



MEMORANDUM

May 6, 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 no (0) DWRF loan applications submitted for consideration at the Authority’s 2022 April Board meeting. Two (2) DWRF loan applications have been submitted for the Authority’s 2022 June Board meeting from the Town of Simla (supplemental request due to higher than anticipated construction costs) and Town of Cheraw. The Town of Simla’s project consists of distribution system upgrades, well house improvements, treatment system improvements and storage tank improvements. The Town of Cheraw’s project consists of replacing the current failing water storage tank with a new elevated potable water storage tank. There are currently 5 outstanding, approved DWRF loans with an approximate total of \$5.1 million remaining to be executed. To date for 2022, we have closed a total of three (3) design and engineering loans, for approximately \$395 thousand, and one (1) direct loan, for approximately \$2 million. 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 next 60 days in the amount of \$21,735,000 million. The DWRF loan capacity for 2022 is approximately \$90-110 million (excluding infrastructure funds).

Water Pollution Control Revolving Fund (WPCRF)

There were no (0) WPCRF loan applications submitted for consideration at the Authority’s 2022 April Board meeting. One (1) loan application has been submitted for the Authority’s 2022 June Board meeting from the Mt. Werner Water and Sanitation District (supplemental request due to higher than anticipated bids received). Mt. Werner Water and Sanitation District’s project consists of replacement and upsizing of interceptor piping and associated appurtenances. To date for 2022, we have closed no (0) design and engineering loans, and two (2) direct loans for approximately \$7 million. There are currently 4 outstanding, approved WPCRF loans with an approximate total of \$30.7 million remaining to be executed. 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 next 90 days in the amount of \$12,710,000 million. The WPCRF loan capacity for 2022 is approximately \$60-80 million (excluding infrastructure funds).

SRF Bond Sale

The City of Ouray (\$18.485 million), Town of Wellington (\$45.5 million), and La Plata/San Juan Subdistrict of the Purgatory Metropolitan District (\$14 million) participated in the Authority's 2022 series A SRF revenue bond issue. The combined bond issue of \$77.99 million, comprised of a total par amount of bonds of \$37.15 million, was sold on Wednesday, April 27, 2022, and closed on Thursday, May 5, 2022. The TIC was 3.80% and all 3 borrowers received an interest rate of 3.09%, which includes the Authority's 20% subsidy, for 30-year terms. The sale was completed via a negotiated method and underwritten by Stifel, Nicolaus & Co., Inc.

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. EPA BIL implementation guidance was provided March 8 and the SRF program is scheduled to present its amended Intended Use Plan (IUP) to the Water Quality Control Commission in mid-June.

The Authority's Joint Resolution containing the Authority's 2022 projects list was signed by the Governor on March 17.

Future Authority Board Meetings

June 2, 2022 – Denver, Board retreat (format TBD)

June 3, 2022- Denver, hybrid format

August 24, 2022- Steamboat, hybrid format

October 7, 2022- Denver, hybrid format