

COLORADO WATER RESOURCES and POWER DEVELOPMENT AUTHORITY
9:00 A.M. – March 8, 2024

Hybrid Meeting – In-person and via Zoom
 Authority Conference Room
 1580 N, Logan Street, Suite #810
 Denver, CO 80203

<https://us06web.zoom.us/j/85335422288?pwd=5mxc0ONDxRTXsSycDRDaqtEl6xI9LG.1>

OR call-in number 1-669-900-6833

Meeting ID: **853 3542 2288**

Passcode: **338429**

AGENDA

(Order & contents subject to change by action of the Authority)
 Check www.cwrpda.com for agenda changes and other information)

1. **Call to Order** – Chair Steve Vandiver
2. **Roll Call, Declaration of a Quorum & Consent Agenda Approval**
3. **Approval of Minutes** – February 1, 2024
4. **Introduction of Guests**
5. **Other Agency Reports**
 - (a) Report of CWCB – Kirk Russell
 - (b) Report of WQCD – Ron Falco
 - 2023 Annual Project Report
 - (c) Report of DOLA – Desi Santerre
6. **Authority Reports**
 - (a) Public and/or Board Member Comment
 - (b) Report of Chair – Steve Vandiver
 - Resolution of Appreciation to George Corkle, Resolution No. 24-05
 - (c) Report of Treasurer – Mike Fabbre
 - (d) Report of Executive Director – Keith McLaughlin
 - (e) Manager's Report
 - Accounting
 - Information Systems Policy – Annual Review
 - Finance
 - Office
 - Accessibility Policy
 - (f) Report of Legal Counsel – Karl Ohlsen
7. **Drinking Water Revolving Fund**
 - (a) Loan Applications
 - Town of Boone, Resolution No. 24-06
 - South Adams County Water & Sanitation District, Resolution No. 24-07
 - Town of Lochbuie, Resolution No. 24-08
 - City of Greeley, Resolution No. 24-09
 - City of Englewood, Resolution No. 24-10
 - (b) Additional Principal Forgiveness to Maintain BIL Proportionality Requirements – Town of Walden, Resolution No. 24-11 and Byers Water & Sanitation District, Resolution No. 24-12
 - (c) Status of Projects
8. **Water Pollution Control Revolving Fund**
 - (a) Loan Application
 - Upper Thompson Sanitation District
 - (b) Status of Projects
9. **Small Hydropower Loan Program**
 - (a) Status Report
10. **Water Revenue Bonds**
 - (a) Status Report
11. **Long Hollow Dam & Bobby K. Taylor Reservoir**
 - (a) Status Report
12. **Committee Reports**
 - (a) Project Finance Committee – Minutes
 - (b) Personnel Committee – Minutes
 - (c) Board Program Work Session

13. Legislative Issues and Other Business

- (a) Legislative Issues
- (b) Other Business of Interest to the Authority

14. Arrangements for Future Meetings

April 25, 2024 – Board Program Work Session (Time TBD, Denver)

April 26, 2024 – Board Meeting 9:00 am, Denver

June 6, 2024 – Board Program Work Session (Time TBD, Denver)

June 7, 2024 – Board Meeting 9:00 am, Denver

August 20-22, 2024 – Board Meeting and Potential Board Retreat in Colorado Springs (TBD)

15. Adjournment**SLIDES**

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CONSENT AGENDA

7. Drinking Water Revolving Fund

(a) Loan Applications

- Town of Boone, Resolution No. 24-06
- South Adams County Water & Sanitation District, Resolution No. 24-07
- Town of Lochbuie, Resolution No. 24-08
- City of Greeley, Resolution No. 24-09
- City of Englewood, Resolution No. 24-10

**Colorado Water Resources
and
Power Development Authority**

BOARD MEETING MINUTES

February 1, 2024

Call to Order

Chair Steve Vandiver called the meeting to order at 2:00 p.m. in the VI Conference Room of the Hyatt Regency Aurora-Denver Hotel, located at 13200 E. 14th Place, Aurora, Colorado, 80011, and via video and audio tele-conferencing.

Board Member Identification and Declaration of a Quorum

Board members present: Steve Vandiver (Chair), Chris Treese (Vice-Chair), Mike Fabbre (Secretary/Treasurer), George Corkle, Lucas Hale, Patti Wells, Bruce Whitehead, Eric Wilkinson, and Karen Wogsland. A quorum was declared with nine Board members present.

Approval of Consent Agenda

Chair Vandiver announced that the following items were placed on the Consent Agenda for Board consideration at the Project Finance Committee meeting: Agenda item 7(a) Drinking Water Revolving Fund loan applications for the Town of Limon, Resolution No. 24-02, and the Town of Rockvale, Resolution No. 24-03; Agenda item 8(a) Water Pollution Control Revolving Fund loan application for the Town of Hugo, Resolution No. 24-04. After hearing no comments, a motion was made to approve the Consent Agenda, as presented.

Motion: Chris Treese
2nd: George Corkle
Vote: Motion carried

Following the vote, Chair Vandiver invited representatives from the Consent Agenda applicants to address the Board, if desired. Greg Tacha, Town Manager from the Town of Limon, thanked the Board for its consideration and loan approval. Dannah Koeniger (Consulting Engineer for the Town of Limon, Town of Rockvale and Town of Hugo) also thanked the Board for its support for communities like Limon, Rockvale and Hugo. Ms. Koeniger also thanked the Board on the Town of Rockvale's behalf for the loan approval and the Design & Engineering Grant and principal forgiveness that will help to make the Town's project more affordable. Dr. Lora Bledsoe, Mayor of the Town of Hugo, also echoed appreciation for the Board and noted that the Town of Hugo is under an emergency sewer situation due to aging infrastructure that has resulted in back-ups and other problems. Ms. Koeniger noted that the Town's leadership has shifted from addressing emergency situations to a proactive approach to reduce future issues. The Town of Hugo recently completed a Preliminary Engineering Report ("PER") for its sewer system that resulted in the current wastewater loan application and will soon be conducting a PER to address its drinking water system and may be submitting a future DWRP loan application utilizing the same proactive approach.

Approval of Minutes – December 1, 2023

The December 1, 2023, Minutes were presented for approval. Director Wilkinson suggested that the Approval of the Consent Agenda section be amended to include recommendations from the Board Program Work Session. After hearing no further comments, a motion was made to approve the Minutes of December 1, 2023, as amended.

Motion: Eric Wilkinson
2nd: Patti Wells
Vote: Motion carried

Introduction of Guests

Chair Steve Vandiver asked all guests in attendance to introduce themselves and state their affiliation for the record.

Following the introductions, Chair Vandiver noted that Christine Arbogast of Kogovsek & Associates was in attendance and would be providing a report following the other agency reports and noted that due to a full Agenda he requested efficient reports from those who were presenting.

Other Agency Reports

Report of Colorado Water Conservation Board (“CWCB”)

Kirk Russell, Finance Section Chief, referred to the written report and noted that the CWCB Board held its last meeting in Denver, Colorado on January 29th and 30th. At that meeting, the Board approved one new loan to the Grandview Canal Irrigation Company for Grandview Canal Improvements. This brings the CWCB’s total new loans for the current fiscal year to eight loans totaling approximately \$175 million. In an average year, the Board will approve approximately twenty loans totaling approximately \$40-\$50 million. Mr. Russell noted that available federal grant money may be impacting the CWCB’s loan program, based on the low number of loans funded to date. CWCB staff submitted its small project loan report to the General Assembly on January 15th, detailing the thirteen loans made in calendar year 2023 for a total of \$38 million. These are loans under \$10 million that are approved by the CWCB without legislative action. A copy of the report was included in the Board materials. The CWCB Board also approved a \$20 million Non-Reimbursable Investment request for the Colorado River Water Conservation District’s Shoshone Water Rights Permanency and it will be included in the 2024 CWCB’s Projects Bill. The approval includes a provision that the CWCB provide an approval vote confirming closing conditions of the purchase and sale agreement before the funds are released. Mr. Russell confirmed that December 1, 2023, was the application deadline for the most recent round of Water Plan Grants, which will be considered at the March 2024 Board meeting. Seventy-three Water Plan Grant applications were submitted totaling approximately \$23 million in requests for the approximate \$16 million in available funding. The CWCB staff will prioritize the requests to determine the entities that will receive the grant funding. Additionally, approximately \$24 million in FY 22/23 Prop DD revenue will be appropriated in the 2024 Projects Bill and available for grant distribution in FY 24/25. The Board will decide the breakdown of moneys for grant category approvals in May 2024. Projections for the current FY 23/24 revenues are similar at approximately \$24 million. Additionally, the current projection for CWCB’s allocation of Severance Tax Perpetual Base Fund for FY 23/24 is between \$46 million and \$54 million. Next year’s projection remains similar at approximately \$50 million. The CWCB Board will meet next on March 13th and 14th in the Denver Metro area. Mr. Russell provided a listing of all 2024 anticipated Board meetings in his written report. Following the agency report, the Board briefly discussed various components of the Shoshone Water Rights Permanency project.

Report of Water Quality Control Division (“WQCD”)

Ron Falco, Safe Drinking Water Program Manager, referred to the written agency report and noted that the Division’s Test and Fix Water for Kids program is continuing to implement requirements under HB22-1358. Remediation is underway for grade school and childcare facilities. Also, the program is now in the middle school testing phase. The program’s lead results dashboard on the Division’s website provides the latest up-to-date information. Mr. Falco confirmed that the required annual report for this program was submitted to the state legislature on time. Mr. Falco also welcomed and congratulated Alex Hawley, the Division’s new Unit Manager for the Grants and Loans Program, filling the position vacated by Mark Henderson when he assumed the Section Manager position vacated by Mike Beck’s departure. A contract update was provided, noting that the contract with Colorado Rural Water Association was renewed to provide continued support for the Source Water Protection Planning and Wildland Fire Decision Support projects. Mr. Falco also highlighted the coaching and training activities completed over the last couple of months in 2023. The Division’s coaching and training activities reached over 650 operators across 430 water systems during 2023. Mr. Falco also noted the improved performance that resulted from these

coaching and training activities. Cybersecurity in the water and wastewater sector will be an important topic for both Federal and state agencies in 2024 and beyond. Mr. Falco concluded the agency report with an announcement that the 50th anniversary of the safe Drinking Water Act will be held this year with various events commencing.

Report of Department of Local Affairs (“DOLA”)

Cynthia Thayer, Local Government Services Director, referred to the provided agency report and noted that the new Local Government Financial Analyst, Monica Munoz-Revelo, joined DOLA in January and publicly welcomed her. The most recent water and sewer applicants for the Energy and Mineral Impact Assistance Fund (“EIAF”) Program were provided in the agency’s written report. Awards will be made during February and March. The next application deadline will be April 1st. Tier I and Tier II applications will be accepted and there is an estimated \$30 million in grants available. As previously reported, severance tax and Federal Mineral Lease (“FML”) projections remain volatile so future application dates and fund availability for the next fiscal year is yet to be determined. Ms. Thayer announced that the agency report this month included a brief update on the DOLA/CWCB Water and Land Use Planning Primer program. This program will support DOLA’s role in providing support and guidance to local governments. Ms. Thayer noted that Federal representatives from the Water Infrastructure Finance and Innovation Act (“WIFIA”) reached out to the WQCD to offer a potential joint WIFIA SRF workshop to be held in March with staff from DOLA, WQCD, WIFIA and the Authority. A follow-up report will be provided at a future Board meeting. The agency report concluded with a brief update on the Small and Rural Communities Technical Services Program, noting three potential projects in the Drinking Water Program. These projects will likely utilize the full \$25,000 budgeted Drinking Water allocation. Additional information will be provided at the March Board meeting.

Report of Christine Arbogast on Congressionally Directed Spending (“CDS”)

Christine Arbogast of Kogovsek & Associates provided an update on the CDS issue and confirmed that FY 2024 appropriations are still undetermined. The two Committee Chairs in the House and Senate agreed on the 302(b) allocations that go to the subcommittees. The 302(b) allocations establish the cap on spending for each of the appropriation bills. Now the two groups can begin compromising between the House and Senate bills and reach a final resolution. There isn’t a large amount of time before the next Continuing Resolution (“CR”) runs out. The first deadline is March 1st and the second is March 8th. The second CR deadline is where EPA’s allocation for the State Revolving Fund money is included. Ms. Arbogast noted that the House of Representatives cut SRF funding by almost 50% while the Senate maintained steady funding. Final allocations will be forthcoming, but history has shown that the Senate typically prevails. If an agreement can’t be reached, other options include an additional short-term CR, or possibly a year-long CR. Additionally, Ms. Arbogast noted the President’s 2025 budget is expected to be released the first week in February; however, given the 2024 budget isn’t resolved, it’s unlikely the 2025 budget will be finalized. On the issue of containing the negative impacts of CDS on the SRF Programs, Ms. Arbogast reported that Senators Michael Bennet and John Hickenlooper have been actively involved in bringing this matter to the forefront by engaging in letter writing campaigns and ongoing discussions with Appropriations Committee staff. The most recent meeting with a lead staffer for the Appropriations Chair, Senator Patty Murray, didn’t go as well as hoped. There were several suggestions provided to address the CDS issue and the simple option of removing the SRFs from eligibility for earmarking wasn’t received well. CDS seems to be popular with legislators as they like directing money to communities for water projects. It was also noted that in the House of Representatives, it’s the only account in the Interior and Environment subcommittee that is eligible for earmarks. After discussing several alternatives, the lead staffer suggested the option of restoring the \$3 billion in funding. This option wouldn’t fully address the earmarking issue, so the idea of meeting with several representatives from water entities directly affected by this issue to brainstorm and discuss alternate ideas was offered. This opportunity would allow the staff to fully understand the potentially dire impacts of CDS on the SRF Programs. In conclusion, Ms. Arbogast stated

this issue continues to be an uphill battle and the next steps are to see how events play out in the coming months. Ms. Arbogast will return to the Board with any new updates, if applicable. Chair Vandiver thanked Ms. Arbogast for her efforts and appreciated her tenacity in making CDS a priority and recommended Ms. Arbogast continue her work as deemed appropriate. Ms. Arbogast responded that it is her practice not to bill if there is no additional work to be completed, but she is still seeking a resolution, if even a partial one, to the CDS issue.

Public/Board Member Comments – Chair Vandiver invited public and/or Board member comments, and Director Whitehead welcomed former Authority Chair Bob Wolff, and representatives from Southwestern Water Conservation District to the meeting. He also extended thanks to the Board from Elaine Chick, Water Information Program (“WIP”) Manager, for its support over the years. Ms. Chick is asking for an increase in financial support for the WIP to continue the program’s important work within the water community throughout the state. The reason for this request is due to the program suffering some financial losses last year resulting in an operational loss for the year. An additional \$300 from program participants is requested and will be matched by Southwestern Water Conservation District to bolster the program’s work. Mr. McLaughlin added that Ms. Chick did reach out to him for a contribution increase but didn’t specify an amount. Although this amount is within Mr. McLaughlin’s purview, he would like to receive general input from the Board before approving the increase. Hearing no objections to the proposed increase, Mr. McLaughlin agreed to the suggested increase of \$300.

Report of the Chair – Chair Vandiver noted it has been a busy cycle since the December Board meeting, including several Committee meetings, and thanked both the Board and staff for its participation in the various events. Chair Vandiver also noted that the March Board meeting is going to be quite busy with a number of credits to review and other various items. Finally, the Chair’s report concluded with an announcement of Executive Director Keith McLaughlin’s recent 26-year work anniversary, celebrated on January 16th. This is a huge milestone to recognize, and Chair Vandiver thanked Mr. McLaughlin for his many years of service, particularly in the past few years serving as Executive Director. The Board echoed its appreciation with a round of applause.

Report of the Treasurer – Treasurer Fabbre referred to the various financial statements included in the Board materials and reported that since the last Board meeting, neither the Budget & Audit nor Investment Committee met but noted the Investment Policy approval at the last Board meeting with a follow-up review scheduled for late 2024. In addition, FORVIS (the Authority’s auditors) is proceeding with conducting the 2023 audit and Treasurer Fabbre completed a Risk Assessment interview with FORVIS. Treasurer Fabbre then deferred to the Controller, Justin Noll, to complete the treasurer’s report. Mr. Noll reported that financials were provided through October in the Board’s materials and added that staff is still processing transactions for the end of the year. Mr. Noll reported the auditors were on-site the second week in January for interim work and will be back on-site in early March to complete the audit. COLOTRUST rates have stabilized at approximately 5 ½% since September and continue to hold steady. Staff are busy preparing for its March 1st debt service activities. A motion was made to approve the Treasurer’s Report.

Motion: Lucas Hale
 2nd: Karen Wogsland
 Vote: Motion carried

Report of Executive Director – Keith McLaughlin restated the auditor’s on-site work in preparation of the 2023 audit and his participation in the Risk Assessment interview. Mr. McLaughlin also noted several artificial intelligence (“AI”) webinars he’s attended recently, just to inform the Board that Authority staff is paying close attention to this fast-growing industry trend. Mr. McLaughlin met briefly with WQCD Director, Nicole Rowan, to discuss various items including the reintroduction of liaison meetings in order to ensure that both agencies are on the same page and working to jointly advance the highest priorities. Mr.

McLaughlin also attended a recent CIFA Board meeting and recommended the CIFA Board create a CDS subcommittee that works to coordinate, communicate and elevate the CDS issue at a national level. Mr. McLaughlin also discussed a Capitalization Grant timing issue that was recently resolved with EPA by amending the grant payment schedules. If the funds can't be obligated according to the amended payment schedules, the Authority can transfer the Emerging Contaminants funds between the two SRF Programs, if necessary. Mr. McLaughlin concluded the report with an announcement of several staff anniversaries, including Kevin Carpenter 3 years, Jim Griffiths 14 years (combined), Wesley Williams 11 years, Justin Noll 23 years, Giorgi Gazashvili 1 year and Valerie Lovato 25 years. Ms. Lovato's accomplishments and contributions over the years were separately recognized. Mr. McLaughlin acknowledged how lucky he is to have a long-tenured, dedicated staff, and Vice-Chair Treese opined that a long-tenured, competent staff reflects good leadership.

The Agenda was rearranged to accommodate the potential TABOR opinion and Investor Disclosure Executive Session, and the associated DWRP and WPCRF State Match Resolution 24-01 was deferred until later in the meeting.

Accounting Manager's Report

Controller Justin Noll noted the Internet Systems Acceptable Use Policy Review has been tentatively scheduled for the March Board meeting as MyTech (the Authority's IS consultant) needed additional time for a comprehensive review and suggested changes. Mr. Noll also noted that the aforementioned new computer server was installed and seems to be functioning properly.

Finance Manager's Report

Finance Director Jim Griffiths referred to the February 1, 2024, memorandum in the Board materials regarding the Authority's Interim Loan Program and staff's recommendation to temporarily suspend new interim loan applications within the program. He provided a brief history of the program and noted the program's original intent was to provide "bridge" financing for water projects in Colorado utilizing SRF funds. Mr. Griffiths reviewed various examples of this bridge financing. Staff has noticed some risks recently that have made this program less practicable, including the uncertainty of available long-term replacement financing. Staff would like to pause new loan applications to fully evaluate the program and find a practical solution that is less risky for the Authority. A motion was made to approve the suspension of the interim loan program indefinitely, with direction to staff to revisit if conditions warrant, but no more than one year.

Motion: Chris Treese
 2nd: Bruce Whitehead
 Vote: Motion carried

Mr. Griffiths also noted that Authority staff is in the process of applying for the Bipartisan Infrastructure Law 2022 Lead Service Line Replacement reallocation. This was the excess funds that were made available from other states not or not fully utilizing its BIL lead funding. The report concluded with an update on the ongoing discussions on the Arkansas Valley Conduit project funding mechanisms.

Office Manager's Report

Office Manager Sabrina Speed announced that the March Board meeting will include an Agenda item addressing the compliance requirement brought forth by HB21-1110 (Colorado Laws for Persons with Disabilities). There are certain requirements that need to be met by July 1, 2024, and the Board will be asked to take action in order to become fully compliant. Ms. Speed also reported the Authority's website has been updated with the Board photos taken last October. The report concluded with a brief update on the recent activities in the 2023 Popular Annual Financial Report and noted that the design phase is almost complete.

Report of Legal Counsel – Karl Ohlsen

Mr. Ohlsen briefly reported on his recent legal activities, including work with Wesley Williams over the holidays on an emergency situation with one of the Authority's private, not-for-profit entity loan applicants and working with Keith McLaughlin on the Authority's Code of Ethics and Conflicts of Interest Policy and the Authority's TABOR matter.

Drinking Water Revolving Fund

Town of Granby Disadvantaged Communities ("DAC") Business Case

Ian Loffert thanked the Board for its thoughtful and thorough discussion at the Project Finance Committee ("PFC") on this Agenda item and presented the Town of Granby's ("Town") DAC business case. Mr. Loffert clarified staff's neutral recommendation on this request, noting that staff understood multiple discussions would need to take place to consider this request and didn't wish to inadvertently guide the Board in any particular direction. Mr. Loffert also noted that this request received a favorable recommendation from the PFC, but it was on a split vote of 3 to 2. The Town has not met the DAC criteria due to the town's median household income ("MHI") exceeding the DAC benchmark by a narrow margin. If approved, the Town may receive a Design and Engineering Grant (if funding is available), a reduced interest rate through the DWRP program, and would qualify the Town to potentially receiving BIL principal forgiveness ("PF") and/or Base DAC PF, if available. Mr. Loffert summarized the discussions held at the PFC as well as the two follow-up emails sent to the Board after the PFC call. Mr. Loffert welcomed Town Manager, Ted Cherry, and Town Engineer, Warren Swanson, and invited them to address the Board and answer any questions. Ted Cherry thanked the Board and Mr. Loffert for consideration of the request to assist the Town with its water treatment facility. After addressing a few clarifying questions from the Board, a motion was made to accept the Town of Granby's DAC business case and to designate the Town as a DAC, to be fully reviewed at a subsequent time upon loan application. Prior to the vote, Chair Vandiver expressed concern about moving the agreed upon DAC criteria previously set by the Board.

Motion: Eric Wilkinson

2nd: Chris Treese

Vote: Motion carried on a 5-4 vote, Chair Vandiver, Directors Fabbre, Hale and Whitehead opposed

Status of Projects

Giorgi Gazashvili reported that in 2023, staff attended 46 DWRP pre-qualification meetings, in addition to many other meetings to address affordability and capacity. Additionally, staff processed nineteen DWRP loan applications and Mr. Gazashvili noted the demand for DWRP funding has increased steadily in 2023. Staff processed 161 DWRP draws, or pay requests, totaling approximately \$60 million in 2023. Eight Design & Engineering grants and nine direct loans (three of which were BIL) closed in 2023. Five DWRP loan applications were submitted for consideration at the March Board meeting: City of Greeley (\$20,910,725) and City of Englewood (\$40,000,000) for lead service line replacements; South Adams Water & Sanitation District (\$60,000,000) and Town of Boone (\$1,005,000) for Emerging Contaminants; and Town of Lochbuie (\$8,000,000). There have been no new Planning Grants awarded since the last Board meeting and \$150,000 remains available for 2024. Similarly, no Design & Engineering Grants were awarded since the last Board meeting and the Authority will not award any more Design & Engineering Grants until the 2024 Drinking Water Base Capitalization Grant allotment has been announced. Mr. Gazashvili reported that twenty-three borrower audits are still outstanding, and staff is reaching out to the entities for compliance. There are six BIL DWRP loans outstanding and three more are expected to close shortly. The report concluded with confirmation of 215 outstanding DWRP loans with an approximate loan balance of \$400 million.

Water Pollution Control Revolving Fund

Status of Projects

Wesley Williams reported that staff attended 19 WPCRF pre-qualification meetings in 2023, noting lighter demand than the DWRP Program. Additionally, staff processed 11 WPCRF loan applications last year,

totaling approximately \$36 million. Mr. Williams confirmed that staff awarded six Planning Grants in 2023 and highlighted the \$80,000 transfer to the DWRP Planning Grant Program in December 2023. These combined numbers represent an overall decrease in demand for funding in the WPCRF Program. Staff anticipates four WPCRF loan applications for the March Board meeting: Upper Thompson Sanitation District (\$18,000,000), Niwot Sanitation District (\$18,000,000), Plum Creek Water Reclamation Authority (\$7,000,000) and City of Manitou Springs (\$450,000). Loan capacity remains an issue in the WPCRF Program and receipt of the 2024 Capitalization Grant will be critical. Utilizing the Authority's prioritization model, Niwot Sanitation District and Upper Thompson Sanitation District were the top two applicants that would receive funding consideration. Plum Creek Water Reclamation Authority and the City of Manitou Springs did not prioritize and will not receive funding consideration, at this time. Mr. Williams noted it may be late 2024 before there is funding availability in the WPCRF Program and noted that only DACs are eligible for BIL funding in the WPCRF Program due to the low level of funding. Addressing a previous question from the Board, Mr. Williams announced that approximately \$95 million in governmental agency requests had not received funding because of the decreases in SRF funding due to Congressionally Directed Spending. In 2024, staff expects to receive approximately \$63 million in funding requests for the anticipated \$20 million in available funding.

Small Hydropower Loan Program

Austin Reichel provided a brief review of the terms of the Small Hydropower Loan Program: projects up to 10-megawatts, 30-year maximum loan term, a \$5 million maximum loan amount. There have been no SHLP matching grants awarded, or loan applications submitted yet this year. There are currently six outstanding loans in the SHLP totaling approximately \$6.5 million.

Water Revenue Bond Program

Kevin Carpenter noted that the Water Revenue Bond Program ("WRBP") is a pass-through program for projects not eligible for funding through the SRF Programs and other special cases. There was one WRBP bond issue in 2023, to the City of Sterling, and the City recently made its first loan repayment. There have been no new loan applications submitted thus far in 2024, and staff doesn't anticipate any in the near future. There are currently five outstanding loans in the WRBP, totaling approximately \$52 million.

Long Hollow Dam & Bobby K. Taylor Reservoir

Jim Griffiths noted that there is currently approximately 1,300 AF of water in Bobby K. Taylor Reservoir, as of early January. Director Whitehead added that the current, updated water level is 1,475 AF and also confirmed the compact period is from December 1st through February 15th.

Personnel Committee

Committee Chair Karen Wogsland reported that the Personnel Committee met on January 22nd and that nearly all Board members were in attendance. At that meeting, the Committee reviewed additional changes to the Employee Handbook that were suggested in December, and the near final version was contained in the Board materials. The changes were intended to address numerous changes in employment law and to align the Handbook with current practices. The Code of Ethics and Conflicts of Interest Policy was also reviewed during the Committee meeting. One of the key revisions to the Employee Handbook was the restructuring of contents to improve the readability of the document. The Committee also worked to strengthen the language of the Code of Ethics and Conflicts of Interest Policy and make it a separate, stand-alone policy. Both the red-lined and final versions of each document were provided in the Board materials. Director Wogsland noted that one suggested revision regarding overtime for non-exempt employees wasn't included in the final documents. Director Wogsland noted that Mr. McLaughlin investigated that provision and concluded, via his discussion with Sherman and Howard, that it doesn't apply to the Authority. The Committee unanimously recommended approval of the revised Employee Handbook and stand-alone Code of Ethics and Conflicts of Interest Policy to the full Board. A motion was made to accept the Personnel Committee's recommendation and approve the Employee Handbook, in form, with additional formatting

and immaterial edits permissible by the Executive Director, if necessary. Following the motion but prior to the vote, Director Wilkinson noted one of the formatting edits was on page 21 of 35, where the meals and the alcohol sections should be reversed.

Motion: Bruce Whitehead
2nd: Patti Wells
Vote: Motion carried

A subsequent motion to accept the Personnel Committee's recommendations and approve the Code of Ethics and Conflicts of Interest Policy, in form, with additional formatting and immaterial edits permissible by the Executive Director, if necessary.

Motion: Chris Treese
2nd: Lucas Hale
Vote: Motion carried

Project Finance Committee

Committee Chair Treese referred to the provided Project Finance Committee ("PFC") minutes contained in the Board materials and thanked staff for composing them accurately. Committee Chair Treese also thanked the full Board for its participation in the Committee meeting and noted it helped to move three loan applications successfully to the Consent Agenda. The Town of Granby's Business Case was also thoroughly discussed, and the Board was better prepared for today's decision. It was noted that discussions and split votes are necessary and that the Board shouldn't always unanimously agree with staff's recommendations. Additionally, hard decisions are part of the Board's role and Committee Chair Treese thanked the Board for its participation and thoughtful consideration.

Board Program Work Session

Committee Chair Wilkinson announced that the Board Program Work Session minutes from the November 30, 2023, meeting were included in the Board materials and thanked staff for capturing the thorough review of the discussion.

Legislative Issues and other Business of Interest to the Authority

Mr. McLaughlin noted that he testified on January 26th in the Senate Ag Committee hearing in support of the Authority's SJR 24-004, and the Resolution passed through Committee on a 6-0 vote and was moved to the full Senate and passed on a 35-0 vote. The Resolution will be sent to the House and likely assigned to the Agriculture, Water & Natural Resources Committee for consideration. Mr. McLaughlin also noted that Senate Ag staffers have reached out and scheduled Senate Ag hearings for the reappointments of Directors Vandiver and Fabbre and the appointment of Matthew Shuler on March 7, 2024. The hearings may present a challenge to hold the Board Program Work Session, but Mr. McLaughlin is working to secure a 1:30 pm start time for the hearings to avoid any potential time conflicts. Finally, Mr. McLaughlin directed attention to the three news articles contained in the Board materials that may be of interest.

Chair Vandiver noted that the Board would discuss the TABOR opinion and Investor Disclosure that may require the Board to enter into Executive Session in order to receive legal advice. Mr. Ohlsen clarified that the Board should adjourn into Executive Session to discuss matters pursuant to Colorado Revised Statute, section 24-6-402(4)(b). Specifically, the Authority will request and receive legal advice regarding a TABOR opinion and Investor Disclosure. A motion was made to enter into Executive Session for the purposes set forth above.

Motion: Chris Treese
2nd: Lucas Hale
Vote: Motion carried

Ms. Speed noted for the record that all virtual attendees on the call would be removed at this time.

Mr. Ohlsen stated that the Executive Session was established to receive legal advice on TABOR issues, and pursuant to statute, when you enter into Executive Session, you record it, except to the extent of receiving

legal advice and recommended Mr. McLaughlin to pause the recording for that purpose. Mr. Ohlsen added that if any Board member felt the discussion moved from the stated purpose of the Executive Session, to let Mr. Ohlsen know, and it will be noted on record.

Chair Vandiver announced that it appears that the discussion of the topic that is the subject of the Executive Session has concluded. Unless someone has any additional discussion on the topic, he would entertain a motion to exit the Executive Session. A motion was made to exit out of the Executive Session and resume the regular meeting.

Motion: Lucas Hale
2nd: Patti Wells
Vote: Motion carried

Following the vote, Chair Vandiver noted the current time was 5:10 p.m. and the meeting minutes should continue. The Executive Session was concluded. The participants of the Executive Session were the Authority Board of Directors, Executive Director Keith McLaughlin, legal counsel Karl Ohlsen and bond counsel Jim Marlin. For the record, Chair Vandiver announced if any person who participated in the Executive Session believes that any substantial discussion of any matters not included in the motion to go into Executive Session occurred during the Executive Session, or that any improper action occurred during the Executive Session in violation of the Open Meetings Law, please state their concerns for the record. Seeing none, Chair Vandiver requested legal counsel certify that any unrecorded sections of the Executive Session were related solely to the Board's request for, and receipt of, legal advice related to current and legal positions. Legal counsel certification was provided by the Authority's legal counsel, Karl Ohlsen. The Board meeting continued.

DWRF and WPCRF BIL State Match Resolution No. 24-01

Chair Vandiver introduced Resolution No. 24-01, providing for approval of receipt terms for use of state match funds for BIL program WPCRF and DWRF. Mr. McLaughlin explained that the Resolution allows and authorizes the Authority staff to receive up to \$20 million in state match funds. These funds are derived from the Small Communities Water & Wastewater Grant Fund, authorized by SB23-238. The Water Quality Control Division is willing to convey those funds to the Authority in an amount up to \$20 million for state match purposes. Mr. McLaughlin added that the \$20 million would cover all the required state match for 2024, which is required before the Authority can apply for the current year BIL Capitalization Grants, as well as partially cover 2025. A motion was made to adopt Resolution 24-01.

Motion: George Corkle
2nd: Karen Wogsland
Vote: Motion carried

Arrangements for Future Meetings

Chair Vandiver noted that the next three Board meetings, and associated Board Program Work Sessions, were included in the Agenda.

Adjournment

Chair Vandiver adjourned the meeting at 5:14 p.m.

Respectfully submitted,

Sabrina Speed, Assistant Secretary

NOTE-FOR INFORMATION ONLY - COPIES OF THE DOCUMENTS REFERRED TO IN THE TEXT OF THESE MINUTES ARE ON FILE IN THE AUTHORITY OFFICE AND MAY BE OBTAINED BY SUBMITTING A "REQUEST FOR PUBLIC RECORDS." PLEASE CALL SABRINA SPEED AT (303) 830-1550, EXT. 1010, FOR INFORMATION.



Board Report - Colorado Water Resources & Power Development Authority

March 8, 2024

REPORT INDEX

1. **WQCC actions (current and future)**
2. **WQCD highlights**
 - 2.1. Emerging issues/status updates/success stories
 - 2.2. Budget
 - 2.3. Legislative
 - 2.4. Grants and Loans Updates
3. **Drinking Water Program**
 - 3.1. Project reporting
 - 3.2. Source water protection
 - 3.3. Coaching and training
4. **Clean Water Program**
 - 4.1. WPCRF Project Budget / Expenditures

1. **WQCC actions (current and future)**

Past WQCC actions include:

- The commission held a joint meeting with Colorado Water Conservation Board (CWCB) and in conjunction with the Colorado Water Congress Annual 2024 Convention.
- The WQCC met on February 12, 2024 and held a rulemaking hearing for Regulation #72 regarding Cherry Creek Reservoir Control Regulations (5 CCR 1002-72) and Regulation #38 for classifications and numeric standards for the South Platte River Basin, Laramie River Basin, Republican River Basin and Smoky Hill River Basin. The WQCC heard the annual informational briefings from the SB89-181 agencies.

Upcoming rulemaking hearings and briefings include:

- On March 11, 2024, the WQCC will hold Administrative Action Hearings regarding nonpoint source 319 projects funding, the 303d Listing Methodology, triennial review of Regulation #73 (Chatfield Reservoir Control Regulations), and an informational briefing regarding the Colorado Parks and Wildlife River Watch program.
- For the most up-to-date information on the Water Quality Control Commission schedule, [the Long Range Schedule](#) is updated each month.

2. **WQCD highlights**

2.1. Emerging issues/status updates/success stories

- The division's Test and Fix Water for Kids program is continuing to implement HB22-1358. Remediation is underway for grade school and child care facilities. Also, the program is now in the middle school testing phase. The program's lead results [dashboard](#) provides the latest up-to-date information.
- The division closed the first RFA for the EPA WIIN Emerging Contaminant-Small Disadvantaged Communities (EC-SDC) grant program on January 31st. The program funds planning, design, and construction of projects to treat emerging contaminants. Four applications were received and, to date, one award has been made to South Adams County Water and Sanitation District for up to \$30 million for improvements to the Klein Facility WTP to treat PFAS/PFOA. The additional applications are in final review and awards are anticipated soon. Additional funding is available and a second RFA is expected to be released in June 2024. The grant information can be viewed on the division's [Water Quality Grants](#) webpage.





- The division is continuing its stakeholder efforts involved with removing fees from statute and into regulation under the authority of the Water Quality Control Commission. The process is progressing well and we hope to have a rulemaking hearing before the Commission in 2024 to place the Drinking Water and Commerce and Industry Clean Water sector fees in new Regulation 102. More effort is starting now to address needs around the permits backlog and new drinking water rules that would go to the Commission in 2025. The division has created a [webpage](#) to provide information and updates on the water quality fee setting effort.

2.2 Budget

- Nothing new to report

2.3 Legislative

- The Colorado General Assembly began its second regular session on January 10th.

2.4. Grants and Loans Unit Updates

- Nothing new to report

Pre-qualification Meetings 1/11/2024 - 2/28/2024			
Entity	Date	Estimated Project Cost	Program
Clifton Sanitation District	1/22/2024	\$3,000,000	WPCRF

3. Safe Drinking Water Program

3.1. Project Reporting

- Nothing new to report

3.2. Source water protection

- The following source water protection grants were awarded during the current reporting period.
 - Mt Elbert WA was issued a \$5,000 source water protection planning grant.
- Colorado Rural Water Association (CRWA) continues to work on source water protection planning and Wildland Fire Decision Support (WFDSS) projects. The Division has approved and awarded funding for CRWA's request for proposal (RFP) application for continuing source water protection activities through December 31, 2027. The new contract began on January 1, 2024 and the work plan will be implemented through December 31, 2024. The current contract amount is \$263,410 per year and will be renewed annually with consideration of available funding.

3.3. Coaching and training

- The team provided the following group training events:

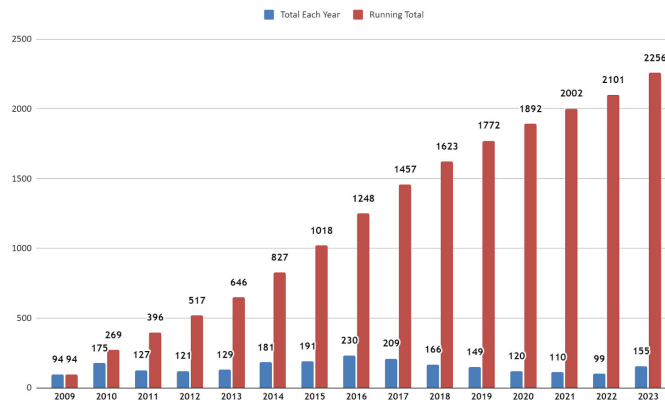




Training Title	Date of Delivery	Location	Water Professionals in Attendance	Public Water Systems represented
MORC	1/10/24	Webinar	43	21
LCRR	1/11/24	Webinar	34	18
SSP	1/24/24	Windsor, CO	21	10
Total year to date	Calendar year 2024	Colorado	98	49

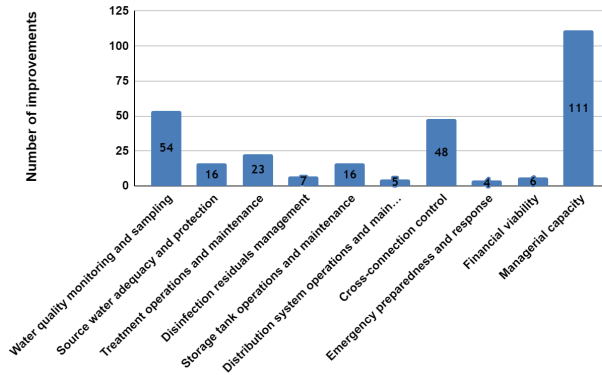
Please note the above acronyms are representative of the following training titles:
 MORC - Monitoring and Operating for Regulatory Compliance (includes mandatory regulatory training)
 LCRR - Lead and Copper Rule Revision
 SSP - Sanitary Survey Preparation

- Unit staff met and corresponded with a relatively new drinking water compliance specialist to provide subject matter expertise on the various aspects of the facility operator certification program, including how to respond to a facility owner’s questions related to the duties and responsibilities of its ORC.
- Unit staff continued to facilitate the MRT subcommittee on behalf of the WWFOCB regarding potential updates or revisions to Board Guidance 19-1, Guidance for Mandatory Regulatory Training, and its associated slide decks (or Minimum Required Course Content, MRCC). The subcommittee’s first meeting took place on November 14, 2023, the second meeting took place on January 31, 2024, and its third meeting is scheduled for March 7, 2024. Unit staff published an Aqua Talk article on the new OpCert TU Matrix in February 2024.
- The 2023 annual running monthly average is 81% of all systems that received one-on-one assistance are making at least one improvement.
- Total coaching and training events:





- 2023 improved performance as a result of assistance:



4. Clean Water Program
4.1. 2024 WPCRF Projects Budget

Project	Contract Amount	Balance
CRWA - Source Water Protection	\$150,000.00	\$150,000.00
Lab - Measurable Results Program	\$100,000.00	\$100,000.00
CSU E-rams	\$113,000.00	\$113,000.00
USGS trend study	\$25,000.00	\$25,000.00
North Front RWQPA	\$25,000.00	\$25,000.00
Northwest CO COG	\$25,000.00	\$25,000.00
Pikes Peak ACOG	\$25,000.00	\$25,000.00
Pueblo ACOG	\$25,000.00	\$25,000.00
ERG contract- Macroinvertebrate Sampling	\$50,000.00	\$50,000.00
ERG contract - Field Sampling	\$50,000.00	\$50,000.00
ERG contract- Temperature	\$50,000.00	\$50,000.00
Hydros	\$50,000.00	\$50,000.00
Groundwater Monitoring RFP	\$50,000.00	\$50,000.00
Aquatics Associates	\$15,000	\$15,000
DSV Support	\$100,000.00	\$100,000.00
Left Hand Watershed Center	\$100,000.00	\$100,000.00
Total	\$953,000	\$953,000



2023

ANNUAL PROJECT REPORT



Water Quality Control Division



Foreword

Annual report

The Water Quality Control Division of the Colorado Department of Public Health and Environment is pleased to submit the Colorado Water Resources and Power Development Authority annual project report for the period of January 1, 2023 through December 31, 2023. This report covers all projects funded through the Water Quality Control Division's 2023 Colorado Water Resources and Power Development Authority budget. This annual report is due by March 1 of each year.



Nicole Rowan, Director
Water Quality Control Division
Colorado Department of Public Health and Environment
March 1, 2024



Executive Summary

2023 CWRPDA projects

The State of Colorado receives federal funding for water and wastewater infrastructure projects within two state revolving loan funds (SRF), the Water Pollution Control Revolving Fund and the Drinking Water Revolving Fund. The agencies that have responsibility for administering the SRFs are the Water Quality Control Division (division) within the Colorado Department of Public Health and Environment (CDPHE), the Colorado Water Resources and Power Development Authority (Authority), and the Colorado Department of Local Affairs (DOLA), collectively the SRF agencies.

Outside of providing subsidized financing to eligible entities, the funds can also be used to further public health and environmental priorities. This report illustrates how the State of Colorado has used administrative fees from the funds to help advance these priorities by providing an overview of each clean water and drinking water project funded through this source. The division also works to leverage other funding sources and partners in order to move the needle further with respect to water priorities. As a result, there are a number of projects in this report that have received additional funding through other sources such as Environmental Protection Agency (EPA) Clean Water Act Section 319 Nonpoint Source grant funding, Colorado Parks and Wildlife, the Department of Natural Resources, etc. The division's leveraging of these SRF funds for nonpoint source work is particularly important because national Section 319 guidance encourages states to utilize SRF funds for nonpoint source projects in order to maximize state investments in on-the-ground nonpoint source implementation projects that result in water quality improvements.

Shared mission statement

The mission of the Colorado State Revolving Funds and SRF agencies is to actively target and allocate affordable resources to projects and initiatives that result in benefits to public health, the environment, and communities in Colorado while maintaining perpetual, self-sustaining revolving loan fund programs. The SRF agencies are dedicated to providing affordable financing to systems by capitalizing on all available funds to address high priority water projects related to public health and water quality issues and to communities for projects they need and support. The SRF agencies will manage the funds in a manner that provides benefits for current and future generations.

Table of contents

2023 annual project report



This document contains interactive navigation for your convenience. Click on the footer or page number from any page to return to this table of contents page.

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Program focus & terms

Clean water projects focus on maintaining and improving the water quality of Colorado's rivers, lakes, and streams. Projects utilize regulatory tools that help identify and mitigate threats to water quality. Tools range from incentive programs, advance planning for prevention, and structured plans and limits for contaminants that threaten the quality of Colorado's waterways.

The safe drinking water program works to ensure that visitors and residents in Colorado always have clean and safe drinking water. The Water Quality Control Division aims to prevent waterborne disease and reduce public health risks from drinking water sources.

Statutory authority

Colorado's state-level governing act is the Colorado Water Quality Control Act, which outlines state water regulations under the Clean Water Act. The Clean Water Act is the primary federal law that governs water pollution nationwide, and the objective of this act is to restore and maintain the integrity of the nation's waters by preventing pollution. The act is administered by the EPA in coordination with state governments. The division's clean water program develops and implements water quality classifications and standards for surface water and groundwater under the Colorado Water Quality Control Act and the Clean Water Act.

Nonpoint source program

Unlike pollution that makes its way to waterbodies through pipes and other conveyances from sources such as wastewater treatment plants or stormwater in permitted urbanized areas, nonpoint source (NPS) pollution occurs when rainfall or snowmelt running off over land and through the ground carries pollutants from many diffuse sources to waterbodies.

Nonpoint source pollution is not regulated in this state. Instead of utilizing regulatory mechanisms such as discharge permits, the state provides funding assistance to local communities to voluntarily address nonpoint source pollution. One of the sources for this funding assistance is an EPA Clean Water Act Section 319 Nonpoint Source grant that the state receives annually. In addition to the Section 319 Nonpoint Source grant, the state leverages other funding streams and local matching funds to maximize the water quality improvement achieved through this incentive-based approach to reducing nonpoint source pollution.

Nonpoint source activities focus on local priorities that are identified in watershed plans. These watershed plans are required in order to utilize EPA Clean Water Act Section 319 grant funds in the most effective way for on-the-ground nonpoint source pollution reduction projects. Nonpoint sources of pollution are usually addressed using a combination of best management practices (BMPs) such as fencing and re-vegetation along a stream bank, education of local communities about opportunities to reduce nonpoint source pollution, and outreach to engage as many people as possible in promoting water quality improvement activities. This voluntary, practice-based approach empowers local communities to find solutions to address local water quality nonpoint source impacts.

Program focus & terms



Total maximum daily loads (TMDLs)

The Clean Water Act requires states to create a list of impaired waterbodies that do not meet water quality standards. This list is called the 303(d) list and is reviewed and approved by the Water Quality Control Commission and the EPA. The list is updated every two years.

A total maximum daily load (TMDL) is the maximum amount of a pollutant that a waterbody can receive and continue to meet water quality standards. Developing a TMDL is one way for a waterbody to be removed from the 303(d) list. TMDLs are usually developed for one particular part of a waterbody, though it can be an entire river or lake. They are only set for pollutant(s) that exceed water quality standards (such as zinc, selenium, or sediment).

Colorado Water Resources and Power Development Authority funded programs

PROGRAM LINE	TOTAL APPROPRIATION	2023 EXPENDED
Program Priority Projects	\$ 1,300,000	\$ 1,250,242
Disaster Support / Contingency	\$ 200,000	\$ 131,211
Drinking Water Excellence Program	\$ 150,000	\$ 150,000
TOTALS	\$ 1,650,000	\$ 1,531,453

Program priority project – disaster/contingency

East Troublesome Fire Willow Creek

Background

The East Troublesome Fire burned over 193,000 acres in Grand, Jackson, and Larimer Counties during October 2020 and affected a significant part of the watersheds in the Northern Water Colorado-Big Thompson Project collection area. Because of this, large areas in the region became vulnerable to intensive flooding and erosion issues because burned landscapes are less capable of buffering such events.

Through this project, Northern Colorado Water Conservancy District and the U.S. Forest Service (USFS) are working to address the effects of the fire on National Forest System land. They are collaborating on projects like stream restoration and infrastructure replacement/improvement, including head-cut stabilization, low-tech restoration, culvert replacements, and bank stabilization. This project helped Northern Water and the USFS plan and carry out projects to restore watersheds after the fire and protect areas at risk from floods, erosion, sediment, debris, and water quality problems.



Stillwater repair construction



Stillwater washout

Accomplishments

Using this funding, the group repaired a road that had been damaged and restored a stream channel by replanting willows along the banks. Further, this funding paid Matrix Design Group to develop two concept plans for future stream and wetland restoration work and to develop a Watershed Assessment of River Stability and Sediment Supply draft report, which illustrates predicted erosion rates for each stream type and identifies priority project areas for stream and watershed restoration. Preliminary results highlight predicted erosion rates for each stream type and identify priority project areas for stream and watershed restoration.

CONTRACTING PERIOD

June 2023 to December 2023

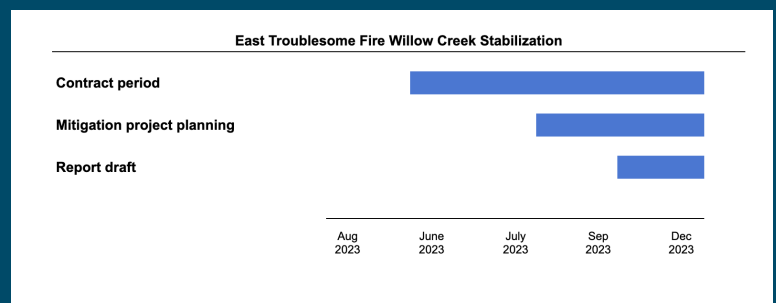
CONTRIBUTORS

Northern Colorado Water Conservancy District

PROJECT COST \$ 155,000

2023 FUNDS EXPENDED \$ 131,211

BUDGET BALANCE \$ 23,789



Program priority project – nonpoint source

eRAMS modules maintenance and development

Background

This project is to maintain the internet-based, readily accessible Environmental Risk Assessment and Management System (eRAMS). This system houses watershed-based assessment and nonpoint source management tools that support planning, prioritization of resources, assessment, and implementation decisions.

Additionally, eRAMS helps partners, stakeholders, and division staff coordinate and evaluate up-to-date information using common and shared approaches.

Accomplishments

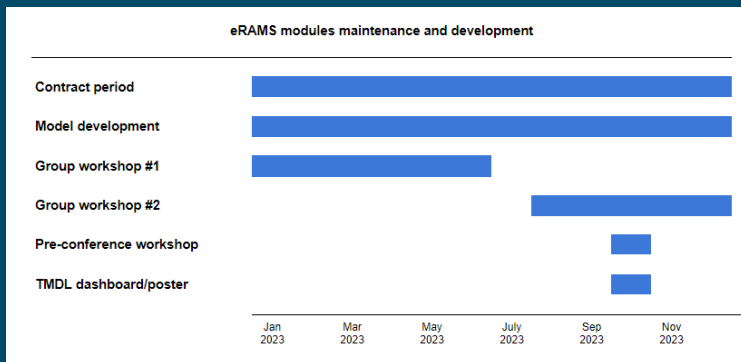
This project developed several dashboards to improve efficiency and easy access to data. This allows the division staff and the stakeholders to produce transparent and efficient water quality analysis/products.

The continued maintenance of dashboards helps the division pull the most up-to-date data from several state and federal databases to produce water quality data analysis.

Constituent	Chronic	Acute	Water Supply	Agriculture (TREC)	Existing Quality	# of Samples (n)	Acute	Acute Max	Summary Stat.
Ag-D	0.153	4.137	NS	NS	N/A	N/A	N/A	0	0.85
Ag-T	NS	NS	100	NS	N/A	N/A	N/A	0	0.5
Al-D	NS	NS	NS	NS	N/A	N/A	N/A	0	0.85
Al-T	861.015	NS	NS	NS	N/A	N/A	N/A	0	0.5
As-D	150	340	NS	NS	N/A	N/A	N/A	0	0.85
As-T	NS	NS	0.02	100	N/A	N/A	N/A	0	0.5
Be-D	NS	NS	NS	NS	N/A	N/A	N/A	0	0.85
Be-T	NS	NS	4	100	N/A	N/A	N/A	0	0.5
Boron-T	NS	NS	NS	750	N/A	N/A	N/A	0	0.5
Ca-D	0.98	2.641	NS	NS	N/A	N/A	N/A	0	0.85
Ca-T	NS	NS	5	10	N/A	N/A	N/A	0	0.5
Chlor-A	NS	NS	NS	NS	N/A	N/A	N/A	0	0.85
Chloride-T	NS	NS	250	NS	N/A	N/A	N/A	0	0.85
Chlorine-T	0.011	0.019	NS	NS	N/A	N/A	N/A	0	0.85
Cr-D	11	16	NS	NS	N/A	N/A	N/A	0	0.85
Cr-T	11	16	50	100	N/A	N/A	N/A	0	0.85
Cr3-D	104.042	799.827	NS	NS	N/A	N/A	N/A	0	0.85
Cr3-T	NS	NS	50	100	N/A	N/A	N/A	0	0.5
Cr6-D	11	16	NS	NS	N/A	N/A	N/A	0	0.85
Cr6-T	11	16	50	100	N/A	N/A	N/A	0	0.85
Cu-D	12.758	19.853	NS	NS	N/A	N/A	N/A	0	0.85
Cu-T	NS	NS	1000	200	N/A	N/A	N/A	0	0.5
Cyanide-T	NS	0.005	0.2	0.2	N/A	N/A	N/A	0	0.85

Figure 1: TMDL Tool and Reporter Dashboard

- **TMDL Dashboard:** Used for developing TMDLs to restore water quality (Figure 1)
- **CO WATR Dashboard:** Automates water quality assessment and listing processes.
- **Low Flow Dashboard:** Calculates low flow for permitting purposes.
- **Irrigated Lands Coverage (Western Colorado):** Essential for comprehensive data analysis and modeling at the statewide level.



CONTRACTING PERIOD

January 2023 to December 2023

CONTRIBUTORS

Colorado State University

TOTAL PROJECT COST \$ 90,000

2023 FUNDS EXPENDED \$ 90,000

BUDGET BALANCE \$ 0

Program priority project – nonpoint source

Watershed planning support

The division works closely with local communities to develop and implement the Environmental Protection Agency's nine-element watershed-based plans. These plans evaluate nonpoint sources of pollution in areas across the state that are experiencing or are expected to experience growth. Water quality impacts in these areas have the potential to be significant, and the planning stages for future growth are the best times to address future impacts.

Developing watershed plans is an important step in identifying how to improve water quality impacted by nonpoint sources of pollution. These plans are also required when local communities request project funding assistance through the nonpoint source program, which supports implementing best management practices to address nonpoint source pollution. Funding assistance from the nonpoint source program focuses on voluntary, non-regulatory actions. Considering many factors is important when evaluating where to develop a nonpoint source watershed plan and prioritize projects.

Accomplishments

North Front Range Water Quality Planning Association (NFRWQPA)

NFRWQPA is working with RESPEC to develop its watershed-based plan and began gathering pre-existing water quality data to meet the nine required elements. The group expects to complete the draft plan in September 2024.

Northwest Colorado Council of Governments (NWCCOG)

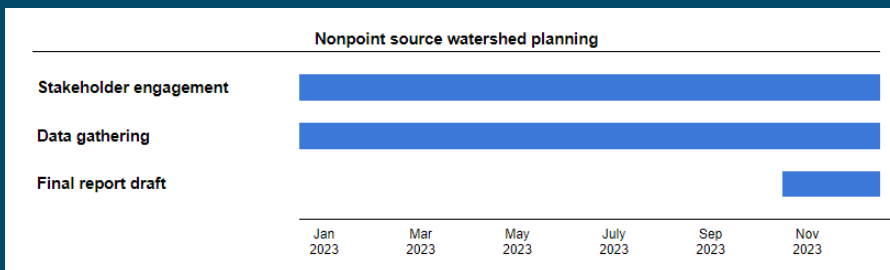
NWCCOG created a nonpoint source assessment that outlines the prioritization of types of NPS pollution, NPS pollutants, and a list of priority implementation measures that will help shape their watershed-based plan and future NPS project funding requests to the division. Building on the nonpoint source assessment completed in 2022, the Northwest Colorado Council of Governments identified causes and sources of pollution, described management measures, and developed an information and education component. They made factsheets with this information and worked with stakeholders to better understand concerns about newly adopted nutrient standards.

Pueblo Area Council of Governments (PACOG)

PACOG worked with stakeholders such as the Environmental Policy Advisory Committee, CSU extension, the division, and the Colorado Department of Agriculture to develop the EPA 9-element Watershed-Based Plan. They completed a final sampling analysis plan for anticipated water quality sampling activities through 2025.

Pikes Peak Area Council of Governments (PPACG)

In 2023, the Pueblo Area Council of Government continued to engage with stakeholders, analyzed nonpoint source pollution sources, and identified impaired stream segments in El Paso, Park, and Teller counties. The group will continue to evaluate and update their current watershed plan and work to address sources of *E. coli* in the Monument and Fountain Creek watersheds.



CONTRACTING PERIOD

January 2023 to December 2025

CONTRIBUTORS

NFRWQPA, NWCCOG, PACOG, PPACG

TOTAL PROJECT COST \$ 100,000

NFRWQPA FUNDS \$ 25,000

NWCCOG FUNDS \$ 24,638

PAOCG FUNDS \$ 25,000

PPACG FUNDS \$ 24,979

BUDGET BALANCE \$ 383

Program priority project – nonpoint source

Setting up baseline conditions for Lidar

Background

The goal of this project is to understand the effectiveness of best management practices (BMPs) in reducing post-wildfire nonpoint source sediment mobilization in the Cameron Peak Fire burn area. In 2022, Big Thompson Watershed Coalition installed over 120 strategically positioned log structures, post-assisted log structures, and beaver dam analog hybrids in the Cameron Peak Fire burn area.

The coalition employed remote sensing imagery to establish the baseline conditions against which they could gauge the effectiveness of these BMPs in the future. They created digital elevations to capture the current sediment conditions. This information will help identify BMPs that effectively reduce post-wildfire flooding and retain sediment, thereby improving downstream water quality and protecting important infrastructure.



Figure 1. Series of Elk Creek log structures.

Accomplishments

Big Thompson Watershed Coalition captured several pictures and maps of the Cameron Peak Fire burn area and provided the results of the processed data/maps (Figure 2) to the division. This data provides baseline conditions for sediment and vegetation conditions within the floodplain of the project. The coalition will continue to monitor positioned log structures, post-assisted log structures, and beaver dam analog hybrids over the next few years to further understand the efficacy of these restoration techniques in a post-fire setting.

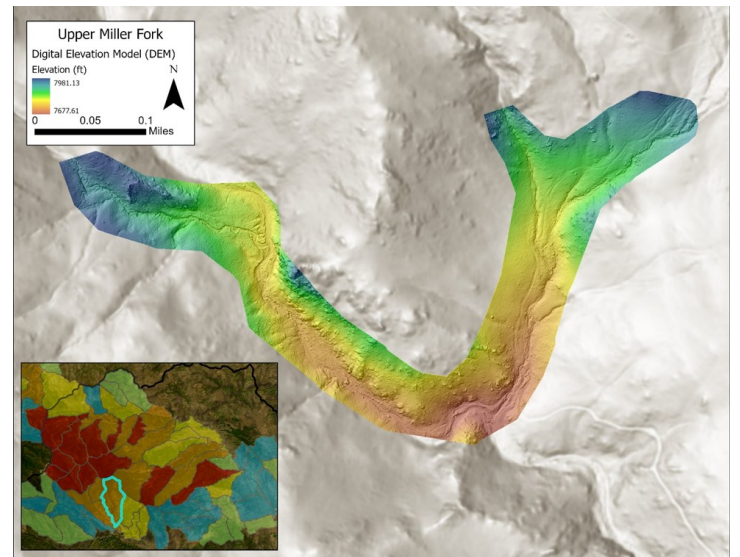


Figure 2. Upper Miller Fork Digital Elevation Map

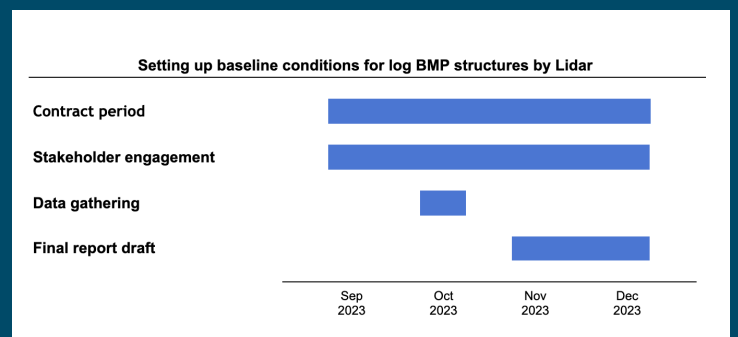
CONTRACTING PERIOD

September 2023 to December 2023

CONTRIBUTORS

Big Thompson Watershed Coalition

PROJECT COST	\$ 30,000
2023 FUNDS EXPENDED	\$ 30,000
BUDGET BALANCE	\$ 0



Program priority project – nonpoint source

Nonpoint source water quality marketing campaign

Background

This project informed and involved the public in reducing nonpoint source pollution that harms water quality. The campaign encouraged behavior changes everyone can adopt to address nonpoint sources of pathogens and nutrients.

The project suggested ways that people could change their behavior to protect water quality. The campaign used insights from 14 years of surveys about the public’s perceptions of water quality and was first tested on the West Slope. Lessons from this campaign will be used to expand the campaign statewide.

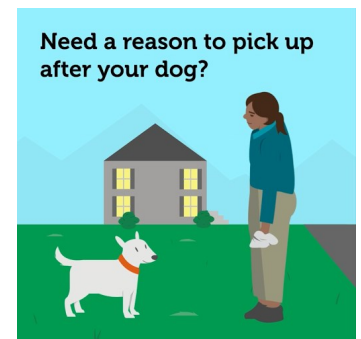


Nonpoint source pollution

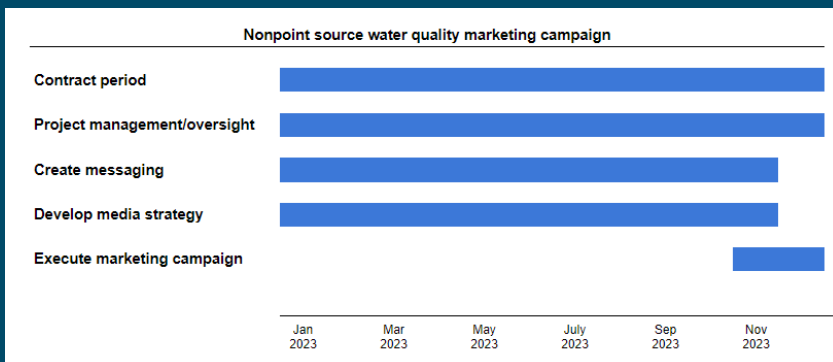
Accomplishments

The Water Quality Marketing Campaign project developed a variety of marketing tools and messages for the Nonpoint Source Program including:

- A strategy to help Coloradans become familiar with the term “runoff pollution” and attach primary drivers of this issue, specifically, dog waste (primary) and fertilizer (secondary).
- A campaign theme: “Be the solution to runoff pollution.”
- Key messages to promote nonpoint source pollution reduction priorities.
- A mascot.
- Preliminary billboard advertising content.
- Preliminary audio ad development.
- In-person event identification to share the mascot and messages.
- Swag items utilizing the mascot and messages.
- Tent/table skirts/banners that showcase the mascot and messages.
- Digital ad creative development and a website landing page.
- Initial digital advertising campaign in specific Western Slope communities.



Preliminary results from the digital advertising campaign will be available in spring 2024, and the Nonpoint Source Program will evaluate next steps.



CONTRACTING PERIOD

January 2023 to December 2023

CONTRIBUTORS

Philosophy Communications

PROJECT COST \$ 112,000

2023 FUNDS EXPENDED \$ 111,585

BUDGET BALANCE \$ 416

Program priority project – standards support

Species distribution modeling and preliminary sampling

Background

In 2013, the EPA updated the water quality criteria for ammonia. The changes consider new data on how ammonia impacts various species, especially freshwater mussels. These new criteria may require that existing facilities meet more stringent ammonia permit limits. The EPA acknowledges that these new standards may be too strict for waters without ammonia-sensitive species. Therefore, states have the flexibility to set specific criteria if mussels are not present. It's crucial for the division to understand the ecology and distribution of freshwater mussels in Colorado. This understanding will help us establish protective water quality standards and apply the updated criteria effectively, ensuring the conservation of these rare species.



Boyd Lake State Park



Live giant floater mussel at Boyd Lake State Park

Accomplishments

In March 2021, the Colorado Natural Heritage Program (CHNP) began the first phase of this project. They examined records, gathered information about freshwater mussels in Colorado, and identified how three mussel species in Colorado relate to the species the EPA uses to set national recommendations.

In 2023, CHNP conducted field surveys from Boulder to Fort Collins at historically known observation sites. They observed live mussels and weathered shells at four locations and finalized a comprehensive report in September 2023 that provides essential insights for understanding freshwater mussel habitats in Colorado.

CONTRACTING PERIOD

March 2021 to September 2023

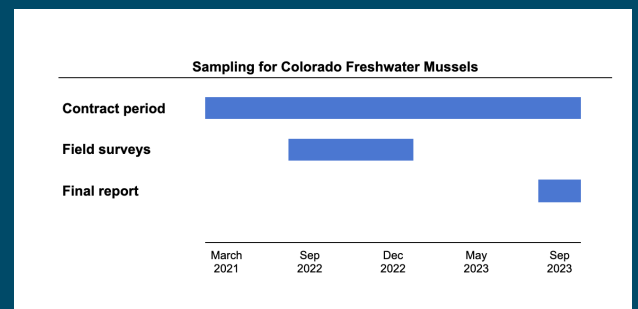
CONTRIBUTORS

CSU/CNHP

PROJECT COST: \$ 7,965

2023 BUDGET EXPENDED \$ 7,501

BUDGET BALANCE \$ 464



Program priority project – standards support

Arsenic and selenium

Background

This project examines the levels of arsenic and selenium in fish in Colorado’s waters. Elevated levels of selenium and arsenic in fisheries in Colorado will have impacts to human health or aquatic life. Different forms of arsenic can affect human health differently, and inorganic arsenic is more harmful to humans than organic arsenic. Eating freshwater fish could be a significant source of inorganic arsenic for humans. One purpose of this study is to assess the proportion of inorganic arsenic to total arsenic in the fish.

In 2016, the EPA developed revised recommended selenium standards based on the selenium levels in fish. This project also assesses selenium levels in fish throughout Colorado to see how levels compare to EPA’s recommended limits. This project will use the measured levels in fish to revise the standards for arsenic and selenium in water and fish tissue, aiming to protect aquatic life and water quality in Colorado.

Accomplishments

In 2023, the division gathered 47 fish tissue samples from 16 lakes and five streams. Brooks Applied Labs analyzed the samples. An initial analysis of the data suggests that inorganic arsenic typically comprises less than ten percent of the total arsenic present in the collected fish tissue samples.

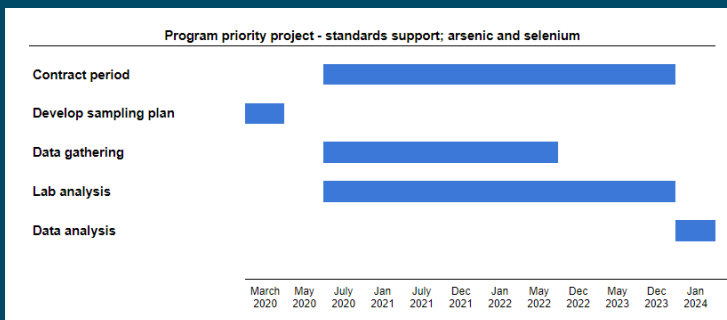
Similarly, the selenium data indicate that selenium concentrations in fish generally fall below the EPA’s recommended limit set in 2016. Out of the 162 fish tissue samples collected between 2020 and 2023, only eight exceeded the recommended threshold. The division plans to continue analyzing the arsenic and selenium results after completing the 2023 sampling season. These findings will be crucial for updating the standards for arsenic and selenium levels in Colorado waters.

SELENIUM

Is an essential element that occurs naturally in terrestrial and aquatic ecosystems. Elevated levels of selenium can be highly toxic to aquatic life and aquatic-dependent wildlife. Selenium is transferred through food chains and accumulates in the wildlife bodies. It can then be transferred through egg-laying vertebrates (i.e., fish and birds).



West Lime Creek



CONTRACTING PERIOD

July 2020 to December 2023

CONTRIBUTORS

Misc Travel Equip Shipping
Brooks Applied Lab

PROJECT COST

Misc Travel Equip Shipping \$ 15,200
Brooks Applied Lab \$ 14,500

2023 BUDGET EXPENDED

\$ 21,603

BUDGET BALANCE

\$ 8,097

Program priority project – standards support

Discharger-specific variance

Background

There are a number of small and disadvantaged communities in Colorado with lagoon wastewater treatment plants that cannot feasibly achieve water quality-based effluent limits for pollutants such as ammonia, total inorganic nitrogen, and selenium. One option for these plants is to request relief from more stringent effluent limits by evaluating available options and proposing an alternative standard or variance, called a discharger-specific variance (DSV). The goal of the package is to complete an in-depth evaluation of the wastewater treatment plants inventory in order to identify small community, lagoon-based treatment systems that need and would qualify for regulatory relief using the package as a compliance solution.

Using the wastewater treatment plant’s inventory, the division identified small communities with lagoon-based treatment that could benefit immensely from a DSV. This encompassed facilities that would otherwise need to completely overhaul the treatment process by replacing a lagoon with a mechanical plant, which would cost approximately \$4 million to upgrade. The division has since developed a proposal submitted to the Water Quality Control Commission that justifies using a DSV for numerous small and disproportionately impacted communities.



La Junta

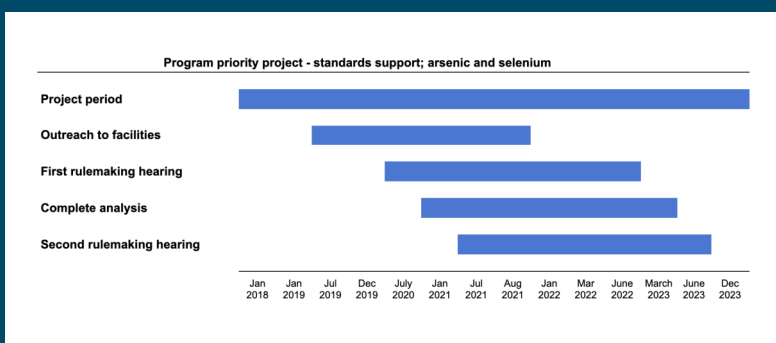
Accomplishments

This project is ongoing. The division regularly checks wastewater treatment plants across Colorado to find more candidates for discharger-specific variances. This helps small and disadvantaged communities that might struggle to meet rules without some flexibility.

