



**Colorado  
Legislative  
Council  
Staff**

**Bill 11**

**FISCAL NOTE**

**FISCAL IMPACT:**  State  Local  Statutory Public Entity  Conditional  No Fiscal Impact

**Drafting Number:** LLS 18-0229  
**Prime Sponsor(s):**

**Date:** October 24, 2017  
**Bill Status:** Water Resources Review  
Committee Bill Request  
**Fiscal Analyst:** Clare Pramuk (303-866-2677)

**BILL TOPIC:** EXPANDED DURATION FOR CWRPDA REVOLVING LOANS

Fiscal Impact Summary	FY 2018-2019	FY 2019-2020
State Revenue		
State Expenditures		
Appropriation Required: None.		
Future Year Impacts: None.		

**Summary of Legislation**

Under current law, loans made by the Colorado Water Resources and Power Development Authority (CWRPDA) are limited to terms not to exceed 20 years after the completion of the water project. This bill, **requested by the Water Resources Review Committee**, removes the 20-year limitation on loans made by the CWRPDA from the Water Pollution Control Revolving Fund in compliance with the federal Clean Water Act, and the Drinking Water Revolving Fund in compliance with the federal Safe Drinking Water Act. Both federal acts allow for loan terms up to the lesser of 30 years or the projected useful life of the project.

**Background**

The CWRPDA was created by the General Assembly in 1981, as a political subdivision of the state governed by a nine-member board of directors. It provides low-cost financing to local governments and private operators of public water systems in Colorado, mainly for water and wastewater infrastructure development.

**Statutory Public Entity Impact**

This bill will have a fiscal impact to the CWRPDA which will depend on the number and size of projects funded, as well as the projected useful life of each project. Longer term loans will increase the interest and administrative fees earned by the CWRPDA and reduce loan capacity by obligating the funds for longer terms.

As an example, for every \$1.0 million in loan funds issued for a 30-year term instead of a 20-year term, the CWRPDA will receive approximately \$36,000 in additional interest on a loan with a 2.0 percent interest rate. The additional 10 years will increase administrative fees to the CWRPDA by \$80,000, or \$8,000 per year. The loan capacity is estimated to be reduced by \$18,500 per year, per \$1.0 million loaned.

## **Effective Date**

The bill takes effect August 8, 2018, if the General Assembly adjourns on May 9, 2018, as scheduled, and no referendum petition is filed.

## **State and Local Government Contacts**

Colorado Water Resources and Power Development Authority  
Information Technology  
Natural Resources  
Public Health and Environment