

COLORADO WATER RESOURCES and POWER DEVELOPMENT AUTHORITY**2:00 P.M. – January 29, 2026**

Hybrid Meeting – In-person and via Zoom
 Hyatt Regency Aurora-Denver Conference Center
 Conference Room VI

13200 E. 14th Place, Aurora, CO 80011<https://us06web.zoom.us/j/86142062359?pwd=2O7badO0d5aXvfhyk1Lp5J4mOpIHFw.1>

OR call-in number 1-719-359-4580

Meeting ID: 861 4206 2359

Passcode: 815045

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 Chris Treese
2. **Pledge of Allegiance**
3. **Roll Call, Declaration of a Quorum & Introduction of Guests**
4. **Consent Agenda Approval**
5. **Approval of Minutes – December 5, 2025**
6. **Agency and Other Reports**
 - (a) Report of CWCB – Kirk Russell
 - (b) Report of WQCD – Ron Falco
 - (c) **Report of DOLA – Cynthia Thayer
 - (d) Report of Lobbyist – Christine Arbogast
 - (e) Report of AVC – Leann Noga
7. **Authority Reports**
 - (a) Public and/or Board Member Comment
 - (b) Report of Chair – Chris Treese
 - **Resolution of Appreciation to Lucas Hale, Resolution No. 26-01
 - (c) **Report of Treasurer – Karen Wogsland
 - (d) **Report of Executive Director – Keith McLaughlin
 - (e) Manager's Report
 - Accounting
 - Finance
 - Office
 - (f) Report of Legal Counsel – Karl Ohlsen
8. **Drinking Water Revolving Fund**
 - (a) Loan Applications
 - **Southeastern Colorado Water Conservancy District, **Resolution No. 26-02
 - (b) Bailey Water and Sanitation District, **DAC Business Case
 - (c) **Karval Water Authority Direct Loan Approval Extension
 - (d) **U.S. Bank Trustee Agreement, Resolution No. 26-03
 - (e) Status of Projects
9. **Water Pollution Control Revolving Fund**
 - (a) **U.S. Bank Trustee Agreement, Resolution No. 26-04
 - (b) Status of Projects
10. **Small Hydropower Loan Program**
 - (a) Status Report
 - (b) **U.S. Bank Trustee Agreement, Resolution No. 26-05
11. **Water Revenue Bonds Program**
 - (a) Status Report
 - (b) U.S. Bank Trustee Agreement, Resolution No. 26-05 (same as 10(b))

12. Committee Reports

- (a) Board Program Work Session – Minutes from December 2025
- (b) Project Finance Committee – ***Minutes from January 2026*

13. Legislative Issues and Other Business

- (a) ***Legislative Issues and other Business of Interest to the Authority*

14. Arrangements for Future Meetings

March 5, 2026 – Board Program Work Session (TBD)
March 6, 2026 – Board Meeting 9:00am, Denver
April 23, 2026 – Board Program Work Session (TBD)
April 24, 2026 – Board Meeting 9:00am, Denver
June 4, 2026 – Board Program Work Session (TBD)
June 5, 2026 – Board Meeting 9:00am, Denver

15. Adjournment****SLIDES**

Yellow highlights = Items also included in the BPWS packet (no BPWS for 1/29/26 meeting)

**** and italics** = new items or updated items included in the final packet

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CONSENT AGENDA

**Colorado Water Resources
and
Power Development Authority**

BOARD MEETING MINUTES

December 5, 2025

Call to Order

Chair Chris Treese called the meeting to order at 9:00 a.m. in the Authority Conference Room, located at 1580 N. Logan Street, Suite #810, Denver, Colorado, 80203, and via video and audio teleconferencing.

Pledge of Allegiance

Chair Treese invited all attendees to join him in the Pledge of Allegiance.

Board Member Identification and Declaration of a Quorum

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

Introduction of Guests

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

Approval of Consent Agenda

Chair Treese announced that the following items were placed on the Consent Agenda for Board consideration at the Project Finance Committee meeting and the Board Program Work Session: Agenda items 8(a) Drinking Water Revolving Fund loan application for City of Cripple Creek, Resolution No. 25-34; 8(d) Additions/Modifications/Deletions to the Project Eligibility List; 8(e) Principal Forgiveness Limits and Recommendations; 9(a) Water Pollution Control Revolving Fund loan application for City of Cripple Creek, Resolution No. 25-35; 9(d) Additions/Modifications/Deletions to the Project Eligibility List; 9(e) Principal Forgiveness Limits and Recommendations; and 12(a) Vacation Policy- Accrual Correction. After hearing no comments, a motion was made to approve the Consent Agenda, as presented.

Motion: Patti Wells

2nd: Matthew Shuler

Vote: Motion carried unanimously

Approval of Minutes – October 3, 2025

The October 3, 2025, Minutes were presented for approval. A motion was made to approve the Minutes of October 3, 2025, as submitted.

Motion: Eric Wilkinson

2nd: Mike Fabbre

Vote: Motion carried unanimously

Other Agency Reports

6(a) Report of the Lobbyist

Christine Arbogast, CWRPDA Lobbyist, began her report with discussing the Interior Appropriations for FY26 noting it seems to be non-controversial this year and will likely be in a Senate bill. Ms. Arbogast reiterated that the Senate's proposed SRF funding levels should be at the same levels as the last two fiscal year's funding levels. Next, Ms. Arbogast touched on the reauthorization of the SRFs, stating that there are

organizations pushing for responsible reauthorization, with the primary goal of more certainty and assurance regarding a sufficient level of funding. Ms. Arbogast believes it will be a good bill since the need is well recognized, further noting that authorization is an important step, but it is not funding.

6(b) Report of Water Quality Control Division (“WQCD”)

Ron Falco, Safe Drinking Water Program Manager, introduced a counterpart of his, Tyson Ingels, Watershed and Engineering Program Manager. Mr. Falco then highlighted, from the written report, the October 14, 2025, Public Comment Informational Hearing and the upcoming three-day Commission meeting on December 9-11, 2025, which included the Rulemaking Hearing for Regulation #87 (dredge and fill program). Mr. Falco indicated there is a lot of activity regarding emerging contaminants, especially PFAS, highlighting the high number of entities taking advantage of the Tier 1 grants. Finally, Mr. Falco stated the existing CEOS online applicant portal will go offline in May of 2027, and WQCD continues to work with the Authority to conduct the RFP. He concluded by covering the upcoming coaching and training events. There was some discussion about the EPA vacating the standards for PFAS in drinking water other than PFOA and PFOS and how it impacts Colorado and the SRF.

6(c) Report of Department of Local Affairs (“DOLA”)

Cynthia Thayer, Local Government Services Director, referred to the written report noting that there was a typo under the Small and Rural Communities Technical Services Program indicating the total amount spent on technical services projects in 2025 was \$34,271, not \$334,271. Ms. Thayer concluded her remarks, and the Board had no follow-up questions.

6(d) Report of Colorado Water Conservation Board (“CWCB”)

Kirk Russell, Finance Section Chief, noted that CWCB approved a loan to the City of Fort Collins at the November 19th and 20th Board meeting for the Halligan Water Supply Project in the amount of \$150M. Mr. Russell also highlighted the approval of the City of Durango’s Water Supply Reserve Fund Grant for reconstruction of the Florida pipeline design. He noted that while \$21M in Water Plan Grants were received on December 1, only \$12M remains available for this approval cycle. He additionally provided updates on severance tax revenues, the 2026 Projects Bill, the approval of the Shoshone water rights acquisition, the severance tax taskforce, the canceled Bear Creek Lake reallocation funds, and the Arkansas Valley Conduit project, noting that Otero County has been contracted to complete the spur and connection line design.

6(e) Arkansas Valley Conduit (“AVC”)

Leann Noga, Executive Director of Southeastern Colorado Water Conservancy District (“the District”), provided an update on the trunkline, the injection site and design on the full conduit. Ms. Noga then provided updates on their SRF loan application.

Authority Reports

7(a) Public and/or Board Member Comment

There were no comments from the public or Directors.

7(b) Report of the Chair

Chair Treese had nothing formal to report.

7(c) Report of the Treasurer

Director Karen Wogsland, Board Secretary/Treasurer, invited Justin Noll, Controller, to provide the report. Mr. Noll indicated that the Authority financials are included through September for certain reports and through October for the rest. Mr. Noll reported that COLOTRUST’s rate of return is hovering around 4%, compared to about 4.8% this time last year. He concluded by stating the auditors would be at the Authority the first part of January to begin their planning and preparation work. A motion was made to approve the Treasurer’s Report.

Motion: Karen Wogsland

2nd: Patti Wells

Vote: Motion carried unanimously

7(d) Report of the Executive Director

Keith McLaughlin, Executive Director, began his report mentioning that once the government shutdown ended, the Authority received the reallocation for Lead Service Lines (“LSL”), noting the numbers were lower than anticipated, and that Colorado would be applying for the next LSL reallocations shortly. Mr. McLaughlin further reported that he and Ms. Arbogast will be meeting with the Council of Infrastructure Financing Authority’s lobbying team with hopes of obtaining actionable items. He concluded by announcing that the Authority is close to awarding a construction contract for the office expansion; announced the two staff anniversaries; and displayed the updated 2026 goals and organization chart.

7(e) Accounting Manager’s Report

Justin Noll, Controller, updated the Board on the implementation of the Gravity software and the accompanying staff training affirming the hopes that the software will provide efficiency and help streamline the audit and annual report processes.

7(e) Finance Manager’s Report

Wesley Williams, Finance Director, introduced the new one-page finance report which provides highlights of the Finance department and will be included in the Board packets going forward. Next, Mr. Williams discussed the project for the Town of Frisco and reviewed the thank-you email from the Town. Mr. Williams then thanked the Finance team for their work on the eligibility list, and he also announced the vacant Financial Analyst I position, indicating they will solicit for the position in January 2026. Mr. Williams reiterated that the Authority anticipates receiving approximately twelve loan applications for the January 5th deadline, which will be brought to the Board at the March meeting, and noted there should be three loan applications for the January meeting. Mr. McLaughlin informed the Board that Mr. Williams has created an intranet for Authority staff and thanked him for all his work on getting it up and running.

Mr. Williams invited Giorgi Gazashvili, Financial Analyst II, up to the podium to discuss the Open Loan Application Cycles. Mr. Gazashvili began by thanking the Board for the good discussion, and the good questions, at the Board Program Work Session (“BPWS”). Mr. Gazashvili reminded the Board that staff is recommending that the Board authorize two additional open cycles on April 5th and June 5th, which came with a favorable recommendation from the BPWS. A motion was made to approve the changes as outlined above.

Motion: Karen Wogsland

2nd: Eric Wilkinson

Vote: Motion carried unanimously

7(e) Office Manager’s Report

Heather Newton, Office Manager, introduced the new Interdepartmental Administrative Specialist I, Danica Rowe, who began employment on November 18, 2025. Director Wells suggested that the common name of the position should be Administrative Specialist, stating “Interdepartmental” is not necessary.

7(f) Report of Legal Counsel

Karl Ohlsen, General Counsel, reported that he has been working with the Authority staff on the AVC project and the project for Mountain View Villages Water and Sanitation District, which will both be discussed later in the meeting.

Drinking Water Revolving Fund

8(b) Southeastern Colorado Water Conservancy District, DAC Business Case

Jim Griffiths, Deputy Director, referred to the PFC meeting and the business case report noting that Southeastern Colorado Water Conservancy District (“the District”) will be seeking a Drinking Water Revolving Fund (“DWRF”) loan in an estimated amount of \$26,000,000. The District is responsible for constructing the spur and delivery lines that will deliver clean drinking water to 39 communities via the Arkansas Valley Conduit trunkline (“AVC”). Many of these communities are disadvantaged and have been using groundwater contaminated with naturally occurring radionuclides or salinity. This funding request consists of constructing spur and delivery lines to 18 communities from the Town of Fowler to Rocky Ford. The business case received a favorable recommendation from the PFC and SRF Committee. Following the PFC meeting, Mr. Griffiths reached out to the Region 8 EPA contact, Jenn Berig, for clarification on the DAC population criteria limit, who responded that EPA liked the approach of utilizing a business case for this project, appreciated that each community’s population was less than 10,000, and also appreciated that the approach saves significant costs to the communities. In addition, Karl Ohlsen, General Counsel, reviewed the motion to ensure it was compliant with the Intended Use Plan (“IUP”), statutes, etc. There was discussion about the EPA’s definition of a small community, which is a population 10,000 or less and how the Authority applies that definition in the IUP and for disadvantaged communities. A motion was made to approve the Disadvantaged Community (“DAC”) Business Case (“BC”) for the Southeastern Colorado Water Conservancy District’s upcoming spur and delivery lines project. Each of the communities listed in the BC have populations of less than 10,000, and each generally meet the DAC criteria to the extent measurable.

Motion: Patti Wells

2nd: Matthew Shuler

Vote: Motion carried unanimously

8(c) Leveraged/Direct/Interim/DAC Program Interest Rates for 2026

Kevin Carpenter, Senior Financial Analyst I, reported there was good conversation regarding the economic update and interest rate recommendations for 2026 during the Board Program Work Session (“BPWS”) the previous night. Mr. Carpenter stated there was no action taken at the BPWS as the members concurred with staff’s recommendations to keep interest rates at current levels for 2026, and since no rate adjustments are being made, there is no formal action needed. Market conditions will be monitored to determine if future changes are warranted.

8(f) Conversion Planning Grants Term Length

Ian Loffert, Assistant Finance Director, provided background information on the conversion planning grants stating standard DWRF and WPCRF Planning Grants (“PGs”) provide up to \$10,000 for Disadvantaged Communities (“DACs”) to complete preliminary project planning work. This conversion is a prerequisite to receive WPCRF financing for Private Non-Profit (“PNP”) borrowers and provides access to a broader range of funding opportunities under both programs. In June 2023, the Board approved increasing the maximum PG amount to \$25,000 when used specifically for PNPs converting to an eligible Governmental Agency (“Conversion PGs”), which took effect in 2024. This approval, however, did not modify the term length for Conversion PGs, which has remained at 12 months. Over the past two years, staff have observed that these multi-party entities frequently extend beyond the current 12-month grant term, particularly in unincorporated or rural areas where required notice periods, landowner voting requirements, and seasonal schedules can create delays. The 2025 and 2026 Intended Use Plan (“IUP”) explicitly states that planning grant terms are no longer than one year, unless otherwise approved by the Authority Board or its Executive Director. Therefore, staff recommends that the Board approve establishing an 18-month term for all Conversion PGs under the DWRF and WPCRF programs. A motion was made to approve a term of 18 months for all outstanding and future Conversion PGs and to incorporate this change into the 2027 Intended Use Plan.

Motion: Karen Wogsland
2nd: Bruce Whitehead
Vote: Motion carried unanimously

8(g) Status of Projects

Giorgi Gazashvili asserted that there have been three DWRF pre-qualification meetings since the last Board meeting with the Town of Silverthorne; Snake River Water District; and Forest Hills Metropolitan District and that three loan applications were received for the November 5th deadline. The first application is for Bailey Water and Sanitation District; the second application is for the City of Grand Junction; and the third is for Southeastern Colorado Water Conservancy District. Additionally, subsequently to the October Board meeting, there has been one Planning Grant awarded to the City of Brush to use for their Project Needs Assessment, leaving \$85,000 remaining. Last, since receiving the 2025 base capitalization grant, and subsequent to the last Board meeting, five Design & Engineering grants were awarded to Cheyenne Wells; Norwood Water Commission; City of Cripple Creek (re-execution); Town of Saguache; and Town of Dolores, leaving \$622,283 remaining. Mr. Gazashvili also asserted that staff are conducting audit reviews, and there are approximately 233 loans totaling approximately \$520M principal outstanding.

Water Pollution Control Revolving Fund

9(b) Mountain View Villages Water and Sanitation District, DAC Business Case

Ian Loffert introduced the guests representing Mountain View Villages Water and Sanitation District and then referred to the PFC meeting and the business case report noting that Mountain View Villages Water and Sanitation District (“the District”) will be seeking a Water Pollution Control Revolving Fund (“WPCRF”) loan in the approximate amount of \$2,400,000. The project consists of improvements to the headworks, including installation of a mechanical fine screen upstream of influent pump station, conversion of anaerobic tanks to aerobic digesters for improved solids stabilization, a new building to house the mechanical bar screen and existing influent pump station, and improvements to the metals removal process through addition of a polymer. The project is necessary for the District to be in compliance with its current discharge permit and future effluent limits. The business case received a favorable recommendation from the PFC and SRF Committee. Mr. Loffert provided responses to questions that arose at the PFC meeting, noting the mobile homes were generally constructed in the 1990’s or later. He also advised that language would be added to the project description in the future loan agreement stating that the described treatment upgrades must benefit an affordable housing community. A motion was made to approve the Mountain View Villages Water and Sanitation District DAC Business Case, as presented with the terms and conditions that Karl Ohlsen and staff have recommended regarding affordable housing. There was discussion about what could happen if the landowner did sell the property, and how that would be handled.

Motion: Bruce Whitehead
2nd: Matthew Shuler
Vote: Motion carried unanimously

9(g) Status of Projects

Kevin Carpenter reported there has been one WPCRF pre-qualification meeting since the October Board meeting for East Alamosa Water and Sanitation District. He then updated that there have been no loan applications for the November 5, 2025, deadline and reiterated that demand and interest have been low. However, he reminded the Board of PF changes that were recently made to attempt to increase demand. There were no Planning Grants awarded since the last Board meeting, and there is \$120,000 remaining. There have also been three D&E grants awarded to the Town of Alma; Town of Cheraw; and the City of Cripple Creek (re-execution) since the October meeting, and there is \$2,943,122 remaining. There was discussion regarding why demand is so low for the WPCRF program and further plans to increase demand.

Small Hydropower Loan Program

10(b) Status of Projects

Daniel Lockard, Financial Analyst I, stated there have been no grants awarded in 2025 and conveyed staff are going to work on outreach in 2026 with hopes of finding new opportunities and increasing interest in the program. There are six outstanding loans.

Water Revenue Bonds Program

11(b) Status of Projects

Daniel Lockard provided background on the WRBP program and advised that the City of Fort Lupton paid off its loan in November 2025. There are four outstanding loans, and no new loan applications since the October meeting; however, staff are communicating with the City of Fort Collins to potentially finance their Halligan water supply project.

Personnel Committee

Committee Chair Patti Wells stated the Committee met on Thursday, November 20, 2025, and discussed the typical year end activities including 2026 salary ranges, Authority goals, and salary increases, noting the recommendation for a 2.5% increase to the salary ranges and a 4% increase in salaries was unanimously approved by the Committee to recommend approval from the full Board.

A motion was made to approve the 2.5% salary range increase for 2026 and a 4% increase in salaries as recommended by the Personnel Committee.

Motion: Patti Wells

2nd: Lucas Hale

Vote: Motion carried unanimously

Committee Chair Wells further indicated that the Committee went into Executive Session to discuss the Executive Director's ("ED") performance, goals, and salary increase, reporting the Committee is enthusiastic about what the ED has achieved and agreed on a salary increase. There is no motion needed since it is already included in the budget. Chair Treese expressed appreciation for Mr. McLaughlin's leadership, and relationships with Board members collectively and individually.

Project Finance Committee

Committee Chair Bruce Whitehead noted that the Project Finance Committee met on Monday, December 1, 2025, with all Committee members present, and there was good discussion on all items presented. Committee Chair Whitehead stated that the minutes accurately reflect the discussions and actions taken by the Committee.

Board Program Work Session

Committee Chair Mike Fabbre asserted the Board Program Work Session ("BPWS") met on Thursday, December 4, 2025, and thanked all the Board members for attending, as well as Mr. Williams, Mr. Carpenter and Mr. Gazashvili for presenting the material. Committee Chair Fabbre indicated that it was a successful meeting, and all items discussed at the BPWS have been addressed in the Board meeting.

Budget & Audit Committee

Committee Chair Karen Wogsland noted that the Committee had not met since the last Committee meeting; however, Controller Justin Noll made some adjustments to the 2025 budget, which needs approval, and the 2026 budget also needs final approval.

Adjustments to the 2025 Budget

Controller Justin Noll presented the changes made to the 2025 budget which include moving funds from "Other potential projects" to "Furniture & fixtures" and "Office improvements" for the office remodel (the moving of funds from different categories requires Board approval); moving funds for additional audit

expenses; moving funds for additional, unexpected travel costs primarily for Mr. McLaughlin to go to Washington D.C.; and moving funds for SRF principal forgiveness reimbursements. Committee Chair Wogsland made note that for each addition, there is a corresponding reduction. A motion was made to approve the budget adjustment for the office assets expenses as required.

Motion: Karen Wogsland

2nd: Matthew Shuler

Vote: Motion carried unanimously

Adjustments to the 2026 Budget

Controller Justin Noll recalled that the 2026 budget was discussed at length at the September Budget and Audit meeting and that the Board subsequently approved making the budget available for inspection, noting The Notice of Proposed Budget for 2026 was published in the October 20, 2025, edition of *The Denver Post* and, as expected, there were no interested electors who requested inspection. Mr. Noll further noted that changes are allowed to be made during the time between October and December, and there are some requested changes needed. Mr. Noll highlighted the changes requested which include: 1. An increase to travel, lodging, meals, etc.; 2. An increase to office insurance; 3. An increase to furniture and fixtures, and office improvements; 4. An increase to WPCRF bond proceeds, WPCRF leveraged loans made, and loan principal forgiveness; and 5. An increase to DWRF bond proceeds, DWRF leveraged loans made, and loan principal forgiveness. A motion was made to approve Resolution No. 25-36, appropriating the funds for the budget.

