



State Revolving Fund (SRF)

2015

Workshop



Agenda

- SRF Overview
- Benefits in new process
- Overview of pre-application steps
- Pre-qualification form and pre-application meeting
- BREAK
- Project Needs Assessment
- Self-certification
- Grant assistance
- Questions and evaluations
- Consultation

State Revolving Fund Program

- Low interest loan program to finance the design and construction of public drinking water and wastewater infrastructure projects.
- Direct loans for projects up to \$2.5 million
- Leveraged loans for projects greater than \$2.5 million
- Loan terms up to 30 years
- **Loan application deadlines:** Jan. 15, Feb. 15, April 15, June 15, Aug. 15, Oct. 15, and Nov. 15.

SRF process improvement

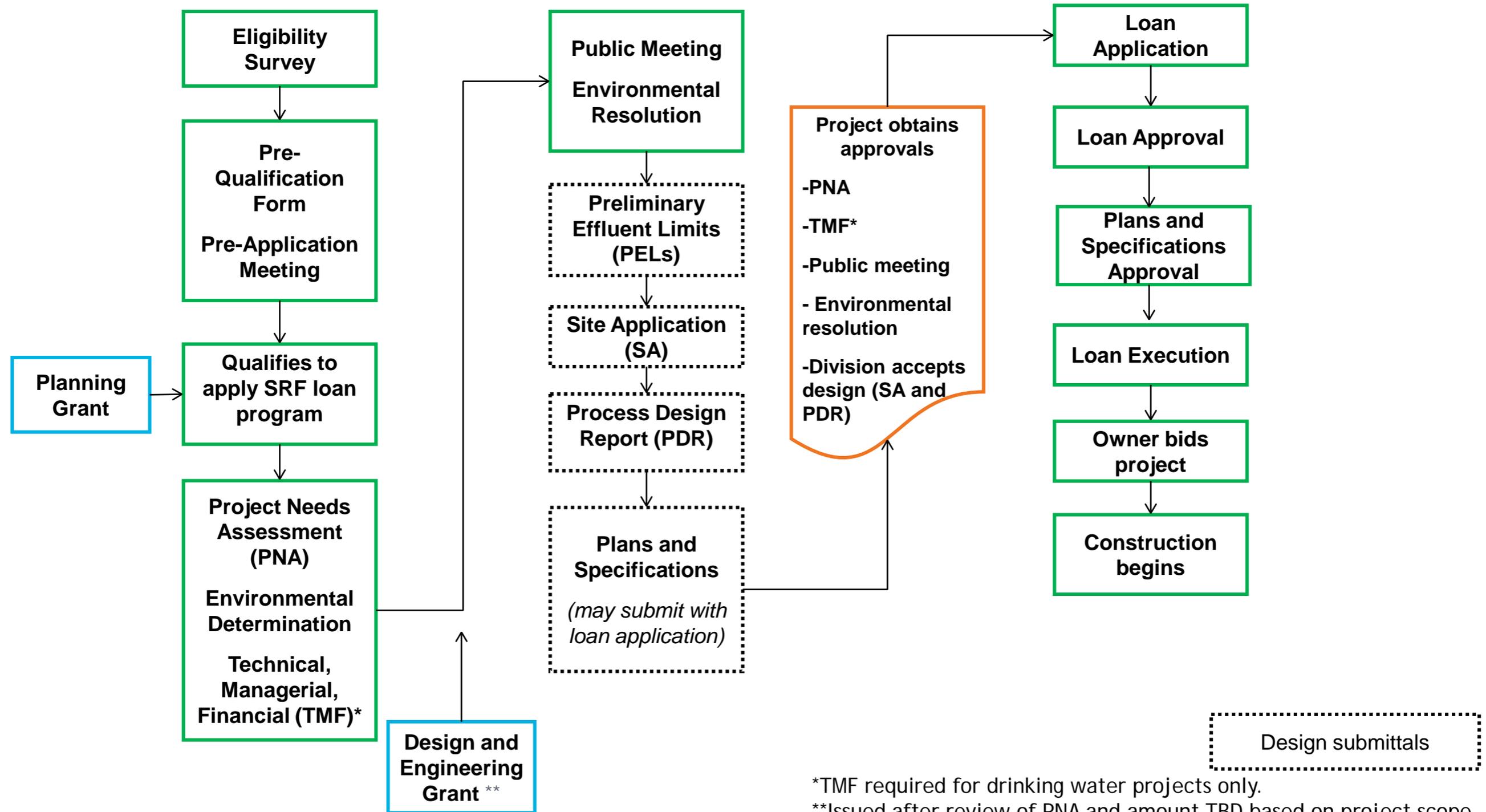
Lean Initiative Dec. 2012 to address:

- Time and data entry error on eligibility survey.
Electronic survey developed in 2013 reduced by 120 hours.
- Unclear expectations and guidance for borrowers.
Updated materials to simplify requirements.
- Redundant information requested and reviewed.
Streamlined applications and forms.
- Unliquidated federal dollars due to stagnant projects.
Pre-qualification and pre-application steps.
- Different systems and tracking methods increased hand-offs.
Integrated system coming to reduce hand-offs and improve communication.

SRF future state changes

- Eligibility Survey.
- SRF agencies screen applicants/projects prior to application submission.
 - Mandatory pre-qualification form and pre-application meeting.
- Project Needs Assessment (PNA) reduces redundancies in PER, TMF, design, and loan application.
 - Offers self certification design for eligible portions.
 - Incorporates TMF questions for drinking water projects.
- Required pre-application steps.
- Planning grants and design and engineering grants.
 - Increased grant limits to assist application requirements (PNA, environmental, and design).
 - Conditions to continue project via SRF loan program.
- Added application deadlines and revised loan application.
- Integrated system.

SRF application steps



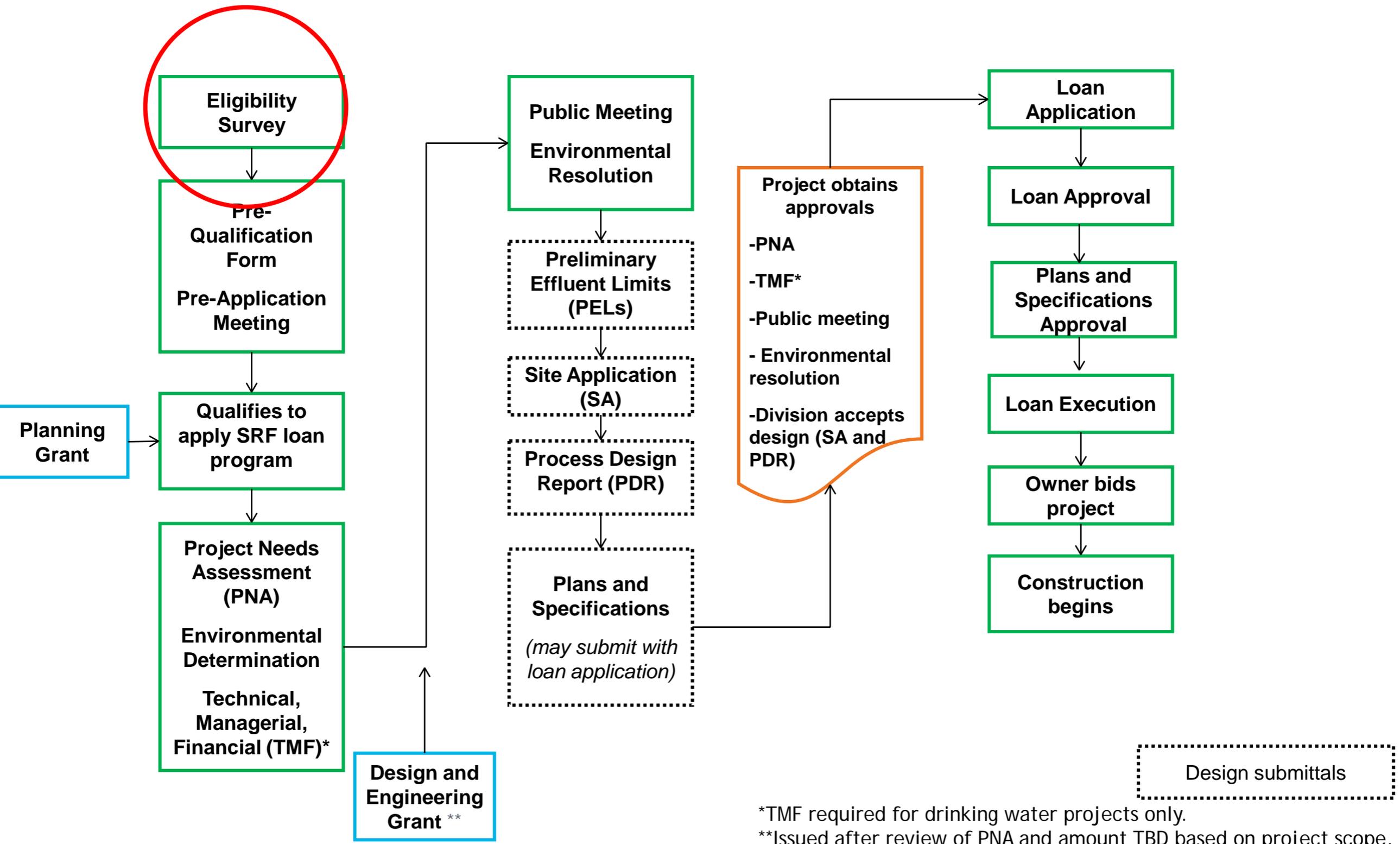
*TMF required for drinking water projects only.