As of 2023, there are a total of 11 active discharger-specific variances. In October 2023, the division reviewed three packages to review and continue existing DSVs, two of which were for small and disadvantaged communities: Las Animas and La Junta. The division worked in collaboration with these communities to present a case before the

Water Quality Control Commission, demonstrating incremental improvements in water quality. As a result, the commission retained the DSV for each community.

In addition to working directly with wastewater treatment plants, the division also works with partner agencies like EPA and Colorado Parks and Wildlife to create tools for evaluating lagoon treatment systems in Colorado. These tools, ongoing projects, and workgroups will provide more data on how small and disadvantaged communities can benefit from discharger-specific variances. This work will allow the division to help small and disadvantaged communities closely and broadly, improving water quality as much as possible.



CONTRACTING PERIOD

January 2023 to December 2023

CONTRIBUTORS

DSV Project Support

PROJECT COST \$ 53,371

2023 BUDGET EXPENDED \$ 53,371

BUDGET BALANCE \$ 0

Program priority project – TMDLs

TMDL stakeholder outreach materials

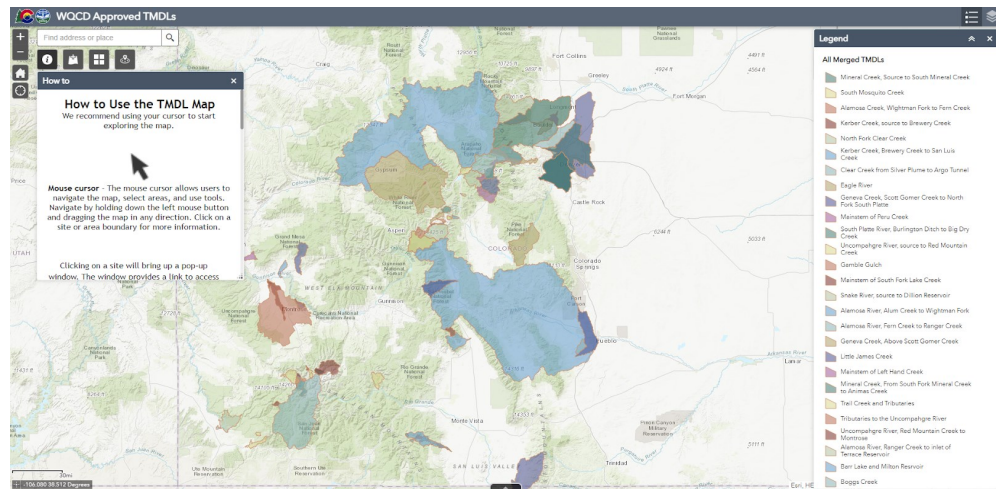
Background

When streams and lakes do not meet water quality standards, the Water Quality Control Commission identifies them as impaired on Colorado’s 303(d) list. The division’s Watershed Analysis and Implementation Support (WAIS) team develops watershed analyses to identify all pollutant sources and develop a pollutant budget called a Total Maximum Daily Load or TMDL, which identifies the maximum amount of a pollutant that a waterbody can receive and still meets water quality standards.

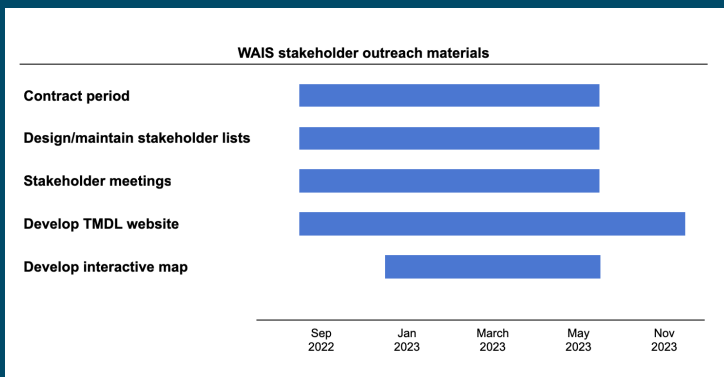
To ensure a TMDL is developed and implemented as effectively as possible, it is critical that the division engages with stakeholders throughout the process. In response to stakeholder requests, WAIS developed an interactive map and new website content to improve public understanding of water quality restoration.

Accomplishments

Through this project, the TMDL public outreach support contractor created an online map that the public can use easily. The contractor also developed new draft content for the TMDL website to improve public education and outreach about water quality restoration and TMDLs. The division will review and publish the final version of this content in 2024.



The TMDL public outreach support contractor developed a new system for managing stakeholder contact information and supported the TMDL workgroup lead with stakeholder outreach coordination. This included support for meeting agenda development, managing lists of stakeholder contacts, and sending emails and meeting invitations.



CONTRACTING PERIOD	
September 2022 to May 2023	
CONTRIBUTORS	
Job Store WAIS Stakeholder Outreach Support	
PROJECT COST	\$ 34,320
2023 BUDGET EXPENDED	\$ 34,320
BUDGET BALANCE	\$ 0

Program priority project – TMDLs

E. coli monitoring for TMDL development

Background

In this project, division partnered with Colorado State University to monitor *E. coli* and stream discharge in sections of the Cache La Poudre River. The division will use the data to develop technical analyses (called *E. coli* TMDLs).



Cache La Poudre River

Segments of the Cache la Poudre River exceed water quality standards for *E. coli*, which are in place to protect public health for people who recreate in these waters. To better understand how to protect these waterbodies, the division needs robust and credible data.

Because *E. coli* levels can change quickly, it is important to collect data often. The ultimate goal is to implement plans that keep these urban corridor streams safe for local communities.

Accomplishments

The goal is to develop plans for improving *E. coli* levels in impaired water bodies in the Cache la Poudre Basin. The contractor gathered water quality data from the Cache la Poudre River Basin for a period of two months. Fort Collins Wastewater Treatment Facility (Ft. Collins WWTF) analyzed the samples and sent the results to the division and Colorado State University.

During this time, the contractor:

- Implemented the division-developed sampling and analysis plan.
- Collected 235 water quality samples, including duplicate and field blank samples, to ensure data quality.
- Analyzed water quality samples for *E. coli*.
- Coordinated with the Ft. Collins WWTF laboratory for sample receiving.
- Collected field measurements at all sample locations.
- Collected flow measurements at select locations in accordance with the sampling and analysis plan.



Cache La Poudre River

CONTRACTING PERIOD

June 2023 to December 2023

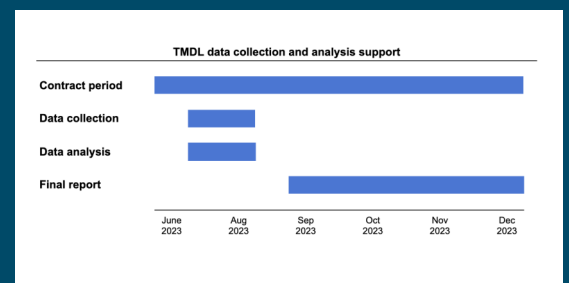
CONTRIBUTORS

Colorado State University
Ft. Collins WWTF

PROJECT COST \$ 66,570

2023 BUDGET EXPENDED \$ 66,570

BUDGET BALANCE \$ 0



Program priority project – TMDLs

Sensitivity and uncertainty analysis

Background

This ongoing project will study how certain factors affect the accuracy of a water quality model for the Lower Arkansas segment, COARLA01c. This segment covers the mainstem of the Arkansas River from John Martin Reservoir to the Colorado/Kansas border. This project will provide an understanding regarding how rainfall, water flows through the ground, and other factors affect the model's predictions of selenium loading. By understanding this, the division will determine how to manage these factors to reduce selenium concentrations in the area. This will also improve and fine-tune the model.



Lower Arkansas River

The results of this project will determine the confidence in the model's predictions. This will inform future decisions about how to use the model's results to address water quality issues in the Lower Arkansas River Segment COAR-LA01c.



Lower Arkansas River

Accomplishments

Colorado State University conducted a sensitivity analysis on 44 parameters using the PEST software program. The division concluded that hydrology (runoff, recharge), water management (irrigation, runoff), and selenium chemistry (oxidation of shale, chemical reduction of SeO_4) collectively control selenium levels in the Arkansas River and Buffalo Creek. To reduce selenium in the surface water network, addressing each of these system features is necessary.

CONTRACTING PERIOD

September 2023 to December 2023

CONTRIBUTORS

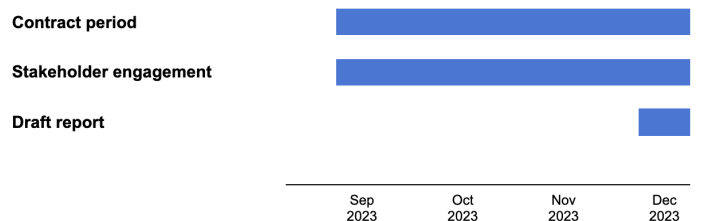
CSU Civil Engineers

PROJECT COST \$ 38,815

2023 BUDGET EXPENDED \$ 38,815

BUDGET BALANCE \$ 0

Sensitivity and uncertainty analysis for the Lower Arkansas selenium model



Program priority project – monitoring

Measurable results program

Background

The Measurable Results Program (MRP) is an ongoing, voluntary program that measures the improvement in water quality resulting from State Revolving Fund (SRF) capital improvement and funded nonpoint source projects. These projects include wastewater treatment plant upgrades and other projects addressing both point and nonpoint sources to improve water quality across the state. Participants in this program commit to working with the program manager and, sometimes, helping monitor water quality before and after construction projects.

Accomplishments

The following list includes projects that are currently included in this program.

City of Ouray wastewater treatment facility improvements (point source)

- Completed pre-construction sampling in May 2023.
- Anticipated project completion date for data analysis is 2025 or 2026.

City of Idaho Springs WWTP two treatment expansion (point source)

- Determining schedule for post-construction sampling. We will determine post-construction sampling.
- No active work in 2023 due to the post-construction treatment break-in period.

Telluride Valley floor post-mitigation sampling (nonpoint source)

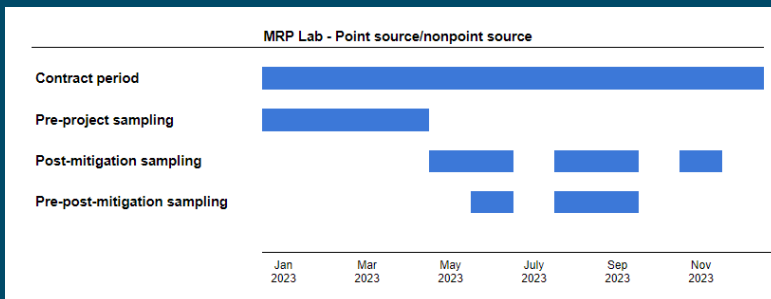
- Pre-mitigation sampling done several years ago.
- Conducted five post-mitigation sample events in 2023 near the Town of Telluride.
- Data shared with stakeholders in November 2023.
- Collaborative data MRP analysis and report expected in 2024.

Pre/Post mitigation sampling of streams impacted by abandoned mines (nonpoint source)

- Mix of pre- and post-mitigation sampling across four project areas in Chaffee, Park, Boulder, and Hinsdale Counties.
- Data shared with the Division of Reclamation Mining and Safety and U.S. Environmental Protection Agency in November 2023.



San Miguel Watershed Coalition staff collecting samples below Telluride



CONTRACTING PERIOD

January 2023 to December 2023

CONTRIBUTORS

Measurable Results Project (MRP) Lab Budget

IN-KIND FUNDING PARTNERS

- City of Ouray
- Mountain Studies Institute
- San Miguel Watershed Coalition
- Colorado Division of Reclamation Mining and Safety
- US Environmental Protection Agency

PROJECT COST

\$ 70,000

BUDGET BALANCE

\$ 0

Program priority projects – monitoring

Field sampling for benthic macroinvertebrate

Background

The division has collected biological and habitat data from various locations in Colorado to develop and maintain biological indices and thresholds aimed at identifying stressors affecting benthic macroinvertebrate communities.

These indices and thresholds serve as the basis for the division’s efforts to investigate the ecology of rivers and streams and its biological monitoring and assessment program, which evaluates biological conditions throughout the state.

When a waterbody is on the 303(d) list for benthic macroinvertebrates, and there is no clear pollutant causing the impairment, it is labeled as “provisional.” In these cases, the division must collaborate with others to conduct water quality monitoring and/or other studies to determine the cause of the impairment. This determination must occur within ten years of the provisional listing. If one or more pollutants are responsible for the impairment, the division will develop a TMDL for the provisionally listed waterbody.

BENTHIC MACROINVERTEBRATE

Macroinvertebrates are animals without backbones that are large enough to be seen with the naked eye. Benthic means “bottom dwelling.”

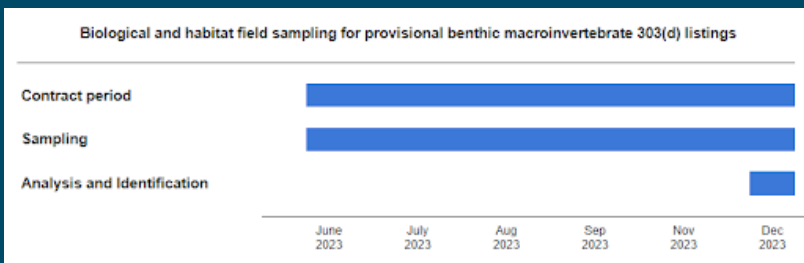


Benthic macroinvertebrates are small aquatic animals and the aquatic larval stages of insects. They include dragonfly and stonefly larvae, snails, worms, and beetles.

Accomplishments

By December 2023, the division finished sampling the Cochetopa Creek and Lake Creek watersheds. This sampling involved measuring water flow, collecting benthic macroinvertebrates, documenting habitats, collecting sediment data, and collecting organisms that live on submerged freshwater surfaces, called periphyton. The division sent the benthic macroinvertebrates samples to Aquatic Associates, Inc. and periphyton samples to BSA Environmental for analysis. PG Environmental (ERG) digitized the sediment data for the division and uploaded it into the sediment database for analysis. PG Environmental and the division reviewed the remaining provisional listings and have determined, where to focus sampling efforts in 2024.

Aquatics Associates, Inc. processed sorted, counted, and prepared 124 samples for identification by a certified taxonomist. They sent the results to the division in December 2023. The division will use this information to update Policy 10-1 (Aquatic Life Use Attainment Policy) and Policy 98-1 (Guidance for Implementation of Colorado's Narrative Sediment Standard), to perform assessments for Regulation 93 (303(d) list of Impaired waters) and resolve, provisionally qualified Aquatic Life use 303(d) listings.



CONTRACTING PERIOD

June 2023 to December 2023

CONTRIBUTORS:

PG Environmental (Provisional AQL)

PROJECT COST \$ 86,120

2023 BUDGET EXPENDED \$ 82,693

BUDGET BALANCE \$ 3,427

Program priority projects – monitoring

SonTek FlowTracker2, flow meter data collector

Background

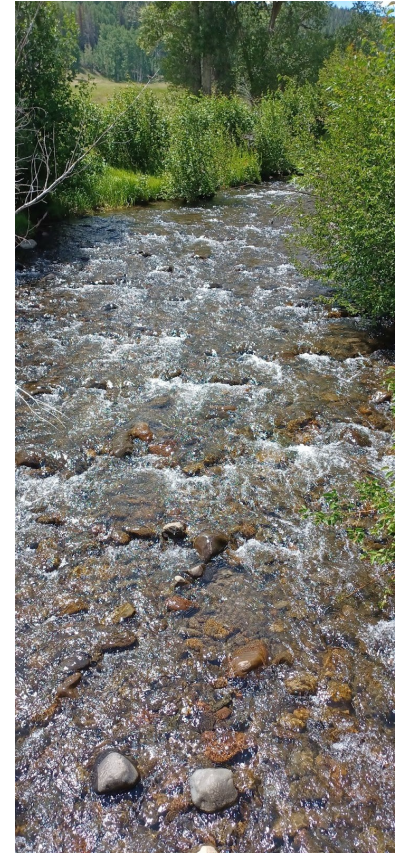
Macroinvertebrates are small animals without backbones that you can see without a microscope. Benthic macroinvertebrates are tiny water animals that are actually in the early stages of insects that do not live in water. Examples include larvae of mayflies, caddisflies, stoneflies, dragonflies, snails, worms, and beetles.

The standard operating procedure (SOP) for data collection to study benthic macroinvertebrates involved many steps and the collection of many types of data. One of the steps in this process is using a flow meter to determine how fast the water moves at a specific spot. The collection of flow data has traditionally required two people go into the field to measure and manually write down the flow. After returning from sampling, division staff then manually entered the data into a spreadsheet to calculate the flow.

The purchase of the SonTek FlowTracker2 now allows a more efficient way to gather flow information by allowing one person to operate it, perform flow calculations, and download flow data after sampling.



Big Union Creek



Castle Creek

Accomplishments

By December 2023, using the new flow meter, PG Environmental completed sampling in the Cochetopa Creek and Lake Creek watersheds. This involved measuring water flow, collecting benthic macroinvertebrates, documenting habitats, collecting sediment data, and collecting periphyton. The division sent the benthic macroinvertebrates and periphyton to the labs for analysis.

CONTRACTING PERIOD

August 2023 to June 2024

CONTRIBUTORS:

Xylem Analytics North America

PROJECT COST \$ 23,480

2023 BUDGET EXPENDED \$ 23,480

BUDGET BALANCE \$ 0



Program priority projects – monitoring

Routine monitoring support

Background

This project helps the division collect water quality on Colorado streams. The project includes the sampling of two to eight selected stream sites per trip. As specified, the sampling includes water chemistry, field measurements, and macroinvertebrate sampling. The sampling occurred bimonthly. Information collected from this project will support routine water quality data across the state.

Accomplishments

The project included the sampling of approximately 16 sites across the state. The sampling includes water chemistry, field measurements, and macroinvertebrate sampling. The sampling occurred from August through December. The division will use information from this project to provide information regarding the status of water quality in Colorado. The division may also use this data for the development of permits and the identification of impaired waters.



Taylor River



Division staff collecting water samples



Division staff collecting water samples

CONTRACTING PERIOD

August 2023 to December 2023

CONTRIBUTORS:

PG Routine Monitoring

PROJECT COST

\$ 43,000

2023 BUDGET EXPENDED

\$ 37,942

BUDGET BALANCE

\$ 5,058

Program priority projects – monitoring

Temperature monitoring

Background

Water temperature can significantly affect the diversity and health of the aquatic community and elevated water temperatures can be life threatening to fish and many aquatic species.

This project is ongoing. In the summer of 2022, PG Environmental installed temperature data loggers at six sites along the Arkansas River, eight sites along the Roaring Fork River, and ten locations along the Dolores River. These loggers will record the temperature of the water every 15 minutes. This project will continue to support the collection of continuous temperature data for waterbodies that don't meet water quality standards.

The 303(d) List of Impaired Waters includes 37 waterbodies with temperature issues. The temperature data will help the division determine why these waterbodies have high temperatures.



Dolores River

Accomplishments



The division purchased fifteen temperature data loggers (pictured left) from Onset Computer Corporation to help with gathering data for stream temperature analyses and research projects. Throughout 2023, the division installed these loggers in rivers and streams throughout the state. These loggers continuously collect temperature measurements at 15-minute intervals. This information helps studies investigate the extent and causes of temperature issues in rivers and streams in Colorado.

PG Environmental continues to maintain temperature data loggers at these locations. In the fall of 2023, PG installed new loggers at seven locations along the Big Thompson River and seven places along the St. Vrain Creek. They sent the temperature data they collected to the division in December 2023. The division will use this temperature data to support temperature studies that focus on determining the underlying causes of elevated temperatures in impaired rivers and streams in Colorado. This temperature monitoring project will carry on into 2024.

CONTRACTING PERIOD

January 2023 to December 2023

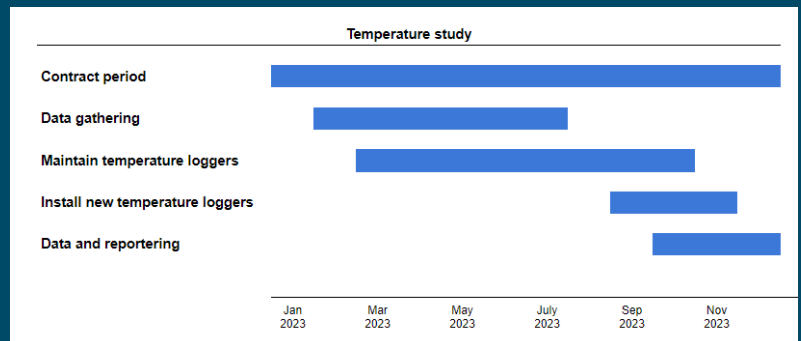
CONTRIBUTORS:

PG Environmental & Onset

PROJECT COST \$ 68,000

2023 BUDGET EXPENDED \$ 66,828

BUDGET BALANCE \$ 1,172



Program priority project – monitoring

Temperature studies

Background

This project helps the division understand the underlying causes of temperatures for rivers listed in the 303(d) list of impaired waters for temperature. The 303(d) list shows that 37 river segments are too warm, exceeding the standards meant to protect aquatic life. To protect the fish and aquatic community, the division is evaluating why these rivers do not meet water quality standards for temperature.

In 2023, the temperature study focused on the Big Thompson River and the St. Vrain Creek.

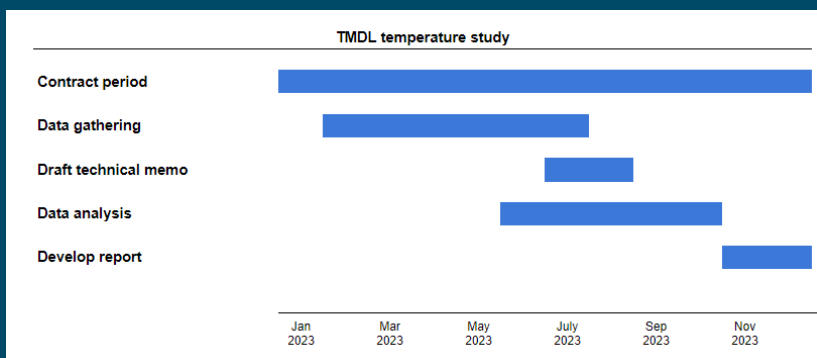
By discovering why these rivers are not meeting the temperature standards, the division can determine the best ways to restore the rivers and protect the fish and aquatic community.



St. Vrain Creek, PG Environmental staff photo

Accomplishments

Hydros Consulting Inc. evaluated the flow and temperature data the division provided for the Big Thompson River and St. Vrain Creek. Hydros then drafted a technical memo that identified data gaps and data collection recommendations to help guide future monitoring efforts for these rivers. The final report shares initial findings about how temperatures change in the Big Thompson River and St. Vrain Creek. Collecting more data will help the division understand these temperature changes better and determine the best ways to restore and protect the rivers from problems caused by high temperatures.



CONTRACTING PERIOD

January 2023 to December 2023

CONTRIBUTORS

Hydros Consulting Inc.

PROJECT COST \$ 50,000

2023 BUDGET EXPENDED \$ 49,427

BUDGET BALANCE \$ 527

Program priority projects – monitoring

Algae

Background

Periphyton is a group of tiny organisms that stick and grow on underwater surfaces, playing a crucial role in the food chain of streams and rivers and creating important habitat for other creatures. Various disturbances, such as physical changes, chemical shifts, and biological impacts, can affect periphyton because it grows on submerged surfaces.

Diatoms, an organism in the periphyton group, are especially helpful as ecological indicators. They are sensitive to environmental changes, grow quickly, and react to pollution. These characteristics make diatoms a valuable biological tool for checking and improving water quality.

Accomplishments

BSA Environmental Services gave the division 28 samples of diatoms to analyze. The division will study the results to determine what might be stressing benthic macroinvertebrates (aquatic animals without a backbone) in the watershed.



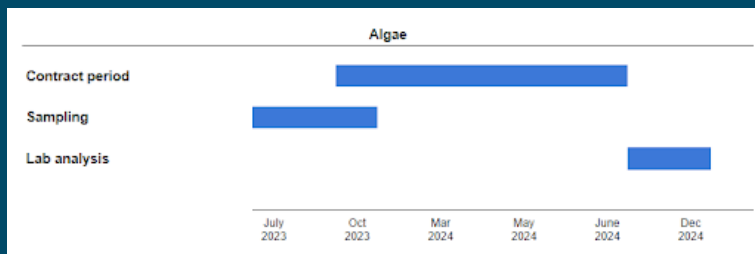
Blue green algae

Even though this data was initially collected for a specific study, it has other helpful purposes. This includes providing diatom information that can be used in the United States Geological Survey’s

regional multi-metric indices. These data will also add to the statewide collection of algae information, helping the division to make decisions about how we use and assess the health of streams in the state.



Van Tassel Creek



CONTRACTING PERIOD

October 2023 to June 2024

CONTRIBUTORS:

BSA Environmental Services, Inc.

PROJECT COST \$ 17,468

2023 BUDGET EXPENDED \$ 3,630

BUDGET BALANCE \$ 13,838

Program priority project – monitoring

Groundwater baseline study

Background

The purpose of this project is to sample and analyze groundwater samples in Colorado for 32 metals and radionuclides. These include radium and uranium, which occur naturally at low levels in soil, water, rocks, coal, and plants in Colorado. Colorado’s natural geology includes some areas with high mineral content and high uranium and radium.

This project helps the division gain a better understanding of how hydrologically connected groundwater could impact surface water in areas where we may expect to see radionuclides present. By conducting ambient monitoring of groundwater, the division will be able to gather baseline data regarding background conditions of radionuclides and metals in groundwater in Colorado. This information will help Coloradans make informed decisions regarding the care and use of groundwater in these state regions.

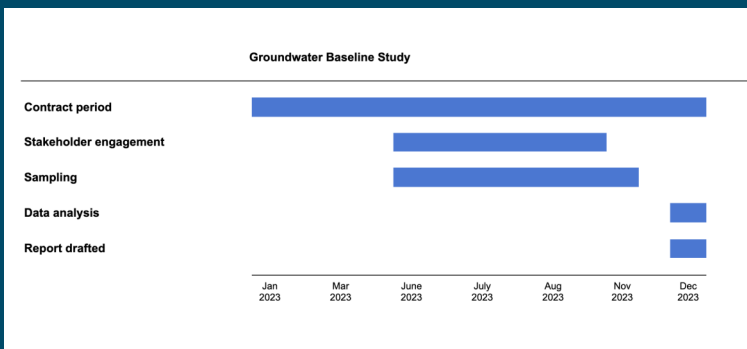
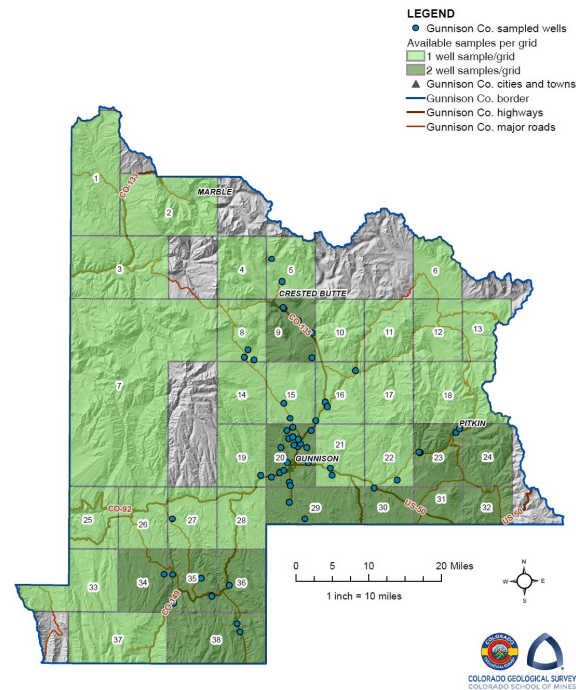
Accomplishments

The Colorado Geological Survey worked with local health departments and connected with communities to find volunteers for water sampling in Gunnison County. Volunteers agreed to follow the Colorado Geological Survey’s instructions and use the provided kits to sample water from their wells. This year’s (2 of 5) sampling effort initially involved 50 samples, but the division was awarded additional funding on August 1, 2023, which allowed for an expansion to 87 samples.

Eurofins analyzed 86 water samples for this project and reported the results to the Colorado Geological Survey. These results will help the division determine hydrologic connections between groundwater and surface water in Colorado and allow the division to establish baseline data on the natural levels of radionuclides and metals in Colorado’s groundwater.

Colorado Geological Survey shared the results of the water testing and also used the data to base their sampling annual report. This data helps the division fill in existing gaps in its groundwater data and make informed choices about the responsible use and management of groundwater in these specific regions of the state.

Colorado Geological Survey provided the division with 32 maps to help the understand the distribution of naturally occurring levels of metals and radionuclides in groundwater to better understand source water.



CONTRACTING PERIOD

January 2023 to December 2023

CONTRIBUTORS

School of Mines/CO Geological Survey/Eurofins

PROJECT COST \$ 104,346

2023 BUDGET EXPENDED \$ 103,144

BUDGET BALANCE \$ 1,203

Program priority projects – monitoring

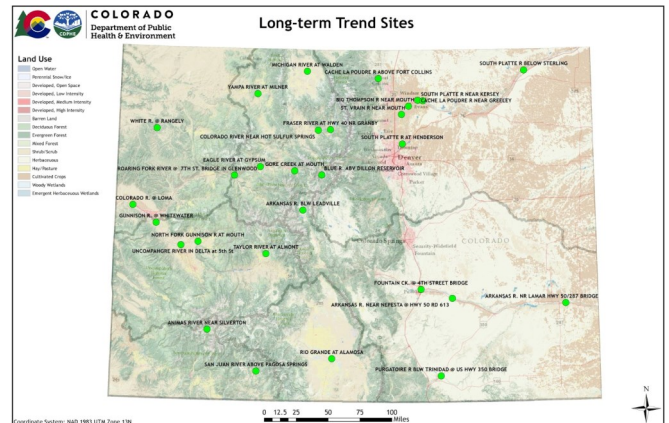
Water quality trends analysis

Background

In 2012, the division established a long-term network to sample water quality at 29 stream sites, covering all major river basins in the state. Every two months, we collected and analyzed samples for various factors. The primary goal is to understand trends in water quality and quantity at these locations. The final product of this work will be a defensible foundation used to assess if water quality is getting better because of new standards and regulations. It may also identify other stressors, such as climate change and changes in land use, that may be affecting water quality.



Gunnison River above Whitewater



Locations of 29 trend sites sampled since 2012.

Accomplishments

Working closely with division staff, the United States Geological Survey gathered and studied water quality and streamflow data from the division and the United States Geological Survey databases for the 29 sites. The analysis covered major and minor ions, nutrients, total dissolved solids, and selected trace metals. In 2023, the United States Geological Survey thoroughly checked the data for quality control and quality assurance, identified outliers, and conducted exploratory data analysis. This analysis identified a subset of 17 parameters that might show trends across the 29 sample locations. Going forward, the United States Geological Survey plans to investigate and publish correlations between these trending parameters and potential influences within the watershed in a peer-reviewed United States Geological Survey Scientific Investigations Report.

CONTRACTING PERIOD

January 2023 to December 2023

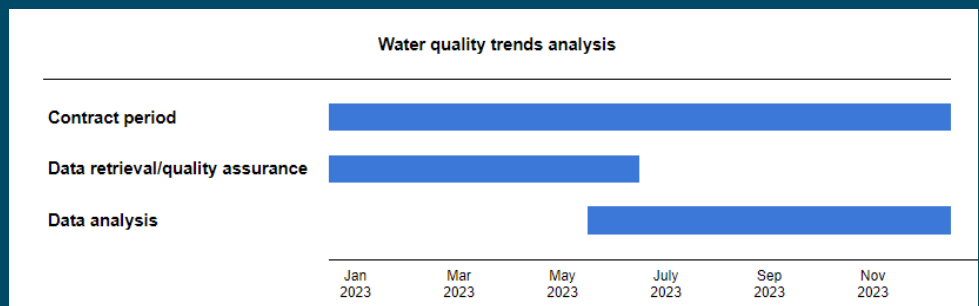
CONTRIBUTORS:

U.S. Geological Survey

PROJECT COST \$ 60,000

2023 BUDGET EXPENDED \$ 60,000

BUDGET BALANCE \$ 0



Program priority projects – source water

Extended source water protection plan implementation

Background

Source water protection plans have been substantially implemented since 2008. The division prioritizes local community drinking water protection efforts and has technically and financially supported source water protection plans since 2008.

One significant statewide risk to public water systems is wildfire and the post-fire implications to water quality and drinking water operations. This project enables the division to enhance the extensive community based programs, identify and prioritize critical public water system infrastructure at risk, assist in protecting and restoring watersheds, and integrate these local community planning efforts with wildland fire emergency operations (as practical).

This project aims to continue source water protection and watershed planning efforts with Colorado Rural Water Association (CRWA). These enhanced source water protection planning collaborative efforts have a direct connection to watershed protection efforts. The project leverages existing statewide protection planning partnerships to facilitate watershed restoration and protection, protect watershed health and drinking water sources, and to further implement local and rural protection plans.

Accomplishments

The number of substantially implemented protection plans on a In 2023, the statewide number of protection plans that have been significantly put into action increased by 2.4 percent. In 2023, the division reported 257 of these substantially implemented plans, compared to 251 in 2022. The division communicates this information to the Region 8 EPA through the annual Performance Accountability Report.

Completed Analyses

Many critical water system infrastructure components were evaluated throughout 36 water systems.

- City of Canon City
- Town of Estes Park
- Pinon Pines Property LLC
- Wildcat Ranch
- Roxborough WSD
- Genessee WSD
- Spring Valley Mutual Water Association
- Town of Morrison
- City of Loveland
- San Souci Cooperative
- Town of Ridgway
- Telluride Pines HOA
- Town of La Veta
- Divide Water Providers Inc.
- Winter Park Ranch WSD
- Valley at Winter Park
- Town of Crested Butte
- Homestead Water Company
- Cragmont Water Company
- Evergreen Metro District
- Town of Hot Sulphur Springs
- Town of Kremmling
- Allenspark WSD
- Meadow Mountain Water Supply
- Park Forest
- Tranquil Acres WS
- Arabian Acres MD
- City of Cripple Creek

CONTRACTING PERIOD

January 2023 to December 2023

CONTRIBUTORS

Colorado Rural Water Association

PROJECT COST

\$ 150,000

2023 BUDGET EXPENDED

\$ 150,000

BUDGET BALANCE

\$ 0

47,773 CUSTOMERS

Served by these substantially implemented protection plans

Plans completed and reported:

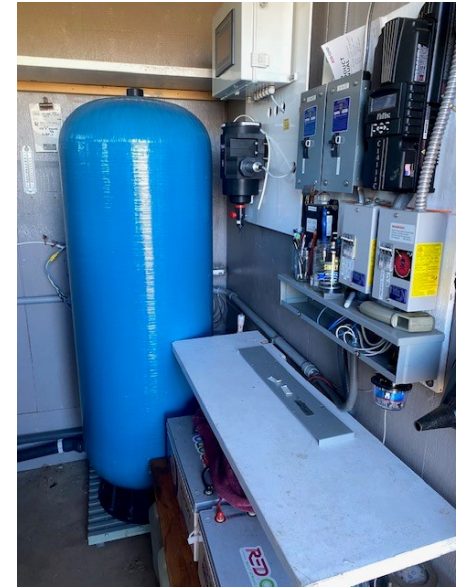
- Town of Breckenridge
- Big Elk Meadows
- City of Gunnison
- Town of Keenesburg
- Town of Paoli

Safe Drinking Water Program — source water

Excellence program

Background

The assistance grant program provides financial aid for systems that need help reaching or exceeding compliance requirements or addressing a water quality challenge. This program helps systems address infrastructure needs while requiring systems to address operational and administrative improvements such as emergency response plans, main break response procedures, and storage tank inspection plans.



Stucker Mesa



Stucker Mesa

Accomplishments

Six vendors completed work for five water systems under this project, spending a total of \$150,000 and impacting 1,061 people. Three of the systems are in disproportionately impacted communities.

Assistance Grants - Completed Work			
System	Project	Funding spent	Population
Town of Agate	Replaced a disinfection contact tank.	\$ 4,356	140
Foresgren Associates	Completed a project needs assessment for the Town of Agate to support an application for funding through the state revolving fund.	\$ 50,000	140
Beulah Water Works Association	Installed granular activated carbon to improve filtration.	\$ 25,000	445
Stucker Mesa Domestic Water Company	Replaced and upgraded the filtration system.	\$ 35,000	36
Baxter Water and Services	Converted gas disinfection system to liquid disinfection system.	\$ 31,231	350
Somerset Domestic Water District	Purchased replacement pumps.	\$ 4,413	90
Six vendors		\$ 150,000	1,061

CONTRACTING PERIOD

January 2023 to December 2023

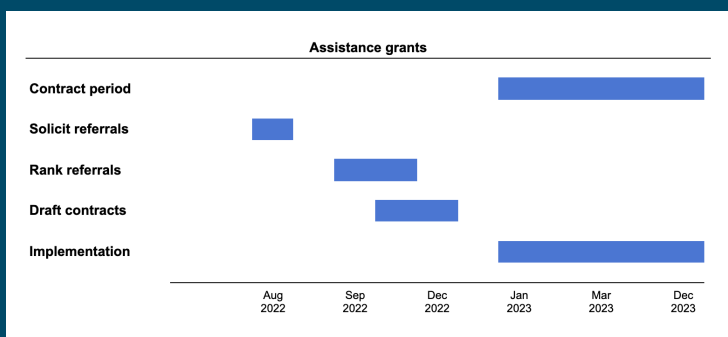
CONTRIBUTORS:

N/A

PROJECT COST \$ 150,000

2023 BUDGET EXPENDED \$ 150,000

BUDGET BALANCE \$ 0



Program priority projects – source water

EPA survey

Background

The EPA collaborates with states to administer the Clean Watersheds Needs Survey on a periodic basis. The goal of [this survey](#) is to identify and document what each state needs in order to achieve the water quality and public health goals outlined in the Clean Water Act. The EPA analyzed and summarized this information into a report to Congress, where it informed the need for clean water federal funding programs including the state revolving fund.

Congress and state legislatures primarily use the Clean Watersheds Needs Survey data for budgeting purposes. However, the public also has access to this information and can use it to track environmental progress, contribute to academic research, and aid local and state governments in implementing water quality programs.

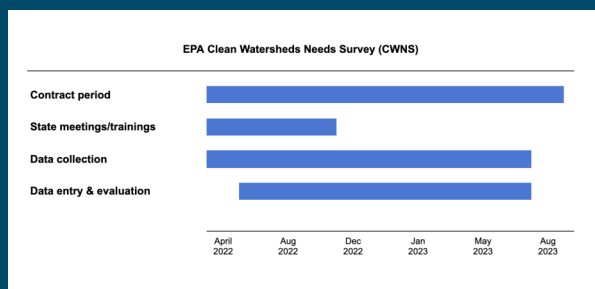


Fairplay, CO

Accomplishments

Division staff, in collaboration with Cadmus, a contractor, reported more than \$19.4 billion in infrastructure needs (compared to \$4.7 billion reported in the previous 2012 survey) related to water quality and public health. Cadmus reviewed the capital needs of wastewater, stormwater, decentralized wastewater treatment, and nonpoint source entities, and watersheds throughout the state. This effort included incorporating the capital improvement needs of entities listed in the 2022 Water Pollution Control Revolving Fund, Intended Use Plan, and other systems not included in the IUP. This review included approximately 360 individual WPCRF Eligibility Survey documents from 2020 to 2022, identifying over 1,400 uniquely identified infrastructure needs.

For entities with needs exceeding \$40 million, Cadmus contacted them to gather physical and digital documentation such as engineering designs, asset management plans, and capital improvement plans. Also, 408 surveys were sent to systems throughout the state that had not previously been identified through the annual eligibility survey process. Additionally, division staff and Cadmus collaborated to incorporate needs for forest health projects that protect watersheds against natural disasters such as forest fires.



CONTRACTING PERIOD

April 2022 to August 2023

CONTRIBUTORS:

Cadmus

PROJECT COST * \$ 37,500

*2023 cost to complete \$250,000 total project started in 2022.

2023 BUDGET EXPENDED \$ 37,500



COLORADO

Department of Public Health & Environment

4300 CHERRY CREEK DRIVE SOUTH, DENVER, CO 80246 | 303-692-3500

CDPHE.COLORADO.GOV/WQCD





To: Colorado Water Resources and Power Development Authority Board
From: Cynthia Thayer and Desi Santerre, DLG
Date: March 1, 2024
Re: DOLA Agency Update

Energy and Mineral Impact Assistance (EIAF) Program

The most recent application deadline was December 1, 2023, with total available funding of about \$30 million. The following awards were made for Tier I applicants.

Type	SRF	Project Name	Requested	Awarded
Sewer	Yes	Fruita Kingsview Lift Station	\$200,000	\$200,000
Water	No	Forest View Acres Water District Water Main Upgrade Phase 1-3	\$200,000	\$175,000
Water	No	Idaho Springs Mattie Dam Rehabilitation	\$200,000	\$200,000
Water	No	Wiggins South Main Water Line Modification	\$155,537	\$163,037
Water	No	Willow Brook Metro Dist. Water Meter Replacement	\$30,000	\$30,000
Total:			\$785,537	\$768,037

Awards for Tier II applicants are expected sometime in March.

The next application deadline will be April 1, 2024. Tier I and Tier II applications will be accepted and there is about \$30 million in grants available.

Outreach & Education

Listed are the recently completed and upcoming outreach and education activities:

Upcoming

- SRF/WIFIA Workshop: March 14
- Colorado Rural Water Association Annual Conference: March 18

DAC & BIL Benchmarks

DOLA staff has completed analysis of the DAC and BIL benchmarks and provided the annual update memo to SRF program staff.





The interactive 2024 SRF DAC map and the 2018-2022 American Community Survey detailed mapping applications can be found in the State Demography Office’s map gallery here: <https://demography.dola.colorado.gov/assets/html/gis.html>.

Small and Rural Communities Technical Services Program:

Two communities recently held their initial scoping meeting with DOLA’s contractor and work will begin once the scope has been approved.

Owner	Type	Recommendation / Analysis	Project Status
Town of Granby	Drinking water	Pending	in progress
Town of Holly	Drinking water	Pending	in progress
Town of Marble	Drinking water	Pending	in progress

For the current calendar year, a total of \$4,811 has been spent on technical services projects, including \$4,811 on drinking water projects and \$0 on wastewater projects through January 31.

DOLA Staffing Update

Chantal Unfug, Division of Local Government Director, will be leaving on April 1, 2024, after ten and a half years of service, three governors: Governors Romer, Hickenlooper, and Polis, and five Executive Directors. As the Department searches for a new director, Dave Bowman will be stepping in as the interim director starting March 1. Dave brings a wealth of experience as the current Deputy Director and a strong commitment to our team and mission.



**COLORADO WATER RESOURCES
and
POWER DEVELOPMENT AUTHORITY**

RESOLUTION NO. 24-05

A RESOLUTION OF APPRECIATION TO GEORGE CORKLE

WHEREAS, **George Corkle** contributed greatly to the Colorado Water Resources and Power Development Authority with his special talents and expertise as a representative of the North Platte Drainage basin; and

WHEREAS, **George Corkle** provided valuable guidance in the operation of the Colorado Water Resources and Power Development Authority while serving as a Board member; Chair of the Project Finance Committee, member of the Personnel Committee and member of the Governmental/Public Affairs Committee, and

WHEREAS, **George Corkle**, always in the best interests of the State of Colorado, did devote his good judgment, his knowledge of Colorado's water resources, his witty sense of humor, and his limitless energy in leading the Authority in the continued development of its financing programs; and

WHEREAS, **George Corkle**, by his loyal devotion far beyond the ordinary duties of his office, his exercise of fair and impartial judgment and his understanding of his colleagues has earned the strong respect and affection of all members of the Board of Directors of the Colorado Water Resources and Power Development Authority, its associates and staff.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Colorado Water Resources and Power Development Authority at a duly constituted meeting convened on March 8, 2024, hereby expresses its heartfelt thanks and deepest appreciation to **George Corkle** for his faithful service, his close and effective cooperation, and his untiring efforts as board member of the Authority, and sincerely wishes for him the very best of health, success in all of his current and future endeavors, and the utmost of personal satisfaction and happiness.

CERTIFICATE

The undersigned officers of the Board of Directors of the Colorado Water Resources and Power Development Authority do hereby certify that the above Resolution No. 24-05, was adopted by the Colorado Water Resources and Power Development Authority at a regular meeting of the Board of Directors with a quorum present in Denver, Colorado, on March 8, 2024.

Chair

Secretary



COLORADO WATER RESOURCES & POWER DEVELOPMENT AUTHORITY

Treasurer's Report

March 8, 2024

The financial reports are located after the Treasurer's Report in your electronic documents.

Authority – December 2023 statements

Balance Sheet

- Assets totaled \$59.0 million, compared to \$56.3 million in 2023. Increase is mainly due to timing of WPCRF and DWRF expense and state match reimbursements.

Income Statement

- The December statements reflect the budget line-item amendments that were discussed at the December meeting.
- There is a net operating gain for 2023.

The Financial Highlights Report for December

- State Treasurers Cash Pool earned 3.49%
- COLOTRUST interest rate is 5.57%

Financing Programs

- The WRBP program is through December and all other program financial statements are through November in the remaining programs.
- All programs continue to function normally.

Accounting Department Activities

- Staff is close to having all transactions processed for the year.
- Forvis is conducting their final audit work currently and they are usually here for 3 weeks.
- In addition to the year-end process, preparations were made for the payment of DWRF and WPCRF debt service that was due on March 1st.

COLORADO WATER RESOURCES AND POWER DEVELOPMENT AUTHORITY
AUTHORITY CASH TRANSACTIONS for the MONTH ENDING JANUARY 31, 2024

CHECKS				
Date	Check#	Payee	Description	Amount
1/4/2024	26617	ABM Parking Services	Office Parking	1,950.00
1/4/2024	26618	Arbitrage Compliance Specialists	WPCRF + DWRF Arbitrage Calculations	5,000.00
1/4/2024	26619	Automated Business Technologies	Monthly Copier Service	210.00
1/4/2024	26620	Curbside Recycling	Recycling Services	80.00
1/4/2024	26621	Federal Express	Deliveries	94.81
1/4/2024	26622	Iron Mountain	Monthly Records Storage (Finance & Accounting)	54.30
1/4/2024	26623	Manager of Finance	4th Qtr Denver Occupational Privilege Tax	419.25
1/4/2024	26624	Merit Financial Press	SRF 2023A OS/POS Printing	3,618.00
1/4/2024	26625	Mytech Partners	Server Recycling	11,125.00
1/4/2024	26626	Office Depot	Misc. Office Supplies	190.78
1/4/2024	26627	Pitney Bowes	Postage Machine Lease	273.77
1/4/2024	26628	Robert Half	Temporary Services	281.76
1/4/2024	26629	Sherman & Howard	Legal Services	2,490.00
1/4/2024	26630	U.S. Bank	SRF 2023A Trustee Fees	3,687.80
1/18/2024	26631	About Time Awards	Valerie 25 Year Award	164.00
1/18/2024	26632	Carlson, Hammond & Paddock	December Legal Services	2,264.30
1/18/2024	26633	InterLynk Communications	Monthly Phone Support	75.00
1/18/2024	26634	Kiowa W&WA	PG Draw #2	3,211.20
1/18/2024	26635	Lincoln National Life Insurance	Monthly LTD / Life Insurance	2,013.90
1/18/2024	26636	Mytech Partners	Monthly Software & Tech Support	600.00
1/18/2024	26637	Robert Half	Temporary Services	1,240.00
1/18/2024	26638	Upper Road WA	PG Draw #6	442.00
1/18/2024	26639	Wells Fargo Corporate Card	Speed, Noll, Griffiths, Williams, & McLaughlin Credit Card Expense	2,376.78
1/23/2024	26640	Pitney Bowes	Postage Machine Lease	136.70
1/30/2024	26641	Automated Business Technologies	Monthly Copier Service	187.57
1/30/2024	26642	CIFA	Annual Membership	5,500.00
1/30/2024	26643	InterLynk Communications	Monthly Phone Support	75.00
1/30/2024	26644	Office Depot	Misc. Office Supplies	89.14
1/30/2024	26645	Robert Half	Temporary Services	310.00
1/30/2024	26646	VOID		
1/30/2024	26647	Sherman & Howard	Legal Services	870.00
TOTAL CHECKS \$				49,031.06
WIRE TRANSFERS INCOMING/(OUTGOING)				
Date			Description	Amount
TOTAL WIRE TRANSFERS \$				-
ACH TRANSFERS INCOMING/(OUTGOING)				
Date	Payee		Description	Amount
1/4/2024		Colorado Water Congress	Convention Registration	(3,650.00)
1/4/2024		Fitch Ratings	SRF 2023A Rating	(16,000.00)
1/4/2024		Norton Rose Fulbright	SRF 2023A Legal Services	(50,000.00)
1/5/2024		Kogovsek & Associates	Monthly Consulting Services	(2,000.00)
1/12/2024		Authority Staff	Payroll	(38,562.84)
1/12/2024		PERA	Authority Staff PERA & 401k Contributions	(24,997.28)
1/12/2024		IRS	Federal Payroll Withholdings	(7,422.08)
1/12/2024		Colorado Department of Revenue	State Payroll Withholdings	(2,045.00)
1/18/2024		Employers Council	Compensation Consulting	(277.50)
SUBTOTAL \$				(144,954.70)
ACH TRANSFERS INCOMING/(OUTGOING) (continued)				
Date	Payee		Description	Amount
1/30/2024		Kogovsek & Associates	Monthly Consulting Services	(2,000.00)
1/30/2024		PBV-1580 Logan St.	Monthly Lease Payment	(23,651.68)
1/30/2024		Cadmon Plain	Benefits: Public Transportation	(78.00)
1/30/2024		Authority Staff	Payroll	(37,208.92)
1/30/2024		PERA	Authority Staff PERA & 401k Contributions	(24,403.82)
1/30/2024		IRS	Federal Payroll Withholdings	(6,886.73)
1/30/2024		Colorado Department of Revenue	State Payroll Withholdings	(1,938.00)
1/31/2024		PERA	PERACare Insurance Payment	(21,415.73)
TOTAL ACH TRANSFERS \$				(262,537.58)

TOTAL CASH TRANSACTIONS for the MONTH ENDING January 31, 2024 \$ (213,506.52)

Colorado Water Resources and Power Development Authority				
January Credit Card Detail				
Cardholder	Transaction Date	Transaction Amount	Payee	Description
Keith McLaughlin	12/14/2023	95.26	Debbie's Garden	Flowers for Sabrina
Keith McLaughlin	12/15/2023	98.49	Yard House	Staff lunch
Keith McLaughlin	12/15/2023	17.40	Zoom	Monthly subscription
Keith McLaughlin	12/16/2023	928.76	Saltgrass Steakhouse	Authority Christmas lunch
		<u>1,139.91</u>		
Justin Noll	12/10/2023	276.58	Adobe Acrobat Pro	Monthly license fees
Justin Noll	12/11/2023	303.05	Comcast	Monthly internet
Justin Noll	12/13/2023	21.69	Krispy Kreme	Donuts for office
		<u>601.32</u>		
Sabrina Speed	12/15/2023	125.00	CWC	Board member registration
Sabrina Speed	1/3/2024	162.00	Noodles & Co	Staff meeting lunch
Sabrina Speed	1/3/2024	24.85	USPS	SRF 2023A transcript transmittal
		<u>311.85</u>		
Wesley Williams	12/18/2023	59.00	Audioeye	Monthly subscription
Wesley Williams	12/23/2023	59.23	Wall Street Journal	Monthly subscription
Wesley Williams	12/24/2023	82.35	Jibble	Monthly subscription
		<u>200.58</u>		
Jim Griffiths	12/8/2023	123.12	Park & Co	Manager's meeting lunch
		<u>123.12</u>		
	Total	<u><u>2,376.78</u></u>		

Colorado Water Resources and Power Development Authority

COMPARATIVE BALANCE SHEET

	<u>As of 11/30/2023</u>	<u>As of 11/30/2022</u>
ASSETS:		
Cash and Cash Equivalents:		
Cash - US Bank (Checking Account)	\$ 1,240,999.58	\$ 763,330.32
State Treasurers Cash Pool	976,195.04	569,522.69
COLOTRUST Checking Investment Account	21,949,644.95	15,910,398.87
State Treasurers Cash Pool-Self Insurance Fund	1,546,125.00	1,523,123.00
State Treasurers Cash Pool-La Plata River Escrow	139,027.48	160,064.26
COLOTRUST - Authority Project Accounts	406,235.07	205,679.11
COLOTRUST - Authority (Vilas) Project Account	-	-
COLOTRUST - SHLP Project Accounts	3,313,631.07	2,098,279.92
COLOTRUST - Interim Loan Projects	2,333,609.16	6,092,983.97
Total Cash and Cash Equivalents	<u>31,905,467.35</u>	<u>27,323,382.14</u>
Interest Receivable on Investments	-	-
Interest Receivable on Loans:		
Interim Loans (I-Loans)	27,461.26	14,820.00
Small Hydro Loan Program (SHLP)	-	-
Authority Loans	-	-
ALP Water Rights Purchase Loan	-	-
Interest Receivable-Leases	1,297.41	1,421.20
Accounts Receivable - Misc	-	-
Reimbursement Receivable - WPCRF	202,928.45	839,874.33
Reimbursement Receivable - DWRF	176,650.83	562,914.66
Loans Receivable:		
Interim Loans (I-Loans)	2,632,022.78	907,016.03
Small Hydro Loan Program (SHLP)	6,543,963.53	7,466,509.86
Authority Loans	203,207.51	211,729.05
ALP Water Rights Purchase Loan	2,227,600.18	2,427,499.06
Loan Receivable - WPCRF State Match	1,200,000.00	1,851,200.00
Loan Receivable - DWRF State Match	6,418,557.69	10,648,357.69
Leases Receivable	311,378.41	341,086.86
Prepaid Expenses	12,365.17	4,575.00
Deposits	21,592.16	21,592.16
Depreciable Assets	86,888.98	93,017.91
Less: Accumulated Depreciation	(81,380.03)	(79,991.35)
Lease Assets	1,317,899.53	1,508,439.22
TOTAL ASSETS	<u>\$ 53,207,901.21</u>	<u>\$ 54,143,443.82</u>
Deferred Outflows:		
Pension Contributions	\$ 250,355.24	\$ 243,459.59
Investment Earnings Difference	-	-
Experience Difference	16,559.07	82,170.87
Proportional Share Change	1,347.74	3,301.74
Change in Assumptions	86,767.57	225,775.30
HCTF Contributions	12,622.67	12,435.74
HCTF Investment Earnings Difference	-	-
HCTF Experience Difference	167.69	313.77
HCTF Proportional Share Change	3,508.71	422.41
HCTF Change in Assumptions	2,278.22	883.31
LIABILITIES and EQUITY:		
Accounts Payable Trade	\$ 878.10	\$ 1,046,444.70
Lease Liability	1,530,196.58	1,679,536.88
Interest Payable-Leases	6,375.82	6,998.07
Prepayment Payable	-	-
Other Accrued Expenses	276.43	8,471.20
Flexplan Spending Withheld	3,467.50	2,803.35
Due to Authority	-	-
Project Costs Payable - Long Term	-	-
Accrued Vacation and Sick Leave	307,090.56	293,182.32
Pension Liability	2,433,615.37	3,325,029.68
HCTF Liability	110,038.27	118,216.68
Total Liabilities	<u>4,391,938.63</u>	<u>6,480,682.88</u>
Deferred Inflows:		
Proportional Share Change	\$ 135,843.89	\$ 5,378.57
Experience Difference	3,385.59	-
Change in Assumptions	-	-
Investment Earnings Difference	837,472.16	680,544.96
HCTF Experience Difference	26,091.42	25,989.70
Proportional Share Change	15,739.31	19,868.31
Change in Assumptions	5,968.93	7,248.95
HCTF Investment Earnings Difference	6,811.41	4,830.43
Leases	267,930.60	306,667.56
Net Assets:	47,630,076.64	47,588,164.20
Net Income / (Loss)	260,249.54	(407,169.01)
TOTAL LIABILITIES and EQUITY	<u>\$ 52,282,264.81</u>	<u>\$ 53,661,678.07</u>

Colorado Water Resources and Power Development Authority

COMPARATIVE BALANCE SHEET

	<u>As of 12/31/2023</u>	<u>As of 12/31/2022</u>
ASSETS:		
Cash and Cash Equivalents:		
Cash - US Bank (Checking Account)	\$ 794,639.53	\$ 553,171.71
State Treasurers Cash Pool	1,025,154.04	947,931.04
COLOTRUST Checking Investment Account	22,053,638.84	23,828,541.52
State Treasurers Cash Pool-Self Insurance Fund	1,504,489.00	1,500,000.00
State Treasurers Cash Pool-La Plata River Escrow	139,432.48	157,737.51
COLOTRUST - Authority Project Accounts	498,964.24	-
COLOTRUST - Authority (Vilas) Project Account	-	-
COLOTRUST - SHLP Project Accounts	3,328,704.88	2,104,894.75
COLOTRUST - Interim Loan Projects	2,382,312.76	6,092,983.97
Total Cash and Cash Equivalents	<u>31,727,335.77</u>	<u>35,185,260.50</u>
Interest Receivable on Investments	38,598.87	36,432.40
Interest Receivable on Loans:		
Interim Loans (I-Loans)	71,951.75	27,461.26
Small Hydro Loan Program (SHLP)	26,566.52	38,069.87
Authority Loans	267.47	278.54
ALP Water Rights Purchase Loan	3,455.05	3,783.06
Interest Receivable-Leases	1,162.68	1,297.41
Accounts Receivable - Misc	132,693.70	426.41
Reimbursement Receivable - WPCRF	3,502,770.62	2,696,311.91
Reimbursement Receivable - DWRF	2,960,626.41	1,011,257.81
Loans Receivable:		
Interim Loans (I-Loans)	2,632,022.78	907,016.03
Small Hydro Loan Program (SHLP)	6,543,963.53	7,466,509.86
Authority Loans	201,160.30	209,681.84
ALP Water Rights Purchase Loan	2,126,186.61	2,328,034.51
Loan Receivable - WPCRF State Match	1,200,000.00	-
Loan Receivable - DWRF State Match	6,418,557.69	4,648,357.69
Leases Receivable	279,042.07	311,378.41
Prepaid Expenses	62,844.58	47,619.61
Deposits	21,592.16	21,592.16
Depreciable Assets	102,809.74	86,888.98
Less: Accumulated Depreciation	(87,605.99)	(81,380.03)
Lease Assets	1,127,359.84	1,317,899.53
TOTAL ASSETS	<u>\$ 59,093,362.15</u>	<u>\$ 56,264,177.76</u>
Deferred Outflows:		
Pension Contributions	\$ 283,775.23	\$ 250,355.24
Investment Earnings Difference	384,584.29	-
Experience Difference	0.02	16,559.07
Proportional Share Change	-	1,347.74
Change in Assumptions	-	86,767.57
HCTF Contributions	14,085.45	12,622.67
HCTF Investment Earnings Difference	6,082.28	-
HCTF Experience Difference	12.94	167.69
HCTF Proportional Share Change	2,671.71	3,508.71
HCTF Change in Assumptions	1,600.56	2,278.22
LIABILITIES and EQUITY:		
Accounts Payable Trade	\$ 5,857,662.95	\$ 3,280,182.90
Lease Liability	1,368,294.28	1,530,196.58
Interest Payable-Leases	5,701.23	6,375.82
Prepayment Payable	-	-
Other Accrued Expenses	-	-
Flexplan Spending Withheld	2,594.47	1,855.78
Due to Authority	-	-
Project Costs Payable - Long Term	-	-
Accrued Vacation and Sick Leave	364,709.84	346,200.00
Pension Liability	3,025,042.36	2,433,615.37
HCTF Liability	99,581.91	110,038.27
Total Liabilities	<u>10,723,587.04</u>	<u>7,708,464.72</u>
Deferred Inflows:		
Proportional Share Change	\$ 360,863.51	\$ 135,843.89
Experience Difference	40,557.95	3,385.59
Change in Assumptions	-	-
Investment Earnings Difference	0.18	837,472.16
HCTF Experience Difference	24,082.25	26,091.42
Proportional Share Change	17,083.37	15,739.31
Change in Assumptions	10,990.76	5,968.93
HCTF Investment Earnings Difference	-	6,811.41
Leases	229,193.64	267,930.60
Net Assets:	47,630,076.64	47,588,164.20
Net Income / (Loss)	749,739.29	41,912.44
TOTAL LIABILITIES and EQUITY	<u>\$ 59,103,402.97</u>	<u>\$ 55,338,541.36</u>

Colorado Water Resources and Power Development Authority

INCOME STATEMENT**Budget To Actual**

Calendar Year-To-Date as of November 30, 2023

	Budget For 2023	Actual Year-To-Date	Balance	% Actual/ Budget
INCOME:				
Interest on investments - COLOTRUST	\$ -	\$ 1,238,843.17	\$ (1,238,843.17)	0%
Interest on investments - COLOTRUST-Interim Loan Project	-	242,712.04	(242,712.04)	0%
Interest on investments - STCP	-	69,424.00	(69,424.00)	0%
Investment interest income - from WPCRF	-	-	-	0%
Investment interest Income - from WRBP	-	-	-	0%
Subtotal Interest on Investments	650,000.00	1,550,979.21	(900,979.21)	239%
Interest on Investments - STCP-La Plata River Escrow	3,000.00	4,112.00	(1,112.00)	137%
Interest on loans	376,700.00	138,740.67	237,959.33	37%
Interest on leases	-	-	-	0%
Lease income	56,000.00	50,063.50	5,936.50	89%
Gain/Loss on sale of assets	-	-	-	0%
Miscellaneous income	-	2,347.69	(2,347.69)	0%
TOTAL INCOME	\$ 1,085,700.00	\$ 1,746,243.07	\$ (660,543.07)	161%
EXPENSES:				
<u>Board Expenses:</u>				
Per diems & PERA on per diems	\$ 18,000.00	\$ 12,924.90	\$ 5,075.10	72%
Travel, lodging, meals, etc.	40,000.00	35,254.19	4,745.81	88%
Meeting expenses	20,000.00	304.11	19,695.89	2%
Memberships	13,000.00	11,679.00	1,321.00	90%
Board insurance	30,000.00	-	30,000.00	0%
Total Board Expenses	121,000.00	60,162.20	60,837.80	50%
<u>Salary Expenses:</u>				
Staff salaries	1,572,000.00	1,249,705.36	322,294.64	79%
Temporary services	35,000.00	-	35,000.00	0%
Annual vacation and sick leave accrual	75,000.00	-	75,000.00	0%
Total Salary Expenses	1,682,000.00	1,249,705.36	432,294.64	74%
<u>Employee Benefits:</u>				
Pension expense*	340,100.00	272,466.91	67,633.09	80%
Healthcare trust expense	16,900.00	-	16,900.00	0%
Medical and dental insurance	245,000.00	169,268.37	75,731.63	69%
HRA reimbursement	-	9,515.33	(9,515.33)	0%
LTD/Life insurance	13,500.00	10,894.61	2,605.39	81%
Medicare - employer's match	24,000.00	18,241.14	5,758.86	76%
Denver city tax - employer's match	800.00	600.00	200.00	75%
State Workman's Comp. Insurance	2,500.00	2,013.00	487.00	81%
Tuition reimbursement	15,000.00	14,473.00	527.00	96%
Public transportation incentive	1,400.00	157.00	1,243.00	11%
Total Employee Benefits	659,200.00	497,629.36	161,570.64	75%
<u>Outside Services Employed:</u>				
General legal fees	100,000.00	17,828.16	82,171.84	18%
General consulting services	50,000.00	13,002.50	36,997.50	26%
Audit and budgetary fees	20,500.00	18,655.00	1,845.00	91%
Total Outside Services	170,500.00	49,485.66	121,014.34	29%
<u>Employee / Administrative Expenses:</u>				
Travel, lodging, meals, etc.	15,000.00	11,897.88	3,102.12	79%
Registration and training fees	12,000.00	4,752.00	7,248.00	40%
Contributions and sponsorships	40,000.00	21,000.00	19,000.00	53%
Dues, subscriptions and publications	11,000.00	9,923.33	1,076.67	90%
Total Employee / Administrative Expenses	78,000.00	47,573.21	30,426.79	61%
<u>General Office Expenses:</u>				
Office rent and deposits	266,000.00	259,230.39	6,769.61	97%
Interest expense-leases*	-	-	-	0%
Telephone and internet charges	20,000.00	9,146.00	10,854.00	46%
Postage and delivery fees	3,500.00	1,385.32	2,114.68	40%
Copying and printing costs	6,000.00	4,057.25	1,942.75	68%
Office supplies	19,000.00	10,281.87	8,718.13	54%

Colorado Water Resources and Power Development Authority

INCOME STATEMENT**Budget To Actual**

Calendar Year-To-Date as of November 30, 2023

	Budget For 2023	Actual Year-To-Date	Balance	% Actual/ Budget
Technical support activities	85,000.00	56,594.44	28,405.56	67%
Office insurance	6,500.00	5,240.33	1,259.67	81%
Records retention	7,000.00	5,513.82	1,486.18	79%
Total General Office Expenses	413,000.00	351,449.42	61,550.58	85%
Office Assets Expenses:				
Furniture & fixtures	11,000.00	2,160.27	8,839.73	20%
Machines	45,000.00	25,545.86	19,454.14	57%
Computer software	80,000.00	24,647.70	55,352.30	31%
Depreciation expense	N/A	-	N/A	0%
Machine maintenance & maintenance contracts	15,000.00	7,650.60	7,349.40	51%
Other expense	-	584.70	(584.70)	0%
Office improvements	10,000.00	-	10,000.00	0%
Total Office Assets Expenses	161,000.00	60,589.13	100,410.87	38%
TOTAL OPERATING EXPENSES	\$ 3,284,700.00	\$ 2,316,594.34	\$ 968,105.66	71%
Expenses Allocated to Programs:				
Salaries allocated to project expenses	(29,500.00)	(24,218.00)	(5,282.00)	82%
Allocated salaries expense - WPCRF	(440,000.00)	(331,448.00)	(108,552.00)	75%
Allocated employee benefits - WPCRF	(260,000.00)	(178,044.76)	(81,955.24)	68%
Allocated overhead expense - WPCRF	(200,000.00)	(180,963.36)	(19,036.64)	90%
Allocated salaries expense - DWRF	(351,000.00)	(304,358.00)	(46,642.00)	87%
Allocated employee benefits - DWRF	(208,000.00)	(165,812.41)	(42,187.59)	80%
Allocated overhead expense - DWRF	(165,000.00)	(142,224.72)	(22,775.28)	86%
Total Allocated Expenses to Programs	(1,653,500.00)	(1,327,069.25)	(326,430.75)	80%
NET OPERATING EXPENSES	\$ 1,631,200.00	\$ 989,525.09	\$ 641,674.91	61%
Approved Projects Expenses:				
WRBP Expenses	120,000.00	115,113.11	4,886.89	96%
La Plata River Escrow Expenses	60,000.00	23,219.53	36,780.47	39%
Small Hydro Loan Program expenses	25,000.00	7,062.82	17,937.18	28%
Small Hydro Loan Program Planning & Design Grants	90,000.00	-	90,000.00	0%
Watershed Protection & Forest Health Program Expenses	65,000.00	-	65,000.00	0%
Principal Forgiven -Loans Receivable	-	-	-	0%
Other Potential Projects	1,000,000.00	-	1,000,000.00	
Total Project Expenses	\$ 1,360,000.00	\$ 145,395.46	\$ 1,214,604.54	11%
TOTAL EXPENSES	\$ 2,991,200.00	\$ 1,134,920.55	\$ 1,856,279.45	38%
OPERATING INCOME / (LOSS)		\$ 611,322.52		
Transfers In / (Out)		\$ (351,072.98)		
Change in Net Position		\$ 260,249.54		

