

**COLORADO WATER RESOURCES
&
POWER DEVELOPMENT AUTHORITY**

PROJECT FINANCE COMMITTEE
MEETING AGENDA

April 18, 2025
Committee meeting at 9:00 a.m.

Via Zoom Conference Call

Project Finance Committee Members: Bruce Whitehead (Chair), Chris Treese (ex-officio), Eric Wilkinson, Karen Wogsland, and Mike Fabbre

Authority Staff: Keith McLaughlin, Jim Griffiths, Wes Williams, Ian Loffert, Austin Reichel, and Kevin Carpenter

Others present: Alex Hawley, Aly Ulibarri, Margaret Talbott, Desi Santerre, Victor Chen, Peter Dieterich, and Monica Munoz-Revelo

AGENDA

1. DWRF Loan Applications:

- Swiss Village Homes Association (Base) – Direct Loan Request – Austin (**Board Action**)
- Teller County Water and Sanitation District No. 1 (Base) – Supplemental Direct Loan Request – Kevin (**Board Action – Staff Recommends Consent Agenda**)

Note: A Zoom conference call has been scheduled for **Friday, 9:00 a.m. April 18, 2025**. The link to join via online is: <https://us06web.zoom.us/j/86061939849?pwd=aQmrQV38av7bQgT9bzW2mssbwqqKx8.1>. If you prefer to dial in, the call-in number is: **1-669-900-6833**, and the Meeting ID is **860 6193 9849**. The passcode is: **754696**.



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

April 18, 2025

TO: Project Finance Committee and Karl Ohlsen

FROM: Wes Williams, Finance Director
Austin Reichel, Financial Analyst II
Kevin Carpenter, Senior Financial Analyst I

RE: Review of the Swiss Village Homes Association and the Teller County Water and Sanitation District No. 1 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 Colorado Water Resources and Power Development Authority's ("Authority") Project Finance Committee with the following recommendations:

Swiss Village Homes Association

The Swiss Village Homes Association (the "Association"), located in Pitkin County, is seeking a Base direct loan through the DWRF loan program in the total amount of \$750,000. This project consists of replacing and expanding the existing water storage tank and replacing the waterline, valves, and meters located near the storage tank. The Association's project was authorized by HJR 25-1004.

Recommendation

Based on the attached credit report, staff provides no recommendation (neutral) to the Project Finance Committee for the Association's DWRF Base direct loan request in the total amount of \$750,000. The loan will be for a term of up to 30 years, at an interest rate of 3.50%, subject to the loan covenants (both the standard and additional proposed covenants) and conditions listed at the end of the attached Association's 2025 DWRF credit report and to be incorporated into the loan-approving resolution or motion (including any modifications and additions made to these covenants/conditions by the Authority Board of Directors during the approval process). The Board will consider this request on April 25, 2025.

Teller County Water and Sanitation District No. 1

On August 23, 2023, the Authority Board of Directors approved the Teller County Water and Sanitation District No. 1 (the "District"), located in Teller County, for a Base direct loan through the DWRF loan program in the amount of \$758,942. The loan was subsequently executed on December 7, 2023. The project scope has not changed, and the project consists of making upgrades to address radium maximum contaminant level (MCL) exceedances by installing an ion exchange treatment system and general improvements to the existing water treatment plant.

Due to the District receiving bids that were all significantly over the estimated project cost at the time of the initial DWRF loan application, the District is seeking a Supplemental Base direct loan through the DWRF loan program in the amount of \$913,166. The District's project was authorized by SJR 22-002.

Recommendation

Based on the attached credit report update and the 2023 credit report, staff recommends that the Project Finance Committee forward to the Board a recommendation authorizing staff to begin negotiating a Supplemental DWRF Base direct loan with the District in the amount of \$913,166 and include the same loan terms as the first loan, per adopted State Revolving Fund ("SRF") Intended Use Plan ("IUP") policy. The loan will be for a term of 20 years, at an interest rate of 3.00%. The Board will consider this request on April 25, 2025.

Note: A Zoom conference call has been scheduled for **Friday, 9:00 a.m. April 18, 2025.**

The link to join via online is: <https://us06web.zoom.us/j/86061939849?pwd=aQmrQV38av7bQgT9bzW2mssbwqqKx8.1>.

If you prefer to dial in, the call-in number is: **1-669-900-6833**, and the Meeting ID is **860 6193 9849**. The passcode is: **754696**.

Attachments: Swiss Village Homes Association 2025 DWRP Credit Report
Teller County Water and Sanitation District No. 1 2025 DWRP Credit Report Update and
2023 DWRP Credit Report

DWRF LOAN CREDIT REPORT

Swiss Village Homes Association (“The Association”), Pitkin County

Recommendation: NO RECOMMENDATION
Loan Request: \$750,000
Interest Rate & Term: 3.5%, 30 years
Annual Debt Service: \$40,580
Pledge: All Association Revenues
Current Rate: \$133.00
Estimated Rate Increase: \$90.72

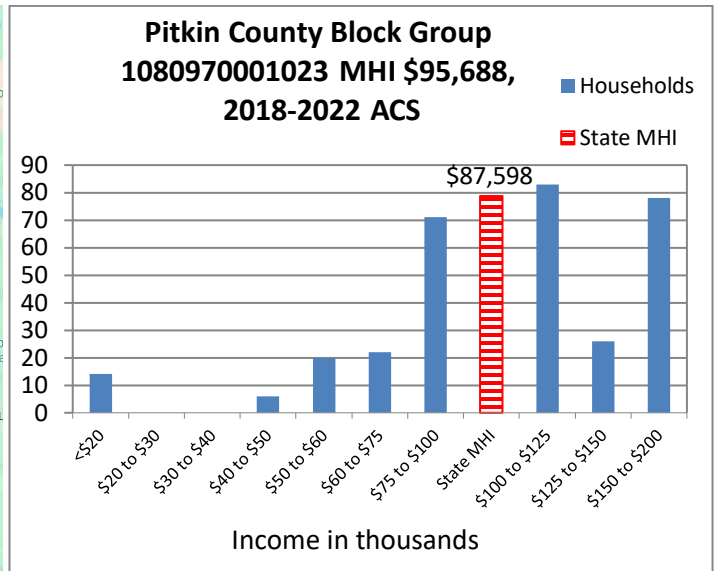
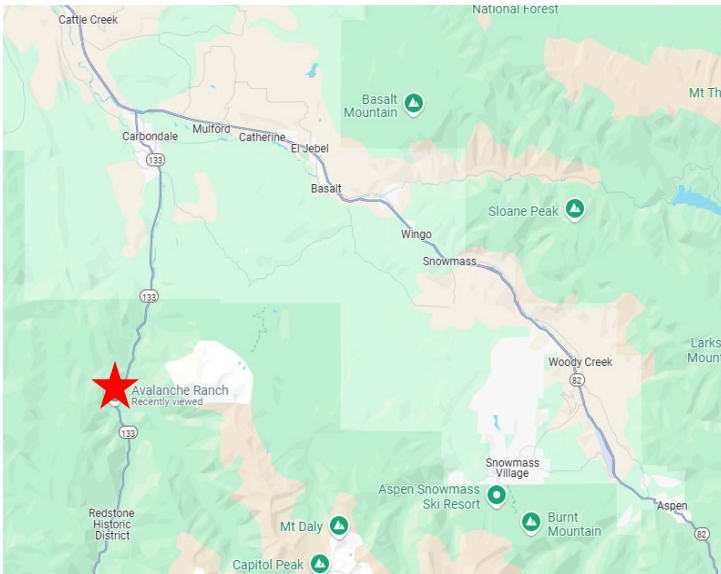
<u>Project Budget</u>	
DWRF Loan:	\$750,000
Total:	\$750,000

PROJECT DESCRIPTION: The project consists of replacing and expanding the existing water storage tank and replacing the waterline, valves, and meters located near the storage tank.