Motion: Karen Wogsland

2nd: Lucas Hale

Vote: Motion carried unanimously

A motion was made to approve Resolution No. 25-37, adopting the 2026 budget.

Motion: Karen Wogsland

2nd: Lucas Hale

Vote: Motion carried unanimously

Legislative Issues and Other Business

Keith McLaughlin, Executive Director, reminded the Board that several legislative items were covered earlier with Lobbyist, Christine Arbogast. Mr. McLaughlin then stressed the need for, and importance of, finding the 2026 state match funds for IJA for approximately \$13.3M, asserting that it may be difficult to receive from the state. He also mentioned his upcoming meeting with the Health Department to further discuss the IJA State Match. In terms of the state, there are a couple of items to note: 1. the two newly re-appointed (Karen Wogsland) and appointed (Roy Heald) Board members need to be confirmed by the Senate; and 2. preparing the eligibility list and obtaining legislative sponsors. Mr. McLaughlin then highlighted the articles included in the material.

Arrangement for Future Meetings

Chair Treese reported the January 2026 through April 2026 meetings are included in the Board material.

Adjournment

Chair Treese adjourned the meeting at 11:51 a.m.

Respectfully submitted,

Heather Newton, 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 HEATHER NEWTON AT (303) 830-1550, EXT. 1010, FOR INFORMATION.



Board Report - Colorado Water Resources & Power Development Authority January 29, 2026

REPORT INDEX

1. **WQCC actions (current and future)**
2. **WQCD highlights**
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 - 2.2. Budget
 - 2.3. Legislative
 - 2.4. Grants and Loans Update
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 WQCC met on December 8, 2025 and held an administrative action hearing to consider approval of updates to Policy 98-2: A Guide to Colorado Programs for Water Quality Management and Safe Drinking Water.
- December 8-10, 2025 the WQCC held a rulemaking hearing for Regulation #87: Dredge and Fill (5 CCR 1002-87).
- The WQCC did not meet in January 2026.

Upcoming rulemaking hearings and briefings include:

- The next monthly WQCC meeting is scheduled for February 9, 2026. The WQCC will hold Informational Briefings for SB89-181, Clear Creek/Standley Lake Triennial Water Quality Report and Clear Creek/Standley Lake Triennial Water Quality Report and will hold a rulemaking hearing for Regulation #93: Colorado's Section 303(d) List of Impaired Waters and Monitoring and Evaluation List (5 CCR 1002-93)
- For the most up-to-date information on the Water Quality Control Commission schedule, [the Long Term Schedule](#) is updated each month.

2. **WQCD highlights**

2.1. **Emerging issues/status updates/success stories**

- The division's Emerging Contaminants in Small or Disadvantaged Communities (EC-SDC) grant program saw a lot of progress in 2025. The program released two Request for Applications (RFA) in 2025 with the most recent RFA posted in January 2026. The grant program provides up to \$30M for infrastructure grants (Tier 2) and up to \$300,000 for planning and design (Tier 1) per applicant during each RFA cycle as funding allows. The grant program prioritizes projects that address PFAS or manganese drinking water exceedances. In total \$51 million in grant funding has been encumbered to date across 13 awardees to address emerging contaminants in their drinking water. The January 2026 RFA opened January 5, 2026, and will close February 4, 2026. The total funding available for the January 2026 RFA is: Tier 1 grants: \$1,820,000, Tier 2 grants: \$68,000,000. A summary of each RFA and the awards in 2025 are as follows:
 - July 2025: Three total public water systems were awarded Tier 1 grant funding and grant agreements are currently being developed: Avondale Water and





Sanitation District, Morgan County Quality Water District, and Town of Springfield

- January 2025: Nine total public water systems were awarded grant funding and all grant agreements have been executed to date, eight of which were Tier 1 awards (City of Brighton, Crowley County Water Association, City of La Junta, Town of Manzanola, Prairie View Ranch Water District, Southeastern Colorado Water Conservancy District on behalf of Crowley County and Manzanola, Snake River WD) and one was a Tier 2 award for City of Aurora.
- July 2025: Three total public water systems were awarded grant funding, all of which were Tier 1 awards: Town of Springfield, Avondale WSD, and Morgan County Quality WD. Grant agreements are being drafted and are planned to be executed by the end of the year.
- The grant information and all awards for each RFA cycle can be viewed on the division's [Water Quality Grants](#) webpage.

2.3 Budget

- The Division submitted its 2026 Budget on August 21, 2025 in accordance with the SRF MOU agreement. In December 2025, the CWRPDA Authority Board approved the budget.
- The Division is continuing to work on the existing online applicant portal. This portal will come offline in May 2027. The Division continues to work with Authority staff to conduct the RFP and contracting of this project directly through the CWRPDA. The final draft RFP was reviewed by the CWRPDA and the Division and was finalized in mid-January. Once the RFP package is finalized, the bidding process will immediately begin. The RFP will be open for bids for 30 days.

2.4 Legislative

- The Colorado legislative session begins January 14, 2026. There are no updates at this time.

2.5. Grants and Loans Unit Updates

- No new updates.

Pre-qualification Meetings 12/03/2025 - 2/02/2026			
Entity	Date	Estimated Project Cost	Program
Town of Kersey	12/08/2025	\$545,314	DWRF
Pagosa Springs Sanitation General Improvement District	12/09/2025	\$3,150,000	WPCRF
Bristol Water and Sanitation District	12/10/2025	\$2,465,000	DWRF
Town of Fairplay	12/17/2025	\$600,000	DWRF
Pine Drive Water District	02/02/2026	\$695,000	DWRF

3. Safe Drinking Water Program

3.1. Project Reporting

- The 2026 Assistance Grants received 91 applications to be reviewed for funding recommendations as of October 21, 2025. Systems will be awarded up to \$30,000 to address water quality challenges ranging from infrastructure projects to technical





improvements. Volunteers were gathered for the Assistance Grants review committee from several units across the division. Thirty (30) projects moved on to the next phase of the funding recommendation process to have the top projects determined by committee members.

3.2. Source water protection

- The following source water protection grants were awarded during the current reporting period:
 - Town of Fairplay for \$5,000
- Colorado Rural Water Association (CRWA) continues to work on source water protection planning and Wildland Fire Decision Support (WFDSS) projects. The Division has completed and fully executed next year's contract renewal for calendar year 2026. The current contract renewal amount is \$300,000. The funding for this source water protection work is from WPCRF projects budget (\$150,000) and the Wellhead set-aside budget (\$150,000).

3.3. Coaching and training

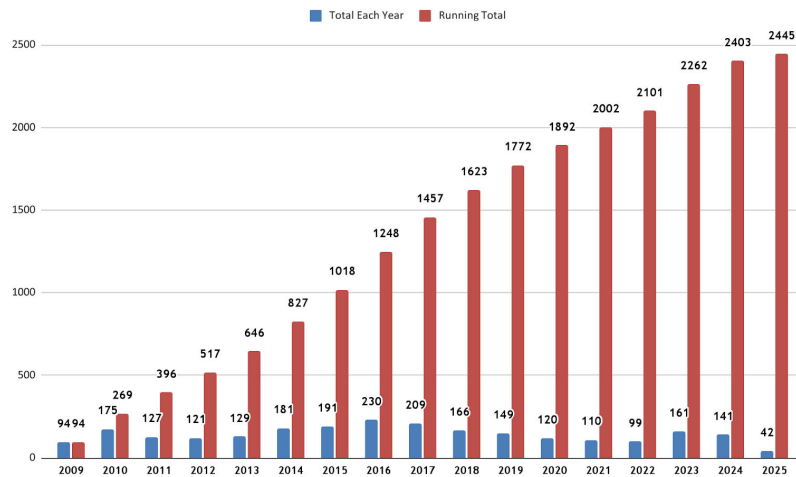
- Unit staff continue to train new hires on LAU curriculum to increase group training delivery capacity. All new hires have presented a portion of SSP and/or MORC, and are scheduled to collaborate on the entire MORC webinar in January.
- LAU staff participated in the Western Colorado Water & Wastewater Conference in Grand Junction and presented training on Asset Management and Public Notice Training.

Training Title	Date of Delivery	Location	Water Professionals in Attendance	Public Water Systems represented
MORC	11/15/25	Web	23	18
SSP	11/29/25	Ft. Collins	25	13
MORC	12/3/25	Co Springs	9	7
SSP	12/17/25	Web	22	14
Total year to date	Calendar year 2025	Colorado	458	429

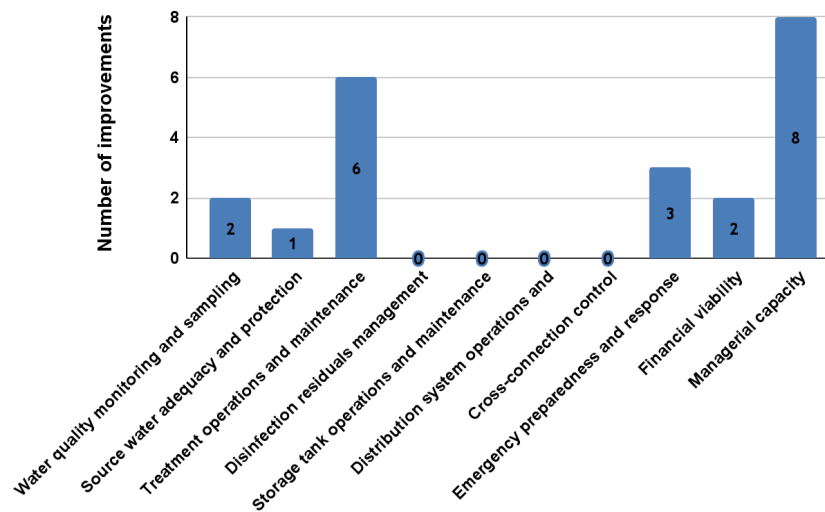
Please note the above acronyms are representative of the following training titles:
 MORC - Monitoring and Operating for Regulatory Compliance (includes mandatory regulatory training)
 LCRR - Lead and Copper Rule Revision
 SSP - Sanitary Survey Preparation
 ORC - ORC training to develop Monitoring Plan
 GWUDI - Ground Water Under the Direct Influence of Surface Water Data/Sampling
 MHP- Mobile Home Park Training
 AM - Asset Management

- The 2025 annual running monthly average is 80% of all systems that received one-on-one assistance are making at least one improvement.
- Total coaching and training events:





- 2025 improved performance as a result of assistance (the following displays the success of coaching visits as measured by the number of systems improving performance as a result of coaching assistance across 10 different areas):





4. Clean Water Program
 - 4.1. Clean Water Program Updates
 - Nothing new to report
 - 4.2. 2025 WPCRF Projects Budget

Project	Contract Amount	Balance
CRWA (#1)	\$150,000.00	\$150,000.00
LABA (line 238 on COA) (#2)	\$35,208.38	\$35,208.38
CSU E-rams (#4)	\$130,000.00	\$110,892.40
Northwest CO COG (#6)	\$25,000.00	\$1,275.00
Pueblo ACOG (#6)	\$60,000.00	\$60,000.00
ERG (aka PG Env)- Temperature (#13)	\$60,000.00	\$58,622.42
Hydros (#13)	\$50,000.00	\$48,865.70
Test America Laboratories Eurofins (#7)	\$57,864.44	\$56,384.84
DSV Support (#3)	\$64,767.17	\$64,291.91
CSU - SWQMP (#12)	\$140,000.00	\$121,963.94
ERG (aka PG Env)- Field Sampling (#16)	\$40,000.00	\$40,000.00
Aquatics Associates (#15)	\$15,000.00	\$15,000.00
Job Store (#3)	\$10,416.48	\$10,416.48
USGS Trend (#7)	\$25,000.00	\$0.00
NPS temporary aide watershed planning (#6)	\$44,200.94	\$44,200.94
CO School of Mines- Baseline Groundwater Study (#5)	\$78,738.93	\$55,678.47
CSU-Cowpea (#17)	\$8,000.00	\$2,995.74
SGS - LABA (#2)	\$60,866.00	\$53,003.50
Tetra Tech (model TMDL Bear) (#14)	\$99,000.00	\$64,350.00
IECs - INDUSTRIAL ECONOMICS INC (#3)	\$15,273.00	\$15,273.00
Tetra Tech (low flow) (#3)	\$50,000.00	\$50,000.00
Job Store (#3)	\$34,060.00	\$30,195.51
Tisch Env (filters)	\$0.00	\$0.00
Total	\$1,253,395.34	\$164,777.11





COLORADO

Department of Local Affairs

Division of Local Government

To: Colorado Water Resources and Power Development Authority Board
From: Cynthia Thayer and Desi Santerre, DLG
Date: January 21, 2026
Re: DOLA Agency Update

Energy and Mineral Impact Assistance (EIAF) Program

DOLA recently announced an EIAF funding cycle. The application deadline is February 13, 2026. There is about \$15 million in funding available and Tier I (up to \$200,000) and Tier II (\$200,001 to \$1,000,000) applications are being accepted. Awards will be made in late May 2026.

Severance Tax/FML December Projections

The FY25/26 revenue projections for severance were revised slightly downwards in the most recent forecast but FY26/27 and FY27/28 expectations are largely unchanged.

Severance Tax (millions)

	Fiscal Year 2025-2026	Fiscal Year 2026-2027	Fiscal Year 2027-2028
Office of State Planning and Budgeting forecast	\$153.5	\$162.9	\$226.8
Legislative Council Staff forecast	\$199.7	\$248.2	\$225.6

Federal Mineral Lease Revenue (millions)

	Fiscal Year 2025-2026	Fiscal Year 2026-2027	Fiscal Year 2027-2028
Office of State Planning and Budgeting forecast	\$98.6	\$107.5	\$108.0
Legislative Council Staff forecast	\$105.3	\$119.4	\$139.7

Outreach & Education

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

Upcoming

- Colorado Rural Water Association Annual Conference: March 2026





Completed (since the last board meeting)

- none

Small and Rural Communities Technical Services Program

Below is an update on recent projects in this program.

Owner	Type	Recommendation / Analysis	Project Status
Ginters Grover Public Improvement District	Drinking water	Pending	Open

As of November 30, 2025, a total of \$39,739 has been spent on technical services projects, \$30,689 on drinking water projects and \$9,050 on wastewater projects.





ARKANSAS VALLEY CONDUIT MONTHLY REPORT

Thursday, January 15, 2026

This monthly newsletter summarizes activities related to the Arkansas Valley Conduit and is made available to the Southeastern Colorado Water Conservancy District Board of Directors and Arkansas Valley Conduit stakeholders. To request a subscription to the Report, please contact info@secwcd.com or view it at <https://www.secwcd.org/>



Important!

On-line meeting for AVC participants.

You're invited to attend a special on-line meeting to update participants on the current status of the AVC project.

Recent news reports have created some confusion over the impact of the presidential veto on the AVC Project. The Southeastern District is sponsoring an online session to fully explain what's happening.

Monday, January 26, 2026

5:30 p.m.

[Click here for meeting info](#)

<https://us02web.zoom.us/j/84095042044?pwd=V7JLXuW0gvKE2JGvJCq1Fg-vepL1cVpiNC18ygTY>

For Past issues of the AVC Report:

<https://www.secwcd.org/>



Representatives Jeff Hurd and Lauren Boebert urged their colleagues in the U.S. House of Representatives to override President Trump's veto of HR131 "Finish the Arkansas Valley Conduit Act" on January 8, 2026.

AVC Work Will Continue

Veto override fails, but construction still in progress

While the U.S. House of Representatives failed to override the President Trump's veto of HR 131, the "Finish the Arkansas Valley Conduit Act," the AVC Project is very much alive, and the District remains committed to find every possible way to keep costs manageable for participants.

"This is far from over," said Southeastern Colorado Water Conservancy District President Bill Long said shortly after the vote. "We will regroup with our congressional delegation and our partners at the Bureau of Reclamation to continue a path forward for the Arkansas Valley Conduit. Today's vote was disappointing, but it's not the end of the line. Construction will continue."

A two-thirds majority is needed to override a presidential veto, and the House came up short. The House voted 248-177 in favor of an override of the veto on January 8, 2026, with 35 Republicans joining all Democrats in voting for the override. All eight members of Colorado's delegation, four Democrats and four Republicans, voted for the override.

Continued on next page



AVC ENTERPRISE SUBPROJECT

AVC construction continues despite bill's failure

Representatives Loren Boebert, the bill's sponsor, and Jeff Hurd urged their Republican colleagues to vote to override the veto, while Representative Joe Neguse reinforced the idea the support for the AVC crosses party lines during the floor debate on the action. All of the Representatives stressed the importance of the AVC to bring a new supply of water to the lower Arkansas Valley and its importance to public health.

Earlier in the day, Senator Michael Bennet urged the Senate to override the veto, if the House took action. He said the veto was made to punish Colorado on issues unrelated to the AVC, and that the AVC is needed for public health and safety.

Bennet, Senator John Hickenlooper, Boebert and Hurd issued a joint statement on the eve of the House vote (see page 3).



Michael Bennet

President Trump issued a veto statement (see Page 4) on December 29, 2025, after the Senate unanimously passed the bill on December 16, 2025 after House passage on July 21, 2025. The veto was surprising because of the bipartisan support the bill received during the last two sessions of Congress and the enthusiasm for the AVC shown by the first Trump administration in 2020.

The first Trump administration provided the first \$28 million toward funding AVC construction in 2020 and staged a groundbreaking ceremony at Pueblo Dam later in the year. Trump himself came to Colorado in 2020 to support the AVC at a campaign rally with then-Senator Cory Gardner.

For two days, the story grabbed national headlines, and some inaccurate information was spread. HR 131 was not an appropriations bill, and as lawmakers pointed out would not increase federal spending on the project. The District issued a statement in attempt to clarify that the bill only sought to make the AVC more affordable to participants by lowering the interest rate on repayment, extend the repayment period and provide an opportunity to reduce payments because of economic hardship (see Page 4).

"It's frustrating for all of us at the District to see this hap-

pen after all the hard work and the local, state and federal investment that has gone into the AVC project," District President Bill Long said. "We're still constructing the pipeline and will continue to build it."



Bill Long

Those investments include development payments by AVC participants, \$3.2 million in American Rescue Act grants by local governments, \$4.8 million by the Enterprise, \$90 million in loan capacity by the Colorado Water Conservation Board and \$30 million in CWCB grants. The grants will be used to leverage additional construction funds from the State Drinking Water Revolving Fund.

Reclamation has received \$613 million in federal appropriations toward construction, and so far has completed the first 12 miles of the AVC.

The legislation was sought by the District in 2024, after a revised cost estimate for the AVC doubled to \$1.3 billion on the federal side, in addition to \$79 million for the Enterprise Sub-Project.

AVC participants are responsible for 35 percent of the total cost of the AVC Project, but receive help on the federal costs through miscellaneous revenues (such as storage contracts) from the Fryingpan-Arkansas Project.

HR 131 did not seek any additional funding, but merely to extend the 50-year repayment period and lower the interest rate. Funding already in place was not affected.

The District, through its Enterprise, is moving ahead on completing a construction loan application with the Colorado Water Resources and Power Development Authority that will fund the construction of delivery lines all the way to Rocky Ford, and including four water systems south of Rocky Ford.

The Enterprise is contracting for design of some of those delivery lines through its fiscal agent, Otero County.

The Enterprise completed construction of delivery lines to the Avondale Water and Sanitation District and the Town of Boone using ARPA funds supplied by Pueblo County.

Congress of the United States
Washington, D.C. 20510

January 7, 2026

Dear Colleague,

We write to respectfully request your continued support of H.R. 131, the *Finish the Arkansas Valley Conduit Act*. Last year, this bill passed both chambers unanimously and would fulfill a commitment made six decades ago by the federal government to deliver clean, affordable drinking water to tens of thousands of rural Coloradans. Moreover, the bill would do so at virtually no cost to the American taxpayer. Should the Senate have the opportunity to reconsider H.R. 131 following the President's recent veto, we would be grateful if you could maintain your support and vote in favor of the bill.

The Arkansas Valley Conduit is the final, unfinished component of the Fryingpan-Arkansas water delivery project authorized by Congress in 1962. Sixty-four years later, more than 50,000 people across 39 communities in southeastern Colorado are still forced to rely on contaminated, carcinogenic groundwater. These are largely rural and economically vulnerable communities that have waited generations for the federal government to fulfill its promise.

Although administrations of both parties have supported the Conduit project, rising material and labor costs now threaten its completion, which would block local communities from accessing safe, clean, reliable drinking water. H.R. 131 provides a commonsense remedy by reducing interest rates and offering more flexible repayment terms to enable completion of the project – all without a measurable increase in federal spending. Three weeks ago, the Senate passed H.R. 131 without objection, reflecting broad bipartisan support.

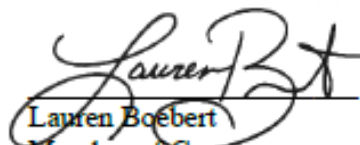
The Constitution expressly provides Congress with the power to override a presidential veto. Although that authority must be used judiciously, we believe it is especially appropriate in cases where Congress passed legislation unanimously and with bipartisan agreement. If Congress allows a precedent to be set for non-controversial, bipartisan bills to be vetoed for reasons unrelated to their substance, no bill is safe, and the efforts of every elected member of Congress to represent his or her constituents will be at risk.