*These numbers are based on contributions instead of budgeted amounts

DWRF - Drinking Water Revolving Fund

PERA - Public Employees' Retirement Association

STCP - State Treasurer Cash Pool

WPCRF - Water Pollution Control Revolving Fund

WRBP - Water Revenue Bonds Program

Colorado Water Resources and Power Development Authority

INCOME STATEMENT**Budget To Actual**

Calendar Year-To-Date as of December 31, 2023

	Budget For 2023	Actual Year-To-Date	Balance	% Actual/ Budget
INCOME:				
Interest on investments - COLOTRUST	\$ -	\$ 1,388,943.90	\$ (1,388,943.90)	0%
Interest on investments - COLOTRUST-Interim Loan Project	-	253,572.77	(253,572.77)	0%
Interest on investments - STCP	-	85,517.00	(85,517.00)	0%
Investment interest income - from WPCRF	-	-	-	0%
Investment interest Income - from WRBP	-	-	-	0%
Subtotal Interest on Investments	650,000.00	1,728,033.67	(1,078,033.67)	266%
Interest on Investments - STCP-La Plata River Escrow	3,000.00	5,000.00	(2,000.00)	167%
Interest on loans	376,700.00	238,944.30	137,755.70	63%
Interest on leases	-	14,710.43	(14,710.43)	0%
Lease income	56,000.00	46,608.96	9,391.04	83%
Gain/Loss on sale of assets	-	-	-	0%
Miscellaneous income	-	4,860.10	(4,860.10)	0%
TOTAL INCOME	\$ 1,085,700.00	\$ 2,038,157.46	\$ (952,457.46)	188%
EXPENSES:				
<u>Board Expenses:</u>				
Per diems & PERA on per diems	\$ 18,000.00	\$ 15,500.00	\$ 2,500.00	86%
Travel, lodging, meals, etc.	40,000.00	39,973.76	26.24	100%
Meeting expenses	20,000.00	5,325.58	14,674.42	27%
Memberships	13,000.00	11,679.00	1,321.00	90%
Board insurance	30,000.00	-	30,000.00	0%
Total Board Expenses	121,000.00	72,478.34	48,521.66	60%
<u>Salary Expenses:</u>				
Staff salaries	1,572,000.00	1,360,771.69	211,228.31	87%
Temporary services	35,000.00	-	35,000.00	0%
Annual vacation and sick leave accrual	75,000.00	64,775.28	10,224.72	86%
Total Salary Expenses	1,682,000.00	1,425,546.97	256,453.03	85%
<u>Employee Benefits:</u>				
Pension expense*	340,100.00	(13,401.30)	353,501.30	-4%
Healthcare trust expense	16,900.00	(4,701.25)	21,601.25	-28%
Medical and dental insurance	245,000.00	165,468.47	79,531.53	68%
HRA reimbursement	-	11,527.21	(11,527.21)	0%
LTD/Life insurance	13,500.00	11,901.56	1,598.44	88%
Medicare - employer's match	24,000.00	19,969.96	4,030.04	83%
Denver city tax - employer's match	800.00	656.00	144.00	82%
State Workman's Comp. Insurance	2,500.00	2,013.00	487.00	81%
Tuition reimbursement	15,000.00	14,473.00	527.00	96%
Public transportation incentive	1,400.00	157.00	1,243.00	11%
Total Employee Benefits	659,200.00	208,063.65	451,136.35	32%
<u>Outside Services Employed:</u>				
General legal fees	100,000.00	27,632.13	72,367.87	28%
General consulting services	50,000.00	17,280.00	32,720.00	35%
Audit and budgetary fees	20,500.00	18,655.00	1,845.00	91%
Total Outside Services	170,500.00	63,567.13	106,932.87	37%
<u>Employee / Administrative Expenses:</u>				
Travel, lodging, meals, etc.	15,000.00	14,114.52	885.48	94%
Registration and training fees	12,000.00	4,752.00	7,248.00	40%
Contributions and sponsorships	40,000.00	21,000.00	19,000.00	53%
Dues, subscriptions and publications	11,000.00	10,041.79	958.21	91%
Total Employee / Administrative Expenses	78,000.00	49,908.31	28,091.69	64%
<u>General Office Expenses:</u>				
Office rent and deposits	266,000.00	216,937.65	49,062.35	82%
Interest expense-leases*	-	72,205.54	(72,205.54)	0%
Telephone and internet charges	20,000.00	10,682.83	9,317.17	53%
Postage and delivery fees	3,500.00	1,629.76	1,870.24	47%
Copying and printing costs	6,000.00	4,057.25	1,942.75	68%
Office supplies	19,000.00	11,374.40	7,625.60	60%
Technical support activities	85,000.00	67,719.44	17,280.56	80%

Colorado Water Resources and Power Development Authority

INCOME STATEMENT**Budget To Actual**

Calendar Year-To-Date as of December 31, 2023

	Budget For 2023	Actual Year-To-Date	Balance	% Actual/ Budget
Office insurance	6,500.00	5,240.33	1,259.67	81%
Records retention	7,000.00	5,568.12	1,431.88	80%
Total General Office Expenses	413,000.00	395,415.32	17,584.68	96%
Office Assets Expenses:				
Furniture & fixtures	11,000.00	2,160.27	8,839.73	20%
Machines	45,000.00	9,625.10	35,374.90	21%
Computer software	80,000.00	26,110.86	53,889.14	33%
Depreciation expense	N/A	6,225.96	N/A	0%
Machine maintenance & maintenance contracts	15,000.00	8,069.34	6,930.66	54%
Other expense	-	3,097.11	(3,097.11)	0%
Office improvements	10,000.00	-	10,000.00	0%
Total Office Assets Expenses	161,000.00	55,288.64	111,937.32	34%
TOTAL OPERATING EXPENSES	\$ 3,284,700.00	\$ 2,270,268.36	\$ 1,020,657.60	69%
Expenses Allocated to Programs:				
Salaries allocated to project expenses	(29,500.00)	(26,702.00)	(2,798.00)	91%
Allocated salaries expense - WPCRF	(440,000.00)	(364,385.00)	(75,615.00)	83%
Allocated employee benefits - WPCRF	(260,000.00)	(190,203.02)	(69,796.98)	73%
Allocated overhead expense - WPCRF	(200,000.00)	(189,725.31)	(10,274.69)	95%
Allocated salaries expense - DWRF	(351,000.00)	(333,463.00)	(17,537.00)	95%
Allocated employee benefits - DWRF	(208,000.00)	(176,481.67)	(31,518.33)	85%
Allocated overhead expense - DWRF	(165,000.00)	(149,498.60)	(15,501.40)	91%
Total Allocated Expenses to Programs	(1,653,500.00)	(1,430,458.60)	(223,041.40)	87%
NET OPERATING EXPENSES	\$ 1,631,200.00	\$ 839,809.76	\$ 797,616.20	51%
Approved Projects Expenses:				
WRBP Expenses	120,000.00	66,696.24	53,303.76	56%
La Plata River Escrow Expenses	60,000.00	23,247.03	36,752.97	39%
Small Hydro Loan Program expenses	25,000.00	7,592.16	17,407.84	30%
Small Hydro Loan Program Planning & Design Grants	90,000.00	-	90,000.00	0%
Watershed Protection & Forest Health Program Expenses	65,000.00	-	65,000.00	0%
Principal Forgiven -Loans Receivable	-	-	-	0%
Other Potential Projects	1,000,000.00	-	1,000,000.00	
Total Project Expenses	\$ 1,360,000.00	\$ 97,535.43	\$ 1,262,464.57	7%
TOTAL EXPENSES	\$ 2,991,200.00	\$ 937,345.19	\$ 2,053,854.81	31%
OPERATING INCOME / (LOSS)		\$ 1,100,812.27		
Transfers In / (Out)		\$ (351,072.98)		
Change in Net Position		\$ 749,739.29		

*These numbers are based on contributions instead of budgeted amounts

DWRF - Drinking Water Revolving Fund

PERA - Public Employees' Retirement Association

STCP - State Treasurer Cash Pool

WPCRF - Water Pollution Control Revolving Fund

WRBP - Water Revenue Bonds Program

Colorado Water Resources and Power Development Authority
Financial Highlights
November 30, 2023

<u>Account Balances:</u>	<u>YIELD:</u>	<u>BALANCE:</u>
<u>Unrestricted:</u>		
Cash - US Bank (Checking Account)	0.00%	\$ 1,240,999.58
State Treasurers Cash Pool	3.67%	\$ 976,195.04
COLOTRUST Checking Investment Account (Average Daily Yield)	5.56%	\$ 21,949,644.95
COLOTRUST Authority Loan Account (Average Daily Yield)	5.56%	\$ 406,235.07
<u>Board Designated:</u>		
State Treasurers Cash Pool - La Plata River Escrow	3.67%	\$ 139,027.48
State Treasurers Cash Pool - Self Insurance Fund	3.67%	\$ 1,546,125.00
<u>Restricted:</u>		
COLOTRUST - I Loan Projects (Average Daily Yield)	5.56%	\$ 2,333,609.16
SHLP Loan Program	5.56%	\$ 3,313,631.07
SHLP Project Accounts	5.56%	\$ -

<u>WPCRF State Match Receivable</u>	<u>Budget</u>	<u>Balance</u>
Loans Receivable - WPCRF State Match 1/1/2023		-
State Match Transferred to Holding Account	6,000,000.00	1,200,000.00
Repayment from WPCRF Administrative Fees	(6,000,000.00)	-
Loans Receivable - WPCRF State Match YTD Balance		<u>\$ 1,200,000.00</u>

<u>DWRF State Match Receivable</u>	<u>Budget</u>	<u>Balance</u>
Loans Receivable - DWRF State Match 1/1/2022		4,648,357.69
State Match Transferred to Holding Account	6,000,000.00	1,770,200.00
Repayment from DWRF Administrative Fees	(6,000,000.00)	-
Loans Receivable - DWRF State Match YTD Balance		<u>\$ 6,418,557.69</u>

<u>Interim Loans Receivable</u>	<u>Budget</u>	<u>Balance</u>
I Loans Receivable 1/1/2023		907,016.03
I Loan Funds Drawn	5,000,000.00	1,725,006.75
I Loan Repayments	(5,000,000.00)	-
I Loans Receivable YTD Balance		<u>\$ 2,632,022.78</u>

<u>Admin Fee Accounts</u>	<u>1/1/2023 Balance</u>	<u>Misc Additions/ Subtractions</u>	<u>Admin Draws</u>	<u>St Match Loan Payment</u>	<u>12/31/2023 Balance</u>
WPCRF - COLOTRUST	\$ 12,190,048.92	8,667,553.50	(4,254,406.38)		\$ 16,603,196.04
DWRF - COLOTRUST	\$ 10,780,606.90	6,954,699.69	(2,261,740.63)		\$ 15,473,565.96

<u>SRF Reloan Accounts</u>	<u>Reloan Balance</u>	<u>Project Grant Funds Available</u>	<u>Bond Proceeds Available</u>	<u>Project Costs Payable (obligated)</u>	<u>12/31/2023 Unobligated Funds</u>
WPCRF - COLOTRUST	\$ 92,506,712.20	27,579,333.86	34,860,650.83	(126,928,602.69)	\$ 28,018,094.20
DWRF - COLOTRUST	\$ 111,119,091.89	160,899,115.20	5,130,102.77	(149,569,233.08)	\$ 127,579,076.78

Colorado Water Resources and Power Development Authority
Financial Highlights
December 31, 2023

Account Balances:	YIELD:	BALANCE:
Unrestricted:		
Cash - US Bank (Checking Account)	0.00%	\$ 794,639.53
State Treasurers Cash Pool	3.49%	\$ 1,025,154.04
COLOTRUST Checking Investment Account (Average Daily Yield)	5.57%	\$ 22,053,638.84
COLOTRUST Authority Loan Account (Average Daily Yield)	5.57%	\$ 498,964.24
Board Designated:		
State Treasurers Cash Pool - La Plata River Escrow	3.49%	\$ 139,432.48
State Treasurers Cash Pool - Self Insurance Fund	3.49%	\$ 1,504,489.00
Restricted:		
COLOTRUST - I Loan Projects (Average Daily Yield)	5.57%	\$ 2,382,312.76
SHLP Loan Program	5.57%	\$ 3,328,704.88
SHLP Project Accounts	5.57%	\$ -

WPCRF State Match Receivable	Budget	Balance
Loans Receivable - WPCRF State Match 1/1/2023		-
State Match Transferred to Holding Account	6,000,000.00	1,200,000.00
Repayment from WPCRF Administrative Fees	(6,000,000.00)	-
Loans Receivable - WPCRF State Match YTD Balance		\$ 1,200,000.00

DWRF State Match Receivable	Budget	Balance
Loans Receivable - DWRF State Match 1/1/2022		4,648,357.69
State Match Transferred to Holding Account	6,000,000.00	1,770,200.00
Repayment from DWRF Administrative Fees	(6,000,000.00)	-
Loans Receivable - DWRF State Match YTD Balance		\$ 6,418,557.69

Interim Loans Receivable	Budget	Balance
I Loans Receivable 1/1/2023		907,016.03
I Loan Funds Drawn	5,000,000.00	1,939,398.06
I Loan Repayments	(5,000,000.00)	-
I Loans Receivable YTD Balance		\$ 2,846,414.09

	1/1/2023 Balance	Misc Additions/ Subtractions	Admin Draws	St Match Loan Payment	12/31/2023 Balance
Admin Fee Accounts					
WPCRF - COLOTRUST	\$ 12,190,048.92	8,928,297.31	(4,254,406.38)		\$ 16,863,939.85
DWRF - COLOTRUST	\$ 10,780,606.90	7,040,957.60	(2,261,740.63)		\$ 15,559,823.87

	Reloan Balance	Project Grant Funds Available	Bond Proceeds Available	Project Costs Payable (obligated)	12/31/2023 Unobligated Funds
SRF Reloan Accounts					
WPCRF - COLOTRUST	\$ 91,338,110.05	27,122,739.97	39,757,348.86	(142,216,445.88)	\$ 16,001,753.00
DWRF - COLOTRUST	\$ 108,900,390.19	146,937,630.46	9,421,961.19	(160,548,697.26)	\$ 104,711,284.58

Current Assets:	
Cash and Equivalents	126,592,658
Federal Grants Receivable	0
Investment Income Receivable	0
Loans Receivable	0
Leases Receivable	
Due From Other Funds	
Accounts Receivable-Borrowers	0
Interest Receivable-Leases	
Other Assets	
Restricted Assets:	
Cash and cash equivalents	0
Investments	0
Investment income receivable	0
Total Current Assets	<u>126,592,658</u>
Noncurrent Assets:	
Restricted Assets:	
Cash and Equivalents	20,945,463
Investments	9,426,725
Investment Income Receivable	0
Advance Receivable	
Loans Receivable	384,957,579
Leases Receivable	
Water Depletion Rights-ALP	
Capital Assets-Equipment, Net of Accumulated Depreciation	0
Lease Assets	
Other Assets	
Total Noncurrent Assets	<u>415,329,768</u>
Total Assets	<u>541,922,426</u>
Deferred Outflows-Refundings	123,296
Deferred Outflows-Pension	
Deferred Outflows-OPEB	
Current Liabilities:	
Project Costs Payable - Current	0
Bonds Payable	0
Unearned Revenue	
Lease Liability	
Accrued Interest Payable	0
Accounts Payable-Borrowers	1,420,924
Interest Payable-Leases	
Due to Other Funds	0
Accounts Payable-Other	0
Other Liabilities	
Total Current Liabilities	<u>1,420,924</u>
Noncurrent Liabilities:	
Project Costs Payable - Long Term	98,251,032
Advance Payable	6,418,558
Bonds Payable, net	56,335,000
Unearned Revenue	
Lease Liability	
Pension Liability	
HCTF Liability	
Debt Service Reserve Deposit	
Other Liabilities	1,292,596
Total Noncurrent Liabilities	<u>162,297,186</u>
Total Liabilities	<u>163,718,110</u>
Deferred Inflows-Refundings	
Deferred Inflows-Pension	
Deferred Inflows-OPEB	
Deferred Inflows-Leases	
Fund Net Position:	
Invested in Capital Assets	0
Restricted	378,327,611
Unrestricted	
Total Fund Net Position	<u>378,327,611</u>

Colorado Water Resources and Power Development Authority
 Drinking Water Rev Fund
 Statement of Changes in Net Position
 November 30, 2023

Operating Revenues:	
Interest on Loans	1,080,509
Interest on Investments	5,729,345
Administrative Fee	4,463,051
EPA Grants	3,242,909
Total Operating Revenues	<u>14,515,813</u>
Operating Expenses:	
Interest on Bonds	1,488,596
Grant Administration	1,368,962
EPA Set Asides	2,828,075
Principal Forgiven	8,834,194
Other	23,088
Total Operating Expenses	<u>14,542,915</u>
Operating Income	(27,102)
EPA Capitalization Grants	15,639,916
Grants From The State	4,249,860
Operating Transfers In/(Out)	158,695
Change in Net Position	<u>20,021,370</u>
Fund Net Position-Beginning of Year	<u>358,306,242</u>
Fund Net Position-End of Year	<u><u>378,327,611</u></u>

Current Assets:	
Cash and Equivalents	109,109,908
Federal Grants Receivable	0
Investment Income Receivable	0
Loans Receivable	0
Leases Receivable	
Due From Other Funds	
Accounts Receivable-Borrowers	0
Interest Receivable-Leases	
Other Assets	
Restricted Assets:	
Cash and cash equivalents	0
Investments	
Investment income receivable	0
Total Current Assets	<u>109,109,908</u>
Noncurrent Assets:	
Restricted Assets:	
Cash and Equivalents	72,844,799
Investments	
Investment Income Receivable	0
Advance Receivable	
Loans Receivable	625,677,301
Leases Receivable	
Water Depletion Rights-ALP	
Capital Assets-Equipment, Net of Accumulated Depreciation	
Lease Assets	
Other Assets	
Total Noncurrent Assets	<u>698,522,101</u>
Total Assets	<u>807,632,009</u>
Deferred Outflows-Refundings	632,202
Deferred Outflows-Pension	
Deferred Outflows-OPEB	
Current Liabilities:	
Project Costs Payable - Current	0
Bonds Payable	0
Unearned Revenue	0
Lease Liability	
Accrued Interest Payable	0
Accounts Payable-Borrowers	3,329,358
Interest Payable-Leases	
Due to Other Funds	0
Accounts Payable-Other	
Other Liabilities	
Total Current Liabilities	<u>3,329,358</u>
Noncurrent Liabilities:	
Project Costs Payable - Long Term	121,114,776
Advance Payable	1,200,000
Bonds Payable, net	157,425,000
Unearned Revenue	29,586
Lease Liability	
Pension Liability	
HCTF Liability	
Debt Service Reserve Deposit	
Other Liabilities	6,081,729
Total Noncurrent Liabilities	<u>285,851,091</u>
Total Liabilities	<u>289,180,449</u>
Deferred Inflows-Refundings	
Deferred Inflows-Pension	
Deferred Inflows-OPEB	
Deferred Inflows-Leases	
Fund Net Position:	
Invested in Capital Assets	
Restricted	519,083,762
Unrestricted	
Total Fund Net Position	<u>519,083,762</u>

0

Colorado Water Resources and Power Development Authority
Water Pollution Ctrl Rev Fund
Statement of Changes in Net Position
November 30, 2023

Operating Revenues:	
Interest on Loans	3,474,173
Interest on Investments	6,137,742
Administrative Fee	5,301,265
EPA Grants	147,242
Total Operating Revenues	<u>15,060,422</u>
Operating Expenses:	
Interest on Bonds	4,761,773
Grant Administration	1,384,830
Principal Forgiven	2,335,884
Other	14,569
Total Operating Expenses	<u>8,497,056</u>
Operating Income	6,563,366
EPA Capitalization Grants	11,425,796
Grants From The State	1,761,600
Operating Transfers In/(Out)	<u>(158,695)</u>
Change in Net Position	19,592,067
Fund Net Position-Beginning of Year	<u>499,491,695</u>
Fund Net Position-End of Year	<u><u>519,083,762</u></u>

Colorado Water Resources & Power Development Authority
Water Revenue Bonds Pgm
Statement of Net Position
As of November 30, 2023

Current Assets:	
Cash and Equivalents	
Federal Grants Receivable	
Investment Income Receivable	
Loans Receivable	0
Leases Receivable	
Due From Other Funds	
Accounts Receivable-Borrowers	0
Interest Receivable-Leases	
Other Assets	
Restricted Assets:	
Cash and cash equivalents	0
Investments	
Investment income receivable	0
Total Current Assets	<u>0</u>
Noncurrent Assets:	
Restricted Assets:	
Cash and Equivalents	33,829,475
Investments	
Investment Income Receivable	0
Advance Receivable	
Loans Receivable	52,220,000
Leases Receivable	
Water Depletion Rights-ALP	
Capital Assets-Equipment, Net of Accumulated Depreciation	
Lease Assets	
Other Assets	148,713
Total Noncurrent Assets	<u>86,198,188</u>
Total Assets	<u>86,198,188</u>
Deferred Outflows-Refundings	188,189
Deferred Outflows-Pension	
Deferred Outflows-OPEB	
Current Liabilities:	
Project Costs Payable - Current	0
Bonds Payable	0
Unearned Revenue	
Lease Liability	
Accrued Interest Payable	0
Accounts Payable-Borrowers	424,495
Interest Payable-Leases	
Due to Other Funds	
Accounts Payable-Other	166,000
Other Liabilities	
Total Current Liabilities	<u>590,495</u>
Noncurrent Liabilities:	
Project Costs Payable - Long Term	31,827,996
Advance Payable	
Bonds Payable, net	52,370,000
Unearned Revenue	
Lease Liability	
Pension Liability	
HCTF Liability	
Debt Service Reserve Deposit	1,136,700
Other Liabilities	
Total Noncurrent Liabilities	<u>85,334,696</u>
Total Liabilities	<u>85,925,191</u>
Deferred Inflows-Refundings	
Deferred Inflows-Pension	
Deferred Inflows-OPEB	
Deferred Inflows-Leases	
Fund Net Position:	
Invested in Capital Assets	
Restricted	461,186
Unrestricted	
Total Fund Net Position	<u>461,186</u>

Colorado Water Resources and Power Development Authority
Water Revenue Bonds Pgm
Statement of Changes in Net Position
November 30, 2023

Operating Revenues:	
Interest on Loans	725,640
Total Operating Revenues	<u>725,640</u>
Operating Expenses:	
Interest on Bonds	684,954
Bond Issuance Expense	283,501
Total Operating Expenses	<u>968,455</u>
Operating Income	(242,815)
Operating Transfers In/(Out)	<u>351,073</u>
Change in Net Position	108,258
Fund Net Position-Beginning of Year	<u>352,928</u>
Fund Net Position-End of Year	<u><u>461,186</u></u>



COLORADO WATER RESOURCES & POWER DEVELOPMENT AUTHORITY
EXECUTIVE DIRECTOR'S REPORT
March 8, 2024, Board Meeting

ACTIVITIES SINCE LAST MEETING

1. On February 5, 12, 20, 26, I attended the [Colorado Water Congress State Affairs Committee](#).
2. On February 7, I attended a Colorado Water Congress (CWC) Executive Committee meeting to discuss the Executive Director transition process.
3. On February 7, I attended a conference call with the Authority's lobbyist Christine Arbogast to discuss current SRF funding strategy and potential Colorado delegate meetings in April in Washington DC.
4. On February 8, 15, 22, 29 Jim Griffiths, Wes Williams and I attended the BIL steering meetings with the WQCD and the DOLA.
5. On February 8, Jim Griffiths, Mark Henderson and I met with SECWCD to continue discussions regarding [Arkansas Valley Conduit](#) funding.
6. On February 8, I co-chaired the [Council of Infrastructure Financing Authorities](#) (CIFA) Policy Committee.
7. On February 9, I attended the Colorado Water Congress Federal Affairs Committee meeting. Congressionally Directed Spending impacts as well as lead service line issues were discussed.
8. On February 9, I participated in an online CIFA Board meeting.
9. On February 13, I attended a conference call with Chair Vandiver to discuss our upcoming liaison meeting and several other Authority issues.
10. On February 13, Chair Vandiver and I attended a liaison meeting with WQCD Director Nicole Rowan, WQC Commissioner Jeni Arndt, and the Director for Colorado's Environmental Boards and Commissions, JoJo La to discuss Congressionally Directed Spending, EPA capitalization grants and a potential joint workshop or Board meeting during the August Colorado Water Congress Summer Conference.
11. On February 15, I testified in favor of [SJR24-004, Water Projects Eligibility Lists](#) in House Agriculture, Water and Natural Resources. The motion passed on a vote of 11-0 and passed the full House on February 20. SJR24-004 has been subsequently signed by the President of the Senate and the Speaker of the House and was sent to the Governor for signature on February 27.
12. On February 16, Jim Griffiths and I met with the City of Fort Collins to discuss potential funding for Halligan Reservoir.
13. On February 20, the Authority held a staff meeting to discuss the revised Employee Handbook and the Code of Ethics and Conflict of Interest Policy.
14. On February 21, I attended a CWC Treasurer's meeting.
15. On February 21, Authority staff and I attended a second human resource software demo by [Inova](#). Inova is the new provider of the Authority's payroll software.

16. On February 22, Justin Noll and I met with EPA headquarters and the Authority's Auditors, FORVIS to discuss changes to the Schedule of Expenditures of Federal Award (SEFA).
17. On February 23, Finance staff and I met with the Authority's Bond Counsel, Jim Marlin of Norton Rose Fullbright to discuss legal issues and structure for the upcoming SRF bond issues.
18. On February 26, I attended a CWC Board meeting.
19. On February 26, I had a conference call with WQCD Section Manager Mark Henderson to discuss a variety of issues including AVC funding, set-asides, loan capacity, and additional lead funding.
20. On February 26, I had a conference call with CIFA Executive Director to discuss the "Save the SRF" roll out/strategy, and the CIFA April Summit.
21. On February 28, a 9-News reporter reached out to me to discuss a story regarding Colorado Clean Water and Drinking Water infrastructure funding.

FUTURE ACTIVITIES

1. On March 4, Authority staff and I will attend the Project Finance Committee meeting.
2. On March 7, Steve Vandiver, Mike Fabbre, Matt Shuler, and I will attend the Senate confirmation hearing in Senate Agriculture and Natural Resources.
3. On March 7 (5pm) Authority staff and I will attend the CWRPDA Board Program Work Session at the Authority's office.
4. On March 8, Authority staff and I will attend the CWRPDA Board meeting at the Authority's office.
5. April 1-5, Jim Griffiths, WQCD's Mark Henderson Alex Hawley and I will attend the CIFA Water Summit in Washington DC.

FUTURE MEETINGS

April 25, 2024 – Board Program Work Session (Time TBD, Denver)

April 26, 2024 – Board meeting (9am, Denver)

June 6, 2024 – Board Program Work Session (Time TBD, Denver)

June 7, 2024 – Board Meeting (9am, Denver)

August 19-22 – Board Meeting, potential Board retreat and joint Board meeting or joint workshop with the Water Quality Control Commission. (Exact times and dates TBD, Colorado Springs – Cheyenne Mountain Resort)

Tentative 2024 Meeting Dates:

https://www.cwrpda.com/files/ugd/4d7b21_d588d3a63e6d4b06aff6a00a8c08ac6d.pdf

Congress Releases 2024 Appropriations Bill for the U.S. Environmental Protection Agency

On Sunday, March 3, the U.S. Senate and U.S. House of Representatives Appropriations Committees released a “minibus” [appropriations bill](#), which includes six of the 12 bills that will fund the federal government in fiscal year 2024, which began on October 1, 2023. The appropriations bill for Interior, Environment and Related Agencies, which funds the Clean Water and Drinking Water State Revolving Funds (SRFs), is included in the package (SRF funding begins on page 547). To avert a partial government shutdown, the bill must be enacted (passed by both chambers of Congress and signed by President Joe Biden) by this Friday, March 8.

The legislation requires the U.S. Environmental Protection Agency to submit a plan to address the backlog of congressional earmarks to the Appropriations Committees within 90 days of enactment. The legislation prohibits federal funding from being obligated until the plan is received and accepted. (More on this to come.)

The bill maintains topline funding from 2023 and continues to use the SRF capitalization grant to pay for congressional earmarks, which are listed in the accompanying [Committee Report](#). Below is the estimated allotment for SRFs after deducting congressional earmarks, allotments, administration, set-asides and deductions.

Federal Funding	Clean Water	Drinking Water
SRF Capitalization Grant	1,638,861,000	1,126,101,000
Minus Congressional Earmarks	- 787,652,267	- 631,659,905
Minus Administration of Earmarks*	- 6,650,000	- 6,650,000
Minus Tribes, Territories, Set-Asides, etc.*	- 60,860,135	- 51,413,535
Funding for 51 SRFs*	= 783,698,598	436,377,560
Percent for Congressional Earmarks	48%	56%
Percent for SRFs	48%	39%
2023		
Funding for 51 SRFs	742,787,000	481,440,000
Difference from 2023	+40,911,598	(45,062,440)

*Estimated.

Policy:

- Maintains mandates that the Clean Water SRFs use 10% of annual federal funding and the Drinking Water SRFs use 14% of annual federal funding for additional subsidy in the form of grants, principal forgiveness or negative interest loans for any eligible applicant.
- Maintains mandate that the Clean Water SRFs use 10% of annual federal funding for green projects as long as there are eligible applications consistent with the Intended Use Plan.

Additional analysis, including a list of earmarks and impacts by state, will be released in the coming days.



The Council of Infrastructure Financing Authorities is a national not-for-profit organization that represents the Clean Water and Drinking Water State Revolving Funds, the nation’s premier programs for funding water infrastructure that protects public health and the environment.



Information Systems Policy, version 3.0.0

Status: Working Draft Approved Adopted

Last Review Date: March 8, 2024

Information Systems Policy

Purpose

The purpose of the CWRPDA Information Systems Policy is to establish acceptable practices regarding the use of CWRPDA **Information Resources** ("**Information Resources**" is defined as but not limited to the storing, processing and transmitting of any data, verbally, virtually, paper, digitally) in order to protect the confidentiality, integrity and availability of information created, collected, and maintained by the CWRPDA.

Audience

The CWRPDA Information Systems Policy applies to any individual, entity, or process that interacts with any CWRPDA **Information Resource**.

Contents

Acceptable Use	Asset Management
Access Management	Mobile Devices and Bring Your Own Device (BYOD)
Authentication/Passwords	Physical Security
Clear Desk/Clear Screen	Privacy
Data Security	Removable Media
Email and Electronic Communication	Security Training and Awareness
Hardware and Software	Social Media
Internet	Voice Mail
Malware Defense	Incidental Use

Policy

Acceptable Use

- Personnel are responsible for complying with CWRPDA policies when using CWRPDA **information resources** at all times.
- Personnel must promptly report the theft, loss, or unauthorized disclosure of CWRPDA **confidential** or **internal information** to your department manager.

Personnel must not purposely engage in activity using CWRPDA Information Resources or on CWRPDA time that may

- harass, threaten, or abuse others;
- degrade the performance of CWRPDA **Information Resources**;
- deprive authorized CWRPDA personnel access to a CWRPDA **Information Resource**;
- obtain additional IT resources beyond those approved by CWRPDA management (“CWRPDA Management” is defined as Executive Director, Finance Director, Office Manager, Controller);
- Circumvent CWRPDA computer measures.
- Personnel must not download, install, or run security programs or utilities that reveal or exploit weakness in the security of a system. For example, CWRPDA personnel should not run password cracking programs, packet sniffers, port scanners, or any other non-approved programs on any CWRPDA **Information Resource**.
- All inventions, intellectual property, and proprietary information, including reports, drawings, blue prints, software codes, computer programs, data, writings, and technical information, developed on CWRPDA time and/or using CWRPDA **Information Resources** are the property of CWRPDA.
- Use of encryption must be managed in a manner that allows designated CWRPDA personnel to promptly access all data.
- CWRPDA **Information Resources** are provided to facilitate company business and must not be used for personal financial gain.
- Personnel must cooperate with incident investigations, including any federal or state investigations.
- Personnel must respect and comply with all legal protections provided by patents, copyrights, trademarks, and intellectual property rights for any software and/or materials viewed, used, or obtained using CWRPDA **Information Resources**.
- Personnel must not intentionally access, create, store or transmit material that CWRPDA deems to be offensive, indecent, or obscene.

Access Management

- Personnel are permitted to use only those network and host addresses issued to them and must not attempt to access any data or programs contained on CWRPDA systems for which they do not have authorization or explicit consent.
- All remote access connections made to internal CWRPDA networks and/or environments must be made through approved and CWRPDA-provided virtual private networks (VPNs), and remote desktop server.
- Personnel must not divulge any access information to anyone not specifically authorized to receive such information.
- Personnel must not share their CWRPDA authentication information unless such sharing is expressly approved in advance by management, including:
 - Account passwords,
 - Personal Identification Numbers (PINs),
 - Access cards, keys and door codes,

CWRPDA Information Systems Policy

- Digital certificates,
- Similar information or devices used for identification and authentication purposes.
- Lost or stolen access cards, door codes, and keys must be reported to your department manager as soon as practical.
- A service charge may be assessed for access cards and/or keys that are lost, stolen, or are not returned.

Authentication/Passwords

- All personnel are required to maintain the confidentiality of personal authentication information.
- CWRPDA Management encourages the use of password management software (Lastpass as one example) for password management.
- Any group/shared authentication information must be maintained solely among the authorized members of the group.
- All passwords, including initial and/or temporary passwords, must be constructed and implemented according to the following CWRPDA rules:
 - Must not be easily tied back to the account owner by including readily-identifiable information, such as: user name, social security number, nickname, relative's names, birth date, etc.
 - Should not include only common words, such as dictionary words or acronyms.
 - Should not be the same passwords as used for non-business purposes.
 - Use of numbers and special characters is recommended (*&^%\$#).
 - Use of upper and lower case recommended.
- Password history must be kept to prevent the reuse of passwords.
- Unique passwords should be used for each system, whenever possible.
- User account passwords must not be divulged to anyone outside CWRPDA staff and IT contractors.
- Passwords must be provided to authorized CWRPDA management on demand or upon termination of the relationship with CWRPDA, if issued.
- If the security of a password is in doubt, the password should be changed immediately.

Clear Desk/Clear Screen

- Personnel must log off from applications or network services when they are no longer needed.
- Personnel must log off or lock their workstations and laptops when their workspace is unattended.
- Confidential or internal information must be removed or placed in a locked drawer or file cabinet when the workstation is unattended and at the end of the workday if physical access to the workspace cannot be secured by other means.
- Personal items, such as phones, wallets, purses and keys, should be removed or placed in a locked drawer or file cabinet when the workstation is unattended.

- File cabinets containing **confidential information** must be locked when not in use or when unattended.
- Physical and/or electronic keys used to access **confidential information** must not be left on an unattended desk or in an unattended workspace if the workspace itself is not physically secured.
- Passwords must not be posted on or under a computer or in any other physically accessible location.
- Copies of documents containing **confidential information** must be removed immediately from printers and fax machines.

Data Security

- **Confidential information** transmitted via USPS or other mail service must be secured. Packages that are delivered outside of the office, when the office is closed, will be secured as soon as practical.
- Only authorized cloud computing applications may be used for sharing, storing, and transferring **confidential** or **internal information**. Confidential or internal information must only be shared with, or transferred to, other individuals or entities which are authorized by CWRPDA Management to receive such information.
- Information must be shared, handled, transferred, saved, and destroyed appropriately, based on the information sensitivity.
- **Confidential information** must be transported either by a CWRPDA employee or a courier approved by Management.
- All electronic media containing **confidential information** must be securely disposed. Please contact Management for guidance or assistance.

Email and Electronic Communication

- Forwarding of electronic messages containing **confidential information** outside the CWRPDA internal systems is prohibited.
- Electronic communications must not misrepresent the originator or CWRPDA.
- Personnel are responsible for the accounts assigned to them and for the actions taken with their accounts.
- CWRPDA Employees must not use personal email accounts to send or receive CWRPDA **confidential information**.
- Any personal use of CWRPDA provided email must not:
 - Involve solicitation.
 - Be associated with any political entity.
 - Have the potential to harm the reputation of CWRPDA.
 - Forward chain emails.
 - Contain or promote anti-social or unethical behavior.
 - Violate local, state, federal, or international laws or regulations.
 - Result in unauthorized disclosure of CWRPDA **confidential information**.
 - Attack, hack or limit service on any other systems on the internet.
- Personnel must send **confidential information** using secure electronic messaging solutions only.

- Personnel must use caution when responding to, clicking on links within, or opening attachments included in electronic communications.
- Personnel must use discretion in disclosing **confidential** or **internal information** in Out of Office or other automated responses, such as employment data or other sensitive data.

Hardware and Software

- All hardware must be approved by Management before being connected to CWRPDA networks.
- Software installed on CWRPDA equipment must be approved by Management.
- All CWRPDA assets taken off-site should be physically secured at all times.
- Employees must not allow family members or other non-employees to access CWRPDA **Information Resources** unless otherwise approved by the Executive Director.

Malware Defense

Purpose

Malware defense includes the configuration, maintenance, detection, reporting, and remediation of anti-malware software and the malware it identifies. This *Malware Defense Policy* provides the processes and procedures to accomplish those tasks. This policy applies to all departments and all assets connected to the CWRPDA's network.

Responsibility

- The IS consultant is primarily responsible for malware defense. Specifically, the IS consultant is responsible for configuring the correct devices to generate, store, and transmit logs. The IS consultant and CWRPDA management are responsible for informing all users of their responsibilities in the use of any assets assigned to them. All CWRPDA assets are required to comply with the malware defense policy and procedures.
- Users are responsible for connecting their devices to the CWRPDA's network and restarting their devices as appropriate.

Exceptions

Exceptions to this policy are likely to occur. Exception requests must be made in writing and must contain:

- The reason for the request,
- Risk to the CWRPDA of not following the written policy,
- Specific mitigations that will be implemented,
- Technical and other difficulties, and
- Date of review.

Configuration

- The IS consultant must install anti-malware software on all CWRPDA assets where appropriate.
 - Users must not disable anti-malware software on their CWRPDA assets.

- Users must not modify the update frequency specified by the IS consultant.

Update

- Anti-malware software must be configured to automatically update.
- The IS consultant must ensure that anti-malware signatures are kept up-to-date as they become available via an automatic update process.
- Operating systems must be configured to automatically update, unless an alternative approved patching process is used.

Detection

- The IS consultant must ensure that anti-malware software is properly functioning on all applicable CWRPDA assets.

Reporting

- All confirmed high severity alerts must be reported to CWRPDA management.
- The presence of unauthorized software must be properly investigated.

Remediation

- Identified malware must be removed from CWRPDA assets.
 - Unauthorized software must be removed from use on CWRPDA assets or receive a documented exception.
 - All exceptions must be documented.

Asset Management

Purpose

CWRPDA asset management is the process of procuring, identifying, tracking, maintaining, and disposing of an asset owned by the CWRPDA. This *Asset Management Policy* provides the processes and procedures for governing the CWRPDA asset lifecycle while the CWRPDA is using an asset. An inventory must be created and maintained to support the CWRPDA's mission. This inventory must be current and reflect the current assets owned and operated by the CWRPDA.

Responsibility

The IS consultant is responsible for all CWRPDA asset management functions. This information is relayed to other departments within the CWRPDA such as finance and accounting as required or needed. The IS consultant and CWRPDA management is responsible for informing all users of their responsibilities in the use of any CWRPDA assets assigned to them.

Acquisition

- The IS consultant shall assign unique identifiers to all existing and newly acquired CWRPDA assets they manage.

- Each managed CWRPDA asset (e.g., desktops, laptops, servers, tablets), where applicable, must have an CWRPDA asset tag affixed to the device with this identifier.
- Record the CWRPDA asset identifier alongside other relevant information within the IS inventory. This is to include:
 - CWRPDA asset identifier
 - Date of purchase
 - Purchase price
 - Item description
 - Manufacturer
 - Model number
 - Serial number
 - Warranty expiration date
- IS consultant must verify the CWRPDA asset inventory every year.

Discovery

- CWRPDA assets not managed by the IS consultant must be investigated, as these assets may be unauthorized.
- Assets owned by the CWRPDA but not managed by IS consultant and not kept within the CWRPDA asset inventory must be added to the inventory.
- Users are required to connect their CWRPDA assets to the CWRPDA network on a weekly basis, where practical.
- The IS consultant must choose to remove the unauthorized asset from the network, deny the asset from connecting remotely to the network, or quarantine the asset.

Usage

- Users must handle all CWRPDA assets with care.
- It is the responsibility of the CWRPDA asset owner to:
 - Maintain control over the CWRPDA asset.
 - Contact the IS consultant with any problems such as malfunctions, needed repairs, and underutilized equipment or in the event of equipment loss.

Controlled Disposal

- CWRPDA assets to be decommissioned or retired must be returned to IS consultant.
- IS consultant must make a copy of the user data, as needed.
- IS consultant will be responsible for the secure erasure of the primary memory storage device within the CWRPDA asset, where applicable.
- IS consultant will be responsible for updating the status of the CWRPDA asset within all CWRPDA management systems.

- IS consultant must ensure that relevant records are retained.
- Document the removal of the CWRPDA asset from the CWRPDA within the asset inventory.

Uncontrolled Disposal

- All lost or stolen CWRPDA assets must be immediately reported to management and IS consultant.
- Lost and stolen CWRPDA assets must have their access to CWRPDA data revoked as soon as possible.
 - The CWRPDA assets must also be removed from the inventory.

Internet

- The Internet must not be used to communicate CWRPDA **confidential** or **internal information**, unless the confidentiality and integrity of the information is ensured and the identity of the recipient(s) is established.
- Use of the Internet with CWRPDA networking or computing resources shall be for business-related activities. However, incidental use of the internet or CWRPDA information systems is allowed while on personal time. Incidental use is acceptable as long as it does not consume more than a trivial amount of resources, does not interfere with productivity, and does not preempt any business activity. Unapproved activities include, but are not limited to:
 - Recreational games,
 - Accessing or distributing pornographic or sexually oriented materials,
 - Accessing or distributing racists, violent or other potentially offensive material,
 - Broadcasting unsolicited personal views on social, political or religious issues,
 - Attacking, hacking or limiting service on any other systems on the internet,
 - Attempting or making unauthorized entry to any network or computer accessible from the Internet.
- Streaming media or audio will be limited or eliminated if it is impairing or impacting the CWRPDA network.
- Access to the Internet from outside the CWRPDA network using a CWRPDA owned computer, laptop or tablet must adhere to all of the same policies that apply to use from within CWRPDA facilities.

Mobile Devices and Bring Your Own Device (BYOD)

- The use of a personally-owned mobile device to connect to the CWRPDA network is a revocable privilege granted to employees upon approval of Management.
- All personally-owned laptops and/or workstations must have approved virus and spyware detection/protection software along with personal firewall protection active and updated in a frequency consistent with the developers' recommendations.
- CWRPDA confidential information should not be stored on any personally-owned mobile device.

- Theft or loss of any mobile device that has been used to create, store, or access **confidential** or **internal information** must be reported to the CWRPDA management immediately.
- All mobile devices must maintain up-to-date versions of all software and applications.
- All personnel are expected to use mobile devices in an ethical manner.
- Jail-broken or rooted devices should not be used to connect to CWRPDA **Information Resources**.
- In the event that there is a suspected incident or breach associated with a CWRPDA device, it may be necessary to remove the device from the personnel's possession as part of a formal investigation.
- All mobile device usage in relation to CWRPDA **Information Resources** may be monitored at the discretion of CWRPDA Management.
- CWRPDA IT support for personally-owned mobile devices is limited to assistance in complying with this policy.
- Use of personally-owned devices must be in compliance with all other CWRPDA policies.
- CWRPDA reserves the right to revoke the privilege of using personally-owned mobile devices for CWRPDA purposes in the event that personnel do not abide by the requirements set forth in this policy.
- Texting or emailing while driving is not permitted while on company time or using CWRPDA resources. Only hands-free talking while driving is permitted while on company time or when using CWRPDA resources.

Physical Security

- Visitors must be accompanied by authorized personnel.
- Eating or drinking are not allowed in the server room. Caution must be used when eating or drinking near workstations or information processing facilities.

Privacy

- Information created, sent, received, or stored on CWRPDA **Information Resources** is not private and may be accessed by CWRPDA management at any time, under the direction of CWRPDA executive management, without knowledge of the user or resource owner.
- CWRPDA may log, review, and otherwise utilize any information stored on or passing through its **Information Resource** systems.
- Systems Administrators, CWRPDA management, and other authorized CWRPDA personnel may have privileges that extend beyond those granted to standard business personnel. Personnel with extended privileges should not access files and/or other information that is not specifically required to carry out an employment-related task.
- The Executive Director may grant limited Information System access to CWRPDA vendors such as auditors. Access will be limited to what is needed to perform specific work.

Removable Media

- The use of removable media for storage of CWRPDA information must be supported by a reasonable business case.
- All removable media use must be approved by CWRPDA management prior to use.
- Personally-owned removable media use is not permitted for storage of CWRPDA information.
- Personnel are not permitted to connect removable media, without prior approval from CWRPDA management.
- Confidential and internal CWRPDA information should not be stored on removable media without the use of encryption.
- The loss or theft of a removable media device that may have contained CWRPDA information must be reported to the CWRPDA management.

Security Training and Awareness

- All new personnel must complete an approved security awareness training class prior to, or at least within 10 days of, being granted access to any CWRPDA **Information Resources**.
- All personnel must be provided with and acknowledge they have received and agree to adhere to the CWRPDA Information Security Policies before they are granted access to CWRPDA **Information Resources**.
- All personnel must complete security awareness training no less than four times a year.

Social Media

- Communications using social media should be made in compliance with all applicable CWRPDA policies.
- Personnel are personally responsible for the content they publish online.
- Creating any public social media account intended to represent CWRPDA, including accounts that could reasonably be assumed to be an official CWRPDA account, requires the permission of the CWRPDA Executive Director.
- When discussing CWRPDA or CWRPDA -related matters, you should:
 - Identify yourself by name,
 - Identify yourself as an CWRPDA representative, and
 - Make it clear that you are speaking for yourself and not on behalf of CWRPDA, unless you have been explicitly approved to do so.
- Personnel should not misrepresent their role at CWRPDA.
- When publishing CWRPDA -relevant content online in a personal capacity, a disclaimer should accompany the content. An example disclaimer is: "The opinions and content are my own and do not necessarily represent CWRPDA's position or opinion. The mere appearance or participation by CWRPDA personnel, in any capacity, does not constitute an endorsement of the opinions and content by the CWRPDA, and the CWRPDA cannot be held liable for the opinions and content contained herein."
- Content posted online should not violate any applicable laws (i.e. copyright, fair use, financial disclosure, or privacy laws).

CWRPDA Information Systems Policy

- The use of discrimination (including age, sex, race, color, creed, religion, ethnicity, sexual orientation, gender, gender expression, national origin, citizenship, disability, or marital status or any other legally recognized protected basis under federal, state, or local laws, regulations, or ordinances) in published content that is affiliated with CWRPDA will not be tolerated and is prohibited.
- Confidential information, internal communications and non-public financial or operational information may not be published online in any form.

CWRPDA Voice Mail

- Personnel must use discretion in disclosing **confidential** or **internal information** in voice mail greetings, such as employment data or other sensitive data.
- Personnel must not access another user's voicemail account unless it has been explicitly authorized by CWRPDA Management or voicemails user.

Incidental Use

- As a convenience to CWRPDA personnel, incidental use of **Information Resources** is permitted. The following restrictions apply:
 - Incidental personal use of electronic communications, Internet access, fax machines, printers, copiers, and so on, is restricted to CWRPDA approved personnel; it does not extend to family members or other acquaintances unless approved by the Executive Director.
 - Incidental use should not result in direct costs to CWRPDA.
 - Incidental use must not interfere with the normal performance of an employee's work duties.
 - No files or documents may be sent or received that may cause legal action against, or embarrassment to, CWRPDA or its customers.
 - Incidental use must adhere to all policies/ directives contained herein.
- Storage of personal email messages, voice messages, files and documents within CWRPDA **Information Resources** must be nominal.
- All information located on CWRPDA **Information Resources** is owned by CWRPDA, may be subject to open records requests, and may be accessed in accordance with this policy.

Waivers

Waivers from certain policy provisions may be approved by CWRPDA Executive Director.

Enforcement

Personnel found to have violated this policy are subject to disciplinary action, up to and including termination of employment, and related civil or criminal penalties.

Any vendor, consultant, or contractor found to have violated this policy is subject to sanctions up to and including removal of access rights, termination of contract(s), and related civil or criminal penalties.

Review

The Acceptable Use Policy shall be formally approved and adopted by the Authority's Board of Directors and reviewed annually. Any modifications to the Acceptable Use Policy shall be reflected in the **Version History** of said document.

Version History

Version	Modified Date	Approved Date	Approved By	Reason/Comments
1.0.0	N/A	Jan. 30, 2019	BOD	Original adoption
1.1.0	N/A	January 29, 2020	BOD	Annual Review
1.2.0	January 29, 2021	January 29, 2021	BOD	Clean up items and Annual Review
1.3.0	January 26, 2022	January 26, 2022	BOD	Clean up items and Annual Review
2.0.0	March 3, 2023	March 3, 2023	BOD	Changes and Annual Review
3.0.0	March 8, 2024	TBD	TBD	Added two new sections



COLORADO WATER RESOURCES & POWER DEVELOPMENT AUTHORITY

The Amp - Suite 820, 1580 N. Logan Street, Denver, Colorado 80203-1939
303/830-1550 · Fax 303/832-8205 · info@cwrpda.com

MEMORANDUM

March 5, 2024

TO: Board of Directors
FROM: Sabrina Speed, Office Manager
RE: Website Accessibility Policy

On June 30, 2021, Governor Polis signed House Bill 21-1110 (Concerning adding language to relevant Colorado Statutes related to persons with disabilities to strengthen protections against discrimination based on a disability). The Authority is responsible for complying with its requirements, as well as the requirements of 8 CCR 1501-11, by the July 1, 2024, deadline.

To meet accessibility requirements, staff is asking the Board to adopt the attached Website Accessibility Policy. Although the Board isn't required to adopt the policy, it is recommended as a best practice.

The template for the Website Accessibility Policy was recommended and provided by the Special District Association ("SDA") of Colorado, and the attached policy doesn't vary much from the template.

Staff recommends the adoption of the Website Accessibility Policy and to authorize staff to continue additional accessibility measures, including a one-time creation of an accessibility page and the creation of a formal internal process that addresses community concerns.

Attachment: Website Accessibility Policy



COLORADO WATER RESOURCES & POWER DEVELOPMENT AUTHORITY

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Website Accessibility Policy

This accessibility policy was approved by the Colorado Water Resources and Power Development Authority Board of Directors on March 8, 2024.

The Colorado Water Resources & Power Development Authority is fully committed to providing accessible facilities, elements, and channels of communication to all members of the public. As part of this commitment, the Colorado Water Resources and Power Development Authority has a policy of providing an accessible website compatible with the Web Content Accessibility Guidelines (WCAG 2.1) and commercial screen reading software. All features of the website are coded to allow individuals with vision and other impairments to understand and use the website to the same degree as someone without disabilities. We welcome feedback and can often resolve issues in a timely manner, if they arise.

Ongoing Compliance Information

Accessibility Officer

The Colorado Water Resources and Power Development Authority has designated **Office Manager, Sabrina Speed**, as its accessibility officer for website disability-related accommodations. The accessibility officer has received training in website accessibility and updates the site in accordance with those best practices. If you need any special assistance, accommodations, or to report an issue, please contact our accessibility officer, Sabrina Speed, at sspeed@cwrpda.com or call us at 303-830-1550 x1010.

Compliance Procedures and Reports

In addition to annual testing and coding our website to WCAG standards, the Colorado Water Resources and Power Development Authority regularly scans its website to ensure ongoing compliance and makes timely changes to any inaccessible items, if any are found.



COLORADO WATER RESOURCES & POWER DEVELOPMENT AUTHORITY

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303/830-1550 · Fax 303/832-8205 · info@cwrpda.com

MEMORANDUM

March 4, 2024

TO: Project Finance Committee and Karl Ohlsen

FROM: Jim Griffiths, Finance Director
Ian Loffert, Sr. Financial Analyst II
Austin Reichel, Financial Analyst II
Kevin Carpenter, Financial Analyst II
Giorgi Gazashvili, Financial Analyst I

RE: Review of the Town of Boone, South Adams County Water & Sanitation District, Town of Lochbuie, City of Greeley, and City of Englewood Drinking Water Revolving Fund ("DWRF")

The Division of Local Government has forwarded to the DWRF Committee its analyses of the above-listed projects. The DWRF Committee, composed of representatives from the Division of Local Government, the Water Quality Control Division, and the Authority, has reviewed the technical and financial aspects of the proposed projects and agreed to forward the requests to the Authority's Project Finance Committee with the following recommendations:

Town of Boone

The Town of Boone (the "Town"), located in Pueblo County, is seeking a principal forgiveness ("PF") loan through the DWRF Bipartisan Infrastructure Law ("BIL") Emerging Contaminants ("EC") PF loan program in the total amount of *\$1,005,000. The project's purpose is emerging contaminant treatment for manganese and includes new media for the treatment plant and rehabilitation of backwash ponds. The Town will re-purpose the existing nitrate removal for the Water Treatment Plant ("WTP") by modifying the existing nitrate removal pressure vessels with a greensand filtration system for removal of oxidized manganese and iron, install a new SCADA system at the Boone Arkansas Well, chlorination building, and newly re-purposed WTP, and remove the existing altitude valve and replace it with a spool piece and rehabilitate the backwash ponds. The Town's project was authorized by SJR 10-004.

Recommendation

Based on the attached credit report, staff recommends that the Project Finance Committee forward to the Board a recommendation authorizing staff to begin negotiating a DWRF BIL EC PF loan with the Town in the amount of *\$1,005,000. The BIL EC PF direct loan will be a 100% PF loan. The Board will consider this request on March 8, 2024.

South Adams County Water & Sanitation District

The South Adams County Water & Sanitation District (the "District"), located in Adams County, is seeking funds through the DWRF loan program in the total amount of \$60,000,000 (comprised of a *\$30,000,000 leveraged loan plus cost of issuance and a direct loan of *\$30,000,000 BIL EC PF). The District will be constructing a new water treatment plant. This new treatment plant will utilize ion exchange for the removal of Perfluorooctane Sulfonate ("PFOS") and Perfluorooctanoic Acid ("PFOA"). The District's project was authorized by SJR 18-003.

Recommendation

Based on the attached credit report, staff recommends that the Project Finance Committee forward to the Board a recommendation authorizing staff to begin negotiating DWRF loans with the District in the amount of \$60,000,000 (comprised of a *\$30,000,000 leveraged loan plus cost of issuance and a direct loan of up to *\$30,000,000 in BIL EC PF). The leveraged loan will be for a term of up to 30 years, at an interest rate of 85% of the market rate on the Authority's 2024 Series A State Revolving Fund Revenue Bonds. The Board will consider this request on March 8, 2024.

Town of Lochbuie

The Town of Lochbuie (the “Town”), located in Adams and Weld Counties, is seeking funds through the DWRP loan program in the total amount of \$8,000,000 (comprised of a *\$6,441,282 leveraged loan plus cost of issuance, a *\$558,718 BIL loan, and a *\$1,000,000 BIL PF loan). The Town will be constructing a new elevated water storage tank. Proposed improvements include a 2 MG composite elevated potable water storage tank with associated piping, valving, and appurtenances which include a tank mixer, venting, overflow, and drain. The Town’s project was authorized by SJR 10-004.

Recommendation

Based on the attached credit report, staff recommends that the Project Finance Committee forward to the Board a recommendation authorizing staff to begin negotiating DWRP loans with the Town in the amount of \$8,000,000 (comprised of a *\$6,441,282 leveraged loan plus cost of issuance, a *\$558,718 BIL loan, and a *\$1,000,000 BIL PF loan). The leveraged loan will be for a term of 20 years plus construction, at an interest rate of 85% of the market rate on the Authority’s 2024 Series A State Revolving Fund Revenue Bonds. The BIL direct loan will be for a term of 20 years, at an interest rate of 3.25%. The Board will consider this request on March 8, 2024.

City of Greeley

The City of Greeley (the “City”), located in Weld County, is seeking funds through the DWRP loan program in the total amount of \$20,910,725 (comprised of a *\$7,551,020 in a BIL Lead Service Line (“LSL”) loan, a *\$10,000,000 BIL LSL PF loan, and a *\$3,359,705 base direct loan). This project consists of identifying and removing lead service lines throughout the City’s service area. The City’s project was authorized by SJR 24-004.

Recommendation

Based on the attached credit report, staff recommends that the Project Finance Committee forward to the Board a recommendation authorizing staff to begin negotiating DWRP loans with the City in the amount of \$20,910,725 (comprised of a *\$7,551,020 in a BIL LSL Loan, a *\$10,000,000 BIL LSL PF loan, and a *\$3,359,705 base direct loan). The loans will be for a term of up to 30 years, at an interest rate of 3.50%, subject to approval of a one-time waiver from the base direct loan limit (currently \$3 million). The Board will consider this request on March 8, 2024.

City of Englewood

The City of Englewood (the “City”), located in Arapahoe County, is seeking funds through the DWRP loan program in the total amount of \$40,000,000 (comprised of a *\$22,448,980 leveraged loan plus cost of issuance, a *\$7,551,020 BIL LSL loan, and a *\$10,000,000 BIL LSL PF loan). The project consists of identifying and replacing lead service lines (“LSLs”), in accordance with BIL requirements. The City’s project was authorized by HJR 21-1002.

Recommendation

Based on the attached credit report, staff recommends that the Project Finance Committee forward to the Board a recommendation authorizing staff to begin negotiating DWRP loans with the City in the amount of \$40,000,000 (comprised of a *\$22,448,980 leveraged loan plus cost of issuance, a *\$7,551,020 BIL LSL Loan, and a *\$10,000,000 BIL LSL PF loan). The leveraged loan will be for a term of up to 30 years, at an interest rate of 85% of the market rate on the Authority’s 2024 Series A or B State Revolving Fund Revenue Bonds. The BIL LSL direct loan will be for a term of up to 30 years, at an interest rate of 3.50%, subject to increasing user rates sufficiently to meet the Authority’s rate covenant prior to loan execution. The Board will consider this request on March 8, 2024.

Note: A Zoom conference call has been scheduled for **Monday, 9:00 a.m. March 4, 2024**. The link to join via online is: <https://us06web.zoom.us/j/85489555164?pwd=YEBqqzI1DJhVmsNHCLqmnS99KqyeJb.1>. If you prefer to dial in, the call-in number is: **1-669-900-6833**, and the Meeting ID is **854 8955 5164**. The passcode is: **613298**.

Attachments: Town of Boone 2024 DWRP Credit Report
 South Adams County Water & Sanitation District 2024 DWRP Credit Report
 Town of Lochbuie 2024 DWRP Credit Report
 City of Greeley 2024 DWRP Credit Report
 City of Englewood 2024 DWRP Credit Report

* - Estimated PF and direct loan amounts through the BIL and/or Base programs. The exact amount may be different at the time of loan execution. While no significant differences are anticipated, any significant differences needed to comply with the proportional allocation requirements of the BIL will be discussed with the Finance Director and Executive Director to determine if additional Authority Board approval is needed.

DWRF LOAN CREDIT REPORT

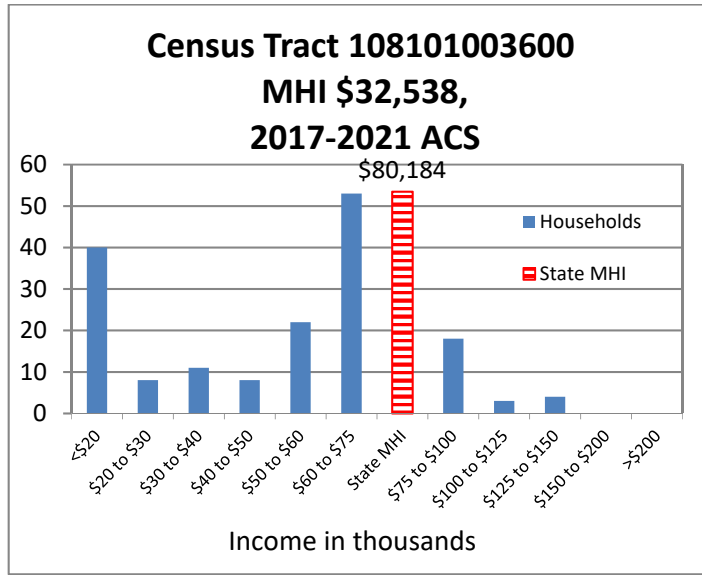
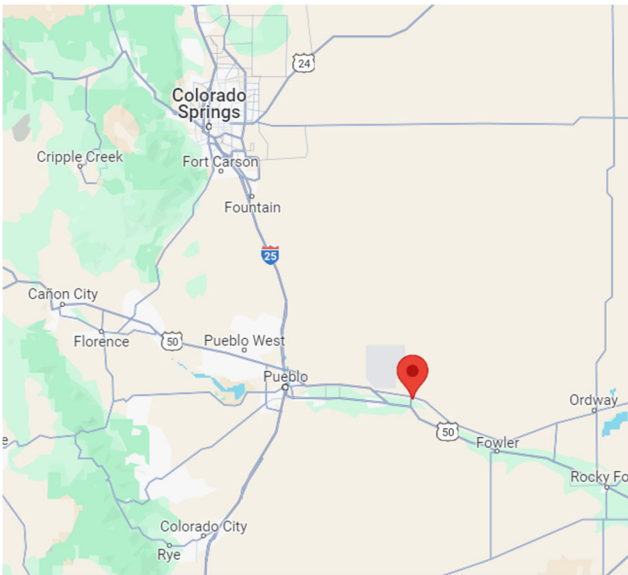
Town of Boone ("The Town"), Pueblo County

Recommendation:	APPROVAL	<u>Project Budget</u>	
Total SRF Request:	\$1,005,000	DWRF BIL Emerging Contaminants	\$1,005,000
Interest Rate & Term:	N/A	Principal Forgiveness:	
Annual Debt Service:	\$0	Total:	\$1,005,000
Pledge:	N/A		
Current Rate (W):	\$63.80		
Estimated Rate Increase:	\$0.00		

PROJECT DESCRIPTION: The project’s purpose is emerging contaminant treatment for manganese and includes new media for the treatment plant and rehabilitation of backwash ponds. The Town will re-purpose the existing nitrate removal for the Water Treatment Plant (WTP) by modifying the existing nitrate removal pressure vessels with a greensand filtration system for removal of oxidized manganese and iron, install a new SCADA system at the Boone Arkansas Well, chlorination building, and newly re-purposed WTP, and remove the existing altitude valve and replace it with a spool piece and rehabilitate the backwash ponds.

COMMUNITY PROFILE:							Avg. Annual
Town of Boone	2018	2019	2020	2021	2022	2023	Change
Town Population	323	314	305	306	306		-1.34%
Pueblo County Population	166,686	167,484	168,311	169,272	169,383		0.40%
Pueblo County Jobs	74,332	75,660	74,166	74,775	76,418		0.69%
Number of Water Taps		134	142	138	139	137	0.56%
Number of Sewer Taps		125	132	129	130	128	0.59%
Assessed Value (\$000)		1,586	1,760	1,830	2,281	2,181	8.29%
Actual Value (\$000)		9,837	12,027	14,391	17,846	17,318	15.19%

BORROWER BRIEF: The Town is a small plains bedroom community located approximately 20 miles to the east of Pueblo on State Highway 50. The Town is located close to the Arkansas River, downstream of Pueblo.



RECOMMENDATION: The Town serves a small community in eastern Pueblo County that is a Disadvantaged Community that scored 10.5 points, well above the 3 points necessary to be eligible for Bipartisan Infrastructure Law (BIL) Principal Forgiveness. This proposed loan is necessary to address manganese issues in the Town’s drinking water that present a public health risk. The Town’s combined water and sewer enterprise saw a rise in costs during 2022. However, the need to address the manganese issue and the proposed project’s eligibility for BIL Emerging Contaminants 100% principal forgiveness means that that approval would address a public health risk with no further burden to the community. We therefore recommend the DWRF Committee approve a \$1,005,000 Disadvantaged Communities direct loan with 100% principal forgiveness under the BIL Emerging Contaminants funding to the Town of Boone. Approval of principal forgiveness would address a public health issue without increasing rates for this loan and without increasing Town debt.

PROJECT SUMMARY:

System summary: Raw water from the three sources is blended in the raw water cistern. Effluent from the raw water cistern flows through a pump station where gaseous chlorination occurs. The treated water flows to a 200,000 gallon storage tank and then to distribution. The nitrate removal treatment facility, and booster station were taken out of service and disconnected.

Reason/need: The Town's new well supply determined the iron and manganese concentrations were well above the Secondary Maximum Contaminant Level (SMCL). The manganese concentrations also exceed the 2004 EPA Health Advisory level for 10-day acute exposure for bottle fed infants. The Town was issued a Tier-1 public notice for infant use, as well as continued sampling and flushing of the settled manganese from the distribution system piping.

System Compliance: This system has a Tier 1 Public Notice requirement because of the exceedance of manganese that is above the SMCL. They are in compliance with the Acute Situation Follow-Up compliance schedule issued on January 25, 2022, by the Compliance Assurance Section at the WQCD. This project is expected to close the compliance schedule for Tier 1 Public Notice and bottle water advisory.

The Town has a notice of Acute Situation Follow-Up compliance schedule issued January 25, 2022, to address manganese. The Town has a compliance schedule to perform a monthly Public Notice. The project is intended to return the system to compliance for emerging contaminants.

Project Delivery Method: Design/Bid/Build

Contingency: 10% of total project cost included as contingency.

CURRENT INDICATORS:	2020	2021	2022	Weak	Average	Strong
Total Debt per Capita (\$):	1,567	1,471	1,651	___ >\$2,000	<u>X</u> \$1,000 - 2,000	___ <\$1,000
Total + New Debt/Capita (\$):			1,651	___ >\$2,000	<u>X</u> \$1,000 - 2,000	___ <\$1,000
Total Debt/Tap (\$):	3,365	3,262	3,635	___ >\$5,000	<u>X</u> \$2,500 - 5,000	___ <\$2,500
Total Debt + New Debt/Tap (\$):			3,635	___ >\$5,000	<u>X</u> \$2,500 - 5,000	___ <\$2,500
Current W&S Debt/Tap (\$):	3,365	3,262	3,635	<u>X</u> >\$2,000	___ \$1,000 - 2,000	___ <\$1,000
Current W&S + New W&S Debt/Tap (\$):			3,635	<u>X</u> >2,000	___ \$1,000 - 2,000	___ <\$1,000
Total Debt/Assessed Value:	27%	25%	22%	___ >50%	___ 25-50%	<u>X</u> <25%
Total Debt + New W&S Debt/Assessed Value:			22%	___ >50%	___ 25-50%	<u>X</u> <25%
Total Debt/Actual Value:	3.97%	3.13%	2.83%	___ >10%	___ 5-10%	<u>X</u> <5%
Total Debt + New W&S Debt/Actual Value:			2.83%	___ >10%	___ 5-10%	<u>X</u> <5%
Curr. W&S Debt + New Debt/Tap/MHI:			7.29%	___ >20%	___ 10-20%	<u>X</u> <10%
W&S Fund Current Ratio (CA/CL):	562%	521%	256%	___ <100%	___ 100-200%	<u>X</u> >200%
W&S Fund Reserves/Current Expense:	158%	137%	42%	<u>X</u> <50%	___ 50-100%	___ >100%
W&S Operating Ratio (OR/OE):	157%	130%	76%	<u>X</u> <100%	___ 100-120%	___ >120%
Coverage Ratio (TR-OE)/DS:	225%	120%	-96%	<u>X</u> <110%	___ 110-125%	___ >125%
Coverage Ratio (TR-OE)/DS Excluding Tap Fees:	225%	120%	-101%	<u>X</u> <110%	___ 110-125%	___ >125%
Coverage Ratio with New Loan:			-96%	<u>X</u> <110%	___ 110-125%	___ >125%
Coverage Ratio with New Loan Excluding Tap Fees:			-101%	<u>X</u> <110%	___ 110-125%	___ >125%
Current Annual Water Rates/MHI:			1.54%	___ >3.0%	<u>X</u> 1.5-3.0%	___ <1.5%
Current Water Rates + New Water Debt Service/MHI:			1.54%	___ >3.0%	<u>X</u> 1.5-3.0%	___ <1.5%
Operation and Maintenance Reserve:			52%	___ <25%	___ 25-50%	<u>X</u> >50%
			Total:	8	6	7

FINANCIAL ANALYSIS: Of the twenty-one current indicators calculated, seven are rated strong, six are average and eight are considered weak. Overall, the indicators illustrate a small system with increasing operating expenses and debt burden. The strong indicators show that reserves are healthy, and that existing debt is affordable when compared to home values and Median Household Income (MHI). The weak indicators reflect expenses that increased significantly in 2022. Between 2018 and 2022, the operating ratio averaged 123% and operating revenues covered operating expenses for four out of the five years examined.

- Because the proposed project is eligible for BIL Emerging Contaminants 100% principal forgiveness, there are no rate increases necessary for this proposed project.
- The Town exceeded the 110% coverage ratio on existing debt in 2020 and 2021 but a large increase in salaries and benefits caused the coverage ratio to drop in 2022 to -96%. Based on 2022 financial information, additional annual revenue of about \$94,262, or \$54.17 per tap per month, would increase the coverage ratio to 110% when including tap fee revenue.
- If principal forgiveness is not awarded, additional annual revenue of about \$141,785, or \$81.49 per tap per month, would increase the coverage ratio to 110% when including tap fee revenue. Excluding tap fee revenue, additional annual revenue of about \$141,785, or \$82.92 per tap per month, would increase the coverage ratio to 110%.
- Projections submitted with the loan application show that the Town estimates operations expenses to increase by 2% annually.
- The Town’s engineer indicated in the Project Needs Assessment that the SCADA system that will be implemented on the proposed manganese filtration project will increase operations and maintenance expenses by at least \$6,000 annually for additional monitoring and maintenance of the filter system. Increases in rates are likely necessary to cover new expenses related to the proposed project. The Town plans to increase rates significantly in 2024 and going forward to meet the 110% rate covenant on their existing loans.

DESCRIPTION OF THE LOAN:

The Town qualifies for \$1,005,000 in BIL Emerging Contaminants principal forgiveness.

Disadvantaged Community:

In order to qualify as a Disadvantaged Community (DAC), an applicant must meet one (1) of three (3) scenarios.

1. Meets benchmarks for P1, and either P2 or P3
2. Meets benchmarks for P1, not for P2 or P3, and meets two or more secondary factors
3. P1 is unreliable. Meets benchmarks for P2 and P3, and two or more secondary factors

	Benchmark		Borrower	Met?		Benchmark		Borrower	Met?
P1: MHI	\$64,147	>=	\$32,538	Y	S1: County MHI	\$64,147	>=	\$53,430	Y
P2: MHV	\$397,500	>=	\$75,800	Y	S2: Population Loss	0.00%	>=	-7.83%	Y
P3: County Unemployment	5.61%	<=	6.83%	Y	S3: Assessed Value per Housing unit	\$23,022	>=	\$9,234	Y
County Job Loss	0.00%	>=	8.69%	N	S4b: Curr. and Proj. System Debt	0.82%	<	14.33%	Y
					S4b: 80th Percentile	2.50%	<	14.33%	Y
					S5b: Proj. System Cost Per Tap to MHI	2.07%	<	7.06%	Y
					S5b: 80th Percentile	3.09%	<	7.06%	Y

Based on 2017-2021 American Community Survey data, the Town met the requirements of a DAC, qualifying under scenario #1 because all factors were met (with the exception of County Job Loss for P3, which was satisfied by County Unemployment).

Due to its projected rates to MHI and MHV exceeding the 80th percentile, the Town qualifies as a Category 2 DAC (currently at a 1.75% interest rate).