COMMUNITY PROFILE:

Swiss Village Homes Association	2019	2020	2021	2022	2023	2024	2025	Avg. Annual Change
Association Population			95	95	95	95	95	0.00%
Pitkin County Population	17,413	17,356	17,338	16,842	16,642			-1.13%
Pitkin County Jobs	21,578	19,875	20,307	21,376	22,243			0.76%
Number of Water Taps			38	38	38	38	38	0.00%

BORROWER BRIEF: The Association is located on CO-133 about 17 miles south of the Town of Carbondale and about 5 miles north of the community of Redstone in Pitkin County.



RECOMMENDATION: The Association serves a small, rural mountain community in Pitkin County that started as a resort community, but is now mainly full-time residents. This proposed loan is necessary to replace a water storage tank, waterline, and meters that are at the end of their useful life. The community is very small and high rate increases will be required for this project. However, the Association members unanimously voted to approve the project and the loan. We therefore present to the DWRF Committee the proposed \$750,000 direct loan to the Swiss Village Homes Association with no recommendation with regard to approval. If approved, we recommend including the condition that rates are increased to meet coverage ratio requirements.

PROJECT SUMMARY:

System summary: The current system operates on two groundwater wells, a well house including a chlorine disinfection system, water distribution system and a 21,000 bolted steel storage tank. The distribution system is gravity-fed and serves the Association and the nearby Avalanche Ranch resort.

Reason/need: The current 45-year-old water storage tank is reaching its useful life and lacks storage capacity to meet the full needs of the system. The lines that feed the tank and water mains are also nearing their useful life and are subject to leaks. The increase in storage capacity will help the system meet the needs of the current system and have the remaining for emergency storage.

System Compliance: The Association 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: 12% of total project cost included as contingency.

CURRENT INDICATORS:	2021/2022	2022/2023	2023/2024	Weak	Average	Strong
Total Debt per Capita (\$):	0	0	0	>\$2,000	\$1,000 - 2,000	X <\$1,000
Total + New Debt/Capita (\$):			7,895	X >\$2,000	\$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 (\$):			19,737	X >\$5,000	\$2,500 - 5,000	<\$2,500
Current Association Debt/Tap (\$):	0	0	0	>\$2,000	\$1,000 - 2,000	X <\$1,000
Current Association + New Association Debt/Tap (\$):			19,737	X >2,000	\$1,000 - 2,000	<\$1,000
Curr. Association Debt + New Debt/Tap/MHI:			21%	X >20%	10-20%	<10%
Association Fund Current Ratio (CA/CL):			N/A%	<100%	100-200%	X >200%
Association Fund Reserves/Current Expense:	238%	281%	184%	<50%	50-100%	X >100%
Association Operating Ratio (OR/OE):	95%	155%	79%	X <100%	100-120%	>120%
Coverage Ratio (TR-OE)/DS:			N/A	<110%	110-125%	X >125%
Coverage Ratio (TR-OE)/DS Excluding Tap Fees:			N/A	<110%	110-125%	X >125%
Coverage Ratio with New Loan:			-40%	X <110%	110-125%	>125%
Coverage Ratio with New Loan Excluding Tap Fees:			-40%	X <110%	110-125%	>125%
Current Annual Association Rates/MHI:			1.67%	>3.0%	X 1.5-3.0%	<1.5%
Current Association Rates + New Association Debt Service/MHI:			2.79%	>3.0%	X 1.5-3.0%	<1.5%
Operation and Maintenance Reserve:			67%	<25%	25-50%	X >50%
Total:				7	2	8

FINANCIAL ANALYSIS: Of the seventeen current indicators calculated, eight are rated strong, two are average, and seven are considered weak. Overall, the indicators illustrate a small community for which the requested debt will be high and require rate increases that are affordable relative to community MHI. The strong indicators reflect no existing debt and ample reserves. The weak indicators reflect the large loan request relative to community size and expenses that exceeded association revenue.

- The Association's fiscal year runs from August 1 to July 31.
- The five-year average operating ratio is 105%. The operating ratio was negative in the 2019/2020, 2021/2022, and 2023/2024 fiscal years due to higher-than-normal operating expenses.
- Based on 2023/2024 financial information, coverage with the proposed loan is -40%. Additional annual revenue of about \$60,909, or \$133.57 per tap per month, would increase the coverage ratio to 110%.
- Association expenses fluctuate substantially from year to year, while Association revenue has increased as assessments have increased. Using the five-year average of operating expenses increases the coverage ratio to 8%. Additional annual revenue of about \$41,370 or \$90.72 per tap per month, would increase the coverage ratio to 110%.
- Indicators comparing current and projected debt to assessed and actual values are not included in this analysis. The Association is not a local government and does not receive these values from the County.

DESCRIPTION OF THE LOAN:

A \$750,000 loan with a thirty-year term with two payments annually at an interest rate of 3.50% will cost the Association approximately \$40,580 in debt service annually.

ECONOMIC ANALYSIS: Based on the State Demographer's estimate of 2.5 persons per tap, the Association has a 2025 population estimated at 95 and remains unchanged since 2021. Pitkin County has experienced a decrease of 1.13% in population since 2019. The state population increased at an average annual rate estimated at 0.61%.

The region's economy is dominated by tourism, retirees, and regional services. Correspondingly, Pitkin County's largest job sectors are accommodation and food services, arts, entertainment and recreation, local government, real estate, and retail trade.

The area's largest employers consist of Garfield County and Schools with 3,000 employees, Aspen Skiing Company with 1,000 employees, Valley View Hospital with 500 employees, Holy Cross Energy with 400 employees, and Roaring Fork Transportation Authority with 350 employees.

Avalanche Ranch is the largest user on the system, comprising approximately 51% of total system usage and 35% of total system revenue.

ORGANIZATIONAL ANALYSIS:

Bond Rating

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

Organizational Structure

The Association is a Colorado nonprofit corporation, organized according to Colorado Revised Nonprofit Corporation Act, (C.R.S. 7-121 to 7-127) in 1971. The Association is governed by a Board of Directors with no fewer than three and no more than seven directors. The Association currently operates with five board members. The articles of incorporation state that the purpose of the Association is to operate and manage the water system, maintain common areas like parks, roads, street lighting, and snow removal, and create and enforce community covenants.

The Association provided their articles of incorporation and bylaws for analysis as part of the application process.

The Association has no employees. The water utility is overseen by a contract operator, who reports to the Association Board.

- The Association completed a CPA compilation of FY 2032/2024 financials per CWRPDA policy.
- The Association maintains general liability insurance coverage through State Farm.
- There are currently no pending lawsuits against the Association.

Membership

Lot owners are members of the Association. There is one vote per lot owned, regardless of the number of owners a lot might have. There are 38 lots in the Association.

The annual member's meeting is held on the fourth Monday of April and is when the election of Directors occurs. Special meetings may also be convened when necessary. Voting in-person, by proxy, and by mail are all permitted.

Services and Expenses

The Association provides the following services: water, roads, street lighting, maintenance of common areas, and snow removal. Association expenses correlate with the provision of these services.

At each annual member meeting, a committee of three members who are not on the Board of Directors perform an audit of all receipts and expenditures and provide a report on its findings.

Authority to collect assessments and take on debt

The budget is presented at the annual members meeting. Assessments are set annually during the same meeting and are the amount deemed sufficient to cover the Association's expenses. Members are notified of the assessments by mail and members have 20 days to protest the assessments. If greater than 25% of members protest the assessments, a vote will be taken at either the next regular member meeting, or at a special meeting if needed.

One owner owns two lots, but all of the other owners own a single lot. Assessments are levied on a per lot basis and are the same for each lot.

Any capital improvement that costs more than \$100 requires authorization by vote. Written notice and ballots are sent by mail, and members have 15 days to object to the expense in writing. No response is counted as a vote in favor of the expense.

The Association requires a successful membership election to utilize revenue for certain purposes and to take on debt. On October 27, 2024, the vote authorizing the SRF loan for this project was completed and passed unanimously, 23 households responding in favor, zero households against.