Should the Senate have an opportunity to consider overriding the veto, we urge you to continue your support for H.R. 131. Thank you for your consideration.

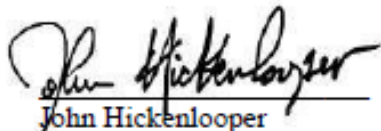
Sincerely,



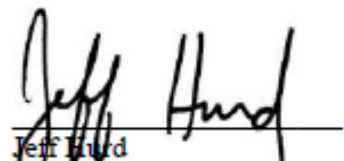
Michael F. Bennet
 United States Senator



Lauren Boebert
 Member of Congress



John Hickenlooper
 United States Senator



Jeff Hurd
 Member of Congress

Southeastern District message about the legislation

As you may have heard, the President vetoed the “Finish the Arkansas Valley Conduit” legislation, which passed the U.S. House and U.S. Senate unanimously.

The Southeastern Colorado Water Conservancy District is working with members of the Colorado Congressional delegation to determine next steps in making this legislation a reality.

To reiterate, the legislation:

1. Reduces the interest rate for repayment.
2. Extends the repayment period.
3. Provides an opportunity for a federal decision on debt forgiveness based on economic hardship.

Please be assured that the Southeastern District remains committed to completing construction of the Arkansas Valley Conduit at the lowest possible cost to participants. We are committed to pursuing every available path to enacting the legislation’s goals.

Text of the Presidential veto of HB 131

From the White House Web site:

I am returning herewith without my approval H.R. 131, the Finish the Arkansas Valley Conduit Act.

The Arkansas Valley Conduit (AVC) is a water pipeline currently being built to provide municipal and industrial water to communities in southeastern Colorado. It was originally authorized as part of the Fryingpan-Arkansas Project in a bill signed by President Kennedy in 1962. For decades it was unbuilt, largely because the AVC was economically unviable. Under the original plan, the costs of the project were to be initially funded by the Federal Government, but repaid by local users, with interest, over a 50-year period following completion of construction. But participants were unable to comply with that repayment obligation.

In 2009, President Obama signed the Omnibus Public Land Management Act of 2009, which not only reduced the repayment obligation from 100 percent to 35 percent but also provided that miscellaneous revenues from the Fryingpan-Arkansas Project at large would count towards the AVC cost share. Even then, however, construction did not begin until 14 years later, after the State of Colorado authorized \$100 million in loans and grants for the project.

The current bill would now have the Federal Government extend the repayment period (on the already-reduced repayment requirement) for an additional 25 years, creating a 75-year repayment period. The bill would also cut the interest rate in half.

More than \$249 million has already been spent on the AVC, and total costs are estimated to be \$1.3 billion. H.R. 131 would continue the failed policies of the past by forcing Federal taxpayers to bear even more of the massive costs of a local water project — a local water project that, as initially conceived, was supposed to be paid for by the localities using it.

Enough is enough. My Administration is committed to preventing American taxpayers from funding expensive and unreliable policies. Ending the massive cost of taxpayer handouts and restoring fiscal sanity is vital to economic growth and the fiscal health of the Nation.

For these reasons, I cannot support the Finish the Arkansas Valley Conduit Act. Therefore, it is my duty to return H.R. 131 to the House of Representatives without my approval.

DONALD J. TRUMP

THE WHITE HOUSE,

December 29, 2025.

**COLORADO WATER RESOURCES
and
POWER DEVELOPMENT AUTHORITY**

RESOLUTION NO. 26-01

A RESOLUTION OF APPRECIATION TO LUCAS HALE

WHEREAS, **Lucas Hale** contributed greatly to the Colorado Water Resources and Power Development Authority of his special talents and expertise as a representative of the Arkansas drainage basin, experienced in the planning and developing of water projects in the State of Colorado; and

WHEREAS, **Lucas Hale** provided valuable guidance in the operation of the Colorado Water Resources and Power Development Authority while serving as a member of the Board of Directors for four years; and as member of the following Committees and positions: Budget & Audit Committee, Board Program Work Session, and Personnel Committee; and

WHEREAS, **Lucas Hale**, always in the best interests of the State of Colorado, devoted his good judgment, his fairness in water planning decisions, and his technical and scientific expertise in assisting the Authority in the continued development of its financing programs; and

WHEREAS, **Lucas Hale**, by his loyal devotion 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 January 29, 2026, hereby expresses its heartfelt thanks and deepest appreciation to **Lucas Hale** for his service, his close and effective cooperation, and his efforts as a member of the Board of Directors of the Authority, and sincerely wishes for him the very best of health and 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. 26-01 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 Aurora, Colorado on January 29, 2026.

Chair

Secretary



COLORADO WATER RESOURCES & POWER DEVELOPMENT AUTHORITY

Treasurer's Report January 29, 2026

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

Authority – November 2025 statements

Balance Sheet

- Assets totaled \$59.0 million, compared to \$54.0 million in 2024. Increase is due to timing of WPCRF and DWRF expense receivables.

Income Statement

- The November statements do not include the budget line-item amendments that were discussed at the December meeting.
- Because the November statements have not been adjusted for the year-end budget reclassifications, certain line items may exceed 91%, which is the target budget percentage after 11 months.

NOTE: the December financial statements will not be complete until all 2025 data has been received and recorded.

Financing Programs

- Program financial statements are through November.
- All programs continue to function normally.

Accounting Department Activities

- Forvis Mazars conducted interim audit work the first week in January and plans to return the beginning of March, to complete their audit work. Meanwhile, accounting staff is preparing various year end correspondence for the financial statements and single audits.
- Year-end transactions continue to be gathered, and staff is waiting for a few additional 2025 expenses to be submitted before closing the books for 2025 and preparing the year-end financial statements for the audit.
- Preparations have begun for the March 1st bond debt service for the SRF programs.

COLORADO WATER RESOURCES AND POWER DEVELOPMENT AUTHORITY
AUTHORITY CASH TRANSACTIONS for the MONTH ENDING DECEMBER 31, 2025

CHECKS				
Date	Check#	Payee	Description	Amount
12/2/2025	201	ABM Parking Services	Monthly Parking	\$ 240.00
12/2/2025	202	Carlson, Hammond & Paddock	Legal Services for October 2025	\$ 2,668.00
12/2/2025	203	Colorado Municipal League	2026 CML Associate Dues	\$ 395.00
12/9/2025	204	ABM Parking Services	Monthly Parking	\$ 195.00
12/9/2025	205	FedEx	Delivery of a Check to the Town of Romeo	\$ 48.47
12/9/2025	206	Interlynk	Monthly Phone	\$ 75.00
12/9/2025	207	MyTech Partners, Inc.	Monthly Software, Tech Support	\$ 5,175.00
12/9/2025	208	Town of Swink	Planning Grant No. 1	\$ 10,000.00
12/9/2025	209	US Bank	Trustee Fees	\$ 275.29
12/15/2025	210	City of Delta	Planning Grant No. 1	\$ 4,046.40
12/15/2025	211	Eureka Water Authority	Planning Grant No. 2	\$ 13,303.79
12/15/2025	212	St. Mary's Glacier Water & Sanitation District	Planning Grant No. 1	\$ 7,848.00
12/15/2025	213	US Bank Corporate Card	Noll, Williams, Griffiths, Newton, & McLaughlin Credit Card Expenses	\$ 6,738.73
12/19/2025	214	Carlson, Hammond & Paddock	Legal Services for November 2025	\$ 1,178.78
12/19/2025	215	Lincoln National Life Insurance	Monthly Life Insurance (December)	\$ 1,227.85
12/19/2025	216	MyTech Partners, Inc.	Monthly Software	\$ 674.40
12/19/2025	217	Pinnacol Assurance	Workers Comp Policy Renewal	\$ 2,267.00
12/23/2025	218	ABM Parking Services	Monthly Parking	\$ 2,700.00
12/23/2025	219	Curbside Recycling	Monthly Recycling	\$ 175.00

TOTAL CHECKS \$ 59,231.71

WIRE TRANSFERS INCOMING/(OUTGOING)				
Date	Payee	Description	Amount	
12/01/25	Authority Checking	PERA Refund	13,340.15	
12/01/25	Authority Checking	Pitney Bowes Refund	174.96	
12/03/25	Authority Checking	Colorado Water Congress Sub-Lease Income - December 2025	7,000.58	
12/19/25	Authority Checking	DWRF Admin Draw	3,270,416.38	
12/19/25	Authority Checking	WPCRF Admin Draw	3,524,642.70	

TOTAL WIRE TRANSFERS \$ 6,815,574.77

ACH TRANSFERS INCOMING/(OUTGOING)				
Date	Payee	Description	Amount	
12/4/2025	Biscuits and Berries	BPWS Dinner	(603.78)	
12/5/2025	Biscuits and Berries	Tip fpr BPWS Dinner	(60.00)	
12/9/2025	Bruce Whitehead	Board Meeting Travel	(490.00)	
12/9/2025	Chris Treese	Board Meeting Travel	(233.80)	
12/9/2025	Iron Mountain	Monthy Document Storage and Retention	(105.06)	
12/9/2025	Kogovsek & Associates	Monthly Consulting Services	(2,000.00)	
12/9/2025	Mike Fabbre	Board Meeting Travel	(326.20)	
12/9/2025	Robert Half	Temp Services	(1,201.93)	
12/9/2025	Streamline	Monthly Subscription	(735.00)	
12/9/2025	Clearly	Monthly Phone Services	(194.69)	
12/9/2025	Biscuits and Berries	Tip fpr BPWS Dinner	(100.00)	
12/11/2025	PERA	Authority Staff PERA & 401k Contributions	(28,903.00)	
12/12/2025	Authority Staff	Payroll	(42,768.81)	
12/12/2025	IRS and Colorado Department of Revenue	Federal and State Payroll Withholdings	(11,259.87)	
12/12/2025	US Bank	Monthly Service Charge	(944.19)	
12/12/2025	Inova	Payroll Processing Fee	(340.06)	
12/15/2025	Alta Vista Technology	Sage Intacct Annual Renewal	(27,648.00)	
12/19/2025	Lumen	Monthly Internet	(338.02)	
12/19/2025	Colorado Department of Local Affairs (DOLA)	Admin Expenses for January - September 2025	(361,136.63)	
12/19/2025	Colorado Department of Public Health (WQCD)	Admin Expenses for January - September 2025	(4,570,467.60)	
12/19/2025	Employers Council Services	Background Check for Danica Rowe	(418.00)	
12/19/2025	Robert Half	Temp Services	(657.20)	
12/19/2025	Taft Stettinius & Hollister LLP	Legal Services through November 30, 2025	(1,027.50)	
12/23/2025	PERA	Authority Staff PERA & 401k Contributions	(32,080.48)	
12/23/2025	Keith McLaughlin	Colorado River Water Users Association Conference and Expenses	(1,199.23)	
12/23/2025	PBV-1580 Logan St.	Monthly Lease Payment - January 2026	(23,710.15)	
12/23/2025	Robert Half	Temp Services	(661.53)	
12/30/2025	PERA	Authority Staff PERA & 401k Contributions	(50,189.34)	
12/30/2025	Authority Staff	Payroll	(14,333.04)	
12/31/2025	PERA	PERACare Insurance Payment	(22,606.54)	

TOTAL ACH TRANSFERS \$ (5,196,739.65)

Colorado Water Resources and Power Development Authority				
January US Bank Credit Card Detail				
Statement Ending on January 12, 2026				
Cardholder	Transaction Date	Transaction Amount	Payee	Description
Keith McLaughlin	12/11/2025	\$ 165.00	Maggiano's	Tip for Christmas Lunch
Keith McLaughlin	12/18/2026	\$ 2.16	Market Watch	Monthly Subscription
		\$ 167.16		
Justin Noll	12/11/2025	\$ 303.02	Comcast	Monthly Subscription
Justin Noll	12/10/2025	\$ 378.38	Adobe	Monthly Subscription
Justin Noll	12/12/2025	\$ 150.99	BJ's Restaurant	Staff Meal
Justin Noll	1/5/2026	\$ 40.00	CGFOA	Class Registration for Justin Noll
Justin Noll	1/11/2026	\$ 303.02	Comcast	Monthly Subscription
Justin Noll	1/10/2026	\$ 378.38	Adobe	Monthly Subscription
		\$ 1,553.79		
Jim Griffiths	12/18/2025	\$ 742.90	1-800-Got Junk	Pick-up to Prepare for Office Construction
Jim Griffiths	1/6/2026	\$ 48.27	Lowe's	Supplies for Office Construction
		\$ 791.17		
Wesley Williams	12/10/2025	\$ 190.65	Smokin' Fins	Staff Lunch
Wesley Williams	12/26/2025	\$ 30.00	Canva	Monthly Subscription
		\$ 220.65		
Ian Loffert		\$ -		
Heather Newton	12/10/2025	\$ 90.00	King Soopers	Gift Cards for Office Holiday Party Prizes
Heather Newton	12/11/2025	\$ 18.00	Denver Pavillions	Parking for Christmas Lunch
Heather Newton	12/30/2025	\$ 117.75	Ava's Flowers	Flowers for Keith McLaughlin
Heather Newton	1/7/2026	\$ 22.07	King Soopers	Dessert for Staff Lunch
Heather Newton	1/7/2026	\$ 104.40	Lehrer's Flowers	Flowers for Kevin Carpenter
Heather Newton	1/8/2026	\$ 362.40	Happy Camper	Monthly Staff Lunch
		\$ 714.62		
Total		<u>\$ 3,447.39</u>		

Colorado Water Resources and Power Development Authority				
December US Bank Credit Card Detail				
Statement Ending on December 10, 2025				
Cardholder	Transaction Date	Transaction Amount	Payee	Description
Keith McLaughlin	11/20/2025	\$ 2.16	Market Watch	Monthly Subscription
Keith McLaughlin	11/21/2025	\$ 136.64	Park & Co	Staff Meal
Keith McLaughlin	12/5/2025	\$ 109.03	Steuben's Uptown	Staff Meal
		\$ 247.83		
Justin Noll	11/11/2025	\$ 303.02	Comcast	Monthly Subscription
Justin Noll	11/10/2025	\$ 353.17	Adobe	Monthly Subscription
Justin Noll	11/14/2025	\$ 22.46	Adobe	Monthly Subscription
Justin Noll	11/24/2025	\$ 924.35	Best Buy	Tablet and Laptop
Justin Noll	11/24/2025	\$ 580.76	Amazon	Computer Monitors for Staff
Justin Noll	11/26/2025	\$ (81.56)	Best Buy	Credit for Tablet and Laptop
Justin Noll	12/3/2025	\$ 104.10	Microsoft	Software for Surface Tablet
		\$ 2,206.30		
Jim Griffiths	12/2/2025	\$ 1,020.80	1-800-GOT-JUNK	Pick-up to Prepare for Office Construction
		\$ 1,020.80		
Wesley Williams	11/12/2025	\$ 32.04	Cuba Cuba	Staff Meal
Wesley Williams	11/26/2025	\$ 30.00	Canva	Monthly Subscription
		\$ 62.04		
Ian Loffert		\$ -		
Heather Newton	11/12/2025	\$ 15.02	King Soopers	Dessert for Staff Lunch
Heather Newton	11/13/2025	\$ 321.29	Cheba Hut	Staff Lunch
Heather Newton	11/12/2025	\$ 0.28	Walmart	Christmas Tree for Office
Heather Newton	11/12/2025	\$ 108.49	Walmart	Christmas Tree for Office
Heather Newton	11/13/2025	\$ 400.00	Colorado Municipal League	Advertizing for 2026
Heather Newton	11/14/2025	\$ 23.11	Amazon	Welcome Decorations for Danica Rowe
Heather Newton	11/18/2025	\$ 3.24	King Soopers	Welcome Decorations for Danica Rowe
Heather Newton	11/19/2025	\$ 103.96	Amazon	Christmas Decorations for Office
Heather Newton	11/20/2025	\$ 88.97	Amazon	Christmas Decorations for Office
Heather Newton	11/23/2025	\$ 33.01	Amazon	Planner for Staff
Heather Newton	11/25/2025	\$ (50.00)	Colorado River Water Users Association	Credit for Sold-Out Hoover Dam Tour
Heather Newton	11/25/2025	\$ 179.59	King Soopers	Groceries for Office
Heather Newton	12/5/2025	\$ 1,260.00	Warwick Denver	Board Meeting Lodging for Board Members
Heather Newton	12/5/2025	\$ 463.12	Chick Fil A	Board Meeting Lunch
Heather Newton	12/5/2025	\$ 157.78	Panera	Board Meeting Breakfast
Heather Newton	12/5/2025	\$ 93.90	Krispy Kreme	Board Meeting Breakfast
		\$ 3,201.76		
Total		\$ 6,738.73		

Colorado Water Resources and Power Development Authority		
COMPARATIVE BALANCE SHEET		
	As of 11/30/2025	As of 11/30/2024
ASSETS:		
Cash and Cash Equivalents:		
Cash - US Bank (Checking Account)	\$ 183,800.53	\$ 156,537.86
State Treasurers Cash Pool	1,665,055.28	1,561,634.28
COLOTRUST Checking Investment Account	28,306,314.71	23,012,214.99
State Treasurers Cash Pool-Self Insurance Fund	1,552,533.00	1,556,957.00
State Treasurers Cash Pool-La Plata River Escrow	135,868.73	131,785.73
COLOTRUST - Authority Project Accounts	264,158.64	388,450.46
COLOTRUST - Authority (Vilas) Project Account	-	-
COLOTRUST - SHLP Project Accounts	4,818,317.53	4,066,570.03
COLOTRUST - Interim Loan Projects	-	-
Total Cash and Cash Equivalents	36,926,048.42	30,874,150.35
Interest Receivable on Investments		-
Interest Receivable on Loans:		
Interim Loans (I-Loans)	-	68,246.75
Small Hydro Loan Program (SHLP)	-	-
Authority Loans	-	-
ALP Water Rights Purchase Loan	7,410.00	-
Interest Receivable-Leases	1,016.43	1,162.68
Accounts Receivable - Misc		-
Reimbursement Receivable - WPCRF	3,587,429.53	1,037,125.69
Reimbursement Receivable - DWRF	3,322,348.91	958,597.85
Loans Receivable:		
Interim Loans (I-Loans)		4,965,631.94
Small Hydro Loan Program (SHLP)	5,689,806.52	6,121,263.82
Authority Loans	185,963.44	194,619.30
ALP Water Rights Purchase Loan	1,710,547.66	1,920,383.51
Loan Receivable - WPCRF State Match	2,538,200.00	1,306,000.00
Loan Receivable - DWRF State Match	3,821,000.00	5,051,357.69
Leases Receivable	243,943.47	279,042.07
Prepaid Expenses	14,395.00	11,954.84
Deposits	21,592.16	21,592.16
Depreciable Assets	108,218.72	102,809.74
Less: Accumulated Depreciation	(92,206.11)	(87,605.99)
Lease Assets	936,820.15	1,127,359.84
TOTAL ASSETS	\$ 59,022,534.30	\$ 53,953,692.24
Deferred Outflows:		
Pension Contributions	\$ 285,456.30	\$ 283,775.23
Investment Earnings Difference	258,931.21	384,584.29
Experience Difference	58,274.88	
Proportional Share Change	420,957.70	
Change in Assumptions		
HCTF Contributions	14,141.11	14,085.45
HCTF Investment Earnings Difference	2,758.49	6,082.28
HCTF Experience Difference		12.94
HCTF Proportional Share Change	4,528.89	2,671.71
HCTF Change in Assumptions	1,048.85	1,600.56
LIABILITIES and EQUITY:		
Accounts Payable Trade	\$ 4,934,907.23	\$ 1,050.45
Lease Liability	1,193,187.43	1,368,294.28
Interest Payable-Leases	4,971.62	5,701.23
Deposit - Sub Lease	4,925.00	
Prepayment Payable		
Other Accrued Expenses	(1.20)	351.10
Flexplan Spending Withheld	2,348.79	1,434.03
Due to Authority		
Project Costs Payable - Long Term		
Accrued Vacation and Sick Leave	422,721.90	351,430.20
Pension Liability	3,565,077.32	3,025,042.36
HCTF Liability	89,191.01	99,581.91
Total Liabilities	10,217,329.10	4,852,885.56
Deferred Inflows:		
Proportional Share Change	\$ 116,448.51	\$ 360,863.51
Experience Difference	\$ 18,930.37	\$ 40,557.95
Change in Assumptions		
Investment Earnings Difference		
HCTF Experience Difference	18,280.56	24,082.25
HCTF Proportional Share Change	11,910.37	17,083.37
HCTF Change in Assumptions	9,457.25	10,990.76
HCTF Investment Earnings Difference		
Leases	190,456.68	229,193.64
Net Assets:	49,292,951.53	48,389,525.93
Net Income / (Loss)	192,867.36	721,321.73
TOTAL LIABILITIES and EQUITY	\$ 59,703,147.99	\$ 53,963,733.22

