



MEMORANDUM

March 7, 2022

TO: Board of Directors, Colorado Water Conservation Board, and Rebecca Mitchell, Director

FROM: Keith McLaughlin, Executive Director

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

Drinking Water Revolving Fund (DWRF)

There were four (4) DWRF loan applications submitted for consideration at the Authority’s 2022 March Board meeting from the Park Water Company, Trail West Association, Town of Cheraw, Town of Granada. The Park Water Company and Trail West Association are both private non-profits (PNP’s). The Company’s project consists of replacement of distribution system infrastructure. The Association’s project consists of distribution system repairs and upgrades. The Town of Cheraw’s project consists of upgrading the existing water treatment plant to address radium contamination. The Town of Grenada’s project includes water and storage tank upgrades and modifications to the existing disinfection system. To date, we have closed a total of three (3) design and engineering grants (and no direct loans) in 2022, for approximately \$395 thousand. The 2022 project eligibility list contains 452 projects for an estimated need of over \$21 billion.

The Authority anticipates it will receive its 2022 Federal Fiscal year DWRF capitalization grant award in the third Federal Fiscal quarter in the amount of \$21,735,000 million. The DWRF loan capacity for 2022 is approximately \$100-120 million (excluding infrastructure funds).

Water Pollution Control Revolving Fund (WPCRF)

There were five (5) WPCRF loan applications submitted for consideration at the Authority’s March Board meeting from the City of Ouray, City of Englewood, Town of Wellington, La Plata/San Juan Subdistrict of the Purgatory Metropolitan District and Crested Butte South Metropolitan District. The City of Ouray’s project will replace the existing lagoon wastewater treatment facility with a new mechanical facility with expanded treatment capacity. The City of Englewood’s project includes new and rehabilitation of existing storm sewer pipelines, construction of a vegetated swale; and construction of a new water quality detention pond. The Town of Wellington’s project consists of expansion of the existing wastewater treatment plant. The La Plata/San Juan Subdistrict of the Purgatory Metropolitan District’s project consists of construction of a new, advanced mechanical wastewater treatment facility. The Crested Butte South Metropolitan District’s project consists of improving the existing treatment facility headworks and upgrading the existing activated sludge treatment train. To date, we have not closed any WPCRF direct or design and engineering loans in 2022. The 2022 project eligibility list contains 350 projects for an estimated need of over \$13 billion.

The Authority anticipates that it will receive its 2022 Federal Fiscal year WPCRF capitalization grant award in the third Federal Fiscal quarter in the amount of \$12,710,000 million. The WPCRF loan capacity for 2022 is approximately \$80-100 million (excluding additional infrastructure funds).

SRF Bond Sale

The City of Ouray (\$18.485 million), Town of Wellington (\$50 million), and La Plata/San Juan Subdistrict of the Purgatory Metropolitan District (\$14 million) were approved at the Authority's March Board meeting. The combined bond issue of \$82.5 million will be sold on Wednesday, April 20, 2022, and closed on Thursday, May 5, 2022. The City of Englewood may also join for \$26 million, bringing the combined issue total to approximately \$108 million, but it is unlikely due to possible receipt of FEMA grants.

Legislative Matters

The Infrastructure Investment and Jobs Act (IIJA) was passed on November 6, 2021 and provides over a \$1 trillion in infrastructure funding for highway projects, bridge replacement, public transportation, airports, wildfire recovery, broadband expansion, electric vehicle charging network and water infrastructure. Colorado is slated to receive approximately \$688 million over 5 years for water and wastewater projects of which approximately \$121.3 million has been allotted to the SRF program for 2022. The Authority and its partners, the Department of Local Affairs and the Water Quality Control Division, are coordinating efforts & resources while waiting for EPA's implementation guidance.

The Authority's Joint Resolution containing the Authority's 2022 projects was recently approved by the legislature and is awaiting signature from the Governor. The Senate recently confirmed the Governor's Board appointments, Lucas Hale, Widefield W&S District Manager and Karen Wogsland, former Colorado Water Trust Program Manager and both new Board members participated in our March 4, Board meeting.

Future Authority Board Meetings

March 4, 2022- Denver, hybrid format
April 22, 2022- Denver, hybrid format
June 3, 2022- Denver, hybrid format