BIL Principal Forgiveness Eligibility:

In order to qualify for BIL principal forgiveness, a community must score three (3) points using the BIL Principal Forgiveness Eligibility Criteria outlined in the Intended Use Plans. The Town scores 10.5 points as shown below.

BIL PF DETERMINATION				
	Benchmark		Borrower	Points
1. Five Year % Change in Population	0.95%	>	-1.42%	1
2a: County Job Loss	0.00%	>	8.69%	0.5
2b: County Unemployment	5.61%	<	6.83%	

3: Median Household Income, or MHI exceeds 125% of state MHI (-1 point)	\$80,184	>	\$32,538	1
	\$100,230	<		
4: Rates to MHI	1.44%	<	2.83%	1
5: Project addresses removal of lead or emerging contaminants	Yes		Yes	1
6: % Minority	30.00%	<	33.46%	1
7: % Households Housing Burdened	35.00%	<	6.29%	0
8: % Population under 200% Poverty Level	35.00%	<	39.16%	1
9: % Population under 200% Poverty Level + % Population over 65 years old	55.00%	<	69.58%	1
10: Meets DAC criteria	Yes		Yes	3
Total Points Scored:				10.5

The Town qualifies for BIL principal forgiveness and has expressed interest in receiving a proportional loan with principal forgiveness funding package. Using an estimated principal forgiveness award of 100% for DWRFBIL Emerging Contaminants projects, the Town qualifies for approximately \$1,005,000 in principal forgiveness, leaving an estimated loan of \$0.

ECONOMIC ANALYSIS: The Town has a 2022 population estimated at 306 and has decreased at an average annual rate of -1.34% since 2018. Pueblo County has experienced an increase of 0.40% in population since 2018. The state population increased at an average annual rate estimated 0.71%.

Over the past decades, the region has experienced some impacts from a decline in industrial activity. The County's economy is largely comprised of regional service, retirees, and government. Jobs are primarily in the health services, government, retail, construction, and accommodation/food services. The region's largest employers consist of Pueblo Chemical Depot (Bechtel), with 1,500 employees; MxV Rail, with 260 employees; Child Development Service, with 5 employees; the Town, with 3 employees; and various agricultural farms.

ORGANIZATIONAL ANALYSIS:

Bond Rating

The Town's debt has not been rated by Fitch, Moody's, or Standard & Poor's in the last five years.

Section 37-60-126(2) C.R.S. (Water Conservation Planning)

The Town does not sell more than 2,000 acre-feet of water per year.

Organizational Structure

The Town is a Statutory Town governed by a mayor/board 5-member Town Board form of government and was incorporated in 1956. The Town provides services including fire protection, water and wastewater, public works, and trash collection. Approximately three full-time employees staff the water utility. The water utility is overseen by the Operator in Responsible Charge, who reports to the Mayor and Town Board.

- The Town has generally been in compliance with Colorado statutory budgeting and auditing requirements for the past five years.
- The Town maintains general liability insurance coverage through CIRSA.
- There are currently no pending lawsuits against the Town.
- The Town indicated that there does not appear to have been any recall elections in the last ten years.

Capital Improvement Plan

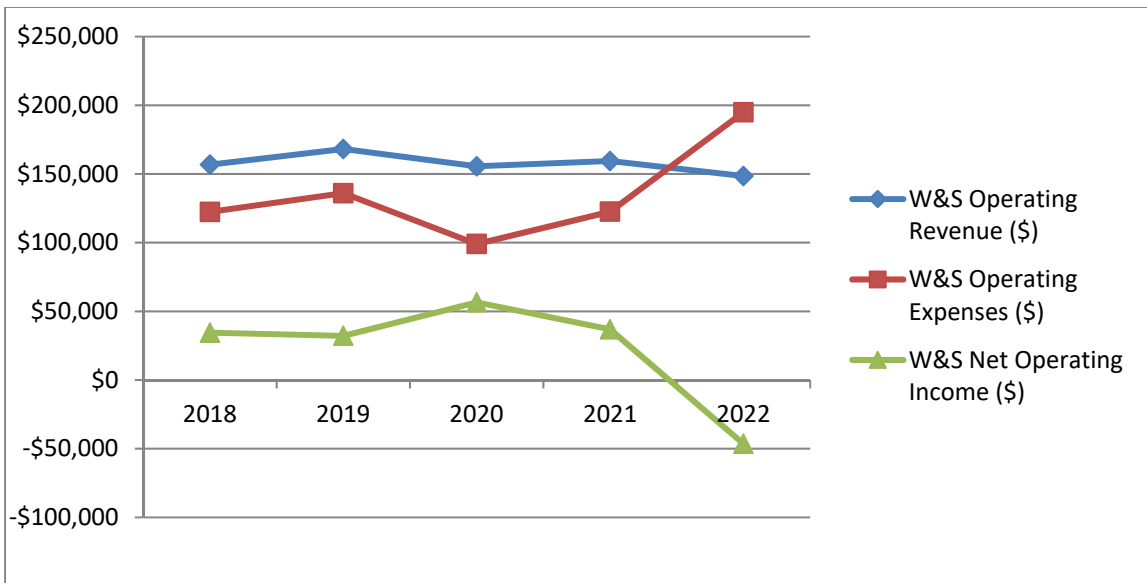
With regard to planned capital improvements, the Town anticipates capital outlay for water distribution improvements to be completed in 2024 for an estimated cost of \$434,000 to be funded from a combination of loans, grants, and reserves. Another anticipated capital project is replacing a failed wastewater treatment facility liner for which manufacturer warranty service was initiated in September 2023.

REVENUE ANALYSIS:

The Town indicates that the 2022 operating expense increase was due to increased salaries and benefits, which likely necessitates rate increases in the future to meet the 110% rate covenant on the existing loans. The Town is currently working to pass and implement a large rate increase to meet existing loan covenants.

TRENDS	2018	2019	2020	2021	2022	2023	2024
Monthly Water Rate (\$)		63.80	63.80	63.80	63.80	63.80	63.80
Monthly Sewer Rate (\$)		13.00	13.00	13.00	13.00	13.00	13.00
Residential Water Tap Fee (\$)		5,000	5,000	5,000	5,000	5,000	5,000
Residential Sewer Tap Fee (\$)		6,000	6,000	6,000	6,000	6,000	6,000
Total W&S Revenue (\$)	156,834	168,225	161,293	159,466	151,033		
Tap/Development Fees (\$)	0	0	0	0	2,500		
W&S Operating Revenue (\$)	156,809	168,183	155,576	159,449	148,501		
W&S Operating Expenses (\$)	122,375	136,027	99,022	122,576	194,893		
W&S Net Operating Income (\$)	34,434	32,156	56,554	36,873	-46,392		
W&S Debt (\$)	533,299	505,588	477,875	450,163	505,298		
Total Debt (\$)	533,299	505,588	477,875	450,163	505,298		
W&S Debt Service (\$)	60,556	27,712	27,711	30,713	45,820		
W&S Debt Service/Tap/Month (\$)		17.23	16.26	18.55	27.47		
W&S Fund Reserves (\$)	160,718	165,204	200,580	210,261	101,985		

Ratios	2018	2019	2020	2021	2022	Average
Operating Revenue as % of Total Revenue	100%	100%	96%	100%	98%	99%
Operating Revenue as % of Expenses	128%	124%	157%	130%	76%	123%
Tap Fee Revenue as % of Total Revenue	0.00%	0.00%	0.00%	0.00%	1.30%	0.26%



Recent Rate Increases

The Town’s most recent rate increase was implemented in 2014.

User Charges

The Town’s current monthly water rate is estimated at \$63.80 compared to the 2021 estimated state median of \$55.72. The Town’s average monthly water rate is based on typical residential consumption of 4,734 gallons per month. Residential users pay a \$46.80 base rate up to 5,000 gallons and volume charges of \$5.36 per 1,000 gallons for consumption from 5,001 to 10,000 gallons, \$7.00 per 1,000 gallons for consumption from 10,001 to 25,000 gallons, and \$10.00 per 1,000 gallons for consumption from 25,001 to 1,000,000 gallons. All water users pay the same water rate.

The Town’s current estimated average monthly residential sewer rate is \$13.00 compared to the 2021 estimated state median of \$40.38.

Contributed Capital

Revenue from tap fees has ranged from \$0 to \$2,500 and has averaged 0.26% of total water revenue during the last five years. The Town has not recently increased the water tap fee rate.

- Water tap fees are \$5,000.
- Sewer tap fees are \$6,000.

Current System Utilization		
	Usage	Revenue
Residential	98.9%	96.3%
Non-residential (per EQR)	1.1%	3.7%

Current Fee Summary		
Tap size	Water user/tap fees	Sewer user/tap fees
¾”	\$63.80/\$5,000	\$13.00/\$5,000
¾”	\$63.80/\$6,000	\$13.00/\$6,000

DEBT as of December 31, 2022

Executed	Lender	Term End	Pledge	Outstanding	Interest Rate	Annual payment
2005	CWRPDA – DWRP	2035	Water and sewer revenues	\$250,005	0.00%	\$17,857
2010	CWRPDA – WPCRF	2040	Water and sewer revenues	\$172,446	0.00%	\$9,854
2022	John Deere Financial	2027	Water and sewer revenues	\$82,847	4.25%	\$18,569-\$21,088 (increases annually until end of term)

LOAN COVENANTS: Although this loan does not include repayment, due to previous outstanding loans with the Authority, the Town will have to meet the Authority’s 110% rate covenant, 3 month operations and maintenance reserve fund covenant and the 110% additional bonds test (if applicable) on an annual basis.

The Town has had no debt service payment issues.

- The Town has met the O&M reserve fund covenant for its 2005 DWRP and 2010 WPCRF loans in recent years. The Town has met the Authority’s rate covenant four out of the past five years, falling out of compliance in 2022.

Town of Boone Water and Sewer Revenue Pledge				
Year	Rate Covenant	In Compliance (Y/N)	O&M Reserve Fund*	In Compliance (Y/N)
2018	114%	Y	12.4	Y
2019	116%	Y	11.6	Y
2020	225%	Y	21.3	Y
2021	120%	Y	17.6	Y
2022	-96%	N	6.1	Y

*Number of months above the 3-month reserve.

Project # 130571D-B Cost Categories: Planning and Design Only (non-construction) 14% Construction - Treatment 78.9% Other 7.1% Total: 100%

Prepared by: Victor Chen
 Date: February 20, 2024

February 23, 2024

DWRF Credit Report
Boone, Pueblo County, CO
Using most recent data available
(Census, audits, local records)

Estimated Population - 2022	306
Number of Water Taps/Customers - 2022	139
Total Assessed Valuation (in thousands) - 2022	\$2,281,000
Actual Value of All Real Property (in thousands) - 2022	\$17,846,000
Median Household Income (MHI) - 2021	\$49,875
Monthly Water Rate - 2022	\$63.80
Water Operating Revenue - 2022	\$148,501
Water Total Revenue - 2022 [May include non-operating revenue, such as contributed capital, tap & system development fees, interest income, S.O. tax and property tax. Excludes one-time capital grants.]	\$151,033
Water Tap and System Development Fee Revenue - 2022	\$2,500
Water Operating Expense - 2022	\$194,893
Water Current Expense - 2022	\$240,713
Water Debt - 2022	\$505,298
Total Debt - 2022	\$505,298
Water Fund Reserves - 2022	\$101,985
Water Debt Service - 2022	\$45,820
New Water Debt [Requested DWRF loan amount.]	\$0
Requested DWRF Loan Term	N/A
Requested DWRF Loan Interest Rate	N/A
New Loan's Annual Water Debt Service (two payments annually)	\$0

Current Indicators (2022)				
Town of Boone				
(Water and Sewer)				
1	Total Debt	\$505,298	÷ Population	306 = \$1,651
	New Debt	\$0	÷ Population	306 = \$0
	Total Debt + New Debt	\$505,298	÷ Population	306 = \$1,651
2	Total Debt	\$505,298	÷ Number of Taps	139 = \$3,635
	New Debt	\$0	÷ Number of Taps	139 = \$0
	Total Debt + New Debt	\$505,298	÷ Number of Taps	139 = \$3,635
3	Total Debt	\$505,298	÷ Assessed Value	\$2,281,000 = 22.15%
	New Debt	\$0	÷ Assessed Value	\$2,281,000 = 0.00%
	Total Debt + New Debt	\$505,298	÷ Assessed Value	\$2,281,000 = 22.15%
4	Total Debt	\$505,298	÷ Actual Value	\$17,846,000 = 2.83%
	New Debt	\$0	÷ Actual Value	\$17,846,000 = 0.00%
	Total Debt + New Debt	\$505,298	÷ Actual Value	\$17,846,000 = 2.83%
5	Current Water Debt	\$505,298	÷ Number of Taps	139 = \$3,635
	(Current Water Debt + New Water Debt) / Number of Taps	\$3,635	÷ MHI	\$49,875 = 7.29%
6	Current Ratio (CA / CL)			
	Current Assets	\$167,225	÷ Current Liabilities	\$65,240 = 256%
7	Reserve/Expense Ratio			
	Reserves	\$101,985	÷ Current Expenses	\$240,713 = 42%
8	Operating Ratio (OR / OE)			
	Operating Revenues	\$148,501	÷ Operating Expenses	\$194,893 = 76%
9	Coverage Ratio [(TR - OE) / DS]			
	Total Revenues	\$151,033	-	
	Minus Operating Expenses	\$194,893		
	=	-\$43,860	÷ Current Debt Service	\$45,820 = -96%
	Coverage Ratio Excluding Tap and			
10	Development Fee Revenue	-\$43,860		
	Minus Tap and Development Fee Revenue	\$2,500		
	=	-\$46,360	÷ Current Debt Service	\$45,820 = -101%
11	Projected Coverage Ratio			
	Total Revenues	\$151,033		
	Minus Operating Expenses	\$194,893		
	=	-\$43,860	Total Debt Service (with new loan)	\$45,820 = -96%
	Projected Coverage Excluding Tap and			
12	Development Fee Revenue	-\$43,860		
	Minus Tap and Development Fee Revenue	\$2,500		
	=	-\$46,360	÷ new loan)	\$45,820 = -101%
13	Current Debt Service	\$45,820	÷ Number of Taps	139 = \$329.64
	Annual New Water Debt Service	\$0	÷ Number of Taps	139 = \$0.00
14	2022 Annual Water Rate (Monthly Rate x 12)	\$765.60	÷ MHI	\$49,875 = 1.54%
	2022 Annual Water Rate + New Annual Debt Service Per Tap	\$765.60	÷ MHI	\$49,875 = 1.54%
15	Current 2022 Monthly User Charge			\$63.80
	(Debt Service on DWRF Loan / 2022 Taps / Month)			\$0.00
	Total			\$63.80
16	Operation and Maintenance Reserve			
	Reserves	\$101,985	÷ Operating Expenses	\$194,893 = 52%

2023 SRF Disadvantaged Community Criteria

Loan Terms

Amount of Loan:	\$ 1,005,000
Interest Rate:	3.00%
Term (years):	20
Annual Payment:	\$ 67,188

Applicant:	Town of Boone	
Test Result	Conditions met to be DAC	
Y	Test 1: P1 & P2 or P3	
N	Test 2: P1, Not P2 or P3, & 2+ S1-S5	
Y	Test 3: P1 ??, P2 & P3, & 2+ S1-S5	

	Benchmark	Applicant	Result	Notes on Data Used
Current Population (2021)	<= 10,000	306	Y	
Population 5 years ago (2017)		324		
Population 10 years ago (2012)		332		

Primary Factors

P1	MHI (Place)	<= \$ 64,147	32,538	Y	Tract used for reliability issues, T-Test for MHI OK. Per capita income not statistically similar likely because persons per household are not statistically similar.
	Margin of Error (MOE)	±	13,683	OK	
	Reliability (CV)	<= 18.00%	25.56%	N	
P2	MHV (Place)	<= \$ 397,500	75,800	Y	Place estimate not available. Used BG estimate.
	Margin of Error (MOE)	±	28,537		
	Reliability (CV)	<= 18.00%	22.89%	N	
P3	24 Month Unemployment (County)	>= 5.61%	6.83%	Y	
	or 10 Year % Chng. Jobs (County)	<= 0.00%	8.69%	N	
	Jobs (2021)		75,049		
	Jobs (2012)		69,049		

Priority Factor Count 3

Secondary Factors

S1	MHI (County)	<= \$ 64,147	53,430	Y	
	Margin of Error (MOE)	±	1,537		
	Reliability (CV)	<= 18.00%	1537.00%	N	
S2	10 Year % Chng. Population	<= 0.00%	-7.83%	Y	
S3	Assessed Value / Housing Unit	<= \$ 23,022	\$9,234	Y	
	Assessed Value		2,280,753		
	Total Housing Units		247		
S4	Current Debt / Tap / MHV	> 0.82%	4.80%	Y	If MHV CV > 18%, calculate result at top of band
WS	Current + Projected Debt/Tap/MHV	> 0.82%	14.33%	Y	
	S4b 80th percentile	> 2.50%	14.33%	Y	
S5	System Full Cost / Tap / MHI	> 2.22%	7.11%	Y	If MHI CV > 18%, calculate result at top of band
	Projected Rate @ 110% Coverage	> 2.07%	7.06%	Y	
	S5b 80th percentile	> 3.09%	7.06%	Y	

Secondary Factor Count 5

System Data for S4 and S5: To be completed by DLG

Taps or EQR's	139
Total Debt	505,298
Principal	42,594
Interest	3,226
Operating Expenses	194,893
Operating Transfers Out	0
Depreciation	126,836



Principal Forgiveness and Priority Point Scoring

Applicant: Town of Boone
 DWRP or WPCRF: DWRP

Is applicant receiving funds from BASE program, BIL program, or BOTH? BIL

BIL Principal Forgiveness

Eligible for BIL principal forgiveness? Yes

Eligible BIL principal forgiveness percentage: 100% for Emerging Contaminants

Amount of principal forgiveness awarded (accounting for any applicable cap/max: \$1,005,000

Priority Point Scoring

Total WQCD Score:	60
DOLA Affordability Score:	190
Total Score:	250

DWRF Priority Point Calculations

DOLA Score: 190

Benchmarks

\$80,184 2017-2021 State MHI estimate

		Points	Entity Value	
P1	MHI		\$32,538	41%
	<50% of state MHI	35		
	Between 51% and 80% of state MHI	20		
	Between 81% and 100% of state MHI	5		
	>100% state MHI	0		
S5b	User Fees (projected water rate at 110%/tap/MHI)		7.06%	
	Rates are > 1.64%	45		
	Rates are between 1.12% and 1.64%	25		
	OR			
S5b	User Fees for a combined water & sewer fund			
	Rates are > 2.94%	45		
	Rates are between 2.07% and 2.94%	25		
S4b	Projected water debt per tap compared to MHV		14.33%	
	Debt is > 0.96%	45		
	Debt is between 0.36% and 0.96%	25		
	OR			
S4b	Projected water & sewer debt (for combined systems)			
	Debt is > 1.93%	40		
	Debt is between 0.82% and 1.93%	20		
	Population served		306	
	Less than 500	35		
	Between 500 and 1,000	25		
	Between 1,000 and 2,000	20		
	Between 2,000 and 5,000	15		
	Between 5,000 and 10,000	5		
	>10,000	0		
S3	Assessed Value/Household		9,234	
	AV per household is < \$11,628	35		
	AV per household is between \$11,628 and \$23,022	20		
	AV per household is between \$23,022 and \$39,780	10		
	AV per household is greater than \$39,780	0		

**COLORADO WATER RESOURCES
AND
POWER DEVELOPMENT AUTHORITY**

RESOLUTION NO. 24-06

**A RESOLUTION FOR APPROVAL OF A DRINKING WATER DIRECT LOAN TO
THE TOWN OF BOONE AND EXECUTION OF A LOAN AGREEMENT AND OTHER
DOCUMENTS NECESSARY THEREFOR**

WHEREAS, the Colorado Water Resources and Power Development Authority (the “Authority”) has received and reviewed an Application for a Bipartisan Infrastructure Law (“BIL”) Emerging Contaminants (“EC”) Principal Forgiveness (“PF”) direct loan from the Drinking Water Revolving Fund from the Town of Boone (the “Applicant”); and

WHEREAS, the Loan Application has been reviewed in accordance with the procedures provided therefor in the Memorandum of Understanding between the Authority, the Colorado Department of Public Health and Environment and the Colorado Department of Local Affairs concerning the operation of the Drinking Water Revolving Fund; and

WHEREAS, the proposed Project to be financed by the proposed direct loan is included on the Project Eligibility List of projects eligible for financial assistance from the Drinking Water Revolving Fund and the Water Quality Control Division of the Colorado Department of Public Health and Environment has certified that the proposed Project has met all requirements and prerequisites and is eligible for financial assistance from the Drinking Water Revolving Fund.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Colorado Water Resources and Power Development Authority:

1. That the proposed BIL EC principal forgiveness direct loan to the Town of Boone in an amount not to exceed *\$1,005,000 through the DWRF is approved subject to the terms and conditions set forth on the attached Exhibit A;
2. That the staff is directed to negotiate a Loan Agreement and other documents incorporating such terms and conditions as are appropriate to effectuate the proposed direct loan;
3. That the Executive Director and Assistant Secretary are authorized and directed to execute the Loan Agreement and any other necessary and reasonable documents for the proposed direct loan in order to consummate the direct loan approved hereby.

CERTIFICATE

The undersigned officers of the Board of Directors of the Colorado Water Resources and Power Development Authority do hereby certify that the above Resolution No. 24-06 was adopted by the Colorado Water Resources and Power Development Authority at a regular meeting of the Board of Directors (meeting conducted using a combination of both in-person and video and audio tele-conferencing) with a quorum present in Denver, Colorado on March 8, 2024.

Chair

Secretary

EXHIBIT A

Borrower:	Town of Boone
Project:	The project's purpose is emerging contaminant treatment for manganese and includes new media for the treatment plant and rehabilitation of backwash ponds. The Town will re-purpose the existing nitrate removal for the Water Treatment Plant (WTP) by modifying the existing nitrate removal pressure vessels with a greensand filtration system for removal of oxidized manganese and iron, install a new SCADA system at the Boone Arkansas Well, chlorination building, and newly re-purposed WTP, and remove the existing altitude valve and replace it with a spool piece and rehabilitate the backwash ponds.
Pledge:	This is a principal forgiveness loan only, and no repayment is required. Therefore, there is no pledged source of repayment for this loan. The 2006 Drinking Water Revolving Fund loan and the 2009 Water Pollution Control Revolving Fund loan both include a repayment pledge of Water & Sewer Revenues.
Loan Term:	N/A
Interest Rate:	N/A
Amount not to exceed:	*\$1,005,000 BIL EC PF (DWRF BIL EC PF direct loan will be a 100% principal forgiveness loan)

Subject to the following terms & conditions:

1. The Town increasing user rates, if necessary, sufficiently to meet the Authority's existing 2009 WPCRF and 2006 DWRF loan rate covenants prior to the BIL EC PF direct loan execution.

* - Estimated PF and direct loan amounts through the BIL and/or Base programs. The exact amount will be based on the BIL capitalization grant principal forgiveness to loan ratio while taking into account set asides. However, in the unlikely event the ratio increases the loan amount by more than a de-minimis amount, as determined by the Executive Director, the credit will be returned to the Board for further evaluation and consideration.

DWRF LOAN CREDIT REPORT

South Adams County Water and Sanitation District, Adams County

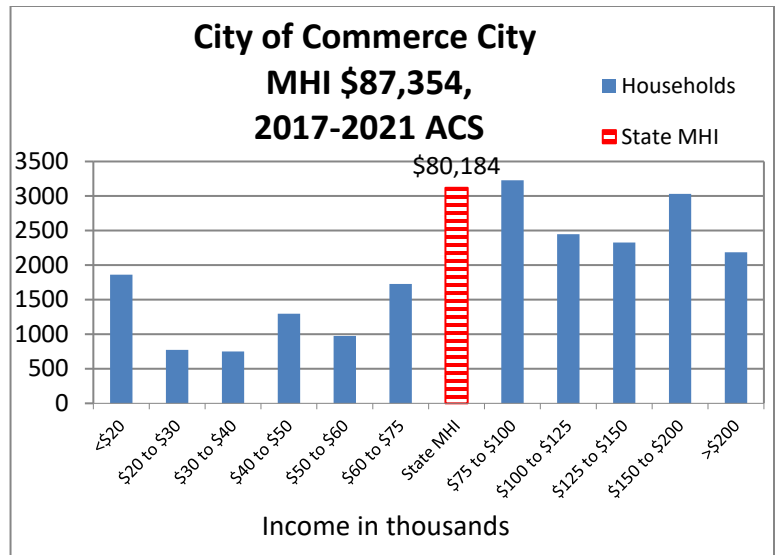
Recommendation:	APPROVAL	Project Budget	
Loan Request:	\$60,000,000	DWRF Leveraged Loan:	\$30,000,000
Est. Interest Rate & Term:	3.30%, 30 Years	DWRF BIL Emerging Contaminants PF:	\$30,000,000
Est. Annual Debt Service:	\$1,582,963	2024 WQCD EC- SDC (pending):	\$24,984,203
Pledge:	Water and Sewer System Revenue	CDS:	\$959,752
Current Rate:	\$68.46 water, \$50.69 sewer	Total:	\$85,943,955
Estimated Rate Increase:	\$0		

PROJECT DESCRIPTION: The District will be constructing a new water treatment plant. This new treatment plant will utilize ion exchange for the removal of Perfluorooctane Sulfonate (PFOS) and Perfluorooctanoic Acid (PFOA).

COMMUNITY PROFILE:
South Adams County Water & Sanitation District

	2018	2019	2020	2021	2022	2023	Avg. Annual Change
District Population		47,265	49,108	53,275	55,815	57,138	4.86%
Adams County Population	511,421	516,482	520,433	523,417	527,501		0.78%
Adams County Jobs	263,138	280,495	275,614	282,784	293,748		2.79%
Number of Water Taps		18,906	19,643	21,310	22,326	22,855	4.86%
Number of Sewer Taps		19,112	20,550	21,192	22,115	22,644	4.33%
Assessed Value (\$000)		852,732	890,613	1,077,612	1,110,589	1,315,143	11.44%
Actual Value (\$000)		6,800,647	7,937,412	8,302,251	9,672,933	10,245,826	10.79%

BORROWER BRIEF: The District is located north of the City of Denver, east of I-25 and north of I-70 in Adams County. The District serves the City of Commerce City and some adjacent unincorporated areas.



RECOMMENDATION: The District serves an urban community in and around the City of Commerce City. This proposed loan is necessary to remove PFAS from drinking water. The overall project cost is large; however, the District has strong financial management and will not need to raise rates. We therefore recommend the DWRF Committee approve a \$30,000,000 DWRF base leveraged loan and \$30,000,000 in DWRF BIL Emerging Contaminants principal forgiveness to the South Adams County Water and Sanitation District.

PROJECT SUMMARY:

System summary: The District is located in Adams County, Colorado. The water system consists of 22,855 taps and serves approximately 57,000 consumers. The District receives water from multiple groundwater wells that then subsequently fill multiple storage reservoirs. The water is then pumped from the storage reservoirs to the Klein Treatment Facility and then goes out to distribution.

Reason/need: In 2018, the District voluntarily tested for several PFAS compounds, including Perfluorooctane Sulfonate (PFOS) and Perfluorooctanoic Acid (PFOA). The results of the testing indicated all the wells tested above the current U.S. EPA Health Advisory Level (HAL) and the proposed Safe Drinking Water Act (SDWA) maximum contaminant level (MCL), with concentrations ranging from about 20 ppt to greater than 2,380 ppt (PFOA + PFOS). Without the completion of this project, the District would not be able to maintain compliance with the proposed MCL.

System Compliance: The District is in compliance with the Colorado Primary Drinking Water Regulations, and the project is primarily intended to maintain compliance and meet future requirements.

Project Delivery Method: Construction Manager at Risk (CMAR).

Contingency: 13% of total project cost included as contingency and 22% of the overall construction costs.

CURRENT INDICATORS:	2020	2021	2022	Weak	Average	Strong
Total Debt per Capita (\$):	2,070	1,805	1,627	>\$2,000	X	<\$1,000
Total + New Debt/Capita (\$):			2,165	X	X	<\$1,000
Total Debt/Tap (\$):	5,175	4,513	4,068	>\$5,000	X	<\$2,500
Total Debt + New Debt/Tap (\$):			5,411	X	X	<\$2,500
Current W&S Debt/Tap (\$):	5,175	4,513	4,068	>\$2,000	X	<\$1,000
Current W&S + New W&S Debt/Tap (\$):			5,411	X	X	<\$1,000
Total Debt/Assessed Value:	11%	8.92%	8.18%	>50%	X	<25%
Total Debt + New W&S Debt/Assessed Value:			11%	>50%	X	<25%
Total Debt/Actual Value:	1.28%	1.16%	0.94%	>10%	X	<5%
Total Debt + New W&S Debt/Actual Value:			1.25%	>10%	X	<5%
Curr. W&S Debt + New Debt/Tap/MHI:			6.19%	>20%	X	<10%
W&S Fund Current Ratio (CA/CL):	552%	655%	803%	<100%	X	>200%
W&S Fund Reserves/Current Expense:	343%	317%	328%	<50%	X	>100%
W&S Operating Ratio (OR/OE):	180%	175%	158%	<100%	X	>120%
Coverage Ratio (TR-OE)/DS:	468%	523%	548%	<110%	X	>125%
Coverage Ratio (TR-OE)/DS Excluding Tap Fees:	253%	252%	300%	<110%	X	>125%
Coverage Ratio with New Loan:			460%	<110%	X	>125%
Coverage Ratio with New Loan Excluding Tap Fees:			252%	<110%	X	>125%
Current Annual Water Rates/MHI:			0.00%	>3.0%	X	<1.5%
Current Water Rates + New Water Debt Service/MHI:			0.08%	>3.0%	X	<1.5%
Operation and Maintenance Reserve:			423%	<25%	X	>50%
Total:			4		2	15

FINANCIAL ANALYSIS: Of the twenty-one current indicators calculated, fifteen are rated strong, two are average, and four are considered weak. Overall, the indicators illustrate strong financial management and a District in a strong position to take on the proposed debt. The strong indicators show affordable rates, strong reserves, and ability to pay for near- and long-term obligations. The weak indicators reflect the District has a relatively large amount of current and proposed debt relative to the size of the community.

- The District consistently generates plenty of operating revenue to pay for operating expenses. The 2022 operating ratio was strong at 158% and the five-year average operating ratio was similarly strong at 170%.
- Based on 2022 financial information, coverage with the proposed loan is 460% with tap fee revenue. No rate increases are required to meet coverage ratio requirements. Nevertheless, the District adjusts rates annually and has increased water rates by \$6.39 since 2022.

Additional Project Financing

The District submitted a request for Congressionally Directed Spending (CDS) for \$959,752. Award determinations come with the passing of the 2024 federal budget. Additionally, the District applied for a \$24,984,203 grant from the Water Quality Control Division's

Emerging Contaminants in Small and Disadvantaged Communities (EC-SDC) grant program, which will be awarded in early 2024. If either of these requests are not awarded, the District may use reserves or reprioritize its capital improvement projects.

DESCRIPTION OF THE LOAN:

A \$30,000,000 loan with a thirty-year term with two payments annually at an estimated interest rate of 3.30% will cost the District approximately \$1,582,963 in debt service annually. The District also qualifies for \$30,000,000 in DWRP BIL Emerging Contaminants principal forgiveness.

BIL Principal Forgiveness Eligibility:

Normally, in order to qualify for BIL principal forgiveness, a community must score three (3) points using the BIL Principal Forgiveness Eligibility Criteria outlined in the Intended Use Plans. However, the DWRP Emerging Contaminants funding is available to any applicant. Nevertheless, the District scores three points as shown below.

BIL PF DETERMINATION				
	Benchmark		Borrower	Points
1. Five Year % Change in Population	0.95%	>	5.12%	0
2a: County Job Loss	0.00%	>	37.28%	0
2b: County Unemployment	5.61%	<	5.25%	
3: Median Household Income, or MHI exceeds 125% of state MHI (-1 point)	\$80,184	>	\$87,354	0
	\$100,230	<		
4: Rates to MHI	1.44%	<	1.64%	1
5: Project addresses removal of lead or emerging contaminants	Yes		Yes	1
6: % Minority	40.00%	<	58.25%	1
7: % Households Housing Burdened	50.00%	<	31.72%	0
8: % Population under 200% Poverty Level	40.00%	<	26.82%	0
9: % Population under 200% Poverty Level + % Population over 65 years old	55.00%	<	34.72%	0
10: Meets DAC criteria	Yes		No	0
Total Points Scored:				3

The District is eligible for up to \$30,000,000 in DWRP BIL Emerging Contaminants principal forgiveness.

ECONOMIC ANALYSIS: The District has a 2023 population estimated at 57,138 and has grown at an average annual rate of 4.86% since 2019. Adams County has experienced an increase of 0.78% in population since 2018. The state population increased at an average annual rate estimated 0.71%.

As part of the greater Denver region and the Front Range, the region’s economy has jobs across all industry sectors and is dominated by government, scientific and technical professional services, healthcare, hospitality, and administrative and support services.

The area’s largest employers consist of United Parcel Service with 3,282 employees, Sturgeon Electric with 1,523 employees, Federal Express (FedEx) Ground with 1,239 employees, Shamrock Foods with 981 employees, and FedEx Freight with 632 employees.

ORGANIZATIONAL ANALYSIS:

Bond Rating

The District’s debt was rated Aa2 by Moody’s in 2022.

Section 37-60-126(2) C.R.S. (Water Conservation Planning)

The District sells more than 2,000 acre-feet of water per year. The District is in the process of filing a water conservation plan with the Colorado Water Conservation Board.

Organizational Structure

The District is a Title 32 Article 1 special district governed by a five-member board of directors and was organized in 1951. The District provides water and wastewater services. Approximately 109 full-time employees staff the water utility. The water utility is overseen by the District Manager, who reports to the board of directors.

- The District has generally been in compliance with Colorado statutory budgeting and auditing requirements for the past five years.
- The District maintains general liability insurance coverage through the Colorado Special District Liability Pool.
- There are currently no pending lawsuits against the District.
- There have been no recall elections in the last ten years.

Technical/Managerial/Financial (TMF)

The WQCD and DLG conducted a review of the District's technical, managerial and financial capacity to operate the water system. The review resulted no mandatory recommendations.

Capital Improvement Plan

As part of the application process, the District submitted their 2020 Water & Wastewater Systems Master Plan covering a 97 year planning period to full build out in 2116. The District anticipates capital outlay of \$869,529,000 for an augmentation system, potable water system, irrigation system, and wastewater system. Some of these costs will be paid by developers, and others will be paid through reserves or debt. The capital outlay for the next 20 years is estimated at \$47,101,000.

Intergovernmental

The District has 67 intergovernmental agreements pertaining to construction, water lease and purchases, and water and wastewater service. The District identified the following as the most important agreements relating to the delivery of water service.

1998 Agreement with Denver Water, amended in 2000, the District purchased 4,000 acre-feet of treated water from Denver Water. The agreement required the construction of certain facilities to accommodate the delivery of the water. Denver Water and the District had specific obligations regarding these infrastructure needs, which have since been built. A 2014 agreement allowed the construction of two additional interconnections that enabled the District to access the maximum allowed water from the 1998 agreement.

2000 Agreement with Denver Water. An interconnection will be installed connecting the potable water systems of Denver Water and the District. The interconnection will be used to deliver purchased water to the District and will also serve as an emergency interconnect. Construction costs are the responsibility of the District. The costs and volume of water are set in a separate 1999 agreement.

2007 Agreement with Adams County, the East Cherry Creek Valley Water and Sanitation District (ECCV). ECCV will lease to the District excess capacity in the 12" line that runs from the Denver International Airport to ECCV's 48" pipeline and develop an emergency interconnection between the Districts. The agreement also allows the District to expand the ECCV line from 12" to 24" as needed at the District's expense. The parties share operational and maintenance costs pro rata.

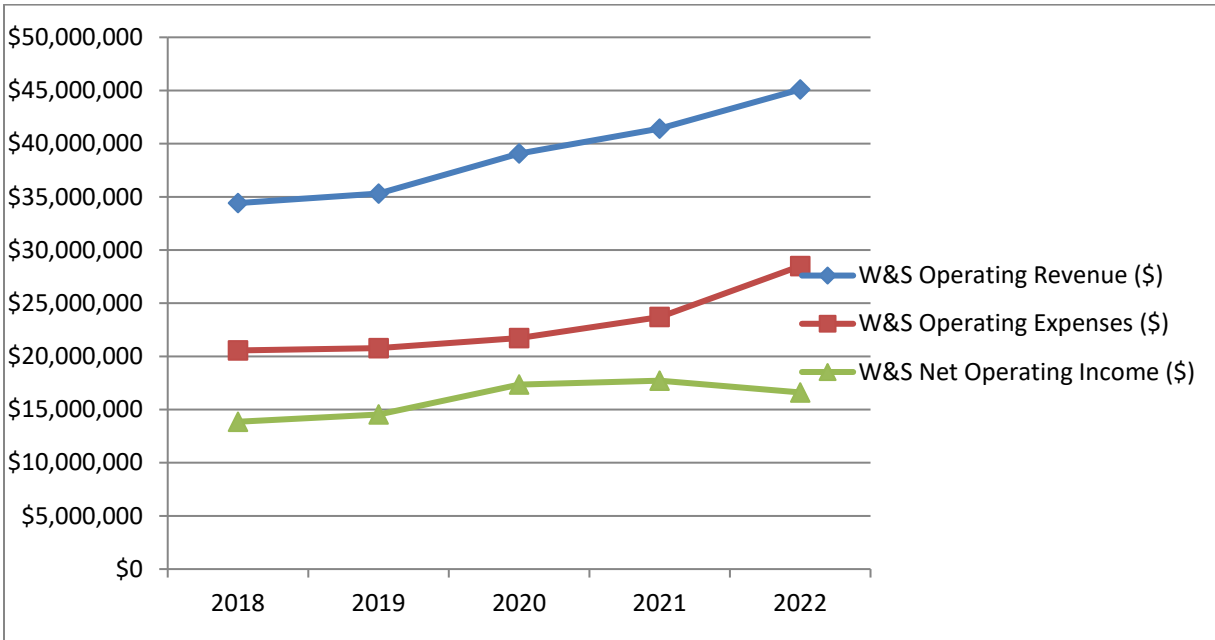
REVENUE ANALYSIS:

The trends show the District's operating revenue and operating expenses increasing at a similar rate, giving the District a relatively steady net operating income. The District expects development to continue until the District is fully built out, which is expected to occur in roughly 2116. Operating revenue growth is consistent with the steady increase in taps and annual rate increases. The District maintains substantial reserves and has roughly enough reserves to cover four years of operating expenses based on 2022 numbers.

TRENDS	2018	2019	2020	2021	2022	2023	2024
Monthly Water Rate (\$)		58.86	60.29	60.29	62.07	64.56	68.46
Monthly Sewer Rate (\$)		43.50	44.59	44.59	45.98	47.82	50.69
Residential Water Tap Fee (\$)		17,233	17,918	20,891	21,936	25,277	26,033
Residential Sewer Tap Fee (\$)		7,469	7,539	5,530	5,789	6,362	6,802
Mill Levy	2.701	2.714	2.449	2.490	2.277		
Total W&S Revenue (\$)	56,928,879	62,169,427	61,349,490	68,343,970	73,854,265		
Tap/Development Fees (\$)	17,875,038	21,309,083	18,216,206	23,121,370	20,526,277		
Property Tax Revenue (\$)	2,302,973	2,432,218	2,612,013	2,750,272	3,014,287		
S.O. Tax Revenue (\$)	204,285	198,381	195,359	219,263	208,521		
W&S Operating Revenue (\$)	34,412,681	35,304,882	39,073,577	41,413,500	45,101,221		
W&S Operating Expenses (\$)	20,559,115	20,769,962	21,722,165	23,697,802	28,492,182		
W&S Net Operating Income (\$)	13,853,566	14,534,920	17,351,412	17,715,698	16,609,039		
W&S Debt (\$)	111,127,896	107,117,387	101,645,017	96,170,450	90,814,831		
Total Debt (\$)	111,127,896	107,117,387	101,645,017	96,170,450	90,814,831		

W&S Debt Service (\$)	7,227,689	7,803,839	8,476,122	8,540,334	8,271,435
W&S Debt Service/Tap/Month (\$)		34.40	35.96	33.40	30.87
W&S Fund Reserves (\$)	118,288,398	128,066,932	103,551,108	102,276,442	120,557,588

Ratios	2018	2019	2020	2021	2022	Average
Operating Revenue as % of Total Revenue	60%	57%	64%	61%	61%	61%
Operating Revenue as % of Expenses	167%	170%	180%	175%	158%	170%
Tap Fee Revenue as % of Total Revenue	31%	34%	30%	34%	28%	31%



Recent Rate Increases

The District’s most recent water rate increase of \$3.90 and sewer rate increase of \$2.87 was implemented on January 1, 2024.

User Charges

The District’s current monthly water rate is estimated at \$68.46 compared to the 2021 estimated state median of \$55.72. The District’s average monthly water rate is based on typical residential consumption of 10,100 gallons per month. Residential users pay a \$10.66 based a volume charge of \$5.78 per 1,000 gallons for consumption up to 11,999 gallons, \$6.10 per 1,000 gallons for 12,000 to 17,999 gallons, \$7.48 per 1,000 gallons for 18,000-29,999 gallons, \$11.26 per 1,000 gallons for 30,000-45,999 gallons, and \$16.59 per 1,000 gallons over 46,000 gallons. Multifamily and commercial base rates increase by tap size and include a monthly minimum of water consumption. Volumetric charges above the monthly minimum are \$7.34 per 1,000 gallons

The District’s current estimated average monthly residential sewer rate is \$50.69 compared to the 2021 estimated state median of \$40.38. The District’s average monthly rate is based on typical residential consumption of 5,200 gallons; \$50.69 is the residential sewer rate for utilization over 3,000 gallons. Commercial base rates are based on the tap size and include a monthly minimum. Volumetric charges above the monthly minimum are \$4.97 per 1,000 gallons.

Out of District customers pay a 15% surcharge for residential and a 35% surcharge for commercial use.

Contributed Capital

Revenue from tap fees has ranged from \$17,875,038 to \$23,121,370 and has averaged 31% of total water revenue during the last five years. The District’s most recent water tap fee rate increase occurred on January 1, 2024

- Residential water tap fees start at \$26,033. Multi-family units pay tap fees in accordance with the number of units. Tap fees for commercial, industrial, irrigation customers depend on tap size: \$34,072 for ¾”, \$89,204 for 1”, \$177,770 for 1.5”, \$442,256 for 2”, \$947,540 for 3”, and \$1,894,634 for 4”.

- Residential sewer tap fees are \$6,802 per ERU. Tap fees for commercial, industrial, irrigation customers depend on tap size: \$13,482 for ¾”, \$32,132 for 1”, \$73,404 for 1.5”, \$133,295 for 2”, \$286,313 for 3”, and \$572,378 for 4”.

Current System Utilization		
	Usage	Revenue
Residential	58%	54%
Non-residential (per EQR)	42%	46%

Current Fee Summary		
Tap size	Water user/tap fees	Sewer user/tap fees
¾”	\$68.46/\$26,033	\$50.69/\$6,802
¾”	\$70.40/\$34,072	\$54.67/\$13,482

DEBT as of December 31, 2022

Executed	Lender	Term End	Pledge	Outstanding	Interest Rate	Annual payment
2014	CWRPDA	2036	Water & sewer revenue	\$16,234,831	2.25%	\$1,398,707
2014	Water and Wastewater Revenue Bonds	2036	Water & sewer revenue	\$9,270,000	2-4%	\$844,681
2018	Water and Wastewater Revenue Bonds	2048	Water & sewer revenue	\$54,035,000	3-5.5%	\$3,247,569
2020	Water and Wastewater Revenue Refunding Bonds, 2020A	2025	Water & sewer revenue	\$5,400,000	1.43%	\$1,852,220
2022	Water and Wastewater Revenue Refunding Bonds, 2020B	2030	Water & sewer revenue	\$5,875,000	1.69%	\$789,288

LOAN COVENANTS: The District will have to meet the Authority’s 110% rate covenant, 3-month operations and maintenance reserve fund covenant, and the 110% additional bonds test (if applicable) on an annual basis.

The District has met the Loan Covenants on its WPCRF leveraged loan dated 2014 with the Authority. The District has also had no debt service payment issues.

Prepared by: Desi Santerre
Date: February 20, 2024

<p>Project # 180121D-D Cost Categories:</p> <ul style="list-style-type: none"> ▪ New Drinking Water Treatment Plant - 86% ▪ Planning and Design - 10% ▪ Restructuring - 4%

Date 20-Feb-24 DWRF Credit Report South Adams County Water & Sanitation District, Adams County, CO Using most recent data available (Census, audits, local records)	
Estimated Population - 2022	55,815
Number of Water Taps/Customers - 2022	22,326
Total Assessed Valuation (in thousands) - 2022	\$1,110,589,000
Actual Value of All Real Property (in thousands) - 2022	\$9,672,933,000
Median Household Income (MHI) - 2021	\$87,354
Monthly Water Rate - 2022	\$62.07
Water & Sewer Operating Revenue - 2022	\$45,101,221
Water & Sewer Total Revenue - 2022 [May include non-operating revenue, such as contributed capital, tap & system development fees, interest income, S.O. tax and property tax. Excludes one-time capital grants.]	\$73,854,265
Water & Sewer Tap and System Development Fee Revenue - 2022	\$20,526,277
Water & Sewer Operating Expense - 2022	\$28,492,182
Water & Sewer Current Expense - 2022	\$36,763,617
Water & Sewer Debt - 2022	\$90,814,831
Total Debt - 2022	\$90,814,831
Water & Sewer Fund Reserves - 2022	\$120,557,588
Water & Sewer Debt Service - 2022	\$8,271,435
New Water Debt [Requested DWRF loan amount.]	\$30,000,000
Requested DWRF Loan Term	30
Requested DWRF Loan Interest Rate	3.30%
New Loan's Annual Water Debt Service (two payments annually)	\$1,582,963

Current Indicators (2022)				
District				
(Water Only)				
1 Total Debt	\$90,814,831	÷	Population	55,815 = \$1,627
New Debt	\$30,000,000	÷	Population	55,815 = \$537
Total Debt + New Debt	\$120,814,831	÷	Population	55,815 = \$2,165
2 Total Debt	\$90,814,831	÷	Number of Taps	22,326 = \$4,068
New Debt	\$30,000,000	÷	Number of Taps	22,326 = \$1,344
Total Debt + New Debt	\$120,814,831	÷	Number of Taps	22,326 = \$5,411
3 Total Debt	\$90,814,831	÷	Assessed Value	\$1,110,589,000 = 8.18%
New Debt	\$30,000,000	÷	Assessed Value	\$1,110,589,000 = 2.70%
Total Debt + New Debt	\$120,814,831	÷	Assessed Value	\$1,110,589,000 = 10.88%
4 Total Debt	\$90,814,831	÷	Actual Value	\$9,672,933,000 = 0.94%
New Debt	\$30,000,000	÷	Actual Value	\$9,672,933,000 = 0.31%
Total Debt + New Debt	\$120,814,831	÷	Actual Value	\$9,672,933,000 = 1.25%
5 Current Water Debt (Current Water Debt + New Water Debt) / Number of Taps	\$90,814,831	÷	Number of Taps	22,326 = \$4,068
	\$5,411	÷	MHI	\$87,354 = 6.19%
6 Current Ratio (CA / CL)				
Current Assets	\$137,700,637	÷	Current Liabilities	\$17,143,049 = 803%
7 Reserve/Expense Ratio				
Reserves	\$120,557,588	÷	Current Expenses	\$36,763,617 = 328%
8 Operating Ratio (OR / OE)				
Operating Revenues	\$45,101,221	÷	Operating Expenses	\$28,492,182 = 158%
9 Coverage Ratio [(TR - OE) / DS]				
Total Revenues	\$73,854,265	-		
Minus Operating Expenses	<u>\$28,492,182</u>			
=	\$45,362,083	÷	Current Debt Service	\$8,271,435 = 548%
Coverage Ratio Excluding Tap and				
10 Development Fee Revenue	\$45,362,083			
Minus Tap and Development Fee Revenue	<u>\$20,526,277</u>			
=	\$24,835,806	÷	Current Debt Service	\$8,271,435 = 300%
11 Projected Coverage Ratio				
Total Revenues	\$73,854,265			
Minus Operating Expenses	<u>\$28,492,182</u>			
=	\$45,362,083		Total Debt Service (with new loan)	\$9,854,398 = 460%
Projected Coverage Excluding Tap and				
12 Development Fee Revenue	\$45,362,083			
Minus Tap and Development Fee Revenue	<u>\$20,526,277</u>			
=	\$24,835,806	÷	Total Debt Service (with new loan)	\$9,854,398 = 252%
13 Current Debt Service	\$8,271,435	÷	Number of Taps	22326 = \$370.48
Annual New Water Debt Service	\$1,582,963	÷	Number of Taps	22326 = \$70.90
2022 Annual Water Rate (Monthly Rate 14 x 12)	\$744.84	÷	MHI	\$87,354 = 0.85%
2022 Annual Water Rate + New Annual Debt Service Per Tap	\$815.74	÷	MHI	\$87,354 = 0.93%
15 Current 2022 Monthly User Charge (Debt Service on DWRF Loan / 2022 Taps / Month) Total				\$62.07 \$5.91 \$67.98
16 Operation and Maintenance Reserve				
Reserves	\$120,557,588	÷	Operating Expenses	\$28,492,182 = 423%



Principal Forgiveness and Priority Point Scoring

Applicant: South Adams County WSD
 DWRP or WPCR: WSD

Is applicant receiving funds from BASE program, BIL program, or BOTH? Both

BIL Principal Forgiveness

Eligible for BIL principal forgiveness?

Eligible BIL principal forgiveness percentage:

Amount of principal forgiveness awarded (accounting for any applicable cap/max: \$30 million DWRP EC funding)

Eligible as a base program DAC? no

Priority Point Scoring

Total WQCD Score:	25
DOLA Affordability Score:	90
Total Score:	115

DWRP Priority Point Calculations

DOLA Score:	90
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Benchmarks

\$80,184 2017-2021 State MHI estimate

		Points	Entity Value	
P1	MHI		\$87,354	109%
	<50% of state MHI	35		
	Between 51% and 80% of state MHI	20		
	Between 81% and 100% of state MHI	5		
	>100% state MHI	0 x		
S5b	User Fees (projected water rate at 110%/tap/MHI)		2.16%	
	Rates are > 1.64%	45 x		
	Rates are between 1.12% and 1.64%	25		
	OR			
S5b	User Fees for a combined water & sewer fund			
	Rates are > 2.94%	45		
	Rates are between 2.07% and 2.94%	25		
S4b	Projected water debt per tap compared to MHV		1.85%	
	Debt is > 0.96%	45 x		
	Debt is between 0.36% and 0.96%	25		
	OR			
S4b	Projected water & sewer debt (for combined systems)			
	Debt is > 1.93%	45		
	Debt is between 0.82% and 1.93%	25		
	Population served		55,815	
	Less than 500	35		
	Between 500 and 1,000	25		
	Between 1,000 and 2,000	20		
	Between 2,000 and 5,000	15		
	Between 5,000 and 10,000	5		
	>10,000	0 x		
S3	Assessed Value/Household		65,450	
	AV per household is < \$11,628	35		
	AV per household is between \$11,628 and \$23,022	20		
	AV per household is between \$23,022 and \$39,780	10		
	AV per household is greater than \$39,780	0 x		

**COLORADO WATER RESOURCES
AND
POWER DEVELOPMENT AUTHORITY**

RESOLUTION NO. 24-07

**A RESOLUTION FOR APPROVAL OF A DRINKING WATER DIRECT LOAN TO
THE SOUTH ADAMS COUNTY WATER AND SANITATION DISTRICT AND
EXECUTION OF A LOAN AGREEMENT AND OTHER DOCUMENTS NECESSARY
THEREFOR**

WHEREAS, the Colorado Water Resources and Power Development Authority (the “Authority”) has received and reviewed an Application for a Bipartisan Infrastructure Law (“BIL”) Emerging Contaminants (“EC”) Principal Forgiveness (“PF”) direct loan from the Drinking Water Revolving Fund from the South Adams County Water and Sanitation District (the “Applicant”); and

WHEREAS, the Loan Application has been reviewed in accordance with the procedures provided therefor in the Memorandum of Understanding between the Authority, the Colorado Department of Public Health and Environment and the Colorado Department of Local Affairs concerning the operation of the Drinking Water Revolving Fund; and

WHEREAS, the proposed Project to be financed by the proposed direct loan is included on the Project Eligibility List of projects eligible for financial assistance from the Drinking Water Revolving Fund and the Water Quality Control Division of the Colorado Department of Public Health and Environment has certified that the proposed Project has met all requirements and prerequisites and is eligible for financial assistance from the Drinking Water Revolving Fund.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Colorado Water Resources and Power Development Authority:

1. That the proposed BIL EC principal forgiveness direct loan to the South Adams County Water and Sanitation District in an amount not to exceed *\$30,000,000 through the DWRF is approved subject to the terms and conditions set forth on the attached Exhibit A;
2. That the staff is directed to negotiate a Loan Agreement and other documents incorporating such terms and conditions as are appropriate to effectuate the proposed direct loan;
3. That the Executive Director and Assistant Secretary are authorized and directed to execute the Loan Agreement and any other necessary and reasonable documents for the proposed direct loan in order to consummate the direct loan approved hereby.

CERTIFICATE

The undersigned officers of the Board of Directors of the Colorado Water Resources and Power Development Authority do hereby certify that the above Resolution No. 24-07 was adopted by the Colorado Water Resources and Power Development Authority at a regular meeting of the Board of Directors (meeting conducted using a combination of both in-person and video and audio tele-conferencing) with a quorum present in Denver, Colorado on March 8, 2024.

Chair

Secretary

EXHIBIT A

Borrower:	South Adams County Water and Sanitation District
Project:	The District will be constructing a new water treatment plant. This new treatment plant will utilize ion exchange for the removal of Perfluorooctane Sulfonate (PFOS) and Perfluorooctanoic Acid (PFOA).
Pledge:	This is a principal forgiveness loan only, and no repayment is required.
Loan Term:	N/A
Interest Rate:	N/A
Amount not to exceed:	*\$30,000,000 BIL EC PF (DWRP BIL EC PF direct loan will be a 100% principal forgiveness loan)

* - Estimated PF and direct loan amounts through the BIL and/or Base programs. The exact amount will be based on the BIL capitalization grant principal forgiveness to loan ratio while taking into account set asides. However, in the unlikely event the ratio increases the loan amount by more than a de-minimis amount, as determined by the Executive Director, the credit will be returned to the Board for further evaluation and consideration.

DWRF LEVERAGED LOAN CREDIT REPORT
Town of Lochbuie (“The Town”), Adams and Weld Counties

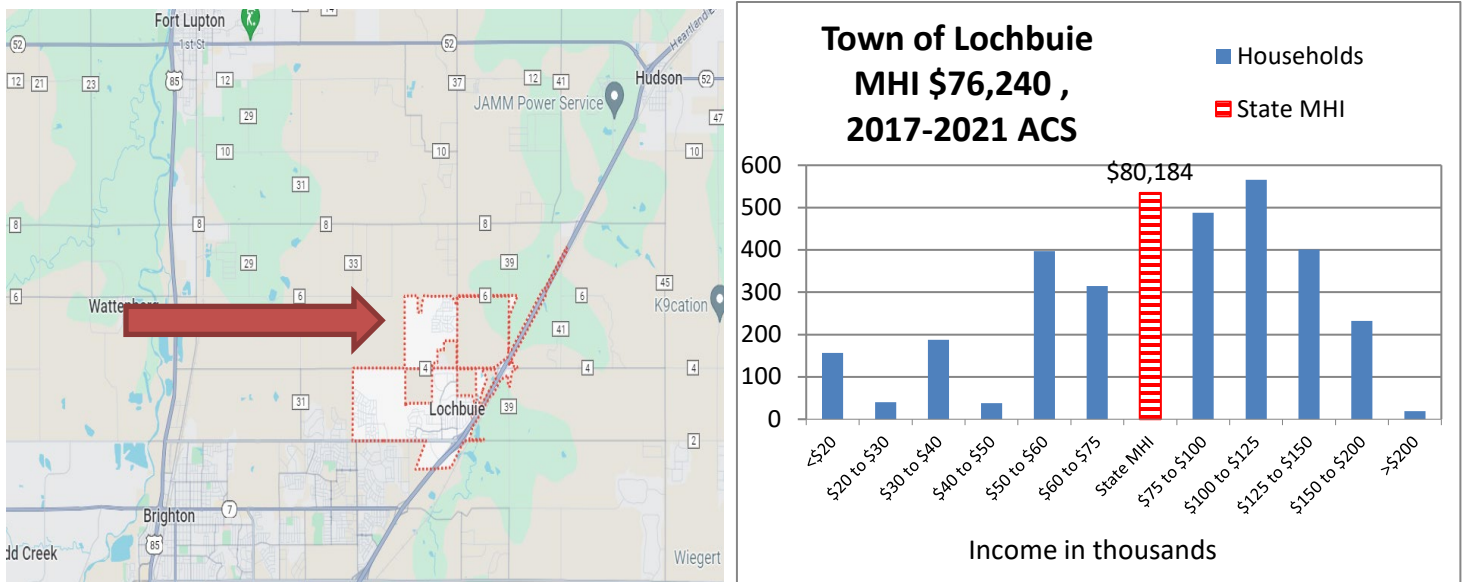
Recommendation:	APPROVAL	Project Budget	
Loan Request:	\$8,000,000	DWRF BIL Loan:	\$558,718
Total Est. Annual Debt Service:	\$480,719	DWRF BIL Principal Forgiveness:	\$1,000,000
Leveraged Loan:	\$6,441,282	DWRF Base Loan:	\$6,441,282
Est. Interest Rate & Term:	3.30%, 20 Years	2021 American Rescue Plan Act (ARPA):	\$1,835,859
Direct Loan:	\$558,718	Town Reserves:	\$887,641
Interest Rate & Term:	3.25%, 20 Years	Total:	\$10,723,500
Pledge:	Water Revenue System		
Current Rate:	\$64.93		
Estimated Rate Increase:	\$0.00		

PROJECT DESCRIPTION: The Town will be constructing a new elevated water storage tank. Proposed improvements include a 2 MG composite elevated potable water storage tank with associated piping, valving, and appurtenances which include a tank mixer, venting, overflow, and drain.

COMMUNITY PROFILE:

Town of Lochbuie	2018	2019	2020	2021	2022	2023	Avg. Annual Change
Town Population	6,852	7,729	8,191	8,160	8,119		4.33%
Adams County Population	511,422	516,482	520,433	523,417	527,501		0.78%
Weld County Population	313,219	322,335	331,423	339,865	350,206		2.83%
Adams County Jobs	263,138	280,495	275,614	282,784	293,748		2.79%
Weld County Jobs	142,120	149,077	141,548	141,243	146,584		0.78%
Number of Water Taps		2,531	2,658	2,663	2,685	2,906	3.51%
Number of Sewer Taps		2,531	2,658	2,663	2,685	2,906	3.51%
Assessed Value (\$000)		34,440	38,131	52,232	76,845	69,508	19.19%
Actual Value (\$000)		485,733	670,564	753,141	798,398	842,323	14.75%

BORROWER BRIEF: The Town is located 26 miles northeast of the Denver metropolitan area on I-76. The Town is located in both Adams and Weld Counties, but mostly in Weld County. The Town is adjacent to the Cities and Towns of Brighton, Hudson and Fort Lupton. The Town encompasses about 16,000 acres, with approximately 8,119 residents and 2,675 households.



RECOMMENDATION: The Town serves a suburban community northeast of the Denver metropolitan area. This proposed loan is necessary to aid the Town in meeting the increasing potable water demand due to the growing number of customers and needs for emergency water storage and fire flow. The Town’s water enterprise is in a strong financial position to take on the proposed debt. We therefore recommend the DWRF Committee approve a \$6,441,282 base leveraged loan, a \$558,718 DWRF BIL loan, and \$1,000,000 in DWRF BIL supplemental principal forgiveness to the Town of Lochbuie.

PROJECT SUMMARY:

System summary: The Town is located in Weld County, Colorado. The water system consists of 2,906 taps and serves a population of about 8,119. The Town receives groundwater from two wells. The system also has a well specifically for emergency use. The water is pumped from the wells to the treatment plant and then into two storage tanks for disinfection contact time. The water is then pumped out to the distribution system to consumers.

Reason/need: The water demand in the Town has steadily increased over the past decade due to the growing number of customers. The existing potable water storage capacity is not sufficient to meet the Town's existing potable water demands. In addition, distribution system pressure is achieved with the high service pumps. The dependence on high service pumps to maintain system pressure and fire flow is not desirable to the Town and can be more reliably achieved with an elevated water storage tank. The addition of an elevated potable water storage tank will provide the Town with sufficient potable water storage for current demands, including demands for emergency storage and fire flow. The proposed tank will also provide additional system resiliency with the ability to gravity flow to the distribution system, even in the event of an extended power outage.

System Compliance: There are currently no outstanding compliance issues associated with the Town's water system. The Town is in compliance with the Colorado Primary Drinking Water Regulations, and the project is primarily intended to maintain compliance and meet future requirements.

Project Delivery Method: Design/Bid/Build

Contingency: 8% of total project cost included as contingency however, 10% of the construction costs are included as contingency.

CURRENT INDICATORS:	2020	2021	2022	Weak	Average	Strong
Total Debt per Capita (\$):	706	645	607	>\$2,000	\$1,000 - 2,000	X <\$1,000
Total + New Debt/Capita (\$):			1,469	>\$2,000	X \$1,000 - 2,000	<\$1,000
Total Debt/Tap (\$):	2,176	1,977	1,836	>\$5,000	\$2,500-5,000	X <\$2,500
Total Debt + New Debt/Tap (\$):			4,443	>\$5,000	X \$2,500-5,000	<\$2,500
Current Water Debt/Tap (\$):	476	428	378	>\$2,000	\$1,000 - 2,000	X <\$1,000
Current Water + New Water Debt/Tap (\$):			2,985	X >2,000	\$1,000 - 2,000	<\$1,000
Total Debt/Assessed Value:	15%	10%	6.41%	>50%	25-50%	X <25%
Total Debt + New Water Debt/Assessed Value:			15.52%	>50%	25-50%	X <25%
Total Debt/Actual Value:	0.86%	0.70%	0.62%	>10%	5-10%	X <5%
Total Debt + New Water Debt/Actual Value:			1.49%	>10%	5-10%	X <5%
Curr. Water Debt + New Debt/Tap/MHI:			3.92%	>20%	10-20%	X <10%
Water Fund Current Ratio (CA/CL):	2,196%	2,808%	746%	<100%	100-200%	X >200%
Water Fund Reserves/Current Expense:	809%	875%	905%	<50%	50-100%	X >100%
Water Operating Ratio (OR/OE):	198%	185%	182%	<100%	100-120%	X >120%
Coverage Ratio (TR-OE)/DS:	1,406%	1,522%	1,832%	<110%	110-125%	X >125%
Coverage Ratio (TR-OE)/DS Excluding Tap Fees:	773%	1,314%	900%	<110%	110-125%	X >125%
Coverage Ratio with New Loan:			447%	<110%	110-125%	X >125%
Coverage Ratio with New Loan Excluding Tap Fees:			220%	<110%	110-125%	X >125%
Current Annual Water Rates/MHI:			1.02%	>3.0%	1.5-3.0%	X <1.5%
Current Water Rates + New Water Debt Service/MHI:			1.26%	>3.0%	1.5-3.0%	X <1.5%
Operation and Maintenance Reserve:			1,000%	<25%	25-50%	X >50%
Total:				1	2	18

FINANCIAL ANALYSIS: Of the twenty-one current indicators calculated, eighteen are rated strong, two are average, and one is considered weak. Overall the indicators illustrate that the proposed debt would not be a burden for the community. The strong indicators show that the Town would be able to take on this new debt without having to increase their current rates as they exceedingly meet their 110% coverage ratio requirement with the proposed loan. The weak indicator reflects that although their overall financial health is strong, the amount of debt that they are taken on is approaching a higher debt burden per capita. Nevertheless, the community proves that they have a water enterprise that possesses enough funds to take on this debt without it burdening the community.

- The 2022 operating financial ratio was a strong 182%. Throughout the years, the Town has been able to maintain a consistently high ratio, revealing efficiency and effectiveness in the utilization of their revenue.

- Based on 2022 financial information, coverage with the proposed loan is 447% with tap fee revenue. There are no projected increases in rates required to be able to take on the loan.
- If the Town were not to receive the projected \$1,000,000 in Principal Forgiveness, the coverage ratio moves to 404%. There would be no projected rate increases.
- The Town presents an operations and maintenance reserve of 1,000% based on their 2022 financials. This details that even if the Town were to experience an unprecedented hardship on repairs and maintenance activities, it would not present as a financial burden and the Town would be able to continue meeting their projected payments.

Additional Project Financing

The Town received American Rescue Plan Act (ARPA) funds in 2021 and will use \$1,835,859 for this project.

DESCRIPTION OF THE LOAN:

An estimated \$6,441,282 leveraged loan with a twenty-year term with two payments at an interest rate of 3.30% will cost the Town approximately \$442,509 in debt service annually. An estimated \$558,718 DWRP BIL Loan with a twenty-year term with two payments annually at an interest rate of 3.25% will cost the Town approximately \$38,210 in debt service annually. The Town also qualifies for \$1,000,000 in DWRP BIL supplemental principal forgiveness.

BIL Principal Forgiveness Eligibility:

In order to qualify for BIL principal forgiveness, a community must score three (3) points using the BIL Principal Forgiveness Eligibility Criteria outlined in the Intended Use Plans. The Town scores three points as shown below.

BIL PF DETERMINATION				
	Benchmark		Borrower	Points
1. Five Year % Change in Population	0.95%	>	6.61%	0
2a: County Job Loss	0.00%	>	25.41%	0
2b: County Unemployment	5.61%	<	4.83%	
3: Median Household Income, or MHI exceeds 125% of state MHI (-1 point)	\$80,184	>	\$76,240	0
	\$100,230	<		1
4: Rates to MHI	0.83%	<	1.02%	1
5: Project addresses removal of lead or emerging contaminants	Yes		No	0
6: % Minority	40.00%	<	58.68%	1
7: % Households Housing Burdened	50.00%	<	27.45%	0
8: % Population under 200% Poverty Level	40.00%	<	16.66%	0
9: % Population under 200% Poverty Level + % Population over 65 years old	55.00%	<	27.49%	0
10: Meets DAC criteria	Yes		No	0
Total Points Scored:				3

The Town qualifies for BIL principal forgiveness and has expressed interest in receiving a proportional loan with principal forgiveness funding package. The Town qualifies for approximately \$1,000,000 in principal forgiveness, which is the current maximum for BIL DWRP supplemental principal forgiveness for non-disadvantaged communities.

ECONOMIC ANALYSIS: The Town has a 2022 population estimated at 8,119 and has grown at an average annual rate of 4.33% since 2018. Weld County has experienced an increase of 2.83% in population since 2018, and Adams County has experienced an increase of 0.78% in population since 2018. The state population increased at an average annual rate estimated 0.71%.

Being part of both Adams and Weld counties, the economy is dominated primarily by agriculture, regional service, and commuters that come into the area. The largest job sectors are government, construction, manufacturing, retail trade, and health services.

The area's largest employers consist of Adams County with 2,783 employees, Vestas (manufacturing) with 2,710 employees, City of Brighton with 360 employees, RE3J School District with 351 employees, and City of Fort Lupton with 135 employees.

ORGANIZATIONAL ANALYSIS:

Bond Rating

The Town's debt has not been rated by Fitch, Moody's, or Standard & Poor's in the last five years.

Section 37-60-126(2) C.R.S. (Water Conservation Planning)

The Town does not sell more than 2,000 acre-feet of water per year.

Organizational Structure

The Town is a statutory municipality governed by the mayor and board of trustees and was incorporated in 1974. The Town provides services including police, water and wastewater, public works, and parks and recreation. The Town outsources their water and sewer utility operations to Ramey Environmental, who have 3 full-time employees to operate the two plants. Ramey Environmental reports to the Town Administrator.

- The Town has been in compliance with Colorado statutory budgeting and auditing requirements for the past five years.
- The Town maintains general liability insurance coverage through the Colorado Intergovernmental Risk Sharing Agency (CIRSA).
- There are currently no pending lawsuits against the Town.
- There have been no recall elections in the last ten years.

Technical/Managerial/Financial (TMF)

The WQCD and DLG conducted a review of the Town's technical, managerial and financial capacity to operate the water system. The review resulted in no outstanding requirements.

Capital Improvement Plan

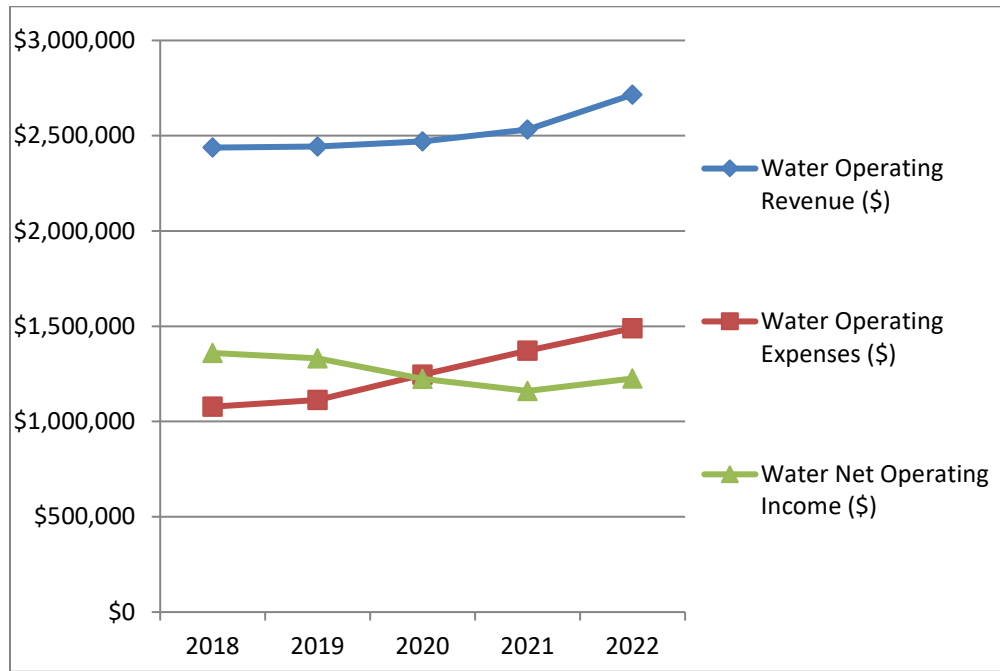
As part of the application process, the Town submitted a capital improvement schedule. The water operations anticipate a capital outlay of \$68,829,700, and the wastewater operations anticipate a capital outlay of \$39,632,000 between 2024 and 2026. Throughout this process, they plan to pay for all projects through a combination of loans, grants, and reserves. Additionally, the Town is currently preparing a Water Masterplan which will more clearly identify their capital needs.

