

HJR19-1005

Good morning Mr./Madam Chairman and members of the Committee, I am Mike Brod, Executive Director of the Colorado Water Resources and Power Development Authority. I am here to testify in support of HJR19-1005.

This Jt. Res. authorizes additions, modifications and deletions to the DWRF and WPCRF project eligibility lists. These programs are operated in partnership with the Water Quality Control Division within the Dept. of Public Health and Environment and the Division of Local Government within the Dept. of Local Affairs.

These programs are capitalized by Federal cap grants from EPA and by contributions of State Match. (20 cents of match for every federal dollar) Most of the state match has come from Authority funds as a grant or a loan.

With the passage of HJR 19-1005 the WPCRF Project Eligibility List will contain 283 projects for a need of over \$8.9 billion and the DWRF Project Eligibility List will contain 350 projects for a need of over \$9.0 billion.

DWRF - \$356.5 million of cap grant, \$81.9 million of state match; 258 loans for \$657.9 million

The program has two loan programs – direct and leveraged. Direct loan rates vary from .5% to 2.5 %. A disadvantage communities loan program was initiated in 2005 to assist low-income communities. Interest rates for disadvantaged communities are either .5% or 1.5% in 2019.

Direct loans of up to \$3 million have been issued to 214 communities for \$214 million. Of these 117 were disadvantaged community loans representing over \$86.3 million in projects. Most of these loans had a zero percent interest rate.

Leveraged loans – 70% of the all-in bond rate the Authority gets in the competitive market place. Today the rate would be approximately 2.5%. The Program's bonds – both DW and CW bonds – receive the highest bond rating possible AAA from all three rating agencies.

WPCRF - \$361 million of cap grant, \$66 million of state match; 312 loans for \$1.2 billion

205 direct loans for \$195.9 million, 96 disadvantaged community. loans for \$66.7 million
(Same loan rates as the DWRF loans.)

Cap Grant Funding – for 2019

WPCRF – approximately \$14 million

DWRF – approximately \$21 million