Fee collection and enforcement

The Association has the authority to levy charges and assessments in addition to collecting and enforcing payment. Every assessment is considered a lien on the lot and if unpaid, the Association may sue for payment in Pitkin County District Court. Additionally, the Board of Directors has the authority to terminate water or any other Association service to members that refuse or fail to follow the bylaws.

Technical/Managerial/Financial (TMF)

The WQCD and DLG conducted a review of the Association’s technical, managerial and financial capacity to operate the water system. The review resulted in the following mandatory recommendations:

- #F-2: Cash Flow Projection - The Association will be required to raise rates to meet and maintain the 110% coverage ratio requirement.

Capital Improvement Plan

The Association does not anticipate on any other major projects for the next 5-10 years.

Intergovernmental

The Association has a 1999 water use agreement with Avalanche Ranch, a hot spring resort, which is the Association’s largest customer. Under the agreement, the Association provides treated water to Avalanche Ranch. The Association and Avalanche Ranch pay their respective proportionate shares of operations and maintenance, repair and/or replacement of the water system costs. For expenditures requiring membership approval, Avalanche Ranch is entitled to cast the number of votes equal to the proportionate share of the water received in the prior year, up to 40% of the total votes cast. There is no end date to this agreement.

The Association reports that currently Avalanche Ranch is charged based on their running 5-year average water consumption. For example, if their 5-year average consumption is 53%, they must pay 53% of Association water operations and maintenances expenses for the year. Avalanche Ranch also splits all infrastructure related costs 50/50 with the Association. The Association states they are in the process of updating a cost sharing agreement with Avalanche Ranch.

REVENUE ANALYSIS:

The Association’s 2019/2020-2022/2024 balance sheets show no liabilities or current liabilities, and the Association confirmed they are up-to-date on payments to all of their vendors at the end of each fiscal year.

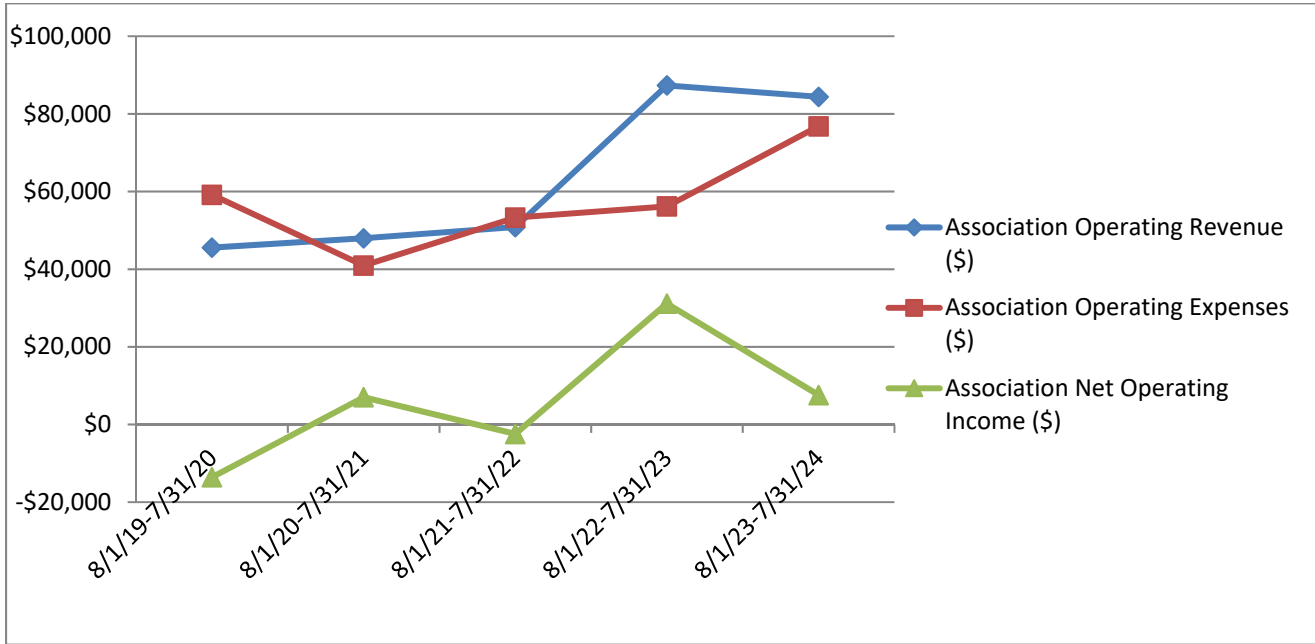
The Association’s profit and loss statements do not clearly differentiate operating expenses and revenue from other/total expenses and revenue. Additionally, the Association lists a “capital reserve” line item in their revenue. According to the Association, this revenue is part of the member dues and expenditures from this revenue stream requires a majority vote of the membership. The expenses which the Association indicates are paid out of the “capital reserve” and which are listed as capital projects appear to be largely repairs and maintenance. The Association also indicated that the capital reserve revenue might be used for the required debt service reserve fund. For the purpose of this analysis, the Association’s total revenue and expenses were used because operating vs. capital expenses were not consistently identified in the financials. If the loan is approved, the Association will submit CPA reviewed financials with greater detail on expenses and revenues as a condition of this loan.

FY 2019/2020 expenses were higher due to a road project. FY 2021/2022 expenses were higher due to emergency mud flow clean up and stayed at about the same level in 2022/2023 due to continued ditch and road repairs. In FY 2023/2024 expenses increased due to an engineering study for the ditch and re-drilling well #1 and #2. The Association’s cash flow projections show expenses returning to a more normal level of about \$58,000 in FY 2025/2026

TRENDS	8/1/19- 7/31/20	8/1/20- 7/31/21	8/1/21- 7/31/22	8/1/22- 7/31/23	8/1/23- 7/31/24	8/1/24- 7/31/25
Monthly Association Rate (\$)	100.00	100.00	100.00	133.33	133.33	133.33
Total Association Revenue (\$)	45,566	47,975	50,855	87,337	60,548	
Tap/Development Fees (\$)	0	0	0	0	0	

Association Operating Revenue (\$)	45,566	47,975	50,855	87,337	60,548
Association Operating Expenses (\$)	59,153	40,950	53,296	56,184	76,819
Association Net Operating Income (\$)	-13,587	7,025	-2,441	31,153	-16,271
Total Debt (\$)	0	0	0	0	0
Association Fund Reserves (\$)	122,086	129,111	126,670	157,823	141,552

Ratios	2019	2020	2021	2022	2023	Average
Operating Revenue as % of Total Revenue	100%	100%	100%	100%	100%	100%
Operating Revenue as % of Expenses	77%	117%	95%	155%	79%	105%
Tap Fee Revenue as % of Total Revenue	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%



Recent Rate Increases

The Association’s most recent rate increase of \$33.33 was implemented on July 31, 2022.

User Charges

The Association charges an assessment of \$133.33 per member (lot) per month, which covers all Association services.

Contributed Capital

The Association is fully built out and has been for some time. There have been no new taps in the past five years and there is no rate structure for new taps.

Current System Utilization		
	Usage	Revenue
Residential	49%	65%
Non-residential (per EQR)	51%	35%

Current Fee Summary	
Tap size	Association Dues
¾"	\$133.33
¾"	see Intergovernmental section

DEBT as of July 31, 2024- The Association has no debt as of July 31, 2024.