REVENUE ANALYSIS:

The Town's total amount of debt has decreased approximately 27% from 2018 to 2022. The Town is in a strong financial position to take on this new debt as there is a lower chance of insolvency. The Town's water fund reserves have increased an approximate 88% between 2018 and 2022. The possibility of unexpected expenses (i.e., repairs, maintenance) would not present a financial burden to the community. The decline in tap/development fees in 2020 and 2021 was due to a decreased demand for development due to the COVID-19 lockdown. Nevertheless, the amount acquired in previous and continuing years is consistent.

TRENDS	2018	2019	2020	2021	2022	2023	2024
Monthly Water Rate (\$)	64.93	64.93	64.93	64.93	64.93	64.93	64.93
Monthly Sewer Rate (\$)	32.25	32.25	32.25	32.25	32.25	33.24	34.24
Residential Water Tap Fee (\$)	3,200	3,200	3,200	3,200	3,200	3,200	3,200
Residential Sewer Tap Fee (\$)	7,289	7,289	7,289	7,289	7,289	8,730	8,992
Total Water Revenue (\$)	3,666,438	3,635,755	3,518,698	3,785,204	4,336,084		
Tap/Development Fees (\$)	1,187,784	1,160,523	1,022,809	330,291	1,448,199		
Water Operating Revenue (\$)	2,437,749	2,444,139	2,469,745	2,532,463	2,715,773		
Water Operating Expenses (\$)	1,077,998	1,112,645	1,245,873	1,371,889	1,489,789		
Water Net Operating Income (\$)	1,359,751	1,331,494	1,223,872	1,160,574	1,225,984		
Water Debt (\$)	1,510,000	1,390,000	1,265,000	1,140,000	1,015,000		
Total Debt (\$)	6,755,000	6,235,000	5,784,337	5,263,889	4,929,060		
Water Debt Service (\$)	155,105	159,037	161,637	158,512	155,387		
Water Debt Service/Tap/Month (\$)		5.24	5.07	4.96	4.82		
Water Fund Reserves (\$)	7,930,003	9,635,867	11,386,759	13,395,612	14,895,734		

Ratios	2018	2019	2020	2021	2022	Average
Operating Revenue as % of Total Revenue	66%	67%	70%	67%	63%	67%
Operating Revenue as % of Expenses	226%	220%	198%	185%	182%	202%
Tap Fee Revenue as % of Total Revenue	32%	32%	29%	8.73%	33%	27%



Recent Rate Increases

The Town’s most recent water rate increase of \$1.20 was implemented on January 6th, 2015.

User Charges

The Town’s current monthly water rate is estimated at \$64.93 compared to the 2021 estimated state median of \$55.72. The Towns average monthly water rate is based on typical residential consumption of 7,000 gallons per month. Residential users pay a \$30 base rate and a volume charge of \$4.99 per 1,000 gallons for consumption from 0 to 10,000, \$6.74 per 1,000 from 10,001 to 20,000 gallons, and \$8.49 per 1,000 from 20,001 and over. All usage is rounded down within each billing cycle to the lower 1,000 gallons. All customers pay the same usage charges, but the base rate increases as the tap size increases.

The Town current estimated average monthly residential sewer rate is \$34.24 compared to the 2021 estimated state median of \$40.38. The average rate is based on a 4,000 gallon consumption, in which each additional 1,000 gallons is charged at the same volume metric rate of \$4.78.

Contributed Capital

Revenue collected from tap fees has ranged from \$330,291 to \$1,448,199 and has averaged 27% of total water revenue during the last five years. The Town’s most recent water tap fee rate increase occurred on January 6th, 2015..

- Water tap fees start at water tap fees are \$8,969 for a ¾” tap and increase as the size of the tap goes up. A water resource development fee may also be charged and is determined at the time of the request by the Town Board.
- Sewer tap fees start at sewer tap fees are \$8,730 for a ¾” tap and increase as the size of the tap goes.

Current System Utilization		
	Usage	Revenue
Residential	97%	97%
Non-residential (per EQR)	3%	3%

Current Fee Summary		
Tap size	Water user/tap fees	Sewer user/tap fees
¾”	\$64.93/\$8,969	\$34.24/\$8,730
¾”	\$64.93/\$8,969	\$56.92/\$8,730

DEBT as of December 31, 2022

Executed	Lender	Term End	Pledge	Outstanding	Interest Rate	Annual payment
2012	Water Revenue Bonds	2029	Water Revenue	\$1,060,054	2% - 3%	\$135,000
2018	General Obligation Bonds	2037	General Obligation	\$3,595,000	3% - 4%	\$190,000

LOAN COVENANTS

The Town will have to meet the Authority’s 110% rate covenant, 3 month operations and maintenance reserve fund covenant and the 110% additional bonds test (if applicable) on an annual basis.

Prepared by: Desi Santerre, and Monica Munoz-Revelo

Date: February 20, 2024

<p>Project #091051D-T Cost Categories:</p> <ul style="list-style-type: none"> • New Drinking Water Elevated Storage Tank Construction - 97% • Planning and Design - 2% • Other - 1%

Date February 20, 2024			
DWRF Credit Report Town of Lochbuie, Adams and Weld County, CO Using most recent data available (Census, audits, local records)			
Estimated Population - 2022	8,119		
Number of Water Taps/Customers - 2022	2,685		
Total Assessed Valuation (in thousands) - 2022	\$76,845,000		
Actual Value of All Real Property (in thousands) - 2022	\$798,398,000		
Median Household Income (MHI) - 2021	\$76,240		
Monthly Water Rate - 2022	\$64.93		
Water Operating Revenue - 2022	\$2,715,773		
Water Total Revenue - 2022 [May include non-operating revenue, such as contributed capital, tap & system development fees, interest income, S.O. tax and property tax. Excludes one-time capital grants.]	\$4,336,084		
Water Tap and System Development Fee Revenue - 2022	\$1,448,199		
Water Operating Expense - 2022	\$1,489,789		
Water Current Expense - 2022	\$1,645,176		
Water Debt - 2022	\$1,015,000		
Total Debt - 2022	\$4,929,060		
Water Fund Reserves - 2022	\$14,895,734		
Water Debt Service - 2022	\$155,387	BIL	Base
New Water Debt [Requested DWRF loan amount.]	\$7,000,000	\$558,718	\$6,441,282
Requested DWRF Loan Term	20	20	20
Requested DWRF Loan Interest Rate	3.30% & 3.25%	3.25%	3.30%
New Loan's Annual Water Debt Service (two payments annually)	\$480,719	\$38,210	\$442,509

Current Indicators (2022)					
Town of Lochbuie					
(Water Only)					
1	Total Debt	\$4,929,060	÷ Population	8,119	= \$607
	New Debt	\$7,000,000	÷ Population	8,119	= \$862
	Total Debt + New Debt	\$11,929,060	÷ Population	8,119	= \$1,469
2	Total Debt	\$4,929,060	÷ Number of Taps	2,685	= \$1,836
	New Debt	\$7,000,000	÷ Number of Taps	2,685	= \$2,607
	Total Debt + New Debt	\$11,929,060	÷ Number of Taps	2,685	= \$4,443
3	Total Debt	\$4,929,060	÷ Assessed Value	\$76,845,000	= 6.41%
	New Debt	\$7,000,000	÷ Assessed Value	\$76,845,000	= 9.11%
	Total Debt + New Debt	\$11,929,060	÷ Assessed Value	\$76,845,000	= 15.52%
4	Total Debt	\$4,929,060	÷ Actual Value	\$798,398,000	= 0.62%
	New Debt	\$7,000,000	÷ Actual Value	\$798,398,000	= 0.88%
	Total Debt + New Debt	\$11,929,060	÷ Actual Value	\$798,398,000	= 1.49%
5	Current Water Debt (Current Water Debt + New Water Debt) / Number of Taps	\$1,015,000	÷ Number of Taps	2,685	= \$378
		\$2,985	÷ MHI	\$76,240	= 3.92%
6	Current Ratio (CA / CL)				
	Current Assets	\$17,199,926	÷ Current Liabilities	\$2,304,192	= 746%
7	Reserve/Expense Ratio				
	Reserves	\$14,895,734	÷ Current Expenses	\$1,645,176	= 905%
8	Operating Ratio (OR / OE)				
	Operating Revenues	\$2,715,773	÷ Operating Expenses	\$1,489,789	= 182%
9	Coverage Ratio [(TR - OE) / DS]				
	Total Revenues	\$4,336,084	-		
	Minus Operating Expenses	<u>\$1,489,789</u>			
	=	\$2,846,295	÷ Current Debt Service	\$155,387	= 1832%
	Coverage Ratio Excluding Tap and Development Fee Revenue				
10	Development Fee Revenue	\$2,846,295			
	Minus Tap and Development Fee Revenue	<u>\$1,448,199</u>			
	=	\$1,398,096	÷ Current Debt Service	\$155,387	= 900%
11	Projected Coverage Ratio				
	Total Revenues	\$4,336,084			
	Minus Operating Expenses	<u>\$1,489,789</u>			
	=	\$2,846,295	Total Debt Service (with new loan)	\$636,106	= 447%
	Projected Coverage Excluding Tap and Development Fee Revenue				
12	Development Fee Revenue	\$2,846,295			
	Minus Tap and Development Fee Revenue	<u>\$1,448,199</u>			
	=	\$1,398,096	÷ new loan)	\$636,106	= 220%
13	Current Debt Service	\$155,387	÷ Number of Taps	2685	= \$57.87
	Annual New Water Debt Service	\$480,719	÷ Number of Taps	2685	= \$179.04
14	2022 Annual Water Rate (Monthly Rate x 12)	\$779.16	÷ MHI	\$76,240	= 1.02%
	2022 Annual Water Rate + New Annual Debt Service Per Tap	\$958.20	÷ MHI	\$76,240	= 1.26%
15	Current 2022 Monthly User Charge (Debt Service on DWRFL Loan / 2022 Taps / Month)				\$64.93
	Total				<u>\$14.92</u>
					\$79.85
16	Operation and Maintenance Reserve Reserves	\$14,895,734	÷ Operating Expenses	\$1,489,789	= 1000%



Principal Forgiveness and Priority Point Scoring

Applicant: Town of Lochbuie
 DWRP or WPCRF: DWRP

Is applicant receiving funds from BASE program, BIL program, or BOTH? Both

BIL Principal Forgiveness

Eligible for BIL principal forgiveness? yes

Eligible BIL principal forgiveness percentage: 64.115%

Amount of principal forgiveness awarded (accounting for any applicable cap/max): \$1,000,000

Eligible as a base program DAC? no

Priority Point Scoring

Total WQCD Score:	20
DOLA Affordability Score:	65
Total Score:	85

DWRP Priority Point Calculations

DOLA Score:	65
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Benchmarks

\$80,184 2017-2021 State MHI estimate

		Points	Entity Value	
P1	MHI		\$76,240	95%
	<50% of state MHI	35		
	Between 51% and 80% of state MHI	20		
	Between 81% and 100% of state MHI	5 x		
	>100% state MHI	0		
S5b	User Fees (projected water rate at 110%/tap/MHI)		1.11%	
	Rates are > 1.64%	45		
	Rates are between 1.12% and 1.64%	25		
	OR			
S5b	User Fees for a combined water & sewer fund			
	Rates are > 2.94%	45		
	Rates are between 2.07% and 2.94%	25		
S4b	Projected water debt per tap compared to MHV		3.20%	
	Debt is > 0.96%	45 x		
	Debt is between 0.36% and 0.96%	25		
	OR			
S4b	Projected water & sewer debt (for combined systems)			
	Debt is > 1.93%	45		
	Debt is between 0.82% and 1.93%	25		
	Population served		8,160	
	Less than 500	35		
	Between 500 and 1,000	25		
	Between 1,000 and 2,000	20		
	Between 2,000 and 5,000	15		
	Between 5,000 and 10,000	5 x		
	>10,000	0		
S3	Assessed Value/Household		24,613	
	AV per household is < \$11,628	35		
	AV per household is between \$11,628 and \$23,022	20		
	AV per household is between \$23,022 and \$39,780	10 x		
	AV per household is greater than \$39,780	0		

**COLORADO WATER RESOURCES
AND
POWER DEVELOPMENT AUTHORITY**

RESOLUTION NO. 24-08

**A RESOLUTION FOR APPROVAL OF A DRINKING WATER DIRECT LOAN TO
THE TOWN OF LOCHBUIE AND EXECUTION OF A LOAN AGREEMENT AND
OTHER DOCUMENTS NECESSARY THEREFOR**

WHEREAS, the Colorado Water Resources and Power Development Authority (the “Authority”) has received and reviewed an Application for a Bipartisan Infrastructure Law (“BIL”) General Supplemental and BIL Principal Forgiveness (“PF”) direct loan from the Drinking Water Revolving Fund from the Town of Lochbuie (the “Applicant”); and

WHEREAS, the Loan Application has been reviewed in accordance with the procedures provided therefor in the Memorandum of Understanding between the Authority, the Colorado Department of Public Health and Environment and the Colorado Department of Local Affairs concerning the operation of the Drinking Water Revolving Fund; and

WHEREAS, the proposed Project to be financed by the proposed direct loan is included on the Project Eligibility List of projects eligible for financial assistance from the Drinking Water Revolving Fund and the Water Quality Control Division of the Colorado Department of Public Health and Environment has certified that the proposed Project has met all requirements and prerequisites and is eligible for financial assistance from the Drinking Water Revolving Fund.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Colorado Water Resources and Power Development Authority:

1. That the proposed direct loan to the Town of Lochbuie in an amount not to exceed \$1,558,718 (*\$558,718 of BIL General Supplemental loan to be re-paid, plus *\$1,000,000 of BIL PF funds, for a total of \$1,558,718 DWRF loan funds) is approved subject to the terms and conditions set forth on the attached Exhibit A;
2. That the staff is directed to negotiate a Loan Agreement and other documents incorporating such terms and conditions as are appropriate to effectuate the proposed direct loan;
3. That the Executive Director and Assistant Secretary are authorized and directed to execute the Loan Agreement and any other necessary and reasonable documents for the proposed direct loan in order to consummate the direct loan approved hereby.

CERTIFICATE

The undersigned officers of the Board of Directors of the Colorado Water Resources and Power Development Authority do hereby certify that the above Resolution No. 24-08 was adopted by the Colorado Water Resources and Power Development Authority at a regular meeting of the Board of Directors (meeting conducted using a combination of both in-person and video and audio tele-conferencing) with a quorum present in Denver, Colorado on March 8, 2024.

Chair

Secretary

EXHIBIT A

Borrower:	Town of Lochbuie
Project:	The Town will be constructing a new elevated water storage tank. Proposed improvements include a 2 MG composite elevated potable water storage tank with associated piping, valving, and appurtenances which include a tank mixer, venting, overflow, and drain.
Pledge:	Water System Revenue
Loan Term:	20 Years
Interest Rate:	3.25%
Amount not to exceed:	\$1,558,718 (*\$558,718 of BIL General Supplemental loan to be repaid, plus *\$1,000,000 of BIL PF funds, for a total of \$1,558,718 DWRP loan funds)

* - Estimated PF and direct loan amounts through the BIL and/or Base programs. The exact amount will be based on the BIL capitalization grant principal forgiveness to loan ratio while taking into account set asides. However, in the unlikely event the ratio increases the loan amount by more than a de-minimis amount, as determined by the Executive Director, the credit will be returned to the Board for further evaluation and consideration.

DWRF LOAN CREDIT REPORT

City of Greeley ("The City"), Weld County

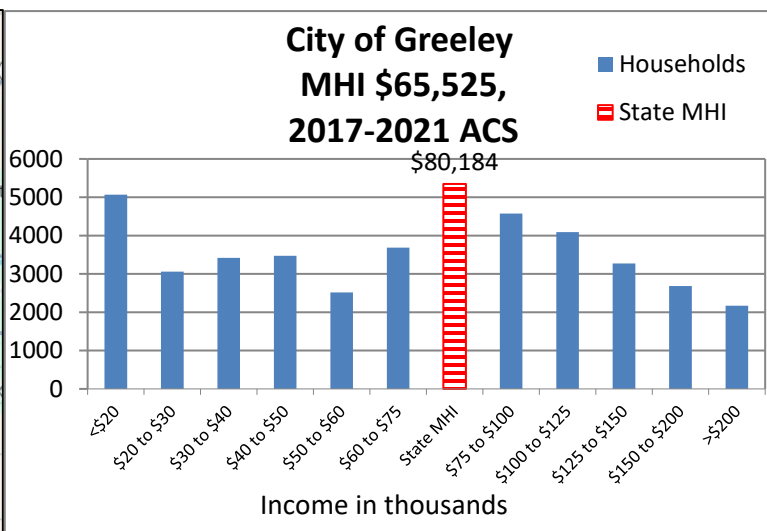
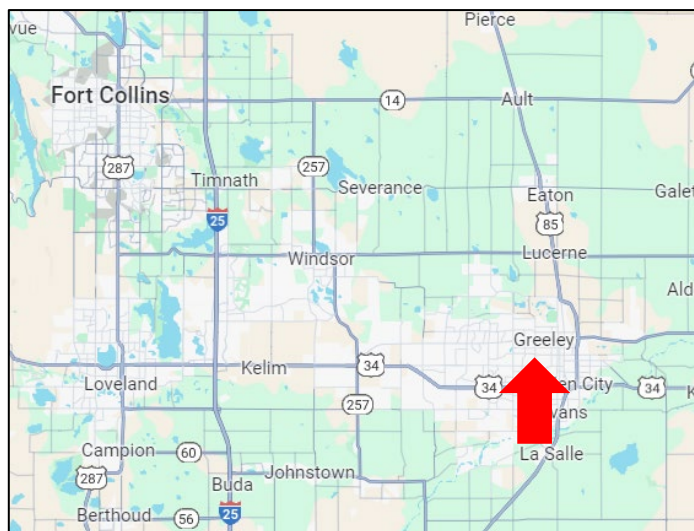
Recommendation:	APPROVAL
Loan Request:	\$20,910,725
Est. Interest Rate & Term:	4%, 30 years
Est. Annual Debt Service:	\$627,759
Pledge:	Water System Revenue
Current Rate:	\$75.72
Estimated Rate Increase:	\$0

<u>Project Budget</u>	
DWRF Base Loan:	\$3,359,705
DWRF LSL BIL Loan:	\$7,551,020
DWRF LSL PF Amount:	\$10,000,000
2023 WQCD LSL Inventory Grant:	\$277,770
Reserves/Bonds:	\$5,816,445
Total:	\$27,004,940

PROJECT DESCRIPTION: This project consists of identifying and removing lead service lines throughout the City's service area.

COMMUNITY PROFILE:							Avg. Annual Change
City of Greeley	2018	2019	2020	2021	2022	2023	
City Population	107,726	108,543	109,296	108,786	110,186		0.57%
Weld County Population	313,219	322,334	331,423	339,865	350,206		2.83%
Weld County Jobs	142,119	149,077	141,548	141,243	146,579		0.78%
Number of Water Taps	28,097	28,295	28,787	29,361	29,492		1.22%
Number of Sewer Taps	26,520	26,725	27,039	27,585	27,803		1.19%
Assessed Value (\$000)	1,043,336	1,380,416	1,474,014	1,505,581	1,906,423		16.26%
Actual Value (\$000)	8,902,504	10,834,630	11,181,183	12,269,898	12,895,961		9.71%

BORROWER BRIEF: The City of Greeley is a home rule municipality that is the seat of Weld County. The City is located approximately 60 miles north of Denver, and approximately 30 miles southeast of Fort Collins.



RECOMMENDATION: The City serves a suburban community in Weld County. This proposed loan is necessary to identify and remove lead service lines throughout the City's service area. The City's water fund has a historically strong operating ratio, and regularly increases monthly rates. Additionally, because this is a lead service line replacement project, the City qualifies for the maximum award in Bipartisan Infrastructure Law (BIL) Lead Service Line (LSL) principal forgiveness. We therefore recommend the DWRF Committee approve a \$3,359,705 DWRF base loan, \$7,551,020 DWRF LSL BIL loan, and \$10,000,000 in BIL LSL principal forgiveness to the City of Greeley.

PROJECT SUMMARY:

System summary: The City serves approximately 110,186 individuals in Weld County. The City owns and maintains 500 miles of distribution pipeline, two drinking water treatment plants, three treated water reservoirs, and six raw water reservoirs.

Reason/need: The City is working towards removing all lead from their distribution system to comply with the Colorado Lead and Copper Rule Revisions (LCRR). The City has developed a system-wide lead service line inventory and replacement plan that focuses on service lines constructed before 1967. The new LCRR changes the definition of lead service lines, from the main line to the meter, to now include the meter to the house. This increases the number of lead lines requiring mitigation.

System Compliance: The City is in compliance with the Colorado Primary Drinking Water Regulations, and the project is primarily intended to meet future requirements.

Project Delivery Method: Design/Bid/Build

Contingency: 0% of total project cost included as contingency. This project is part of an ongoing larger project to replace lead services that is being funded by the City.

CURRENT INDICATORS:	2020	2021	2022	Weak	Average	Strong
Total Debt per Capita (\$):	1,398	1,229	1,403	_____ >\$2,000	<u>X</u> \$1,000 - 2,000	_____ <\$1,000
Total + New Debt/Capita (\$):			1,502	_____ >\$2,000	<u>X</u> \$1,000 - 2,000	_____ <\$1,000
Total Debt/Tap (\$):	5,401	4,645	5,265	<u>X</u> >\$5,000	_____ \$2,500-5,000	_____ <\$2,500
Total Debt + New Debt/Tap (\$):			5,637	<u>X</u> >\$5,000	_____ \$2,500-5,000	_____ <\$2,500
Current Water Debt/Tap (\$):	3,010	2,705	3,963	<u>X</u> >\$2,000	_____ \$1,000 - 2,000	_____ <\$1,000
Current Water + New Water Debt/Tap (\$):			4,335	<u>X</u> >2,000	_____ \$1,000 - 2,000	_____ <\$1,000
Total Debt/Assessed Value:	11%	9.07%	10%	_____ >50%	_____ 25-50%	<u>X</u> <25%
Total Debt + New Water Debt/Assessed Value:			11%	_____ >50%	_____ 25-50%	<u>X</u> <25%
Total Debt/Actual Value:	1.41%	1.20%	1.26%	_____ >10%	_____ 5-10%	<u>X</u> <5%
Total Debt + New Water Debt/Actual Value:			1.35%	_____ >10%	_____ 5-10%	<u>X</u> <5%
Curr. Water Debt + New Debt/Tap/MHI:			6.62%	_____ >20%	_____ 10-20%	<u>X</u> <10%
Water Fund Current Ratio (CA/CL):	437%	316%	303%	_____ <100%	_____ 100-200%	<u>X</u> >200%
Water Fund Reserves/Current Expense:	157%	97%	172%	_____ <50%	_____ 50-100%	<u>X</u> >100%
Water Operating Ratio (OR/OE):	207%	207%	185%	_____ <100%	_____ 100-120%	<u>X</u> >120%
Coverage Ratio (TR-OE)/DS:	292%	330%	208%	_____ <110%	_____ 110-125%	<u>X</u> >125%
Coverage Ratio (TR-OE)/DS Excluding Tap Fees:	273%	264%	199%	_____ <110%	_____ 110-125%	<u>X</u> >125%
Coverage Ratio with New Loan:			199%	_____ <110%	_____ 110-125%	<u>X</u> >125%
Coverage Ratio with New Loan Excluding Tap Fees:			190%	_____ <110%	_____ 110-125%	<u>X</u> >125%
Current Annual Water Rates/MHI:			1.31%	_____ >3.0%	_____ 1.5-3.0%	<u>X</u> <1.5%
Current Water Rates + New Water Debt Service/MHI:			1.34%	_____ >3.0%	_____ 1.5-3.0%	<u>X</u> <1.5%
Operation and Maintenance Reserve:			250%	_____ <25%	_____ 25-50%	<u>X</u> >50%
Total:				4	2	15

FINANCIAL ANALYSIS: Of the twenty-one current indicators calculated, fifteen are rated strong, two are average, and four are considered weak. Overall, the indicators illustrate a City with strong financial management, but with a high degree of debt burden when adding in the proposed loan. The strong indicators show healthy reserves and a low burden of existing debt. The weak indicators reflect a high debt burden with the addition of the proposed SRF loan.

- The City consistently generates enough operating revenue to pay for operating expenses. The 2022 operating ratio was strong at 185%, and the five-year average was similarly strong at 209%.
- Based on 2022 financial information, coverage with the proposed loan is 199% with tap fee revenue and 190% without tap fee revenue. No rate increases are required to meet coverage ratio requirements.
- Because the City is pursuing a lead removal project, the project is eligible for \$10,000,000 in BIL principal forgiveness. If this principal forgiveness were not awarded, the City's loan request amount would rise from \$10,910,725 to \$20,910,725. Based on 2022 financial information, coverage of the proposed loan without BIL principal forgiveness is 192% with tap fee revenue and 183% without tap fee revenue.

Additional Project Financing

The City submitted a Water Quality Control Division Lead Service Line Inventory Grant application for \$277,770, which was awarded in 2023.

DESCRIPTION OF THE LOAN:

An estimated \$10,910,725 loan with a thirty-year term with two payments annually at an interest rate of 4% will cost the City approximately \$627,759 in debt service annually. The City also qualifies for \$10,000,000 in BIL principal forgiveness.

BIL Principal Forgiveness Eligibility:

In order to qualify for BIL principal forgiveness, a community must score three (3) points using the BIL Principal Forgiveness Eligibility Criteria outlined in the Intended Use Plans. The City scores 5 points as shown below.

BIL PF DETERMINATION				
	Benchmark		Borrower	Points
1. Five Year % Change in Population	0.95%	>	0.54%	1
2a: County Job Loss	0.00%	>	25.41%	0
2b: County Unemployment	5.61%	<	4.83%	
3: Median Household Income, or MHI exceeds 125% of state MHI (-1 point)	\$80,184	>	\$60,601	1
	\$100,230	<		
4: Rates to MHI	0.83%	<	1.50%	1
5: Project addresses removal of lead or emerging contaminants	Yes		Yes	1
6: % Minority	40.00%	<	46.44%	1
7: % Households Housing Burdened	50.00%	<	35.12%	0
8: % Population under 200% Poverty Level	40.00%	<	36.51%	0
9: % Population under 200% Poverty Level + % Population over 65 years old	55.00%	<	48.76%	0
10: Meets DAC criteria	Yes		No	0
Total Points Scored:				5

The City qualifies for BIL principal forgiveness and has expressed interest in receiving a proportional loan with principal forgiveness funding package. The City qualifies for approximately \$10,000,000 in principal forgiveness, which is the current maximum for BIL DWRFLSL principal forgiveness limit.

ECONOMIC ANALYSIS: The City has a 2022 population estimated at 110,186 and has grown at an average annual rate of 0.57% since 2018. Weld County has experienced an increase of 2.83% in population since 2018. The state population increased at an average annual rate estimated 0.71%.

As part of the greater Denver and Fort Collins region, the area's economy has jobs across multiple industries and is dominated by government, construction, retail trade, health services, and accommodation and food services.

The City's largest employers consist of JBS USA with 5,141 employees, North Colorado Medical Center with 4,558 employees, Greeley School District 6 with 2,258 employees, Weld County with 1,823 employees, and University of Northern Colorado with 1,221 employees.

Leprino Foods and JBS Foods account for 7.1% and 7.2% of system revenues, respectively.

ORGANIZATIONAL ANALYSIS:**Bond Rating**

The City's debt was rated AA+ by Standard & Poor's in 2022.

Section 37-60-126(2) C.R.S. (Water Conservation Planning)

The City sells more than 2,000 acre-feet of water per year, and has an approved water conservation plan on file with the Colorado Water Conservation Board.

Organizational Structure

The City is a home rule municipality city governed by a council-manager form of government and was incorporated in 1885. The City provides services including police and fire protection, water and wastewater, public works, and parks and recreation. Approximately 97.65 full-time employees staff the water utility. The water utility is overseen by a director who reports to the City manager.

- The City has generally been in compliance with Colorado statutory budgeting and auditing requirements for the past five years.
- The City maintains general liability insurance coverage through Genesis Insurance.
- There are currently pending lawsuits against the City. It is the opinion of the City Attorney's office that they are not expected to impact the water system revenue.
- There have been no recall elections in the last ten years.

Technical/Managerial/Financial (TMF)

The WQCD and DLG conducted a review of the City's technical, managerial and financial capacity to operate the water system. The review did not result in any mandatory recommendations.

Capital Improvement Plan

As part of the application process, the City submitted a capital improvement schedule, which anticipates capital outlay of \$453,353,568 in the water fund over the next five years for general system development, rehabilitation, and maintenance. Of this amount, \$300,520,703 is to be funded from water rates, grants, plant investment fees, new meter sales, investment earnings, and bond proceeds, and \$152,832,865 is currently unfunded.

The capital improvement schedule also anticipates a capital outlay of \$156,760,261 in the sewer fund over the next five years for general system rehabilitation and maintenance. Of this amount, \$64,078,271 is to be funded from sewer rates, investment earnings and bond proceeds, and \$92,681,990 is currently unfunded.

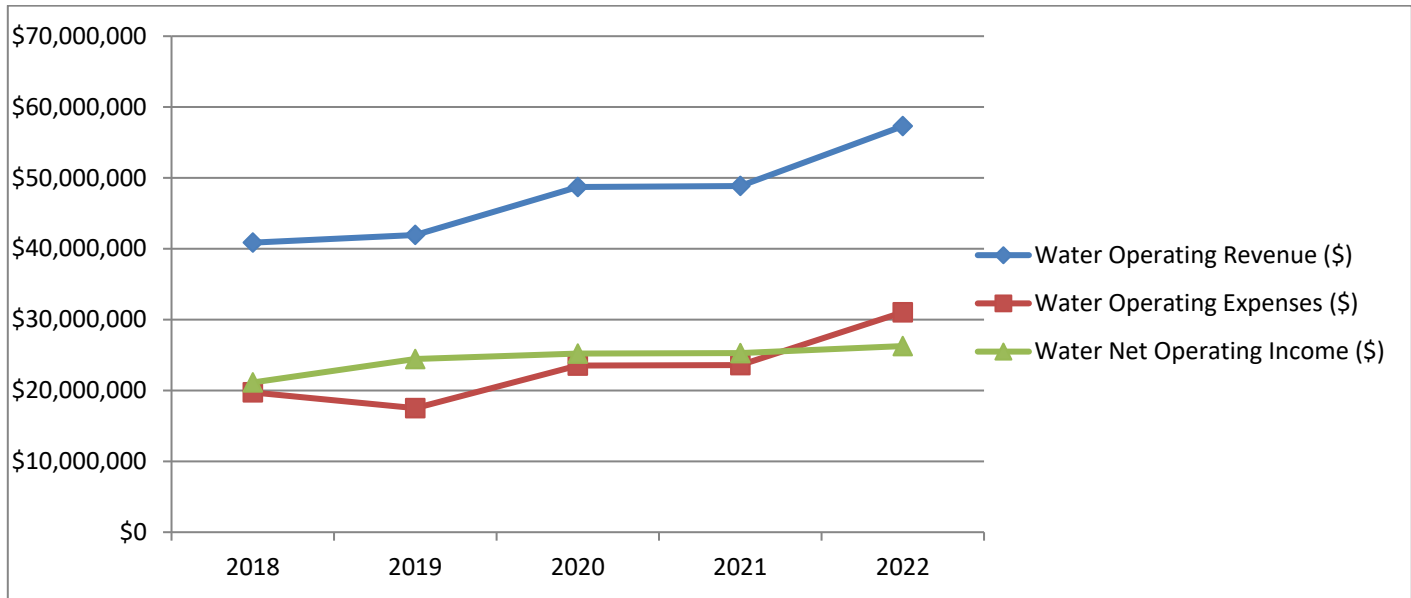
REVENUE ANALYSIS:

Despite consistent and increasing revenue from monthly rates and tap fees, the City's water fund has experienced unexpected cost burdens in recent years which have added sharp increases to the fund's operating expenses. Beginning in 2020, and continuing through the 2022 audit, certain short-term expenditures for the Cameron Peak Fire fund have been removed from the total operating expenses due to the one-time nature of the expenses. The remaining increases can be attributed to large increases in personnel costs, computer equipment and software costs, and water treatment chemicals. The increase in water debt in 2022 can be attributed to the issuance of new water revenue funding bonds, and the 2022 increase in fund reserves is due to a large increase in the fund's investments. Although the City has provided reasonable explanations for the large changes in some of its 2022 audit numbers, at least one error is present across all enterprise funds in the current audit that combined capital contributions and water tap fees and explains the variations in tap/development fees below. The City is currently reviewing the audit, and will provide a corrected version as soon as they are able. In 2022, the tap fees were reported by the City separately to SRF staff due to the previously mentioned error.

TRENDS	2018	2019	2020	2021	2022	2023	2024
Monthly Water Rate (\$)	55.81	58.50	63.17	66.79	71.33	73.19	75.72
Monthly Sewer Rate (\$)	18.38	18.80	20.20	22.10	26.08	30.81	33.61
Residential Water Tap Fee (\$)	11,400	10,800	10,500	11,200	11,200	12,100	12,100
Residential Sewer Tap Fee (\$)	5,700	5,700	6,000	6,800	6,800	6,900	6,900
Total Water Revenue (\$)	49,496,907	49,145,218	52,466,670	56,270,470	60,161,985		
Tap/Development Fees (\$)	6,027,277	4,450,604	1,904,767	6,452,310	1,313,307		
Water Operating Revenue (\$)	40,827,934	41,944,330	48,715,792	48,857,735	57,302,426		
Water Operating Expenses (\$)	19,735,088	17,505,505	23,506,538	23,579,763	31,035,090		
Water Net Operating Income (\$)	21,128,853	24,438,825	25,209,254	25,277,972	26,267,336		
Water Debt (\$)	100,852,784	92,070,000	85,155,000	77,857,735	116,365,000		
Total Debt (\$)	\$168,373,623	\$165,285,098	\$152,825,207	\$133,716,584	\$154,588,792		
Water Debt Service (\$)	8,515,919	11,647,041	99,928,547	9,920,101	13,906,285		

Water Debt Service/Tap/Month (\$)	25.83	34.54	29.24	28.72	89.39
Water Fund Reserves (\$)	75,734,742	62,010,364	52,390,394	32,572,772	77,515,150

Ratios	2018	2019	2020	2021	2022	Average
Operating Revenue as % of Total Revenue	82%	85%	93%	87%	96%	89%
Operating Revenue as % of Expenses	207%	240%	207%	207%	185%	209%
Tap Fee Revenue as % of Total Revenue	12%	9.03%	3.63%	11%	2.19%	7.65%



Recent Rate Increases

The City's most recent rate increase of \$2.53 was implemented in 2024.

User Charges

The City's current monthly water rate is estimated at \$75.72 compared to the 2021 estimated state median of \$55.72. The City's average monthly water rate is based on typical residential consumption of 10,333 gallons per month. The city employs a per-bill water usage system to set their rates, with customers paying for their water usage relative to the City's water budget. Single-family residential users pay a fixed monthly service charge of \$17.75, and a water use charge per 1,000 gallons. The water use charge is separated into four tiers, with tier one customers paying \$5.61 per 1,000 gallons, tier two customers paying \$6.50 per 1,000 gallons, tier three customers paying \$8.86 per 1,000 gallons, and tier four customers paying \$11.81 per 1,000 gallons. In 2023, approximately 50% of customers only paid bills in tier one.

Residential customers outside city limits are charged a fixed monthly fee of \$17.75 plus a water use charge of \$11.66 per 1,000 gallons. Non-residential customers outside city limits are charged a fixed monthly fee of \$17.75 plus a water use charge of \$11.58 per 1,000 gallons. Both residential and non-residential customers may be charged a higher monthly fee based on their tap size.

The City's current estimated average monthly residential sewer rate is \$33.61 compared to the 2021 estimated state median of \$40.38. The City's average monthly sewer rate for residential customers is based on winter water use with a water use fee of \$4.46, plus a fixed monthly charge of \$18. For commercial customers, rates are calculated based on the class of customer and volume and level of contamination of the wastewater for each customer group, plus a fixed monthly charge of \$18 per sewer connection.

Contributed Capital

Revenue from tap fees has ranged from \$1,313,307 to \$6,452,310 and has averaged 7% of total water revenue during the last five years. The City's most recent water tap fee rate increase occurred in 2024.

- Residential water tap fees start at \$12,100 for ¾", and vary depending on size: \$20,200 for 1", \$40,300 for 1.5", \$64,600 for 2", \$141,400 for 3", \$242,400 for 4", and \$504,700 for 6".
- Residential sewer tap fees start at \$6,900 for ¾", and vary depending on size: \$11,500 for 1", \$23,000 for 1.5", \$36,800 for 2", \$80,500 for 3", \$138,000 for 4", and \$287,500 for 6".

Current System Utilization		
	Usage	Revenue
Residential	60%	69%
Non-residential (per EQR)	40%	31%

Current Fee Summary		
Tap size	Water user/tap fees	Sewer user/tap fees
¾"	\$75.29/\$12,100	\$33.61/\$6,900
¾"	\$76.54/\$12,100	\$33.50/\$6,900

DEBT as of December 31, 2022

Executed	Lender	Term End	Pledge	Outstanding	Interest Rate	Annual payment
2014	Water Revenue Refunding Bonds	2024	Water Revenue	\$0	3%-5%	\$1,127,850
2015	Sewer Revenue Refunding Bonds	2029	Sewer Revenue	\$2,415,000	2%-4%	\$529,444
2016	Water Revenue Refunding Bonds	2028	Water Revenue	\$12,025,000	2%-5%	\$4,239,500
2018	Water Revenue Refunding Bonds	2038	Water Revenue	\$34,795,000	3%-5%	\$3,577,150
2018	Sewer Revenue Refunding Bonds	2038	Sewer Revenue	\$8,670,000	4%-5%	\$835,850
2022	Water Revenue Refunding Bonds	2042	Water Revenue	\$59,730,000	3%-5%	\$5,207,650
2022	Windy Gap Shared Financing	2051	Water Revenue	\$34,980,000	4%-5%	\$1,713,000
2022	Sewer Revenue Refunding Bonds	2042	Sewer Revenue	\$19,955,000	3%-5%	\$1,507,300

LOAN COVENANTS: The City will have to meet the Authority's 110% rate covenant, 3-month operations and maintenance reserve fund covenant, and the 110% additional bonds test (if applicable) on an annual basis.

The City has no current debt with the Authority, including the SRF programs.

Prepared by: Will Clift
Date: February 20, 2024

Project # 24001D-Q Cost Categories: Transmission and Distribution- 100%

February 20, 2024	
DWRF Credit Report City of Greeley, Weld, CO Using most recent data available (Census, audits, local records)	
Estimated Population - 2022	110,186
Number of Water Taps/Customers - 2022	29,361
Total Assessed Valuation (in thousands) - 2022	\$1,505,581,000
Actual Value of All Real Property (in thousands) - 2022	\$12,269,897,909
Median Household Income (MHI) - 2021	\$65,525
Monthly Water Rate - 2022	\$71.33
Water Operating Revenue - 2022	\$57,302,426
Water Total Revenue - 2022 [May include non-operating revenue, such as contributed capital, tap & system development fees, interest income, S.O. tax and property tax. Excludes one-time capital grants.]	\$59,983,709
Water Tap and System Development Fee Revenue - 2022	\$1,313,307
Water Operating Expense - 2022	\$31,035,090
Water Current Expense - 2022	\$44,941,375
Water Debt - 2022	\$116,365,000
Total Debt - 2022	\$154,588,792
Water Fund Reserves - 2022	\$77,515,150
Water Debt Service - 2022	\$13,906,285
New Water Debt [Requested DWRF loan amount.]	\$10,910,725
Requested DWRF Loan Term	30
Requested DWRF Loan Interest Rate	4.00%
New Loan's Annual Water Debt Service (two payments annually)	\$627,759

Current Indicators (2022)				
City of Greeley, Weld, CO				
(Water Only)				
1 Total Debt	\$154,588,792	÷	Population	110,186 = \$1,403
New Debt	\$10,910,725	÷	Population	110,186 = \$99
Total Debt + New Debt	\$165,499,517	÷	Population	110,186 = \$1,502
2 Total Debt	\$154,588,792	÷	Number of Taps	29,361 = \$5,265
New Debt	\$10,910,725	÷	Number of Taps	29,361 = \$372
Total Debt + New Debt	\$165,499,517	÷	Number of Taps	29,361 = \$5,637
3 Total Debt	\$154,588,792	÷	Assessed Value	\$1,505,581,000 = 10.27%
New Debt	\$10,910,725	÷	Assessed Value	\$1,505,581,000 = 0.72%
Total Debt + New Debt	\$165,499,517	÷	Assessed Value	\$1,505,581,000 = 10.99%
4 Total Debt	\$154,588,792	÷	Actual Value	\$12,269,897,909 = 1.26%
New Debt	\$10,910,725	÷	Actual Value	\$12,269,897,909 = 0.09%
Total Debt + New Debt	\$165,499,517	÷	Actual Value	\$12,269,897,909 = 1.35%
5 Current Water Debt (Current Water Debt + New Water Debt) / Number of Taps	\$116,365,000	÷	Number of Taps	29,361 = \$3,963
	\$4,335	÷	MHI	\$65,525 = 6.62%
6 Current Ratio (CA / CL)				
Current Assets	\$115,718,852	÷	Current Liabilities	\$38,203,702 = 303%
7 Reserve/Expense Ratio				
Reserves	\$77,515,150	÷	Current Expenses	\$44,941,375 = 172%
8 Operating Ratio (OR / OE)				
Operating Revenues	\$57,302,426	÷	Operating Expenses	\$31,035,090 = 185%
9 Coverage Ratio [(TR - OE) / DS]				
Total Revenues	\$59,983,709	-		
Minus Operating Expenses	<u>\$31,035,090</u>			
=	\$28,948,619	÷	Current Debt Service	\$13,906,285 = 208%
Coverage Ratio Excluding Tap and				
10 Development Fee Revenue	\$28,948,619			
Minus Tap and Development Fee Revenue	<u>\$1,313,307</u>			
=	\$27,635,312	÷	Current Debt Service	\$13,906,285 = 199%
11 Projected Coverage Ratio				
Total Revenues	\$59,983,709			
Minus Operating Expenses	<u>\$31,035,090</u>			
=	\$28,948,619		Total Debt Service (with new loan)	\$14,703,984 = 197%
Projected Coverage Excluding Tap and				
12 Development Fee Revenue	\$28,948,619			
Minus Tap and Development Fee Revenue	<u>\$1,313,307</u>			
=	\$27,635,312	÷	Total Debt Service (with new loan)	\$14,703,984 = 188%
13 Current Debt Service	\$13,906,285	÷	Number of Taps	29361 = \$473.63
Annual New Water Debt Service	\$797,699	÷	Number of Taps	29361 = \$27.17
2022 Annual Water Rate (Monthly Rate 14 x 12)	\$855.96	÷	MHI	\$65,525 = 1.31%
2022 Annual Water Rate + New Annual Debt Service Per Tap	\$883.13	÷	MHI	\$65,525 = 1.35%
15 Current 2022 Monthly User Charge (Debt Service on DWRF Loan / 2022 Taps / Month)				\$71.33
Total				\$2.26
				\$73.59
16 Operation and Maintenance Reserve				
Reserves	\$77,515,150	÷	Operating Expenses	\$31,035,090 = 250%



Principal Forgiveness and Priority Point Scoring

Applicant:

DWRF or WPCRF: DWRF

Is applicant receiving funds from BASE program, BIL program, or BOTH? BOTH

BIL Principal Forgiveness

Eligible for BIL principal forgiveness? Yes, LSL

Eligible BIL principal forgiveness percentage: 56.977%

Amount of principal forgiveness awarded (accounting for any applicable cap/max): \$10,000,000

Eligible as a base program DAC? No

Priority Point Scoring

Total WQCD Score:	30
DOLA Affordability Score:	60
Total Score:	90

DWRP Priority Point Calculations

DOLA Score: 60

CDPHE Score: 30

Total Score: 90

Benchmarks

\$80,184 2017-2021 State MHI estimate

		Points	Entity Value
P1	MHI		\$60,601
	<50% of state MHI	35	
	Between 51% and 80% of state MHI	20	
	Between 81% and 100% of state MHI	5	5
	>100% state MHI	0	
S5b	User Fees (projected water rate at 110%/tap/MHI)		2.18%
	Rates are > 1.64%	45	
	Rates are between 1.12% and 1.64%	25	
S5b	OR		
	User Fees for a combined water & sewer fund		
	Rates are > 2.94%	45	
	Rates are between 2.07% and 2.94%	25	
S4b	Projected water debt per tap compared to MHV		1.65%
	Debt is > 0.96%	45	45
	Debt is between 0.36% and 0.96%	25	
S4b	OR		
	Projected water & sewer debt (for combined systems)		
	Debt is > 1.93%	40	
	Debt is between 0.82% and 1.93%	20	
	Population served		109,696
	Less than 500	35	
	Between 500 and 1,000	25	
	Between 1,000 and 2,000	20	
	Between 2,000 and 5,000	15	
	Between 5,000 and 10,000	5	
	>10,000	0	0
S3	Assessed Value/Household		38,608
	AV per household is < \$11,628	35	
	AV per household is between \$11,628 and \$23,022	20	
	AV per household is between \$23,022 and \$39,780	10	10
	AV per household is greater than \$39,780	0	

**COLORADO WATER RESOURCES
AND
POWER DEVELOPMENT AUTHORITY**

RESOLUTION NO. 24-09

**A RESOLUTION FOR APPROVAL OF A DRINKING WATER DIRECT LOAN TO
THE CITY OF GREELEY AND EXECUTION OF A LOAN AGREEMENT AND
OTHER NECESSARY DOCUMENTS THEREFOR**

WHEREAS, the Colorado Water Resources and Power Development Authority (the “Authority”) has received and reviewed an Application for a Bipartisan Infrastructure Law (“BIL”) Lead Service Line (“LSL”) and BIL LSL Principal Forgiveness (“PF”) direct loan, plus a Base direct loan from the Drinking Water Revolving Fund from the City of Greeley (the “Applicant”); and

WHEREAS, approval of the direct loan requires the Authority Board of Directors’ approval of a one-time waiver of the Base direct loan limit for the Governmental Agency in the amount of \$3,359,705, which waiver the Governmental Agency is seeking contemporaneously with the application for the BIL and Base direct loans; and

WHEREAS, the Authority Board of Directors determines that approval of the direct loan application and a one-time, direct loan limit waiver for the Governmental Agency is in the best interests of the Authority and the Governmental Agency, and is consistent with the purposes of the DWRF; and

WHEREAS, the Loan Application has been reviewed and recommended for approval in accordance with the procedures provided therefor in the Memorandum of Agreement between the Authority, the Colorado Department of Public Health and Environment, and the Colorado Department of Local Affairs concerning the operation of the Drinking Water Revolving Fund; and

WHEREAS, the proposed Project to be financed by the proposed direct loan is included on the Project Eligibility List of projects eligible for financial assistance from the Drinking Water Revolving Fund, and the Water Quality Control Division of the Colorado Department of Public Health and Environment has certified that the proposed Project has met all other requirements and prerequisites for eligibility for financial assistance from the Drinking Water Revolving Fund.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Colorado Water Resources and Power Development Authority:

1. That the proposed direct loan to the City of Greeley in an amount not to exceed \$20,910,725 (*\$7,551,020 of BIL LSL direct loan and *\$3,359,705 Base direct loan to be re-paid, plus *\$10,000,000 of BIL LSL PF funds, for a total of \$20,910,725 DWRF loan funds) is approved subject to the terms and conditions set forth on the attached Exhibit A;
2. That the staff is directed to negotiate a Loan Agreement and other documents incorporating such terms and conditions as are appropriate to effectuate the proposed direct loan;

3. That the Executive Director and Assistant Secretary are authorized and directed to execute the Loan Agreement and any other necessary and reasonable documents for the proposed direct loan in order to consummate the direct loan approved hereby.

CERTIFICATE

The undersigned officers of the Board of Directors of the Colorado Water Resources and Power Development Authority do hereby certify that the above Resolution No. 24-09 was adopted by the Colorado Water Resources and Power Development Authority at a regular meeting of the Board of Directors (meeting conducted using a combination of both in-person and video and audio tele-conferencing) with a quorum present in Denver, Colorado on March 8, 2024.

Chairman

Secretary

EXHIBIT A

Borrower:	City of Greeley
Project:	This project consists of identifying and removing lead service lines throughout the City's service area.
Pledge:	Water System Revenue
Loan Term:	Up to 30 years
Interest Rate:	3.50%
Amount not to exceed:	\$20,910,725 (*\$7,551,020 of BIL LSL direct loan and *\$3,359,705 Base direct loan to be re-paid, plus *\$10,000,000 of BIL LSL PF funds, for a total of \$20,910,725 DWRf loan funds)

* - Estimated PF and direct loan amounts through the BIL and/or Base programs. The exact amount will be based on the BIL capitalization grant principal forgiveness to loan ratio while taking into account set asides. However, in the unlikely event the ratio increases the loan amount by more than a de-minimis amount, as determined by the Executive Director, the credit will be returned to the Board for further evaluation and consideration.

DWRF LOAN CREDIT REPORT

City of Englewood (“The City”), Arapahoe County

Recommendation:	CONDITIONAL APPROVAL
Loan Request:	\$40,000,000
Est. Total Annual Debt Service:	\$1,700,184
Leveraged Loan:	\$22,448,980
Est. Interest Rate & Term:	4.00%, 30 Years
Direct Loan:	\$7,551,020
Est. Interest Rate & Term:	3.50%, 30 Years
Pledge:	Water System Revenue
Current Rate:	\$42.82
Estimated Rate Increase:	\$5.22

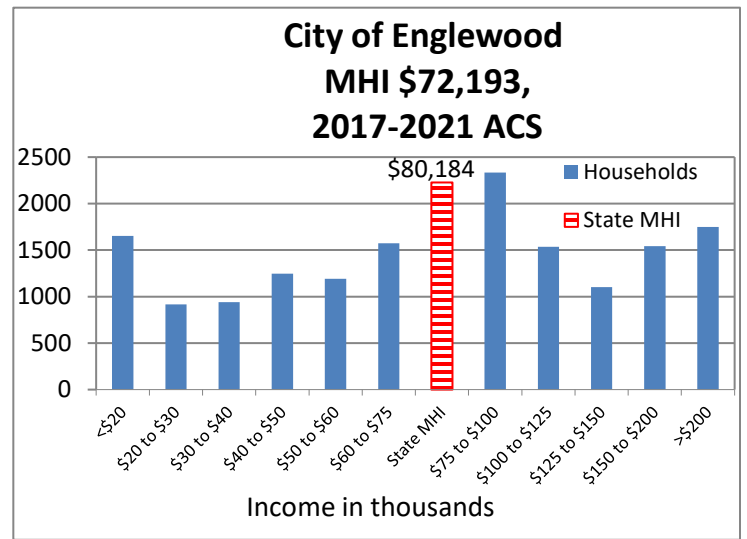
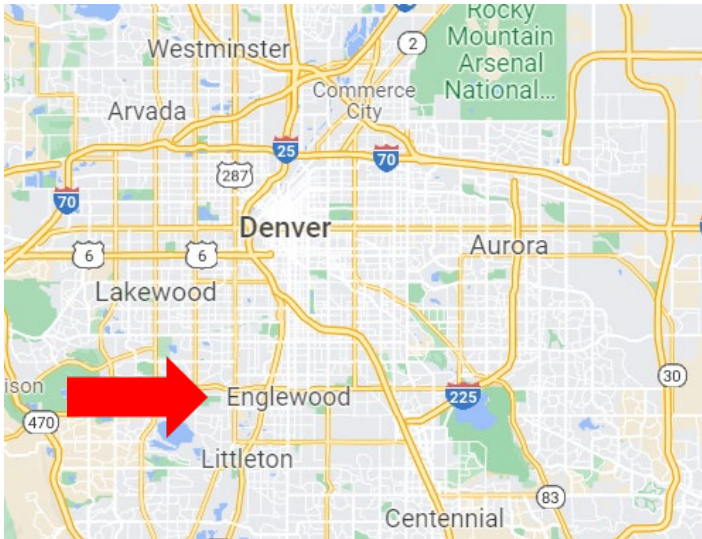
	<u>Project Budget</u>
DWRF Base Loan:	\$22,448,980
DWRF BIL LSL Loan:	\$7,551,020
DWRF BIL LSL Principal Forgiveness:	\$10,000,000
2022 WIFIA Loan:	\$20,000,000
Total:	\$60,000,000

PROJECT DESCRIPTION: The project consists of identifying and replacing lead service lines (LSLs), to include both the public and private portions of the identified lead service lines, in accordance with Bipartisan Infrastructure Law requirements.

COMMUNITY PROFILE:

City of Englewood	2018	2019	2020	2021	2022	2023	Avg. Annual Change
City Population	33,881	33,840	33,665	33,889	33,668		-0.16%
Arapahoe County Population	650,167	653,804	655,212	656,722	656,015		0.22%
Arapahoe County Jobs	412,580	422,007	406,341	414,636	423,716		0.67%
Number of Water Connections		10,907	10,951	10,994	11,026	11,081	0.40%
Number of Sewer Connections		10,907	10,951	10,994	11,026	11,081	0.40%
Assessed Value (\$000)		687,324	789,346	793,191	900,895	896,661	6.87%
Actual Value (\$000)		5,077,313	6,061,964	6,162,877	6,938,432	7,041,317	8.52%

BORROWER BRIEF: The City of Englewood is located in Arapahoe County in the Denver metropolitan region and is bordered by the Cities of Denver, Sheridan, Littleton, and Cherry Hills Village.



RECOMMENDATION: The City serves an urban community in the Denver metropolitan area. This proposed loan is necessary to address exposure to lead within the City. Of the City’s 11,081 service connections 2,127 are assumed to be lead service lines, 8,199 are assumed non-lead, and 755 are unknown. This project is part of an ongoing larger project to replace lead lines that are being funded by the City, and the City is in a strong financial position to take on the proposed debt. We therefore recommend the DWRF Committee approve a \$22,448,980 DWRF base leveraged loan, a \$7,551,020 DWRF Bipartisan Infrastructure Law (BIL) Lead Service Line loan, and \$10,000,000 in DWRF BIL Lead Service Line principal forgiveness, to the City of Englewood on the condition rates are increased to meet loan requirements.

PROJECT SUMMARY:**System summary:**

The City's service area consists of 11,081 water service connections in two distinct distribution zones that encompass three pressure zones. Of these 11,000+ water service connections, 2,127 of these connections are assumed to consist of lead service lines, 8,199 are assumed non-lead, and 755 are unknown. This estimate is currently based on a review of available records on home construction date, meter tap size, compliance tap sampling, and historical plumbing codes. Field investigation efforts are ongoing and early LSL replacement activities will be utilized to refine the number of inventoried LSLs.

Reason/need:

The City is implementing a Lead Reduction Program as a multi-year program that will eliminate lead service lines in the water system and replace them with copper lines. The City is dedicated to the delivery of safe drinking water especially to vulnerable populations and the City plans to prioritize project areas that address exposure to lead in children and disadvantaged populations.

System Compliance:

The City is in compliance with the Colorado Primary Drinking Water Regulations, and the project is primarily intended to maintain compliance and meet future requirements.

Project Delivery Method:

Design/Bid/Build.

Contingency:

0% of the total project cost is included as a contingency. This project is part of an ongoing larger project to replace lead service lines being funded by the City.

CURRENT INDICATORS:	2020	2021	2022	Weak	Average	Strong
Total Debt per Capita (\$):	1,821	1,611	1,324	___ >\$2,000	X \$1,000 - 2,000	___ <\$1,000
Total + New Debt/Capita (\$):			2,215	X >\$2,000	___ \$1,000 - 2,000	___ <\$1,000
Total Debt/Tap (\$):	5,597	4,728	4,023	___ >\$5,000	X \$2,500-5,000	___ <\$2,500
Total Debt + New Debt/Tap (\$):			6,764	X >\$5,000	___ \$2,500-5,000	___ <\$2,500
Current Water Debt/Tap (\$):	891	826	760	___ >\$2,000	___ \$1,000 - 2,000	X <\$1,000
Current Water + New Water Debt/Tap (\$):			3,480	X >2,000	___ \$1,000 - 2,000	___ <\$1,000
Total Debt/Assessed Value:	7.76%	6.88%	4.95%	___ >50%	___ 25-50%	X <25%
Total Debt + New Water Debt/Assessed Value:			8.28%	___ >50%	___ 25-50%	X <25%
Total Debt/Actual Value:	1.01%	0.89%	0.64%	___ >10%	___ 5-10%	X <5%
Total Debt + New Water Debt/Actual Value:			1.07%	___ >10%	___ 5-10%	X <5%
Current Water Debt + New Debt/Tap/MHI:			4.82%	___ >20%	___ 10-20%	X <10%
Water Fund Current Ratio (CA/CL):	1268%	1245%	1115%	___ <100%	___ 100-200%	X >200%
Water Fund Reserves/Current Expense:	228%	213%	171%	___ <50%	___ 50-100%	X >100%
Water Operating Ratio (OR/OE):	135%	121%	106%	___ <100%	X 100-120%	___ >120%
Coverage Ratio (TR-OE)/DS:	369%	345%	190%	___ <110%	___ 110-125%	X >125%
Coverage Ratio (TR-OE)/DS Excluding Tap Fees:	318%	202%	43%	X <110%	___ 110-125%	___ >125%
Coverage Ratio with New Loan:			67%	X <110%	___ 110-125%	___ >125%
Coverage Ratio with New Loan Excluding Tap Fees:			15%	X <110%	___ 110-125%	___ >125%
Current Annual Water Rates/MHI:			0.66%	___ >3.0%	___ 1.5-3.0%	X <1.5%
Current Water Rates + New Water Debt Service/MHI:			0.87%	___ >3.0%	___ 1.5-3.0%	X <1.5%
Operation and Maintenance Reserve:			184%	___ <25%	___ 25-50%	X >50%
Total:				6	3	12

FINANCIAL ANALYSIS: Of the twenty-one current indicators calculated, twelve are rated strong, three are average and six are considered weak. Overall, the indicators illustrate relatively high debt per capita, the water fund maintains strong finances and the ability to take on this loan. The strong indicators show strong reserves, consistently sufficient revenue to cover expenses and obligations, and affordable debt and rates compared to MHI. The weak indicators reflect a large loan added to existing debt.

- Based on 2022 finances, coverage with the proposed loan is 67% with tap fee revenue. Additional annual revenue of about \$1,122,046, or \$8.48 per tap per month, would increase the coverage ratio to 110% when including tap fee revenue. With total rate increases of \$3.26 since 2022, the projected increases after this loan are reduced to \$5.22 per tap per month.
- The City consistently generates sufficient operating revenue to cover operating expenses and maintained a strong five-year average operating ratio of 129%. The operating ratio has dropped since 2020, as expenses rose faster than revenues, due to increased staffing needed to implement numerous programmatic and capital projects following the adoption of its Water System and Sewer System Master Plan.
- Water and sewer rates have increased 4.5% (administrative and volumetric fees) after adopting a new rate structure and in accordance with the City's long-term financial planning efforts. The City plans to continue rate increases in future years ensuring future operating revenue covers operating expenses.
- Debt service repayments on the U.S. Environmental Protection Agency's (EPA) 2022 Water Infrastructure Financing and Innovation Act (WIFIA) loan for the remaining project costs are scheduled to begin in February 2031. In anticipation for potential rate increases due to this loan, the City plans to continue annual rate increases of 4.5% (administrative and volumetric fees) through 2037, according to documents provided by the City.

Additional Project Financing

The City submitted a loan application through the EPA's WIFIA program for up to \$38,416,490 for the water utility system, which was executed in May 2022.

DESCRIPTION OF THE LOAN:

An estimated \$22,448,980 base leveraged loan with a thirty-year term with two payments annually at an estimated interest rate of 4.00% will cost the City approximately \$1,291,623 in debt service annually. An estimated \$7,551,020 BIL Lead Service Line direct loan with a thirty-year term with two payments annually at an interest rate of 3.50% will cost the City approximately \$408,561 in debt service annually. The City also qualifies for \$10,000,000 in DWRF BIL Lead Service Line principal forgiveness.

BIL Principal Forgiveness Eligibility:

In order to qualify for BIL principal forgiveness, a community must score three (3) points using the BIL Principal Forgiveness Eligibility Criteria outlined in the Intended Use Plans. The City scores 3 points as shown below.

BIL PF DETERMINATION				
	Benchmark		Borrower	Points
1. Five Year % Change in Population	0.95%	>	-0.16%	1
2a: County Job Loss	0.00%	>	17.86%	0
2b: County Unemployment	5.61%	<	4.82%	
3: Median Household Income, or MHI exceeds 125% of state MHI (-1 point)	\$80,184	>	\$72,193	1
	\$100,230	<		
4: Rates to MHI	0.83%	<	0.66%	0
5: Project addresses removal of lead or emerging contaminants	Yes		Yes	1
6: % Minority	40.00%	<	25.00%	0
7: % Households Housing Burdened	50.00%	<	35.00%	0
8: % Population under 200% Poverty Level	40.00%	<	25.00%	0
9: % Population under 200% Poverty Level + % Population over 65 years old	55.00%	<	39.00%	0
10: Meets DAC criteria	Yes		No	0
Total Points Scored:				3

The City qualifies for BIL principal forgiveness and has expressed interest in receiving a proportional loan with principal forgiveness funding package. The City qualifies for approximately \$10,000,000 in principal forgiveness, which is the current maximum for DWRF BIL Lead Service Line principal forgiveness.

ECONOMIC ANALYSIS: The City has a 2022 population estimated at 33,668 and has decreased at an average annual rate of -0.16% since 2018. Arapahoe County has experienced an increase of 0.22% in population since 2018. The state population increased at an average annual rate estimated 0.71%.

As part of the greater Denver metropolitan region and the Front Range, the region's economy has jobs across all industry sectors and is dominated by regional services, retirees, government, and tourism. Correspondingly, the region's largest job sectors are health services, professional, government, retail trade, construction, and waste management.

The area's largest employers consist of Health One Swedish Medical Center with 1,909 employees; Craig Hospital with 982 employees; Groove Toyota with 487 employees; Metro Community Providers Clinic with 465 employees; and Veolia Transportation with 317 employees.

ORGANIZATIONAL ANALYSIS:

Bond Rating

The City's debt was rated by Standard & Poor's in 2022 and received an AA rating.

Section 37-60-126(2) C.R.S. (Water Conservation Planning)

The City sells more than 2,000 acre-feet of water per year and reports having a water efficiency plan on file with the Colorado Water Conservation Board as is required by statute.

Organizational Structure

The City is a home rule municipality governed by a council/manager form of government and was incorporated in 1903. The City provides services including police and fire protection, emergency medical services, water and wastewater services, public works, including construction and management of streets and stormwater management, parks, recreation, and cultural services, and municipal court services. Approximately 50 full-time employees staff the water utility. The utility is overseen by the Utilities Director, who reports to the City Manager, who reports to the Water Sewer Board and City Council.

- The City has generally been in compliance with Colorado statutory budgeting and auditing requirements for the past five years.
- The City maintains general liability insurance coverage through the Colorado Intergovernmental Risk Sharing Agency (CIRSA).
- There are currently two pending lawsuits against the City.
- There was an unsuccessful recall election for a member of City Council in September 2018. The attempt focused on concerns around professionalism, treatment of staff, and obstruction of City business. The recall failed at a 54% - 46% margin.
- There was another unsuccessful recall election for four members of City Council in October 2023. The recall attempt was related to proposed changes to the development code, called CodeNext. The recall failed for three Council Members, and the fourth recalled Council Member resigned before the vote. The vacant seat was filled following appointment by the remaining council members.

Technical/Managerial/Financial (TMF)

The WQCD and DLG conducted a review of the City's technical, managerial and financial capacity to operate the water system. The review resulted in no mandatory financial requirements needing follow up by the City.

Capital Improvement Plan

As part of the application process, the City submitted a five-year Capital Improvement Plan for the Water Fund for 2024-2028, which anticipates annual capital outlay totaling \$120,620,000 ranging from \$18,850,00 to \$31,470,000 annually for infrastructure and equipment replacement costs to be funded from reserves and loans. This includes the LSL replacement (totaling \$41,500,000 through 2028), pump station improvements, waterline replacements, and water treatment plant process improvements among other projects.

Intergovernmental

The City has a 2023 intergovernmental agreement (IGA) with Centennial Water District (the "District") for lease of Englewood's surplus water as the City has leased raw water to the District since 1980. There are 6 measurement points utilizing meters and flumes and all delivery takes place at McLellan Reservoir. The City has agreed to make a good faith effort to supply surplus water but has the right to reduce or eliminate water sales to the District at its discretion. This agreement renewed in 2023 from the original 2003 agreement for 20 years through December 2042.

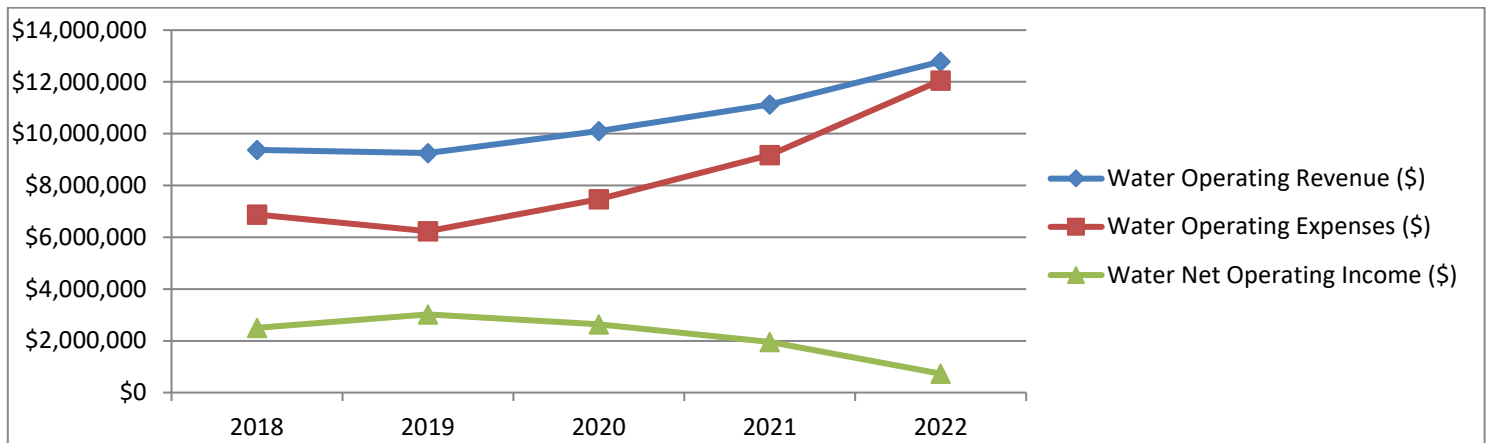
REVENUE ANALYSIS:

The City saw increases in both revenues and expenses while steadily increasing water and sewer rates since 2021. Revenues have increased since 2020 and further increased in 2021 due to the implementation of a new rate structure that includes a dedicated Capital Investment Fee charged monthly and increases by \$1 every other year. Rate increases are a part of the City’s long-term financial planning that began in 2020 and are evaluated each year to ensure rates are keeping up with inflation and operating and maintenance expenses.

Expenses within the Utilities Department and Water Fund also began to increase in 2020 following the completion of the City’s Water System and Sewer System Master Plan and the subsequent implementation of its recommendations. The plan identified several programmatic improvements such as increased department staffing (35 FTEs in 2020, now 64), environmental compliance framework, elevated storage tank inspection program, and a dam safety program.

TRENDS	2018	2019	2020	2021	2022	2023	2024
Monthly Water Rate (\$)	29.45	29.45	29.45	38.47	39.56	41.66	42.82
Monthly Sewer Rate (\$)	19.31	21.69	23.21	24.56	21.95	22.94	23.97
Residential Water Tap Fee (\$)	4,360	4,360	4,360	17,504	19,488	20,121	20,912
Residential Sewer Tap Fee (\$)	1,400	1,400	1,400	1,969	2,022	2,088	2,612
Total Water Revenue (\$)	9,927,938	9,848,917	10,935,522	12,359,049	13,834,359		
Tap/Development Fees (\$)	380,715	209,050	475,725	1,323,557	1,374,854		
Water Operating Revenue (\$)	9,368,150	9,252,743	10,105,451	11,134,308	12,785,693		
Water Operating Expenses (\$)	6,872,551	6,232,918	7,473,595	9,172,073	12,056,828		
Water Net Operating Income (\$)	2,495,599	3,019,825	2,631,856	1,962,235	728,865		
Water Debt (\$)	10,530,000	10,415,000	9,760,000	9,080,000	8,375,000		
Total Debt (\$)	75,418,939	68,750,439	61,289,840	54,587,579	44,577,236		
Water Debt Service (\$)	1,300,642	482,053	937,586	922,534	935,795		
Water Debt Service/Tap/Month (\$)		3.50	6.80	6.66	6.72		
Water Fund Reserves (\$)	14,275,008	16,664,958	19,211,385	21,475,384	22,193,072		

Ratios	2018	2019	2020	2021	2022	Average
Operating Revenue as % of Total Revenue	94%	94%	92%	90%	92%	93%
Operating Revenue as % of Expenses	136%	148%	135%	121%	106%	129%
Tap Fee Revenue as % of Total Revenue	3.83%	2.12%	4.35%	11%	9.94%	6.19%



Recent Rate Increases

The City’s most recent rate increase of \$1.16 for water and \$1.03 for sewer was implemented on January 1, 2024.

