



MEMORANDUM

November 8, 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

Drinking Water Revolving Fund (DWRF)

One (1) DWRF loan application was approved at the Authority’s October 4th Board meeting. The **Highland Lakes Water District** in the amount of \$464,145 (BIL Loan and PF) for constructing a new membrane surface water treatment plant.

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 eight (8) DWRF design and engineering loans, for approximately \$1.6 million.

As of November 8, 2024, and after accounting for the submitted loan applications for the Authority’s December Board meeting, the estimated remaining DWRF loan capacity for 2024 is approximately \$63 million (including deallocation, 2024 BIL infrastructure funds, and the 2024 capitalization grants). We are expecting two DWRF loan applications for consideration at our December Board meeting for approximately \$2.6 million for the City of Trinidad (replacement of four water storage tanks) and for approximately \$1.2 million for the Cucharas Sanitation and Water District (water treatment upgrades and rehabilitation).

Water Pollution Control Revolving Fund (WPCRF)

One (1) WPCRF loan application was approved at the Authority’s October 4th Board meeting. The **Town of Lake City** in the amount of \$900,000 (Base funds) for expanding the existing wastewater treatment facility and includes various upgrades and treatment process improvements.

We have closed fifteen (15) total loans under the WPCRF BIL program for approximately \$14.9 million in BIL principal forgiveness and \$13.6 million in BIL loan funds. In 2024, we have closed three (3) WPCRF design and engineering loans for approximately \$753,000.

As of November 8, 2024, and after accounting for the submitted loan application for the Authority’s December Board meeting, the estimated remaining WPCRF loan capacity for 2024 is approximately \$61.1 million (including deallocation, 2024 BIL infrastructure funds, and the 2024 capitalization grants). We are expecting one WPCRF loan application for consideration at our December Board meeting for approximately \$3.6 million for the Town of Limon (collection and manhole replacement).

EPA Capitalization Grants

Congress maintains level funding for the SRF's in FFY 2025 but continues to use EPA capitalization grants to pay for congressional earmarks. The 2022-2025 EPA capitalization grants (net of earmarks) represent a 56% cut from 2021 grants.

Legislative Matters

The Authority will be seeking State legislative sponsors for our SRF eligibility list. All entities seeking SRF funding must be on the SRF eligibility list to receive loans or grants from the Authority. The SRF eligibility list was approved by the Water Quality Control Commission on October 15, 2024 as required. The 2025 project eligibility list contains 560 Drinking Water projects for an estimated need of approximately \$27 billion and 391 wastewater projects for an estimated need of approximately \$18 billion.

Other Matters

The Authority continues to work closely with the CWCB and the SECWCD regarding funding for the Arkansas Valley Conduit. The Authority has drafted and circulated an IGA that outlines the funding relationships between SECWCD, CWCB, the Authority and Otero County. Authority staff hopes to have the IGA finalized this month so that the Authority Board could consider it for approval at its December 6 Board meeting.

Future Authority Board Meetings*

December 6, 2024 – Denver

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

March 7, 2025 - Denver

April 25, 2025 – Denver

*All Authority Board meetings are provided in a hybrid in person and online format.