



MEMORANDUM

November 3, 2023

TO: Board of Directors, Colorado Water Conservation Board, and Lauren Ris, Acting Director

FROM: Keith McLaughlin, Executive Director

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

Drinking Water Revolving Fund (DWRF)

During the Authority’s October Board meeting, the Board approved three (3) DWRF loans to: the **North Washington Street Water & Sanitation District** in the amount of \$1.6 million (includes \$870 thousand of BIL Supplemental PF) to make upgrades to the District’s aging water distribution system infrastructure; the **Byers Water and Sanitation District** in the amount of \$2.01 million (includes \$1.09 million of BIL Supplemental PF) to improve the distribution system and repairs and upgrades to the existing water storage tanks, and upgrades to a well; the **Town of Starkville** in the amount of \$100 thousand (includes \$60 thousand of base PF) to construct a new water storage tank, SCADA control system, distribution system improvements, replacement of water meters.

Additionally, the Board approved one (1) DWRF Business Case to: the **Bailey Water and Sanitation District** to address copper and zinc that enter the District’s distribution system through the South Platte River and construct a new treatment plant building.

We have closed four (4) total loans under the DWRF BIL program for approximately \$52,339,551.41 in BIL principal forgiveness and \$46,463,668.43 in BIL loan funds. In 2023, we have also closed five (5) DWRF design and engineering loans, for approximately \$1.01 million. The 2023 project eligibility list contains 510 projects for an estimated need of approximately \$25 billion.

The DWRF loan capacity for 2023 is approximately \$110-120 million (including BIL infrastructure funds). On October 27, 2023, the Authority received the DWRF BIL Emerging Contaminants in the amount of \$13.4 million (which is 100% PF) and BIL Lead Service Line Replacement in the amount of \$32.6 million (which consists of approximately 51% in loan and 49% million in PF).

Water Pollution Control Revolving Fund (WPCRF)

No WPCRF loan applications were submitted for the Authority’s October board meeting.

We have closed six (6) total loans under the WPCRF BIL program for approximately \$5,567,730 in BIL principal forgiveness and \$5,113,222 in BIL loan funds. In 2023, we have closed nine (9) WPCRF design and

engineering loans, for approximately \$2.2 million. The 2023 project eligibility list contains 363 projects for an estimated need of approximately \$16 billion.

The remaining WPCRF loan capacity for 2023 is approximately \$25-35 million (including BIL infrastructure funds).

The Authority received the 2023 WPCRF Emerging Contaminants Capitalization Grant on October 26, 2023, in the amount of \$1,701,000 (which is 100% PF).

2024 Capitalization Grants (Base Funding)

The base State Revolving Funds (SRF) capitalization grants continue to be reduced due to congressionally directed spending. Our cap grants have decreased by approximately 56% or \$19 million over the last two years. This equates to a \$40-\$50 million loss to the program, as the funds will no longer “revolve” over time. Additionally, the Environmental Protection Agency used a new formula for Lead Service line allocations, which reduced Colorado’s funding under that program by approximately \$23.4 million per year.

Board Retreat

On November 30, 2023 the Authority will be holding a Board retreat and Board Program Works discussion to discuss the following topics:

- Economic update
- Interest rates
- Potential Government Shutdown Impacts
- State Revolving Fund Cuts and Lending Capacity
- Loan and Principal Forgiveness (grants) Limits
- Arkansas Valley Conduit Funding
- Prioritization/funding the Highest Priority Projects

Future Authority Board Meetings

December 1, 2023 – Denver, hybrid format

January 24, 2024- Aurora, hybrid format (in conjunction with the Co. Water Congress Annual Convention)

March 8, 2024 – Denver, hybrid format

April 6, 2024- Denver, hybrid format

June 7, 2024 – Denver, hybrid format