User Charges

The City's current monthly water rate is estimated at \$42.82 compared to the 2021 estimated state median of \$55.72. The City's average monthly water rate is based on typical residential consumption of 6,000 gallons per month and the City uses a tiered fee structure based on consumption. Residential and commercial users are charged a base administrative fee of \$3.36 and a \$16 Capital Improvement Fee, then a consumption charge of \$3.91/1,000 gallons up to 400,000 gallons. A volume charge of \$2.42/1,000 gallons is charged for consumption above 400,000 gallons. Outside of the City, residential rates follow a similar structure with a \$5.48 administrative fee, \$22.00 Capital Improvement Fee, and a consumption rate of \$5.48/1,000 gallons up to 400,000. Consumption above 400,000 is charged at \$3.39/1,000 gallons.

The City's water Capital Improvement Fee for commercial and industrial customers varies by meter size ranging from 5/8" to 10":

- 5/8-3/4" meters are \$16.00/month inside City and \$22.00/month outside City
- 1" meter is \$26.68/month inside and \$36.68/month outside City
- 1.5" meter is \$53.21/month inside and \$73.17 outside City
- 2" meter is \$85.50/month inside and \$117.57 outside City

The City's current estimated average monthly residential sewer rate is \$23.97 compared to the 2021 estimated state median of \$40.38. The City's average monthly sewer rate is based on typical residential consumption of 6,000 gallons/month. For all residential customers, there is a minimum charge for 6,000 gallons and a volumetric rate of \$3.75/1,000 gallons. Outside the City, the rate schedule follows a similar formula with a minimum volumetric rate of \$26.28 equal to 6,000 gallons/month. The volumetric charge is \$4.38/1,000 gallons.

The City's sewer charge for commercial and industrial customers varies by meter size ranging from 5/8" to 10":

- 5/8" meter is \$33.34/month inside city and \$38.98/month outside the City
- 3/4" meter is \$50.19/month inside city and \$58.68/month outside the City
- 1" meter is \$83.16/month inside and \$97.22/month outside the City
- 1.5" meter is \$165.84/month inside and \$193.96 outside the City
- 2" meter is \$265.94/month inside and \$310.31 outside the City

Contributed Capital

Revenue from tap fees has ranged from \$209,050 to \$1,374,854 and has averaged 6.19 % of total water revenue during the last five years. The City's most recent water tap fee rate increase occurred in January 2024.

- Residential water tap fees are (inside/outside City): \$20,219/\$29,278 (3/4" or smaller), \$34,870/\$48,818 (1"), \$69,548/\$97,396 (1 1/2"), \$111,757/\$156,460 (2"), \$223,035/\$312,249 outside (3").
- Multi-Unit Water tap fees (inside/outside City): \$12,567/\$17,593 base fee per dwelling with additional charges per dwelling of \$2,782/3,895 for first 12, \$2,159/3,023 for next 22 units, and \$1,319/1,847 over 34 units.
- Residential sewer tap fees are (both inside and outside City): \$2,612 (3/4" or smaller), \$4,355 (1"), \$8,686 (1 1/2"), \$13,958 (2"), \$27,856 (3").
- Multi-Unit Sewer tap fees (inside/outside City): \$12,567/ \$17,593 base fee per dwelling with additional charges per dwelling of \$2,782/3,895 for first 12, \$2,159/3,023 for next 22 units, and \$1,319/1,847 over 34 units.
- Multi-Unit and Commercial Sewer tap fees (both inside and outside City): \$1.96 base fee per dwelling with additional charges per dwelling of \$430 for first 12, \$346 for next 22 units, and \$199 over 34 units.

Current System Utilization		
	Usage	Revenue
Residential	66%	69%
Non-residential (per EQR)	34%	31%

Current Fee Summary		
Tap size	Water user/tap fees	Sewer user/tap fees
3/4"	\$42.82/\$20,219	\$23.97/\$2,616
3/4"	\$59.59/\$29,278	\$26.28/\$2,616

DEBT as of December 31, 2022

Executed	Lender	Term End	Pledge	Outstanding	Interest Rate	Annual payment
2012	Water Bonds	2032	G.O.	\$6,245,000	2.5-3%	\$540,000
2019	Water Bonds	2029	G.O.	\$2,130,000	2.29%	\$190,000
2010	Bonds	2023	G.O.	\$590,000	4%	\$613,600
2017	Bonds	2036	G.O.	\$21,625,000	5-5.25%	\$2,195,463
2021	Stormwater Revenue Bonds	2045	Stormwater revenue	\$8,665,000	3%-4%	\$240,000
2004	CWRPDA-WPCRF	2025	Sewer revenue	\$11,493,948	3.87%	\$4,077,309
2022	CWRPDA-WPCRF	2042	Stormwater Revenue	26,000,000.00	2.25%	\$1,621,541

The debt service repayments on the EPA's 2022 WIFIA loan of up to \$38,416,490 do not begin until February 2031. Therefore, this future debt was not included in the financial analysis or listed as current debt.

LOAN COVENANTS: The City will have to meet the Authority's 110% rate covenant, 3 month operations and maintenance reserve fund covenant and the 110% additional bonds test (if applicable) on an annual basis.

The City has no existing DWRF debt with the SRF.

The City met the Loan Covenants on its WPCRF leveraged loan dated 2004 and WPCRF direct loan dated 2022 with the Authority. The City has also had no debt service payment issues.

Prepared by: Peter Dieterich
Date: February 20, 2024

Project # No. 210381D-I Cost Categories: Transmission and distribution - 100%
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February 23, 2024			
DWRF Credit Report City of Englewood, Arapahoe County Using most recent data available (Census, audits, local records)			
Estimated Population - 2022	33,668		
Number of Water Taps/Customers - 2022	11,026		
Total Assessed Valuation (in thousands) - 2022	\$900,895,000		
Actual Value of All Real Property (in thousands) - 2022	\$6,938,432,000		
Median Household Income (MHI) - 2021	\$72,193		
Monthly Water Rate - 2022	\$39.56		
Water Operating Revenue - 2022	\$12,785,693		
Water Total Revenue - 2022 [May include non-operating revenue, such as contributed capital, tap & system development fees, interest income, S.O. tax and property tax. Excludes one-time capital grants.]	\$13,834,359		
Water Tap and System Development Fee Revenue - 2022	\$1,374,854		
Water Operating Expense - 2022	\$12,056,828		
Water Current Expense - 2022	\$12,992,623		
Water Debt - 2022	\$8,375,000		
Total Debt - 2022	\$44,577,236		
Water Fund Reserves - 2022	\$22,193,072		
Water Debt Service - 2022	\$935,795	Leveraged Loan	Direct Loan
New Water Debt [Requested DWRF loan amount.]	\$30,000,000	\$22,448,980	\$7,551,020
Requested DWRF Loan Term	30	30	30
Requested DWRF Loan Interest Rate	4.00% & 3.50%	4.00%	3.50%
New Loan's Annual Water Debt Service (two payments annually)	\$1,700,184	\$1,291,623	\$408,561

Current Indicators (2022)				
City of Englewood				
(Water Only)				
1	Total Debt	\$44,577,236 ÷	Population	33,668 = \$1,324
	New Debt	\$30,000,000 ÷	Population	33,668 = \$891
	Total Debt + New Debt	\$74,577,236 ÷	Population	33,668 = \$2,215
2	Total Debt	\$44,577,236 ÷	Number of Taps	11,026 = \$4,043
	New Debt	\$30,000,000 ÷	Number of Taps	11,026 = \$2,721
	Total Debt + New Debt	\$74,577,236 ÷	Number of Taps	11,026 = \$6,764
3	Total Debt	\$44,577,236 ÷	Assessed Value	\$900,895,000 = 4.95%
	New Debt	\$30,000,000 ÷	Assessed Value	\$900,895,000 = 3.33%
	Total Debt + New Debt	\$74,577,236 ÷	Assessed Value	\$900,895,000 = 8.28%
4	Total Debt	\$44,577,236 ÷	Actual Value	\$6,938,432,000 = 0.64%
	New Debt	\$30,000,000 ÷	Actual Value	\$6,938,432,000 = 0.43%
	Total Debt + New Debt	\$74,577,236 ÷	Actual Value	\$6,938,432,000 = 1.07%
5	Current Water Debt	\$8,375,000 ÷	Number of Taps	11,026 = \$760
	(Current Water Debt + New Water Debt) / Number of Taps	\$3,480 ÷	MHI	\$72,193 = 4.82%
6	Current Ratio (CA / CL)			
	Current Assets	\$24,379,223 ÷	Current Liabilities	\$2,186,151 = 1115%
7	Reserve/Expense Ratio			
	Reserves	\$22,193,072 ÷	Current Expenses	\$12,992,623 = 171%
8	Operating Ratio (OR / OE)			
	Operating Revenues	\$12,785,693 ÷	Operating Expenses	\$12,056,828 = 106%
9	Coverage Ratio [(TR - OE) / DS]			
	Total Revenues	\$13,834,359 -		
	Minus Operating Expenses	\$12,056,828		
	=	\$1,777,531 ÷	Current Debt Service	\$935,795 = 190%
	Coverage Ratio Excluding Tap and			
10	Development Fee Revenue	\$1,777,531		
	Minus Tap and Development Fee Revenue	\$1,374,854		
	=	\$402,677 ÷	Current Debt Service	\$935,795 = 43%
11	Projected Coverage Ratio			
	Total Revenues	\$13,834,359		
	Minus Operating Expenses	\$12,056,828		
	=	\$1,777,531	Total Debt Service (with new loan)	\$2,635,979 = 67%
	Projected Coverage Excluding Tap and			
12	Development Fee Revenue	\$1,777,531		
	Minus Tap and Development Fee Revenue	\$1,374,854		
	=	\$402,677 ÷	Total Debt Service (with new loan)	\$2,635,979 = 15%
13	Current Debt Service	\$935,795 ÷	Number of Taps	11026 = \$84.87
	Annual New Water Debt Service	\$1,700,184 ÷	Number of Taps	11026 = \$154.20
14	2022 Annual Water Rate (Monthly Rate x 12)	\$474.72 ÷	MHI	\$72,193 = 0.66%
	2022 Annual Water Rate + New Annual Debt Service Per Tap	\$628.92 ÷	MHI	\$72,193 = 0.87%
15	Current 2022 Monthly User Charge			\$39.56
	(Debt Service on DWRF Loan / 2022 Taps / Month)			\$12.85
	Total			\$52.41
16	Operation and Maintenance Reserve			
	Reserves	\$22,193,072 ÷	Operating Expenses	\$12,056,828 = 184%

DWRF Only

		<u>Benchmark</u>	<u>Applicant</u>	<u>Points</u>	<u>Notes on Data Used</u>
Eligibility Criteria					
1	Population loss or growth is slower than the state's over 5 years	<= 0.95%	-0.16%	1.0	
	Current Population (2021)		33,668		
	Population five years ago (2017)		33,881		
2a	County-level job loss over 10-years	>= 0	17.86%	0.0	
2b	County 24 Month unemployment rate exceeds the state's plus 1%	>= 5.61%	4.82%	0.0	
3	Median Household Income	<= \$ 80,184	72,193	1.0	If MHI CV > 40%, calculate result at top of band
	Reliability (CV)	>= \$ 100,230		0.0	Result
		<= 40.00%	4.13%	Y	
4	Rates compared to MHI	> 0.83%	0.66%	0.0	If MHI CV > 40%, calculate result at top of band
W	Monthly Residential Rate	>	39.56		Result
<i>Describe calculation here; rate structure, average residential water/use use if applicable, etc.</i>					
5	Project addresses removal of lead or emerging contaminants	Yes	Yes	1.0	
6	% Population that identifies as minority is equal to or greater two-thirds of communities in the state	> 40.00%	25.00%	0.0	
7	% Population that are housing burdened is equal to or greater than two-thirds of communities in the state	> 50.00%	35.00%	0.0	
8	% Population under 200% Poverty Level is equal to or greater than two thirds of communities in the state	> 40.00%	25.00%	0.0	
9	% Population under 200% Poverty Level + % Population over 65 years old is equal to or greater than two thirds of communities in the state	>= 55.00%	39.00%	0.0	
	% Population over 65 years old		14.00%		
10	Meets base program DAC criteria?		No	0.0	
BIL Eligibility Points				3.0	

DWRP Priority Point Calculations

DOLA Score:	95
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Benchmarks

\$80,184 2017-2021 State MHI estimate

		Points	Entity Value	
P1	MHI		\$72,193	90%
	<50% of state MHI	35		
	Between 51% and 80% of state MHI	20		
	Between 81% and 100% of state MHI	5		
	>100% state MHI	0		
S5b	User Fees (projected water rate at 110%/tap/MHI)		1.92%	
	Rates are > 1.64%	45		
	Rates are between 1.12% and 1.64%	25		
	OR			
S5b	User Fees for a combined water & sewer fund			
	Rates are > 2.94%	45		
	Rates are between 2.07% and 2.94%	25		
S4b	Projected water debt per tap compared to MHV		1.02%	
	Debt is > 0.96%	45		
	Debt is between 0.36% and 0.96%	25		
	OR			
S4b	Projected water & sewer debt (for combined systems)			
	Debt is > 1.93%	45		
	Debt is between 0.82% and 1.93%	25		
	Population served		33,668	
	Less than 500	35		
	Between 500 and 1,000	25		
	Between 1,000 and 2,000	20		
	Between 2,000 and 5,000	15		
	Between 5,000 and 10,000	5		
	>10,000	0		
S3	Assessed Value/Household		53,993	
	AV per household is < \$11,628	35		
	AV per household is between \$11,628 and \$23,022	20		
	AV per household is between \$23,022 and \$39,780	10		
	AV per household is greater than \$39,780	0		



Principal Forgiveness and Priority Point Scoring

Applicant: City of Englewood
 DWRP or WPCRFP: DWRP

Is applicant receiving funds from BASE program, BIL program, or BOTH? BIL

BIL Principal Forgiveness

Eligible for BIL principal forgiveness? Yes

Eligible BIL principal forgiveness percentage: 52.546%

Amount of principal forgiveness awarded (accounting for any applicable cap/max): \$10,000,000

Priority Point Scoring

Total WQCD Score:	60
DOLA Affordability Score:	95
Total Score:	155

**COLORADO WATER RESOURCES
AND
POWER DEVELOPMENT AUTHORITY**

RESOLUTION NO. 24-10

**A RESOLUTION FOR APPROVAL OF A DRINKING WATER DIRECT LOAN TO
THE CITY OF ENGLEWOOD AND EXECUTION OF A LOAN AGREEMENT AND
OTHER NECESSARY DOCUMENTS THEREFOR**

WHEREAS, the Colorado Water Resources and Power Development Authority (the “Authority”) has received and reviewed an Application for a Bipartisan Infrastructure Law (“BIL”) Lead Service Line (“LSL”) and BIL LSL Principal Forgiveness (“PF”) direct loan from the Drinking Water Revolving Fund from the City of Englewood (the “Applicant”); and

WHEREAS, the Loan Application has been reviewed and recommended for approval in accordance with the procedures provided therefor in the Memorandum of Agreement between the Authority, the Colorado Department of Public Health and Environment, and the Colorado Department of Local Affairs concerning the operation of the Drinking Water Revolving Fund; and

WHEREAS, the proposed Project to be financed by the proposed direct loan is included on the Project Eligibility List of projects eligible for financial assistance from the Drinking Water Revolving Fund, and the Water Quality Control Division of the Colorado Department of Public Health and Environment has certified that the proposed Project has met all other requirements and prerequisites for eligibility for financial assistance from the Drinking Water Revolving Fund.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Colorado Water Resources and Power Development Authority:

1. That the proposed direct loan to the City of Englewood in an amount not to exceed \$17,551,020 (*\$7,551,020 of BIL LSL direct loan, plus *\$10,000,000 of BIL LSL PF funds, for a total of \$17,551,020 DWRF loan funds) is approved subject to the terms and conditions set forth on the attached Exhibit A;
2. That the staff is directed to negotiate a Loan Agreement and other documents incorporating such terms and conditions as are appropriate to effectuate the proposed direct loan;
3. That the Executive Director and Assistant Secretary are authorized and directed to execute the Loan Agreement and any other necessary and reasonable documents for the proposed direct loan in order to consummate the direct loan approved hereby.

CERTIFICATE

The undersigned officers of the Board of Directors of the Colorado Water Resources and Power Development Authority do hereby certify that the above Resolution No. 24-10 was adopted by the Colorado Water Resources and Power Development Authority at a regular meeting of the Board of Directors (meeting conducted using a combination of both in-person and video and audio tele-conferencing) with a quorum present in Denver, Colorado on March 8, 2024.

Chairman

Secretary

EXHIBIT A

Borrower:	City of Englewood
Project:	The project consists of identifying and replacing lead service lines (LSLs), to include both the public and private portions of the identified lead service lines, in accordance with Bipartisan Infrastructure Law requirements.
Pledge:	Water System Revenue
Loan Term:	Up to 30 years
Interest Rate:	3.50%
Amount not to exceed:	\$17,551,020 (*\$7,551,020 of BIL LSL direct loan, plus *\$10,000,000 of BIL LSL PF funds, for a total of \$17,551,020 DWRF loan funds)

Subject to the following terms & conditions:

1. The City increasing user rates, if necessary, sufficiently to meet the Authority's rate covenant prior to loan execution.

* - Estimated PF and direct loan amounts through the BIL and/or Base programs. The exact amount will be based on the BIL capitalization grant principal forgiveness to loan ratio while taking into account set asides. However, in the unlikely event the ratio increases the loan amount by more than a de-minimis amount, as determined by the Executive Director, the credit will be returned to the Board for further evaluation and consideration.



COLORADO WATER RESOURCES POWER DEVELOPMENT AUTHORITY

The Amp - Suite 820, 1580 N Logan Street, Denver, Colorado 80203-1942
303/830-1550 • Fax 303/832-8205 • info@cwrpda.com

MEMORANDUM

March 8, 2024

TO: Board of Directors and Karl Ohlsen

**FROM: Jim Griffiths, Finance Director
Ian Loffert, Senior Financial Analyst II**

**RE: Additional Principal Forgiveness to Maintain BIL Proportionality Requirements
Town of Walden (“Town”) and Byers Water and Sanitation District (“District”)
Drinking Water Revolving Fund (“DWRF”) Bipartisan Infrastructure Law (“BIL”)**

In 2023, the Town of Walden and the Byers Water and Sanitation District were approved for BIL direct loans through the DWRF program that included, per our 2023 Intended Use Plan (“IUP”), a proportional amount of BIL loan and principal forgiveness (“PF”). At the time of loan approval, the current proportionality percentage for the 2023 BIL Supplemental Capitalization Grant (“Cap Grant”) had not yet been received or determined, and after receiving the Cap Grant, the original proportionality changed the amount of BIL loan and PF (as shown in the table below) by more than a de minimis amount.

Staff therefore requests the Board approve new resolutions to the Town of Walden (No. 24-11) and the Byers Water and Sanitation District (No. 24-12) that increase the amount of BIL PF and reduce the amount of BIL repayable loan per each approved loan amount in order to meet and maintain 2023 BIL Cap Grant and IUP requirements.

Town of Walden	Total Request	Repayable Loan	Proportionality	Principal Forgiveness	Proportionality
Original Proportionality	\$1,250,000	\$569,900	45.59%	\$680,100	54.41%
New Proportionality	\$1,250,000	\$382,615	30.61%	\$867,385	69.39%
Total Change	\$0.00	\$(187,285)	-14.98%	\$187,285	14.98%

Byers WSD	Total Request	Repayable Loan	Proportionality	Principal Forgiveness	Proportionality
Original Proportionality	\$2,014,000	\$918,220	45.59%	\$1,095,780	54.41%
New Proportionality	\$2,014,000	\$616,470	30.61%	\$1,397,530	69.39%
Total Change	\$0.00	\$(301,750)	-14.98%	\$301,750	14.98%

The dollar amounts in the tables above have been rounded for display and illustrative purposes.

Attachments: Town of Walden’s 2023 DWRF credit report, Resolution No. 23-29, and Resolution No. 24-11
Byers Water and Sanitation District’s 2023 DWRF credit report, Resolution 23-38, and Resolution No. 24-12

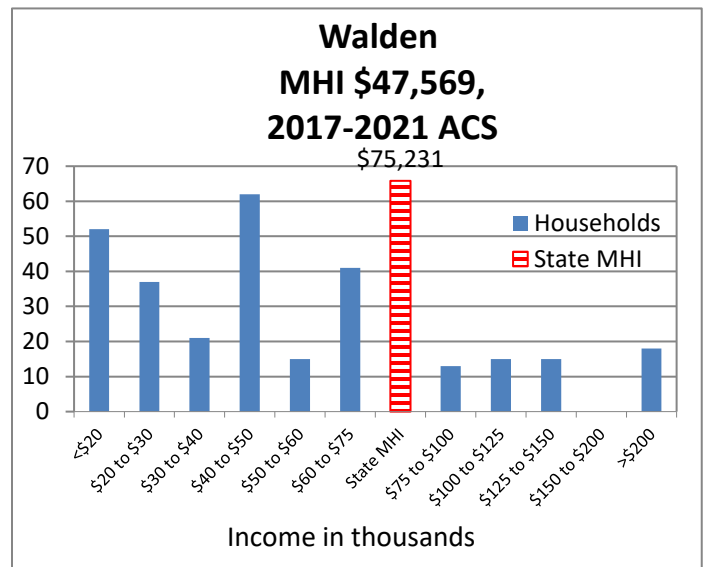
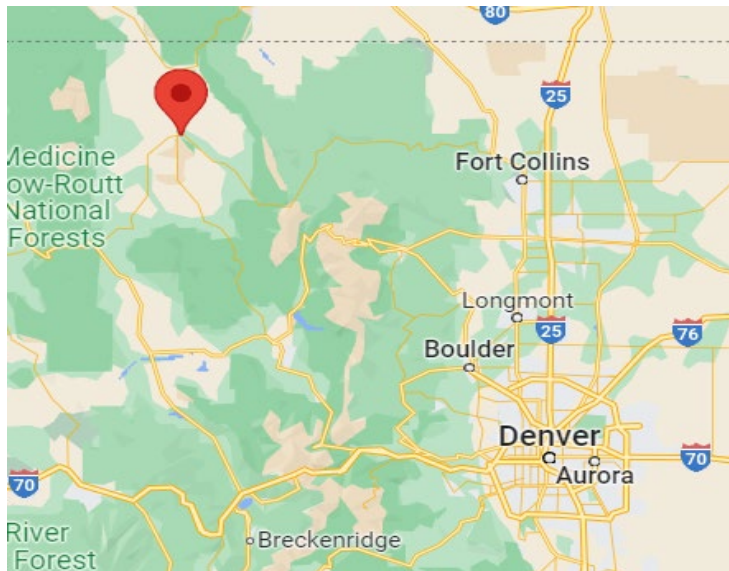
DWRF LOAN CREDIT REPORT
Town of Walden (“The Town”), Jackson County

Recommendation:	APPROVAL	<u>Project Budget</u>	
Total SRF Request:	\$1,250,000	DWRF BIL Loan:	\$569,900
Interest Rate & Term:	2.00%, 20 years	BIL Principal Forgiveness:	\$680,100
Annual Debt Service:	\$34,713	2023 EIAF:	\$750,000
Pledge:	Water and sewer revenues	Planning, D&E Grants:	\$160,000
Current Rate:	\$60.00	Total:	\$2,160,000
Estimated Rate Increase:	\$0.00		

PROJECT DESCRIPTION: The project consists of installing new water meters, installing new pumps at the water treatment plant; and distribution system mapping and replacing distribution lines.

COMMUNITY PROFILE:									Avg. Annual Change
Town of Walden	2017	2018	2019	2020	2021	2022	2023		
Town Population	600	597	601	605	593				-0.29%
Jackson County Population	1,357	1,377	1,379	1,379	1,379				0.40%
Jackson County Jobs	840	850	848	823	880				1.17%
Number of Water Taps			479	505	546	548	548		0.00%
Number of Sewer Taps			479	505	546	548	548		0.00%
Assessed Value (\$000)			4,858	5,594	5,622	8,011	7,997		13.27%
Actual Value (\$000)			37,405	44,422	43,129	60,137	60,632		12.83%

BORROWER BRIEF: The Town is located in the North Park basin near the headwaters of the North Platte River, approximately 22 miles south of the Wyoming border and 56 miles north of Granby on State Highway 125.



RECOMMENDATION: The Town serves a rural mountain community in Jackson County. This proposed loan is necessary to improve the water distribution system and avoid costly repairs. While the operating ratio was below 100% and reserves were low in 2021, the Town has recently raised both water and sewer rates to increase operating revenues. The proposed loan also appears to be affordable for the community based on current indicators. We therefore recommend the DWRF Committee approve a \$569,900 Disadvantaged Communities direct loan to the Town of Walden. Additionally, we recommend the Town be approved to receive a proportional loan with principal forgiveness in the amount of \$680,100 under the Bipartisan Infrastructure Law, which would make the community debt burden more affordable and decrease future rate increases necessary to comply with the coverage ratio requirement.

PROJECT SUMMARY:

System summary: The Town's water system is supplied by surface water from the Michigan River and two groundwater wells. The source water is treated at the Town's water treatment plant and stored at the Town's two elevated storage tanks.

Reason/need: The Town's transmission system is comprised of wrapped steel and ductile iron piping that is beyond its useful life. The transmission lines need constant emergency repairs and pose a threat of contamination. The existing metering system is inadequate and does not provide sufficient data to effectively manage the system, and the metering system needs to be upgraded to provide accurate information to system operators. Mapping the existing distribution system will assist the Town with making timely repairs and enhance operational efficiency.

System Compliance: The Town is in compliance with the Colorado Primary Drinking Water Regulations, and the project is primarily intended to maintain compliance.

Project Delivery Method: Design/Bid/Build.

Contingency: 15% of total project cost included as contingency.

CURRENT INDICATORS:	2019	2020	2021	Weak	Average	Strong
Total Debt per Capita (\$):	834	771	687	>\$2,000	\$1,000 - 2,000	X <\$1,000
Total + New Debt/Capita (\$):			2,225	X >\$2,000	\$1,000 - 2,000	<\$1,000
Total Debt/Tap (\$):	647	603	527	>\$5,000	\$2,500 - 5,000	X <\$2,500
Total Debt + New Debt/Tap (\$):			1,705	>\$5,000	\$2,500 - 5,000	X <\$2,500
Current W&S Debt/Tap (\$):	647	603	527	>\$2,000	\$1,000 - 2,000	X <\$1,000
Current W&S + New Water Debt/Tap (\$):			1,705	>2,000	X \$1,000 - 2,000	<\$1,000
Total Debt/Assessed Value:	10%	8.34%	7.25%	>50%	25-50%	X <25%
Total Debt + New W&S Debt/Assessed Value:			23%	>50%	25-50%	X <25%
Total Debt/Actual Value:	1.34%	0.07%	0.94%	>10%	5-10%	X <5%
Total Debt + New W&S Debt/Actual Value:			3.06%	>10%	5-10%	X <5%
Curr. W&S Debt + New Debt/Tap/MHI:			3.58%	>20%	10-20%	X <10%
W&S Fund Current Ratio (CA/CL):	421%	455%	351%	<100%	100-200%	X >200%
W&S Fund Reserves/Current Expense:	170%	54%	47%	X <50%	50-100%	>100%
W&S Operating Ratio (OR/OE):	61%	82%	96%	X <100%	100-120%	>120%
Coverage Ratio (TR-OE)/DS:	-367%	-127%	165%	<110%	110-125%	X >125%
Coverage Ratio (TR-OE)/DS Excluding Tap Fees:	-369%	-128%	164%	<110%	110-125%	X >125%
Coverage Ratio with New Loan:			108%	X <110%	110-125%	>125%
Coverage Ratio with New Loan Excluding Tap Fees:			108%	X <110%	110-125%	>125%
Current Annual Water Rates/MHI:			1.04%	>3.0%	1.5-3.0%	X <1.5%
Current W&S Rates + New W&S Debt Service/MHI:			1.19%	>3.0%	1.5-3.0%	X <1.5%
Operation and Maintenance Reserve:			55%	<25%	25-50%	X >50%
Total:				5	1	15

FINANCIAL ANALYSIS: Of the twenty-one current indicators calculated, fifteen are rated strong, one is average and five are considered weak. Overall, the indicators illustrate that while the cash flow indicators are not strong, the debt appears to be affordable for the community. The strong indicators show a healthy reserve and current ratio, in addition to affordable system costs and debt. The weak indicators reflect slightly weak cash flow in the 2021 financials which the Town has since addressed with rate increases in 2023.

- The operating ratio averaged 140% between 2017 and 2021.
- Based on 2021 financial information, coverage with the proposed loan is 108% with tap fee revenue and 108% without tap fee revenue. Additional annual revenue of about \$1,742, or \$0.26 per tap per month, would increase the coverage ratio to 110% when including tap fee revenue. Additional annual revenue of about \$2,192 or \$0.33 per tap per month, would increase the coverage ratio to 110% excluding tap fee revenue.

- In June 2023, the Town increased the water volume usage rate from \$1.00 to \$4.00 per 1,000 gallons used, which should increase the typical water monthly rate from \$41.25 to \$60.00. This approximately \$18.75 per month rate increase is projected increase the coverage ratio to 230% for the proposed loan.
- Projections submitted by the Town show operating revenues increasing by roughly 15% for 2024 and 2% annually thereafter. Operating expenses are projected to increase by roughly 1.5% annually.

Additional Project Financing

The Town submitted an Energy and Mineral Assistance Fund (EIAF) grant application for \$750,000, which was awarded in July 2023

DESCRIPTION OF THE LOAN:

An estimated \$569,900 loan with a twenty-year term with two payments annually at an interest rate of 2.00% will cost the Town approximately \$34,713 in debt service annually. The Town also qualifies for \$680,100 in BIL principal forgiveness.

Disadvantaged Community:

In order to qualify as a disadvantaged community (DAC), an applicant must meet one (1) of three (3) scenarios.

1. Meets benchmarks for P1, and either P2 or P3
2. Meets benchmarks for P1, not for P2 or P3, and meets two or more secondary factors
3. P1 is unreliable. Meets benchmarks for P2 and P3, and two or more secondary factors

	Benchmark		Borrower	Met?		Benchmark		Borrower	Met?
P1: MHI	\$64,147	>=	\$47,569	Y	S1: County MHI	\$64,147	>=	\$44,667	Y
P2: MHV	\$397,500	>=	\$175,700	Y	S2: Population Loss	0.00%	>=	1.19%	N
P3: County Unemployment	5.61%	<=	2.76%	N	S3: Assessed Value per Housing unit	\$23,022	>=	\$15,446	Y
County Job Loss	0.00%	>=	12.97%	N	S4b: Curr. and Proj. System Debt	0.82%	<	1.22%	Y
Benchmarks based on 2017-2021 American Community Survey data and the most recent available financial audit data.					S4b: 80th Percentile	2.50%	<	1.22%	N
					S5b: Proj. System Cost Per Tap to MHI	2.07%	<	1.61%	Y
					S5b: 80th Percentile	3.09%	<	1.61%	N

Based on 2017-2021 American Community Survey data, the Town met the requirements of a DAC, qualifying under scenario #1.

Due to its projected rates to MHI and MHV not exceeding the 80th percentile, the Town qualifies as a Category 1 DAC, and will receive a 2% interest rate.

BIL Principal Forgiveness Eligibility:

In order to qualify for BIL principal forgiveness, a community must score three (3) points using the BIL Principal Forgiveness Eligibility Criteria outlined in the Intended Use Plans. As a DAC, the Town automatically qualifies for BIL principal forgiveness. The Town has expressed interest in receiving a proportional loan with principal forgiveness funding package. Using an estimated principal forgiveness award of 54.408%, the Town qualifies for approximately \$680,100 in principal forgiveness, leaving an estimated loan of \$569,900.

ECONOMIC ANALYSIS: The Town has a 2021 population estimated at 593 which has decreased at an average annual rate of 0.29% since 2017. Jackson County has experienced an increase of 0.40% in population since 2017. The state population increased at an average annual rate estimated 0.95%.

The region’s economy is dominated by agriculture, retail, accommodations, food services, and government. The region’s largest employers consist of the North Park School District, with 60 employees; Moore ReDev, with 100 employees; Sessions General Contractor, with 60 employees; Jackson County, with 50 employees; and the US Forest Service, with 28 employees.

ORGANIZATIONAL ANALYSIS:**Bond Rating**

The Town's debt has not been rated by Fitch, Moody's, or Standard & Poor's in the last five years.

Section 37-60-126(2) C.R.S. (Water Conservation Planning)

The Town does not sell more than 2,000 acre-feet of water per year.

Organizational Structure

The Town is a statutory town governed by a mayor/board five-member board of directors of government and was incorporated in 1890. The Town provides services including water and wastewater services, natural gas services, public works services, and parks and recreation services. Approximately four full-time employees staff the water utility. The water utility is overseen by the Public Works Director who reports to the Mayor.

- The Town has generally been in compliance with Colorado statutory budgeting and auditing requirements for the past five years.
- The Town maintains general liability insurance coverage through CIRSA.
- There are currently no pending lawsuits against the Town.
- There have been no recall elections in the last ten years.

Technical/Managerial/Financial (TMF)

The WQCD and DLG conducted a review of the Town's technical, managerial and financial capacity to operate the water system. The review resulted in no mandatory recommendations.

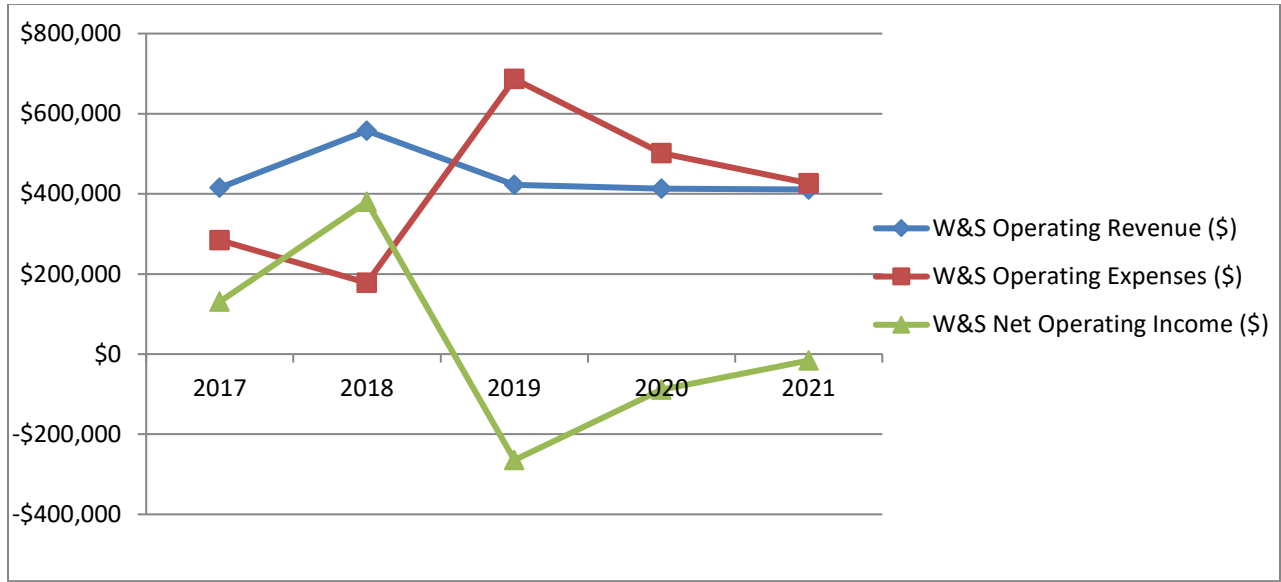
Capital Improvement Plan

As part of the application process, the Town submitted a capital improvement schedule, which anticipates capital outlay of \$3,780,000 for water needs such as distribution system improvements and water treatment plant improvements in addition to capital outlay of \$4,190,000 for sewer needs such as collection system improvements and wastewater treatment plant improvements to be funded from a combination of reserves, grants, and loans.

REVENUE ANALYSIS:

Operating expenses increased significantly in 2019 and remained elevated in 2020 due to a major sewer project to line and repair cracked, broken, and disconnected sewer lines. As this project was completed, sewer operating expenses decreased from \$361,463 in 2019 to \$57,530 in 2021. Although operating revenues declined between 2018 and 2021, the water and sewer rate increases implemented in 2023 should address this negative trend.

TRENDS	2017	2018	2019	2020	2021	2022	2023
Monthly Water Rate (\$)			41.25	41.25	41.25	41.25	60.00
Monthly Sewer Rate (\$)			23.00	23.00	23.00	23.00	23.00
Residential Water Tap Fee (\$)			750	750	750	750	3,500
Residential Sewer Tap Fee (\$)			750	750	750	750	750
Total W&S Revenue (\$)	418,672	590,736	439,423	417,039	536,630		
Tap/Development Fees (\$)	1,000	1,000	1,250	800	450		
W&S Operating Revenue (\$)	415,334	557,440	422,225	413,154	410,761		
W&S Operating Expenses (\$)	284,486	177,722	686,677	501,849	426,714		
W&S Net Operating Income (\$)	130,848	379,718	-264,452	-88,695	-15,953		
W&S Debt (\$)	633,338	578,859	501,056	466,391	407,546		
Total Debt (\$)	633,338	578,859	501,056	466,391	407,546		
W&S Debt Service (\$)	67,265	66,297	67,401	66,938	66,794		
W&S Debt Service/Tap/Month (\$)		7.14	7.26	7.21	7.19		
W&S Fund Reserves (\$)	493,080	289,385	415,228	308,141	234,130		
Ratios	2017	2018	2019	2020	2021	Average	
Operating Revenue as % of Total Revenue	99%	94%	96%	99%	804%	94%	
Operating Revenue as % of Expenses	146%	314%	61%	82%	96%	140%	
Tap Fee Revenue as % of Total Revenue	0.24%	0.17%	0.28%	0.19%	0.09%	0.19%	



Recent Rate Increases

The Town’s most recent rate increase of \$18.75 was implemented in June 2023.

User Charges

The Town’s current monthly water rate is estimated at \$60.00 compared to the 2021 estimated state median of \$55.72. The Town’s average monthly water rate is based on typical residential consumption of 6,250 gallons per month. Rates are based on Equivalent Residential Units (EQRs). The EQR rate for in-Town residential users pay a \$35.50 base rate in addition to a volume charge of \$4.00 per 1,000 gallons. Out-of-Town residential users pay a \$53.25 base rate in addition to a volume charge of \$4.50 per 1,000 gallons. In-Town commercial users pay a \$53.25 base rate in addition to a volume charge of \$4.00 per 1,000 gallons. Out-of-Town commercial users pay an \$88.75 base rate in addition to a volume charge of \$4.50 per 1,000 gallons.

The Town’s current estimated average monthly residential sewer rate is \$23.00 compared to the 2021 estimated state median of \$40.38. The EQR rate for in-Town residential sewer users pay a \$23.00 flat rate. Out-of-Town residential sewer users pay a \$46.00 flat rate. In-Town commercial sewer users pay a \$46.00 base rate. Out-of-Town commercial sewer users pay a \$69.00 flat rate.

Contributed Capital

Revenue from tap fees has ranged from \$450 to \$1,250 and has averaged 0.19% of total water revenue during the last five years. The Town’s most recent tap fee rate increase occurred in 2019.

- Water tap fees are \$3,500 for ¾” taps, \$4,900 for 1” taps, \$6,300 for 1 ½” taps, \$10,150 for 2” taps, \$38,500 for 3” taps, \$49,000 for 4” taps, and \$73,500 for 6” taps.
- Sewer tap fees are \$3,500 for ¾” taps. Tap fees for larger sewer taps are negotiated on a case-by-case basis.

Current System Utilization		
	Usage	Revenue
Residential	78%	77%
Non-residential (per EQR)	22%	23%

Current Fee Summary		
Tap size	Water user/tap fees	Sewer user/tap fees
¾”	\$60.00/\$3,500	\$23.00/\$3,500
¾”	\$78.25/\$3,500	\$46.00/\$3,500

DEBT as of December 31, 2021

Executed	Lender	Term End	Pledge	Outstanding	Interest Rate	Annual payment
2006	CWRPDA	2032	Water and sewer revenues	\$407,546	1.75%	\$44,602

LOAN COVENANTS:

The Town will have to meet the Authority’s 110% rate covenant, 3 month operations and maintenance reserve fund covenant and the 110% additional bonds test (if applicable) on an annual basis.

The Town has met the Loan Covenants on its DWRF direct loan dated 2006 with the Authority. The Town has also had no debt service payment issues.

Prepared by:

Victor Chen

Date:

August 8, 2023

Project # 961151D-Q
 Cost Categories: Transmission System, replacement of meters - 100%

August 10, 2023

DWRF Credit Report
Walden, Jackson County, CO
Using most recent data available
(Census, audits, local records)

Estimated Population - 2021	593
Number of Water Taps/Customers - 2021	546
Total Assessed Valuation (in thousands) - 2021	\$5,622,000
Actual Value of All Real Property (in thousands) - 2021	\$43,129,000
Median Household Income (MHI) - 2020	\$47,569
Monthly Water Rate - 2021	\$41.25
Water Operating Revenue - 2021	\$410,761
Water Total Revenue - 2021 [May include non-operating revenue, such as contributed capital, tap & system development fees, interest income, S.O. tax and property tax. Excludes one-time capital grants.]	\$536,630
Water Tap and System Development Fee Revenue - 2021	\$450
Water Operating Expense - 2021	\$426,714
Water Current Expense - 2021	\$493,508
Water Debt - 2021	\$407,546
Total Debt - 2021	\$407,546
Water Fund Reserves - 2021	\$234,130
Water Debt Service - 2021	\$66,794
New Water Debt [Requested DWRF loan amount.]	\$569,900
Requested DWRF Loan Term	20
Requested DWRF Loan Interest Rate	2.00%
New Loan's Annual Water Debt Service (two payments annually)	\$34,713

Current Indicators (2021)					
Walden					
(Water Only)					
1	Total Debt	\$407,546	÷	Population	593 = \$687
	New Debt	\$569,900	÷	Population	593 = \$961
	Total Debt + New Debt	\$977,446	÷	Population	593 = \$1,648
2	Total Debt	\$407,546	÷	Number of Taps	546 = \$746
	New Debt	\$569,900	÷	Number of Taps	546 = \$1,044
	Total Debt + New Debt	\$977,446	÷	Number of Taps	546 = \$1,790
3	Total Debt	\$407,546	÷	Assessed Value	\$5,622,000 = 7.25%
	New Debt	\$569,900	÷	Assessed Value	\$5,622,000 = 10.14%
	Total Debt + New Debt	\$977,446	÷	Assessed Value	\$5,622,000 = 17.39%
4	Total Debt	\$407,546	÷	Actual Value	\$43,129,000 = 0.94%
	New Debt	\$569,900	÷	Actual Value	\$43,129,000 = 1.32%
	Total Debt + New Debt	\$977,446	÷	Actual Value	\$43,129,000 = 2.27%
5	Current Water Debt	\$407,546	÷	Number of Taps	546 = \$746
	(Current Water Debt + New Water Debt) / Number of Taps	\$1,790	÷	MHI	\$47,569 = 3.76%
6	Current Ratio (CA / CL)				
	Current Assets	\$327,567	÷	Current Liabilities	\$93,437 = 351%
7	Reserve/Expense Ratio				
	Reserves	\$234,130	÷	Current Expenses	\$493,508 = 47%
8	Operating Ratio (OR / OE)				
	Operating Revenues	\$410,761	÷	Operating Expenses	\$426,714 = 96%
9	Coverage Ratio [(TR - OE) / DS]				
	Total Revenues	\$536,630	-		
	Minus Operating Expenses	\$426,714			
	=	\$109,916	÷	Current Debt Service	\$66,794 = 165%
	Coverage Ratio Excluding Tap and				
10	Development Fee Revenue	\$109,916			
	Minus Tap and Development Fee Revenue	\$450			
	=	\$109,466	÷	Current Debt Service	\$66,794 = 164%
11	Projected Coverage Ratio				
	Total Revenues	\$536,630			
	Minus Operating Expenses	\$426,714			
	=	\$109,916		Total Debt Service (with new loan)	\$101,507 = 108%
	Projected Coverage Excluding Tap and				
12	Development Fee Revenue	\$109,916			
	Minus Tap and Development Fee Revenue	\$450			
	=	\$109,466	÷	Total Debt Service (with new loan)	\$101,507 = 108%
13	Current Debt Service	\$66,794	÷	Number of Taps	546 = \$122.33
	Annual New Water Debt Service	\$34,713	÷	Number of Taps	546 = \$63.58
14	2021 Annual Water Rate (Monthly Rate x 12)	\$495.00	÷	MHI	\$47,569 = 1.04%
	2021 Annual Water Rate + New Annual Debt Service Per Tap	\$558.58	÷	MHI	\$47,569 = 1.17%
15	Current 2021 Monthly User Charge				\$41.25
	(Debt Service on DWRF Loan / 2021 Taps / Month)				\$5.30
	Total				\$46.55
16	Operation and Maintenance Reserve				
	Reserves	\$234,130	÷	Operating Expenses	\$426,714 = 55%

2023 SRF Disadvantaged Community Criteria

Loan Terms

Amount of Loan:	\$ 1,250,000
Interest Rate:	3.00%
Term (years):	20
Annual Payment:	\$ 83,568

Applicant:	Town of Walden	
	Test Result	Conditions met to be DAC
	Y	Test 1: P1 & P2 or P3
	N	Test 2: P1, Not P2 or P3, & 2+ S1-S5
	N	Test 3: P1 ??, P2 & P3, & 2+ S1-S5

		Benchmark	Applicant	Result	Notes on Data Used
Current Population (2021)	<=	10,000	593	Y	
Population 5 years ago (2017)			600		
Population 10 years ago (2012)			586		
Primary Factors					
P1 MHI (Place)	<=	\$ 64,147	47,569	Y	
Margin of Error (MOE)	±		7,632	OK	
Reliability (CV)	<=	18.00%	17.11%	Y	
P2 MHV (Place)	<=	\$ 397,500	175,700	Y	
Margin of Error (MOE)	±		35,738		
Reliability (CV)	<=	18.00%	12.36%	Y	
P3 24 Month Unemployment (County)	>=	5.61%	2.76%	N	
or 10 Year % Chng. Jobs (County)	<=	0.00%	12.97%	N	
Jobs (2021)			880		
Jobs (2012)			779		

Priority Factor Count 2

Secondary Factors

S1 MHI (County)	<=	\$ 64,147	44,667	Y		
Margin of Error (MOE)	±		12,575			
Reliability (CV)	<=	18.00%	17.11%	Y		
S2 10 Year % Chng. Population	<=	0.00%	1.19%	N		
S3 Assessed Value / Housing Unit	<=	\$ 23,022	15445.96	Y		
Assessed Value			5,622,329			
Total Housing Units			364			
S4 Current Debt / Tap / MHV	>	0.82%	0.30%	N	If MHV CV > 18%, calculate result at top of band	Result
WS Current + Projected Debt/Tap/MHV	>	0.82%	1.22%	Y		
S4b 80th percentile		2.50%	1.22%	N		
S5 System Full Cost / Tap / MHI	>	2.22%	1.70%	N	If MHI CV > 18%, calculate result at top of band	Result
Projected Rate @ 110% Coverage	>	2.07%	1.61%	N		
S5b 80th percentile		3.09%	1.61%	N		

Secondary Factor Count 2

System Data for S4 and S5: To be completed by DLG

Taps or EQR's	774
Total Debt	407,546
Principal	58,903
Interest	7,891
Operating Expenses	236,714
Operating Transfers Out	190,000
Depreciation	198,410



Priority Point Scoring

Applicant: Town of Walden
 DWRP or WPCRF: DWRP

DWRP

Water Quality/Public Health Score:	30
DOLA Affordability Score:	85
Total Score	115

Is applicant receiving funds from BASE program, BIL program, or BOTH? BIL program

Base Program DWRP Principal Forgiveness

Eligible as a base program DAC? Yes

Eligible base program DWRP principal forgiveness percentage: 40%

Amount of principal forgiveness awarded (accounting for any applicable cap/max): \$0

BIL Principal Forgiveness

Eligible for BIL principal forgiveness? Yes

Eligible BIL principal forgiveness percentage: 54.408%

Amount of principal forgiveness awarded (accounting for any applicable cap/max) : \$680,100

**COLORADO WATER RESOURCES
AND
POWER DEVELOPMENT AUTHORITY**

RESOLUTION NO. 23-29

**A RESOLUTION FOR APPROVAL OF A DRINKING WATER DIRECT LOAN TO
THE TOWN OF WALDEN AND EXECUTION OF A LOAN AGREEMENT AND
OTHER DOCUMENTS NECESSARY THEREFOR**

WHEREAS, the Colorado Water Resources and Power Development Authority (the "Authority") has received and reviewed an Application for a direct loan from the Drinking Water Revolving Fund from the Town of Walden (the "Applicant"); and

WHEREAS, the Loan Application has been reviewed in accordance with the procedures provided therefor in the Memorandum of Understanding between the Authority, the Colorado Department of Public Health and Environment and the Colorado Department of Local Affairs concerning the operation of the Drinking Water Revolving Fund; and

WHEREAS, the proposed Project to be financed by the proposed direct loan is included on the Project Eligibility List of projects eligible for financial assistance from the Drinking Water Revolving Fund and the Water Quality Control Division of the Colorado Department of Public Health and Environment has certified that the proposed Project has met all requirements and prerequisites and is eligible for financial assistance from the Drinking Water Revolving Fund.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Colorado Water Resources and Power Development Authority:

1. That the proposed direct loan to the Town of Walden in an amount not to exceed \$1,250,000 (*\$569,900 of principal through the Bipartisan Infrastructure Law ("BIL") Supplemental loan to be re-paid, plus *\$680,100 of Principal Forgiveness ("PF") funds through the BIL, for a total of \$1,250,000 DWRF loan funds) is approved subject to the terms and conditions set forth on the attached Exhibit A;
2. That the staff is directed to negotiate a Loan Agreement and other documents incorporating such terms and conditions as are appropriate to effectuate the proposed direct loan;
3. That the Executive Director and Assistant Secretary are authorized and directed to execute the Loan Agreement and any other necessary and reasonable documents for the proposed direct loan in order to consummate the direct loan approved hereby.

CERTIFICATE

The undersigned officers of the Board of Directors of the Colorado Water Resources and Power Development Authority do hereby certify that the above Resolution No. 23-29 was adopted by the Colorado Water Resources and Power Development Authority at a regular meeting of the Board of Directors (meeting conducted using a combination of both in-person and video and audio tele-conferencing) with a quorum present in Steamboat Springs, Colorado on August 23, 2023.

Chair

Secretary

ATTEST

EXHIBIT A

Borrower:	Town of Walden
Project:	The project consists of installing new water meters, installing new pumps at the water treatment plant; and distribution system mapping and replacing distribution lines.
Pledge:	Water and Sewer Revenue
Loan Term:	20 Years
Interest Rate:	2.00%
Amount not to exceed:	\$1,250,000 (*\$569,900 of principal through the Bipartisan Infrastructure Law (“BIL”) Supplemental loan to be re-paid, plus *\$680,100 of Principal Forgiveness (“PF”) funds through the BIL, for a total of \$1,250,000 DWRF loan funds)

* - Actual BIL loan and PF amounts may be adjusted by a de minimis amount during the loan agreement negotiation process.

**COLORADO WATER RESOURCES
AND
POWER DEVELOPMENT AUTHORITY**

RESOLUTION NO. 24-11

**A RESOLUTION FOR APPROVAL OF A DRINKING WATER DIRECT LOAN TO
THE TOWN OF WALDEN AND EXECUTION OF A LOAN AGREEMENT AND
OTHER DOCUMENTS NECESSARY THEREFOR**

WHEREAS, the Colorado Water Resources and Power Development Authority (the “Authority”) has received and reviewed an Application for a Bipartisan Infrastructure Law (“BIL”) General Supplemental direct loan and BIL General Supplemental Principal Forgiveness (“PF”) direct loan from the Drinking Water Revolving Fund from the Town of Walden (the “Applicant”); and

WHEREAS, on August 23, 2023, the Authority Board authorized Staff to execute a BIL General Supplemental direct loan in an amount not to exceed \$1,250,000 (*\$569,900 of BIL General Supplemental principal to be repaid, plus *\$680,100 of BIL General Supplemental PF funds, for a total of \$1,250,000 DWRF loan funds) for the Applicant through the Drinking Water Revolving Fund per Resolution No. 23-29; and

WHEREAS, the Authority has subsequently determined that it is in its best interest to increase the amount of BIL General Supplemental PF and reduce the amount of BIL General Supplemental repayable loan on the approved Loan Application in order to meet and maintain 2023 Drinking Water Revolving Fund BIL General Supplemental Capitalization Grant and Intended Use Plan requirements; and

WHEREAS, the Loan Application has been reviewed in accordance with the procedures provided therefor in the Memorandum of Understanding between the Authority, the Colorado Department of Public Health and Environment and the Colorado Department of Local Affairs concerning the operation of the Drinking Water Revolving Fund; and

WHEREAS, the proposed Project to be financed by the proposed direct loan is included on the Project Eligibility List of projects eligible for financial assistance from the Drinking Water Revolving Fund and the Water Quality Control Division of the Colorado Department of Public Health and Environment has certified that the proposed Project has met all requirements and prerequisites and is eligible for financial assistance from the Drinking Water Revolving Fund.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Colorado Water Resources and Power Development Authority:

1. That the proposed direct loan to the Town of Walden in an amount not to exceed \$1,250,000 (*\$382,615 of BIL General Supplemental principal to be repaid, plus *\$867,385 of BIL General Supplemental PF funds, for a total of \$1,250,000 DWRF loan funds) is approved subject to the terms and conditions set forth on the attached Exhibit A;

2. That the staff is directed to negotiate a Loan Agreement and other documents incorporating such terms and conditions as are appropriate to effectuate the proposed direct loan;
3. That the Executive Director and Assistant Secretary are authorized and directed to execute the Loan Agreement and any other necessary and reasonable documents for the proposed direct loan in order to consummate the direct loan approved hereby.

CERTIFICATE

The undersigned officers of the Board of Directors of the Colorado Water Resources and Power Development Authority do hereby certify that the above Resolution No. 24-11 was adopted by the Colorado Water Resources and Power Development Authority at a regular meeting of the Board of Directors (meeting conducted using a combination of both in-person and video and audio tele-conferencing) with a quorum present in Denver, Colorado on March 8, 2024.

Chair

Secretary

EXHIBIT A

Borrower:	Town of Walden
Project:	The project consists of installing new water meters, installing new pumps at the water treatment plant; and distribution system mapping and replacing distribution lines.
Pledge:	Water and Sewer Revenue
Loan Term:	20 Years
Interest Rate:	2.00%
Amount not to exceed:	\$1,250,000 (*\$382,615 of BIL General Supplemental principal to be repaid, plus *\$867,385 of BIL General Supplemental PF funds, for a total of \$1,250,000 DWRF loan funds)

* - Estimated PF and direct loan amounts through the BIL program. The exact amount will be based on the BIL capitalization grant principal forgiveness to loan ratio while taking into account set asides. However, in the unlikely event the ratio increases the loan amount by more than a de-minimis amount, as determined by the Executive Director, the credit will be returned to the Board for further evaluation and consideration.

DWRF LOAN CREDIT REPORT

Byers Water and Sanitation District (The “District”), Arapahoe County

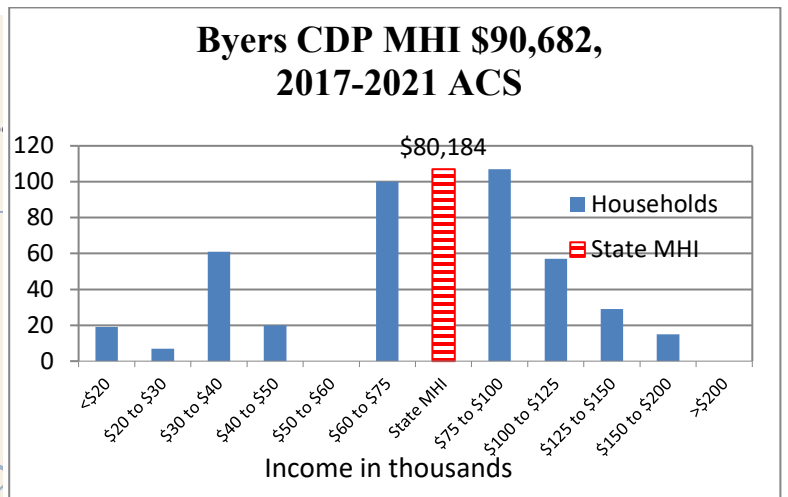
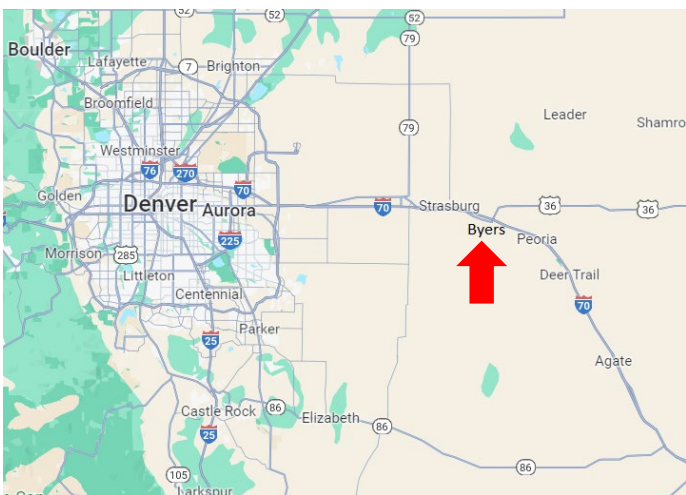
Recommendation:	APPROVAL	Project Budget	
Loan Request:	\$2,014,000	DWRF BIL Loan:	\$918,220
Interest Rate & Term:	3.25%, 30 year term	BIL Principal Forgiveness:	\$1,095,780
Annual Debt Service:	\$48,145	2023 Arapahoe County ARPA:	\$1,257,000
Pledge:	Water & Sewer System Revenue	2023 EIAF:	\$1,000,000
Current Rate:	\$39.63 (W), \$30 (S)	Total	\$4,271,000
Estimated Rate Increase:	\$0		

PROJECT DESCRIPTION: This project consists of improvements to the distribution system, repairs and upgrades to the existing water storage tanks, and upgrades to a well.

**COMMUNITY PROFILE:
Byers Water and Sanitation District**

	2017	2018	2019	2020	2021	2022	2023	Avg. Annual Change
District Population			1,208	1,210	1,210	1,273	1,275	1.36%
Arapahoe County Population	642,977	650,167	653,804	654,920	655,581			0.49%
Arapahoe County Jobs	405,100	411,739	418,290	402,468	414,660			0.58%
Number of Water Taps			483	484	484	509	510	1.37%
Number of Sewer Taps			468	469	469	494	495	1.41%
Assessed Value (\$000)			7,724	9,121	9,234	10,998	10,856	8.88%
Actual Value (\$000)			78,784	94,411	95,377	112,218	115,199	9.96%

BORROWER BRIEF: The District is located approximately 50 miles east of the City of Denver along I-70 in the eastern half of Arapahoe County.



RECOMMENDATION: The District serves a small, rural community in eastern Arapahoe County. This proposed loan is necessary to provide redundancy and upgrade the District’s storage tanks and well. The project costs are moderate for a small community; however, the District has secured grants amounting to 79% of the total project costs, and will not need to raise rates to afford the project’s costs. We therefore recommend the DWRF Committee approve a \$918,220 DWRF BIL loan and \$1,095,780 in principal forgiveness to the Byers Water and Sanitation District.

PROJECT SUMMARY:

System Summary: The District serves 1,275 people in Arapahoe County. The system is in generally good condition with the need for some improvements and repairs. A Preliminary Engineering Report (PER) was completed in 2022. In the PER, a review of the District's wells, water rights, tanks and distribution system indicated that these are all in good condition and water losses are relatively low. The PER identified potential improvements to the distribution system, storage tanks, and a well. Overall, the water system is well operated and in relatively good condition.

Reason/need: In order to improve system redundancy and capacity as well as replace aging infrastructure, the District is looking to upgrade their distribution system, storage tanks, and a well. During a 2022 sanitary survey, several significant deficiencies and observations were noted, and recommendations were identified. The deficiencies and observations were related to the condition of the storage tank and distribution system. Some significant deficiencies were resolved shortly after the sanitary survey. This project seeks to correct the remaining storage tank deficiencies and implement solutions to the observations and recommendations as well as other improvements to the distribution system.

System Compliance: The District is in compliance with the Colorado Primary Drinking Water Regulations, and the project is primarily intended to maintain compliance.

Project Delivery Method: Design/Bid/Build.

Contingency: 15% for construction costs.

CURRENT INDICATORS:	2020	2021	2022	Weak	Average	Strong
Total Debt per Capita (\$):	0	0	0	>\$2,000	\$1,000 - 2,000	X <\$1,000
Total + New Debt/Capita (\$):			721	>\$2,000	\$1,000 - 2,000	X <\$1,000
Total Debt/Tap (\$):	0	0	0	>\$5,000	\$2,500-5,000	X <\$2,500
Total Debt + New Debt/Tap (\$):			1,804	>\$5,000	\$2,500-5,000	X <\$2,500
Current W&S Debt/Tap (\$):	0	0	0	>\$2,000	\$1,000 - 2,000	X <\$1,000
Current W&S + New W&S Debt/Tap (\$):			1,804	>2,000	X \$1,000 - 2,000	<\$1,000
Total Debt/Assessed Value:	0.00%	0.00%	0.00%	>50%	25-50%	X <25%
Total Debt + New W&S Debt/Assessed Value:			8.35%	>50%	25-50%	X <25%
Total Debt/Actual Value:	0.00%	0.00%	0.00%	>10%	5-10%	X <5%
Total Debt + New W&S Debt/Actual Value:			0.82%	>10%	5-10%	X <5%
Curr. W&S Debt + New Debt/Tap/MHI:			1.99%	>20%	10-20%	X <10%
W&S Fund Current Ratio (CA/CL):	2,016%	1,444%	1,667%	<100%	100-200%	X >200%
W&S Fund Reserves/Current Expense:	205%	235%	187%	<50%	50-100%	X >100%
W&S Operating Ratio (OR/OE):	122%	131%	122%	<100%	100-120%	X >120%
Coverage Ratio (TR-OE)/DS:	N/A	N/A	N/A	<110%	110-125%	X >125%
Coverage Ratio (TR-OE)/DS Excluding Tap Fees:	N/A	N/A	N/A	<110%	110-125%	X >125%
Coverage Ratio with New Loan:			266%	<110%	110-125%	X >125%
Coverage Ratio with New Loan Excluding Tap Fees:			195%	<110%	110-125%	X >125%
Current Annual Water Rates/MHI:			0.42%	>3.0%	1.5-3.0%	X <1.5%
Current Water Rates + New W&S Debt Service/MHI:			0.53%	>3.0%	1.5-3.0%	X <1.5%
Operation and Maintenance Reserve:			187%	<25%	25-50%	X >50%
Total:			0		1	20

FINANCIAL ANALYSIS: Of the twenty-one current indicators calculated, 20 are rated strong, 1 is average, and none are considered weak. Overall, the indicators illustrate a system with a strong ability to take on additional debt. The strong indicators show a strong operating ratio and reserves, affordable current and projected rates, and ability to meet short and long term obligations.

- The District consistently maintains a positive operating ratio. The five year average is strong at 125% and the 2022 operating ratio was 122%.
- Based on 2022 financial information, coverage with the proposed loan is 266% with tap fee revenue.
- If BIL principal forgiveness is not awarded and the Town's loan amount is \$2,014,000, the coverage ratio with the proposed loan still exceeds 110% (121%)

Additional Project Financing:

In 2023, the District received both a \$1,000,000 DOLA EIAF grant and a \$1,257,000 ARPA grant from Arapahoe County.

DESCRIPTION OF THE LOAN:

An estimated \$918,220 loan with a thirty-year term with two payments annually at an interest rate of 3.25% will cost the District approximately \$48,145 in debt service annually. The District also qualifies for \$1,095,780 in BIL principal forgiveness.

BIL Principal Forgiveness Eligibility

In order to qualify for BIL principal forgiveness, a community must score three (3) points using the BIL Principal Forgiveness Eligibility Criteria outlined in the Intended Use Plans. While the District only scored two points, the CWRPDA Board approved the District’s business case for BIL eligibility on August 28, 2023.

Previous BIL PF DETERMINATION (Prior to business case approval)				
	Benchmark		Borrower	Points
1. Five Year % Change in Population	0.95%	>	0.42%	1
2a: County Job Loss	0.00%	>	17.86%	0
2b: County Unemployment	5.61%	<	4.82%	
3: Median Household Income, or MHI exceeds 125% of state MHI (-1 point)	\$80,184	>	\$90,682	0
	\$100,230	<		
4: Rates to MHI	0.83%	<	0.50%	0
5: Project addresses removal of lead or emerging contaminants	Yes		No	0
6: % Minority	30.00%	<	43.96%	1
7: % Households Housing Burdened	35.00%	<	22.97%	0
8: % Population under 200% Poverty Level	35.00%	<	18.98%	0
9: % Population under 200% Poverty Level + % Population over 65 years old	55.00%	<	33.63%	0
Total Points Scored:				2*

*Due to a lack of reliable, geographically specific data, the CWRPDA Board approved the District’s business case for BIL eligibility but did not award an additional point in any specific category.

The District qualifies for BIL principal forgiveness and has expressed interest in receiving a proportional loan with principal forgiveness funding package. Using an estimated principal forgiveness award of 54.408%, the District qualifies for approximately \$1,095,780 in principal forgiveness, leaving an estimated loan of \$918,220.

ECONOMIC ANALYSIS: Based on the State Demographer’s estimate of 2.5 persons per tap, the District has a 2023 population estimated at 1,275 and has grown at an average annual rate of 1.36% since 2019. Arapahoe County has experienced an increase of 0.49% in population since 2017. The state population increased at an average annual rate estimated 0.95%.

The area’s largest employers consist of the Byers School District with around 102 employees, and Byers General store, Los 3 Garcias, Shooters Bar & Grill, and Maverick Mercantile all with between 15-25 employees each.

The region’s economy is influenced by the Denver-Boulder MSA, which is dominated by regional service industries such as healthcare, transportation, and construction. The District is primarily a bedroom community for workers in the Denver MSA, and its largest job sectors are health services, professional and business services, government, construction, and retail services.

ORGANIZATIONAL ANALYSIS:

Bond Rating

The District’s debt has not been rated by Fitch, Moody’s, or Standard & Poor’s in the last five years.

Section 37-60-126(2) C.R.S. (Water Conservation Planning)

The District does not sell more than 2,000 acre-feet of water per year.

Organizational Structure

The District is a special district governed by an elected 5-member Board of Directors and was organized in 1984. The District provides water and sewer services for an unincorporated area in Arapahoe County, and daily operations are conducted by two full time employees.

- The District has generally been in compliance with Colorado statutory budgeting and auditing requirements for the past five years.
- The District maintains general liability insurance coverage through the Colorado Special Districts Property and Liability Pool.
- There are currently no pending lawsuits against the District.
- There have been no recall elections in the last ten years.

Technical/Managerial/Financial (TMF)

The WQCD and DLG conducted a review of the District's technical, managerial and financial capacity to operate the water system. There are no outstanding requirements.

Capital Improvement Plan

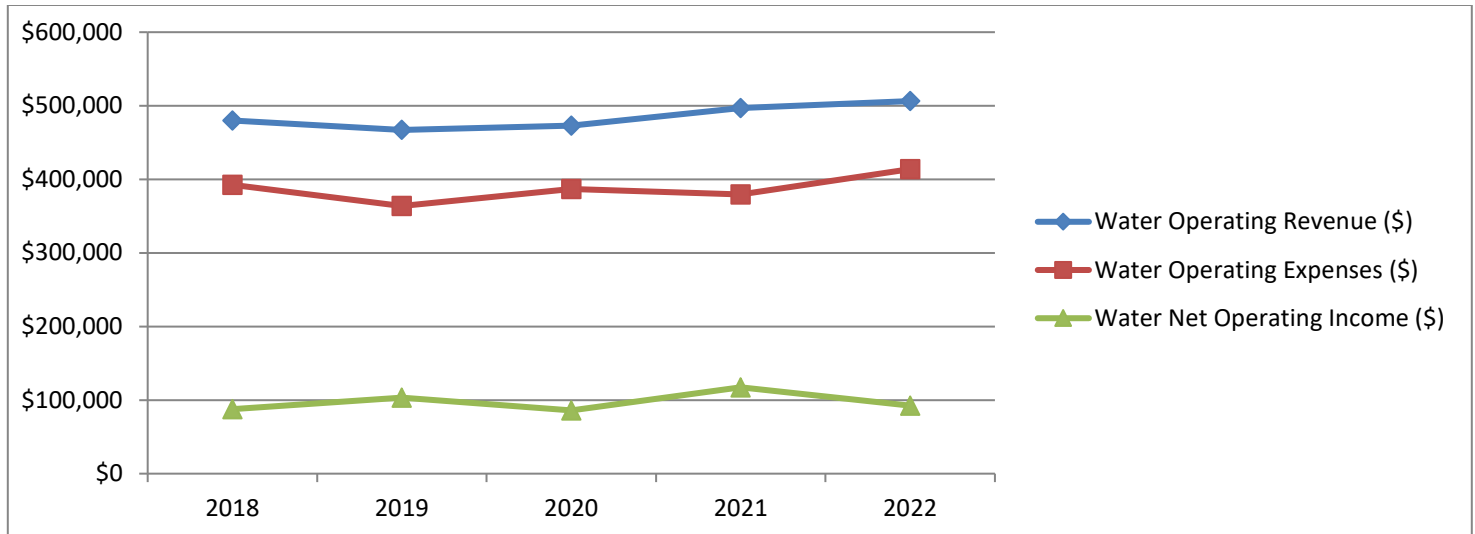
As part of the application process, the District submitted a capital improvement schedule, which anticipates capital outlay of \$175,000 for new well pumps and new customer meters in the next 5-10 years. The District also anticipates various wastewater treatment facility improvements pending the renewal of their discharge permit. The District plans to fund these projects using internal revenue sources, but is unable to identify exact costs at this time.