LOAN COVENANTS: The Association 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. In addition to our standard covenants, Staff recommends the following:

1. The Association will establish a Debt Service Reserve Fund (DSRF) in an amount equal to one annual debt service payment (approximately \$40,580). The reserve will be restricted as to use, and it will be held by the Authority's Trustee (currently U.S. Bank). The DSRF account will be owned by the Association, held by U.S. Bank, and may be accessed by the Trustee/Loan Servicer (U.S. Bank) in the event of a full or partial missed payment. The Association will receive all accrued interest from the DSRF account (annually). Should the Trustee need to access the DSRF account to make a full or partial payment on behalf of the Association, the Association will be required to replenish this DSRF account as soon as practical, but no longer than a six-month period. The DSRF funds will be returned to the Association when the loan is paid in full. This DSRF must be fully funded prior to the Association's loan repayment commencement date.
2. The Association will covenant to have a full audit done by a CPA.
3. When Association dues are received by the Association bookkeeper, the bookkeeper will be required to separate the portion of the dues allocable to upcoming loan payments and place this portion into a subaccount or separate account so that it is not comingled with dues allocable to operations of the Association. The objective is to physically separate funds to enhance accurate accounting and preparation for upcoming loan payments.
4. The Association will have to meet any additional requirements established by the Authority Board in Resolution.

Prepared by: Desi Santerre
Date: April 8, 2025

Project #250031D-Q Cost Categories: Transmission and distribution - 30% Storage - 70%
--

Date 8-Apr-25 DWRF Credit Report Swiss Village Homes Association, Pitkin County, CO Using most recent data available (Census, audits, local records)	
Estimated Population - 2023	95
Number of Association Taps/Customers - 2023	38
Total Assessed Valuation (in thousands) - 2023	\$0
Actual Value of All Real Property (in thousands) - 2023	\$0
Median Household Income (MHI) - 2023	\$95,688
Monthly Association Rate - 2023	\$133.33
Association Operating Revenue - 2023	\$84,403
Association Total Revenue - 2023 [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.]	\$84,403
Association Tap and System Development Fee Revenue - 2023	\$0
Association Operating Expense - 2023	\$76,819
Association Current Expense - 2023	\$76,819
Association Debt - 2023	\$0
Total Debt - 2023	\$0
Association Fund Reserves - 2023	\$51,804
Association Debt Service - 2023	\$0
New Association Debt [Requested DWRF loan amount.]	\$750,000
Requested DWRF Loan Term	30
Requested DWRF Loan Interest Rate	3.50%
New Loan's Annual Association Debt Service (two payments annually)	\$40,580

Current Indicators (2023)				
Swiss Village Homes Association				
(Water)				
1 Total Debt	\$0	÷ Population	95	= \$0
New Debt	\$750,000	÷ Population	95	= \$7,895
Total Debt + New Debt	\$750,000	÷ Population	95	= \$7,895
2 Total Debt	\$0	÷ Number of Taps	38	= \$0
New Debt	\$750,000	÷ Number of Taps	38	= \$19,737
Total Debt + New Debt	\$750,000	÷ Number of Taps	38	= \$19,737
3 Total Debt	\$0	÷ Assessed Value	\$0	= #DIV/0!
New Debt	\$750,000	÷ Assessed Value	\$0	= #DIV/0!
Total Debt + New Debt	\$750,000	÷ Assessed Value	\$0	= #DIV/0!
4 Total Debt	\$0	÷ Actual Value	\$0	= #DIV/0!
New Debt	\$750,000	÷ Actual Value	\$0	= #DIV/0!
Total Debt + New Debt	\$750,000	÷ Actual Value	\$0	= #DIV/0!
5 Current Water Debt	\$0	÷ Number of Taps	38	= \$0
(Current Water Debt + New Water Debt) / Number of Taps	\$19,737	÷ MHI	\$95,688	= 20.63%
6 Current Ratio (CA / CL)				
Current Assets	\$141,552	÷ Current Liabilities	\$89,748	= 158%
7 Reserve/Expense Ratio				
Reserves	\$51,804	÷ Current Expenses	\$76,819	= 67%
8 Operating Ratio (OR / OE)				
Operating Revenues	\$84,403	÷ Operating Expenses	\$76,819	= 110%
9 Coverage Ratio [(TR - OE) / DS]				
Total Revenues	\$84,403	-		
Minus Operating Expenses	<u>\$76,819</u>			
=	\$7,584	÷ Current Debt Service	\$0	= #DIV/0!
Coverage Ratio Excluding Tap and Development Fee Revenue				
Development Fee Revenue	\$7,584			
Minus Tap and Development Fee Revenue	<u>\$0</u>			
=	\$7,584	÷ Current Debt Service	\$0	= #DIV/0!
11 Projected Coverage Ratio				
Total Revenues	\$84,403			
Minus Operating Expenses	<u>\$76,819</u>			
=	\$7,584	Total Debt Service (with new loan)	\$40,580	= 19%
Projected Coverage Excluding Tap and Development Fee Revenue				
Development Fee Revenue	\$7,584			
Minus Tap and Development Fee Revenue	<u>\$0</u>			
=	\$7,584	÷ Total Debt Service (with new loan)	\$40,580	= 19%
13 Current Debt Service	\$0	÷ Number of Taps	38	= \$0.00
Annual New Water Debt Service	\$40,580	÷ Number of Taps	38	= \$1,067.90
2023 Annual Water Rate (Monthly Rate x 12)	\$1,599.96	÷ MHI	\$95,688	= 1.67%
2023 Annual Water Rate + New Annual Debt Service Per Tap	\$2,667.86	÷ MHI	\$95,688	= 2.79%
15 Current 2023 Monthly User Charge				\$133.33
(Debt Service on DWRP Loan / 2023 Taps / Month)				<u>\$88.99</u>
Total				\$222.32
16 Operation and Maintenance Reserve				
Reserves	\$51,804	÷ Operating Expenses	\$76,819	= 67%

2025 IUP DWRP Priority Point Calculations

Entity Name:	Swiss Village HOA
Date of Scoring	12/27/2024
SRF Phase:	PNA
DOLA Score:	80
DAC:	Not DAC

Benchmarks

\$87,598 2018-2022 State MHI estimate

		Points	Entity Value	
P1	MHI		\$95,688	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		
S5a	User Fees (current water rate at 110%/tap/MHI)		2.11%	
	Rates are > 1.67%	45 x		
	Rates are between 1.23% and 1.67%	25		
	OR			
S5a	User Fees for a combined water & sewer fund			
	Rates are > 2.99%	45		
	Rates are between 2.14% and 2.99%	25		
S4a	Current water debt per tap compared to MHV		0.00%	
	Debt is > 0.70%	45		
	Debt is between 0.30% and 0.70%	25		
	OR			
S4a	Current water & sewer debt (for combined systems)			
	Debt is > 1.65%	45		
	Debt is between 0.67% and 1.65%	25		
	Population served		95	
	Less than 500	35 x		
	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		#DIV/0!	
	AV per household is < \$11,959	35		
	AV per household is between \$11,959 and \$24,963	20		
	AV per household is between \$24,963 and \$43,240	10		
	AV per household is greater than \$43,240	0		



Principal Forgiveness and Priority Point Scoring

Applicant: Swiss Village Homes Association
 DWRP or WPCR: DWRP

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

Priority Point Scoring

Total WQCD Score:	30
DOLA Affordability Score:	80
Total Score:	110



COLORADO
Department of Local Affairs
 Division of Local Government

TO: Wesley Williams and Members of the Board of the CWRPDA
 FROM: Peter Dieterich, DLG
 SUBJECT: Teller County Water and Sanitation District No. 1 (“the District”) DWRF Credit Report Update
 DATE: April 8, 2025

<u>Project Budget</u>	
DWRF Supplemental Loan:	\$913,166
2023 DWRF Base Direct Loan:	\$758,942
2023 EIAF Grant:	\$653,908
2024 Supplemental EIAF Grant:	<u>\$236,681</u>
Total:	\$2,562,697

This project consists of making upgrades to address radium maximum contaminant level (MCL) exceedances by installing an ion exchange treatment system and general improvements to the existing water treatment plant.

The District previously received DWRF funding for this project in the amount of \$758,942 as a direct loan with a 20-year term, at an interest rate of 3%. After requesting construction bids for the new water treatment plant, the District received bids that were all significantly over the estimated project cost at the time of the initial DWRF loan application. Therefore, the District is requesting a supplemental loan.