**Issued after review of PNA and amount TBD based on project scope.

Pre-application steps

- Applicant completes annual Eligibility Survey.
- Applicant completes Pre-Qualification Form.
- SRF agencies convene pre-application meeting with applicant to review Pre-Qualification Form.
- If SRF agencies agree to accept application:
 - ✓ If applicant meets criteria, SRF agencies make Planning Grant recommendation.
 - ✓ Applicant must submit PNA to division for technical review.
 - ✓ Site location, PELs, PDR and/or BDR must be submitted to the division for technical review.
 - ✓ All technical and environmental issues must be resolved before loan application is accepted.

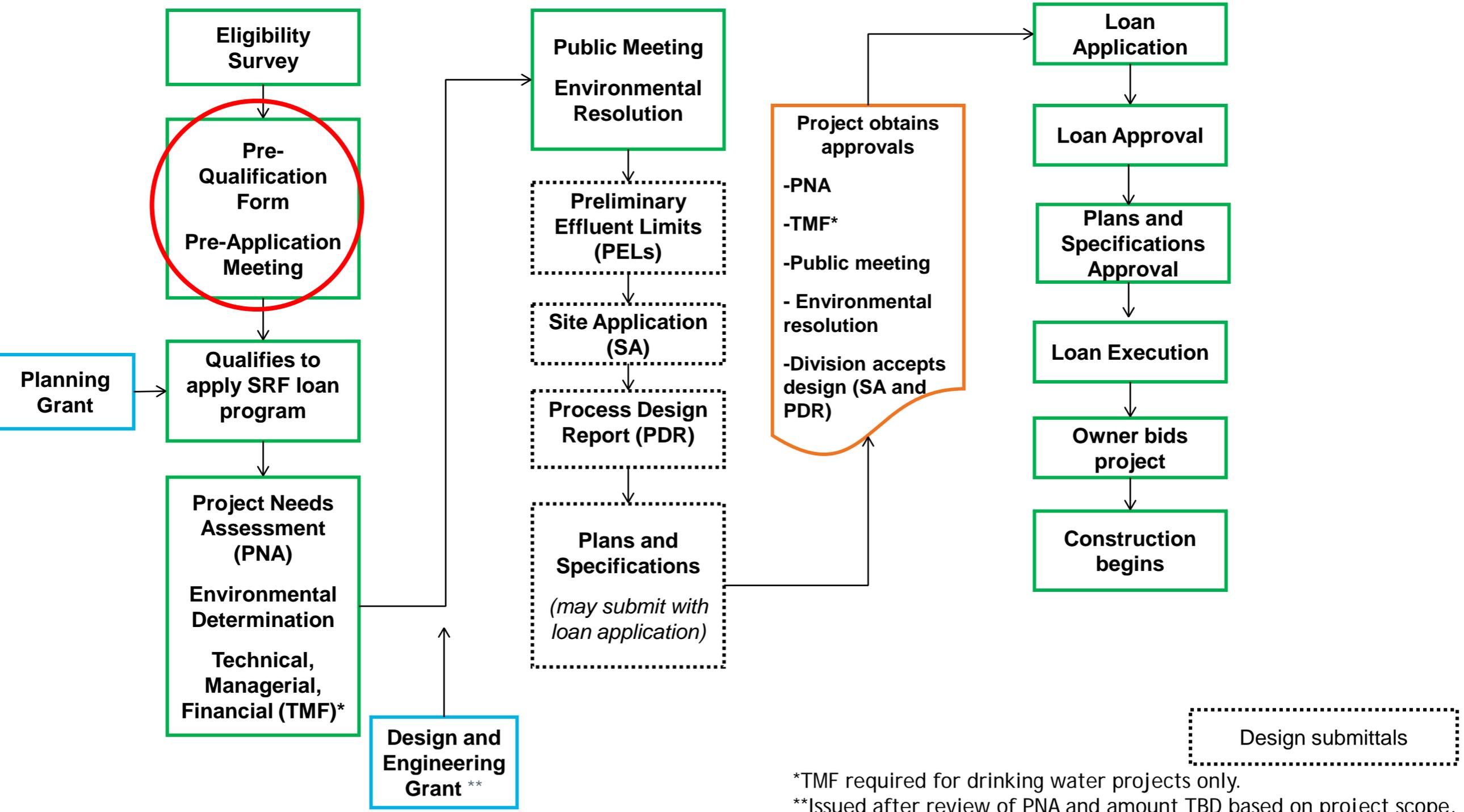
Applicant has green light to apply!



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Eligibility Survey

- Survey must be completed annually.
 - If a survey is not submitted, the entity will not be included on the Project Eligibility List the following year; will delay funding significantly.
- Annual updates will be detailed in the instructions.
- Capital Improvement Needs section:
 - Check ALL actual needs and provide estimated costs.
 - Boxes not checked means those items will not be included on the eligibility list; which means they could not be included for funding.
- Form can be completed either online or on the computer and must be submitted electronically (either through the internet or via email).
- Hand written forms will not be accepted.
- Contact Erick Worker (303) 692-3594 erick.worker@state.co.us