Colorado Water Resources and Power Development Authority		
COMPARATIVE BALANCE SHEET		
	As of 10/31/2025	As of 10/31/2024
ASSETS:		
Cash and Cash Equivalents:		
Cash - US Bank (Checking Account)	\$ 429,552.58	\$ 405,573.95
State Treasurers Cash Pool	1,665,055.28	1,556,875.28
COLOTRUST Checking Investment Account	28,211,433.75	25,851,911.73
State Treasurers Cash Pool-Self Insurance Fund	1,552,533.00	1,552,212.00
State Treasurers Cash Pool-La Plata River Escrow	135,868.73	131,383.73
COLOTRUST - Authority Project Accounts	140,528.43	260,514.87
COLOTRUST - Authority (Vilas) Project Account	-	-
COLOTRUST - SHLP Project Accounts	4,677,815.80	3,962,844.21
COLOTRUST - Interim Loan Projects	-	-
Total Cash and Cash Equivalents	36,812,787.57	33,721,315.77
Interest Receivable on Investments		-
Interest Receivable on Loans:		
Interim Loans (I-Loans)	-	71,951.75
Small Hydro Loan Program (SHLP)	-	-
Authority Loans	-	-
ALP Water Rights Purchase Loan	7,410.00	-
Interest Receivable-Leases	1,016.43	1,162.68
Accounts Receivable - Misc		-
Reimbursement Receivable - WPCRF	3,524,642.70	984,136.25
Reimbursement Receivable - DWRP	3,270,416.38	863,093.51
Loans Receivable:		
Interim Loans (I-Loans)		4,965,631.94
Small Hydro Loan Program (SHLP)	5,776,268.58	6,186,442.14
Authority Loans	185,963.44	194,619.30
ALP Water Rights Purchase Loan	1,815,974.58	2,023,784.27
Loan Receivable - WPCRF State Match	2,538,200.00	-
Loan Receivable - DWRP State Match	3,821,000.00	3,418,557.69
Leases Receivable	243,943.47	279,042.07
Prepaid Expenses	11,250.00	3,090.34
Deposits	21,592.16	21,592.16
Depreciable Assets	108,218.72	102,809.74
Less: Accumulated Depreciation	(92,206.11)	(87,605.99)
Lease Assets	936,820.15	1,127,359.84
TOTAL ASSETS	\$ 58,983,298.07	\$ 53,876,983.46
Deferred Outflows:		
Pension Contributions	\$ 285,456.30	\$ 283,775.23
Investment Earnings Difference	258,931.21	384,584.29
Experience Difference	58,274.88	
Proportional Share Change	420,957.70	
Change in Assumptions		
HCTF Contributions	14,141.11	14,085.45
HCTF Investment Earnings Difference	2,758.49	6,082.28
HCTF Experience Difference		12.94
HCTF Proportional Share Change	4,528.89	2,671.71
HCTF Change in Assumptions	1,048.85	1,600.56
LIABILITIES and EQUITY:		
Accounts Payable Trade	\$ 4,931,604.23	\$ 1,050.45
Lease Liability	1,193,187.43	1,368,294.28
Interest Payable-Leases	4,971.62	5,701.23
Deposit - Sub Lease	4,925.00	
Prepayment Payable		
Other Accrued Expenses	(1.03)	351.21
Flexplan Spending Withheld	1,233.79	1,063.45
Due to Authority		
Project Costs Payable - Long Term		
Accrued Vacation and Sick Leave	422,721.90	351,430.20
Pension Liability	3,565,077.32	3,025,042.36
HCTF Liability	89,191.01	99,581.91
Total Liabilities	10,212,911.27	4,852,515.09
Deferred Inflows:		
Proportional Share Change	\$ 116,448.51	\$ 360,863.51
Experience Difference	\$ 18,930.37	\$ 40,557.95
Change in Assumptions		
Investment Earnings Difference		
HCTF Experience Difference	18,280.56	24,082.25
HCTF Proportional Share Change	11,910.37	17,083.37
HCTF Change in Assumptions	9,457.25	10,990.76
HCTF Investment Earnings Difference		
Leases	190,456.68	229,193.64
Net Assets:	49,292,951.53	48,389,525.93
Net Income / (Loss)	158,048.96	644,983.42
TOTAL LIABILITIES and EQUITY	\$ 59,663,911.76	\$ 53,887,024.44

Colorado Water Resources and Power Development Authority

INCOME STATEMENT

Budget To Actual

Calendar Year-To-Date as of November 30, 2025

	Budget For 2025	Actual Year-To-Date	Balance	% Actual/ Budget
INCOME:				
Interest on investments - COLOTRUST	\$ -	\$ 1,280,444.55	\$ (1,280,444.55)	0%
Interest on investments - COLOTRUST-Interim Loan Project	-	2,612.50	(2,612.50)	0%
Interest on investments - STCP	-	80,811.00	(80,811.00)	0%
Investment interest income - from WPCRF	-	-	-	0%
Investment interest Income - from WRBP	-	-	-	0%
Subtotal Interest on Investments	1,085,000.00	1,363,868.05	(278,868.05)	126%
Interest on Investments - STCP-La Plata River Escrow	-	3,315.00	(3,315.00)	0%
Interest on loans	374,500.00	138,815.71	235,684.29	37%
Interest on leases	-	-	-	0%
Lease income	64,000.00	65,771.77	(1,771.77)	103%
Gain/Loss on sale of assets	-	-	-	0%
Miscellaneous income	-	368.27	(368.27)	0%
TOTAL INCOME	\$ 1,523,500.00	\$ 1,572,138.80	\$ (48,638.80)	103%
EXPENSES:				
<u>Board Expenses:</u>				
Per diems & PERA on per diems	\$ 18,000.00	\$ 13,300.00	\$ 4,700.00	74%
Travel, lodging, meals, etc.	50,000.00	25,387.75	24,612.25	51%
Meeting expenses	20,000.00	15,756.95	4,243.05	79%
Memberships	15,000.00	8,125.00	6,875.00	54%
Board insurance	30,000.00	-	30,000.00	0%
Total Board Expenses	133,000.00	62,569.70	70,430.30	47%
<u>Salary Expenses:</u>				
Staff salaries	1,745,000.00	1,442,225.10	302,774.90	83%
Temporary services	60,000.00	29,509.13	30,490.87	49%
Third Party Payroll & HR Services	8,000.00	3,247.18	4,752.82	41%
Annual vacation and sick leave accrual	100,000.00	-	100,000.00	0%
Total Salary Expenses	1,913,000.00	1,474,981.41	438,018.59	77%
<u>Employee Benefits:</u>				
Pension expense*	364,000.00	311,650.29	52,349.71	86%
Healthcare trust expense	18,000.00	-	18,000.00	0%
Medical and dental insurance	284,500.00	178,491.85	106,008.15	63%
HRA reimbursement	-	13,799.52	(13,799.52)	0%
LTD/Life insurance	14,000.00	12,322.11	1,677.89	88%
Medicare - employer's match	26,500.00	20,777.18	5,722.82	78%
Denver city tax - employer's match	800.00	524.00	276.00	66%
401k Match	50,000.00	34,193.61	15,806.39	68%
State Workman's Comp. Insurance	3,000.00	2,844.00	156.00	95%
Tuition reimbursement	20,000.00	11,669.45	8,330.55	58%
Public transportation incentive	1,400.00	-	1,400.00	0%
Total Employee Benefits	782,200.00	586,272.01	195,927.99	75%
<u>Outside Services Employed:</u>				
General legal fees	100,000.00	33,326.40	66,673.60	33%
General consulting services	70,000.00	44,300.50	25,699.50	63%
Audit and budgetary fees	24,200.00	25,413.00	(1,213.00)	105%
Total Outside Services	194,200.00	103,039.90	91,160.10	53%
<u>Employee / Administrative Expenses:</u>				
Travel, lodging, meals, etc.	18,000.00	18,402.63	(402.63)	102%
Registration and training fees	15,000.00	3,739.00	11,261.00	25%
Contributions and sponsorships	40,000.00	29,675.00	10,325.00	74%
Dues, subscriptions and publications	14,000.00	10,256.74	3,743.26	73%
Total Employee / Administrative Expenses	87,000.00	62,073.37	24,926.63	71%

Colorado Water Resources and Power Development Authority				
INCOME STATEMENT				
Budget To Actual				
Calendar Year-To-Date as of November 30, 2025				
	Budget For 2025	Actual Year-To-Date	Balance	% Actual/ Budget
<u>General Office Expenses:</u>				
Office rent and deposits	335,000.00	304,655.62	30,344.38	91%
Interest expense-leases*	-	-	-	0%
Telephone and internet charges	22,000.00	9,764.55	12,235.45	44%
Postage and delivery fees	3,500.00	113.78	3,386.22	3%
Copying and printing costs	9,000.00	5,396.60	3,603.40	60%
Office supplies	19,000.00	15,304.85	3,695.15	81%
Technical support activities	100,000.00	73,033.05	26,966.95	73%
Office insurance	7,500.00	6,731.34	768.66	90%
Records retention	32,000.00	1,609.02	30,390.98	5%
Total General Office Expenses	528,000.00	416,608.81	111,391.19	79%
<u>Office Assets Expenses:</u>				
Furniture & fixtures	11,000.00	3,836.79	7,163.21	35%
Machines	58,000.00	27,025.06	30,974.94	47%
Computer software	80,000.00	54,438.83	25,561.17	68%
Depreciation expense	-	-	-	0%
Machine maintenance & maintenance contracts	15,000.00	2,674.13	12,325.87	18%
Other expense	-	-	-	0%
Office improvements	12,000.00	20,761.55	(8,761.55)	173%
Total Office Assets Expenses	176,000.00	108,736.36	67,263.64	62%
TOTAL OPERATING EXPENSES	\$ 3,813,400.00	\$ 2,814,281.56	\$ 999,118.44	74%
<u>Expenses Allocated to Programs:</u>				
Salaries allocated to project expenses	(39,000.00)	(27,337.00)	(11,663.00)	70%
Allocated salaries expense - WPCRF	(446,000.00)	(368,793.00)	(77,207.00)	83%
Allocated employee benefits - WPCRF	(269,000.00)	(202,619.50)	(66,380.50)	75%
Allocated overhead expense - WPCRF	(266,300.00)	(188,094.95)	(78,205.05)	71%
Allocated salaries expense - DWRF	(382,000.00)	(362,659.00)	(19,341.00)	95%
Allocated employee benefits - DWRF	(230,000.00)	(200,027.77)	(29,972.23)	87%
Allocated overhead expense - DWRF	(207,200.00)	(175,216.63)	(31,983.37)	85%
Total Allocated Expenses to Programs	(1,839,500.00)	(1,524,747.85)	(314,752.15)	83%
NET OPERATING EXPENSES	\$ 1,973,900.00	\$ 1,289,533.71	\$ 684,366.29	65%
<u>Approved Projects Expenses:</u>				
WRBP Expenses	120,000.00	82,169.84	37,830.16	68%
La Plata River Escrow Expenses	-	-	-	0%
Small Hydro Loan Program expenses	25,000.00	7,567.89	17,432.11	30%
Small Hydro Loan Program Planning & Design Grants	100,000.00	-	100,000.00	0%
Watershed Protection & Forest Health Program Expenses	65,000.00	-	65,000.00	0%
Principal Forgiveness - Loans Receivable	-	-	-	0%
Other Potential Projects	1,000,000.00	-	1,000,000.00	
Total Project Expenses	\$ 1,310,000.00	\$ 89,737.73	\$ 1,220,262.27	7%
TOTAL EXPENSES	\$ 3,283,900.00	\$ 1,379,271.44	\$ 1,904,628.56	42%
OPERATING INCOME / (LOSS)		\$ 192,867.36		
Transfers In / (Out)				
Change in Net Position		\$ 192,867.36		

*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 October 31, 2025

	Budget For 2025	Actual Year-To-Date	Balance	% Actual/ Budget
INCOME:				
Interest on investments - COLOTRUST	\$ -	\$ 1,168,755.11	\$ (1,168,755.11)	0%
Interest on investments - COLOTRUST-Interim Loan Project	-	2,114.96	(2,114.96)	0%
Interest on investments - STCP	-	80,811.00	(80,811.00)	0%
Investment interest income - from WPCRF	-	-	-	0%
Investment interest Income - from WRBP	-	-	-	0%
Subtotal Interest on Investments	1,085,000.00	1,251,681.07	(166,681.07)	115%
Interest on Investments - STCP-La Plata River Escrow	-	3,315.00	(3,315.00)	0%
Interest on loans	374,500.00	83,878.77	290,621.23	22%
Interest on leases	-	-	-	0%
Lease income	64,000.00	58,771.19	5,228.81	92%
Gain/Loss on sale of assets	-	-	-	0%
Miscellaneous income	-	113.64	(113.64)	0%
TOTAL INCOME	\$ 1,523,500.00	\$ 1,397,759.67	\$ 125,740.33	92%
EXPENSES:				
<u>Board Expenses:</u>				
Per diems & PERA on per diems	\$ 18,000.00	\$ 13,300.00	\$ 4,700.00	74%
Travel, lodging, meals, etc.	50,000.00	25,387.75	24,612.25	51%
Meeting expenses	20,000.00	15,756.95	4,243.05	79%
Memberships	15,000.00	8,125.00	6,875.00	54%
Board insurance	30,000.00	-	30,000.00	0%
Total Board Expenses	133,000.00	62,569.70	70,430.30	47%
<u>Salary Expenses:</u>				
Staff salaries	1,745,000.00	1,305,692.95	439,307.05	75%
Temporary services	60,000.00	26,997.13	33,002.87	45%
Third Party Payroll & HR Services	8,000.00	2,980.89	5,019.11	37%
Annual vacation and sick leave accrual	100,000.00	-	100,000.00	0%
Total Salary Expenses	1,913,000.00	1,335,670.97	577,329.03	70%
<u>Employee Benefits:</u>				
Pension expense*	364,000.00	284,512.54	79,487.46	78%
Healthcare trust expense	18,000.00	-	18,000.00	0%
Medical and dental insurance	284,500.00	162,238.33	122,261.67	57%
HRA reimbursement	-	12,385.64	(12,385.64)	0%
LTD/Life insurance	14,000.00	11,019.93	2,980.07	79%
Medicare - employer's match	26,500.00	18,869.80	7,630.20	71%
Denver city tax - employer's match	800.00	460.00	340.00	58%
401k Match	50,000.00	31,078.37	18,921.63	62%
State Workman's Comp. Insurance	3,000.00	2,844.00	156.00	95%
Tuition reimbursement	20,000.00	9,353.45	10,646.55	47%
Public transportation incentive	1,400.00	-	1,400.00	0%
Total Employee Benefits	782,200.00	532,762.06	249,437.94	68%
<u>Outside Services Employed:</u>				
General legal fees	100,000.00	28,767.40	71,232.60	29%
General consulting services	70,000.00	67,442.05	2,557.95	96%
Audit and budgetary fees	24,200.00	25,413.00	(1,213.00)	105%
Total Outside Services	194,200.00	121,622.45	72,577.55	63%
<u>Employee / Administrative Expenses:</u>				
Travel, lodging, meals, etc.	18,000.00	18,030.08	(30.08)	100%
Registration and training fees	15,000.00	3,739.00	11,261.00	25%
Contributions and sponsorships	40,000.00	29,675.00	10,325.00	74%
Dues, subscriptions and publications	14,000.00	10,118.36	3,881.64	72%
Total Employee / Administrative Expenses	87,000.00	61,562.44	25,437.56	71%

Colorado Water Resources and Power Development Authority				
INCOME STATEMENT				
Budget To Actual				
Calendar Year-To-Date as of October 31, 2025				
	Budget For 2025	Actual Year-To-Date	Balance	% Actual/ Budget
<u>General Office Expenses:</u>				
Office rent and deposits	335,000.00	277,825.47	57,174.53	83%
Interest expense-leases*	-	-	-	0%
Telephone and internet charges	22,000.00	8,778.82	13,221.18	40%
Postage and delivery fees	3,500.00	77.63	3,422.37	2%
Copying and printing costs	9,000.00	5,135.25	3,864.75	57%
Office supplies	19,000.00	13,307.61	5,692.39	70%
Technical support activities	100,000.00	67,258.05	32,741.95	67%
Office insurance	7,500.00	6,731.34	768.66	90%
Records retention	32,000.00	1,274.02	30,725.98	4%
Total General Office Expenses	528,000.00	380,388.19	147,611.81	72%
<u>Office Assets Expenses:</u>				
Furniture & fixtures	11,000.00	791.51	10,208.49	7%
Machines	58,000.00	26,819.11	31,180.89	46%
Computer software	80,000.00	42,014.26	37,985.74	53%
Depreciation expense	-	-	-	0%
Machine maintenance & maintenance contracts	15,000.00	2,432.29	12,567.71	16%
Other expense	-	-	-	0%
Office improvements	12,000.00	-	12,000.00	0%
Total Office Assets Expenses	176,000.00	72,057.17	103,942.83	41%
TOTAL OPERATING EXPENSES	\$ 3,813,400.00	\$ 2,566,632.98	\$ 1,246,767.02	67%
<u>Expenses Allocated to Programs:</u>				
Salaries allocated to project expenses	(39,000.00)	(25,263.00)	(13,737.00)	65%
Allocated salaries expense - WPCRF	(446,000.00)	(339,716.00)	(106,284.00)	76%
Allocated employee benefits - WPCRF	(269,000.00)	(186,965.06)	(82,034.94)	70%
Allocated overhead expense - WPCRF	(266,300.00)	(172,830.77)	(93,469.23)	65%
Allocated salaries expense - DWRF	(382,000.00)	(338,612.00)	(43,388.00)	89%
Allocated employee benefits - DWRF	(230,000.00)	(187,048.57)	(42,951.43)	81%
Allocated overhead expense - DWRF	(207,200.00)	(163,623.48)	(43,576.52)	79%
Total Allocated Expenses to Programs	(1,839,500.00)	(1,414,058.88)	(425,441.12)	77%
NET OPERATING EXPENSES	\$ 1,973,900.00	\$ 1,152,574.10	\$ 821,325.90	58%
<u>Approved Projects Expenses:</u>				
WRBP Expenses	120,000.00	79,793.60	40,206.40	66%
La Plata River Escrow Expenses	-	-	-	0%
Small Hydro Loan Program expenses	25,000.00	7,343.01	17,656.99	29%
Small Hydro Loan Program Planning & Design Grants	100,000.00	-	100,000.00	0%
Watershed Protection & Forest Health Program Expenses	65,000.00	-	65,000.00	0%
Principal Forgiveness - Loans Receivable	-	-	-	0%
Other Potential Projects	1,000,000.00	-	1,000,000.00	-
Total Project Expenses	\$ 1,310,000.00	\$ 87,136.61	\$ 1,222,863.39	7%
TOTAL EXPENSES	\$ 3,283,900.00	\$ 1,239,710.71	\$ 2,044,189.29	38%
OPERATING INCOME / (LOSS)		\$ 158,048.96		
Transfers In / (Out)				
Change in Net Position		\$ 158,048.96		

*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, 2025

<u>Account Balances:</u>	<u>YIELD:</u>	<u>BALANCE:</u>
<u>Unrestricted:</u>		
Cash - US Bank (Checking Account)	0.00%	\$ 183,800.53
State Treasurers Cash Pool	3.29%	\$ 1,665,055.28
COLOTRUST Checking Investment Account (Average Daily Yield)	4.09%	\$ 28,306,314.71
COLOTRUST Authority Loan Account (Average Daily Yield)	4.09%	\$ 264,158.64
<u>Board Designated:</u>		
State Treasurers Cash Pool - La Plata River Escrow	3.29%	\$ 135,868.73
State Treasurers Cash Pool - Self Insurance Fund	3.29%	\$ 1,552,533.00
<u>Restricted:</u>		
COLOTRUST - I Loan Projects (Average Daily Yield)	4.09%	\$ -
SHLP Loan Program	4.09%	\$ 4,818,317.53
SHLP Project Accounts	4.09%	\$ -

<u>WPCRF State Match Receivable</u>	<u>Budget</u>	<u>Balance</u>
Loans Receivable - WPCRF State Match 1/1/2025		1,306,000.00
State Match Transferred to Holding Account	2,538,200.00	3,000,000.00
Repayment from WPCRF Administrative Fees	(1,306,000.00)	(3,000,000.00)
Loans Receivable - WPCRF State Match YTD Balance		<u>\$ 2,538,200.00</u>

<u>DWRF State Match Receivable</u>	<u>Budget</u>	<u>Balance</u>
Loans Receivable - DWRF State Match 1/1/2025		5,051,357.69
State Match Transferred to Holding Account	3,821,000.00	6,000,000.00
Repayment from DWRF Administrative Fees	(5,051,357.69)	(6,000,000.00)
Loans Receivable - DWRF State Match YTD Balance		<u>\$ 3,821,000.00</u>

<u>Interim Loans Receivable</u>	<u>Budget</u>	<u>Balance</u>
I Loans Receivable 1/1/2025		-
I Loan Funds Drawn	7,000,000.00	-
I Loan Repayments	(7,000,000.00)	-
I Loans Receivable YTD Balance		<u>\$ -</u>

	<u>1/1/2025</u>	<u>Misc Additions/</u>	<u>Admin</u>	<u>St Match Loan</u>	<u>11/30/2025</u>
<u>Admin Fee Accounts</u>	<u>Balance</u>	<u>Subtractions</u>	<u>Draws</u>	<u>Payment</u>	<u>Balance</u>
WPCRF - COLOTRUST	\$ 19,601,024.78	8,540,454.93	(4,698,779.57)	(1,306,000.00)	\$ 22,136,700.14
DWRF - COLOTRUST	\$ 18,993,356.49	8,947,027.14	(1,498,045.36)	(5,051,357.69)	\$ 21,390,980.58

