



MEMORANDUM

July 7, 2023

TO: Board of Directors, Colorado Water Conservation Board, and Lauren Ris, Acting Director

FROM: Keith McLaughlin, Executive Director

RE: Colorado Water Resources & Power Development Authority (“Authority”) Director’s Report

Drinking Water Revolving Fund (DWRF)

During the Authority’s June Board meeting, the Board approved one (1) DWRF loan to: the Evergreen Lake Company in the amount of approximately \$2.2 million to purchase an existing water treatment facility that provides drinking water to the Arrowhead community.

Additionally, the Board approved one (1) Interim Loan to: the Project 7 Water Authority in the amount of \$5 million to replace the existing \$7 million Interim Loan expiring on August 16, 2023, and any balance on the existing loan will be transferred to the new Interim Loan. The project consists of constructing the Ridgeway Water Treatment Plant (“WTP”) and intake structure downstream of the Ridgeway Reservoir.

In 2023, we have closed one (1) loan under the DWRF BIL program consisting of approximately \$5.3 million of BIL Principal Forgiveness (PF), \$4.2 million of BIL Loan and \$29.2 million base loan. We have also closed one (1) DWRF design and engineering loan, for approximately \$300 thousand. The 2023 project eligibility list contains 510 projects for an estimated need of approximately \$25 billion.

The DWRF loan capacity for 2023 is approximately \$90-100 million (including BIL infrastructure funds). The Authority is currently applying for the 2023 Federal Fiscal year DWRF Base and BIL capitalization grant awards soon and that includes: Base in the amount of \$8,650,000, BIL General Supplemental in the amount of \$36,884,000 (which consists of approximately 51% in loan and 49% in principal forgiveness (PF)), BIL Emerging Contaminants in the amount of \$13,384,000 (which is 100% PF), and BIL Lead Service Line Replacement in the amount of \$32,600,000 (which consists of approximately 51% in loan and 49% million in PF).

Water Pollution Control Revolving Fund (WPCRF)

There were no WPCRF loan applications for the Authority’s June Board meeting.

In 2023, we have closed three (3) loans under the WPCRF BIL program consisting of approximately \$2.2 million of BIL Principal Forgiveness (PF), \$1.7 million of BIL Loan and \$700,000 of base loan. We have also closed two (2) WPCRF design and engineering loans, for approximately \$417 thousand. The 2023 project eligibility list contains 363 projects for an estimated need of approximately \$16 billion.

The WPCRF loan capacity for 2023 is approximately \$35-45 million (including BIL infrastructure funds). The Authority is currently applying for the 2023 Federal Fiscal year WPCRF Base and BIL capitalization grant awards soon and that includes: Base in the amount of \$6 million, BIL General Supplemental in the amount of \$16,674,000 (which consists of approximately 51% loan and 49% in principal forgiveness PF), and BIL Emerging Contaminants in the amount of \$1,701,000 (which is 100% PF).

2024 Capitalization Grants (Base Funding)

The base State Revolving Funds (SRF) capitalization grants continue to be reduced due to congressionally directed spending. Our cap grants have decreased by approximately 56% or \$19 million over the last two years. This equates to a \$40-\$50 loss to the program, as the funds will no longer “revolve” over time. Additionally, the Environmental Protection Agency used a new formula for Lead Service line allocations, which reduced Colorado’s funding under that program by approximately \$23.4 million per year.

Future Authority Board Meetings

August 23, 2023 – Steamboat Springs, hybrid format (in conjunction with the Co. Water Congress Summer Conference)

October 6, 2023 – Denver, hybrid format

December 1, 2023 – Denver, hybrid format

January 24, 2024- Aurora, hybrid format (in conjunction with the Co. Water Congress Annual Convention)

March 8, 2024 – Denver, hybrid format