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Pre-qualification form



Section 1 - Executive summary



Section 2 - Purpose and need

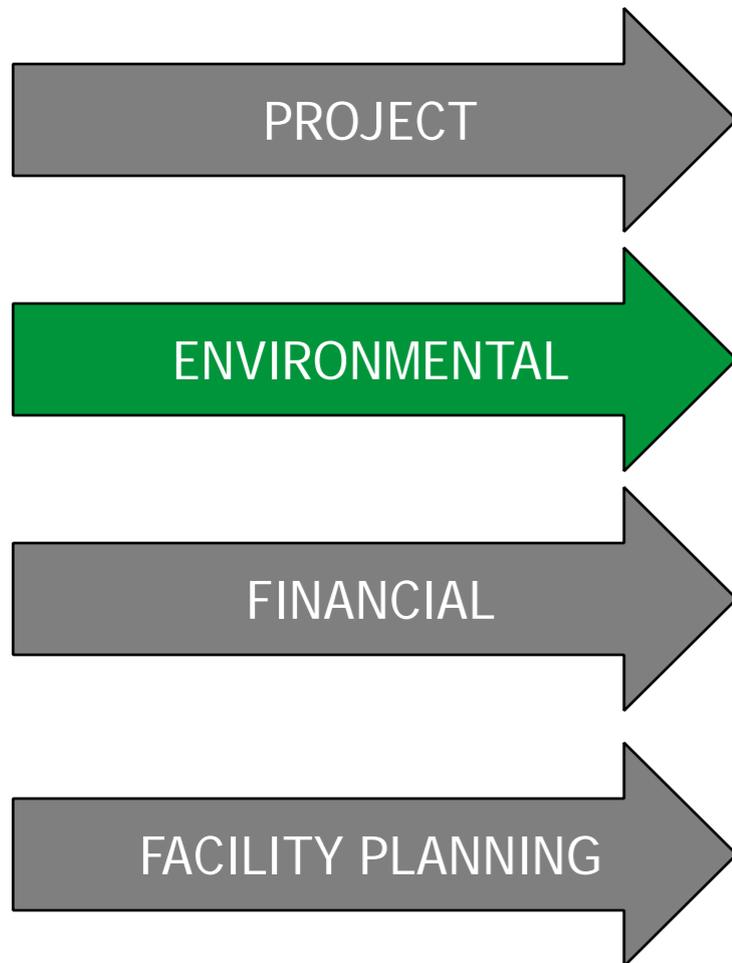


Section 3 - Proposed selected alternative



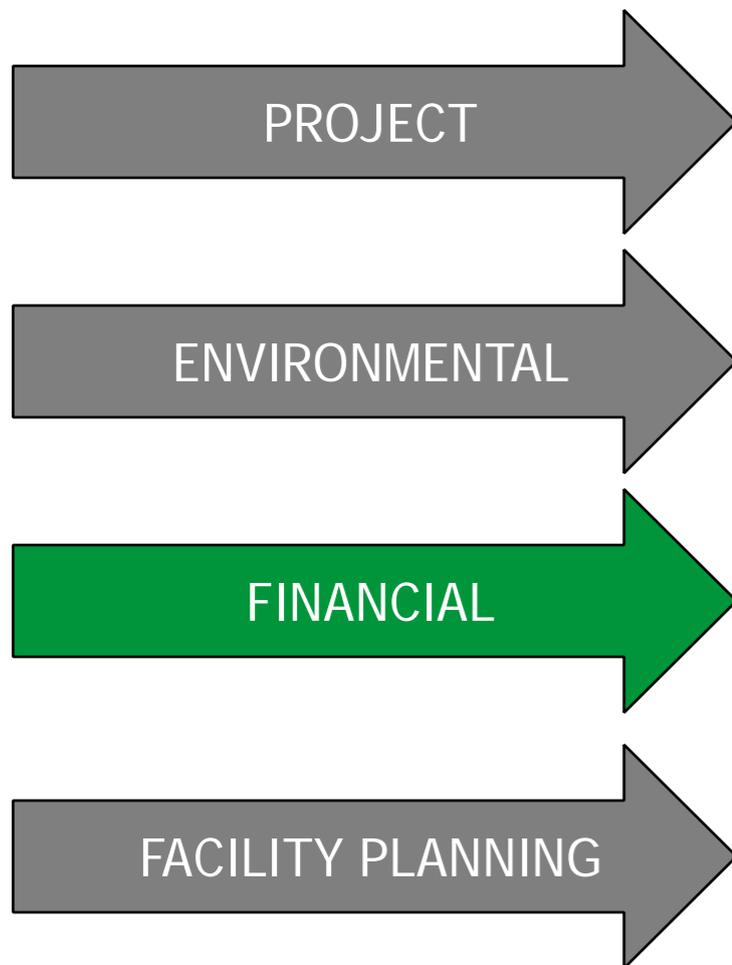
Section 7 - Schedule and intended design review

Pre-qualification form



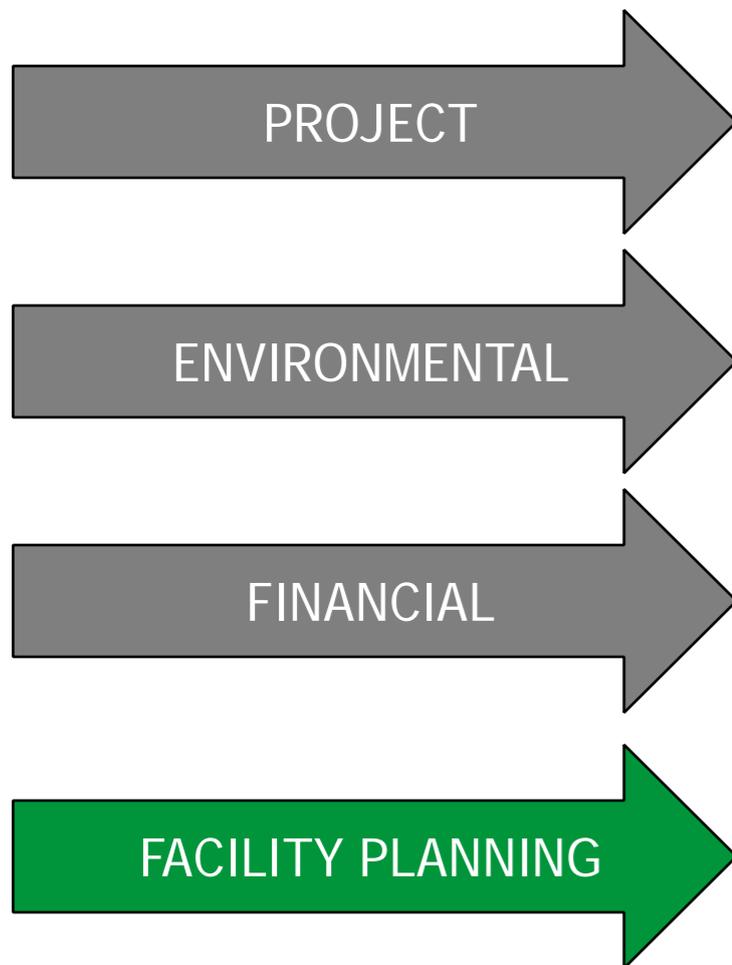
Section 4 - Area description, map, federal permits, cultural resource, growth, and threatened or endangered species/habitat.

Pre-qualification form



Section 5- Revenue pledge, project costs, current revenues, expenses, assets, liabilities, revenues, grant assistance operating and maintenance costs.

Pre-qualification form



Section 6 - Population and equivalent residential taps (ERT)/single family equivalents (SFE).

Pre-qualification review



Financial analysis

- Credit worthiness
- Legal authority
- Project budget
- Financial need
- Socioeconomic trends
- Water and sewer rates



SRF eligibility assessment

- Water quality and public health
- Affordability
- Compliance
- Source protection and conservation
- Sustainability indicators



Preliminary environmental determination

Determination may change based on PNA requiring further action by owner.

Pre-application meeting

- Mandatory meeting with SRF agencies to discuss pre-qualification review will be conducted 4-6 weeks after the pre-qualification form is submitted.
- Discuss financial analysis, SRF eligibility, and preliminary environmental determination.
- Learn about loan types and grant assistance.
- Discuss application and loan approval process.

SRF primary requirements

Planning and Design

- Architectural and Engineering (A/E) Procurement *
- Environmental review - PNA
- Project cost and effectiveness evaluation - wastewater project only **
- Project water and energy efficiency analysis - wastewater project only **

Loan agreement

- General Accepted Accounting Principles (GAAP) compliant*
- Fiscal Sustainability Plan (FSP) - wastewater project only*

Plans and specifications

- Davis-Bacon
- American Iron and Steel
- Disadvantage Business Enterprise
- Debarment and suspension
- Occupational safety and health