	<u>11/30/2025</u>	<u>Project Grant</u>	<u>Bond Proceeds</u>	<u>Project Costs</u>	<u>11/30/2025</u>
<u>SRF Reloan Accounts</u>	<u>Reloan Balance</u>	<u>Funds Available</u>	<u>Available</u>	<u>Payable (obligated)</u>	<u>Unobligated Funds</u>
WPCRF - COLOTRUST	\$ 109,089,255.22	65,174,140.98	16,234,906.20	(70,185,799.07)	\$ 120,312,503.33
DWRF - COLOTRUST	\$ 116,713,736.60	143,772,482.39	49,895,174.49	(185,532,199.90)	\$ 124,849,193.58

Colorado Water Resources and Power Development Authority
Financial Highlights
October 31, 2025

<u>Account Balances:</u>	<u>YIELD:</u>	<u>BALANCE:</u>
<u>Unrestricted:</u>		
Cash - US Bank (Checking Account)	0.00%	\$ 429,552.58
State Treasurers Cash Pool	3.39%	\$ 1,665,055.28
COLOTRUST Checking Investment Account (Average Daily Yield)	4.24%	\$ 28,211,433.75
COLOTRUST Authority Loan Account (Average Daily Yield)	4.24%	\$ 140,528.43
<u>Board Designated:</u>		
State Treasurers Cash Pool - La Plata River Escrow	3.39%	\$ 135,868.73
State Treasurers Cash Pool - Self Insurance Fund	3.39%	\$ 1,552,533.00
<u>Restricted:</u>		
COLOTRUST - I Loan Projects (Average Daily Yield)	4.24%	\$ -
SHLP Loan Program	4.24%	\$ 4,677,815.80
SHLP Project Accounts	4.24%	\$ -

<u>WPCRF State Match Receivable</u>	<u>Budget</u>	<u>Balance</u>
Loans Receivable - WPCRF State Match 1/1/2025		1,306,000.00
State Match Transferred to Holding Account	2,538,200.00	3,000,000.00
Repayment from WPCRF Administrative Fees	(1,306,000.00)	(3,000,000.00)
Loans Receivable - WPCRF State Match YTD Balance		<u>\$ 2,538,200.00</u>

<u>DWRF State Match Receivable</u>	<u>Budget</u>	<u>Balance</u>
Loans Receivable - DWRF State Match 1/1/2025		5,051,357.69
State Match Transferred to Holding Account	3,821,000.00	6,000,000.00
Repayment from DWRF Administrative Fees	(5,051,357.69)	(6,000,000.00)
Loans Receivable - DWRF State Match YTD Balance		<u>\$ 3,821,000.00</u>

<u>Interim Loans Receivable</u>	<u>Budget</u>	<u>Balance</u>
I Loans Receivable 1/1/2025		-
I Loan Funds Drawn	7,000,000.00	-
I Loan Repayments	(7,000,000.00)	-
I Loans Receivable YTD Balance		<u>\$ -</u>

	<u>1/1/2025 Balance</u>	<u>Misc Additions/ Subtractions</u>	<u>Admin Draws</u>	<u>St Match Loan Payment</u>	<u>10/31/2025 Balance</u>
<u>Admin Fee Accounts</u>					
WPCRF - COLOTRUST	\$ 19,601,024.78	8,102,840.03	(4,698,779.57)	(1,306,000.00)	\$ 21,699,085.24
DWRF - COLOTRUST	\$ 18,993,356.49	8,514,541.16	(1,498,045.36)	(5,051,357.69)	\$ 20,958,494.60

	<u>10/31/2025 Reloan Balance</u>	<u>Project Grant Funds Available</u>	<u>Bond Proceeds Available</u>	<u>Project Costs Payable (obligated)</u>	<u>10/31/2025 Unobligated Funds</u>
<u>SRF Reloan Accounts</u>					
WPCRF - COLOTRUST	\$ 108,165,506.48	65,318,410.35	16,970,715.18	(71,973,104.76)	\$ 118,481,527.25
DWRF - COLOTRUST	\$ 116,985,092.42	143,971,258.03	50,191,638.05	(178,747,451.84)	\$ 132,400,536.66



Drinking Water Revolving Fund

Statement of Net Position
As of November 30, 2025

Current Assets:

Cash & Equivalents	\$ 138,104,717
Federal Grants Receivable	-
Investment Income Receivable	-
Loans Receivable	-
Leases Receivable	-
Due from Other Funds	-
Accounts Receivable-Borrowers	-
Interest Receivable-Leases	-
Other Assets	-
Restricted Assets:	
Cash & Cash Equivalents	-
Investments	-
Investment Income Receivable	-
Total Current Assets	<u>138,104,717</u>

Noncurrent Assets:

Restricted Assets:	
Cash & Equivalents	74,456,664
Investments	7,838,105
Advance Receivable	-
Loans Receivable	518,607,807
Leases Receivable	-
Capital Assets-Equipment, Net of	
Accumulated Depreciation	-
Lease Assets	-
Other Assets	-
Total Noncurrent Assets	<u>600,902,576</u>
Total Total Assets	<u>739,007,293</u>

Deferred Outflows-Refundings

76,649

Deferred Outflows-Pension

-

Deferred Outflows-OPEB

-

Current Liabilities:

Project Costs Payable - Current	-
Bonds Payable	-
Unearned Revenue	-
Lease Liability	-
Accrued Interest Payable	-
Accounts Payable-Borrowers	4,160,750
Interest Payable-Leases	-
Due to Other Funds	-
Accounts Payable-Other	-
Other Liabilities	-
Total Current Liabilities	<u>4,160,750</u>

Noncurrent Liabilities

**Drinking Water Revolving Fund**

Statement of Net Position
As of November 30, 2025

Project Costs Payable - Long Term	134,573,156
Advance Payable	3,821,000
Bonds Payable, net	110,130,000
Unearned Revenue	-
Lease Liability	-
Pension Liability	-
HCTF Liability	-
Debt Service Reserve Deposit	-
Other Liabilities	894,789
Total Noncurrent Liabilities	249,418,945
Total Liabilities	253,579,695
Deferred Inflows-Refundings	-
Deferred Inflows-Pension	-
Deferred Inflows-OPEB	-
Deferred Inflows-Leases	-
Restricted	485,504,248
Unrestricted	-
Fund Net Position	\$ 485,504,248



Drinking Water Revolving Fund
Statement of Changes in Net Position
As of November 30, 2025

Operating Revenues:	
Interest on Loans	\$ 2,376,343
Interest on Investments	6,109,333
Administrative Fee	5,997,044
EPA Grants	3,803,721
Total Operating Revenues	<u>18,286,441</u>
Operating Expenses	
Interest on Bonds	2,919,708
EPA Set Asides	3,803,721
Principal Forgiven	54,237,802
Total Operating Expenses	<u>60,961,231</u>
Total Operating Income	<u>(42,674,790)</u>
EPA Capitalization Grants	<u>77,782,404</u>
Grants From The State	<u>2,438,566</u>
Operating Transfers In/(Out)	<u>236,504</u>
Total Change in Net Position	<u><u>37,782,684</u></u>
Fund Net Position-Beginning of Year	<u><u>447,721,564</u></u>
Fund Net Position	\$ <u>485,504,248</u>



Drinking Water Revolving Fund

Statement of Net Position
As of October 31, 2025

Current Assets:

Cash & Equivalents	\$ 137,943,587
Federal Grants Receivable	-
Investment Income Receivable	-
Loans Receivable	-
Leases Receivable	-
Due from Other Funds	-
Accounts Receivable-Borrowers	-
Interest Receivable-Leases	-
Other Assets	-
Restricted Assets:	
Cash & Cash Equivalents	-
Investments	-
Investment Income Receivable	-
Total Current Assets	<u>137,943,587</u>

Noncurrent Assets:

Restricted Assets:	
Cash & Equivalents	73,611,854
Investments	7,838,105
Advance Receivable	-
Loans Receivable	519,708,714
Leases Receivable	-
Capital Assets-Equipment, Net of	
Accumulated Depreciation	-
Lease Assets	-
Other Assets	-
Total Noncurrent Assets	<u>601,158,673</u>
Total Total Assets	<u>739,102,260</u>

Deferred Outflows-Refundings

76,649

Deferred Outflows-Pension

-

Deferred Outflows-OPEB

-

Current Liabilities:

Project Costs Payable - Current	-
Bonds Payable	-
Unearned Revenue	-
Lease Liability	-
Accrued Interest Payable	-
Accounts Payable-Borrowers	3,961,051
Interest Payable-Leases	-
Due to Other Funds	-
Accounts Payable-Other	-
Other Liabilities	-
Total Current Liabilities	<u>3,961,051</u>

Noncurrent Liabilities



Drinking Water Revolving Fund
Statement of Net Position
As of October 31, 2025

Project Costs Payable - Long Term	135,745,896
Advance Payable	3,821,000
Bonds Payable, net	110,130,000
Unearned Revenue	-
Lease Liability	-
Pension Liability	-
HCTF Liability	-
Debt Service Reserve Deposit	-
Other Liabilities	894,789
Total Noncurrent Liabilities	250,591,685
Total Liabilities	254,552,736
Deferred Inflows-Refundings	-
Deferred Inflows-Pension	-
Deferred Inflows-OPEB	-
Deferred Inflows-Leases	-
Restricted	484,626,173
Unrestricted	-
Fund Net Position	\$ 484,626,173



Drinking Water Revolving Fund
Statement of Changes in Net Position
As of October 31, 2025

Operating Revenues:	
Interest on Loans	\$ 2,376,343
Interest on Investments	5,549,092
Administrative Fee	5,635,474
EPA Grants	3,803,721
Total Operating Revenues	<u>17,364,630</u>
Operating Expenses	
Interest on Bonds	2,919,708
EPA Set Asides	3,803,720
Principal Forgiven	53,995,292
Total Operating Expenses	<u>60,718,720</u>
Total Operating Income	<u>(43,354,090)</u>
EPA Capitalization Grants	<u>77,583,629</u>
Grants From The State	<u>2,438,566</u>
Operating Transfers In/(Out)	<u>236,504</u>
Total Change in Net Position	<u><u>36,904,609</u></u>
Fund Net Position-Beginning of Year	<u><u>447,721,564</u></u>
Fund Net Position	\$ <u>484,626,173</u>



WPCRF
Statement of Net Position
As of November 30, 2025

Current Assets:

Cash & Equivalents	\$ 131,225,955
Federal Grants Receivable	-
Investment Income Receivable	-
Loans Receivable	-
Leases Receivable	-
Due from Other Funds	-
Accounts Receivable-Borrowers	-
Interest Receivable-Leases	-
Other Assets	-
Restricted Assets:	
Cash & Cash Equivalents	-
Investments	-
Investment Income Receivable	-
Total Current Assets	<u>131,225,955</u>

Noncurrent Assets:

Restricted Assets:	
Cash & Equivalents	51,609,505
Investments	-
Advance Receivable	-
Loans Receivable	587,814,378
Leases Receivable	-
Capital Assets-Equipment, Net of	
Accumulated Depreciation	-
Lease Assets	-
Other Assets	-
Total Noncurrent Assets	<u>639,423,883</u>
Total Total Assets	<u><u>770,649,838</u></u>

Deferred Outflows-Refundings

190,017

Deferred Outflows-Pension

-

Deferred Outflows-OPEB

-

Current Liabilities:

Project Costs Payable - Current	-
Bonds Payable	-
Unearned Revenue	-
Lease Liability	-
Accrued Interest Payable	-
Accounts Payable-Borrowers	6,729,084
Interest Payable-Leases	-
Due to Other Funds	-
Accounts Payable-Other	-
Other Liabilities	-
Total Current Liabilities	<u>6,729,084</u>

Noncurrent Liabilities



WPCRF
Statement of Net Position
As of November 30, 2025

Project Costs Payable - Long Term	61,947,471
Advance Payable	2,538,200
Bonds Payable, net	136,375,000
Unearned Revenue	-
Lease Liability	-
Pension Liability	-
HCTF Liability	-
Debt Service Reserve Deposit	-
Other Liabilities	4,783,207
Total Noncurrent Liabilities	205,643,878
Total Liabilities	212,372,962
Deferred Inflows-Refundings	-
Deferred Inflows-Pension	-
Deferred Inflows-OPEB	-
Deferred Inflows-Leases	-
Restricted	558,466,893
Unrestricted	-
Fund Net Position	\$ 558,466,893



Water Pollution Control Revolving Fund
Statement of Changes in Net Position
As of November 30, 2025

Operating Revenues:	
Interest on Loans	\$ 3,276,638
Interest on Investments	5,688,518
Administrative Fee	5,259,422
Total Operating Revenues	<u>14,224,578</u>
Operating Expenses	
Interest on Bonds	4,258,705
Principal Forgiven	<u>6,397,788</u>
Total Operating Expenses	<u>10,656,493</u>
Total Operating Income	<u>3,568,085</u>
EPA Capitalization Grants	<u>15,498,406</u>
Grants From The State	<u>1,261,174</u>
Operating Transfers In/(Out)	<u>(236,504)</u>
Total Change in Net Position	<u><u>20,091,161</u></u>
Fund Net Position-Beginning of Year	<u><u>538,375,732</u></u>
Fund Net Position	\$ <u>558,466,893</u>



WPCRF

Statement of Net Position
As of October 31, 2025

Current Assets:

Cash & Equivalents	\$ 129,864,592
Federal Grants Receivable	-
Investment Income Receivable	-
Loans Receivable	-
Leases Receivable	-
Due from Other Funds	-
Accounts Receivable-Borrowers	-
Interest Receivable-Leases	-
Other Assets	-
Restricted Assets:	
Cash & Cash Equivalents	-
Investments	-
Investment Income Receivable	-
Total Current Assets	<u>129,864,592</u>

Noncurrent Assets:

Restricted Assets:	
Cash & Equivalents	51,801,836
Investments	-
Advance Receivable	-
Loans Receivable	589,604,000
Leases Receivable	-
Capital Assets-Equipment, Net of	
Accumulated Depreciation	-
Lease Assets	-
Other Assets	-
Total Noncurrent Assets	<u>641,405,836</u>
Total Total Assets	<u>771,270,428</u>

Deferred Outflows-Refundings

190,017

Deferred Outflows-Pension

-

Deferred Outflows-OPEB

-

Current Liabilities:

Project Costs Payable - Current	-
Bonds Payable	-
Unearned Revenue	-
Lease Liability	-
Accrued Interest Payable	-
Accounts Payable-Borrowers	6,706,956
Interest Payable-Leases	-
Due to Other Funds	-
Accounts Payable-Other	-
Other Liabilities	-
Total Current Liabilities	<u>6,706,956</u>

Noncurrent Liabilities



WPCRF
Statement of Net Position
As of October 31, 2025

Project Costs Payable - Long Term	63,659,573
Advance Payable	2,538,200
Bonds Payable, net	136,375,000
Unearned Revenue	-
Lease Liability	-
Pension Liability	-
HCTF Liability	-
Debt Service Reserve Deposit	-
Other Liabilities	4,783,207
Total Noncurrent Liabilities	207,355,980
Total Liabilities	214,062,936
Deferred Inflows-Refundings	-
Deferred Inflows-Pension	-
Deferred Inflows-OPEB	-
Deferred Inflows-Leases	-
Restricted	557,397,509
Unrestricted	-
Fund Net Position	\$ 557,397,509



Water Pollution Control Revolving Fund
Statement of Changes in Net Position
As of October 31, 2025

Operating Revenues:	
Interest on Loans	\$ 3,204,976
Interest on Investments	5,122,463
Administrative Fee	4,896,820
Total Operating Revenues	<u>13,224,259</u>
Operating Expenses	
Interest on Bonds	4,258,705
Principal Forgiven	<u>6,322,583</u>
Total Operating Expenses	<u>10,581,288</u>
Total Operating Income	<u>2,642,971</u>
EPA Capitalization Grants	<u>15,354,137</u>
Grants From The State	<u>1,261,173</u>
Operating Transfers In/(Out)	(236,504)
Total Change in Net Position	<u>19,021,777</u>
Fund Net Position-Beginning of Year	<u>538,375,732</u>
Fund Net Position	\$ <u>557,397,509</u>



WRBP

Statement of Net Position
As of November 30, 2025

Current Assets:

Cash & Equivalents	\$	-
Federal Grants Receivable		-
Investment Income Receivable		-
Loans Receivable		-
Leases Receivable		-
Due from Other Funds		-
Accounts Receivable-Borrowers		-
Interest Receivable-Leases		-
Other Assets		-
Restricted Assets:		
Cash & Cash Equivalents		-
Investments		-
Investment Income Receivable		-
Total Current Assets		-

Noncurrent Assets:

Restricted Assets:		
Cash & Equivalents		28,256,333
Investments		-
Advance Receivable		-
Loans Receivable		48,650,000
Leases Receivable		-
Capital Assets-Equipment, Net of Accumulated Depreciation		-
Lease Assets		-
Other Assets		135,466
Total Noncurrent Assets		77,041,799
Total Total Assets		77,041,799

Deferred Outflows-Refundings

156,108

Deferred Outflows-Pension

-

Deferred Outflows-OPEB

-

Current Liabilities:

Project Costs Payable - Current		-
Bonds Payable		-
Unearned Revenue		-
Lease Liability		-
Accrued Interest Payable		-
Accounts Payable-Borrowers		3,372,577
Interest Payable-Leases		-
Due to Other Funds		-
Accounts Payable-Other		-
Other Liabilities		-
Total Current Liabilities		3,372,577

Noncurrent Liabilities



WRBP
Statement of Net Position
As of November 30, 2025

Project Costs Payable - Long Term	23,640,574
Advance Payable	-
Bonds Payable, net	48,815,000
Unearned Revenue	-
Lease Liability	-
Pension Liability	-
HCTF Liability	-
Debt Service Reserve Deposit	966,966
Other Liabilities	-
Total Noncurrent Liabilities	73,422,540
Total Liabilities	76,795,117
Deferred Inflows-Refundings	-
Deferred Inflows-Pension	-
Deferred Inflows-OPEB	-
Deferred Inflows-Leases	-
Restricted	402,790
Unrestricted	-
Fund Net Position	\$ 402,790



Water Revenue Bonds Pgm
Statement of Changes in Net Position
As of November 30, 2025

Operating Revenues:	
Interest on Loans	\$ 1,404,707
Total Operating Revenues	<u>1,404,707</u>
Operating Expenses	
Interest on Bonds	<u>1,508,254</u>
Total Operating Expenses	<u>1,508,254</u>
Total Operating Income	<u>(103,547)</u>
Total Change in Net Position	<u>(103,547)</u>
Fund Net Position-Beginning of Year	<u>506,337</u>
Fund Net Position	<u>\$ 402,790</u>



WRBP

Statement of Net Position
As of October 31, 2025

Current Assets:

Cash & Equivalents	\$	-
Federal Grants Receivable		-
Investment Income Receivable		-
Loans Receivable		-
Leases Receivable		-
Due from Other Funds		-
Accounts Receivable-Borrowers		-
Interest Receivable-Leases		-
Other Assets		-
Restricted Assets:		
Cash & Cash Equivalents		-
Investments		-
Investment Income Receivable		-
Total Current Assets		-

Noncurrent Assets:

Restricted Assets:		
Cash & Equivalents		28,146,006
Investments		-
Advance Receivable		-
Loans Receivable		48,815,000
Leases Receivable		-
Capital Assets-Equipment, Net of Accumulated Depreciation		-
Lease Assets		-
Other Assets		135,466
Total Noncurrent Assets		77,096,472
Total Total Assets		77,096,472

Deferred Outflows-Refundings

156,108

Deferred Outflows-Pension

-

Deferred Outflows-OPEB

-

Current Liabilities:

Project Costs Payable - Current		-
Bonds Payable		-
Unearned Revenue		-
Lease Liability		-
Accrued Interest Payable		-
Accounts Payable-Borrowers		3,262,250
Interest Payable-Leases		-
Due to Other Funds		-
Accounts Payable-Other		-
Other Liabilities		-
Total Current Liabilities		3,262,250

Noncurrent Liabilities



WRBP
Statement of Net Position
As of October 31, 2025

Project Costs Payable - Long Term	23,640,575
Advance Payable	-
Bonds Payable, net	48,815,000
Unearned Revenue	-
Lease Liability	-
Pension Liability	-
HCTF Liability	-
Debt Service Reserve Deposit	1,135,781
Other Liabilities	-
Total Noncurrent Liabilities	73,591,356
Total Liabilities	76,853,606
Deferred Inflows-Refundings	-
Deferred Inflows-Pension	-
Deferred Inflows-OPEB	-
Deferred Inflows-Leases	-
Restricted	398,975
Unrestricted	-
Fund Net Position	\$ 398,975



Water Revenue Bonds Pgm
Statement of Changes in Net Position
As of October 31, 2025

Operating Revenues:	
Interest on Loans	\$ 1,400,891
Total Operating Revenues	<u>1,400,891</u>
Operating Expenses	
Interest on Bonds	<u>1,508,254</u>
Total Operating Expenses	<u>1,508,254</u>
Total Operating Income	<u>(107,363)</u>
Total Change in Net Position	<u>(107,363)</u>
Fund Net Position-Beginning of Year	<u>506,337</u>
Fund Net Position	<u>\$ 398,975</u>



COLORADO WATER RESOURCES & POWER DEVELOPMENT AUTHORITY
EXECUTIVE DIRECTOR'S REPORT
January 29, 2026, Board Meeting

MAJOR ACTIVITIES SINCE THE LAST BOARD MEETING

State Affairs

Colorado's General Assembly convened on January 14, 2026, and will be in session through May 13, 2026. The 2026 session will be dominated by a significant budget deficit (estimated at \$850 million to \$1 billion) and tough choices on spending cuts. For the SRF programs, procuring approximately \$13 million for the IJJA state match will be challenging.

