



TO: Colorado Water Conservation Board Members

FROM: Kirk Russell, P.E., Finance Section Chief

DATE: November 19-20, 2025 Board Meeting

AGENDA ITEM: 23c 2026 Projects Bill
Board Approval Loan Limit Increase

Staff Recommendation

Staff recommends the Board request the General Assembly amend the Colorado Revised Statutes authorizing the Board to approve loans up to \$30,000,000 via the 2026 Project Bill.

Introduction

In 2007, the General Assembly approved a limit of \$10M for water project loans approved by the CWCB Board without subsequent legislative action. This \$10M limit allowed water projects to move swiftly through the CWCB review and approval process, allowing projects to stay on schedule and budget. Since the \$10M limit was approved in 2007, Engineering News Record's (ENR) Construction Inflation Index shows that the same \$10M project is now close to \$22 million.

Staff is requesting the Board approve a request to the General Assembly to increase the 'Board Approval Limit' to \$30M. Without this increase the CWCB will be required to work with borrowers by under-funding projects with CWCB loan funds until a Legislative action, via a CWCB Projects Bill, is considered by the General Assembly in the spring. This can add 14 to 24 months to the project timeline.

Background

The General Assembly initially gave the Board authorization in 1995 to approve "Emergency Loans" up to \$100K without Legislative action. That was changed in 1999 to allow all loans under \$100K be approved by the Board. That limit has increased over the years with the current limit of \$10M set in 2007. Table 1 shows the history of these authorizations.

Table 1

Year	Bill	Limit
1995	HB95-1155	Emergency Loans up to \$100K
1999	SB99-173	\$100K
2002	HB02-1152	\$1M
2003	SB03-110	\$5M
2007	SB07-122	\$10M



Reason for Request

When CWCB receives loan applications over \$10M, approximately 1-3 each year, the applicant is delayed due to the requirement to include it in the annual CWCB Projects Bill in the subsequent legislative session. This delay is a minimum of 12 months and can be as much as two years due to the legislative approval requirement. If a loan is under \$10M staff reviews it for compliance with state statute and ability to repay followed by Board approval. This results in funds available for contracting and disbursement of loan funds in as little as two weeks after Board approval.

In the past few years, CWCB has received loans in excess of \$10M that were scheduled to start construction sooner than the CWCB's Legislative approval process allowed. In multiple cases the borrower had to self fund the difference between the project cost and the Board approval loan limit. And in some cases the borrower was required to show proof of funds available from another lender until the Projects Bill was passed to avoid delays in the project.

An increase to a \$30M loan limit is requested due to the number of water projects statewide that are between \$10M and \$30M that will be delayed by the Projects Bill processing timeline. Construction costs have increased and this new limit will allow for continued state support for water projects without delay and unnecessary steps to secure funding from outside sources.

Approval of this request will provide Borrowers more certainty before entering into a construction contract that their project can and will be funded by the CWCB's favorable interest rates. If the Board approval loan limit remains at \$10M CWCB staff will continue to work with borrowers with options to temporarily fund the difference between the current \$10M limit and their project cost which increases delays to construction timelines and increases staff work load due to multiple application reviews and contract amendments.