**effective Oct. 1, 2014*

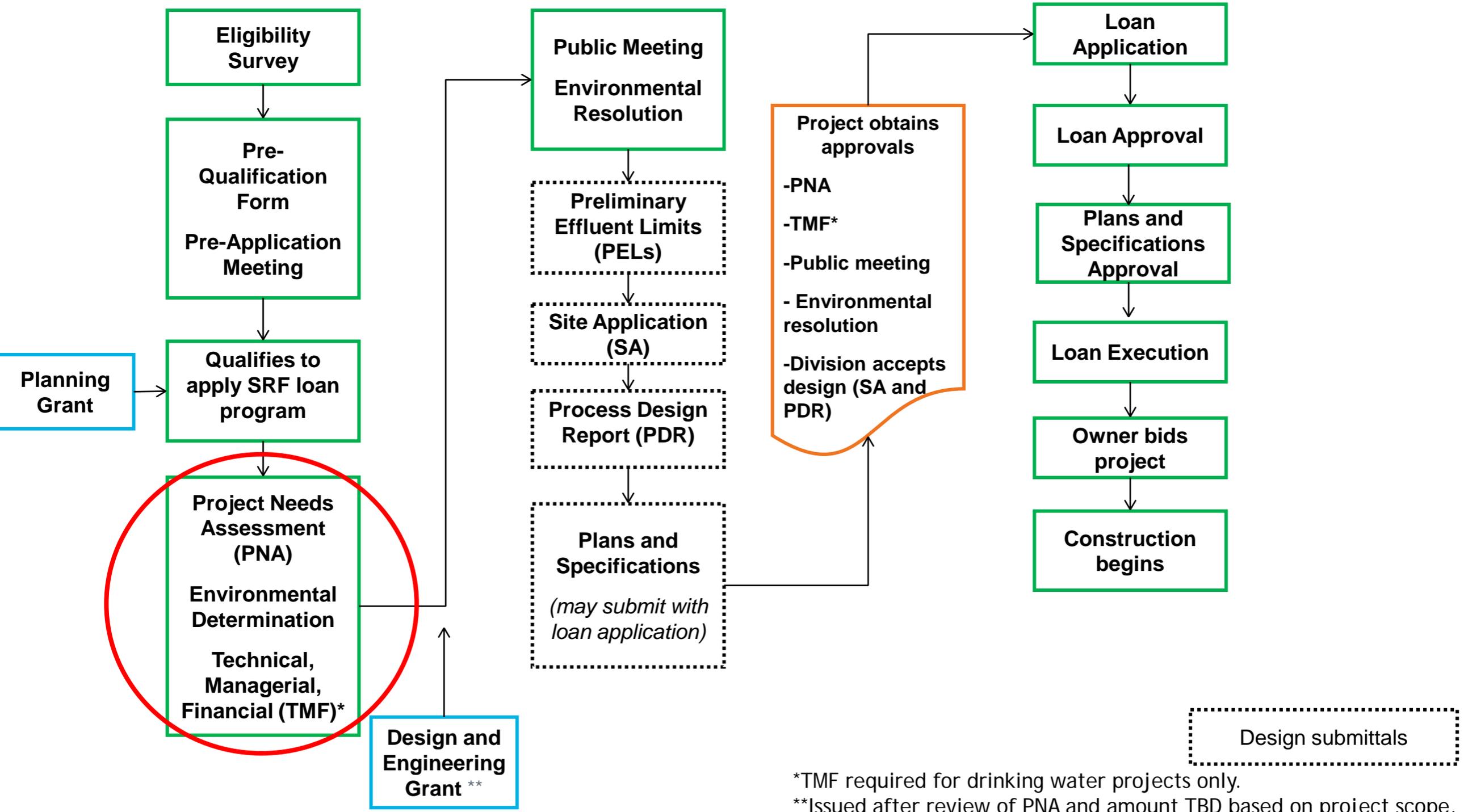
***effective Oct.1, 2015*

After the pre-application meeting

- Entity will receive a pre-qualification review letter from the division.
 - SRF application recommendation.
 - Grant assistance recommendation.
- Projects approved to apply can begin working on the project needs assessment and environmental checklist.

Loan candidate

- Governmental agency
- Voter authorization in place
- Resolved parity issues
- Resolved TABOR issues
- Ability to pledge appropriate revenue
- Three month operations and maintenance reserve
- Environmental issues mitigated
- Approved technology



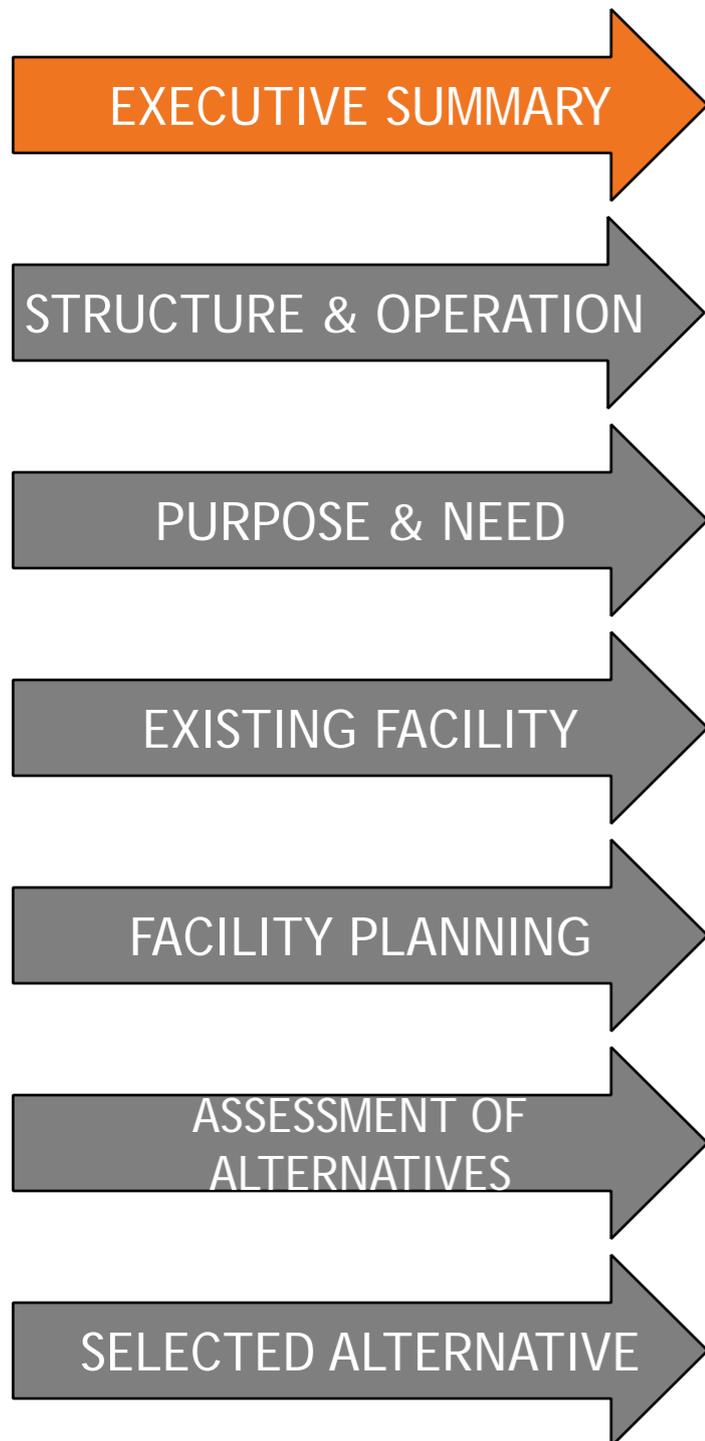
*TMF required for drinking water projects only.
 **Issued after review of PNA and amount TBD based on project scope.

Project needs assessment (PNA)

- Takes the place of the Preliminary Engineering Report (PER) and the Technical, Managerial, and Financial Analysis (TMF)*.
- Builds upon information provided in Pre-Qualification Form.
- Provides standardized format that helps applicant provide what is needed and eases technical review.
- Required to be prepared by a Professional Engineer.