When including the previous 2023 DWRF loan, the District’s 2023 financials show that this proposed loan represents a growing but manageable debt burden for a small, built-out community, but no additional rate increases are projected to be required. We therefore recommend the DWRF Committee approve a \$913,166 supplemental DWRF base direct loan with the same terms as the original loan, to Teller County Water and Sanitation District No. 1.

CURRENT INDICATORS:	2021	2022	2023	Weak	Average	Strong
Total Debt per Capita (\$):	1,610	1,389	1,247	>\$2,000	X	\$1,000 - 2,000
Total + New Debt/Capita (\$):			2,726	X	>\$2,000	\$1,000 - 2,000
Total Debt/Tap (\$):	4,025	3,474	3,118	>\$5,000	X	\$2,500 - 5,000
Total Debt + New Debt/Tap (\$):			6,815	X	>\$5,000	\$2,500 - 5,000
Current W&S Debt/Tap (\$):	4,025	3,474	3,118	X	>\$2,000	\$1,000 - 2,000
Current + New W&S Debt/Tap (\$):			6,815	X	>2,000	\$1,000 - 2,000
Total Debt/Assessed Value:	16%	12%	11%	>50%		25-50%
Total Debt + New W&S Debt/Assessed Value:			25%	>50%		25-50%
Total Debt/Actual Value:	1.17%	0.88%	0.79%	>10%		5-10%
Total Debt + New W&S Debt/Actual Value:			1.72%	>10%		5-10%
Current W&S Debt + New Debt/Tap/MHI:			5.77%	>20%		10-20%
W&S Fund Current Ratio (CA/CL):	441%	483%	474%	<100%		100-200%
W&S Fund Reserves/Current Expense:	113%	120%	126%	<50%		50-100%
W&S Operating Ratio (OR/OE):	145%	122%	133%	<100%		100-120%
Coverage Ratio (TR-OE)/DS:	209%	167%	208%	<110%		110-125%
Coverage Ratio (TR-OE)/DS Excluding Tap Fees:	209%	167%	208%	<110%		110-125%
Coverage Ratio with New Loan:			131%	<110%		110-125%
Coverage Ratio with New Loan Excluding Tap Fees:			131%	<110%		110-125%
Current Annual W&S Rates/MHI:			1.17%	>3.0%		1.5-3.0%
Current W&S Rates + New W&S Debt Service/MHI:			1.38%	>3.0%		1.5-3.0%
Operation and Maintenance Reserve:			178%	<25%		25-50%
Total:				4	2	15

Financial Analysis

Based on 2023 financial information for this supplemental loan, of the twenty-one current indicators calculated, fifteen were are rated strong, two were average, and four were considered weak. Overall, the indicators illustrate a high debt burden for users, but a strong operating ratio and high reserves enable the District to pay for the project. The strong indicators show ability to meet near and long-term obligations. The weak indicators reflect existing and future debt. Considering the original loan was approved in 2023, the above indicators do not reflect its impact. When factoring in the





COLORADO

Department of Local Affairs

Division of Local Government

2023 loan debt and the proposed loan, twelve are considered strong, one is average, and eight are weak. Five indicators decreased and one increased from the original 2023 credit report.

- Based on 2023 financials, the coverage ratio for this \$913,166 DWRF supplemental loan is 131% without tap fee revenue. When considering the \$51,532 annual payment for the 2023 original \$758,942 DWRF loan with the 2023 financials, the coverage ratio with the proposed loan is 100% without tap fee revenue, additional annual revenue of \$21,119 or \$7.13 per tap per month is projected to be necessary to meet the 110% coverage ratio requirement excluding rate increases since 2023.
- When considering the debt and debt service for the original 2023 loan and this supplemental request, a total of six of the twenty-one indicators changed since the credit report for the original loan: total debt per capita, total debt per tap, and coverage ratio with new loan with & without tap fees went from average to weak. Total debt plus new debt/assessed value moved from strong to average and current rates plus new debt service/MHI moved from average to strong.
- While the weak and average indicators show that the debt might be an increasing burden on the community, the strong indicators show that the debt appears to be affordable to the community based on the District's assessed value, actual value, and MHI and the District maintains strong reserves.
- According to the indicators and rate increases since 2023, the total of the additional proposed supplemental loan and the original DWRF loan is not projected to be a significant debt burden on the community.
- The District has increased rates by \$20 since 2023, so no additional rate increases are needed for this supplemental loan. Still, the District is considering an additional Capital Development fee not to exceed \$23.00 per tap per month, which would further exceed the 110% coverage requirement.



April 11, 2025

DWRF Credit Report
Teller County Water & Sanitation District #1
Using most recent data available
(Census, audits, local records)

Estimated Population - 2023	618
Number of Water Taps/Customers - 2023	247
Total Assessed Valuation (in thousands) - 2023	\$6,790,220
Actual Value of All Real Property (in thousands) - 2023	\$97,805,922
Median Household Income (MHI) - 2023	\$118,636
Monthly Water Rate - 2023	\$115.38
W&S Operating Revenue - 2023	\$333,044
W&S Total Revenue - 2023 [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.]	\$469,047
W&S Tap and System Development Fee Revenue - 2023	\$0
W&S Operating Expense - 2023	\$250,735
W&S Current Expense - 2023	\$355,818
W&S Debt - 2023	\$770,079
Total Debt - 2023	\$770,079
W&S Fund Reserves - 2023	\$447,131
W&S Debt Service - 2023	\$105,083
New W&S Debt [Requested DWRF loan amount.]	\$913,166
Requested DWRF Loan Term	20
Requested DWRF Loan Interest Rate	3.00%
New Loan's Annual Water Debt Service (two payments annually)	\$61,049

Current Indicators (2023)				
Teller County Water and Sanitation District No. 1				
(Water & Sewer)				
1	Total Debt	\$770,079	÷ Population	618 = \$1,247
	New Debt	\$913,166	÷ Population	618 = \$1,479
	Total Debt + New Debt	\$1,683,245	÷ Population	618 = \$2,726
2	Total Debt	\$770,079	÷ Number of Taps	247 = \$3,118
	New Debt	\$913,166	÷ Number of Taps	247 = \$3,697
	Total Debt + New Debt	\$1,683,245	÷ Number of Taps	247 = \$6,815
3	Total Debt	\$770,079	÷ Assessed Value	\$6,790,220 = 11.34%
	New Debt	\$913,166	÷ Assessed Value	\$6,790,220 = 13.45%
	Total Debt + New Debt	\$1,683,245	÷ Assessed Value	\$6,790,220 = 24.79%
4	Total Debt	\$770,079	÷ Actual Value	\$97,805,922 = 0.79%
	New Debt	\$913,166	÷ Actual Value	\$97,805,922 = 0.93%
	Total Debt + New Debt	\$1,683,245	÷ Actual Value	\$97,805,922 = 1.72%
5	Current W&S Debt	\$770,079	÷ Number of Taps	247 = \$3,118
	(Current + New W&S Debt) / Number of Taps	\$6,815	÷ MHI	\$118,636 = 5.74%
6	Current Ratio (CA / CL)			
	Current Assets	\$566,686	÷ Current Liabilities	\$119,555 = 474%
7	Reserve/Expense Ratio			
	Reserves	\$447,131	÷ Current Expenses	\$355,818 = 126%
8	Operating Ratio (OR / OE)			
	Operating Revenues	\$333,044	÷ Operating Expenses	\$250,735 = 133%
9	Coverage Ratio [(TR - OE) / DS]			
	Total Revenues	\$469,047	-	
	Minus Operating Expenses	\$250,735		
	=	\$218,312	÷ Current Debt Service	\$105,083 = 208%
	Coverage Ratio Excluding Tap and			
10	Development Fee Revenue	\$218,312		
	Minus Tap and Development Fee Revenue	\$0		
	=	\$218,312	÷ Current Debt Service	\$105,083 = 208%
11	Projected Coverage Ratio			
	Total Revenues	\$469,047		
	Minus Operating Expenses	\$250,735		
	=	\$218,312	Total Debt Service (with new loan)	\$166,132 = 131%
	Projected Coverage Excluding Tap and			
12	Development Fee Revenue	\$218,312		
	Minus Tap and Development Fee Revenue	\$0		
	=	\$218,312	÷ Total Debt Service (with new loan)	\$166,132 = 131%
13	Current Debt Service	\$105,083	÷ Number of Taps	247 = \$425.44
	Annual New Water Debt Service	\$61,049	÷ Number of Taps	247 = \$247.16
	2023 Annual W&S Rate (Monthly Rate			
14	x 12)	\$1,384.51	÷ MHI	\$118,636 = 1.17%
	2023 Annual W&S Rate + New Annual Debt Service Per Tap	\$1,631.67	÷ MHI	\$118,636 = 1.38%
15	Current 2023 Monthly User Charge			\$115.38
	(Debt Service on DWRF Loan / 2023 Taps / Month)			\$20.60
	Total			\$135.97
16	Operation and Maintenance Reserve			
	Reserves	\$447,131	÷ Operating Expenses	\$250,735 = 178%

