



## MEMORANDUM

September 6, 2024

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

**FROM:** Keith McLaughlin, Executive Director

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

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### **Drinking Water Revolving Fund (DWRF)**

Six (6) DWRF loan applications were approved at the Authority’s August 21<sup>st</sup> Board meeting. The **Project 7 Water Authority** in the amount of \$27 million (Base and BIL) for constructing a raw water transmission line and intake structure downstream of the Ridgway Reservoir the **Town of Kremmling** in the amount of \$15.9 million (Base and BIL) for replacing the Town’s existing water treatment facility with ultrafiltration (UF) treatment skids; the **Buffalo Mountain Metropolitan District** in the amount of \$6.6 million (Base and BIL) for distribution system improvements, piping and control system replacement, rehabilitation of two groundwater wells; the **Town of Estes Park** in the amount of \$5 million (Base and BIL) for improvements to the Carriage Hills Water System distribution system and replacement of the Spruce Knob Water Company distribution system. Spruce Knob Water Company will permanently connect to the Town; the **Town of La Veta** in the amount of \$3.9 million (BIL) for constructing a new water treatment plant using conventional treatment technology with full automation; and the **Karval Water Authority** in the amount of \$1.1 million (BIL) for drilling a second well, replacing distribution piping, replacing meters.

We have closed fourteen (14) total loans under the DWRF Bipartisan Infrastructure Law (BIL) program for approximately \$106.2 million in BIL principal forgiveness and \$62.3 million in BIL loan funds. In 2024, we have closed five (5) DWRF design and engineering loans, for approximately \$1.2 million.

As of September 5, 2024, and after accounting for the submitted loan application for the Authority’s October Board meeting, the estimated remaining DWRF loan capacity for 2024 is approximately \$74.6 million (including deallocation, 2024 BIL infrastructure funds, and the 2024 capitalization grants). We are expecting one DWRF loan application for consideration at our October Board meeting for approximately \$1.1 million for the Highland Lakes Water District.

### **Water Pollution Control Revolving Fund (WPCRF)**

Two (2) WPCRF loan applications were approved at the Authority’s August 21<sup>st</sup> Board meeting. The **Town of Sedgwick** in the amount of \$2.7 million (Base and BIL) for constructing a new evaporative non-discharging lagoon wastewater treatment facility; and the **Town of Manzanola** in the amount of \$2.7 million (Base and BIL) for constructing a new evaporative non-discharging lagoon wastewater treatment facility.

We have closed fourteen (14) total loans under the WPCRF BIL program for approximately \$13.4 million in BIL principal forgiveness and \$12.3 million in BIL loan funds. In 2024, we have closed three (3) WPCRF design and engineering loans for approximately \$753,000.

As of September 5, 2024, and after accounting for the submitted loan application for the Authority's October Board meeting, the estimated remaining WPCRF loan capacity for 2024 is approximately \$63.8 million (including deallocation, 2024 BIL infrastructure funds, and the 2024 capitalization grants). We are expecting one WPCRF loan application for consideration at our October Board meeting for approximately \$464 thousand for the Town of Lake City.

### **EPA Capitalization Grants**

Congress maintains level funding for the SRF's in FFY 2024, but continues to use EPA capitalization grants to pay for congressional earmarks. The 2022, 2023 and 2024 EPA capitalization grants (net of earmarks) represent a 56% cut from 2021 grants.

### **Legislative Matters**

The SJR24-004, 2024 project eligibility list contains 545 Drinking Water projects for an estimated need of approximately \$28.3 billion and 383 wastewater projects for an estimated need of approximately \$18.3 billion.

### **Other Matters**

The Authority Board and the Water Quality Control Division held a joint Board meeting in August during the CWC summer conference. The two groups discussed strategic goals and near and long term fiscal challenges.

The Authority continues to work closely with the CWCB and the SECWCD staff regarding funding for the Arkansas Valley Conduit. The Authority has drafted an IGA that has been circulated for review that outlines the funding relationships between SECWCD, CWCB, the Authority and Otero County.

### **Future Authority Board Meetings**

October 4, 2024 – Silt, (Board meeting and project tour)

December 6, 2024 – Denver

January 29, 2025 – Aurora (in conjunction with the CWC annual convention)