The Authority's Project Eligibility List, SJR 26-001, was introduced on January 14 (deadline was January 15) and scheduled in the Senate Agriculture committee on January 28, 2026. The joint resolution must be approved by both the Senate and the House and signed by the Governor by April 1, 2026. We are also scheduling appointments for Director Wogsland and for Security Water and Sanitation District Manager Roy Heald, who, if approved, would replace Director Hale.

Federal Affairs

The U.S. Congress convened on January 3, 2026, and appears to have a general focus on Social Security reform, healthcare affordability, private retirement savings, surface transportation, defense spending, and certain fiscal policies. The current continuing resolution (CR) expires on January 30, 2026, requiring Congress to pass new appropriations or an additional short-term funding measure to avoid another partial government shutdown.

The U.S. House and Senate passed the fiscal year 2026 SRF funding, the "minibus," which holds SRFs at last year's levels: \$1.6 billion for clean water and \$1.1 billion for drinking water. However, the funding bill includes earmarks of approximately 58% of the total 2026 SRF funding and still needs to be signed by the President.

Jim Griffiths, Wes Williams, and I met with the teams of Senators Bennet and Hickenlooper regarding the proposed Water Resources Development Act (WRDA) currently being drafted in Congress. The WRDA annually reauthorizes the SRFs, often with additional requirements and eligibility criteria. The Senator's offices specifically asked us about proposed language that would allow SRFs to fund utility operations and maintenance for small systems. We outlined several reasons we did not think this approach was suitable for Colorado, including the enormous number of projects on Colorado's Eligibility List. In addition, we pushed for robust SRF funding levels and detailed alternative approaches to funding congressional earmarks.

Arkansas Valley Conduit (AVC)

On November 5, 2025, Southeastern Colorado Water Conservancy District submitted an SRF application for spur and delivery line funding. SRF staff presented a business case for the District, and the Board approved the District's disadvantaged community status at the December Board meeting. The SRF staff have completed the credit analysis for the first phase of spur and delivery lines for presentation at the January Board meeting.

Separately, in January, President Trump vetoed a bill that would have provided certain financial incentives for the participants' cost-sharing portion of the AVC trunk line.

ERP and PAFR Software Project

Authority staff began training on the new "Gravity" software after completing the account mapping. The software will automatically pull information from the Authority's financial database to create the 2025 Annual Comprehensive Financial Report (ACFR) and Popular Annual Financial Report (PAFR) in the spring of 2026. The Gravity software will produce the ACFR and PAFR in a Colorado-compliant, accessible format.

CEOS Replacement Project

The Colorado Environmental Online Service (CEOS) will be replaced in 2026, and work is underway to develop a new system. Authority staff and our SRF partners prepared a detailed request for proposal (RFP) and invited three pre-qualified bidders to bid on this work. Proposals are due back by mid-February 2026. One proposal will be selected, and Authority staff will work with legal counsel to finalize a contract.

Office Expansion Update

Construction commenced on January 6, 2026, and is progressing as anticipated. Construction is scheduled for 5 weeks, with an estimated completion date in mid-February.

Future Meetings

- March 5, 2026 – Board Program Work Session (3 pm, Denver)
- March 6, 2026 – Board meeting (9 am, Denver)
- April 23, 2026 – Board Program Work Session and Retreat (all day, Denver)
- April 24, 2026 – Board meeting (9 am, Denver)
- June 4, 2026- Board Program Work Session (3 pm, Denver)
- June 5, 2026- Board Meeting (9 am, Denver)

All 2026 Meeting Dates can also be found here (subject to change by the Board Chair):

[Upcoming Board Meetings - Colorado Water Resources and Power Development Authority](#)



Finance Director's Report

January 2026 Board Meeting

[BACK TO AGENDA](#)

Current Interest Rates

Non-DAC Direct Loans

3.50%-30 yrs

3.25%-20 yrs

DAC 1 Direct Loans

2.75%-30 yrs

2.50%-30 yrs

DAC 2 Direct Loans

1.75%-30 yrs

1.50%-20 yrs

Leveraged Loans

85% of
Authority's
AAA rate

Current Capacity

DWRF
Base

\$85m



WPCRF
Base

\$132m



DWRF
Supp

\$0m



WPCRF
Supp

\$27m



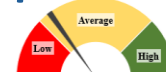
DWRF
LSL

\$4.8m



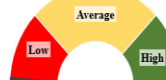
DWRF
EC

\$12m



WPCRF
EC

\$0



Last 5 Years Loans Executed

31

33

37

51

31

2021

2022

2023

2024

2025

\$251

\$229

\$38

\$103

\$100

2025 Metrics

Pre-
Quals

43

D&Es
Closed

8

SRF
Loans

31

DAC
Loans

13

\$ in
Projects

\$225m

Amnt.
Executed

\$100m

CO Pop
Helped

750k

Loan Application Schedule

Jan. 5th*

Open to all
Projects

March Meeting

Feb. 5th

Open to all
Projects

April Meeting

Apr. 5th

Open to all
Projects

June Meeting

June 5th*

Open to all
Projects

Aug. Meeting

Aug. 5th

Priority
Projects Only

Oct. Meeting

Oct. 5th

Priority
Projects Only

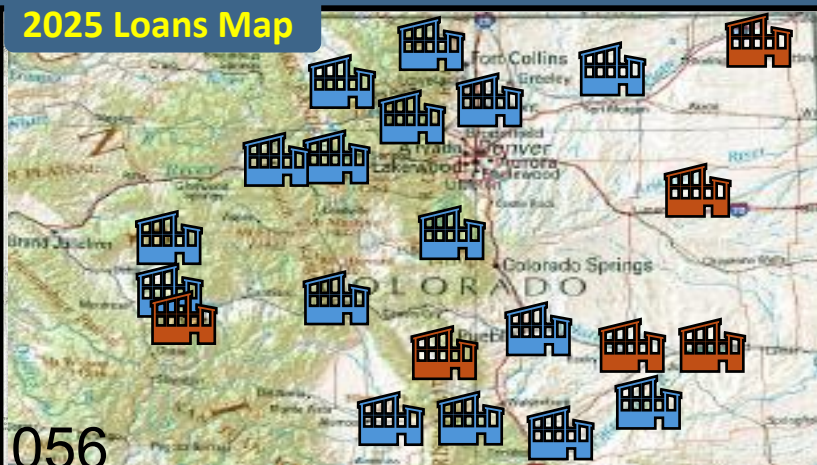
Dec. Meeting

Nov. 5th

Priority
Projects Only

Jan. Meeting

2025 Loans Map



Upcoming Items

- There is no remaining DWRF Base or IIJA PF until the 2026 DWRF cap grants.
- 2026 will be the last year of IIJA funding
- The SRF received **2 DWRF** and **7 WPCRF** Loan applications for the March meeting totaling est. \$68.5 million
- Currently hiring new Financial Analyst I

[BACK TO AGENDA](#)



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

January 20, 2026

TO: Project Finance Committee and Karl Ohlsen

FROM: Jim Griffiths, Deputy Director
Wes Williams, Finance Director

RE: Review of the Southeastern Colorado Water Conservancy District
Drinking Water Revolving Fund ("DWRF")

The Division of Local Government has forwarded to the DWRF Committee its analysis of the above-listed project. The DWRF Committee, composed of representatives from the Division of Local Government, the Water Quality Control Division, and the Authority, has reviewed the SRF funding package and agreed to forward the request to the Authority's Project Finance Committee with the following recommendation:

Southeastern Colorado Water Conservancy District

The Southeastern Colorado Water Conservancy District (the "District"), located in El Paso, Chaffee, Kiowa, Fremont, Pueblo, Otero, Crowley, Bent, and Prowers Counties, is seeking approval of a SRF funding package that is comprised of \$14,383,546 Base direct loan, \$3,467,300 Base Principal Forgiveness ("PF"), \$8,322,644 IJA/BIL direct loan, and \$18,826,510 IJA/BIL PF. The total loan package will be \$22,706,190 repayable loan and \$22,293,810 PF. The District qualifies for IJA/BIL eligibility and had a Business Case approved at the December 2025 Board meeting for Disadvantaged Community ("DAC") status. The District is responsible for constructing the spur and delivery lines that will deliver clean drinking water to 39 communities via the Arkansas Valley Conduit trunkline ("AVC"). Many of these communities are disadvantaged and have been using groundwater contaminated with naturally occurring radionuclides or salinity. This project will allow the communities to replace or use blending to provide safe drinking water from Pueblo Reservoir. The District's project was authorized by HJR 23-1007.

This funding package will be used to construct spur and delivery lines to 18 communities from the Town of Fowler all the way to the Town of Rocky Ford. The funding concept outlined in the September 2025 Memorandum of Understanding leverages SRF PF and CWCB grant funds enabling the project to be constructed with no debt.

This financing concept includes no repayable debt, as all funding will be provided through grants and PF. The funding structure and the flow of funds during construction payment requests will be detailed in the loan agreement between CWRPDA and the District. This approval also includes no accrual of loan interest. Due to the unique nature of this financing structure, an upfront cost recovery fee will be collected. The cost recovery fee will be specified in the loan agreement and paid at or near closing in accordance with recently established Board policy.

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 SRF funding package that is comprised of \$14,383,546 Base direct loan, \$3,467,300 Base PF, \$8,322,644 IJA/BIL direct loan, and \$18,826,510 IJA/BIL PF, subject to the terms and conditions included on the loan approving resolution, including any added by the Authority Board, as well as the condition that this approval for both loan and PF follow the financing concept outlined in the MOU. The total loan package will be \$22,706,190 repayable loan and \$22,293,810 PF. The Board will consider this request on January 29, 2026.

Note: A Zoom conference call has been scheduled for **Tuesday, 9:30 a.m. January 20, 2026**. The link to join via online is: <https://us06web.zoom.us/j/82702499740?pwd=BEa2iqAT2uLtGISvFrekdMhWbW0Ho4.1>. If you prefer to dial in, the call-in number is: **1-719-359-4580**, and the Meeting ID is **827 0249 9740**. The passcode is: **992410**.

Attachments: Southeastern Colorado Water Conservancy District 2026 DWRF Credit Report and 2025 DWRF Business Case

DWRF LOAN CREDIT REPORT (2026)

Southeastern Colorado Water Conservancy District ("The District"),
El Paso, Bent, Prowers, Otero, Chaffee, Crowley, Fremont, Pueblo, and Kiowa Counties

Recommendation:	APPROVAL
Loan Request:	\$45,000,000
Interest Rate & Term:	Not applicable
Annual Debt Service:	Not applicable
Pledge:	CWCB grant

Project Budget	
DWRF Direct Loan:	\$14,383,546
DWRF Base PF:	\$3,467,300
DWRF IJA/BIL Direct Loan:	\$8,322,644
DWRF IJA/BIL PF:	\$18,826,510
2007 CWCB:	\$2,500,000
AVC Enterprise Reserves:	\$1,612,476
2025 WQCD EC-SDC Grant:	\$66,638
Total:	\$49,179,114

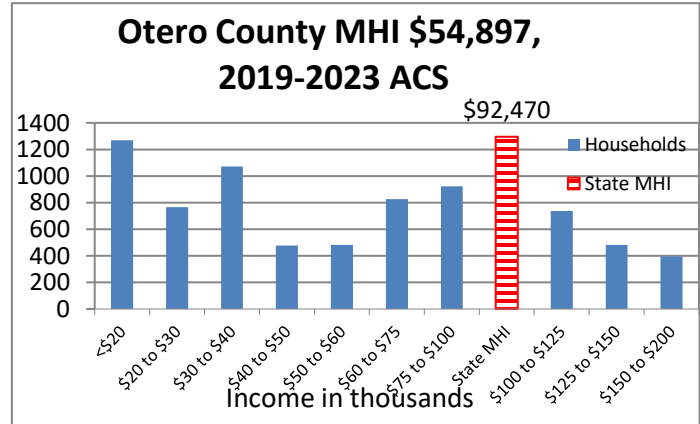
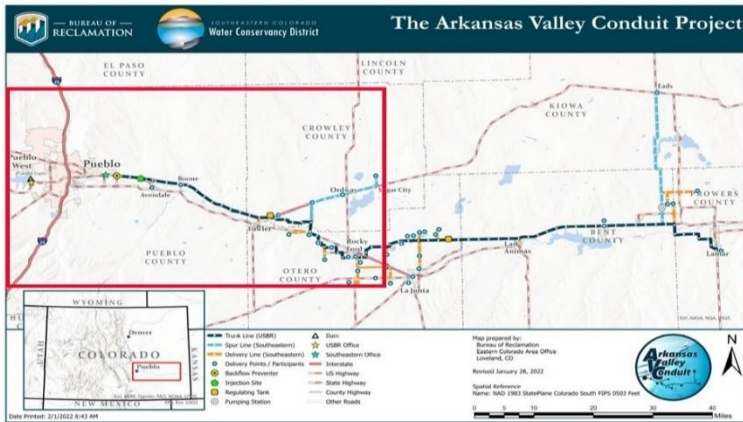
PROJECT DESCRIPTION: This Project consists of the construction of the first phase of spur and delivery lines associated with the Arkansas Valley Conduit (AVC). The AVC once completed will deliver filtered water to as many as 39 communities east of Pueblo distributed through over 200 miles of pipeline. This project will include constructing 39 miles of spur and delivery lines so that the following 18 communities will have the ability to connect: Town of Fowler, Town of Sugar City, Town of Crowley, Town of Ordway, Town of Olney Springs, Town of Manzanola, City of Rocky Ford, Valley Water Company, Crowley County Water Association, 96 Pipeline Co., Vroman Water Co., Patterson Valley Water Co., Fayette Water Association, Eureka Water Authority, Hilltop Water Co., Newdale-Grand Valley Water Co., West Grand Valley Water, South Swink Water Authority. The AVC water will supplement and/or replace existing water supplies for participants.

COMMUNITY PROFILE:

Southeastern Colorado Water Conservancy District

	2020	2021	2022	2023	2024	2025	Avg. Annual Change
Project Population		11,573	11,630	11,688	11,745	11,803	0.49%
Otero County Population	18,670	18,527	18,277	18,142	17,916		-1.03%
Otero County Jobs	7,022	7,119	7,167	7,249	7,216		0.68%
Crowley County Population	5,689	5,736	5,605	5,639	5,632		-0.25%
Crowley County Jobs	1,278	1,318	1,309	1,348	1,379		1.92%
Number of Water Taps (Project)		4,629	4,652	4,675	4,698	4,721	0.49%
Assessed Value (\$000)		9,584,377	11,241,049	11,317,265	13,331,442	13,446,857	8.83%
Actual Value (\$000)		86,881,028	103,537,413	105,927,092	135,186,875	138,501,194	12.37%

BORROWER BRIEF: The District serves nine counties in southeast and central Colorado: El Paso, Bent, Prowers, Otero, Chaffee, Fremont, Pueblo, and Kiowa. This phase of the project serves eighteen communities in Otero and Crowley Counties as shown in the map below.



RECOMMENDATION: The District serves a nine-county area in southeastern Colorado. This proposed project is necessary to construct the spur and delivery lines from the Arkansas Valley Conduit to 18 communities in Otero County and Crowley County. In order to construct these spur and delivery lines from the main trunk line and get the water to the communities with as little debt as possible, the District intends to use the funding concept outlined in a recent MOU between the District, the Authority, CWCB, and Otero County. This funding concept leverages SRF PF and CWCB grant funds enabling the project to be constructed with no debt. We therefore recommend the DWRF Committee approve a \$14,383,546 DWRF direct loan, \$3,467,300 in DWRF base principal forgiveness, \$8,322,644 in DWRF IJA/BIL direct loan funds, and \$18,826,510 in DWRF IJA/BIL principal forgiveness for the Southeastern Water Conservancy District, subject to the conditions that this approval for both loan and principal forgiveness follows the financing concept outlined in the MOU. This financing concept includes no repayable debt, as all funding will be provided through grants and principal forgiveness. The funding structure and the flow of funds during construction payment requests will be detailed in the loan agreement between CWRPDA and the District. This approval also includes no accrual of loan interest. Due to the unique nature of this financing structure, an upfront cost recovery fee may be collected, if applicable. The cost recovery fee may be specified in the loan agreement and paid at or near closing in accordance with recently established Board policy, if applicable.

PROJECT SUMMARY

System summary: The Arkansas Valley Conduit (“AVC”) is currently under construction and will become an active public water system after construction when the District begins delivering water. Phase 1 includes about 39 miles of pipe for the spur/delivery lines with the size of the pipe ranging from 4" to 20". The Trunk line is approximately 130-mile pipeline from Pueblo to Lamar. The system will consist of a main transmission line being built by the Bureau of Reclamation. The spur/delivery lines will be built by the District. After project completion, the District will operate and maintain the system and be responsible for the transmission of drinking water to participants who will be responsible for additional minor treatment and distribution. Potential AVC participants include: Town of Boone, Avondale Water & Sanitation, Crowley County, 96 Pipeline Company, Crowley County Water Association, Town of Crowley, Town of Olney Springs, Town of Ordway, Town of Sugar City, Hasty Water Company, City of Las Animas, McClave Water Association, Prowers County, City of Lamar, May Valley Water Association, Town of Wiley, Kiowa County, Town of Eads, Beehive Water Association, Bents Fort Water Company, Town of Cheraw, East End Water Association, Eureka Water Authority, Fayette Water Association, Town of Fowler, Hilltop Water Company, Holbrook Center Soft Water, Homestead Improvement Association, City of La Junta, Town of Manzanola, Newdale-Grand Valley, North Holbrook Water, Patterson Valley, Riverside Water Company, City of Rocky Ford, South Side Water Association, South Swink Water Authority, Town of Swink, Valley Water Company, Vroman Water Company, West Grand Valley Water, and West Holbrook Water.

Reason/need: The lower Arkansas Valley area includes public water systems that face serious compliance challenges because of naturally occurring radionuclide and or salinity contamination. In addition, the majority of the participants rely on groundwater and are in need of a new reliable supply of safe drinking water. Many of the public water systems in the area are under enforcement orders issued by CDPHE. The list of entities in this project with enforcement orders include:

- Town of Manzanola (Exceedance of Uranium and Combined Radium)
- Valley Water Co. (Exceedance of Gross Alpha and Combined Radium)
- Vroman Water Co. (Exceedance of Gross Alpha and Combined Radium)
- Patterson Valley Water Co. (Exceedance of Gross Alpha and Combined Radium)
- Fayette Water Association (Exceedance of Gross Alpha and Combined Radium)
- Eureka Water Authority (Exceedance of Gross Alpha and Combined Radium)
- West Grand Valley Water (Exceedance of Combined Radium)
- South Swink Water Authority (Exceedance of Gross Alpha and Combined Radium)

In order to return the participants to compliance with Regulation 11, AVC participants are required to connect to the AVC or find alternative treatment. Radionuclide treatment can present challenges with operation costs as well as waste disposal. The AVC provides a long-term solution.

System Compliance: The District is in compliance with the Colorado Primary Drinking Water Regulations, and the project is primarily intended to maintain compliance and assist the individual entities along the delivery/spur lines return to compliance.

Project Delivery Method: Design/Bid/Build

Contingency: 18% of the total project cost is included as contingency.

CURRENT INDICATORS:	2022	2023	2024	Weak	Average	Strong
Total Debt per Capita (\$):	2,637	2,520	2,344	X >\$2,000	\$1,000 - 2,000	<\$1,000
Total + New Debt/Capita (\$):			2,344	X >\$2,000	\$1,000 - 2,000	<\$1,000
Total Debt/Tap (\$):	6,593	6,299	5,861	X >\$5,000	\$2,500 - 5,000	<\$2,500
Total Debt + New Debt/Tap (\$):			5,861	X >\$5,000	\$2,500 - 5,000	<\$2,500
Current Water Debt/Tap (\$):	0	0	0	>\$2,000	\$1,000 - 2,000	X <\$1,000
Current Water + New Water Debt/Tap (\$):			0	>2,000	\$1,000 - 2,000	X <\$1,000
Total Debt/Assessed Value:	0.27%	0.26%	0.21%	>50%	25-50%	X <25%
Total Debt + New Water Debt/Assessed Value:			0.21%	>50%	25-50%	X <25%
Total Debt/Actual Value:	0.03%	0.03%	0.02%	>10%	5-10%	X <5%
Total Debt + New Water Debt/Actual Value:			0.02%	>10%	5-10%	X <5%
Curr. Water Debt + New Debt/Tap/MHI:			0.00%	>20%	10-20%	X <10%
Water Fund Current Ratio (CA/CL):	238%	278%	714%	<100%	100-200%	X >200%
Water Fund Reserves/Current Expense:	438%	766%	737%	<50%	50-100%	X >100%
Water Operating Ratio (OR/OE):	77%	93%	102%	<100%	X 100-120%	>120%
Operation and Maintenance Reserve:			737%	<25%	25-50%	X >50%
Total:				4	1	10

FINANCIAL ANALYSIS: Of the fifteen current indicators calculated, 10 are rated strong, 1 is average and 4 are considered weak. Overall, the indicators illustrate an enterprise fund with an improving operating ratio and strong reserves.