REVENUE ANALYSIS:

According to the District, operating revenue in 2018 exceeded the following two years due to changes in personnel and increased sales of water compared to other years. Operating expenses regularly fluctuate due to the ad-hoc repairs the District undertakes each year. In 2021, total revenue decreased by approximately \$263,500 due to a corresponding decrease in the amount of water tap fees in 2021 compared to 2020, but operating revenue increased slightly in 2021. The District completed a \$136,000 wastewater line improvement project in 2022, resulting in a decrease in reserves.

TRENDS	2018	2019	2020	2021	2022
Monthly Water Rate (\$)	39.63	39.63	39.63	39.63	39.63
Monthly Sewer Rate (\$)	30	30	30	30	30
Residential Water Tap Fee (\$)	7,500	7,500	7,500	7,500	7,500
Residential Sewer Tap Fee (\$)	7,500	7,500	7,500	7,500	7,500
Total W&S Revenue (\$)	481,245	575,645	768,760	528,206	541,940
Tap/Development Fees (\$)	0	106,000	293,000	30,000	34,000
W&S Operating Revenue (\$)	480,157	467,125	472,944	496,939	506,356
W&S Operating Expenses (\$)	392,487	363,789	386,974	379,588	413,849
W&S Net Operating Income (\$)	87,670	103,336	85,970	117,351	92,507
Total Debt (\$)	0	0	0	0	0
Water Fund Reserves (\$)	466,505	559,878	791,662	893,106	774,013

Ratios	2018	2019	2020	2021	2022	Average
Operating Revenue as % of Total Revenue	100%	81%	62%	94%	93%	86%
Operating Revenue as % of Expenses	122%	128%	122%	131%	122%	125%
Tap Fee Revenue as % of Total Revenue	0%	18%	38%	5.68%	6.27%	14%



Recent Rate Increases

The District has not raised rates since 2015.

User Charges

The District’s current monthly water rate is estimated at \$39.63 compared to the 2021 estimated state median of \$55.72. The District’s average monthly water rate is based on typical residential consumption of 8,211 gallons per month. Residential users pay a \$30 base rate up to 5,000 gallons and a volume charge of \$3 per 1,000 gallons for consumption thereafter. Out of district water rates are \$80 per month up to 5,000 gallons, and a volume charge of \$4 per 1,000 gallons thereafter.

The Districts current monthly sewer rate is estimated at a flat rate of \$30 per EQR. The out of district sewer rate is \$80 a month per EQR, plus overages.

The commercial monthly water rate is \$36 up to 5,000 gallons and a volume charge of \$2.50 per 1,000 gallons thereafter. The commercial monthly wastewater monthly sewer rate is the same, including \$36 for the first 5,000 gallons and a volume charge of \$2.50 per 1,000 gallons thereafter.

Contributed Capital

Revenue from tap fees has ranged from \$0 to \$293,000 and has averaged 14% of total water revenue during the last five years. The District’s most recent water tap fee rate increase occurred in 2015.

- Residential water tap fees are \$7,500.
- Residential sewer tap fees are \$7,500.
- Commercial water tap fees are \$9,500 for up to 5,000 square foot buildings, \$19,000 for up to 10,000 square foot buildings, and \$28,500 for up to 15,000 square foot buildings.
- Commercial sewer tap fees are the same at \$9,500 for up to 5,000 square foot buildings, \$19,000 for up to 10,000 square foot buildings, and \$28,500 for up to 15,000 square foot buildings.

Current System Utilization		
	Usage	Revenue
Residential	85.1%	26.7%
Non-residential (per EQR)	14.9%	73.3%

Current Fee Summary		
Tap size	Water user/tap fees	Sewer user/tap fees
¾"	\$39.63/\$7,500	\$30/\$7,500
1½"	\$36/\$9,500	\$36/\$9,500

DEBT as of December 31, 2022: The District has no current debt as of December 31, 2022.

LOAN COVENANTS: The District will have to meet the Authority’s 110% rate covenant, 3-month operations and maintenance reserve fund covenant, and the 110% additional bonds test (if applicable) on an annual basis.

The District has no current debt with the Authority, including the SRF programs.

Project # 210061D-Q

Cost Categories:

Planning and Design – 8.2%

Construction transmission and distribution – 83.4%

Construction Source – 0.1%

Construction Storage – 3.4%

Other – 4.9%

Prepared by: Will Clift

Date: September 19, 2023

September 19, 2023

DWRF Credit Report
Byers Water and Sanitation District, Arapahoe County, CO
Using most recent data available
(Census, audits, local records)

Estimated Population - 2022	1,273
Number of Water Taps/Customers - 2022	509
Total Assessed Valuation (in thousands) - 2022	\$10,998,000
Actual Value of All Real Property (in thousands) - 2022	\$112,218,000
Median Household Income (MHI) - 2021	\$90,682
Monthly Water Rate - 2022	\$30.00
Water Operating Revenue - 2022	\$506,356
Water Total Revenue - 2022 [May include non-operating revenue, such as contributed capital, tap & system development fees, interest income, S.O. tax and property tax. Excludes one-time capital grants.]	\$541,940
Water Tap and System Development Fee Revenue - 2022	\$34,000
Water Operating Expense - 2022	\$413,849
Water Current Expense - 2022	\$413,849
Water Debt - 2022	\$0
Total Debt - 2022	\$0
Water Fund Reserves - 2022	\$774,013
Water Debt Service - 2022	\$0
New Water Debt [Requested DWRF loan amount.]	\$918,219
Requested DWRF Loan Term	30
Requested DWRF Loan Interest Rate	3.25%
New Loan's Annual Water Debt Service (two payments annually)	\$48,145

Current Indicators (2022)				
Byers Water and Sanitation District				
(Water and Sewer)				
1	Total Debt	\$0	÷ Population	1,273 = \$0
	New Debt	\$918,220	÷ Population	1,273 = \$721
	Total Debt + New Debt	\$918,220	÷ Population	1,273 = \$721
2	Total Debt	\$0	÷ Number of Taps	509 = \$0
	New Debt	\$918,220	÷ Number of Taps	509 = \$1,804
	Total Debt + New Debt	\$918,220	÷ Number of Taps	509 = \$1,804
3	Total Debt	\$0	÷ Assessed Value	\$10,998,000 = 0.00%
	New Debt	\$918,220	÷ Assessed Value	\$10,998,000 = 8.35%
	Total Debt + New Debt	\$918,220	÷ Assessed Value	\$10,998,000 = 8.35%
4	Total Debt	\$0	÷ Actual Value	\$112,218,000 = 0.00%
	New Debt	\$918,220	÷ Actual Value	\$112,218,000 = 0.82%
	Total Debt + New Debt	\$918,220	÷ Actual Value	\$112,218,000 = 0.82%
5	Current Water Debt	\$0	÷ Number of Taps	509 = \$0
	(Current Water Debt + New Water Debt) / Number of Taps	\$1,804	÷ MHI	\$90,682 = 1.99%
6	Current Ratio (CA / CL)			
	Current Assets	\$823,409	÷ Current Liabilities	\$49,396 = 1667%
7	Reserve/Expense Ratio			
	Reserves	\$774,013	÷ Current Expenses	\$413,849 = 187%
8	Operating Ratio (OR / OE)			
	Operating Revenues	\$506,356	÷ Operating Expenses	\$413,849 = 122%
9	Coverage Ratio [(TR - OE) / DS]			
	Total Revenues	\$541,940	-	
	Minus Operating Expenses	<u>\$413,849</u>		
	=	\$128,091	÷ Current Debt Service	\$0 = #DIV/0!
	Coverage Ratio Excluding Tap and			
10	Development Fee Revenue	\$128,091		
	Minus Tap and Development Fee Revenue	<u>\$34,000</u>		
	=	\$94,091	÷ Current Debt Service	\$0 = #DIV/0!
11	Projected Coverage Ratio			
	Total Revenues	\$541,940		
	Minus Operating Expenses	<u>\$413,849</u>		
	=	\$128,091	Total Debt Service (with new loan)	\$48,145 = 266%
	Projected Coverage Excluding Tap and			
12	Development Fee Revenue	\$128,091		
	Minus Tap and Development Fee Revenue	<u>\$34,000</u>		
	=	\$94,091	÷ Total Debt Service (with new loan)	\$48,145 = 195%
13	Current Debt Service	\$0	÷ Number of Taps	509 = \$0.00
	Annual New Water Debt Service	\$48,145	÷ Number of Taps	509 = \$94.59
14	2022 Annual Water Rate (Monthly Rate x 12)	\$360.00	÷ MHI	\$90,682 = 0.40%
	2022 Annual Water Rate + New Annual Debt Service Per Tap	\$454.59	÷ MHI	\$90,682 = 0.50%
15	Current 2022 Monthly User Charge			\$30.00
	(Debt Service on DWRP Loan / 2022 Taps / Month)			<u>\$7.88</u>
	Total			\$37.88
16	Operation and Maintenance Reserve			
	Reserves	\$774,013	÷ Operating Expenses	\$413,849 = 187%



Priority Point Scoring

Applicant: Byers Water and Sanitation District
 DWRP or WPCRF: DWRP

WPCRF

Total WQCD Score:	
DOLA Affordability Score:	
Total Score:	

DWRP

Water Quality/Public Health Score:	
DOLA Affordability Score:	60
Total Score	

Is applicant receiving funds from BASE program, BIL program, or BOTH? BIL

Base Program DWRP Principal Forgiveness

Eligible as a base program DAC? No

Eligible base program DWRP principal forgiveness percentage: N/A

Amount of principal forgiveness awarded (accounting for any applicable cap/max): N/A

BIL Principal Forgiveness

Eligible for BIL principal forgiveness? yes

Eligible BIL principal forgiveness percentage: 54.408%

Amount of principal forgiveness awarded (accounting for any applicable cap/max): \$1,095,780

**COLORADO WATER RESOURCES
AND
POWER DEVELOPMENT AUTHORITY**

RESOLUTION NO. 23-38

**A RESOLUTION FOR APPROVAL OF A DRINKING WATER DIRECT LOAN TO
THE BYERS WATER AND SANITATION DISTRICT AND EXECUTION OF A LOAN
AGREEMENT AND OTHER DOCUMENTS NECESSARY THEREFOR**

WHEREAS, the Colorado Water Resources and Power Development Authority (the "Authority") has received and reviewed an Application for a Bipartisan Infrastructure Law ("BIL") direct loan and BIL Principal Forgiveness ("PF") from the Drinking Water Revolving Fund from the Byers Water and Sanitation District (the "Applicant"); and

WHEREAS, the Loan Application has been reviewed in accordance with the procedures provided therefor in the Memorandum of Understanding between the Authority, the Colorado Department of Public Health and Environment and the Colorado Department of Local Affairs concerning the operation of the Drinking Water Revolving Fund; and

WHEREAS, the proposed Project to be financed by the proposed direct loan is included on the Project Eligibility List of projects eligible for financial assistance from the Drinking Water Revolving Fund and the Water Quality Control Division of the Colorado Department of Public Health and Environment has certified that the proposed Project has met all requirements and prerequisites and is eligible for financial assistance from the Drinking Water Revolving Fund.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Colorado Water Resources and Power Development Authority:

1. That the proposed direct loan to the Byers Water and Sanitation District in an amount not to exceed \$2,014,000 (*\$918,220 of principal through the Bipartisan Infrastructure Law ("BIL") Supplemental loan to be re-paid, plus *\$1,095,780 of Principal Forgiveness ("PF") funds through the BIL, for a total of \$2,014,000 DWRF loan funds) is approved subject to the terms and conditions set forth on the attached Exhibit A;
2. That the staff is directed to negotiate a Loan Agreement and other documents incorporating such terms and conditions as are appropriate to effectuate the proposed direct loan;
3. That the Executive Director and Assistant Secretary are authorized and directed to execute the Loan Agreement and any other necessary and reasonable documents for the proposed direct loan in order to consummate the direct loan approved hereby.

CERTIFICATE

The undersigned officers of the Board of Directors of the Colorado Water Resources and Power Development Authority do hereby certify that the above Resolution No. 23-38 was adopted by the Colorado Water Resources and Power Development Authority at a regular meeting of the Board of Directors (meeting conducted using a combination of both in-person and video and audio tele-conferencing) with a quorum present in Denver, Colorado on October 6, 2023.

Chair

Secretary

ATTEST

EXHIBIT A

Borrower:	Byers Water and Sanitation District
Project:	This project consists of improvements to the distribution system, repairs and upgrades to the existing water storage tanks, and upgrades to a well.
Pledge:	Water and Sewer Revenue
Loan Term:	Up to 30 Years
Interest Rate:	3.25%
Amount not to exceed:	\$2,014,000 (*\$918,220 of principal through the Bipartisan Infrastructure Law (“BIL”) Supplemental loan to be re-paid, plus *\$1,095,780 of Principal Forgiveness (“PF”) funds through the BIL, for a total of \$2,014,000 DWRP loan funds)

* - Actual BIL loan and PF amounts may be adjusted by a de minimis amount during the loan agreement negotiation process.

**COLORADO WATER RESOURCES
AND
POWER DEVELOPMENT AUTHORITY**

RESOLUTION NO. 24-12

**A RESOLUTION FOR APPROVAL OF A DRINKING WATER DIRECT LOAN TO
THE BYERS WATER AND SANITATION DISTRICT AND EXECUTION OF A LOAN
AGREEMENT AND OTHER DOCUMENTS NECESSARY THEREFOR**

WHEREAS, the Colorado Water Resources and Power Development Authority (the “Authority”) has received and reviewed an Application for a Bipartisan Infrastructure Law (“BIL”) General Supplemental direct loan and BIL General Supplemental Principal Forgiveness (“PF”) direct loan from the Drinking Water Revolving Fund from the Byers Water and Sanitation District (the “Applicant”); and

WHEREAS, on October 6, 2023, the Authority Board authorized Staff to execute a BIL General Supplemental direct loan in an amount not to exceed \$2,014,000 (*\$918,220 of BIL General Supplemental principal to be repaid, plus *\$1,095,780 of BIL General Supplemental PF funds, for a total of \$2,014,000 DWRF loan funds) for the Applicant through the Drinking Water Revolving Fund per Resolution No. 23-38; and

WHEREAS, the Authority has subsequently determined that it is in its best interest to increase the amount of BIL General Supplemental PF and reduce the amount of BIL General Supplemental repayable loan on the approved Loan Application in order to meet and maintain 2023 Drinking Water Revolving Fund BIL General Supplemental Capitalization Grant and Intended Use Plan requirements; and

WHEREAS, the Loan Application has been reviewed in accordance with the procedures provided therefor in the Memorandum of Understanding between the Authority, the Colorado Department of Public Health and Environment and the Colorado Department of Local Affairs concerning the operation of the Drinking Water Revolving Fund; and

WHEREAS, the proposed Project to be financed by the proposed direct loan is included on the Project Eligibility List of projects eligible for financial assistance from the Drinking Water Revolving Fund and the Water Quality Control Division of the Colorado Department of Public Health and Environment has certified that the proposed Project has met all requirements and prerequisites and is eligible for financial assistance from the Drinking Water Revolving Fund.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Colorado Water Resources and Power Development Authority:

1. That the proposed direct loan to the Byers Water and Sanitation District in an amount not to exceed \$2,014,000 (*\$616,470 of BIL General Supplemental principal to be repaid, plus *\$1,397,530 of BIL General Supplemental PF funds, for a total of \$2,014,000 DWRF loan funds) is approved subject to the terms and conditions set forth on the attached Exhibit A;

2. That the staff is directed to negotiate a Loan Agreement and other documents incorporating such terms and conditions as are appropriate to effectuate the proposed direct loan;
3. That the Executive Director and Assistant Secretary are authorized and directed to execute the Loan Agreement and any other necessary and reasonable documents for the proposed direct loan in order to consummate the direct loan approved hereby.

CERTIFICATE

The undersigned officers of the Board of Directors of the Colorado Water Resources and Power Development Authority do hereby certify that the above Resolution No. 24-12 was adopted by the Colorado Water Resources and Power Development Authority at a regular meeting of the Board of Directors (meeting conducted using a combination of both in-person and video and audio tele-conferencing) with a quorum present in Denver, Colorado on March 8, 2024.

Chair

Secretary

EXHIBIT A

Borrower:	Byers Water and Sanitation District
Project:	This project consists of improvements to the distribution system, repairs and upgrades to the existing water storage tanks, and upgrades to a well.
Pledge:	Water and Sewer Revenue
Loan Term:	Up to 30 Years
Interest Rate:	3.25%
Amount not to exceed:	\$2,014,000 (*\$616,470 of BIL General Supplemental principal to be repaid, plus *\$1,397,530 of BIL General Supplemental PF funds, for a total of \$2,014,000 DWRP loan funds)

* - Estimated PF and direct loan amounts through the BIL program. The exact amount will be based on the BIL capitalization grant principal forgiveness to loan ratio while taking into account set asides. However, in the unlikely event the ratio increases the loan amount by more than a de-minimis amount, as determined by the Executive Director, the credit will be returned to the Board for further evaluation and consideration.

DWRF SET ASIDE UPDATE
February 27, 2024

Program	Grant Year	Grant Amount	Funds Remaining	% Complete
Admin	1997-2022 Base	\$ 17,421,704	\$ 0	100%
	2022 BIL Supplemental	\$ 1,422,000	\$ 1,061,262	25%
	2022 BIL Emerging Contaminants	\$ 597,080	\$ 503,871	16%
	2022 BIL Lead	\$ 1,680,450	\$ 1,622,900	3%
	2023 BIL Supplemental	\$ 1,475,360	\$ 1,475,360	0%
	2023 BIL Emerging Contaminants	\$ 535,360	\$ 535,360	0%
	2023 BIL Lead	\$ 1,304,000	\$ 1,304,000	0%
	Totals	\$ 24,435,954	\$ 6,502,753	73%
SSTTA	1997-2020 Base	\$ 7,717,700	\$ 0	100%
	2021 Base	\$ 434,700	\$ 192,603	56%
	2022 Base	\$ 276,920	\$ 276,920	0%
	2022 BIL Supplemental	\$ 156,420	\$ 156,420	0%
	2023 BIL Supplemental	\$ 737,680	\$ 737,680	0%
		Totals	\$ 9,323,420	\$ 1,363,623
PWSS	2000-2022 Base	\$ 31,718,828	\$ 0	100%
	2022 BIL Supplemental	\$ 782,100	\$ 47,331	94%
	2022 BIL Lead	\$ 2,100,000	\$ 1,411,577	33%
	2023 BIL Supplemental	\$ 2,600,000	\$ 2,600,000	0%
	2023 BIL Lead	\$ 3,260,000	\$ 3,260,000	0%
	2023 BIL Emerging Contaminants	\$ 1,000,000	\$ 1,000,000	0%
	Totals	\$ 41,460,928	\$ 8,318,908	80%
Cap. Development	1997-2021 Base	\$ 34,108,980	\$ 0	100%
	2022 Base	\$ 1,384,600	\$ 698,723	50%
	2022 BIL Supplemental	\$ 782,100	\$ 739,835	5%
	2023 BIL Supplemental	\$ 2,600,000	\$ 2,600,000	0%
		Totals	\$ 38,875,680	\$ 4,038,558
Well Head	1997-2020 Base	\$ 16,241,366	\$ 0	100%
	2021 Base	\$ 1,086,750	\$ 569,974	48%
	2022 Base	\$ 692,300	\$ 692,300	0%
	2022 BIL Supplemental	\$ 391,050	\$ 339,429	13%
	2023 BIL Supplemental	\$ 1,300,000	\$ 1,300,000	0%
		Totals	\$ 19,711,466	\$ 2,901,703

Note: All set asides issued in 2014 and later are required to be spent within 3 years from the grant "date of award".



COLORADO WATER RESOURCES & POWER DEVELOPMENT AUTHORITY

The Amp - Suite 820, 1580 N Logan Street, Denver, Colorado 80203-1939
303/830-1550 · Fax 303/832-8205 · info@cwprda.com

MEMORANDUM

March 4, 2024

TO: Project Finance Committee and Karl Ohlsen

FROM: Jim Griffiths, Finance Director
Wesley Williams, Assistant Finance Director

RE: Review of the Upper Thompson Sanitation District
Water Pollution Control Revolving Fund ("WPCRF")

The Division of Local Government has forwarded to the WPCRF Committee its analysis of the above-listed project. The WPCRF Committee, composed of representatives from the Division of Local Government, the Water Quality Control Division, and the Authority, has reviewed the technical and financial aspects of the proposed project and agreed to forward the request to the Authority's Project Finance Committee with the following recommendation:

Upper Thompson Sanitation District

The Upper Thompson Sanitation District (the "District"), located in Larimer County, is seeking a leveraged loan through the WPCRF loan program in the amount of \$18,000,000 plus cost of issuance. The project consists of constructing a new wastewater treatment plant, two lift stations, and a force main. The District's project was authorized by HJR 13-1007.

Recommendation

Based on the attached credit report, staff recommends that the Project Finance Committee forward to the Board a recommendation authorizing staff to begin negotiating a WPCRF leveraged loan with the District in the amount of \$18,000,000 plus cost of issuance. The loan will be for a term of up to 30 years, at an interest rate of 85% of the market rate on the Authority's 2024 Series A State Revolving Fund Revenue Bonds, subject to increasing user rates sufficiently to meet the Authority's rate covenant prior to loan execution. The Board will consider this request on March 8, 2024.

Note: A Zoom conference call has been scheduled for **Monday, 9:00 a.m. March 4, 2024**. The link to join via online is: <https://us06web.zoom.us/j/85489555164?pwd=YEBqqzI1DJhVmsNHCLgmnS99KgyeJb.1>. If you prefer to dial in, the call-in number is: **1-669-900-6833**, and the Meeting ID is **854 8955 5164**. The passcode is: **613298**.

Attachment: Upper Thompson Sanitation District 2024 WPCRF Credit Report

WPCRF LOAN CREDIT REPORT

Upper Thompson Sanitation District (“The District”), Larimer County

Recommendation:	CONDITIONAL APPROVAL
Loan Request:	\$18,000,000
Est. Interest Rate & Term:	3.30%, 30 years
Est. Annual Debt Service:	\$949,778
Pledge:	Sewer System Revenue
Current Rate:	\$72.08
Estimated Rate Increase:	\$28.18

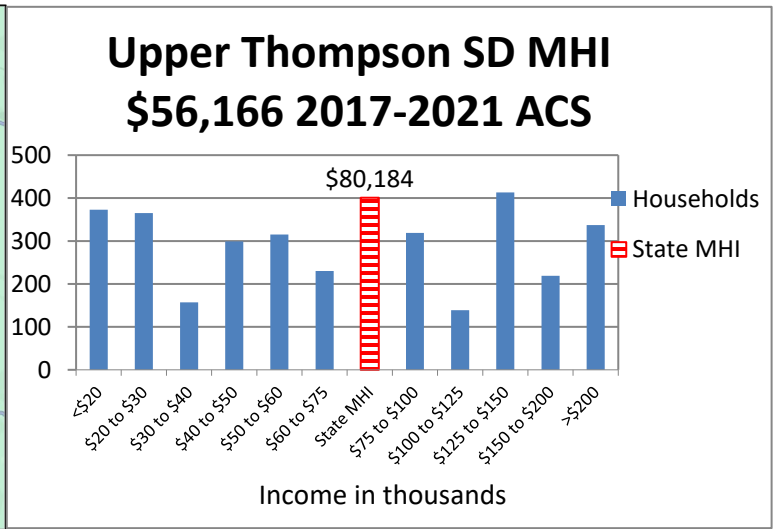
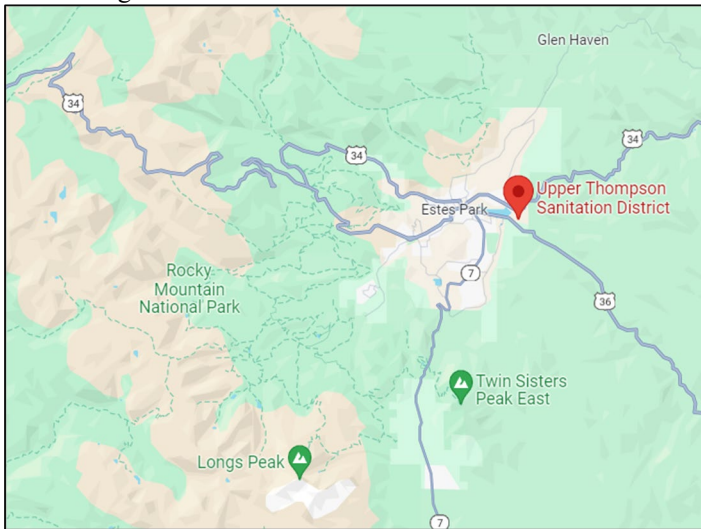
<u>Project Budget</u>	
WPCRF Loan:	\$18,000,000
WIFIA (anticipated):	\$71,000,000
Total:	\$89,000,000

PROJECT DESCRIPTION: This project consists of constructing a new wastewater treatment plant, two lift stations, and a force main.

COMMUNITY PROFILE:
Upper Thompson Sanitation District

	2018	2019	2020	2021	2022	2023	Avg. Annual Change
District Population	11,108	11,150	11,430	11,558	11,703		1.31%
Larimer County Population	350,663	356,799	359,920	362,774	366,843		1.13%
Larimer County Jobs	209,224	214,566	206,659	213,386	221,382		1.42%
Number of Sewer Taps		4,460	4,572	4,623	4,681	4,704	1.34%
Assessed Value (\$000)		195,035	223,122	223,424	241,968	237,337	5.03%
Actual Value (\$000)		2,114,212	2,351,412	2,535,311	2,812,703	2,838,059	7.64%

BORROWER BRIEF: The District is located in the Town of Estes Park and provides water treatment services to the Town and surrounding areas.



RECOMMENDATION: The Upper Thompson Sanitation District serves a residential community in Estes Park. This proposed loan is necessary to comply with CDPHE regulations and meet future nutrient removal regulations. The project costs associated with the SRF loan request are affordable mostly due to the District's strong financial condition. We therefore recommend the WPCRF Committee approve an \$18,000,000 leveraged loan to the Upper Thompson Sanitation District

PROJECT SUMMARY:

System summary: The District was formed in 1971. The District provides conveyance and wastewater treatment to 11,703 people in the area of the Town of Estes Park. The system has reached the end of its useful life. The system will not be able to meet future water quality standards without the completion of this project.

Reason/need: The District's existing two lift stations and wastewater treatment facility (WWTF) have reached the end of their useful life. The WWTF is unable to reduce nutrients, metals, and temperature to the anticipated future water quality standard effluent levels. The facilities do not meet current building, fire and electrical code requirements. Additionally, there is limited treatment capacity of the aerobic digesters, nitrification towers, and tertiary filters.

System Compliance: The District is in compliance with the conditions of its discharge permit, and the project is primarily intended to meet future requirements.

Project Delivery Method: Construction Manager at Risk (CMAR)

Contingency: 4.5% of total project cost included as contingency and 8% of the total construction cost is included as contingency.

CURRENT INDICATORS:	2020	2021	2022	Weak	Average	Strong
Total Debt per Capita (\$):	0	0	0	>\$2,000	\$1,000 - 2,000	X <\$1,000
Total + New Debt/Capita (\$):			1,538	>\$2,000	X \$1,000 - 2,000	<\$1,000
Total Debt/Tap (\$):	0	0	0	>\$5,000	\$2,500-5,000	X <\$2,500
Total Debt + New Debt/Tap (\$):			3,845	>\$5,000	X \$2,500-5,000	<\$2,500
Current Sewer Debt/Tap (\$):	0	0	0	>\$2,000	\$1,000 - 2,000	X <\$1,000
Current Sewer + New Sewer Debt/Tap (\$):			3,845	X >\$2,000	\$1,000 - 2,000	<\$1,000
Total Debt/Assessed Value:	0.00%	0.00%	0.00%	>50%	25-50%	X <25%
Total Debt + New Sewer Debt/Assessed Value:			7.44%	>50%	25-50%	X <25%
Total Debt/Actual Value:	0.00%	0.00%	0.00%	>10%	5-10%	X <5%
Total Debt + New Sewer Debt/Actual Value:			0.64%	>10%	5-10%	X <5%
Curr. Sewer Debt + New Debt/Tap/MHI:			6.85%	>20%	10-20%	X <10%
Sewer Fund Current Ratio (CA/CL):	6,469%	7,799%	3,152%	<100%	100-200%	X >200%
Sewer Fund Reserves/Current Expense:	468%	540%	473%	<50%	50-100%	X >100%
Sewer Operating Ratio (OR/OE):	146%	166%	176%	<100%	100-120%	X >120%
Coverage Ratio (TR-OE)/DS:	N/A	N/A	N/A	<110%	110-125%	X >125%
Coverage Ratio (TR-OE)/DS Excluding Tap Fees:	N/A	N/A	N/A	<110%	110-125%	X >125%
Coverage Ratio with New Loan:			297%	<110%	110-125%	X >125%
Coverage Ratio with New Loan Excluding Tap Fees:			255%	<110%	110-125%	X >125%
Current Annual Sewer Rates/MHI:			1.28%	>3.0%	1.5-3.0%	X <1.5%
Current Sewer Rates + New Sewer Debt Service/MHI:			1.65%	>3.0%	X	<1.5%
Operation and Maintenance Reserve:			473%	<25%	25-50%	X >50%
			Total:	1	3	17

FINANCIAL ANALYSIS: Of the twenty-one current indicators calculated, seventeen are rated strong, three are average, and one is considered weak. Overall, the indicators illustrate a community with a strong ability to take on the proposed loan. Although the proposed loan is large, the strong indicators reflect the District's ability to consistently generate sufficient annual income to cover expenses and debt service while contributing to the District's growing reserves.

- The District consistently maintains a positive operating ratio. The five year average was strong at 171%, and the 2022 operating ratio was 176%.
- Based on 2022 financial information, coverage with the proposed loan is 305% with tap fee revenue and 261% without tap fee revenue. No additional annual revenue is needed to meet the 110% SRF loan coverage requirement.
- Currently, the District anticipates receiving a \$71,000,000 Water Infrastructure Finance and Innovation Act (WIFIA) loan to cover part of their project costs. The terms of the WIFIA loan are not known yet, but assuming the same terms as the SRF loan, for the entire \$89,000,000 project, the coverage ratio moves to 62% with tap fee revenue and 53% without tap fee revenue. Additional annual revenue of \$2,270,926, or approximately \$28.18 per tap per month, would be required to meet the 110% SRF loan coverage requirement with tap fee revenue. Additional annual revenue of \$2,686,882, or approximately \$35.58 per tap per month, would be required to meet the 110% SRF loan coverage requirement without tap fee revenue.
- The District is anticipating increasing fees by 8.5% on an annual basis to cover new operating costs

Additional Project Financing

The District submitted a Water Infrastructure Finance and Innovation Act application for approximately \$71,000,000 with an anticipated award date in 2024.

DESCRIPTION OF THE LOAN:

An \$18,000,000 loan with a thirty year term, two payments annually at an estimated interest rate of 3.3% will cost the District approximately \$949,778 in debt service annually.

BIL Principal Forgiveness Eligibility

Although the District was informed that they met BIL program eligibility earlier in the application process, the District does not meet the criteria for a disadvantaged community and there is no principal forgiveness available for non-disadvantaged communities at this time.

ECONOMIC ANALYSIS: The District has a 2022 population estimated at 11,703 and has grown at an average annual rate of 1.31% since 2018. Larimer County has experienced an increase of 1.13% in population since 2018. The state population increased at an average annual rate estimated at 0.71%.

The area's largest employers consist of Estes Park Medical Center with approximately 296 employees, YMCA of the Rockies with approximately 266 employees, and the Town of Estes Park, Rocky Mountain National Park, and Estes Valley Recreation and Park District with approximately 120-150 employees each.

The region's economy is dominated by regional and government services providers, followed by retirement communities and the local tourism industry. The three largest job sectors are government and retail trade.

ORGANIZATIONAL ANALYSIS:**Bond Rating**

The District's debt was rated BBB+ by Standard & Poor's in 2023.

Section 37-60-126(2) C.R.S. (Water Conservation Planning)

The District does not sell more than 2,000 acre-feet of water per year.

Organizational Structure

The District is a Title 32 Article 1 Special District governed by a Board of Directors and was organized in 1971. The District provides wastewater services, and the sewer utility is staffed by approximately 17 full-time employees. The sewer utility is overseen by a Board of Directors, who are elected by voters within the District.

- The District has generally been in compliance with Colorado statutory budgeting and auditing requirements for the past five years.
- The District maintains general liability insurance coverage through Colorado Special Districts Property and Liability Pool.
- There are currently no pending lawsuits against the District.
- There have been no recall elections in the last ten years.

Capital Improvement Plan

As part of the application process, the District submitted a capital improvement schedule, which anticipates capital outlay of approximately \$10,000,000 in the next ten years for lift station improvements and debt service payments, to be funded with reserves.

Intergovernmental

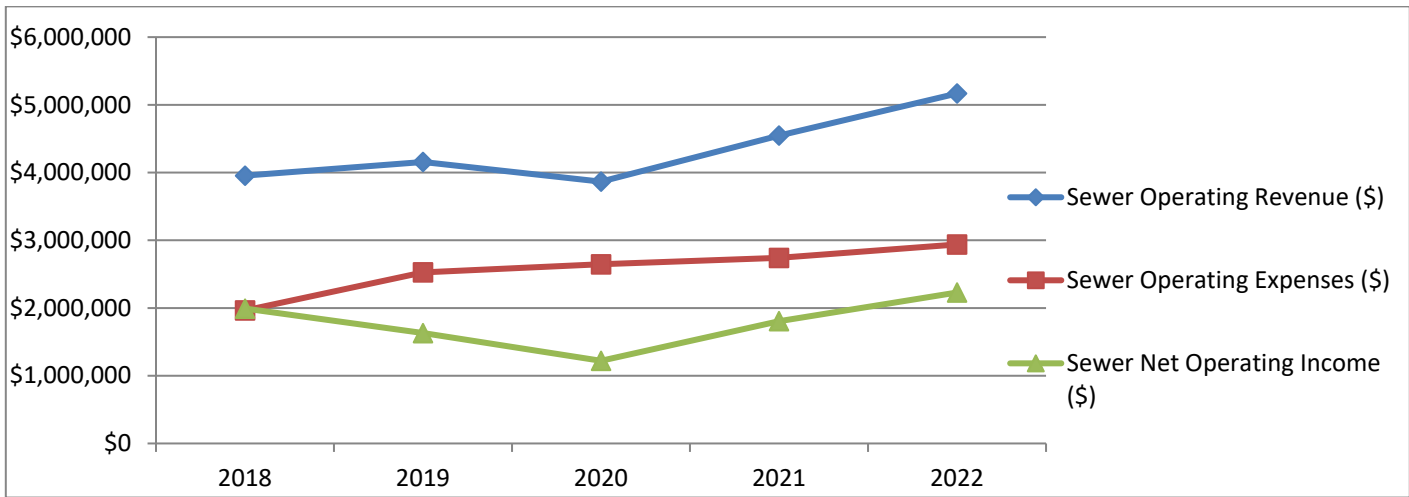
The District entered into an intergovernmental agreement (IGA) with YMCA of the Rockies, a private not for profit corporation, in 1976 to provide the YMCA with wastewater treatment services. The IGA was most recently renewed in 2015, and automatically renews every five years unless terminated by either entity.

REVENUE ANALYSIS:

The District maintains generally strong finances, with positive trends in both operating income and fund reserves. The District's total revenue and net operating income decreased slightly in 2020 due to COVID-19 related expenses, but have since maintained consistent, positive growth.

TRENDS	2018	2019	2020	2021	2022	2023	2024
Monthly Sewer Rate (\$)	47.83	48.55	48.55	53.92	59.83	66.42	72.08
Residential Sewer Tap Fee (\$)	8,700	8,700	10,500	10,500	10,800	11,800	12,600
Total Sewer Revenue (\$)	4,707,180	5,035,971	4,776,790	5,445,967	5,833,235		
Tap/Development Fees (\$)	484,398	578,262	809,974	858,081	415,956		
Sewer Operating Revenue (\$)	3,954,928	4,157,032	3,866,145	4,546,710	5,167,365		
Sewer Operating Expenses (\$)	1,964,000	2,526,697	2,645,400	2,740,476	2,938,424		
Sewer Net Operating Income (\$)	1,990,928	1,630,335	1,220,745	1,806,234	2,228,941		
Total Debt (\$)	0	0	0	0	0		
Sewer Fund Reserves (\$)	11,602,449	11,215,606	12,383,825	14,798,932	13,900,908		

Ratios	2018	2019	2020	2021	2022	Average
Operating Revenue as % of Total Revenue	84%	83%	81%	83%	89%	84%
Operating Revenue as % of Expenses	201%	165%	146%	166%	176%	171%
Tap Fee Revenue as % of Total Revenue	10%	11%	17%	16%	7.13%	12%



Recent Rate Increases

The District’s most recent rate increase of \$5.66 per month was implemented on January 1, 2024.

User Charges & System Utilization

The District’s current monthly sewer rate is estimated at \$72.08 compared to the 2021 estimated state median of \$40.38. The District’s current wastewater rates are comprised of a flat rate of \$72.08 per month for non-metered, residential customers. Commercial customers are charged a fixed monthly access fee of \$11, plus a metered flow rate of \$15.35 per 1,000 gallons.

Contributed Capital

Revenue from tap fees has ranged from \$415,956 to \$858,081 and has averaged 12% of total sewer revenue during the last five years. The District’s most recent sewer tap fee rate increase occurred in 2024.

- Residential sewer tap fees are \$12,600.
- Commercial sewer tap fees are \$12,600

Current System Utilization		
	Usage	Revenue
Residential	69%	75%
Non-residential (per EQR)	31%	25%

Current Fee Summary	
Tap size	Sewer user/tap fees
¾"	\$72.07/\$12,600
¾"	\$18.69/\$12,600

The District had no existing debt as of December 31, 2022

LOAN COVENANTS: The District will have to meet the Authority's 110% rate covenant, 3-month operations and maintenance reserve fund covenant, and the 110% additional bonds test (if applicable) on an annual basis.

The District has no current debt with the Authority, including the SRF programs.

Prepared by: Will Clift
Date: February 20, 2024

Project # 141561W-Q
Cost Categories:
Secondary Treatment (Category I) - 40% Advanced
Treatment (Category II) - 45%
New Interceptors (Category IVB) - 15%

February 20, 2024	
WPCRF Credit Report	
Upper Thompson Sanitation District, Larimer, CO	
Using most recent data available	
(Census, audits, local records)	
Estimated Population - 2022	11,703
Number of Sewer Taps/Customers - 2022	4,681
Total Assessed Valuation (in thousands) - 2022	\$241,968
Actual Value of All Real Property (in thousands) - 2022	\$2,812,703
Median Household Income (MHI) - 2021	\$56,166
Monthly Sewer Rate - 2022	\$59.83
Sewer Operating Revenue - 2022	\$5,167,365
Sewer Total Revenue - 2022 [May include non-operating revenue, such as contributed capital, tap & system development fees, interest income, S.O. tax and property tax. Excludes one-time capital grants.]	\$5,833,235
Sewer Tap and System Development Fee Revenue - 2022	\$415,956
Sewer Operating Expense - 2022	\$2,938,424
Sewer Current Expense - 2022	\$2,938,424
Sewer Debt - 2022	\$0
Total Debt - 2022	\$0
Sewer Fund Reserves - 2022	\$13,900,908
Sewer Debt Service - 2022	\$0
New Sewer Debt [Requested WPCRF loan amount.]	\$18,000,000
Requested WPCRF Loan Term	30
Requested WPCRF Loan Interest Rate	3.30%
New Loan's Annual Sewer Debt Service (two payments annually)	\$949,778

Current Indicators (2022)				
District				
(Sewer Only)				
1 Total Debt	\$0	÷	Population	11,703 = \$0
New Debt	\$18,000,000	÷	Population	11,703 = \$1,538
Total Debt + New Debt	\$18,000,000	÷	Population	11,703 = \$1,538
2 Total Debt	\$0	÷	Number of Taps	4,681 = \$0
New Debt	\$18,000,000	÷	Number of Taps	4,681 = \$3,845
Total Debt + New Debt	\$18,000,000	÷	Number of Taps	4,681 = \$3,845
3 Total Debt	\$0	÷	Assessed Value	\$241,968,000 = 0.00%
New Debt	\$18,000,000	÷	Assessed Value	\$241,968,000 = 7.44%
Total Debt + New Debt	\$18,000,000	÷	Assessed Value	\$241,968,000 = 7.44%
4 Total Debt	\$0	÷	Actual Value	\$2,812,703,000 = 0.00%
New Debt	\$18,000,000	÷	Actual Value	\$2,812,703,000 = 0.64%
Total Debt + New Debt	\$18,000,000	÷	Actual Value	\$2,812,703,000 = 0.64%
5 Current Sewer Debt	\$0	÷	Number of Taps	4,681 = \$0
(Current Sewer Debt + New Sewer Debt) / Number of Taps	\$3,845	÷	MHI	\$56,166 = 6.85%
6 Current Ratio (CA / CL)				
Current Assets	\$14,356,375	÷	Current Liabilities	\$455,467 = 3152%
7 Reserve/Expense Ratio				
Reserves	\$13,900,908	÷	Current Expenses	\$2,938,424 = 473%
8 Operating Ratio (OR / OE)				
Operating Revenues	\$5,167,365	÷	Operating Expenses	\$2,938,424 = 176%
9 Coverage Ratio [(TR - OE) / DS]				
Total Revenues	\$5,833,235	-		
Minus Operating Expenses	<u>\$2,938,424</u>			
=	\$2,894,811	÷	Current Debt Service	\$0 = #DIV/0!
Coverage Ratio Excluding Tap and				
10 Development Fee Revenue	\$2,894,811			
Minus Tap and Development Fee Revenue	<u>\$415,956</u>			
=	\$2,478,855	÷	Current Debt Service	\$0 = #DIV/0!
11 Projected Coverage Ratio				
Total Revenues	\$5,833,235			
Minus Operating Expenses	<u>\$2,938,424</u>			
=	\$2,894,811		Total Debt Service (with new loan)	\$949,778 = 305%
Projected Coverage Excluding Tap and				
12 Development Fee Revenue	\$2,894,811			
Minus Tap and Development Fee Revenue	<u>\$415,956</u>			
=	\$2,478,855	÷	Total Debt Service (with new loan)	\$949,778 = 261%
13 Current Debt Service	\$0	÷	Number of Taps	4681 = \$0.00
Annual New Sewer Debt Service	\$949,778	÷	Number of Taps	4681 = \$202.90
2022 Annual Sewer Rate (Monthly Rate				
14 x 12)	\$717.96	÷	MHI	\$56,166 = 1.28%
2022 Annual Sewer Rate + New Annual Debt Service Per Tap	\$920.86	÷	MHI	\$56,166 = 1.64%
15 Current 2022 Monthly User Charge				\$59.83
(Debt Service on WPCRF Loan / 2022 Taps / Month)				<u>\$16.91</u>
Total				\$76.74
16 Operation and Maintenance Reserve				
Reserves	\$13,900,908	÷	Operating Expenses	\$2,938,424 = 473%



Principal Forgiveness and Priority Point Scoring

Applicant: Upper Thompson Sewer District
 DWRP or WPCRF: WPCRF

Is applicant receiving funds from BASE program, BIL program, or BOTH?

BIL Principal Forgiveness

Eligible for BIL principal forgiveness? No

Eligible BIL principal forgiveness percentage:

Amount of principal forgiveness awarded (accounting for any applicable cap/max): \$0

Priority Point Scoring

Total WQCD Score:	40
DOLA Affordability Score:	90
Total Score:	130

WPCRF Priority Point Calculations

DOLA Score: 90

Benchmarks

\$80,184 2017-2021 State MHI estimate

P1	MHI		\$56,166	70%
	<50% of state MHI	35		
	Between 51% and 80% of state MHI	20	20	
	Between 81% and 100% of state MHI	5		
	>100% state MHI	0		
S5b	User Fees (projected SEWER rate at 110%/tap/MHI)		1.65%	
	Rates are > 1.19%	45	45	
	Rates are between 0.81% and 1.19%	25		
	OR			
S5b	User Fees for a combined water & sewer fund			
	Rates are > 2.94%	45		
	Rates are between 2.07% and 2.94%	25		
S4b	Projected SEWER debt per tap compared to MHV		0.84%	
	Debt is > 0.85%	45		
	Debt is between 0.21% and 0.85%	25	25	
	OR			
S4b	Projected water & sewer debt (for combined systems)			
	Debt is > 1.93%	45		
	Debt is between 0.82% and 1.93%	25		
	Population served		11,703	
	Less than 500	35		
	Between 500 and 1,000	25		
	Between 1,000 and 2,000	20		
	Between 2,000 and 5,000	15		
	Between 5,000 and 10,000	5		
	>10,000	0	0	
S3	Assessed Value/Household		53,040	
	AV per household is < \$11,628	35		
	AV per household is between \$11,628 and \$23,022	20		
	AV per household is between \$23,022 and \$39,780	10		
	AV per household is greater than \$39,780	0	0	

WPCRF SET ASIDE UPDATE
February 27, 2024

Program	Grant Year	Grant Amount	Funds Remaining	% Complete
Admin	2022 BIL Supplemental	\$ 569,440	\$ 384,412	32%
	2023 BIL Supplemental	\$ 666,960	\$ 666,960	0%
	Totals	\$ 1,236,400	\$ 1,051,372	15%

Program	Grant Year	Grant Amount	Funds Remaining	% Complete
Technical ("Technical") Assistance	2022 BIL Supplemental	\$ 284,720	\$ 284,720	0%
	2023 BIL Supplemental	\$ 333,480	\$ 333,480	0%
	Totals	\$ 618,200	\$ 618,200	0%

**COLORADO WATER RESOURCES
&
POWER DEVELOPMENT AUTHORITY**

**PROJECT FINANCE COMMITTEE
MEETING AGENDA**

**March 4, 2024
Committee meeting at 9:00 a.m.**

Via Zoom Conference Call

Project Finance Committee Members: Chris Treese (Chair), Steve Vandiver (ex-officio), George Corkle, Eric Wilkinson, and Bruce Whitehead

Authority Staff: Keith McLaughlin, Jim Griffiths, Wes Williams, Ian Loffert, Austin Reichel, Kevin Carpenter, and Giorgi Gazashvili

Others present: Mark Henderson, Alex Hawley, Margaret Talbott, Desi Santerre, Victor Chen, Will Clift, Peter Dieterich, and Monica Munoz-Revelo

AGENDA

1. DWRF Loan Applications:

- Town of Boone (BIL EC) – Direct Loan Request – Gio (**Board Action – Staff Recommends Consent Agenda**)
- South Adams County Water & Sanitation District (Base & BIL EC) – Direct and Leveraged Loan Request – Jim (**Board Action**)
- Town of Lochbuie (Base & BIL) – Direct and Leveraged Loan Request – Kevin (**Board Action**)
- City of Greeley (Base & BIL LSL) – Direct Loan Request – Ian (**Board Action – Staff Recommends Consent Agenda**)
- City of Englewood (Base & BIL LSL) – Direct and Leveraged Loan Request – Austin (**Board Action – Staff Recommends Consent Agenda**)

2. WPCRF Loan Application:

- Upper Thompson Sanitation District (Base) – Leveraged Loan Request – Wes (**Board Action**)

Note: A Zoom conference call has been scheduled for **Monday, 9:00 a.m. March 4, 2024**. The link to join via online is: <https://us06web.zoom.us/j/85489555164?pwd=YEBqqz11DJhVmsNHCLgmnS99KqyeJb.1>. If you prefer to dial in, the call-in number is: **1-669-900-6833**, and the Meeting ID is **854 8955 5164**. The passcode is: **613298**.



COLORADO WATER RESOURCES & POWER DEVELOPMENT AUTHORITY

The Amp - Suite 820, 1580 N. Logan Street, Denver, Colorado 80203
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PROJECT FINANCE COMMITTEE

MINUTES

March 4, 2024

9:00 a.m. Zoom Conference Call

PROJECT FINANCE COMMITTEE

MEMBERS PRESENT:

Chris Treese (Chair), Steve Vandiver (ex-officio), George Corkle, Eric Wilkinson, Bruce Whitehead

STAFF/COUNSEL:

Keith McLaughlin, Jim Griffiths, Wesley Williams, Ian Loffert, Austin Reichel, Kevin Carpenter, Giorgi Gazashvili, Sabrina Speed, Valerie Lovato

DOLA:

Will Clifft, Peter Dieterich, Victor Chen, Monica Munoz-Revelo, Desi Santerre

WQCD:

Margaret Talbott, Alex Hawley, Aly Ulibarri, James Wheatley, Amy Shultz, Matt Alms

OTHER BOARD MEMBERS:

Patti Wells, Mike Fabbre, Karen Wogsland

The Project Finance Committee conference call was brought to order at 9:02 a.m. by Chair Chris Treese.

DRINKING WATER REVOLVING FUND (“DWRF”) PROGRAM

- **Town of Boone**

Giorgi Gazashvili presented the Town of Boone’s (“Town”) request for a principal forgiveness (“PF”) loan through the DWRF Bipartisan Infrastructure Law (“BIL”) Emerging Contaminants (“EC”) PF loan program in the total amount of *\$1,005,000. The BIL EC PF direct loan will be a 100% PF loan. The project’s purpose is emerging contaminant treatment for manganese and includes new media for the treatment plant and rehabilitation of backwash ponds. The Town will re-purpose the existing nitrate removal for the Water Treatment Plant (“WTP”) by modifying the existing nitrate removal pressure vessels with a greensand filtration system for removal of oxidized manganese and iron, install a new SCADA system at the Boone Arkansas Well, chlorination building, and newly re-purposed WTP, and remove the existing altitude valve and replace it with a spool piece and rehabilitate the backwash ponds.

Chair Treese asked why the capital contribution section of the credit does not include their connection to the Arkansas Valley Conduit (“AVC”). Jim Griffiths responded that the Town of Boone will be one of the first communities to connect to the AVC project and will use the AVC water and treated water from this project to blend and reduce water costs and the manganese contamination. Alex Hawley added that this project is to reduce its immediate compliance issue with the manganese levels and will connect to the AVC project in the future, but the Town won’t get 100% of its water from the AVC.

Keith McLaughlin added he would ask the PFC to add a requirement to increase rates to be in compliance with its other SRF outstanding loan covenants before being able to close this current 100% PF loan.

Director Whitehead made a motion to forward the application to the full Board with a favorable recommendation on the condition that the Town increase rates to be in compliance with its other SRF outstanding loan covenants before execution and to place the application on the consent agenda.

* - Estimated PF and direct loan amounts through the BIL and/or Base programs. The exact amount will be based on the BIL capitalization grant principal forgiveness to loan ratio while taking into account set asides. However, in the unlikely event the ratio increases the loan amount by more than a de-minimis amount, as determined by the Executive Director, the credit will be returned to the Board for further evaluation and consideration.

Motion: Bruce Whitehead

2nd: George Corkle

Vote: Motion Carried

- **South Adams County Water and Sanitation District**

Jim Griffiths presented the South Adams County Water and Sanitation District's ("District") loan request for a funding package through the DWRP program in the total amount of \$60,000,000 (comprised of a *\$30,000,000 leveraged loan plus cost of issuance and a direct loan of *\$30,000,000 BIL EC PF). The District will be constructing a new water treatment plant. This new treatment plant will utilize ion exchange for the removal of Perfluorooctane Sulfonate ("PFOS") and Perfluorooctanoic Acid ("PFOA").

Director Wells provided some additional context to the Intergovernmental agreements between Denver Water and the District.

Chair Treese questioned how the Emerging Contaminants grant can be tracked and allocated to the specific Emerging Contaminants components that will be addressed by this project. Mr. Griffiths responded that the District is building an Ion exchange plant that is used to remove the PFAS chemical and referenced the similar plant the Board toured down in Security Sanitation District. Ms. Hawley responded with more background about the Ion exchange system and mentioned that the allocation of the EC funds towards the specific EC components should be straightforward; however, the removal of these chemicals is expensive.

Director Corkle asked if the SRF has the funds to be able to provide the funding package to the District. Mr. Griffiths responded that yes, the SRF has the funds to be able to loan the requested project budget to the District. Mr. McLaughlin responded that the EC funds associated with the project is a specific pot of funds from the BIL, so the SRF has the funds available for the District's request.

Director Wilkinson made a motion to forward the application to the full Board with a favorable recommendation and to place the application on the consent agenda.

Motion: Eric Wilkinson

2nd: George Corkle

Vote: Motion Carried

- **Town of Lochbuie**

Kevin Carpenter presented the Town of Lochbuie's ("Town") loan request in the total amount of \$8,000,000 (comprised of a *\$6,441,282 leveraged loan plus cost of issuance, a *\$558,718 BIL loan, and a *\$1,000,000 BIL PF loan). The Town will be constructing a new elevated water storage tank. Proposed improvements include a 2 MG composite elevated potable water storage tank with associated piping, valving, and appurtenances which include a tank mixer, venting, overflow, and drain.

Director Wilkinson noticed the size of the projects coming before the Board at this Board meeting and questioned what the size of the anticipated bond issue will be for the current projects. Mr. Griffiths responded that the current projected leverage factor for the SRF is about 2, meaning that approximately half the loan requests will be bond proceeds. Mr. Loffert responded that we received approximately \$70 million in leverage loan requests, so using the leverage factor of 2, the bond issue size will be approximately \$35 million.

* - Estimated PF and direct loan amounts through the BIL and/or Base programs. The exact amount will be based on the BIL capitalization grant principal forgiveness to loan ratio while taking into account set asides. However, in the unlikely event the ratio increases the loan amount by more than a de-minimis amount, as determined by the Executive Director, the credit will be returned to the Board for further evaluation and consideration.

Director Wilkinson asked about how the Cost of Issuance (“COI”) for the SRF borrowers is handled. Mr. Griffiths responded that the SRF combines borrowers in a single bond issue to reduce the expense of the COI to an individual borrower. Since borrowers are all apart of the same bond issue, the COI expense is spread out amongst each borrower.

Director Whitehead asked how it is determined whether a project is placed in the SRF pooled bond issue or through the Water Revenue Bond Program (“WRBP”). Mr. Griffiths responded that most programs go through the SRF bond issue program, but if there is an eligibility, timing or loan amount request issue that doesn’t fit in the SRF bond issue program, then staff looks towards the WRBP to be able to fund the project.

Director Wilkinson made a motion to forward the application to the full Board with a favorable recommendation and to place the application on the consent agenda.

Motion: Eric Wilkinson

2nd: Steve Vandiver

Vote: Motion Carried

- **City of Greeley**

Ian Loffert presented the City of Greeley’s (“City”) loan request in the total amount of \$20,910,725 (comprised of a *\$7,551,020 in a BIL Lead Service Line (“LSL”) loan, a *\$10,000,000 BIL LSL PF loan, and a *\$3,359,705 base direct loan). This project consists of identifying and removing lead service lines throughout the City’s service area.

Director Wilkinson asked about waiving the direct loan limit and if a one-time waiver of the direct loan limit would have any effects on the SRF. Mr. Loffert responded that we have asked for one-time waivers a number of times in the past in unique situations like the one with the City of Greeley’s LSL project. Mr. Griffiths responded with more background on the direct loan limit waiver process and mentioned that SRF staff has continued its review of the current direct loan limit and will bring any increases or changes to that limit to the Board if necessary.

Chair Treese questioned why the credit has scenarios where the PF is not included in the funding package and if that is a possibility for the City. Mr. Loffert responded that the SRF staff would like to include the worst-case (No-PF) scenario in the credit for the Board's reference, but there is no concern of the City not receiving BIL LSL PF funds if the loan is approved.

Chair Treese also asked about tap fee revenue and if borrowers are putting the tap fee revenue into a capital reserve fund. Mr. Loffert responded with how the SRF program reviews its covenants and how it includes tap fee revenue in that rate covenant calculation. Mr. Loffert also responded that in his experience reviewing municipal borrowers’ audits that each entity accounts for tap fee revenue differently. If funds are restricted in the capital reserve fund, then the SRF program does not account for the tap fees in the covenant calculation.

Director Wilkinson made a motion to forward the application to the full Board with a favorable recommendation and to place the application on the consent agenda, subject to a one-time direct loan limit waiver.

* - Estimated PF and direct loan amounts through the BIL and/or Base programs. The exact amount will be based on the BIL capitalization grant principal forgiveness to loan ratio while taking into account set asides. However, in the unlikely event the ratio increases the loan amount by more than a de-minimis amount, as determined by the Executive Director, the credit will be returned to the Board for further evaluation and consideration.

Motion: Eric Wilkinson
2nd: Bruce Whitehead
Vote: Motion Carried

- **City of Englewood**

Austin Reichel presented the City of Englewood's ("City") loan request in the total amount of \$40,000,000 (comprised of a *\$22,448,980 leveraged loan plus cost of issuance, a *\$7,551,020 BIL LSL loan, and a *\$10,000,000 BIL LSL PF loan). The project consists of identifying and replacing lead service lines ("LSLs"), in accordance with BIL requirements.

Director Treese asked about the distinction between private and public service areas. Mr. Reichel and Mr. Griffiths explained the benefits to the homeowners and the taxable vs tax-exempt bond issues. Taxable bonds require a higher interest rate and are more costly. Generally, from the road to the house is homeowners' responsibility. Ms. Hawley confirmed that this is accurate.

Director Whitehead asked about the MHI and if it was Denver that increased the MHI for the City. Desi Santerre replied that she isn't sure if this is the case but added that Denver's MHI is close to the \$80,000 benchmark and the block group used for this credit report is just Englewood.

Director Corkle made a motion to forward the application to the full Board with a favorable recommendation, subject to the condition that the City increase rates to be in compliance with the SRF loan covenants before execution and to place the application on the consent agenda.

Motion: George Corkle
2nd: Steve Vandiver
Vote: Motion Carried

WATER POLLUTION CONTROL REVOLVING FUND ("WPCRF") PROGRAM

- **Upper Thompson Sanitation District**

Wesley Williams presented the Upper Thompson Sanitation District's ("District") loan request in the amount of \$18,000,000 plus cost of issuance. The project consists of constructing a new wastewater treatment plant, two lift stations, and a force main.

Mr. Williams explained the prioritization that took place for this application cycle and explained that one of the applicants that prioritized above other loan applications has pulled their application due to increased costs related to the BABA requirements. The Authority does not expect the applicant to come back through the SRF for this project, so the funds will be used to finance other projects in the upcoming board meetings.

Director Vandiveer asked for more clarification on the WIFIA loans. Mr. Williams explained how the WIFIA program works and how it differs from the SRF program. Mr. Williams further added that the SRF program is planning to meet with the WIFIA program to discuss future co-funding opportunities and potential challenges it might present. Mr. Vandiveer asked about the difference on interest rates on the bond ratings. Mr. Williams explained that going from the District's current rating of BBB+ to AAA SRF rating would be an approximate difference of 1-3% on the interest rate.

* - Estimated PF and direct loan amounts through the BIL and/or Base programs. The exact amount will be based on the BIL capitalization grant principal forgiveness to loan ratio while taking into account set asides. However, in the unlikely event the ratio increases the loan amount by more than a de-minimis amount, as determined by the Executive Director, the credit will be returned to the Board for further evaluation and consideration.

Director Whitehead asked about the prioritization and asked if we suggested looking into WIFIA funding. Mr. Williams answered that the Authority offers recommendations during the pre-qualification phase due to the large demand and low capacity of the SRF funding on the WPCRF side.

Director Corkle made a motion to forward the application to the full Board with a favorable recommendation.

Motion: George Corkle
2nd: Burce Whitehead
Vote: Motion Carried

The meeting adjourned at 10:41 am.

* - Estimated PF and direct loan amounts through the BIL and/or Base programs. The exact amount will be based on the BIL capitalization grant principal forgiveness to loan ratio while taking into account set asides. However, in the unlikely event the ratio increases the loan amount by more than a de-minimis amount, as determined by the Executive Director, the credit will be returned to the Board for further evaluation and consideration.

**Colorado Water Resources
and
Power Development Authority**

PERSONNEL COMMITTEE MINUTES

January 22, 2024

Call to Order

Chair Karen Wogsland called the meeting to order at 1:32 pm.

Roll Call

Committee members attending via a video conference call: Karen Wogsland (Chair), Eric Wilkinson, Patti Wells, and Steve Vandiver (ex-officio). Other Board members attending: Lucas Hale, Chris Treese, and Bruce Whitehead.

Others present: Keith McLaughlin (Executive Director).

Employee Handbook

Chair Wogsland reminded the Committee that the Employee Handbook (Handbook) was approved at the December 2023 Board meeting. The Committee agreed to revisit the Handbook regarding its readability and formatting, and bolster the Code of Ethics and Conflict of Interest language. Several Board members thanked Director Wells for spending the time and effort to reorder the various sections of the Handbook. Chair Wogsland then asked Mr. McLaughlin to review the proposed changes highlighted in the Handbook.

Sherman and Howard requested that Mr. McLaughlin move the Standards of Conduct section to the front of the document so the Equal Employment Opportunity (EEO) material would be easier to find. Mr. McLaughlin highlighted several early sections of the Handbook where documentation language was added to address previous comments by Director Wilkinson. The Code of Ethics and Standards of Conduct Policy language was discussed. As the Committee previously recommended, a separate stand-alone Code of Ethics and Conflict of Interest Policy was drafted and included for review.

Director Treese suggested that the health and safety policy section reference the Authority's workers compensation poster and location. A notice to the Executive Director was added to the complaint sections as advised by Director Wilkinson. All references to "discharge" were changed to "termination" for consistency throughout the document. Section 11.3 Code of Ethics and Conflicts of Interest was updated to remove information already included in the stand-alone document.

Several changes were made to the Standards of Conduct section, including removing all locker references and removing specific examples of violations, as it is already covered under the general language in section II.11- Inspections. Several references to other sections in the Handbook were corrected. Mr. McLaughlin highlighted updates to section III.6. Smoking, as Sherman and Howard suggested, and the increase in annual tuition reimbursement that the Board previously approved.

Section III.9- Fraud Policy was discussed in detail by the Committee. Staff and Directors were included as additional responsible parties in the prevention of fraud section. In addition, several other fraud sections were moved around to fit the document better, and the section "Other Irregularities" was deleted. The Committee asked the Executive Director to review several specific fraud policy sections against other sections in the Handbook and the stand-alone Code of Ethics and Conflict of Interest document for redundancy. The reporting section was amended to eliminate "proper response" language, and the bulleted sections were cleaned up for better readability. Mr. McLaughlin suggested, and the Committee members agreed, that the entire Fraud section be re-written as a stand-alone document at a later date.

Director Fabbre asked if we needed additional overtime language, and Mr. McLaughlin advised that he would raise the issue with Sherman and Howard. Director Treese asked to add "full benefits will accrue during budgeted furloughs" at the end of the furlough section of the Handbook. Several sections in the Employee Handbook were deemed obsolescent and deleted, including the "Advance Funds" and the "Official Telephone Calls" language under Section IV.4 – Travel and Business Expenses. Further, reimbursed meals without a receipt were increased to \$40 from \$35, although staff typically submit all receipts regardless of the dollar amount, according to Mr. McLaughlin. After additional discussion on what "reasonable" meal reimbursement includes, the following sentence was added: Reimbursement amount may be adjusted or denied by management. New language was added to clarify that alcohol will not be a covered expense unless specifically authorized by the Executive Director.

"Office hours" were changed to "work hours" throughout the document, and the attendance policy language under section IV.7 was updated to reference the separate stand-alone Attendance Policy. Mr. McLaughlin highlighted several updates to Section V, Benefits, including updates as required under the Pay Equity Act. At the request of Director Treese, "without notice" was added at the end of the following sentence: Benefits offered by the Authority are subject to change.

Language was added to the telecommuting section V.4 to include potential out-of-state and out-of-the-country work if approved by the Executive Director. Mr. McLaughlin expressed his desire to only occasionally approve out-of-state or out-of-the-country work. A reference to the information systems stand-alone policy was added to the security measures bullet.

Mr. McLaughlin reviewed several updates to Section VI.2 Sick Leave, including a new definition of "family member" and the additional uses of sick leave as required under the Health Family Workplace Act for oneself or family member, including;

- Mental or physical illness.
- Injury or health condition.
- Preventative medical care.
- Victim of domestic abuse, sexual assault, or harassment.
- Bereavement leave.
- Public health emergency.
- School closure.

The Handbook's Family Medical Leave Act section was updated to reflect current language and practices. Section VI.5 was also updated to reflect Colorado State holidays' current names and dates. As a result, the Authority staff gained two additional holidays. The last paragraph of the Handbook, section VI.11 Professional Time Off, was rewritten to include the verbatim wording as proposed during the Board's December 2, 2023, Board meeting.

A motion was made to recommend to the full Board the adoption of the Employee Handbook, with changes as suggested by the Personnel Committee.

Motion: Patti
Second: Eric

The motion passed the Committee on a vote of 5-0.

Code of Ethics and Conflict of Interest Policy


Mr. McLaughlin advised the Committee that he did not plan to review the entire document but thanked Chair Wogsland and Director Wells for their direction and assistance with drafting the Code of Ethics and Conflict of Interest Policy. The first word of the introduction section, sub-roman I through IV was changed

to "ensure" from "promote" as prompted by Director Treese. Mr. McLaughlin highlighted fiduciary language in section IV, Conflict of Interest, paragraph g., to reflect existing Authority policy and general counsel's annual conflict of interest brief.

Several document sections were modified to clarify who would report to whom, and enforcement language was simplified. Section V, Gifts, was discussed in detail, but no changes were made. The Acknowledgement of Receipt was updated to include a signature block for the Directors, and a statement was added that requires Directors and staff to sign the Code of Ethics and Conflict of Interest Policy, no less than annually. Finally, Mr. McLaughlin altered the fourth sentence in the acknowledgment of receipt to direct questions to the Executive Director.

The meeting was adjourned at 3:38 pm.

Respectfully submitted,



Keith McLaughlin, Executive Director

NOTE-FOR INFORMATION ONLY - COPIES OF THE DOCUMENTS REFERRED TO IN THE TEXT OF THESE MINUTES ARE ON FILE IN THE AUTHORITY OFFICE AND MAY BE OBTAINED BY SUBMITTING A "REQUEST FOR PUBLIC RECORDS." PLEASE CALL SABRINA SPEED AT (303) 830-1550, EXT. 1010, FOR INFORMATION.

**COLORADO WATER RESOURCES &
POWER DEVELOPMENT AUTHORITY**

BOARD PROGRAM WORK SESSION (BPWS) AGENDA

March 7, 2024

5:00 pm

Board Members: Eric Wilkinson (Chair), Steve Vandiver, Chris Treese, Mike Fabbre, Patti Wells, George Corkle, Karen Wogsland, Lucas Hale, and Bruce Whitehead.

Authority Staff: Keith McLaughlin, Jim Griffiths, Sabrina Speed, Justin Noll, Wesley Williams, and Ian Loffert.

Others present: Mark Henderson (WQCD), Desi Santerre (DOLA), and Alex Hawley (WQCD), Margaret Talbott (WQCD)

AGENDA

1. Additional Principal Forgiveness to Maintain BIL Proportionality Requirements – Town of Walden and Byers WSD – discussion and possible action (Ian).
2. Information Systems Policy – Annual Review – discussion and possible action (Justin).
3. Accessibility Policy – discussion and possible action (Sabrina).
4. WPCRf Project Prioritization – Results from January and Future Priorities Discussion – discussion only (Wes and Mark).
5. Arkansas Valley Conduit Project – Colorado Water Conservation Board Grant as Repayment Source for DWRF BIL Loans – discussion only (Keith and Jim).

Water sector issues joint statement to Congress on fully funding SRFs



On Feb. 15, a broad group of water sector organizations representing, utilities, public works departments, executives, manufacturers, research organizations and other industry partners sent a letter to Congress requesting that it fully fund the Clean Water and Drinking Water State Revolving Funds (SRFs) to congressionally authorized levels of \$3 billion each for fiscal year 2024.

Maximizing the Financial Value of Advanced Metering Projects – this eBook reviews traditional AMI benefits, smarter meter maintenance, risk mitigation, and more. Download for Free.

The letter was directed to Rep. Kay Granger (R-Texas), chairwoman of the U.S. House Appropriations Committee, Sen. Patty Murray (D-Wash.), chair of the Senate Appropriations Committee, Rep. Rosa L. DeLauro, chair and ranking member of the U.S. House Appropriations Committee and Sen. Susan Collins, vice chair, Senate Appropriations Committee.

The letter stated in part: “Fully funding the SRFs will expand access to affordable financing for water infrastructure that protects public health. SRF subsidized loans fund infrastructure that provides safe drinking water, recycled water, wastewater services and stormwater management in thousands of communities around the nation every year. Without increased federal funding for this critical public health infrastructure, the risk of exposure to preventable diseases from poor water quality and water scarcity will increase for millions of Americans.”

The letter also notes that the demand for affordable SRF financing has “increased exponentially” in recent years. The groups representing the water sector said increased federal funding is needed to meet the growing demand for SRF subsidized loans, which has skyrocketed due to the increased cost of planning, design, construction and financing.

