



MEMORANDUM

November 4, 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 three (3) Bipartisan Infrastructure Law (BIL) DWRF loan applications submitted for consideration at the Authority’s 2022 October Board meeting from the Town of Buena Vista, Denver Water, and Pagosa Area WSD. Denver Water (\$76.1 million) for its lead service line project, Town of Buena Vista (\$4.3 million) for its water treatment plant upgrades, and Pagosa Area WSD (\$38.4 million) for its new water treatment plant. No DWRF loan applications have been submitted for the Authority’s 2022 December Board meeting.

There are currently four (4) outstanding, approved DWRF loans with an approximate total of \$125.9 million remaining to be executed. To date, for 2022, we have closed a total of seven (7) design and engineering loans, for approximately \$1.5 million, and eight (8) direct loans, for approximately \$10.5 million. The SRF program has held 27 DWRF prequalification meetings to date in 2022. The 2023 project eligibility list contains 510 projects for an estimated need of approximately \$25 billion.

The DWRF loan capacity for 2022 is approximately \$80-100 million (including BIL infrastructure funds). The Authority received the following 2022 Federal Fiscal year DWRF BIL capitalization grant awards on September 29, 2022: General Supplemental in the amount of \$35,550,000 (which consists of approximately \$18.13 million in loan and \$17.42 million in principal forgiveness), Emerging Contaminants in the amount of \$14,927,000 (which is 100% principal forgiveness), and Lead Service Line Replacement in the amount of \$56,015,000 (which consists of approximately \$28.57 million in loan and \$27.45 million in principal forgiveness).

Water Pollution Control Revolving Fund (WPCRF)

There were two (2) Bipartisan Infrastructure Law (BIL) loan applications submitted for consideration at the Authority’s 2022 October Board meeting from the City of Fort Lupton and Meeker Sanitation District. City of Fort Lupton (\$25 million) and Meeker Sanitation District (\$700 thousand). The City of Fort Lupton’s project consists of a tap fee into the Metro Water Recovery Northern Treatment Plant. Meeker Sanitation District’s project consists of repairs to the existing Wastewater Treatment Plant’s (WWTP) HVAC equipment and building. No loan applications have been submitted for the Authority’s 2022 December Board meeting.

There are currently seven (7) outstanding, approved WPCRF loans with an approximate total of \$46 million remaining to be executed. To date, for 2022, we have closed two (2) design and engineering loans, for approximately \$224 thousand, and eight (8) direct/leveraged loans, for approximately \$112.6 million. The SRF

program has held 29 WPCRF prequalification meetings in 2022. The 2023 project eligibility list contains 363 projects for an estimated need of approximately \$16 billion.

The WPCRF loan capacity for 2022 is approximately \$20-40 million (including BIL infrastructure funds). The Authority received the following 2022 Federal Fiscal year WPCRF BIL capitalization grant awards on September 29 and 30, 2022, respectively: General Supplemental in the amount of \$14,236,000 (which consists of approximately \$7.26 million in loan and \$6.98 million in principal forgiveness), and Emerging Contaminants in the amount of \$747,000 (which is 100% principal forgiveness).

There are currently five (5) outstanding, approved WPCRF loans with an approximate total of \$32.2 million remaining to be executed. To date, for 2022, we have closed two (2) design and engineering loan, for approximately \$224 thousand, and eight (8) direct/leveraged loans, for approximately \$89.6 million. The 2022 project eligibility list contains 350 projects for an estimated need of over \$13 billion.

Legislative Matters

The Infrastructure Investment and Jobs Act (IIJA), also known as the Bipartisan Infrastructure Law (BIL), 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 presented, and the Water Quality Control Commission approved its amended Intended Use Plan (IUP) on June 13, 2022. On September 2, 2022, EPA approved a public interest waiver that should allow projects that were already proceeding through the SRF programs (as identified through eight specific criteria) prior to May 14, 2022, a waiver of all Build America Buy America (BABA) requirements.

Future Authority Board Meetings

December 2, 2022- Denver, hybrid format

January 25, 2022- In conjunction with the CWC annual convention, hybrid format

March 3, 2022 – Denver, hybrid format

April 21, 2023 – Denver, hybrid format