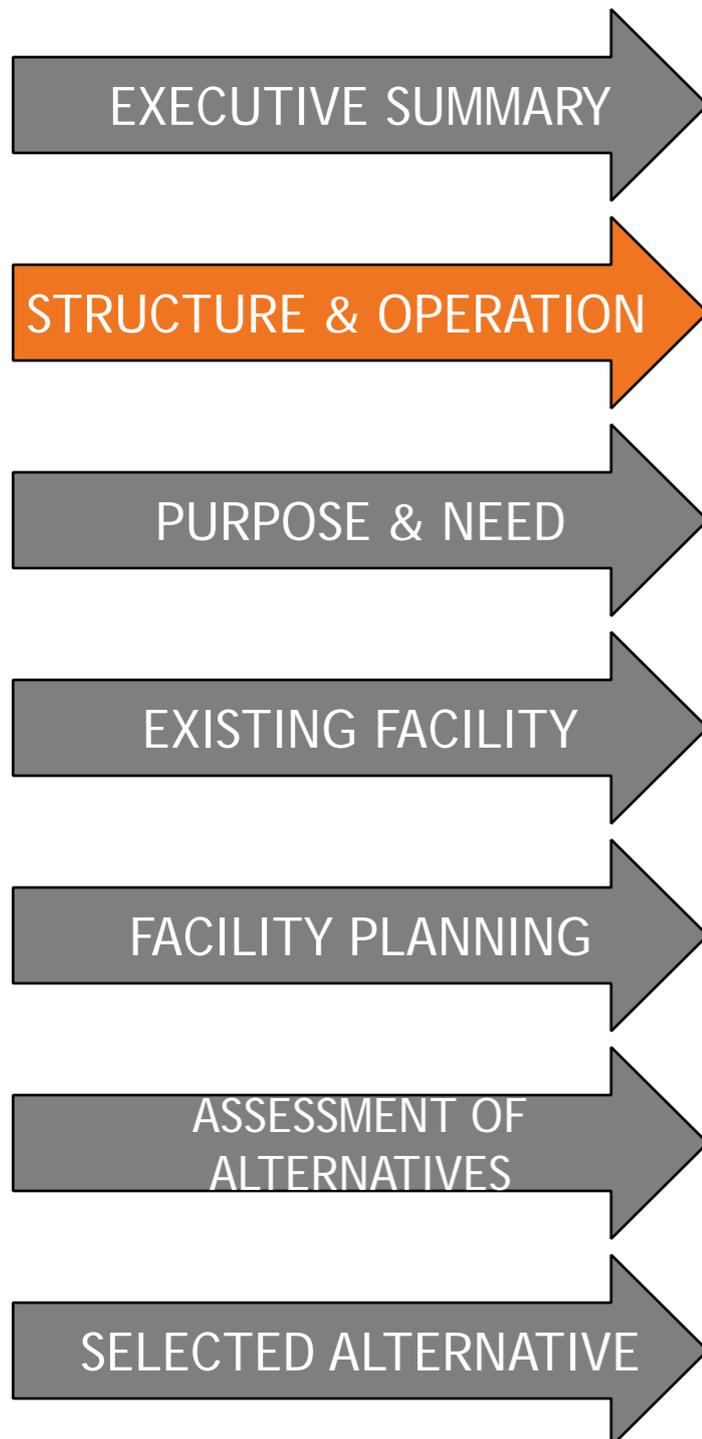
*TMF requirements are for drinking water projects only.

Project needs assessment (PNA)



Section 2 - Project narrative, selected alternative, and environmental and/or public health benefit. Design submittal intention.

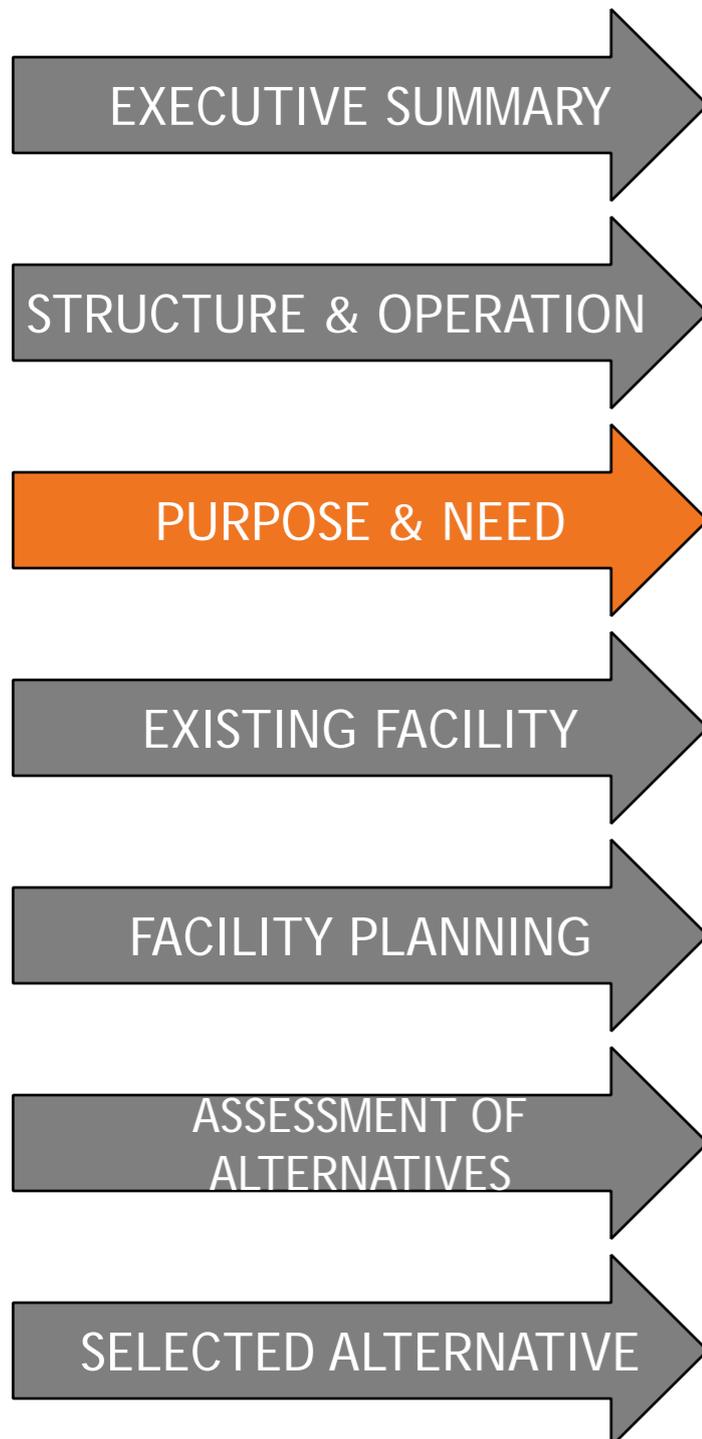
Project needs assessment (PNA)



Section 3 - Legal ownership of system, org chart, operator, operator certification, and 20-year cash flow projection.

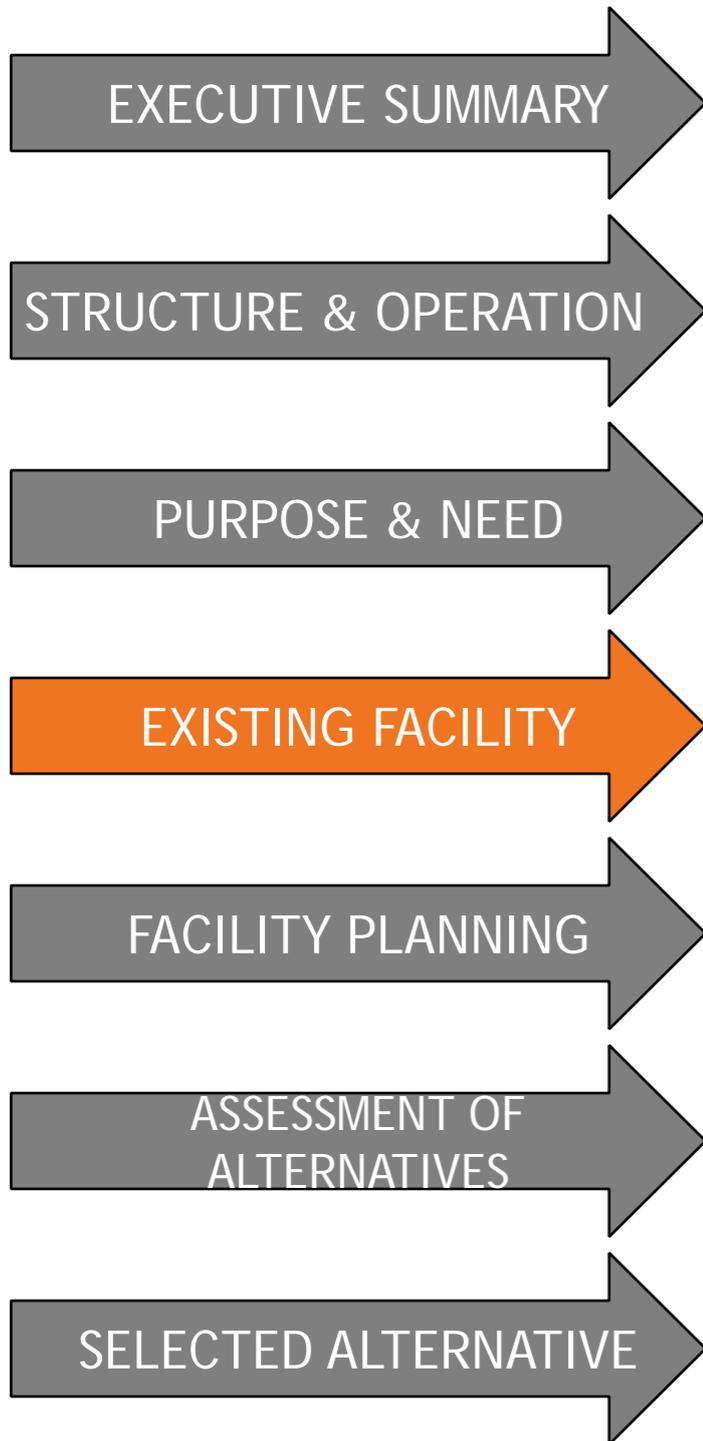
**TMF*

Project needs assessment (PNA)



Section 4 - Compliance, existing limitations, and O&M issues.

