
WATER RESOURCES REVIEW COMMITTEE

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Colorado Water Resources and Power Development Authority (“CWRPDA”)

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CWRPDA, established in 1981, provides low cost financing to governmental agencies in Colorado primarily for water and wastewater infrastructure projects.

Colorado’s **Drinking Water Revolving Fund (“DWRF”)** has provided 233 loans to Colorado government agencies totaling \$570 million in principal for drinking water infrastructure projects since inception in 1996. The DWRF was created by amendment to the Safe Drinking Water Act.

Colorado’s **Water Pollution Control Revolving Fund (“WPCRF”)** has provided 280 loans to Colorado government agencies totaling \$1.17 Billion in principal for wastewater, stormwater and other water pollution control projects since program inception in 1989. The WPCRF was created by amendment to the Clean Water Act.

Statute Modification Explanation:

Section 37-95-101 et seq. of the Colorado Revised Statute provides the legal framework for Colorado’s WPCRF and DWRF loan programs. The statute reflects some original loan parameters from the federal Clean Water and Safe Drinking Water Acts. Both federal acts have been amended since creation of the two revolving loan funds.

CWRPDA’s proposed statute changes are summarized as follows:

- The state statute limits Colorado’s WPCRF loan term to 20-years plus construction. Amendments to the federal act allow for longer terms. Longer terms would benefit some Colorado local government agencies. Therefore CWRPDA proposes to update the state statute to allow for longer loan terms when applicable, agreed to by the local government and as permitted by the federal act.
- CWRPDA proposes general language to allow Colorado to implement loans as permitted by current and future amendments to the Clean Water and Safe Drinking Acts.
- CWRPDA does not make loans for a term that extends beyond the useful life of the project being financed.

Be it enacted by the General Assembly of the State of Colorado:

SECTION 1. In Colorado Revised Statutes, Section 37-95-103, amend Section (4.5) as follows:

(4.5) “Clean water act means the Federal Water Pollution Control Act Amendments of 1972”, Pub.L. 92-500, ~~and any act amendatory or supplemental thereto as of April 4, 1988~~ AS AMENDED OR SUPPLEMENTED.

SECTION 2. In Colorado Revised Statutes, Section 37-95-107.6, amend Section (3)(a) as follows:

(3) (a) The authority may make and contract to make loans to governmental agencies in accordance with and subject to the provisions of this section to finance the cost of wastewater treatment system projects that are on the water pollution control project eligibility list established pursuant to subsection (4) of this section and any other projects authorized under the clean water act and that the governmental agencies may lawfully undertake or acquire under state law, including, but not limited to, applicable provisions of the “Colorado Water Quality Control Act”, article 8 of title 25, C.R.S., for which the governmental agencies are authorized by law to borrow money. The loans may be made subject to such terms and conditions as the authority shall determine to be consistent with the purposes thereof. Each loan by the authority and the terms and conditions thereof shall be subject to financial analysis by the division of local government of the department of local affairs. Such financial analysis shall include an analysis of the capacity to repay a loan and the need for financial assistance. Each loan to a local governmental agency shall be evidenced by notes, bonds, or other obligations thereof issued to the authority. In the case of each governmental agency, notes and bonds to be issued to the authority by the local governmental agency shall be authorized and issued as provided by law for the issuance of notes and bonds by the governmental agency, may be sold at private sale to the authority at any

price, whether or not less than par value, and shall be subject to redemption prior to maturity at such times and at such prices as the authority and governmental agency may agree. Each loan to a local governmental agency and the notes, bonds, or other obligations thereby issued shall bear interest at such rate or rates per annum at or below market interest rate and shall be for such terms ~~not to exceed twenty years after project completion~~ as the authority and the governmental agency may agree AND AS PERMITTED BY THE CLEAN WATER ACT.

SECTION 3. In Colorado Revised Statutes, Section 37-95-107.8, amend Section (3)(a)(III) as follows:

(III) All notes, bonds, or other obligations evidencing a loan from the authority may be sold at private sale to the authority at any price, whether or not less than par value. The denominations, the times for payment of principal and interest, and the provisions for redemption prior to maturity of such notes, bonds, or other obligations are as agreed by the authority and the borrower. Each loan to a governmental agency or private nonprofit entity and the notes, bonds, or other obligations thereby issued must bear interest at such rate or rates per annum at or below market interest rate and be for such terms ~~not to exceed twenty years after project completion~~ as the authority and the borrower may agree ~~except that, if the source of the loaned funds is a grant from the United States, the loan term may be extended in accordance with the terms of~~ AND AS PERMITTED BY the Safe drinking water act ~~providing for extended loan terms.~~

SECTION 4. Safety Clause. The general assembly hereby finds, determines, and declares that this act is necessary for the immediate preservation of the public peace, health and safety.