10-years (0.5 point)</li> <li>Counties with <math>\geq</math> a 24-month average unemployment rate that exceeds the state's plus 1%, (2022 benchmark is 7.1%). (0.5 point)</li> </ul>	1
Combined percent of population living under 200% of poverty level (200%) + percent of population over 65 years is greater than or equal to two-thirds of communities in the state (2022 benchmark is 50%)	1





# Base Program & Supplemental Funding: Eligible Projects

- Drinking Water- Drinking Water Revolving Fund (DWRF)
- Wastewater- Water Pollution Control Revolving Fund (WPCRF)
  - Stormwater



# Base Program & Supplemental Funding: Eligible Projects

## Drinking Water Eligibility



### Eligible Project Categories



1. Treatment
2. Transmission and Distribution
3. Source
4. Storage
5. Consolidation
6. Creation of a new system
7. Security
8. Energy efficiency

EPA Drinking Water Revolving Fund Eligibility Handbook:

[https://www.epa.gov/sites/default/files/2019-10/documents/dwsrf\\_eligibility\\_handbook\\_june\\_13\\_2017\\_updated\\_508\\_version1.pdf](https://www.epa.gov/sites/default/files/2019-10/documents/dwsrf_eligibility_handbook_june_13_2017_updated_508_version1.pdf)

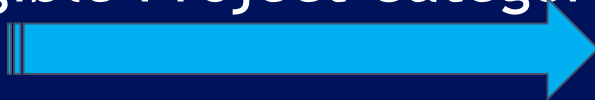


# Base Program & Supplemental Funding: Eligible Projects

## Wastewater Eligibility



## Eligible Project Categories



1. Treatment
2. Conservation and management plan
3. Decentralized wastewater treatment systems
4. Stormwater
5. Water conservation, efficiency, or reuse
6. Watershed projects
7. Energy efficiency
8. Water reclamation
9. Security

EPA Overview of Clean Water Revolving Fund Eligibilities:

[https://www.epa.gov/sites/default/files/2016-07/documents/overview\\_of\\_cwsrf\\_eligibilities\\_may\\_2016.pdf](https://www.epa.gov/sites/default/files/2016-07/documents/overview_of_cwsrf_eligibilities_may_2016.pdf)



# DWRF Lead Service Lines: Eligible Projects



## Eligible Projects

- Identification of lead service lines
- Planning & design for a lead removal project
- Complete removal of lead service lines or service lines made of galvanized iron or galvanized steel
- Any other activity *directly connected* with the identification, project development, or removal of lead service lines

Department Lead Website:  
<https://cdphe.colorado.gov/lead>



# DWRF Emerging Contaminants: Eligible Projects

## Eligible Projects

- Primary project focus is addressing emerging contaminants in drinking water
  - Perfluoroalkyl and polyfluoroalkyl substances (PFAS)
  - Any contaminant in any of EPA's Contaminant Candidate Lists.

Lists Webpage:

<https://www.epa.gov/ccl>

## Ineligible Projects

- Any contaminant regulated under the National Primary Drinking Water Regulations

NPDWR Webpage:

<https://www.epa.gov/ground-water-and-drinking-water/national-primary-drinking-water-regulations>



# WPCRF Emerging Contaminants: Eligible Projects

## Eligible Projects

- The primary purpose must be to address emerging contaminants.
- Emerging contaminants refer to
  - PFAS
  - Other substances and microorganisms, including manufactured or naturally occurring physical, chemical, biological, radiological, or nuclear materials, which are known or anticipated in the environment, that may pose newly identified or re-emerging risks to human health, aquatic life, or the environment.
  - Includes many different types of natural or manufactured chemicals and substances - such as those in some compounds of personal care products, pharmaceuticals, industrial chemicals, pesticides, and microplastics.

## Ineligible Projects

- Contaminants with water quality criteria established under the CWA section 304(a)



# Major Program Milestones

“Get on the list!”



Eligibility Survey



“Process kickoff”



Pre-Qualification



“The team evaluates the proposed project.”



Project Needs Assessment (PNA)



“Let’s apply for and secure funding.”



Loan Application



“Let’s build it!”



Loan Execution



Construction

## Environmental Review

- Preliminary Environmental Determination
- Final Environmental Determination
- Environmental Clearance

## Design Review

- Design Submittal
- Design Review/ RFI
- Design Approval



# The first step: “Get on the list!” Annual Eligibility Survey



- Who:** Municipalities, counties, special districts -  
All publicly owned water and sewer systems, private nonprofit water systems, publicly owned stormwater systems.
- What:** Identify all 20-year capital improvement needs.
- When:** Survey submittal deadline: JUNE 30 to be on list for next year
- Where:** <https://cdphe.colorado.gov/state-revolving-fund-information>
- Why:** *Required annually*
- First step to securing SRF funding.
  - Not an application for funding; just the first step.
  - Does not obligate an entity to apply.





# Major Program Milestones

Eligibility Survey



Pre-Qualification



Project Needs  
Assessment (PNA)



Loan Application



Loan Execution



Construction

## Environmental Review

- Preliminary Environmental Determination
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- Design Submittal
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# Major Program Milestones: Construction

## Build America, Buy America (BABA) Act

- All manufactured products used in the project are produced in the United States
- All construction materials are manufactured in the United States. (plastic, composite building materials, polymers used in fiber optic cables, glass, lumber and drywall)
- American Iron and Steel

## American Iron and Steel

- All iron and steel products that are 50% or greater by cost must be produced in the U.S.A.
- This includes: pipes, fittings, municipal castings, hydrants, tanks, flanges, pipe clamps, valves, structural steel, reinforced precast concrete, construction materials (roofing, ductwork, doors, fasteners, etc).