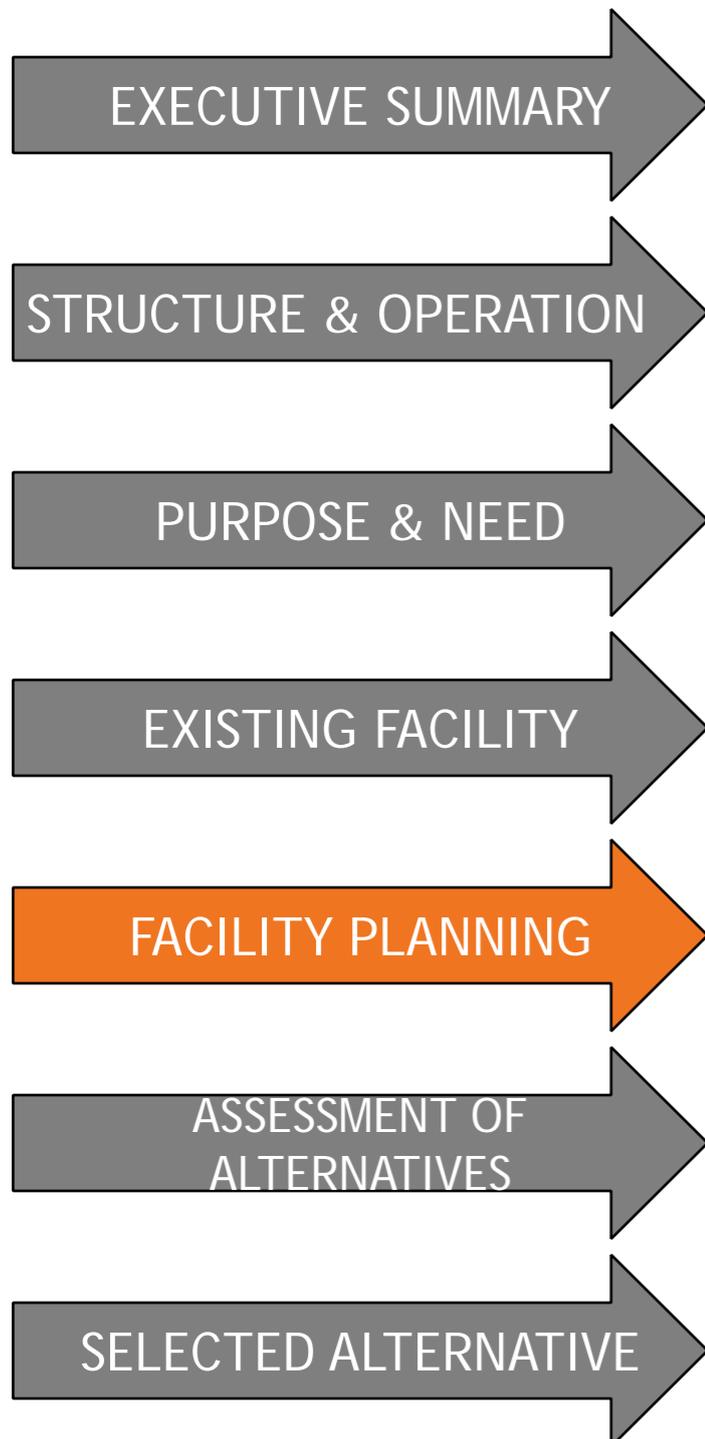
Project needs assessment (PNA)



Section 5 - Water - existing source water, existing treatment, and distribution description.

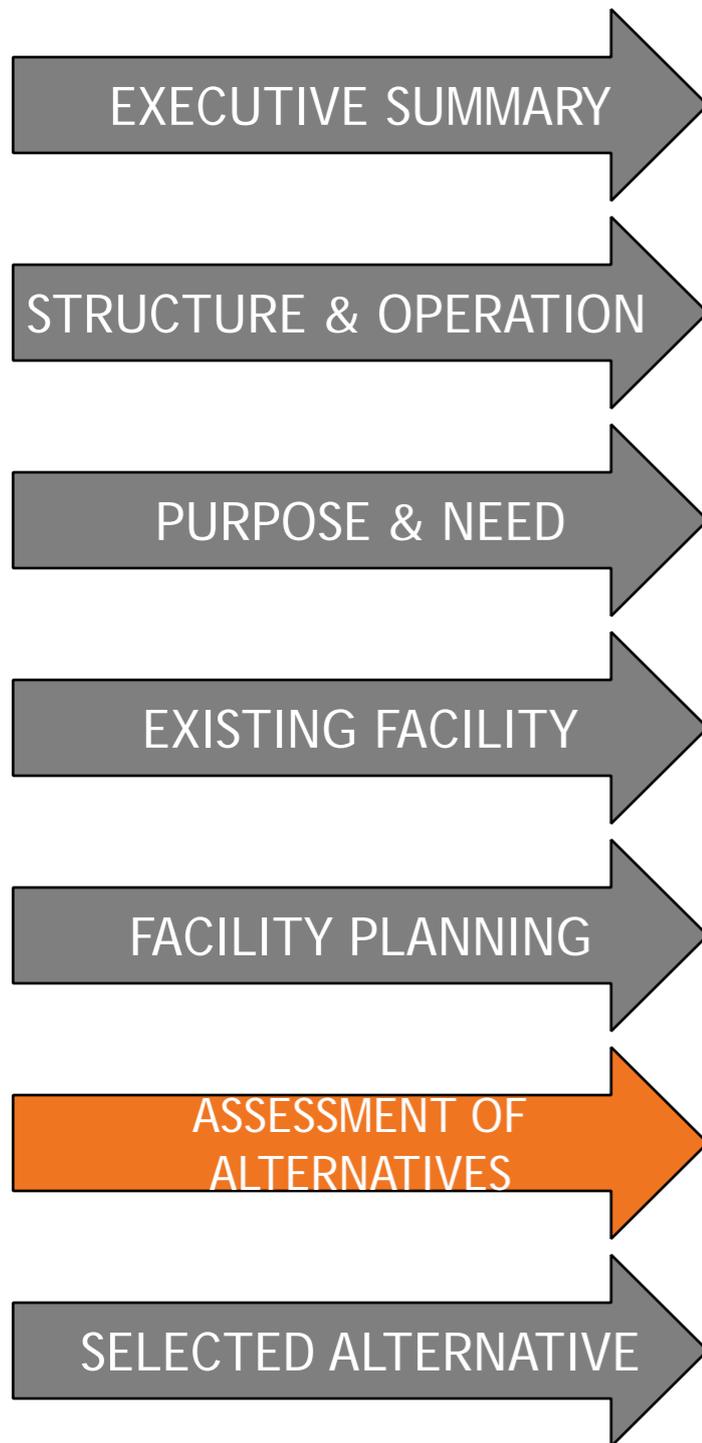
Wastewater - existing treatment and collection description.