2025 IUP DWRP Priority Point Calculations

Entity Name:	Teller County W&S District #1
Date of Scoring	4/11/2025
SRF Phase:	Loan app
DOLA Score:	35
DAC:	Not DAC

Benchmarks

\$92,470 2019-2023 State MHI estimate

		Points	Entity Value	
P1	MHI		\$118,636	128%
	<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		
S5a	User Fees (current water rate at 110%/tap/MHI)		1.15%	
	Rates are > 1.62%	45		
	Rates are between 1.14% and 1.62%	25		
	Rates are < 1.14%	0		
	OR			
S5a	User Fees for a combined water & sewer fund			
	Rates are > 2.98%	45		
	Rates are between 2.12% and 2.98%	25		
	Rates are < 2.12%	0		
S4a	Current water debt per tap compared to MHV		0.61%	
	Debt is > 0.75%	45		
	Debt is between 0.25% and 0.75%	25		
	Debt is < 0.25%	0		
	OR			
S4a	Current water & sewer debt (for combined systems)			
	Debt is > 1.49%	45		
	Debt is between 0.64% and 1.49%	25		
	Debt is < 0.64%	0		
	Population served		615	
	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		27,491	
	AV per household is < \$12,721	35		
	AV per household is between \$12,271 and \$24,308	20		
	AV per household is between \$24,308 and \$46,143	10		
	AV per household is greater than \$46,143	0		



Principal Forgiveness and Priority Point Scoring

Applicant: Teller County Water and Sanitation District No. 1
 DWRP or WPCRF: DWRP

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

Priority Point Scoring

Total WQCD Score:	100
DOLA Affordability Score:	35
Total Score:	135

DWRF LOAN CREDIT REPORT

Teller County Water and Sanitation District No. 1 (“the District”), Teller County

Recommendation:	APPROVAL
Loan Request:	\$758,942
Interest Rate & Term:	3%, 20 years
Annual Debt Service:	\$50,738
Pledge:	Water and sewer revenue
Current Rate:	\$79.38 (W), \$38.50 (S)
Estimated Rate Increase:	\$0.00

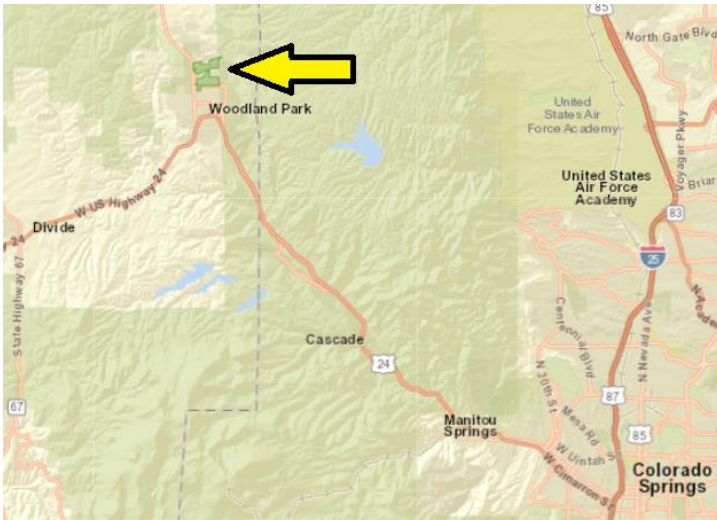
	<u>Project Budget</u>
DWRF Loan:	\$758,942
2023 EIAF:	\$653,908
Total:	\$1,412,850

PROJECT DESCRIPTION: This project is to make necessary upgrades to address radium maximum contaminant level (MCL) exceedances by installing an ion exchange treatment system. In addition, facility improvements include the replacement of existing chlorine contact line and the rehabilitation of finished water piping gallery in existing water treatment plant.

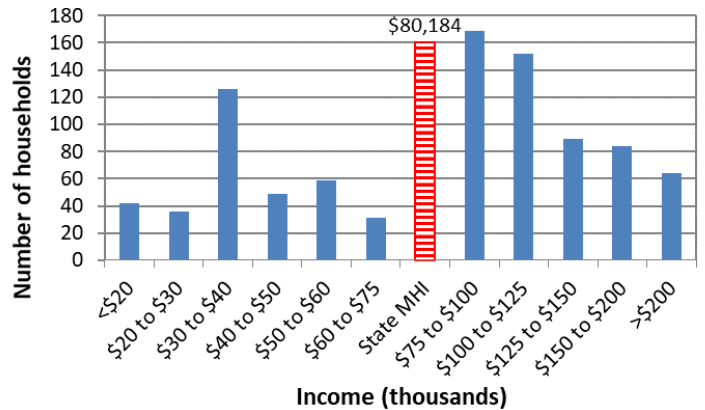
COMMUNITY PROFILE:

Teller County WSD No. 1	2017	2018	2019	2020	2021	2022	2023	Avg. Annual Change
District Population			618	618	618	618	618	0.00%
Teller County Population	24,153	24,523	24,679	24,738	24,922			0.79%
Teller County Jobs	10,410	10,595	10,636	10,030	10,453			0.10%
Number of Water Taps			247	247	247	247	247	0.00%
Number of Sewer Taps			207	207	207	207	207	0.00%
Assessed Value (\$000)			4,806	6,038	6,081	6,994	6,790	9.02%
Actual Value (\$000)			66,488	84,655	84,955	97,841	97,806	10.13%

BORROWER BRIEF: On the eastern border of Teller County, the Teller County Water and Sanitation District No. 1 serves two subdivisions in northern Woodland Park. Woodland Park is located along Highway 24 approximately 20 miles northwest of Colorado Springs.



**Teller County Water and Sanitation District No. 1
MHI \$104,688 | 2017-2021 ACS (block group)**



RECOMMENDATION: The District serves a bedroom community of Colorado Springs in eastern Teller County. The proposed loan is necessary to install radium treatment and return the system to compliance with maximum contaminant levels for Radium 226 and 228. The District is in a relatively healthy financial position, but has a high community debt burden. No projected rate increase is needed to afford the proposed loan. Therefore, we recommend the DWRF Committee approve a \$758,942 direct loan to the Teller County Water and Sanitation District No. 1.

PROJECT SUMMARY:

System summary: The existing potable water system for the District consists of prefilters, granular activated carbon pressure filters, chlorine disinfection, and corrosion control. Disinfection is achieved through 250 feet of 24" ductile iron pipe before the potable water enters the distribution system.

Reason/need: The District has been in operation since 1965. In 2021, the District exceeded the maximum contaminant level for Radium 226 & 228. Due to the exceedance, a notice of violation was issued. The District does not have the ability to remove radium from the raw water in its current facility or operations. The proposed project will provide the treatment to remove radium.