## Davis Bacon Wage

- Lock in the wage decision during bidding.
- Certified payrolls checked against wage decision.
- Interviews (sample of workers from GC and subs).





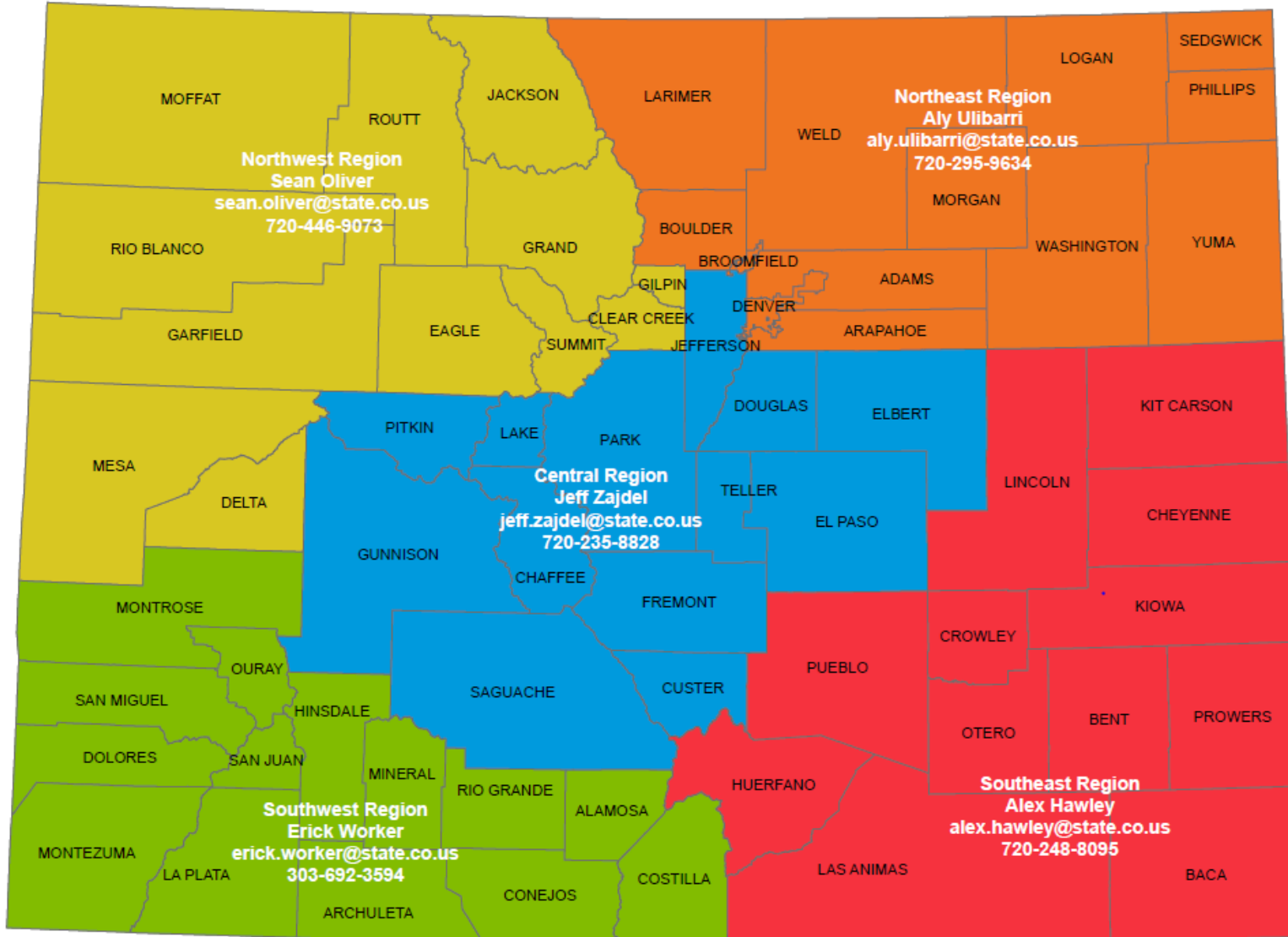
**COLORADO**  
Water Quality Control Division  
Department of Public Health & Environment

## WQCD Grants and Loans Unit

### Project Managers Map

Mark Henderson, Unit Manager, 720-258-6450  
Diane McAfee, Program Assistant, 303-692-3653  
Matt Alms, NEPA Specialist, 720-263-1530

Updated 09/2021



# Water Quality Control Division Grants & Loans Unit Project Managers Map

For most up-to-date map:

<https://cdphe.colorado.gov/glu>



## Takeaways

- Get on the mailing list!
- Fill out your eligibility survey!

Think you have a project?

Need help figuring out a project?

Other assistance needed?

James Wheatley

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303-864-7733

## Websites

WQCD GLU - <https://cdphe.colorado.gov/glu>

CWRPDA - <https://www.cwrpda.com/>

DOLA - <https://cdola.colorado.gov/>

Colorado Environmental Online Services System (CEOS) -

<http://ceos.colorado.gov/CO/CEOS/Public>

EPA BIL Guidance -

<https://www.epa.gov/dwsrf/bipartisan-infrastructure-law-srf-memorandum>