Project needs assessment (PNA)



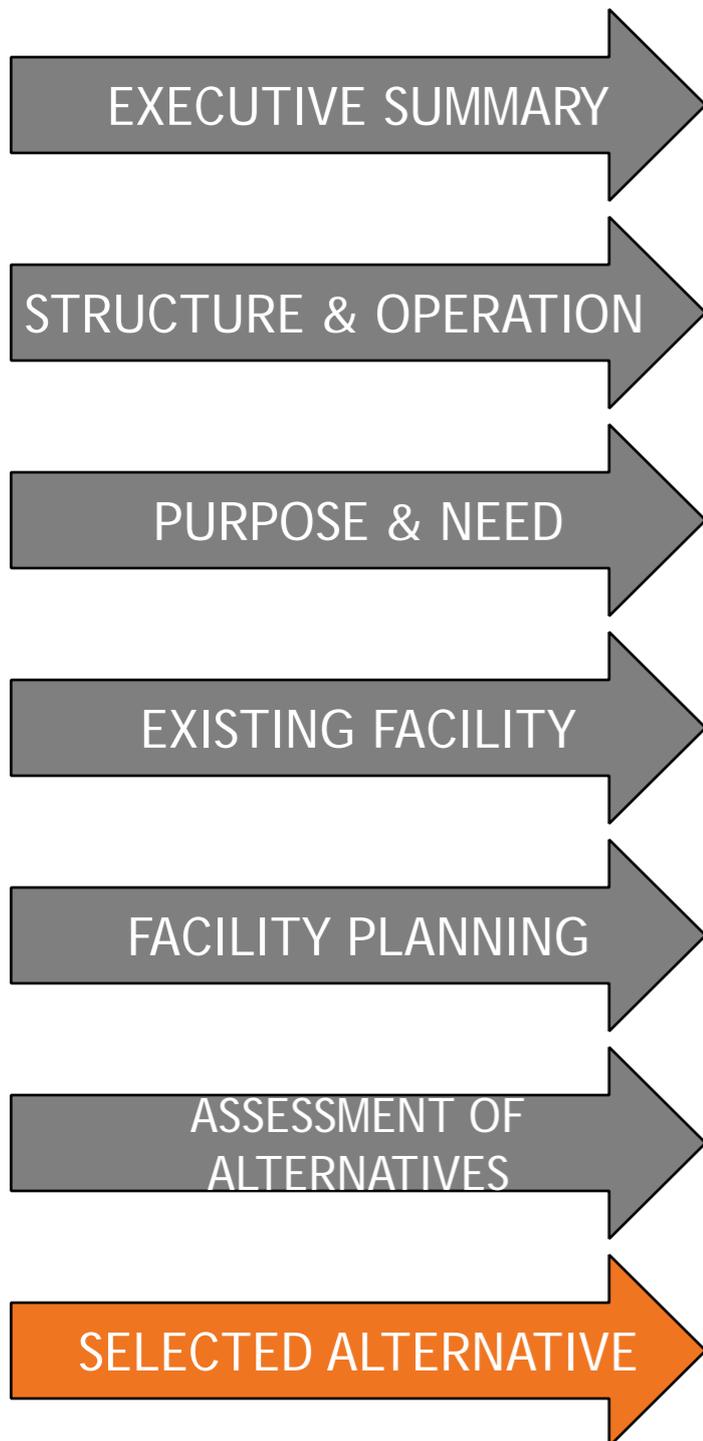
Section 6 - Planning area, and population and source water planning and flow projections (TMF).

Project needs assessment (PNA)



Section 7 - Describe alternatives, costs, advantages and disadvantages.

Project needs assessment (PNA)



Section 8 -

- Justification
- Technical description and design
- Diagram
- Technologies
- Environmental impacts
- Land requirements
- Construction challenges
- Operation
- Costs
- Green project reserve
- Project schedule
- Environmental checklist

Design review process

Types of **Design Review**:

- **Standard** Review
- **Streamlined** review
- **Self-Certification**

Standard review process

- **Wastewater** - 2 or 3 step process:
 - Interceptors, lift stations and outfalls - **2 steps**:
 - Site location approval (Per Regulation #22)
 - Basis of design and final plans and specs approval
 - Domestic wastewater treatment facilities - **3 steps**:
 - Site location approval (Per Regulation #22)
 - Process design report approval
 - Final plans and specs approval
- **Drinking Water** - **1 step**:
 - All treatment, new sources, and tanks - basis of design report and final design and specs approval

Streamlined review process

- Existing process now available for SRF projects.
- Wastewater:
 - Projects eligible for streamlined design review under the Design Criteria for Domestic Wastewater Treatment Works (WPC-DR-1) may use this process
 - Projects **not eligible** for streamlined review:
 - ✓ **Lift Stations**
 - ✓ **Interceptors** (pipelines 24-inches and larger)
 - ✓ **Outfalls**
 - ✓ Projects that include an **alternative technology** not addressed in the Design Criteria for Domestic Wastewater Treatment Works
- Drinking Water:
 - Some projects may require a **reduced submittal package**
 - Please refer to **Appendix A** of the Design Criteria for Potable Water Systems. Please note full design review is still required.

Self certification process

- **New process** available for SRF projects
- Allows projects that are typically not reviewed by the division to **self certify rather than submit engineering report and final plans and specifications** for design review and approval.
 - **All projects are required to submit final plans and specifications to project manager for review and approval before going to bid.** Davis-Bacon wage determination number will be included in approval letter.
 - *Davis-Bacon wage determination may be subject to change depending on lock in date and bid open date.*
- Indicate interest at **pre-qualification**
- Describe in the **project needs assessment**
- Submit **self certification form** in lieu of engineering report and plans and specifications for design review
- **All or a portion of the project** can be self certified

Self certification projects

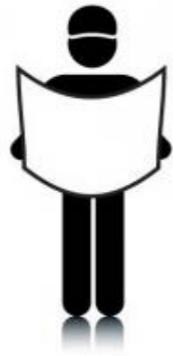
Drinking Water projects eligible for self certification include:

- ✓ distribution system piping
- ✓ pump station without integral treatment
- ✓ valves, hydrants, and/or meters

Wastewater projects eligible for self certification include:

- ✓ Collection system piping (gravity mains less than 24" in diameter)
- ✓ All non-point source projects

PNA review



Engineering

Conformance with state design requirements and SRF eligibility.

Projects choosing to self certify must complete the self-certification section in the PNA.



Environmental

Environmental determinations may include:

- Categorical Exclusion
- Environmental Assessment / Finding of No Significant Impact
- Environmental Impact Statement / Record of Decision

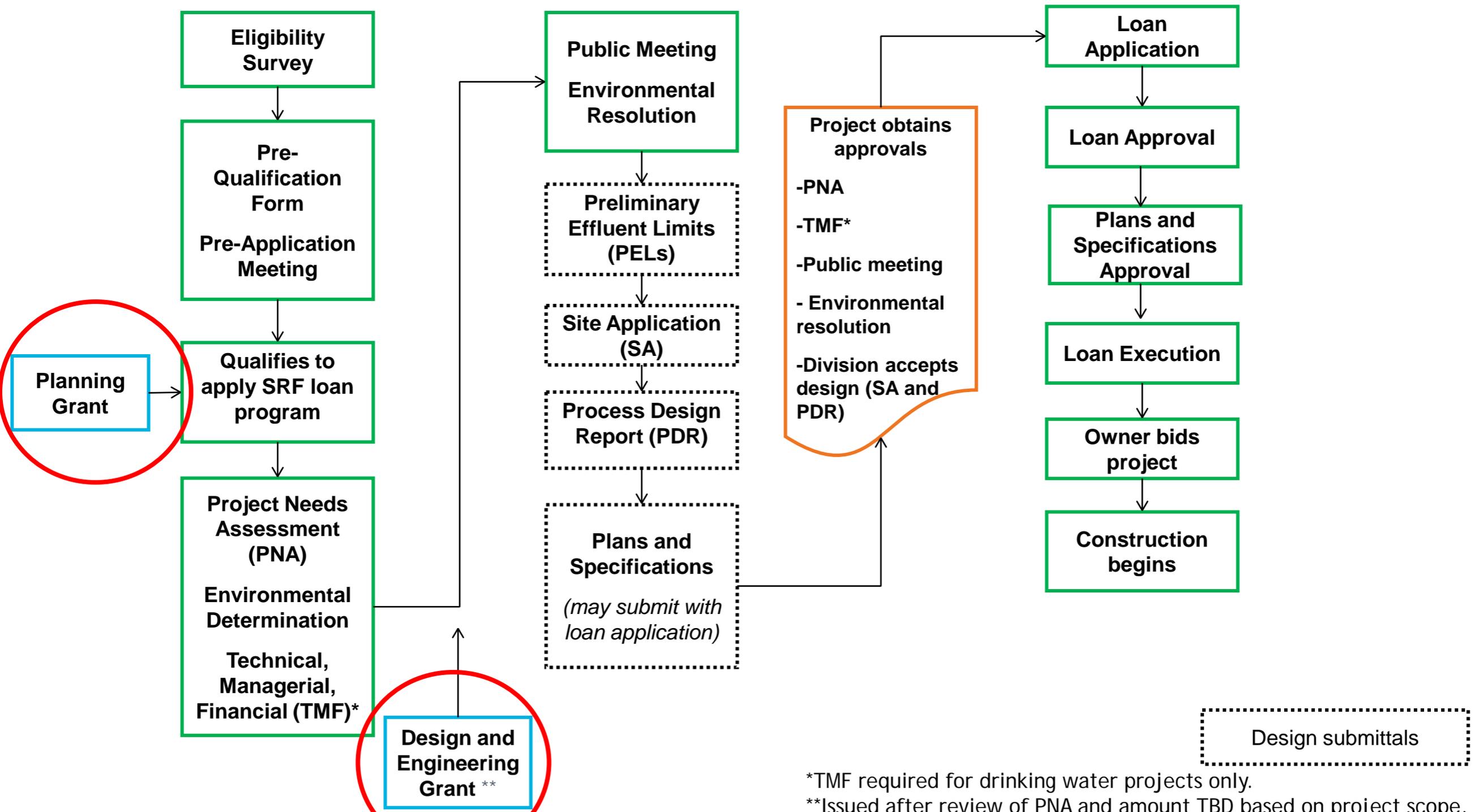
Public meeting requirement.



