



COLORADO

**Colorado Water
Conservation Board**

Department of Natural Resources

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TO: Colorado Water Conservation Board Members

FROM: Anna Mauss, P.E., Chief Operating Officer

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AGENDA ITEM: 8. Loan and Grant Review Process

Background (This item is for information only and no action is necessary):

This agenda item is to provide the Board information on the staff review process for loans and grants prior to Board meetings.

Loans: Communication with borrowers typically starts months prior to a loan application submittal. Finance section staff provide information to potential borrowers with details about the Water Project Loan Program including all application and Loan Feasibility Study requirements including eligible projects (as authorized by C.R.S. 37-60-119), details on interest rates, insurance requirements, collateral requirements, project oversight during the disbursement of loan funds as the project progresses, loan close out, and the repayment phase.

Borrowers are required to submit, by the first of the month one month prior to the board meeting month, a Loan Feasibility Study and application. Loan Feasibility Studies are required by C.R.S. 37-60-122 and by [CWCB Policy 2](#). The studies are generally prepared by the borrower's engineer and must meet loan program requirements as outlined in the [Water Project Loan Program Guidelines](#). The requirements include demonstrating the need for the project; evaluating the technical feasibility of the project - including an alternatives analysis with engineer's estimate of probable cost; the financial feasibility of the project - including an analysis of the borrower's ability to repay all existing and projected debt service.

Prior to making a recommendation to the Board, staff reviews the application and Loan Feasibility Study. Creditworthiness is evaluated per guidance in [CWCB Policy 4](#) to assess the borrower's ability to repay a loan. [CWCB Policy 5](#) outlines collateral requirements of the program. Collateral types vary based on the borrower type: Governments, Districts, Private Incorporated, and Private Unincorporated. If real property is offered as collateral, the borrower is required to submit supporting documentation of land values.



Upon review of all documentation submitted, all Finance Section staff, an Attorney General's Office staff member, and additional CWCB section chiefs as needed, collectively review the project manager's draft recommendation in advance of final Board recommendations. Throughout this process, project managers are in communication with borrowers.

Note: Requests for loans greater than \$10 million are due by August 1 each year for inclusion in the annual Projects Bill, if approved by the Board.

Grants: The CWCB has a number of grant programs that span every section of the agency. Each program has unique characteristics. This section of the memo outlines the typical grant review process.

Grant applicants are encouraged to reach out to CWCB staff in advance of submitting an application to discuss potential projects. Application deadlines vary; however, most applications are due the first of the month one month prior to the Board meeting.

All grant programs are competitive. Upon receipt of applications, program managers put together review committees made up of subject matter experts across sections of the agency and external experts when applicable. The committees evaluate and rank grant applications based on program specific criteria, available funding amounts, project schedules, with consideration given to distributing funds equitably among the basins. Grant managers are typically in communication with applicants during the review process to clarify any questions that come up during the review, gather additional details (if needed), and work together to modify the scope or budget of projects to align with program objectives and fund availability. For most programs, an additional review meeting is held for CWCB section chiefs to review funding recommendations in advance of final Board recommendations.

Staff's experience is that applicants are typically open to suggestions or modifications to scopes and budgets to bolster likelihood of project funding (for either current applications or future funding requests).