System Compliance: The District (Permit No. CO0160600) has a notice of violation issued November 19, 2021 to address the exceedance of the maximum contaminant level for Radium 226 & 228. The compliance violation is to be remedied as quickly as possible. The project is intended to address the enforcement order and return the system to compliance.

Project Delivery Method: Design/Bid/Build.

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

CURRENT INDICATORS:	2020	2021	2022	Weak	Average	Strong
Total Debt per Capita (\$):	1,666	1,610	1,389	>\$2,000	X	<\$1,000
Total + New Debt/Capita (\$):			2,619	X >\$2,000		<\$1,000
Total Debt/Tap (\$):	4,165	4,025	3,474	>\$5,000	X	<\$2,500
Total Debt + New Debt/Tap (\$):			6,546	X >\$5,000		<\$2,500
Current W&S Debt/Tap (\$):	4,165	4,025	3,474	X >\$2,000		<\$1,000
Current + New W&S Debt/Tap (\$):			6,546	X >\$2,000		<\$1,000
Total Debt/Assessed Value:	17%	16%	12%	>50%		X <25%
Total Debt + New W&S Debt/Assessed Value:			23%	>50%		X <25%
Total Debt/Actual Value:	1.22%	1.17%	0.88%	>10%		X <5%
Total Debt + New W&S Debt/Actual Value:			1.65%	>10%		X <5%
Current W&S Debt + New Debt/Tap/MHI:			6.25%	>20%		X <10%
W&S Fund Current Ratio (CA/CL):	353%	441%	483%	<100%		X >200%
W&S Fund Reserves/Current Expense:	74%	113%	120%	<50%		X >100%
W&S Operating Ratio (OR/OE):	120%	145%	122%	<100%		X >120%
Coverage Ratio (TR-OE)/DS:	169%	209%	167%	<110%		X >125%
Coverage Ratio (TR-OE)/DS Excluding Tap Fees:	162%	209%	167%	<110%		X >125%
Coverage Ratio with New Loan:			112%	<110%	X	>125%
Coverage Ratio with New Loan Excluding Tap Fees:			112%	<110%	X	>125%
Current Annual W&S Rates/MHI:			1.33%	>3.0%		X <1.5%
Current W&S Rates + New W&S Debt Service/MHI:			1.53%	>3.0%	X	<1.5%
Operation and Maintenance Reserve:			166%	<25%		X >50%
TOTAL:				4	5	12

FINANCIAL ANALYSIS: Of the twenty-one current indicators calculated, twelve are rated strong, five are average, and four are considered weak. Overall, the indicators illustrate a relatively healthy fund with ample reserves. However, the weak indicators suggest a high community debt burden.

- For the past three years, the District's operating ratio has consistently been above 120%.
- Based on 2022 financial information, coverage with the proposed loan is 112%. No additional revenue is projected to be needed to meet the 110% debt service coverage ratio requirement.
- The District has adequate reserves to cover more than one year of operations and maintenance expenses.

Additional Project Financing

The District submitted an EIAF application for \$653,908, which was awarded in July 2023.

DESCRIPTION OF THE LOAN:

A \$758,942 direct loan with a 20-year term, two payments annually at an interest rate of 3% will cost the District approximately \$50,738 in annual debt service.

ECONOMIC ANALYSIS: The District has a 2023 population of approximately 618, which has remained the same since 2019. Teller County has grown by 0.79% annually from 2017-2021. For the same time frame, the state population increased at an average annual rate of 0.95%.

The region's economy is dominated by tourism (28% of county jobs) and regional services like healthcare and transportation (16% of jobs). Most individuals commute to Colorado Springs for work. The region also has a large population of retirees that is projected to increase over the next decade.

No customers account for more than 3% of system utilization.

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

Organized in 1971, the District is a Title 32-1 special district governed by a five member board of directors. The District provides water and sewer services to the Paint Pony Ranch and Sunnywood Loop subdivisions north of Woodland Park.

The District contracts for a water operator and administrative services. These contractors work closely with the Board of Directors.

- The District has generally been in compliance with Colorado statutory budgeting, auditing, and election requirements for the past five years.
- The District maintains general liability insurance coverage through F&W Insurance (Pinnacle Assurance Company and National Union Fire Insurance Company of Pittsburgh).
- There are currently no pending lawsuits against the District.
- There have been no recall elections in the last ten years.

Technical/Managerial/Financial (TMF)

CDPHE and DOLA conducted a review of the District's technical, managerial and financial capacity to operate the water system. The review resulted in the following mandatory recommendations:

- Installation of treatment in order to resolve the notice of violation for Radium 226 and 228.

Capital Improvement Plan

As part of the application process, the District submitted a capital improvement schedule, which anticipates capital outlay of \$179,000 for the next five years. The largest expenses include \$55,000 for perimeter fencing at the water treatment plant and \$45,000 to replace the granular activated carbon hose.

Over the next 20 years, the District anticipates total capital expenses closer to \$1,153,000.

Intergovernmental

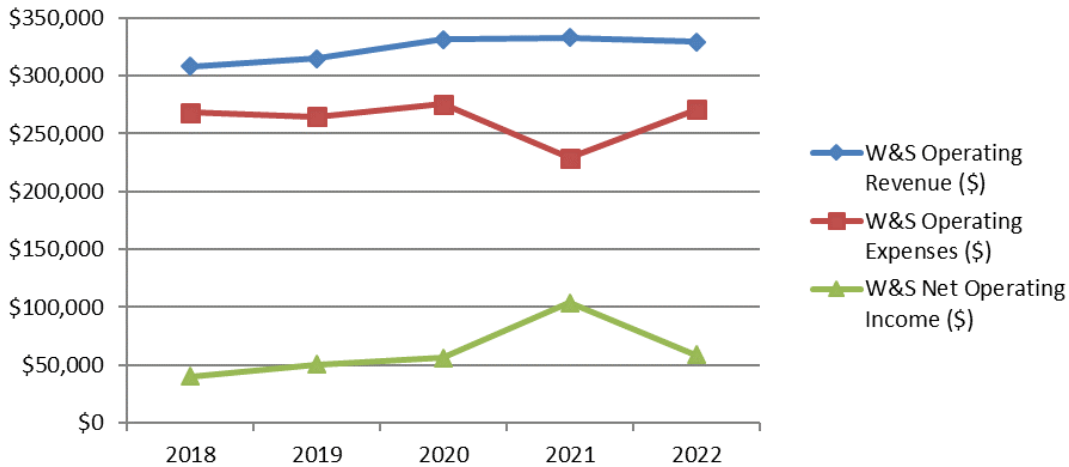
In July 1993, the District entered into an intergovernmental agreement with the City of Woodland Park in order for the District to transfer raw water to the City in exchange for augmentation water. As part of the agreement, the City constructed the necessary consolidation infrastructure (lines, treatment building, chemical feed system, pumping system, and metered distribution system), which the District will own after the capital costs are paid off. The District pays for augmentation water at a one to five ratio for augmentation water to nonconsumptive District well water.

REVENUE ANALYSIS:

- Net operating income has remained consistently positive for the past five years. On average, operating revenue has comprised 124% of operating expenses.
 - The nearly doubled net operating income in 2021 was attributed to a \$50,000 decrease in operating expenses.
- For the majority of the past five years, the District's total revenues did not include tap fee revenue – which suggests that the water and sewer fund generates enough user charges to sustain its operations.