Some of the increasing costs include:

- Budgets for water infrastructure projects have increased by as much as 40% in just the last five years. While historic inflation has ebbed, the cost of planning, design and construction remains well above pre-pandemic levels, particularly in rural communities that can least afford it.
- In addition to repairing and replacing aging infrastructure, complying with more stringent water quality standards requires new investments in sophisticated and often expensive treatment technologies.
- Higher construction costs are compounded by higher financing costs from rising interest rates on the municipal market. The cost of borrowing has become a barrier to needed investment in water infrastructure.

The organizations said maintaining annual federal funding for the SRFs will allow water utilities to keep water infrastructure projects on track, on time and on budget. The note that annual federal appropriations are directly linked to an SRF’s ability to maintain low interest rates on SRF subsidized loans; provide principal forgiveness and grants to communities that couldn’t otherwise afford to build needed water infrastructure; issue bonds to leverage their programs to meet higher demand for financing; and more.

The legacy gap in capital investment in water infrastructure is expected to grow to \$434 billion by 2029, according to the American Society of Civil Engineers (ASCE).



COLORADO
Department of Public
Health & Environment

Announcement: Increased grant funding available for Service Line Inventory and Lead Service Line Replacement Planning

Please apply by April 1

The Water Quality Control Division has an additional \$325,000 in grant funding to help public water systems complete the initial service line inventory and lead service line replacement plans.

The division is accepting applications for this final round of funding until April 1, 2024, at 11:59 p.m. The division will prioritize projects that will lead to the timely submission of initial service line inventories and lead service line replacement plans by the due date of October 16, 2024.

The division encourages interested applicants to attend [a training](#) offered by the division's Local Assistance Unit on March 7 to learn about the requirements of the Lead and Copper Rule Revisions. Please visit [this page](#) to learn more about the training and to register.

Grants will be awarded on a first-come, first-served basis. For more information on grant funding and application materials, please visit [our website](#).

Free Technical Support

The division also offers free technical support from a dedicated contractor to eligible systems serving 15,000 people or less. These systems are encouraged to consider this option before applying for a grant. Information on this support is available on [our website](#).

Background

All community and non-transient, non-community water systems must develop a lead service line inventory to identify the materials of service lines connected to the public water distribution system. If your system has found one or more lead and/or galvanized iron service lines or has unknown service lines, you must submit a lead service line replacement plan to the division. Both documents must be submitted by **October 16, 2024**.

Stay informed

If you received this email from a colleague and are interested in subscribing to these notifications, please [sign up using this form](#). You can also visit the [Lead and Copper Rule Revisions webpage](#) or the [Lead and Copper Rule Revisions engagement webpage](#).

Contact

For questions or comments related to this email or stakeholder engagement webpage, email cdphe.commentswqcd@state.co.us.

cdphe.colorado.gov/water-quality



Colorado group sues to stop dam on Cache la Poudre

The proposed Northern Integrated Supply Project has been in planning since 2002 aiming to secure water supply through 2060.

AMANDA PAMPURO / January 25, 2024



Cache la Poudre River following the Poudre Canyon in the Larimer County, Colorado
(Wusel007/Wikimedia)

DENVER (CN) — A Colorado environmental group sued the U.S. Army Corps of Engineers in federal court Thursday to stop a planned dam and reservoirs off the Cache La Poudre River which flows along the northern Front Range from Larimer County into the South Platte River.

The Larimer County-based group, Save the Poudre, argues the federal government adopted an arbitrary water-capture goal and shirked its responsibilities to conduct a thorough environmental impact assessment of the Northern Integrated Supply Project.

"We were founded 20 years ago to fight against this project," said Gary Wockner, executive director of Save the Poudre. "The project that was proposed 20 years ago was estimated to cost \$143.9 million. And last January when the record of the decision came out, they said it was going to cost \$2.25 billion."

The project was first proposed among 15 water providers in 2002 to secure part of a projected water need of 40,000 acre-feet. The plan has since grown to include a dam diverting 40,000 acre-feet of water annually into the Glade Reservoir northwest of Fort Collins. At the end of construction, Glade Reservoir will have an estimated capacity of 170,000 acre-feet and the Upper Galeton Reservoir northeast of Greeley is expected to hold along 45,624 acre-feet.

"The ecological impacts will be astounding. Construction and operation of Northern Integrated Supply Project would permanently degrade important riparian habitat, alter and degrade water quality and circulation, [and] contribute to the loss of significant environmental values," the group says in its 67-page complaint.

The group estimates filling the Glade Reservoir would mean diverting 35% of a river already taxed by population growth, climate change and decreased snowpack.

The group lists environmental concerns as well as economic impacts on surrounding farmers and the recreation industry. In addition to disrupting habitat for the threatened Preble's meadow jumping mouse, the complaint said alterations will disrupt fish feeding grounds and other sensitive species.

The environmental group contends the federal government arbitrarily adopted 40,000 acre-feet as a floor for any proposed alternatives.

The Northern Colorado Water Conservancy District has not been named as a party in the suit but played a significant role in coordinating the project to secure water to meet local projected needs through 2060.

“Northern Water has not had the opportunity to explore the issues set forth in the action against the federal government but we are confident in the thorough work performed by the Army Corps of Engineers that the permit issued to Northern Integrated Supply Project will be affirmed based on the detailed work done over the years, and extensive mitigation being included,” said Jeff Stahla, public information officer for the water district, on a call.

The project is currently in the final design stages, with construction slated for 2025 and Glade Reservoir completed before the end of the decade.

Citing violations of the Administrative Procedure Act and the National Environmental Protection Act, Save La Poudre asks the court to block the Corps’ 404 Permit and enjoin the project until the government has fulfilled the laws’ requirements.

A similar lawsuit pending before a state appellate court between No Pipe Dream and Larimer County challenges local-level land use permits for the water project.

Save the Poudre is represented by attorney Jessica Townsend of the DC-based firm Eubanks and Associates.

Representatives for the U.S. Army Corps of Engineers did not respond to a request for comment before publication.

Dozens of Colorado farmers, ranchers and one city offer to cut Colorado River water use in exchange for \$8.7M

The Colorado River conservation program aims to keep water in the river system as years of prolonged drought and overuse have threatened the water supply for millions of people



[Shannon Mullane](#) 3:49 AM MST on Feb 13, 2024



The Gunnison River flows through the agricultural fields, Feb. 12, 2024, outside Delta. The 180-mile long river flows into the Colorado River near Grand Junction. (Hugh Carey, The Colorado Sun)

Coloradans gunning to join this year’s effort to save water in the Colorado River Basin could help conserve up to 17,000 acre-feet of water — much more than the 2,500 acre-feet saved in 2023 — and receive about \$8.7 million in return.

The voluntary, multistate program pays water users to temporarily use less water. State and federal officials relaunched the effort, called the System Conservation Pilot Program, in 2023 in response to federal calls to cut back on water use in the drought-stressed river basin. After a stumbling relaunch in 2023, this year’s program is moving forward with more applications, more potential water savings and more money for participants.



What is an acre-foot?

An acre-foot is a unit of volume. It equals the amount of water it takes to cover one acre, about the size of a football field, in one foot of water. One acre-foot of water equals about 326,000 gallons. >> **MORE**

“The changes this year — it was just much more transparent,” said Greg Vlaming, a consultant who helped nine growers apply to the program. “The application process was simple and easy. It took me less than 15 minutes per application.”

The conservation program was initially piloted from 2015 to 2018. In 2023, officials relaunched it with \$125 million in federal funding as a way to cut back on water use in response to a looming water supply crisis in the Colorado River Basin. The basin supplies water for 40 million people across the western U.S., 30 Native American tribes and northern Mexico.



This Fresh Water News story is a collaboration between The Colorado Sun and Water Education Colorado. It also appears at wateredco.org/fresh-water-news.

Interest in the program has grown steadily. During the four-year pilot, about 15 to 45 people applied each year. In 2023, the program received more than 80 applicants.

But program costs have grown as well, in part because the program's managers have boosted reimbursement rates to keep up with rising crop prices, according to the Upper Colorado River Commission, which oversees the program.

Last year, the four Upper Basin states — Colorado, New Mexico, Utah and Wyoming — spent nearly \$16.1 million in federal funding to conserve about 37,810 acre-feet of water. During the four-year pilot, the program spent half that amount, about \$8.5 million, to conserve more water, about 47,000 acre-feet.

One acre-foot supports about two families of four to five people for one year.



Irrigation canals pass through the agricultural fields, Feb. 12, outside Delta. (Hugh Carey, The Colorado Sun)

This year's application period closed in December with 124 applications, according to the Upper Colorado River Commission. Of those, Colorado water users submitted 56; Utah, 32; New Mexico, one; and Wyoming, 35.

The river commission, which includes representatives from the federal government and each of the Upper Basin states, is scheduled to consider the applications March 4.

Then, once a federal review is complete and all project details are finalized, applicants have the final say about whether they will participate. The commission aims to launch the conservation projects in April, said Executive Director Chuck Cullom.

In Colorado, most of the applications come from farmers and ranchers who proposed cutting their water use by temporarily fallowing fields, or by switching to crops that use less water or can better withstand drought. About 20 proposals aim to save enough water to warrant \$100,000 or more in compensation per project.

The Ute Mountain Ute Farm and Ranch in southwestern Colorado proposed the state's biggest project this year. If approved, the enterprise will use crops that require less water and will fallow nearly 900 acres of land for an estimated 2,172 acre-feet of water savings. It would receive \$1.1 million in return.

David Harold, owner of the Tuxedo Corn Company in Montrose County, proposed saving 600 acre-feet of water. In return, he'd get about \$305,000, roughly equivalent to the cost of a nice tractor, he said.

The program asks farmers to cut down their water use — buy-and-dry under a different name — but it's also a way to experiment, he said. How can he respond to an uncertain water supply with as little impact to the local economy as possible and still survive as a farmer?

Harold chose not to fallow — not growing crops means fewer hands to help with production and that impacts the local economy. Instead, he decided to turn off irrigation when it was hottest and least efficient, and to grow more drought resistant crops, like Kernza and sainfoin.



Olathe farmer David Harold, right, watches the crew collect the ears of sweet corn during the harvest season in 2019. (William Woody, Special to The Colorado Sun)

The payment was enticing, but in the long term not enough to offset all of the uncertainties that farmers face, he said. The conservation program's reimbursement rate could change, or the program could end. There was a disaster with corn earworm in the sweet corn industry last season. State regulations, water supplies and labor costs change.

"The list goes on and on and on of why I should be doing everything I can to diversify or maneuver. Be agile. Be thoughtful," Harold said. "The past will not be the future; what my dad did is not likely what's going to work for me. It's kind of daunting out there."

Pueblo Water was the only municipal water provider to apply. The Front Range utility normally takes about 943 acre-feet of water from the Ewing Placer Ditch in the Colorado River Basin and diverts it into the Arkansas River Basin for homes and gardens around Pueblo. If accepted, it will leave all of that water in the Colorado River Basin in return for up to \$479,987.

“The primary purpose we’re doing it is just because we think, for this particular year, the water’s going to be more valuable in the System Conservation Pilot Project than it’s going to be on the Arkansas River,” said Alan Ward, division manager of water resources for Pueblo Water. “I don’t think we have plans to dedicate it (the funding) to any specific purpose. Essentially what it does is it subsidizes the cost of water for our customers.”

In 2023, when participants negotiated their own reimbursement rates, compensation for the top five applicants ranged from about \$70,000 to \$195,000 per project, according to the Colorado Water Conservation Board.

In response to participant feedback, officials this year switched to a fixed-rate structure based on a market analysis by the federal and state governments.

Colorado participants will receive \$509 per acre-foot of saved water, the highest compensation rate of the four Upper Basin states. New Mexico producers will receive \$300, while those in Utah and Wyoming will receive \$506 and \$492, respectively. Reimbursement rates will vary for other projects, like leaving water storage in reservoirs, or municipal and industrial water savings.

“I’m not complaining about it,” Vlaming said. “But when I say \$509 per acre-foot to guys, they’re like, ‘Where do I sign?’ Some of these guys are going to get paid quite well.”

For water users, negotiating their own rates was one of several problems with last year’s program, alongside a short application period and unclear communication about how to apply and how water savings were calculated.

The application process was much more streamlined this year because officials learned from the process in 2023, said Cullom, the Upper Colorado River Commission executive director.

“The process — which included pre-application interviews and discussions between the applicant and the states and the consultants — helped strengthen all the applications,” he said. “I think we improved the process. That’s some feedback we’ve heard.”

In \$100 million Colorado River deal, water and power collide

KUNC | By [Alex Hager](#)

Published February 11, 2024 at 8:40 PM MST



The Shoshone Hydroelectric Facility sits beneath a busy stretch of Interstate 70 on Jan. 26, 2024. The Colorado River District is poised to spend \$98.5 million on rights to its water in an effort to keep the Colorado River flowing for farms and cities in Western Colorado.

Colorado's Glenwood Canyon is as busy as it is majestic. At the base of its snowy, near-vertical walls, the narrow chasm hums with life. On one side, the Colorado River tumbles through whitewater rapids. On the other, cars and trucks whoosh by on a busy interstate.

Pinched in the middle of it all is the Shoshone Generating Station.

“It is a nondescript brown building off of I-70 that most people don't notice when they're driving,” said Amy Moyer, director of strategic partnerships at the Colorado River District. “But if you are in the water world, it holds the key for one of the most interesting and important water rights on the Colorado River.”

Beneath a noisy highway overpass, Moyer looked at the hydropower plant through a chain-link fence. Her group, a taxpayer-funded agency founded to keep water flowing to the cities and farms of Western Colorado, is poised to spend nearly \$100 million on rights to the water that flows through the Shoshone facility.

The purchase represents the culmination of a decades-long effort to keep Shoshone's water on the west side of Colorado's mountains, settling the region's long-held anxieties over competition with the water needs of the Front Range, where fast-growing cities and suburbs around Denver need more water to keep pace with development.

Even though the Shoshone water rights carry an eight-figure price tag, the new owners will leave the river virtually unchanged. The river district will buy access to Shoshone's water from the plant operator, Xcel Energy, and lease it back as long as Xcel wants to keep producing hydropower.



Pedestrians walk across a bridge spanning the Colorado River in Grand Junction, Colo. on Jan. 25, 2024. The Colorado River District says buying the Shoshone water right will bring more predictable flows to the river's '15 mile reach.'

The water right is considered “non-consumptive,” meaning every drop that enters the power plant is returned to the river. The river district wants to keep it that way as long as they can and ensure the water that flows into the hydroelectric plant also flows downstream to farmers, fish and homes.

The river district is rallying the \$98.5 million sum from local, state and federal agencies. The district has secured \$40 million already, with deals in the works for the remainder. It's rare for a big-money water deal to find this kind of broad approval from a diverse group of water users. But the acquisition is seen as pivotal for a wide swath of Colorado, and has been co-signed by farmers, environmental groups and local governments.

“It's so much more than, 'We're going to spend \$100 million to do nothing, ’” Moyer said. “We're keeping native flows in the river for so many benefits on the West Slope.”

Why Shoshone?

To understand why this unassuming power plant wields so much clout, you have to take a look at its history.

About 40 million people across seven Western states [rely on the Colorado River](#). It supplies big cities like Los Angeles, Las Vegas, Phoenix and Denver. It supports a multi-billion dollar agriculture industry. But it's governed by a century-old legal document and a management system that has proven [frustratingly difficult](#) to adapt for today's policymakers.

Core to that management system is the concept of “prior appropriation,” which means that those who were first to use water will be the last to have their water curtailed in times of shortage. It [often ignores](#) Indigenous people who were using the river's water before white settlers ever arrived. But under the rules white settlers drew up and modern governments still use today, it means older water rights are more powerful.

Shoshone's water right is one of the oldest and biggest in the state, giving it preemptive power over many other rights in Colorado.

Even in dry times, when cities and farms in other parts of the state feel the sting of water shortages, the Shoshone Hydroelectric Plant can send water through its turbines. And when that water exits the turbines and re-enters the Colorado River, it keeps flowing for myriad users downstream.

The Colorado River flows through the Shoshone diversion structure on Jan. 29, 2024. The diversion structure routes river water into the hydropower plant.

The hydro plant itself produces relatively little energy. Its 15 megawatt [capacity](#) is only a small fraction of Xcel Energy's total Colorado output of 13,100 megawatts. Shoshone's capacity is [enough](#) to serve about 15,000 customers, which is less than a quarter of the [population](#) of Garfield County, where the plant is located.

But the power plant has held legal access to water from the Colorado River since 1902, and can claim seniority over the vast majority of other water owners in the state.

That kind of seniority means power and certainty for whoever owns it. And that has raised the hackles of Western Colorado water users, who worry that water users in other parts of Colorado might be interested in buying Shoshone's water right.

Colorado's Front Range – functionally the metro area from Fort Collins to Pueblo – only exists in its current capacity because of a [complex network](#) of canals, pipes, and tunnels cut through the mountains, carrying water against gravity to the places where it's needed. About 80% of the state's water falls on the west side of the mountains, but 80% of its people live on the east side.

Cities on the Front Range have been able to grow significantly over the past century, despite often having access to a finite supply of water. Their Western Colorado counterparts worry that [future growth](#) could lead those cities to spend big on more water from the West Slope and say securing Shoshone's water blocks Eastern Colorado water users from the chance to snatch it up themselves.

Fish and farms

The Colorado River District's plans to buy Shoshone's water have rallied widespread support, largely because of the transfer's widespread benefits.

Perhaps no constituency will benefit from the move as much as the one that lives in the river itself.

“Anything that results in more water in the river is good for fish,” said Dale Ryden, a biologist with the U.S. Fish and Wildlife Service.

Standing on the banks of the Colorado River in Grand Junction, Ryden looked out over a murky, meandering stretch of water. It’s part of the “15 mile reach,” a critical section of the river about 80 miles west of the Shoshone plant. The reach is filled partly by water exiting Shoshone’s turbines.

Ryden explained that this section of river is home to a variety of species, some of which are [endangered](#), and some which are found nowhere else on earth besides the upper portions of the Colorado River.

Those species – with funky names like the flannelmouth sucker and the [humpback chub](#) – rely on this stretch of river for virtually every aspect of life.

“Back in the day, before there were people here and there was a lot of water and snowpack, the '15 mile reach' was kind of the place to be if you were an endangered Colorado pikeminnow or a razorback sucker,” Ryden said. “The adults live here, they spawn here, they feed here. It’s just a really highly-used and good section of river for the adult endangered fish.”



*Alex Hager
KUNC*

Fish biologist Dale Ryden holds a razorback sucker on Jan. 26, 2024. Fish biologist Dale Ryden holds a razorback sucker on Jan. 26, 2024. The endangered fish species lives in the Colorado River, and proponents of the Shoshone water right transfer say it will benefit from increased flows to a portion of its habitat.

Because the fish are protected by the federal Endangered Species Act, people who use water from this section of the Colorado River are legally required to leave enough behind for fish. That means dry conditions and water shortages would force farmers and ranchers in the nearby Grand Valley to play a tricky balancing game between their own water needs and the legal protections afforded to endangered fish.

“We can't have farming without taking care of those fish,” said Tina Bergonzini, manager of the Grand Valley Water Users Association, one of a handful of agricultural irrigation districts near Grand Junction. “They go hand in hand.”

Mesa County, which contains the Grand Valley, has an annual [agricultural output](#) of about \$94 million. It's the state's top producer of fruits and berries, including the regionally-famous peaches from Palisade.

Bergonzini says the farmers and ranchers who contribute to that total will be able to depend on a steady water supply year after year once Shoshone's water is guaranteed to keep flowing their way.

"I think peace of mind is the number one most important thing that it's going to be able to bring to the Grand Valley," she said.

The Grand Valley Water Users Association was among 21 groups that co-signed the river district's plan to buy the Shoshone water right.

Other potential suitors

The river district describes the deal as 'protecting' the Shoshone water right, but hasn't detailed who exactly they're protecting it from. History provides more than a few examples of Front Range cities and agriculture looking West for new water supplies, but it's unclear which diverters, exactly, would have wanted to buy Shoshone.

Denver Water, the state's largest water utility, would have been a potential candidate to buy access to Shoshone's water, but [forfeited](#) that opportunity in 2013 when the agency inked the "Colorado River Cooperative Agreement" along with the Colorado River District. In fact, Denver Water agreed to support the acquisition of the Shoshone water right by a West Slope entity.

Representatives from Denver Water, Aurora Water and Northern Water – which serves eight counties north and east of the Denver metro – declined to comment on the transfer of Shoshone's water rights. A spokeswoman for Colorado Springs Utilities said the agency was "aware of the Colorado River District's efforts to acquire the Shoshone water rights and would not oppose the transfer of those rights."



*Historic American Engineering Record
Library Of Congress*

This 1968 photo shows two large tubes, known as penstocks, which carry Colorado River water into the Shoshone hydropower facility from pipes within the canyon wall.

Mark Hermundstad, a retired water lawyer who helped craft the Colorado River Cooperative Agreement, said he was not aware of any particular water agency that was poised to buy the Shoshone right but that threats may have still existed. He even floated the idea that an East Coast hedge fund could theoretically [attempt to buy](#) Shoshone's water.

"There's always been a possibility that someone with a lot of money could come in and buy it and try to do something with it," he said.

Following the funds, and what comes next

Almost all of the \$98.5 million for the river district's acquisition of Shoshone's water will derive from public funds.

The vast majority of that money, about \$49 million, is set to come from the federal government. The river district plans to request a chunk of money from a \$4 billion pool [given to](#) the Department of the Interior in 2022 for Colorado River projects. The extraordinary infusion of federal money has [so far](#) been used to fund a number of [incentive programs](#) designed to [pay water users](#) — mostly farmers and ranchers — in exchange for reduced water use.

Twenty million dollars will come from the river district's own coffers. The agency is funded by taxes from 15 counties in Western Colorado. In 2020, voters in those counties overwhelmingly approved a rate hike for payments to the river district, [designed](#) to bring in an extra \$5 million each year.



Cattle graze in the Grand Valley on Jan. 25, 2024. Farm groups say the area's growers will benefit from the Colorado River District's acquisition of the

Shoshone water right because it will help them have more predictability in the amount of water they can divert for farms and ranches each year.

Another \$20 million will come from the state of Colorado. The state's water management arm, the Colorado Water Conservation Board, recently voted to approve that spending from its annual "water projects bill," bringing the river district one step closer to its fundraising goals.

Besides wrangling the formidable sum, the main hurdles left for the river district concern permitting, regulation and a court hearing. Both the river district and state officials say they are optimistic that all the necessary paperwork will get stamped without issue.

"I don't expect that there's going to be entities or individuals that come out of the woodwork vocalizing any strong opposition to us moving forward in this way," Lauren Ris, director of the Colorado Water Conservation Board, said.

Only one aspect of the transfer appears to present a potential wrinkle: the river district's ability to own an "instream flow." That designation refers to water that is owned but not used, in the traditional sense. Instead, it's left in rivers and streams to "preserve the natural environment." The state is usually the only entity allowed to own that type of water right.

In a recent Colorado Water Conservation Board (CWCB) meeting, Phil Weiser, the state's attorney general, pointed out that it would be unusual for the river district—rather than the state board itself—to own Shoshone's water and keep it as an instream flow.

In an interview with KUNC, Ris pointed to a short list of other times the board made exceptions to its usual policy about instream flow ownership. Ris said the Colorado River District's takeover of Shoshone is big and important enough that it makes sense to "think creatively" and consider adding Shoshone's water to that list.

"The easiest way to have an instream flow water, right, is for the CWCB to outright own it and operate it," she said. "But that doesn't mean that it's the only way, and this is such an outlier unique situation."

'Long-term, permanent solutions'

The past few decades have seen the Colorado River governed by a patchwork of short-term agreements. The region's top water policymakers have [appeared reluctant](#) to agree on more permanent measures to significantly correct a growing imbalance between supply and demand. Instead, they've put together temporary deals designed to stave off catastrophe at the nation's largest reservoirs.

While the Shoshone water right transfer likely won't change much for tense negotiations about water management between states that use the Colorado River, it's a rare moment of durability and stability for at least one area that uses the river's water.

"Now more than ever, there is a desire to look for long-term permanent solutions on the Colorado River," said the Colorado River District's Amy Moyer. "This is one that exists for Colorado."

Across the Colorado River Basin, that imbalance and the growing harm of [climate change](#) have also compelled environmental groups to raise alarm about potential damage to ecosystems for plants and animals. Management decisions about the river's water tend to prioritize cities and agriculture over the natural world.

Proponents of the Shoshone water right transfer say it will help push back on the harms of water shortages, at least on one stretch of the Colorado River.

"Being able to stabilize or make permanent existing rights is very helpful as we look at addressing and dealing with climate change and its impact on streams," said Bart Miller, healthy rivers director at the conservation group Western Resource Advocates. Miller's group receives funding from the Walton Family Foundation, which also supports KUNC's Colorado River coverage.

Policymakers are struggling to make significant reductions to the amount of water used by cities and farms, and climate change means less water will enter the river system in the future. Environmental advocates say the Colorado River District's ownership of the Shoshone water provides some insurance against those realities by adding predictability and protection to a stretch of the Colorado River.

Lake Mead Water Levels Update as Highest Mark in Three Years Reached

Published Feb 16, 2024 at 9:06 AM EST Updated Feb 16, 2024 at 11:14 AM EST

Lake Mead's water level is now the highest it has been in three years.

On February 15, the reservoir's water levels stood at 1,075.21 feet—the highest level since May 2021.

At the beginning of this year, Lake Mead's water levels stood at 1,068 feet. Since then, it has gradually continued to rise throughout the winter months. At the same point last year, the lake's levels were at around 1,044 feet following a particularly dry 2022.

The rise in water levels is likely down to an increase in snowpack in the surrounding mountains. In the winter and early spring months of 2023, the southwestern United States saw a series of intense winter storms, which increased precipitation across the region. This meant more snow melt was feeding into the reservoirs, which, up until now, have been at extremely low levels.



In recent years, drought paired with an overconsumption of water has meant the lake's water levels have declined to the [lowest point on record](#). In July 2022, water levels reached 1040 feet, which is the lowest elevation recorded since the reservoir was first filled in the 1930s.

In recent years, white bathtub rings can be seen around Lake Mead's edge, showing just how far its water levels have dropped since they were a healthy level.

The low levels were of great concern, considering the lake, which is the largest manmade reservoir in North America, provides water for 25 million and hydropower via the Hoover Dam.

Although Lake Mead has now reached its highest level in three years, it does not mean experts get to stop being concerned.

Despite the rise, the reservoir's levels are not what they used to be, and as climate change worsens, it could mean more prolonged periods of drought in the future.

Eyes are also on Lake Mead's neighbor, Lake Powell, which is also an integral water source for the southwest.

"Lake Powell and Lake Mead are both higher today than they were a year ago, thanks to a very wet winter last year, but they are still more than half empty," Jennifer Pitt, Colorado River Program Director for the National Audubon Society, [told Newsweek in December](#).

How the reservoir will fare throughout the rest of 2024 remains to be seen.

"We can't forecast water levels in 2024 until we know how much snow falls in the Rocky Mountains over the coming winter, but we do know the situation will get worse over time as climate change continues to diminish the Colorado River," Pitt said.



A map shows the location of Lake Mead. This week has seen the reservoir's levels reach their highest mark in three years.

Map: Ian Randall • Created with Datawrapper

States fear being bilked as funds flow to replace lead pipes

By Miranda Willson

02/15/2024 01:15 PM EST

The Biden administration is doling out billions of dollars to fulfill its promise of removing lead from drinking water, but some states are concerned that the money isn't being directed to where it's most needed.

The bipartisan infrastructure law included a record amount of federal funds to replace lead-based water pipes, which scientists say pose a major threat to public health. Totaling \$15 billion, the money is an important tool for states and water providers to meet the administration's plan to largely phase out lead contamination within a decade.

Yet a handful of states, environmental advocates and a national group that focuses on drinking water funds have raised the alarm about potential flaws in the process for divvying up the pot of money.

"The concern you're hearing from [some] states is that the methodology is flawed," said Deirdre Finn, executive director of the Council of Infrastructure Financing Authorities. "If no one understands the methodology, how do you know the money is going to where it's needed most?"

The issue exemplifies some of the challenges agencies face in implementing the president's signature infrastructure and climate laws, which provide billions of dollars to combat environmental threats. For environmental groups, the questionable handling of the lead pipe funds also underscores the consequences of water providers having been slow to address lead over the last several decades.

The infrastructure law money is in the form of loans and grants under the Drinking Water State Revolving Fund. It was expected to be divided among states based on need — meaning that states with older infrastructure and more known lead pipes would receive more, said Erik Olson, senior strategic director of health at the Natural Resources Defense Council.

But since some water utilities haven't identified how many lead pipes are in their service area, EPA relied partly on estimates when allocating the money last year, Olson said.

"The results are just silly for some states," he said.

A 'bad hand'?

At issue is a survey that EPA periodically sends to states to gauge their water infrastructure needs. At Congress' direction, EPA changed the survey for fiscal year 2023, adding in questions to try to determine how much it would cost states to replace all of their lead pipes.

Ultimately, EPA concluded that Florida had the most “projected” lead service lines in the country, at over 1.1 million lines. The finding stumped experts who study lead contamination.

There are roughly 9 million lead pipes in service across the U.S., largely concentrated in older neighborhoods and cities built before the heavy metal was phased out of production. Compared to states like Massachusetts, New Jersey and Illinois, homes in Florida were built on average more recently.

“EPA was stuck with a bad hand, frankly, because the data that came in from a lot of utilities in the states was bad data,” Olson said. “I blame both the water utilities and the states for not taking this seriously in the past.”

Now, Massachusetts is calling on EPA to amend its survey process and formula for allocating the infrastructure funds. In a letter this month, Gov. Maura Healey (D) and other state officials [said the agency](#) failed to account for the age of housing stock and other relevant factors. Illinois Gov. J.B. Pritzker (D) raised similar concerns to EPA last year.

The Bay State had expected to receive roughly \$65 million for lead pipes in fiscal year 2023 from the infrastructure law and hired staff in anticipation of the funds, state officials said. But instead, Massachusetts got just over \$33 million in 2023.

“The way this formula has been reworked over the last couple years has a severe unintended consequence for states like Massachusetts that have a high percentage of our housing stock that’s older,” Quentin Palfrey, director of federal funds and infrastructure in Massachusetts, said in an interview.

'Rapidly evolving' data

EPA will respond to Massachusetts' letter and concerns, said agency spokesperson Remmington Belford. As a general matter, EPA recognizes that information about lead pipes “is rapidly evolving,” he said.

The agency also gave states the chance to update their responses to the drinking water survey in a memorandum issued last fall, Belford noted. Notably, states were able to

provide information about newly identified lead pipes and to answer questions that had been marked as optional when the 2023 survey was first sent out.

“EPA is currently reviewing and assessing the data submitted,” Belford said.

The supplementary responses will inform EPA’s upcoming allocations to states. Under the infrastructure law, the \$15 billion for lead pipe replacements is spread over a five-year period, with the next batch expected this spring.

Even so, the supplementary questions EPA released in the fall had the same “structural issues” as the original survey, said Steve Via, director of federal relations at the American Water Works Association. For example, they did not give water providers an opportunity to qualify or add more context to their responses, he said.

Another challenge is the timing of the survey, according to Via. Under a Trump-era mandate, water utilities have until October of this year to submit a full inventory of how many lead pipes they still have in their systems. As a result, some are still working on those assessments, Via said.

“We’re looking forward to seeing what kind of response [EPA] got, because it’s not clear that they’ve made changes that are going to get them higher-quality data,” he said.

Still, others are frustrated that water utilities haven’t given EPA more data that could help with appropriately allocating the funds.

Due to their flexible and resilient qualities, lead pipes were mostly installed in the U.S. between in the late 19th and early 20th centuries, said Ronnie Levin, a former EPA official who is now an instructor at the Harvard T.H. Chan School of Public Health.

But it wasn’t until 1986 that Congress banned water utilities from continuing to use the heavy metal, which can cause brain damage and other health problems in adults and serious developmental and reproductive issues in children.

In 1991, EPA issued its original Lead and Copper Rule, which required water systems to conduct a “materials survey” of everything used in their pipes. But some water providers didn’t take action and ignored subsequent requests from EPA in the 2000s and 2010s, Levin said.

“Suddenly, EPA made funding available to address the problem and the states/water systems are freaking out,” Levin said in an email. “I don’t have a lot of sympathy for the stress that the states or the water systems are feeling now.”

Via disputed the notion that water utilities have skirted directives under the 1991 law. Replacing lead pipes is also a costly endeavor that can force water providers to raise rates, he said.

“There was no duty or expectation that the material evaluation would be as complete as an inventory in enumerating service line materials,” he said.

'Ready and waiting' for the money

While Massachusetts has been proactive in identifying lead service lines, those efforts may have put it at a disadvantage in accessing the infrastructure law funds, state officials say.

As of 2016, the state ranked 11th in the nation for total number of lead pipes, according to an America Water Works Association survey. Because the state has been aggressive in studying how many lead pipes it has, it was able to submit relatively complete data to EPA in response to the 2023 survey, said Bonnie Heiple, Massachusetts commissioner of environmental protection.

Yet EPA appeared to assume that states with less complete inventories had more lead in their systems, said Olson of the NRDC. In addition to Florida, Texas also received more money than expected, possibly because of incomplete data, Olson said.

“So a state like Illinois or Michigan that did a pretty good job of assessing how many lead pipes they had ... ended up getting somewhat penalized,” he said.

Once EPA allocates money under the Drinking Water State Revolving Fund, states are not obligated to use it. If they don't, the funds can get reshuffled to other states. Nonetheless, that reallocation process can take between 18 and 24 months, resulting in more lead pipes staying in the water system for longer, according to Heiple.

"The money gets used over time, but it's slower, so it's just not as efficient," said Via of the American Water Works Association.

As EPA prepares to issue the next round of funds for fiscal year 2024, the allocations from last year are under scrutiny.

In November, the EPA Office of Inspector General announced that it would evaluate EPA's use of the infrastructure law funds for lead pipe replacements, in part to ensure that the money goes to states with the most needs. The office does not have an estimate for when the evaluation will be finished, an OIG spokesperson said.

Finn, of the Council of Infrastructure Financing Authorities, said she doesn't blame EPA — or anyone, for that matter — for the current situation, given that the infrastructure law included unprecedented levels of funding for drinking water needs.

"I don't think it's anyone's fault, but we're getting a little bogged down in the process," she said.

Heiple stressed that Massachusetts appreciates the Biden administration's actions to address lead contamination, including its proposed rule from November that would strive to eliminate lead pipes within 10 years.

While some states have complained about the cost of complying with that rule, Massachusetts and 13 other Democrat-led states told EPA this month to make the rule more prescriptive, including by adding in requirements for lead testing in schools.

"We all agree that there is a huge need here and this is a critical public health issue," Heiple said. "Our position in Massachusetts is that we know how to do this work, and our communities are ready and waiting for these dollars."



WIFIA PROGRAM

WIFIA Program Announces Upcoming Outreach Events



Join Us in Denver, CO, on March 14th!

Karen Fligger and Ashley Osler from EPA's WIFIA program

will join staff from the Colorado State Revolving Fund to host a hybrid funding workshop in Denver on **March 14th**. The workshop will be held in the Colorado Water Resources and Power Development Authority office (1580 N. Logan St #820, Denver, CO 80203), from **1-4PM MST**. Participants may also join the workshop virtually.

This workshop will provide an overview of the WIFIA and SRF programs and how communities can combine funding from both programs to maximize benefits.

Attendees will also hear from the City of Englewood about their One Water Modernization Program. We will have staff available to answer questions about specific projects and discuss situations unique to your community.

Please RSVP for the workshop by March 1st.

[Register Here](#)

Email wifia@epa.gov with any questions.

Webinar - "Financial Benefits and Flexibilities of the WIFIA Program"

On **April 9th** from **2-3PM EST**, the WIFIA team will host a webinar to highlight and explain the numerous benefits and flexibilities of WIFIA financing, including long repayment terms, customized repayment schedules, and no-penalty prepayment.

Visit the [WIFIA program website](#) to learn more and register for the webinar.





WIFIA Financing is Currently Available

Interested in learning more about WIFIA loans? Sign up for monthly [WIFIA Office Hours](#). The next session will be on **March 13th from 3-4PM EST** or [schedule a one-on-one meeting](#) with a WIFIA staff member.

We also encourage you to check the various WIFIA program resources below:

- [Getting Started with the WIFIA Program](#)
- [WIFIA Application Materials](#)
- [WIFIA Past Webinars](#)
- [WIFIA Program Handbook](#)

About WIFIA

Established by the Water Infrastructure Finance and Innovation Act of 2014, the WIFIA program is a new federal loan and guarantee program at EPA. It aims to accelerate investment in our nation's water infrastructure by providing long-term, low-cost supplemental credit assistance for regionally and nationally significant projects. For more information about the WIFIA program, visit: <https://www.epa.gov/wifia>

U.S. Environmental Protection Agency | Office of Water
Office of Wastewater Management | [Email](#) | [Website](#) | [Mailing List](#)



²⁴⁶ Colorado Water Resources and Power Development Authority



**March 8, 2024
Board Meeting**

247 Appreciation of George Corkle

Resolution No. 24-05



Town of Boone

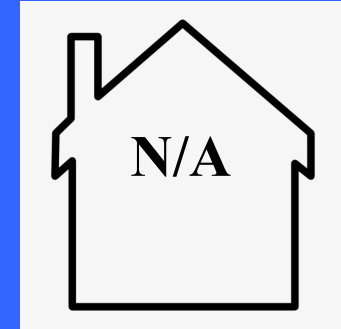
Resolution No. 24-06, BIL EC PF Direct Loan



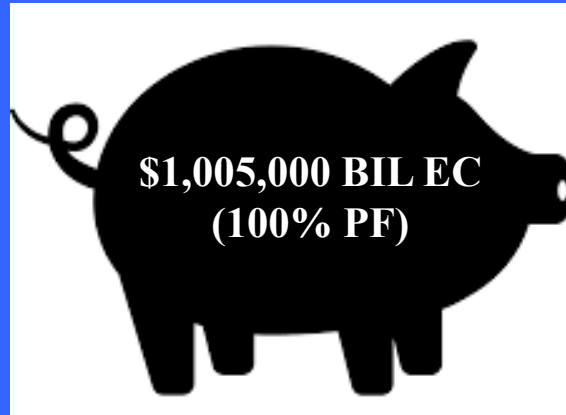
Interest Rate =



Term =



Est. Loan Amount =



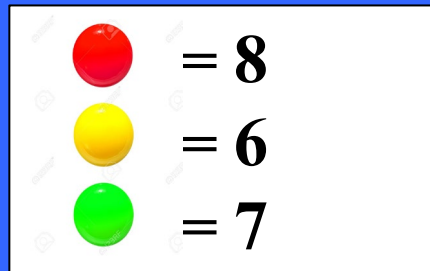
PFC Recommends = Consent

Pledge = N/A

Subject To =



Indicators =



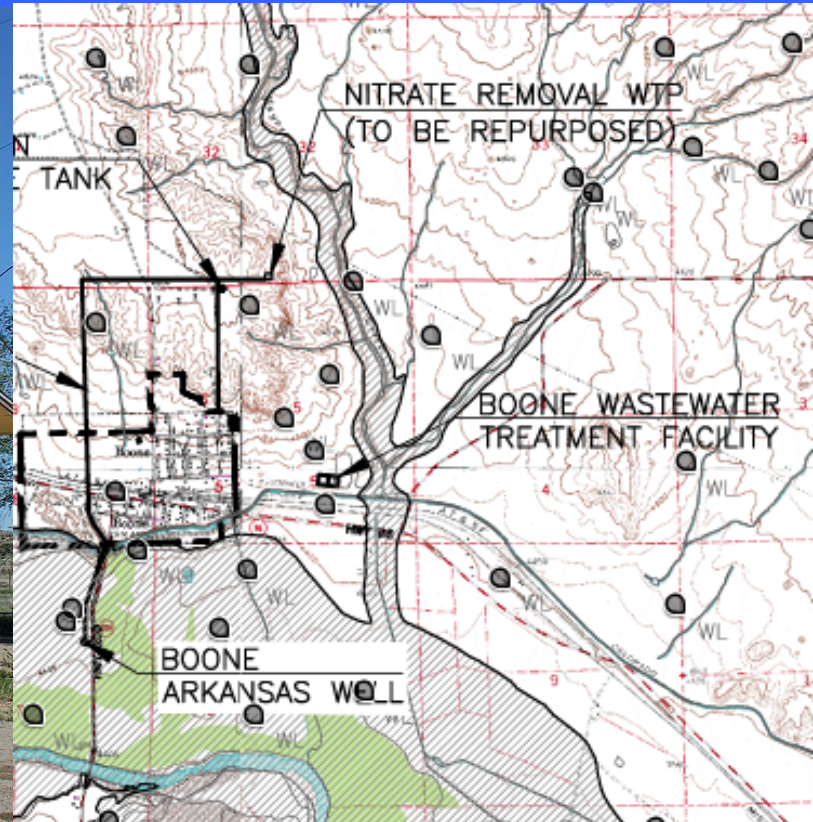
Additional Info =

O&M Reserve = **52%**
Bid process = **DBB**
Contingency = **10%**

Town of Boone



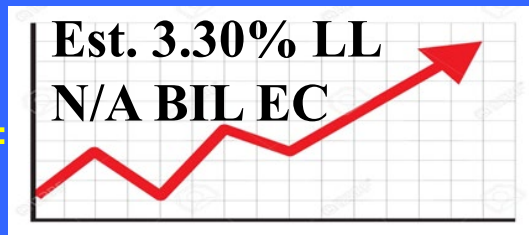
The project's purpose is emerging contaminant treatment for manganese and includes new media for the treatment plant and rehabilitation of backwash ponds. The project also includes installation of a new SCADA system at the Boone Arkansas Well, chlorination building, and newly re-purposed WTP. (Arkansas Basin)



South Adams County Water & Sanitation District Resolution No. 24-07, BIL EC Direct Loan, LL



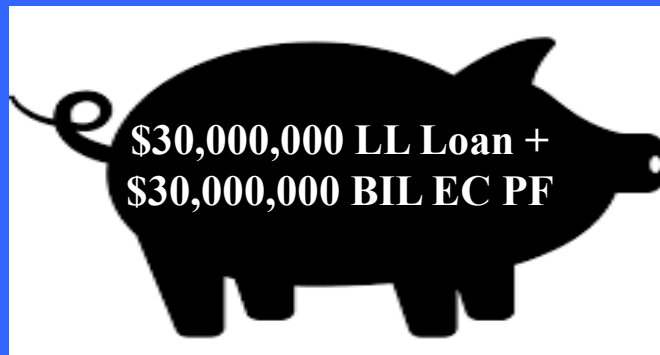
Interest Rate =



Term =



Loan Amount =



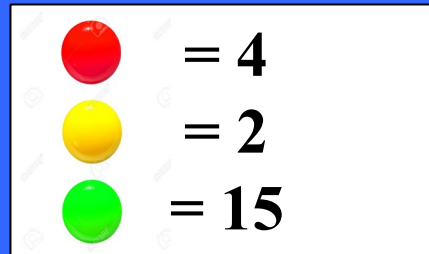
PFC Recommends = Consent

Pledge = Water and Sewer System Revenue

Subject To =



Indicators =



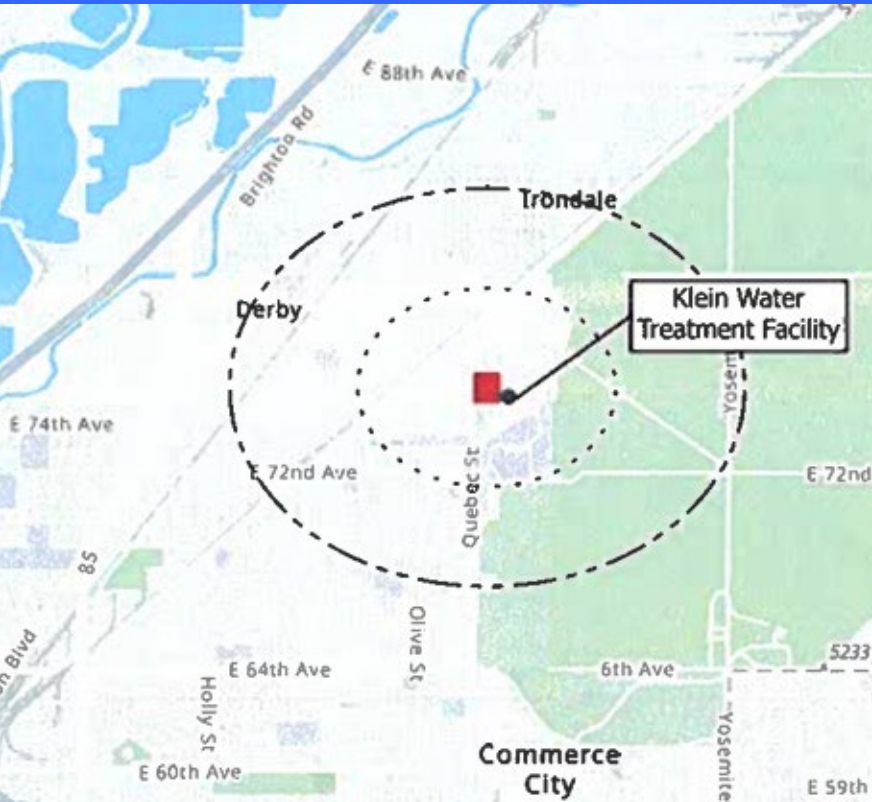
Additional Info =

O&M Reserve = 423%
Bid process = CMAR
Contingency = 13%

South Adams County Water & Sanitation District



The District will be constructing a new water treatment plant, which will utilize ion exchange for the removal of Perfluorooctane Sulfonate (PFOS) and Perfluorooctanoic Acid (PFOA). (South Platte Basin)



Town of Lochbuie

Resolution No. 24-08, BIL Direct Loan, LL



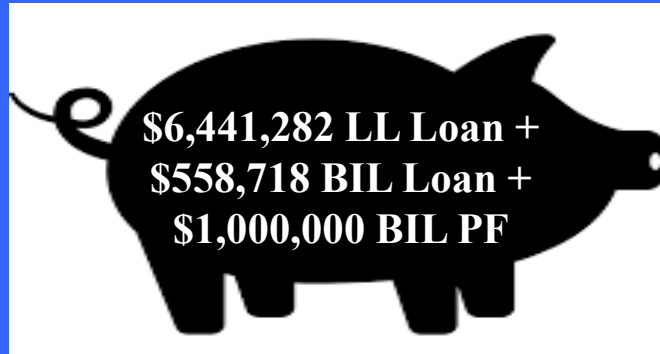
Interest Rate =



Term =



Loan Amount =



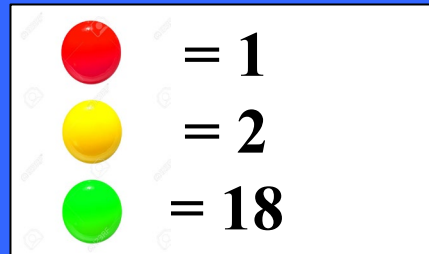
PFC Recommends = Consent

Pledge = Water System Revenue

Subject To =



Indicators =



Additional Info =

O&M Reserve = 1,000%
Bid process = DBB
Contingency = 8%

Town of Lochbuie



The Town will be constructing a new elevated water storage tank. Proposed improvements include a composite elevated potable water storage tank with associated piping, valving, and appurtenances which include a tank mixer, venting, overflow, and drain. (South Platte Basin)

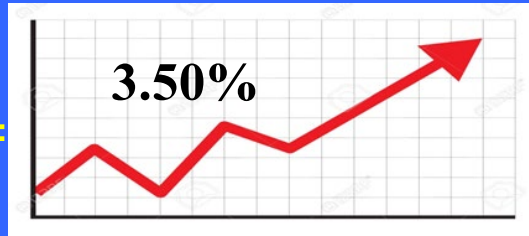


City of Greeley

Resolution No. 24-09, BIL LSL, Base Direct Loans



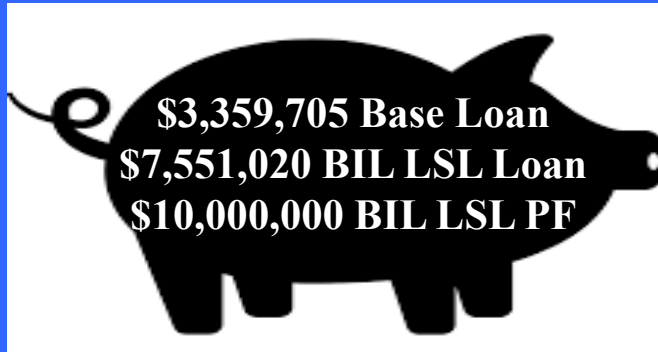
Interest Rate =



Term =



Loan Amount =



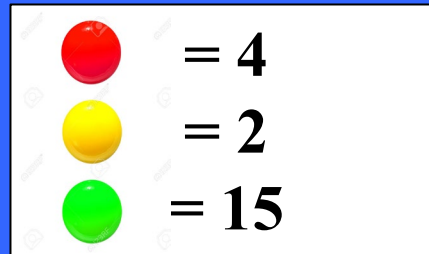
PFC Recommends = Consent

Pledge = Water System Revenue

Subject To =



Indicators =



Additional Info =

O&M Reserve = 250%
Bid process = DBB
Contingency = 0%

City of Greeley



This project consists of identifying and removing lead service lines throughout the City's service area. (South Platte Basin)



City of Englewood



Resolution No. 24-10, BIL LSL Direct Loan, Base LL

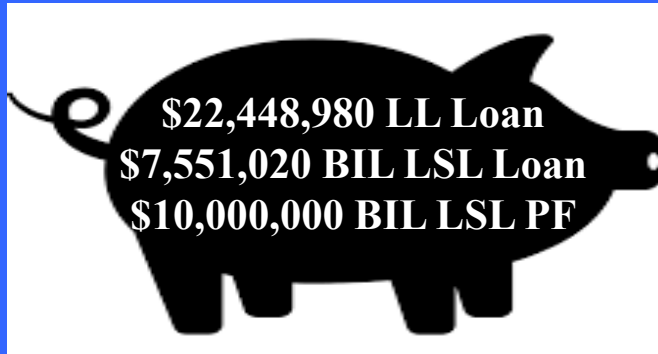
Interest Rate =



Term =



Loan Amount =



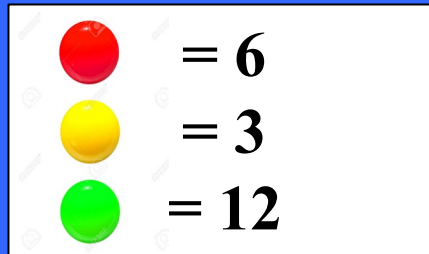
PFC Recommends = Consent

Pledge = Water System Revenue

Subject To =



Indicators =



Additional Info =

O&M Reserve = 184%
Bid process = DBB
Contingency = 0%

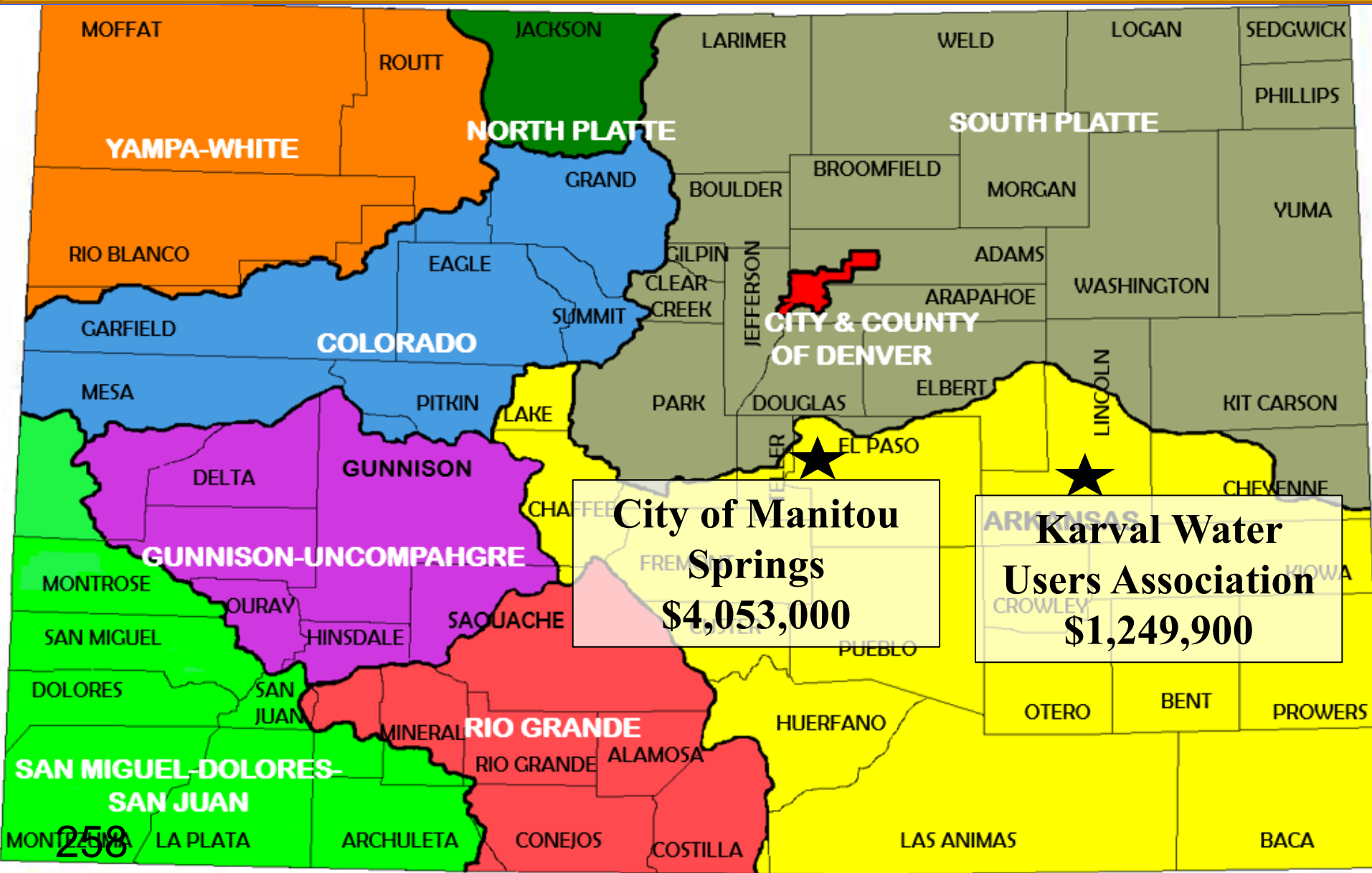
City of Englewood



This project consists of identifying and removing lead service lines throughout the City's service area. (South Platte Basin)



258 DWRF February 5th Deadline Loan Applications Received

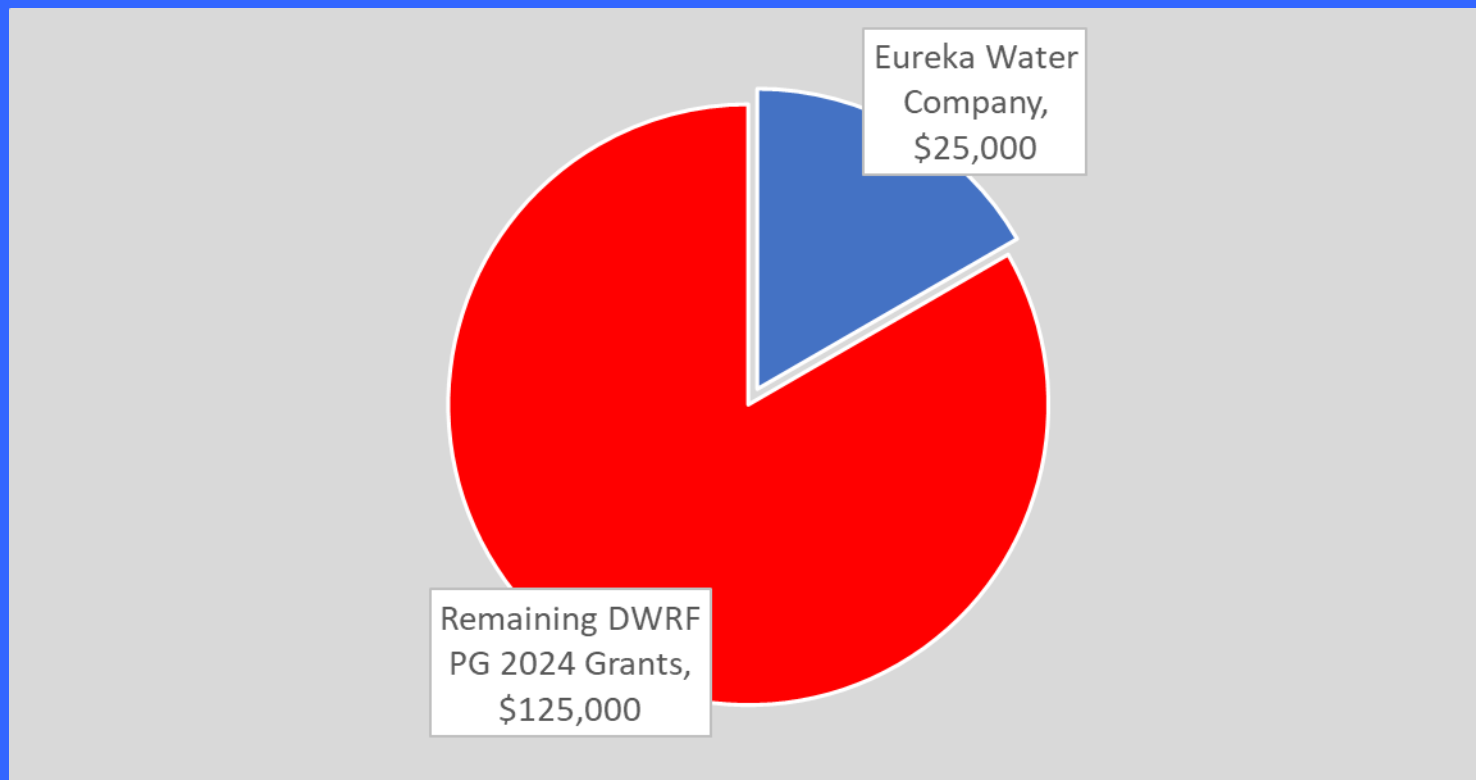


DWRF Planning Grant Update



In 2024, the Authority has budgeted \$150,000 for DWRF Planning Grants (PG's). There has been one PG awarded since the January Board meeting. There's \$125,000 remaining for 2024 Planning Grants.

- Eureka Water Company (Arkansas Basin) – Formation of a local government.



DWRF Design and Engineering Grant Update

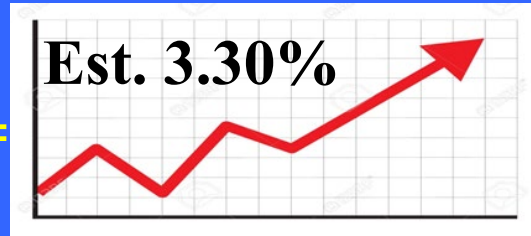


Due to the Authority fully allocating all awarded DWRF additional subsidy/principal forgiveness funds, the Authority will not award any more D&E's until the 2024 Drinking Water Base Cap Grant has been allocated to the Authority.

Upper Thompson Sanitation District Base Leveraged Loan



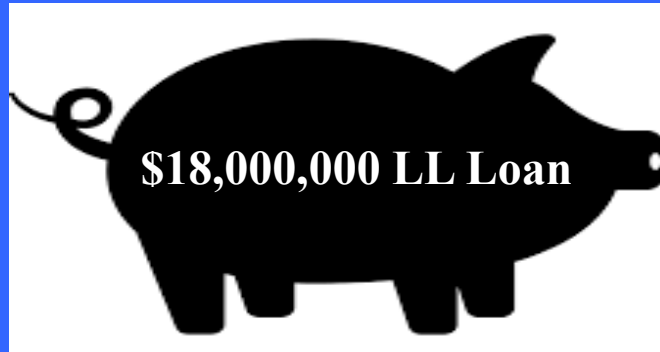
Interest Rate =



Term =



**Loan
Amount =**

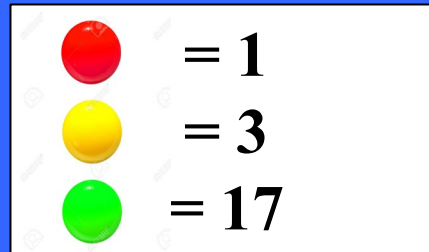


Subject To =



Pledge = Sewer System Revenue

Indicators =



**Additional
Info =**

O&M Reserve = 473%
Bid process = CMAR
Contingency = 8%

Upper Thompson Sanitation District



This project consists of constructing a new wastewater treatment plant, two lift stations, and a force main.(South Platte Basin)

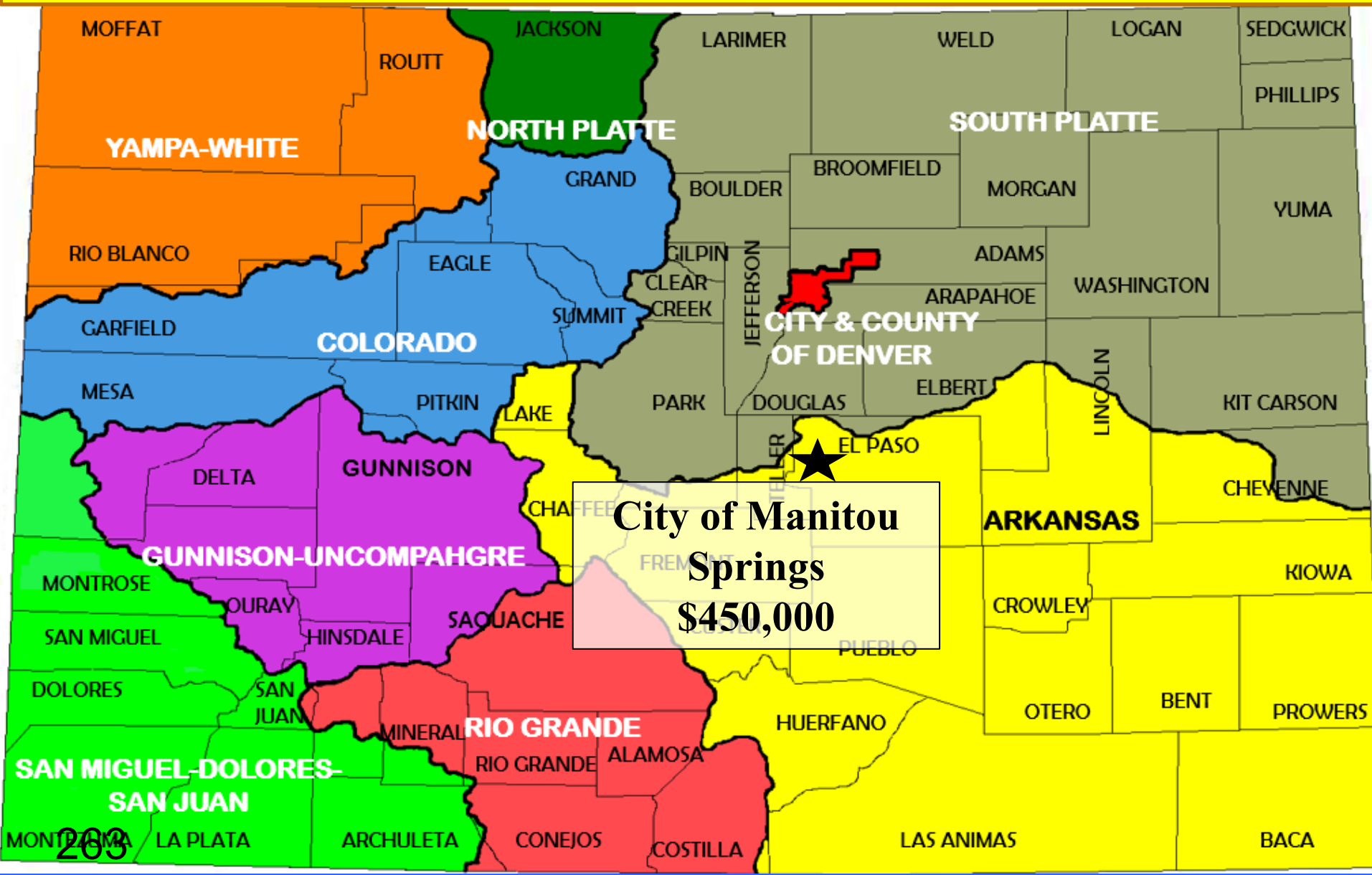


Upper Thompson Sanitation District



263 WPCRF February 5th Deadline

Loan Application Received

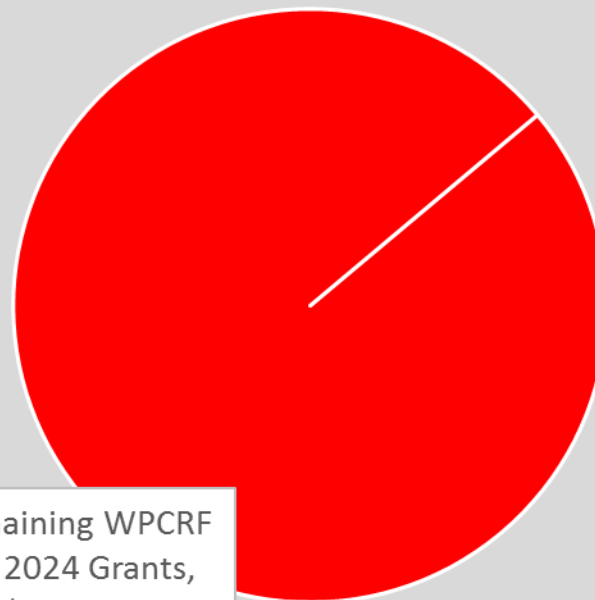


WPCRF Planning Grant Update



In 2024, the Authority has budgeted \$150,000 for WPCRF Planning Grants (PG's). There have been no PG's awarded since the December Board meeting. There's \$150,000 remaining.

2024



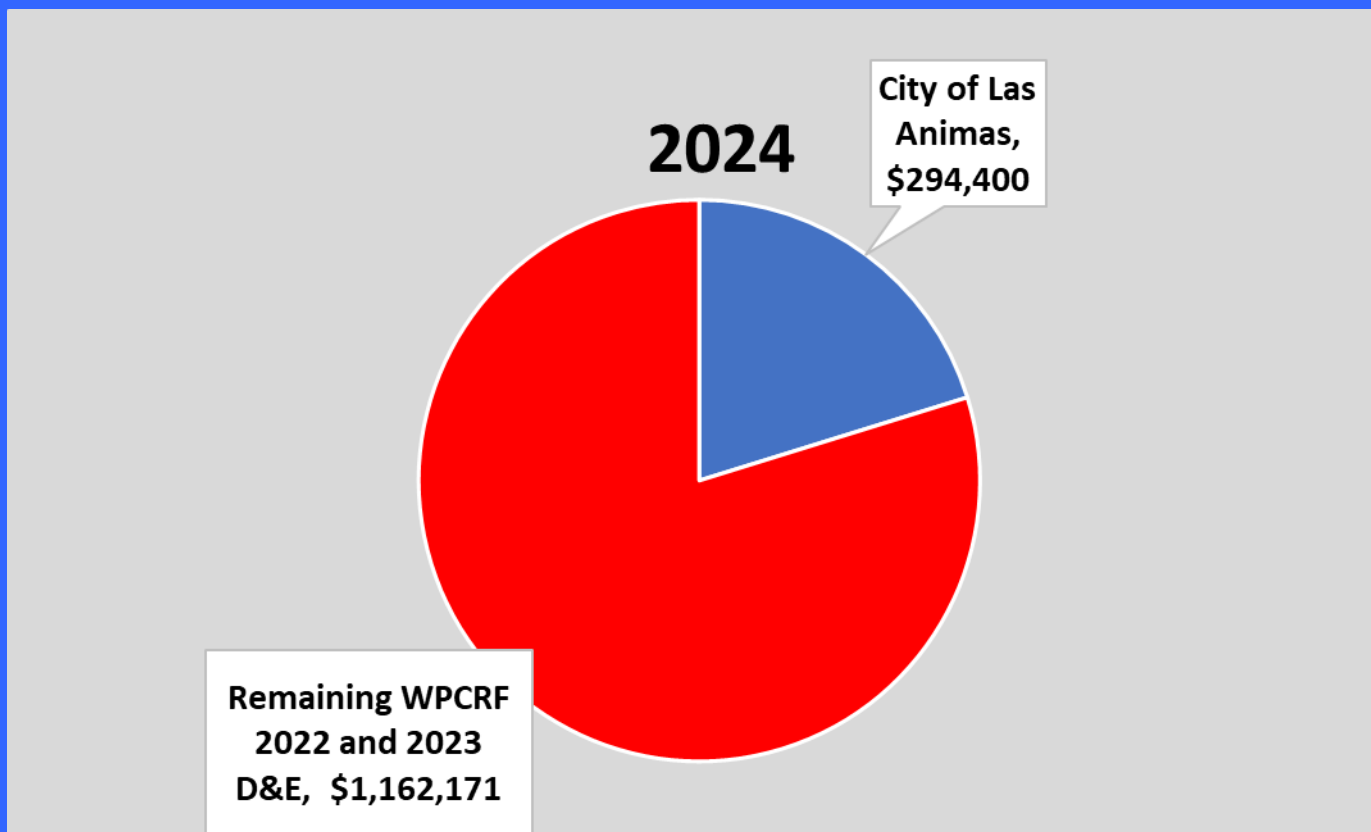
Remaining WPCRF
PG 2024 Grants,
\$150,000

WPCRF Design and Engineering Grant Update



There has been one D&E awarded since the January Board meeting. Accumulated D&E additional subsidy funds from the 2022 and 2023 cap grants are being used to fund current 2024 awarded D&E's.

- City of Las Animas - The purpose of the proposed project is to replace the failing force main to prevent any collapses and sewer spills in the future.



SHLP Matching Grant Update



In 2024, the Authority has budgeted \$150,000 for Small Hydropower Matching Grants (SHMG's). There have been no SHMG's awarded this year.