- The indicators are mostly for illustration purposes since the proposed financing structure (detailed in the MOU between Otero County, CWCB, the District, and CWRPDA) means there will be no resulting repayable loan or debt service. Additionally, the total debt per tap and per capita indicators are based on the 18 potential AVC participants and do not reflect the entire District.
- Operating revenue is minimal and comes from participant contributions.
- Upon construction completion, participating entities will connect to the AVC via these spur and delivery lines. These entities will be responsible for sharing the costs of operations and maintenance, as well as the costs of their water as explained in the intergovernmental section below.
- The general funding concept uses CWRPDA SRF funds made up of repayable loan and principal forgiveness as shown on page 1 to reimburse the District for spur/delivery line construction costs. As construction costs are reimbursed by SRF funds consisting of 50 percent Principal Forgiveness and 50 percent loan funds, draws from CWCB grant funds are drawn to pay the loan portion of each requisition. As a result, the District will incur no repayable debt associated with this funding request.

DESCRIPTION OF THE LOAN:

The District will receive a \$14,383,546 DWRF direct loan, \$3,467,300 DWRF base principal forgiveness, \$8,322,644 DWRF IJA/BIL direct loan, \$18,826,510 DWRF IJA/BIL principal forgiveness. The total loan package will be \$22,706,190 repayable loan and \$22,293,810 in principal forgiveness.

As spur/delivery line construction costs are incurred, the District will submit a request for reimbursement to both CWRPDA and CWCB. Both entities will review the reimbursement requests for cost eligibility, and both will approve all reimbursement requests. Upon approvals, CWCB will draw grant funds in the amount of the CWRPDA loan portion of the draw. CWCB's grant funds will be dispersed to CWRPDA, paying off the loan portion of the draw. CWRPDA will draw proportional loan and PF funds to reimburse the District. SRF funds will not be drawn until the proportional amount of loanable SRF funds are first drawn from the CWCB grant funds. The intricacies of the fund transfers using a trustee/bank via Otero County are detailed in the MOU.

Additional Project Financing

The District received a \$2,500,000 grant from CWCB in 2007, and a \$66,638 grant from the WQCD EC-SCD program in 2025. Additionally, the District has a \$30,000,000 in 2020 and 2023 CWCB grants that will be used to repay the DWRF direct loans.

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?
P1: MHI	\$73,976	>=	\$54,897	Y
P2: MHV	\$401,760	>=	\$132,600	Y
P3: County Unemployment	4.47%	<=	4.72%	Y
County Job Change	0.00%	>=	5.04%	N
S1: County MHI	\$73,976	>=	\$54,897	Y
S2: Ten Year % Change in Population	0.00%	>=	N/A	
S3: Assessed Value per Housing unit	\$24,308	>=	N/A	
S4b: Curr. and Proj. System Debt	0.25%	<	0.00%	N
S4b: 80th Percentile	1.02%	<	0.00%	N
S5b: Proj. System Cost Per Tap to MHI	1.01%	<	0.14%	N
S5b: 80th Percentile	1.61%	<	0.14%	N

The District did not meet DAC status criteria due to having a service area population for this project exceeding the 10,000-population limit. However, a business case for DAC status was presented to the CWRPDA board on December 5, 2025, which was approved due to the participants qualifying as a DAC separately.

IJA/BIL Principal Forgiveness Eligibility:

In order to qualify for IJA/BIL principal forgiveness, a community must score three (3) points using the IJA/BIL Principal Forgiveness Eligibility Criteria outlined in the Intended Use Plans. The District scores 5.5 points as shown below.

IJA/BIL PF DETERMINATION				
	Benchmark		Borrower	Points
1. Five Year % Change in Population	0.61%	>	0.49%	1
2a: County Job Change	0.00%	>	5.04%	0.5
2b: County Unemployment	4.47%	<	4.72%	
3: Median Household Income, or MHI exceeds 125% of state MHI (-1 point)	\$92,470	>	\$54,897	1
	\$115,588	<		
4: Rates to MHI	Fund?	<	0.00%	0
5: Project addresses removal of lead or emerging contaminants	Yes		No	0
6: % Minority	40.00%	<	47.85%	1
7: % Households Housing Burdened	50.00%	<	21.62%	0
8: % Population under 200% Poverty Level	40.00%	<	44.31%	1
9: % Population under 200% Poverty Level + % Population over 65 years old	55.00%	<	65.31%	1
10: Meets DAC criteria	Yes		Yes	3
Total Points Scored:				8.5

The District qualifies for IJA/BIL principal forgiveness and has expressed interest in receiving a proportional loan and principal forgiveness funding package.

ECONOMIC ANALYSIS: The total area served by the AVC project has a 2025 population estimated at 11,803 and has grown at an average annual rate of 0.49% since 2021. However, for this current request the area of Otero County has experienced a decrease of 1.03% in population and the area of Crowley County has experienced a decrease of 0.25% in population since 2019. The state population increased at an average annual rate estimated 0.61%.

The region's economy is dominated by the following industries: government, agribusiness, retirees, and households with public assistance. Otero and Crowley Counties' largest job sectors are: health care and social assistance, local government, retail trade, accommodation and food services, and manufacturing.

The District's largest employers consist of the Arkansas Valley Regional Medical Center with 350 employees, the Arkansas Valley Correctional Facility with 300 employees, the Crowley County Correctional Facility with 264 employees, the East Otero School District with 256 employees, and Lewis Nut & Bolt (manufacturer) with 240 employees.

The following customers account for more than 3% utilization:

- City of Rocky Ford- 36% utilization and revenue
- Town of Fowler- 15% utilization and revenue
- Town of Ordway- 10% utilization and revenue
- South Swink Water Authority with 6.1% utilization and revenue
- Town of Sugar City with 5.8% utilization and revenue
- Eureka Water Authority with 5.2% utilization and revenue
- Newdale-Grand Valley Water Company with 3.9% utilization and revenue
- Hilltop Water Company with 3.2% utilization and revenue
- Town of Olney Springs with 3.2% utilization and revenue

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 sell more than 2,000 acre-feet of water per year. As a wholesaler, the District is not subject to the statute requiring a water conservation plan.

Organizational Structure

The District is a Title 37 Article 45 water conservancy district governed by a fifteen-member court-appointed board of directors and was organized in 1958. The directors are appointed to 4-year terms by the 10th judicial judge in Pueblo County. The District exists to manage the water resources of the Arkansas River and to function as the legal taxing entity for the administration of the Fryingpan-Arkansas project, which includes the proposed Project. Approximately 13 full-time employees staff the water utility. The title of the position that will oversee the water utility and the reporting structure has not been determined yet, but this position will report to the Executive Director.

- 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 Liability Pool.
- There are currently no pending lawsuits against the District.

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 District has no outstanding mandatory recommendations.

Capital Improvement Plan

The District does not have a capital improvement plan and no other known major capital improvement projects that impact the AVC enterprise are planned in the next 5-10 years.

Intergovernmental

All 39 AVC participants have signed a Memoranda of Agreement with the District. According to the agreement, the participant agrees to participate in the development and planning costs, and benefits from the AVC. The participant will reimburse District for costs incurred prior to this agreement. Cost share of the AVC development to be allocated according to a formula provided in the agreement. Participants will also be responsible for a portion of the operation and maintenance costs, based on a separate formula, as well as the cost of wholesale water. The agreement remains in effect until the execution of a conveyance contract (a contract between US and SEWCD for conveyance service through AVC), unless terminated 1. By mutual agreement or 2. Determination that a conveyance contract is infeasible. If terminated, the participant will be refunded any advanced, unspent funds.

The following bullets list the date of signed MOA's and community participants.

- 2011 96 Pipeline Company, Beehive Water Association, Bents Fort Water Company, Town of Boone, Town of Crowley, Crowley County Water Association, Town of Eads, East End Water Association, Eureka Water Association, Fayette Water Association, Town of Fowler, Hasty Water Company, Hilltop Water Company, Holbrook Center Soft Water Association, Homestead Improvement Association, Town of La Junta, Town of Lamar, City of Las Animas, Town of Manzanola, May Valley Water Association, McClave Water Association, Newdale-Grand Valley Water Company, North Holbrook Water Company, Town of Olney Springs, Town of Ordway, Patterson Valley Water Company, Town of Rocky Ford, South Side Water Association, South Swink Water Authority, St. Charles Mesa Water District, Town of Sugar City, Town of Swink, Valley Water Company, Vroman Water Company, West Holbrook Pipeline Association, West Grand Valley Water Incorporated.
- 2014 Town of Cheraw
- 2020 Avondale Water and Sanitation District

A 2025 Memorandum of Understanding with Otero County, Colorado Water Conservation Board (CWCB), and CWRPDA.

Otero County will act as the fiscal agent for the \$30 million in grant funds and \$90 million in loan funds received by the District for the AVC project. The Agreement also allows the District to use CWCB grant funds to repay the DWRP loan portion of this project funding. The understanding also outlines the SRF funding process and how money will flow for reimbursement requests.

Southeastern Participant Fees

Participants are charged a percentage of construction costs based on their acre foot allotment. They are billed on a quarterly basis for the work performed in the previous quarter. Participants will also be responsible for operations and maintenance costs, but the cost recovery structure for these expenses has not been put into place. However, the District plans to complete that in 2026. Additionally, participants may be responsible for additional minor treatment and will need to maintain their own distribution systems when receiving water from the AVC.

DEBT as of December 31, 2024

Executed	Lender	Term End	Pledge	Outstanding	Interest Rate	Annual payment
2018	Bureau of Reclamation	2031	General government	\$11,006,791	3.046%	\$1,467,572
2023	Colorado Water Conservation Board	2052	Hydro enterprise fund	\$16,526,193	2.0%	\$776,560

LOAN COVENANTS: The District must meet the terms and conditions included in Resolution No. 26-02, and other loan covenants as determined by the Board and outlined in the MOU.

Prepared by: Desi Santerre, DOLA, and Wes Williams, CWRPDA

Date: January 6, 2026

Project #230491D-Q

Cost Categories:

- Planning and Design Only (non-construction): 8%
- Construction - Transmission and distribution: 92%

Date 6-Jan-26 DWRF Credit Report Southeastern Colorado Water Conservancy District, Otero and Crowley Counties, CO Using most recent data available (Census, audits, local records)	
Estimated Population - 2024	11,745
Number of Water Taps/Customers - 2024	4,698
Total Assessed Valuation (in thousands) - 2024	\$13,331,442,000
Actual Value of All Real Property (in thousands) - 2024	\$135,186,875,000
Median Household Income (MHI) - 2023	\$54,897
Monthly Water Rate - 2024	\$0.00
Water Operating Revenue - 2024	\$384,622
Water Total Revenue - 2024 [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.]	\$1,397,570
Water Tap and System Development Fee Revenue - 2024	\$0
Water Operating Expense - 2024	\$375,396
Water Current Expense - 2024	\$375,396
Water Debt - 2024	\$0
Total Debt - 2024	\$27,532,984
Water Fund Reserves - 2024	\$2,767,419
Water Debt Service - 2024	\$0
New Water Debt [Requested DWRF loan amount.]	N/A
Requested DWRF Loan Term	N/A
Requested DWRF Loan Interest Rate	N/A
New Loan's Annual Water Debt Service (two payments annually)	N/A

Current Indicators (2024) Southeaster Colorado Water Conservancy District (Water)					
1	Total Debt	\$27,532,984	÷	Population	11,745 = \$2,344
	New Debt	N/A	÷	Population	11,745 = #VALUE!
	Total Debt + New Debt	#VALUE!	÷	Population	11,745 = #VALUE!
2	Total Debt	\$27,532,984	÷	Number of Taps	4,698 = \$5,861
	New Debt	N/A	÷	Number of Taps	4,698 = #VALUE!
	Total Debt + New Debt	#VALUE!	÷	Number of Taps	4,698 = #VALUE!
3	Total Debt	\$27,532,984	÷	Assessed Value	\$13,331,442,000 = 0.21%
	New Debt	N/A	÷	Assessed Value	\$13,331,442,000 = #VALUE!
	Total Debt + New Debt	#VALUE!	÷	Assessed Value	\$13,331,442,000 = #VALUE!
4	Total Debt	\$27,532,984	÷	Actual Value	\$135,186,875,000 = 0.02%
	New Debt	N/A	÷	Actual Value	\$135,186,875,000 = #VALUE!
	Total Debt + New Debt	#VALUE!	÷	Actual Value	\$135,186,875,000 = #VALUE!
5	Current Water Debt	\$0	÷	Number of Taps	4,698 = \$0
	(Current Water Debt + New Water Debt) / Number of Taps	#VALUE!	÷	MHI	\$54,897 = #VALUE!
6	Current Ratio (CA / CL)				
	Current Assets	\$3,218,217	÷	Current Liabilities	\$450,798 = 714%
7	Reserve/Expense Ratio				
	Reserves	\$2,767,419	÷	Current Expenses	\$375,396 = 737%
8	Operating Ratio (OR / OE)				
	Operating Revenues	\$384,622	÷	Operating Expenses	\$375,396 = 102%
9	Coverage Ratio [(TR - OE) / DS]				
	Total Revenues	\$1,397,570	-		
	Minus Operating Expenses	\$375,396			
	=	\$1,022,174	÷	Current Debt Service	\$0 = #DIV/0!
	Coverage Ratio Excluding Tap and				
10	Development Fee Revenue	\$1,022,174			
	Minus Tap and Development Fee Revenue	\$0			
	=	\$1,022,174	÷	Current Debt Service	\$0 = #DIV/0!
11	Projected Coverage Ratio				
	Total Revenues	\$1,397,570			
	Minus Operating Expenses	\$375,396			
	=	\$1,022,174		Total Debt Service (with new loan)	#VALUE! = #VALUE!
	Projected Coverage Excluding Tap and				
12	Development Fee Revenue	\$1,022,174			
	Minus Tap and Development Fee Revenue	\$0			
	=	\$1,022,174	÷	Total Debt Service (with new loan)	#VALUE! = #VALUE!
13	Current Debt Service	\$0	÷	Number of Taps	4698 = \$0.00
	Annual New Water Debt Service	N/A	÷	Number of Taps	4698 = #VALUE!
	2024 Annual Water Rate (Monthly Rate				
14	x 12)	\$0.00	÷	MHI	\$54,897 = 0.00%
	2024 Annual Water Rate + New Annual				
	Debt Service Per Tap	#VALUE!	÷	MHI	\$54,897 = #VALUE!
15	Current 2024 Monthly User Charge				\$0.00
	(Debt Service on DWRFL Loan / 2024 Taps / Month)				#VALUE!
	Total				#VALUE!
16	Operation and Maintenance Reserve				
	Reserves	\$2,767,419	÷	Operating Expenses	\$375,396 = 737%



Principal Forgiveness and Priority Point Scoring

Applicant: Southeastern Water Conservancy District
DWRf or WPCRf: DWRf

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

BIL Principal Forgiveness

Eligible for BIL principal forgiveness? Yes

Eligible BIL principal forgiveness percentage:

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

Base DWRf Principal Forgiveness Scoring

DWRf

Water Quality & Public Health + CPDWR Compliance:	60
DOLA Affordability Score:	20
Total Score	80

Eligible as a base program DAC? Yes

Eligible base program DWRf principal forgiveness percentage: no funds available

Amount of principal forgiveness awarded (accounting for any applicable cap/max): n/a

Priority Point Scoring

Total WQCD Score:	90
DOLA Affordability Score:	20
Total Score:	110

PreQual Date Score:	12/31/2024	Project Manager	ES Review Engineer	ES Review UM				
PNA Date Score:	11/12/2025	Siobhan Yoest	Ian Sutton	Emily Wong				
Project Name:	pur/Delivery lines							
SRF Project Number:	230491D-Q							
ES Project Number:	ES.23.SRF.08200							

Drinking Water Revolving Fund Priority Scoring Model (Attachment I DWRP IUP 2024)

Drinking Water Quality and Public Health Points	Possible Points	PQ Points Scored (leave blank if not scored)	PNA Points Scored	Comments	When to Score	Responsible Party	Scoring criteria	Resources
Project addresses a documented waterborne disease outbreak associated with the system within the last 24 months.	35	0	0		PQ/PNA	Engineering Section	For active sources, check SDWIS for violations. For new sources or for sources taken offline related to a violation, review any submitted data. If SDWIS or data shows more than one exceedance or treatment issue, then give the points for each MCL or treatment issue.	SDWIS comp report , OnBase
Project corrects or prevents violations of MCLs (primary standards) 1 (may score points in multiple categories)								
• Nitrate, nitrite, TCR.	30	0	0		PQ/PNA	Engineering Section		
• Total trihalomethanes, total haloacetic acids.	25	0	0		PQ/PNA	Engineering Section		
• Arsenic, selenium.	20	0	0		PQ/PNA	Engineering Section		
• Other regulated contaminants.	15	0	0	eventual AVC system will connect to many systems that have current RAD problems, this project is for the spur and delivery lines.	PQ/PNA	Engineering Section	For systems with multiple primary MCL issues, score based on the highest value. Systems don't get multiple points (e.g., both arsenic and selenium). Give points to systems reclassified to GWUDI that are under the 18 month clock.	
1 This accommodates repeat violations and provides indicators for both chronic and acute health hazards								
Project corrects or prevents exceedances of MCLs for radionuclides.	35	35	35	eventual AVC system will connect to many systems that have current RAD problems, this project is for the spur and delivery lines.	PQ/PNA	Engineering Section		
Project corrects inadequate treatment techniques that are unable to satisfy the requirements for: (scores total 20 points one or more of the following) • Surface water. • GWUDI. • Groundwater.	20	0	0		PQ/PNA	Engineering Section		
Project corrects exceedances of secondary drinking water standards.	10	0	0		PQ/PNA	Engineering Section	Review any submitted data related to secondary standards. If data shows more than one exceedance of a secondary standard, then give the points.	n/a
System has inadequate supply* to meet all current domestic water supply demands (*system must provide records of water usage to substantiate supply is inadequate).	25	0	0		PQ/PNA	Engineering Section	Review self-reported data on supply issue. Data must show that the system has inadequate water supply capabilities for their existing demand/population. Must show an ongoing issue not related to an emergency event (e.g., fire, water line break). SRF funds generally cannot be used to fund growth.	n/a
Project will correct or prevent: (points are not additive, scores points only in one category)								
• Inadequate distribution due to system deterioration (e.g., experiencing multiple line breakages).	20	0	0		PQ/PNA	Engineering Section	For system deterioration and chronic low pressure, confirm self-reported data on by reviewing recent sanitary survey letters/spreadsheets for DS issues. Also, review Onbase for BWO/BO related to pressure loss. If chronic low pressure as noted by the acute team or sanitary survey or more than one BWO/BO in more than a year, then give points. If no mention in the file, review self-reported data and supporting information on distribution system issue. If self-reported and nothing in the file, system will need to provide records of system deterioration and low pressure mapping.	SDWIS comp report , OnBase RPT Tracker - BWO/BO Portal Acute Tracking
• Inadequate distribution due to chronic low pressure.	15	0	0		PQ/PNA	Engineering Section		
• Inadequate storage.	10	0	0		PQ/PNA	Engineering Section	Review Onbase to see if mentioned in a recent sanitary survey. If no mention, system must provide a justification of distribution system tank sizing (e.g. peak day demands, fire flow). No design criteria but justification but detail how the system determined that they had inadequate storage. Project has to be related to drinking water capacity demand, not just for fire flow.	
• Demand exceeding design capacity.	5	0	0		PQ/PNA	Engineering Section	Review Onbase to see if mentioned in a recent sanitary survey. If no mention, system must provide a justification of the distribution system being inadequately sized. No design criteria but justification but detail how the system determined that they had inadequate design capacity. Project has to be related to drinking water capacity demand, not just for fire flow.	
Project incorporates fluoridation.	10	0	0		PQ/PNA	Engineering Section	Review proposed project to determine if fluoridation is included. Grant points if included	n/a
Total Drinking Water Quality & Pub	35	35	35					

Affordability	Possible Points	PQ Points Scored (leave blank if not scored)	PNA Points Scored	Comments	Responsible Party	Scoring criteria	Resources
Total Financial / Affordability Points scored by DOLA =	40	20			DOLA		