Technical, managerial, and financial

System required to demonstrate the ability to provide safe drinking water to customers (EPA).

Local Assistance Unit offers free training and technical assistance to small drinking water facilities. 303-692-3665.



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Grant assistance

Planning grants

- Up to \$10k per project.
- Eligible projects:
 - 10k population or less.
 - Median Household Income 80% or less than state MHI.
 - On Eligibility list or being added.
 - 20% Match Requirement.
- Requires completed prequalification form and pre-application meeting.
- Benefits
 - Financial assistance to complete Project Needs Assessment (PNA), create improvement district, and/or conduct environmental assessment.
 - Costs that exceed the \$10k may be reimbursed through the design and engineering grant.

Grant assistance

Design and engineering grants

- Amount up to \$250k depending on project.
- Eligible projects:
 - 10k population or less
 - Median Household Income 80% or less than state MHI
 - On Eligibility list or being added
 - 20% Match Requirement
- Requires completed and approved project needs assessment- includes TMF and environmental determination.
- Benefits
 - Financial assistance *prior* to SRF loan application.
 - Match will be reimbursed following SRF loan approval.

Median Household Income (MHI)

- DOLA utilizing data derived from American Community Survey (ACS).
- Income surveys may be available for eligible projects that are clearly defined.
- 2015 changes to affordability criteria per EPA requirement. Defined by unemployment, population, income, and additional data.

Colorado MHI \$58,433
80% \$46,746

2009-2013 American Community Survey 5-yr

Workshop Schedule

- **Fort Collins:** March 18, 9:00am-12:00pm, Larimer County Courthouse, Carter Lake Room, 200 West Oak, Fort Collins, CO 80521
- **Sterling:** March 19, 9:00am-12:00pm, Logan County Courthouse, 2nd Floor Meeting Room, 315 Main Street, Sterling, CO 80751
- **Durango:** Apr. 9, 1:00pm-4:00pm, La Plata County Board of County Commissioners Office, 1st Floor, 1060 E. 2nd Ave., Durango, CO 81301
- **Montrose:** Apr. 10, 9:00am-12:00pm, Project 7 Water Authority, 69128 U.S. 50, Montrose, CO 81401
- **Glenwood Springs:** May 13, 1:00 pm - 3:00 pm, Glenwood Springs City Hall, City Council Chambers, 101 West 8th Street, Glenwood Springs, CO 81601
- **Steamboat Springs:** May 14, 9:00 am - 12:00 pm, Vectra Bank, 2155 Resort Drive, Steamboat Springs, CO 80487



COLORADO

Department of Public Health & Environment

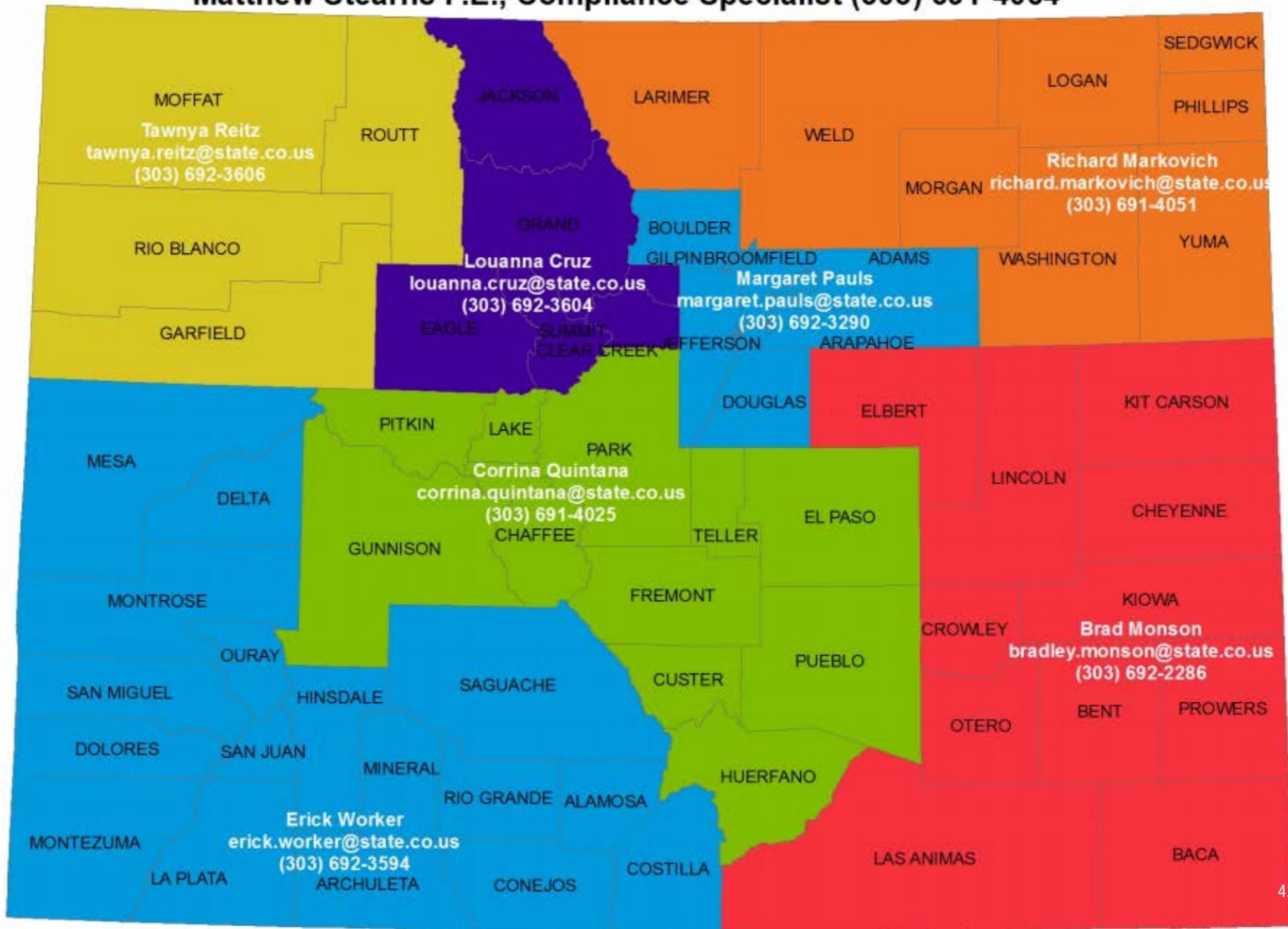
WQCD Grants and Loans Unit

Project Managers Map

Michael S. Beck, Unit Manager (303) 692-3374

Diane McAfee, Program Assistant (303) 692-3653

Matthew Stearns P.E., Compliance Specialist (303) 691-4064



SRF Agency Contacts



Project Management

303.692.3653

Cdphe_grantsandloans@state.co.us



Financing

303.830.1550

Info@cwrpda.com



Outreach

303.864.7736

barry.cress@state.co.us