



MEMORANDUM

September 8, 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 August Board meeting, the Board approved six (6) DWRF loans to: the **Pine Brook Water District** in the amount of \$1.4 million to build new water storage tanks; the **Highland Lakes Water District** in the amount of \$808 thousand (includes \$646 thousand of base principal forgiveness (PF)) to construct a new membrane surface water treatment plant; the **Town of De Beque** in the amount of \$2.5 million (includes \$2 million of base PF) to expand the domestic water treatment plant for upgrades to the system’s treatment process, construct a new well and replace distribution lines; the **Town of Silt** in the amount of \$27.3 million (includes \$1.6 million of BIL Emerging Contaminants PF, \$5 million of BIL Supplemental PF, and \$2 million of base PF) to overhaul and expand the existing water treatment plant including improvements to pretreatment; the **Teller County Water and Sanitation District No. 1** in the amount of \$759 thousand to make necessary upgrades to address radium maximum contaminant level (MCL) exceedances by installing an ion exchange treatment system and to make facility improvements; the **Town of Walden** in the amount of \$1.3 million (includes \$680 thousand of BIL PF) to install new water meters and water pumps, and distribution system upgrades.

Additionally, the Board approved two (2) DWRF BIL Business Cases to: the **Project 7 Water Authority** to build a new water treatment plant and associated transmission pipeline, and to connect to a new water source; the **Byers Water and Sanitation District** to construct a new transmission line, new distribution line, additional fire hydrants, to repair and upgrade the existing storage tank and well.

We have closed four (4) total loans under the DWRF BIL program for approximately \$52,339,551.41 in BIL principal forgiveness and \$46,463,668.43 in BIL loan funds. In 2023, 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). On August 24, 2023, the Authority received the 2023 Federal Fiscal year DWRF Base and BIL capitalization grant awards that include: Base in the amount of \$8.7 million and BIL General Supplemental in the amount of \$36.9 million (which consists of approximately 51% in loan and 49% in principal forgiveness). Additionally, the Authority has applied for DWRF BIL Emerging Contaminants in the amount of \$13.4 million (which is 100%

PF) and BIL Lead Service Line Replacement in the amount of \$32.6 million (which consists of approximately 51% in loan and 49% million in PF).

Water Pollution Control Revolving Fund (WPCRF)

During the Authority's August Board meeting, the Board approved four (4) WPCRF loans to: the **City of Boulder** in the amount of \$18 million (includes \$1.5 million of BIL PF and a \$3 million Green Project Reserve (GPR) direct loan) to modify the existing treatment facility to improve nutrient removal, replace aeration blowers, construct a hydrocyclone facility, convert the existing pre-dewatering storage tank into a redundant post-aerobic tank, and replace the internal mechanisms of the primary clarifier; the **East Alamosa Water and Sanitation District** in the amount of \$497 thousand (includes \$259 thousand of BIL PF) to replace two wastewater lift stations; the **Leadville Sanitation District** in the amount of \$17 million (includes \$1.5 million of BIL PF) to improve the wastewater facility, including upgrades and repairs to the headworks, aeration basins, clarifiers, solids handling, and disinfection; the **Town of Ramah** in the amount of \$1.3 million (includes \$674 thousand of BIL PF) to construct three evaporative ponds, a lift station, and force main for collection system improvements.

Additionally, the Board approved one (1) WPCRF DAC Business Case to: the **Mesa Water and Sanitation District** to replace the existing distribution system pipes with larger diameter pipes along with adding associated appurtenances in the distribution system.

We have closed five (5) total loans under the WPCRF BIL program for approximately \$5,308,497 in BIL principal forgiveness and \$4,875,150 in BIL loan funds. In 2023, we have closed eight (8) WPCRF design and engineering loans, for approximately \$1.9 million. 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). On August 24, 2023, the Authority received the 2023 Federal Fiscal year WPCRF Base and BIL capitalization grant awards that include: Base in the amount of \$6 million and BIL General Supplemental in the amount of \$16.7 million (which consists of approximately 51% loan and 49% in principal forgiveness). Additionally, the Authority has applied for WPCRF BIL Emerging Contaminants in the amount of \$1.7 million (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

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

April 6, 2024- Denver, hybrid format