TRENDS	2018	2019	2020	2021	2022	2023
Monthly Water Rate (\$)	74.18	76.18	79.38	79.38	79.38	79.38
Monthly Sewer Rate (\$)	35.00	36.00	36.00	37.00	37.00	38.50
Residential Water Tap Fee (\$)	14,500	14,500	14,500	14,500	14,500	14,500
Residential Sewer Tap Fee (\$)	7,500	7,500	7,500	7,500	7,500	7,500
Total W&S Revenue (\$)	450,032	436,996	454,747	447,350	445,336	
Tap/Development Fees (\$)	0	0	7,589	0	0	
W&S Operating Revenue (\$)	308,433	315,082	331,400	332,845	329,504	
W&S Operating Expenses (\$)	268,241	264,580	275,477	229,143	270,811	
W&S Net Operating Income (\$)	40,192	50,502	55,923	103,702	58,693	
W&S Debt (\$)	1,192,708	1,111,512	1,028,684	994,192	858,002	
Total Debt (\$)	1,192,708	1,111,512	1,028,684	994,192	858,002	
W&S Debt Service (\$)	104,380	104,375	106,172	104,504	104,501	
W&S Debt Service/Tap/Month (\$)	35.50	35.21	35.82	35.26	35.26	
W&S Fund Reserves (\$)	153,366	211,033	281,261	377,235	448,849	

Ratios	2018	2019	2020	2021	2022	Average
Operating Revenue as % of Total Revenue	69%	72%	73%	74%	74%	72%
Operating Revenue as % of Expenses	115%	119%	120%	145%	122%	124%
Tap Fee Revenue as % of Total Revenue	0.00%	0.00%	1.67%	0.00%	0.00%	0.33%



Recent Rate Increases

The District’s most recent rate increase was implemented in 2023, increasing the average monthly residential water rate from \$76.18 to \$79.83. This was caused by an increase in the volumetric charge per 1,000 gallons from \$11 to \$12.

User Charges

The District’s current monthly water rate is estimated at \$79.38 compared to the 2021 estimated state median of \$55.72. The District’s average monthly water rate is based on typical residential consumption of 3,198 gallons per month. Residential users pay a \$41.00 base rate and a volume charge of \$12.00 per 1,000 gallons.

The District’s current estimated average monthly residential sewer rate is \$38.50 compared to the 2021 estimated state median of \$40.38. Sewer charges are billed as a monthly flat fee.

The District has no commercial users.

Contributed Capital

Revenue from tap fees has ranged from \$0 to \$7,589 has averaged 0.33% of total water revenue during the last five years. The District has not increased tap fees in the past five years.

- Residential water tap fees are \$14,500.
- Residential sewer tap fees are \$7,500.

Current System Utilization		
	Usage	Revenue
Residential	100%	100%

Current Fee Summary		
Tap size	Water user/tap fees	Sewer user/tap fees
¾"	\$79.38/\$14,500	\$38.50/\$7,500

DEBT as of December 31, 2022

Executed	Lender	Term End	Pledge	Outstanding	Interest Rate	Annual payment
2010	CWRPDA – DWRf	2031	W&S Revenue	\$858,002	2%	\$104,645

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 DWRf direct loan dated 2010 with the Authority. The District has also had no debt service payment issues.

Prepared by: Kelly Shen
Date: August 8, 2023

Project # 220400-D-B Cost Categories: Planning and design - non-construction (10%), Construction - treatment (80%), Construction - source (10%)

August 8, 2023

DWRF Credit Report
Teller County Water and Sanitation District No. 1, Teller County, CO
Using most recent data available
(Census, audits, local records)

Estimated Population - 2022	618
Number of Water Taps/Customers - 2022	247
Total Assessed Valuation - 2022	\$6,994,000
Actual Value of All Real Property - 2022	\$97,841,000
Median Household Income (MHI) - 2021	\$104,688
Monthly W&S Rate - 2022	\$116.38
W&S Operating Revenue - 2022	\$329,504
W&S 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.]	\$445,336
W&S Tap and System Development Fee Revenue - 2022	\$0
W&S Operating Expense - 2022	\$270,811
W&S Current Expense - 2022	\$375,312
W&S Debt - 2022	\$858,002
Total Debt - 2022	\$858,002
W&S Fund Reserves - 2022	\$448,849
W&S Debt Service - 2022	\$104,501
New W&S Debt [Requested DWRF loan amount.]	\$758,942
Requested DWRF Loan Term	20
Requested DWRF Loan Interest Rate	3.00%
New Loan's Annual W&S Debt Service (two payments annually)	\$50,738

Current Indicators (2022)				
Teller County Water and Sanitation District No. 1				
(Water and Sewer)				
1	Total Debt	\$858,002	÷ Population	618 = \$1,389
	New Debt	\$758,942	÷ Population	618 = \$1,229
	Total Debt + New Debt	\$1,616,944	÷ Population	618 = \$2,619
2	Total Debt	\$858,002	÷ Number of Taps	247 = \$3,474
	New Debt	\$758,942	÷ Number of Taps	247 = \$3,073
	Total Debt + New Debt	\$1,616,944	÷ Number of Taps	247 = \$6,546
3	Total Debt	\$858,002	÷ Assessed Value	\$6,994,000 = 12.27%
	New Debt	\$758,942	÷ Assessed Value	\$6,994,000 = 10.85%
	Total Debt + New Debt	\$1,616,944	÷ Assessed Value	\$6,994,000 = 23.12%
4	Total Debt	\$858,002	÷ Actual Value	\$97,841,000 = 0.88%
	New Debt	\$758,942	÷ Actual Value	\$97,841,000 = 0.78%
	Total Debt + New Debt	\$1,616,944	÷ Actual Value	\$97,841,000 = 1.65%
5	Current W&S Debt	\$858,002	÷ Number of Taps	247 = \$3,474
	(Current + New W&S Debt) / Number of Taps	\$6,546	÷ MHI	\$104,688 = 6.25%
6	Current Ratio (CA / CL)			
	Current Assets	\$566,022	÷ Current Liabilities	\$117,173 = 483%
7	Reserve/Expense Ratio			
	Reserves	\$448,849	÷ Current Expenses	\$375,312 = 120%
8	Operating Ratio (OR / OE)			
	Operating Revenues	\$329,504	÷ Operating Expenses	\$270,811 = 122%
9	Coverage Ratio [(TR - OE) / DS]			
	Total Revenues	\$445,336	-	
	Minus Operating Expenses	\$270,811		
	=	\$174,525	÷ Current Debt Service	\$104,501 = 167%
	Coverage Ratio Excluding Tap and			
10	Development Fee Revenue	\$174,525		
	Minus Tap and Development Fee Revenue	\$0		
	=	\$174,525	÷ Current Debt Service	\$104,501 = 167%
11	Projected Coverage Ratio			
	Total Revenues	\$445,336		
	Minus Operating Expenses	\$270,811		
	=	\$174,525	Total Debt Service (with new loan)	\$155,239 = 112%
	Projected Coverage Excluding Tap and			
12	Development Fee Revenue	\$174,525		
	Minus Tap and Development Fee Revenue	\$0		
	=	\$174,525	÷ new loan)	\$155,239 = 112%
13	Current Debt Service	\$104,501	÷ Number of Taps	247 = \$423.08
	Annual New W&S Debt Service	\$50,738	÷ Number of Taps	247 = \$205.42
	2022 Annual W&S Rate (Monthly Rate			
14	x 12)	\$1,396.56	÷ MHI	\$104,688 = 1.33%
	2022 Annual W&S Rate + New Annual Debt Service Per Tap	\$1,601.98	÷ MHI	\$104,688 = 1.53%
15	Current 2022 Monthly User Charge			\$79.38
	(Debt Service on DWRP Loan / 2022 Taps / Month)			\$17.12
	Total			\$96.50
16	Operation and Maintenance Reserve			
	Reserves	\$448,849	÷ Operating Expenses	\$270,811 = 166%



Priority Point Scoring

Applicant: **Teller County Water and Sanitation District No. 1**
 DWRP or WPCRF: **DWRP**

WPCRF

Total WQCD Score:	
DOLA Affordability Score:	
Total Score:	

DWRP

Water Quality/Public Health Score:	65
DOLA Affordability Score:	35
Total Score	100

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

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? **No.**

Eligible BIL principal forgiveness percentage: **N/A**

Amount of principal forgiveness awarded (accounting for any applicable cap/max): **N/A**