CPDWR Compliance Points		Possible Points	PQ Points Scored (leave blank if not scored)	PNA Points Scored	Comments	Responsible Party	Scoring criteria	Resources
(Points are not additive. Can score points only in one category)								
Project addresses an enforcement action by a regulatory agency and the facility is currently in violation of CPDWRs.	30	30	30	several systems are currently under enforcement by the Division for RADs and other MCL violations, this project is for spur and delivery lines	PQ/PNA	Engineering Section	Check OnBase and/or comp report to see if system has an enforcement order. Give points if an EO has been issued that the proposed project will address or partially address.	SDWIS comp report , OnBase
Project addresses a facility's voluntary efforts to resolve a possible violation and will mitigate the issuance of a consent order, notice of violation or other enforcement action.	20	0	0		PQ/PNA	Engineering Section	Check OnBase see if system has been issued an enforcement order warning letter. If not, check comp report to see if vios related to the project. Give points if a warning letter has been issues or if there is other correspondence from CAS. Give points to systems reclassified to GWUDI that are under the 18 month clock. Project to bring inactive source with MCL violations online, projects that resolve sanitary survey violations, required OCCT under the LCR, etc.	SDWIS comp report , OnBase
Project is designed to maintain CPDWR compliance, meet new requirements, or address contaminants included in the priority list submitted by the Division to the Commission for which standards may be considered.	15	0	0		PQ/PNA	Engineering Section	Verify contaminate or treatment tech is listed in either Reg 11 or the WQCD report to the WQCC. If so, give points. For new requirements, review situation to see if appropriate. Some possible situations include: TNC reclassified to NTNC/CWS and associated treatment, upgrade SCADA system for cybersecurity, Mn removal to prevent PN.	Regulation 11 and/or check the priority contaminated in the WQCD annual report
System is currently meeting all CPDWRs.	10	0	0		PQ/PNA	Engineering Section	Check OnBase and/or comp report to see if system has any outstanding violations. Give points if no outstanding violations.	SDWIS comp report , OnBase
Total CPDWR Compliance		30	30					
Total Additional Subsidy Points =		105	85					
Points scored in highest priority drinking water & public health criteria sections? (Enter "Yes" only if points scored for addressing water borne disease outbreaks, Nitrate/Nitrite/TCR, or radionuclides - RED boxes)		Yes	Yes	SRF Team				
Source Protection and Conservation		Possible Points	PQ Points Scored (leave blank if not scored)	PNA Points Scored	Comments	Responsible Party	Scoring criteria	Resources
Project addresses vulnerability to potential pollution by conditions identified in an approved source water protection area assessment: (scores a total of 15 points for one or more of the following): ● Point source discharge within a delineated area. ● Areas impacted by agricultural chemical use or run-off. ● Area subject to oil/gas/mineral operations. ● Unprotected watershed area.	15	0	0		PQ/PNA	Engineering Section	Confirm system has a substantially implemented SWAP (see folder link). If they have a plan in the folder (about 10% of systems have plans) that mentions potential contamination sources and/or BMPs which the project addresses then give them the points. If they are working on a plan or you aren't sure, then check with Kristen Hughes or Robert Murphy.	I:\SWAP-Protection Phase\SWAP Protection Plans\Substantially Implemented
Project establishes a protective zone to address potential pollution as a result of wildfires in burn scar areas.	10	0	0		PQ/PNA	Engineering Section	If proposed project includes working on or addresses potential pollution as a result of wildfires in burn scar areas then give points. To verify, the system should be working on a wildland fire decision support system (WFDSS) with the SWAP group and are on the WFDSS list or if they have wildfire as a potential contamination source in their SWAP then give them points. No set design standards for fire mitigation.	WFDSS tracking document
Utility rate structure currently in place (points for rate structure are not additive, score points only in one category):								
● Increasing block rates.	15				PQ/PNA	SRF Team	If information not provided in PQ or PNA check with applicant	
● Seasonal rates.	10				PQ/PNA	SRF Team	If information not provided in PQ or PNA check with applicant	
● Uniform.	0				PQ/PNA	SRF Team	If information not provided in PQ or PNA check with applicant	
Project will implement water metering, leak detection and/or other water conservation and efficiency infrastructure applications at a minimum of 20% of total project costs.	10				PQ/PNA	SRF Team	If detailed information included at PQ, then score. If not enough information, score as 0 and score at PNA step.	
Sustainability Points		Possible Points	PQ Points Scored (leave blank if not scored)	PNA Points Scored	Comments	Responsible Party	Scoring criteria	Resources
Project seeks to:								
● Correct compliance issues, water quality problems, and/or water supply problems through physical consolidation and regionalization of water systems.	10	0	10	in the PNA form the system identifies that consolidation and creation of water districts is a potential plan, but will be the responsibility of the systems connecting the the AVC transmission line.	PQ/PNA	Engineering Section	Review proposed project to see if consolidation or regionalization is included. If so, score points. If information included at PQ, then score. If not enough information, score as 0 and score at PNA step.	n/a

• Correct and/or improve security of the water system.	10	0	0	PQ/PNA	Engineering Section	Security improvements must meet the requirements of Item 1.2.11 Security and Emergency Response Program of the Design Criteria. Review if submittal indicates both physical security design/improvements and a security and emergency response program will be created, then give the points. If information included at PQ, then score. If not enough information, score as 0 and score at PNA step.	Design Criteria
• Incorporate beneficial uses of water treatment plant sludge and/or alternative concentrate management options in an approved Beneficial Use Plan.2	10	0	0	PQ/PNA	Engineering Section	For improvements to an existing or a new sludge control process incorporated into the proposed project. Please reach out to HMWMD (either Michael Bankoff michael.bankoff@state.co.us or our Customer Technical Assistance line at 303-692-3320 or comments.hmwmd@state.co.us) to check with them before granting points. HMWMD can let you know if they are approved for beneficial use of the sludge/concentrate or give insight if the proposed project would be approved.	
2 The Hazardous Materials and Waste Management Division is the agency responsible for implementing the Regulations Pertaining to the Beneficial Use of Water Treatment Sludge and Fees applicable to the Beneficial Use of Sludges pursuant to 5CCR1003-7.							
Project promotes sustainable utilities and/or communities through a utility management plan that:							
• Secures a replacement fund for the rehabilitation and replacement of aging and deteriorating infrastructure as needed.	5	0	0	PNA	Engineering Section	Presence/absence. As long as the 20-year cash flow plan has a capital improvements line or some type of replacement fund line then score points. If information included at PQ, then score. If not enough information, leave blank and score at PNA step.	n/a
• Provides sufficient revenues to meet O&M and capital needs.	5	0	5 operating expense line	PNA	Engineering Section	Presence/absence. If the 20-year cash flow plan has an O&M line then score points. If information included at PQ, then score. If not enough information, leave blank and score at PNA step.	n/a
• Demonstrates that the facility has maintained licensed/certified operators, adequate staffing to properly operate and maintain the facility and will continue to do so.	5	0	several systems will be served, some have contract operators some are operated by town staff, not sure this meets the requirement and it is uncertain	PQ/PNA	Engineering Section	Check OnBase/Comp report to see any system's operator issues and that the current operator meets the certification levels. If project will not impact the operator certification level, give points. If the project will impact the op certification level, the system must either have an operator certified to the new level or have a plan to get a properly certified operator to get points.	SDWIS comp report , OnBase
• Incorporates a fix-it-first planning methodology.	5	0	0	PQ/PNA	Engineering Section	System submits documentation to demonstrate planning and have been following through on the plans. For example: have a master plan, asset management plan or capital improvement plan, O&M schedule for repairs. If documentation is provided then give points. If information included at PQ, then score. If not enough information, leave blank and score at PNA step.	n/a
Readiness to Proceed Points							
	Possible Points	PQ Points Scored (leave blank if not scored)	PNA Points Scored	Comments	Responsible Party	Scoring criteria	Resources
Project has secured one or more of the following:							
• Plans and specifications approved.	10	0	0	select systems have approved plans (town of Boone) but majority do not	PQ/PNA	Engineering Section	Give points if system has approval letter for the project as described in the PQ/IUP application or that covers the majority of the proposed project (roughly 80%). PWS Search/ RAW Database
Project has funding secured by multiple assistance provider.	10	10	10	Other grants listed in 20 year cash flow	PQ/PNA	SRF Team	Give points if applicant can document an award or a commitment from another funding agency for the same project being funded by SRF.
Total Points Score:		115	110				
Yes							
No							

2025 IUP DWRP Priority Point Calculations

Entity Name:	SEWCD
Date of Scoring	21-Nov-25
SRF Phase:	Loan app
DOLA Score:	20
DAC:	DAC

Benchmarks

\$92,470 2019-2023 State MHI estimate

		Points	Entity Value	
P1	MHI		\$54,897	59%
	<50% of state MHI	35		
	Between 51% and 80% of state MHI	20 x		
	Between 81% and 100% of state MHI	5		
	>100% state MHI	0		
S5a	User Fees (current water rate at 110%/tap/MHI)		0.14%	
	Rates are > 1.62%	45		
	Rates are between 1.14% and 1.62%	25		
	Rates are < 1.14%	0 x		
	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		0.00%	
	Debt is > 0.75%	45		
	Debt is between 0.25% and 0.75%	25		
	Debt is < 0.25%	0 x		
	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		11,803	
	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		#DIV/0!	
	AV per household is < \$12,721	35		
	AV per household is between \$12,721 and \$24,308	20		
	AV per household is between \$24,308 and \$46,143	10		
	AV per household is greater than \$46,143	0 x		

2025 DWRF BUSINESS CASE REQUEST

Southeastern Water Conservancy District ("The District"), Pueblo, Otero, Crowley, Bent, and Prowers Counties

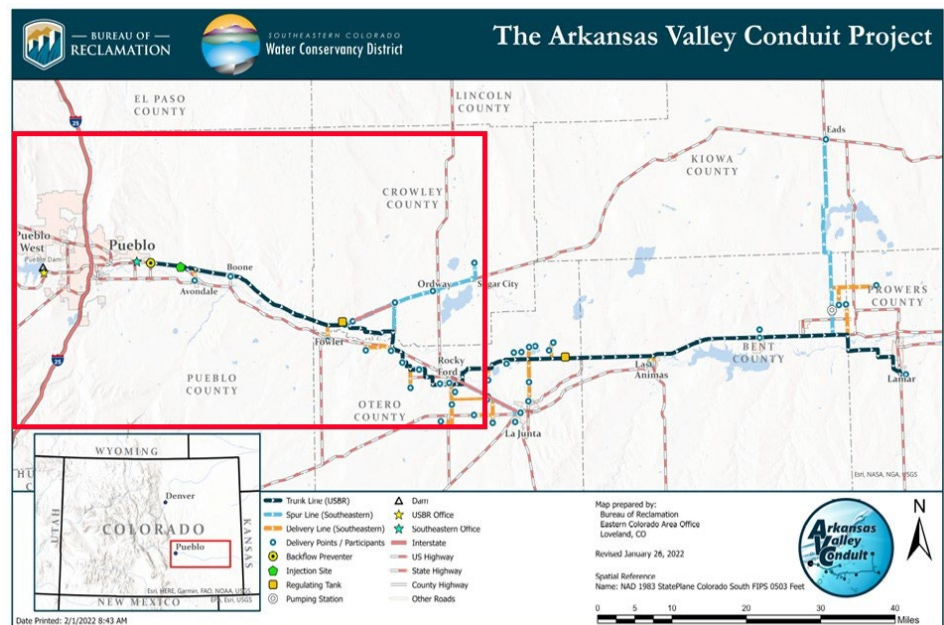
Recommendation:	APPROVAL	Funding sources:	Est. DWRF Loan: \$26,000,000
Est. Project Total:	\$26,000,000		Total: \$26,000,000
Est. Amount of Loan:	\$26,000,000		
Pledge:	AVC Enterprise Revenue		

Project Description: Southeastern Colorado Water Conservancy District (SECWCD) is responsible for constructing the spur and delivery lines that will deliver clean drinking water to 39 communities via the Arkansas Valley Conduit trunkline (AVC). Many of these communities are disadvantaged and have been using groundwater contaminated with naturally occurring radionuclides or salinity. This project will allow the communities to replace or use blending to provide safe drinking water from Pueblo Reservoir. This package is the first of three packages and consists of constructing spur and delivery lines to 18 communities from the Town of Fowler all the way to Rocky Ford.

Recommendation: Despite meeting the median household income (MHI) and median home value (MHV) benchmarks for disadvantaged community (DAC) status, the District is ineligible because the population involved in this phase of the Arkansas Valley Conduit (AVC) project exceeds the 10,000 population threshold for DAC status. However, the scale and history of this regional project is unique for the SRF and is of statewide and national interest.

Furthermore, the region is very disadvantaged, and while we do not have the data to evaluate the non-government Phase 1 entities, the nine municipalities and water authorities in Phase 1 all meet disadvantaged community criteria. For communities exceeding the 10,000 DAC population threshold, economy of scale generally makes infrastructure projects more feasible. But the unique nature of this project requires not just the construction of the spur lines to deliver AVC water to these communities, but varying degrees of infrastructure improvements to existing community water systems in order to receive and distribute the water. The disadvantaged nature of this region raises substantial affordability concerns for the participating communities regarding their ability to take on any additional debt burden for this Phase 1 or any other necessary improvements.

Median household incomes (MHI) and median home values (MHV) across the participating communities are among the lowest in the State. MHIs range from 31% to 62% of the statewide median, while home values range from 13% to 42% of the state median, reflecting limited local economic opportunities and economic vulnerability in these small communities. These measures underscore the significant affordability challenges that communities face, which impact their ability to cope with rising costs, particularly given the region's declining population. Over the past five years, both Otero and Crowley counties have experienced an approximate 3% decrease in



2025 DWRf BUSINESS CASE REQUEST

Southeastern Water Conservancy District ("The District"), Pueblo, Otero, Crowley, Bent, and Prowers Counties

population, meaning the remaining population is likely to be increasingly burdened by debt and system operating costs.

Due to the highly disadvantaged nature of this region, the unique scale and impact of the AVC project, and the importance of keeping the AVC project affordable enough for community participants, we forward the District's request for DAC status to the Authority Board for consideration with a positive staff recommendation.

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

<u>Factor</u>	<u>Entity Figures</u>	<u>Benchmark</u>	<u>Qualify?</u>	<u>Notes</u>
P1: MHI	\$54,897	$\leq \$73,976$	Yes	Otero County
P2: MHV	\$132,600	$\leq \$502,200$	Yes	Otero County
P3: County Unemployment or County Jobs	4.72% 5.04%	$\geq 4.47\%$ $\leq 0.00\%$	Yes No	Otero County
S1: County MHI	\$54,897	$\leq \$73,976$	Yes	
S2: Population change	N/A	$\leq 0.0\%$	N/A	No data available
S3: AV/Households	N/A	$\leq \$24,308$	N/A	No estimate available
S4a: Current system debt	0.00%	$> 0.25\%$	No	
S5a: Current system cost	0.10%	$> 1.14\%$	No	

Explanation of Factors

Entities participating in Phase 1 of the Arkansas Valley Conduit (AVC) are located across Otero and Crowley counties. Although these entities are spread over two counties, the methodology for identifying disadvantaged communities (DAC) require the use of a single geographic area for assessment. Since the majority of the Phase 1 entities and population reside in Otero County, Otero County was used to evaluate DAC status. Using the Otero County data, the District met all the criteria for DAC status, except for exceeding the population limit.

Crowley County likewise meets the criteria to qualify as a DAC. Additionally, an examination of the local governments participating in this phase shows they all also qualify as DACs.

2025 DWRf BUSINESS CASE REQUEST

Southeastern Water Conservancy District ("The District"), Pueblo, Otero, Crowley, Bent, and Prowers Counties

There are 18 entities participating in this phase. The entities involved in this phase are the Towns of Fowler, Sugar City, Manzanola, Valley Water Company, Olney Springs, Crowley, Ordway, CCWA, 96 Pipeline Co., Vroman Water Co., Patterson Valley Water Co., Fayette Water Association, Eureka Water Authority., the City of Rocky Ford, Hilltop Water Co., Newdale-Grand Valley Water Co., West Grand Valley Water, and South Swink Water Authority. The remaining water companies and associations are not included in the analysis due to a lack of available data.

P1: Crowley and Otero Counties have Median Household Income (MHI) estimates that are significantly lower than the benchmark, with a coefficient of variation below the acceptable DAC criteria of 18%.

Furthermore, all communities with available data also fall below the benchmark, with their MHI ranging from 31% to 62% of the state's MHI. The low MHI figures for the Counties and communities involved highlight a broader regional issue related to wages and household earning capacity, which may impact communities' residents' capacity to afford potential rate increases for the necessary system improvements required to connect to the AVC.

	P1: Median Household Income (MHI) >= \$73,976	% of CO MHI (\$92,470)
Crowley County	\$47,563	51%
Otero County	\$54,897	59%
Eureka Water Authority	\$54,897	59%
South Swink Water Authority	\$57,992	63%
Town of Crowley	\$52,321	57%
Town of Fowler	\$54,897	59%
Town of Manzanola	\$29,457	32%
Town of Olney Springs	\$44,904	49%
Town of Ordway	\$52,321	58%
City of Rocky Ford	\$35,658	39%
Town of Sugar City	\$45,000	49%

P2: Housing values are uniformly low in Crowley and Otero counties, falling at approximately 18% and 26% of the state MHV, respectively, with a reliable CV. For the communities involved in this phase, home values fall between 13% and 42% of the state's MHV. Although home values are increasing, the region that the District serves is not experiencing the same growth in housing prices that is happening across the state.

	P2: Median Home Value (MHV) >= \$502,200	% of CO MHV (\$502,200)
Crowley County	\$92,700	18%
Otero County	\$132,600	26%
Eureka Water Authority	\$132,600	26%
South Swink Water Authority	\$211,100	42%
Town of Crowley	\$77,000	15%
Town of Fowler	\$141,300	28%
Town of Manzanola	\$113,100	23%
Town of Olney Springs	\$104,300	21%
Town of Ordway	\$99,200	20%
City of Rocky Ford	\$126,100	25%
Town of Sugar City	\$66,300	13%

2025 DWRP BUSINESS CASE REQUEST

Southeastern Water Conservancy District ("The District"), Pueblo, Otero, Crowley, Bent, and Prowers Counties

P3: Crowley County has experienced a -2.98% decrease in jobs over the past ten years, reflecting a shrinking local economy. Additionally, the 24-month unemployment rate stands at 4.78%, which is higher than the current benchmark of 4.47%, indicating ongoing challenges in the local labor market.

According to data from the State Demographer's Office (SDO), the county's population has declined by approximately 3.47% over the last five years. The employment base in Crowley is concentrated primarily in government jobs, agriculture, retail trade, and health services, sectors that often offer limited room for rapid economic growth or diversification.

	P3: County Unemployment ≤ 4.47%	P3: County Job Change ≥ 0.00%
<u>Crowley County</u> - Town of Crowley - Town of Olney Springs - Town of Ordway - Town of Sugar City	4.78%	-2.98%
<u>Otero County</u> - Eureka Water Authority - South Swink Water Authority - Town of Fowler - Town of Manzanola - City of Rocky Ford	4.72%	5.04%

In contrast to Crowley County, Otero County experienced modest job growth of 5.04% over the last ten years. However, like Crowley County, it also faces economic difficulties, as indicated by a 24-month unemployment rate of 4.72%, which exceeds the benchmark of 4.47%.

The population in Otero County has declined by about 3.30% over the last five years, suggesting that even with some job growth, the area may not be retaining or attracting enough residents to sustain economic vitality. Employment is concentrated in government work, health services, retail trade, and agriculture, similar to Crowley County.

The decreasing population in the region and relatively high unemployment rates contribute to affordability issues for the participating communities. As the population declines, these small communities may have to implement larger-than-anticipated rate increases to manage the growing debt burden. Additionally, the debt burden that these communities may experience may limit their ability to respond to infrastructure needs unrelated to this regional project, leading to further sustainability issues. The small size of these communities, which have populations ranging from 159 to 3,819, limits their financial and operational capacity to handle additional costs, further compounding these challenges.

S1: Both Otero and Crowley County's MHI fall below the benchmark with reliable data.

S2: The District has not historically been a water provider and has not been involved in the wholesale of water to communities. Hence, this information is unavailable. Please see factor P3 for a discussion on regional population trends.

2025 DWRf BUSINESS CASE REQUEST

Southeastern Water Conservancy District ("The District"), Pueblo, Otero, Crowley, Bent, and Prowers Counties

S3: Due to the unavailability of data, we are unable to calculate this factor. County Assessors do not provide assessed value information for the service area of private nonprofit drinking water providers.

S4a: The District currently has no water debt and, therefore, does not meet the benchmark of 0.25%. However, this indicator does not reflect the existing debt of the communities in this phase, which may be burdened by additional debt for this project.

S5a: The District's ratio of current system per tap compared to MHI, 0.10%, does not meet the benchmark of 1.14%. It should be noted this indicator does not reflect the current system per tap compared to MHI for the individual communities participating in this phase.

OTHER

- DAC Determination: Factors Summary Table with Individual Community Population.

	Population ≥ 10,000	P1: Median Household Income (MHI) ≥ \$73,976	% of CO MHI (\$92,470)	P2: Median Home Value (MHV) ≥ \$502,200	% of CO MHV (\$502,200)	P3: County Unemployment ≤ 4.47%	P3: County Job Change ≥ 0.00%	DAC	Scenario
Otero County**	18,142	\$54,897	59%	\$132,600	26%	4.72%	5.04%	No	X
Eureka Water Authority	363	\$54,897	59%	\$132,600	26%	4.72%	5.04%	Yes	1
South Swink Water Authority	565	\$57,992	63%	\$211,100	42%	4.72%	5.04%	Yes	1
Town of Fowler	1,216	\$54,897	59%	\$141,300	28%	4.72%	5.04%	Yes	1
Town of Manzanola	332	\$29,457	32%	\$113,100	23%	4.78%	5.04%	Yes	1
City of Rocky Ford	3,773	\$35,658	39%	\$126,100	25%	4.72%	5.04%	Yes	1
Crowley County	5,639	\$47,563	51%	\$92,700	18%	4.78%	-2.98%	Yes	1
Town of Crowley	159	\$52,321	57%	\$77,000	15%	4.78%	-2.98%	Yes	1
Town of Olney Springs	302	\$44,904	49%	\$104,300	21%	4.78%	-2.98%	Yes	1
Town of Ordway	1,092	\$52,321	58%	\$99,200	20%	4.78%	-2.98%	Yes	1
Town of Sugar City	251	\$45,000	49%	\$66,300	13%	4.78%	-2.98%	Yes	1

**Otero County does not meet the criteria for DAC status due to its population exceeding the 10,000-population threshold.

2025 DWRF BUSINESS CASE REQUEST

Southeastern Water Conservancy District ("The District"), Pueblo, Otero, Crowley, Bent, and Prowers Counties

Eligibility Determination for Infrastructure Investment and Jobs Act (IIJA)/Bipartisan Infrastructure Law (BIL) Principal Forgiveness:

The District was deemed eligible for IIJA/BIL principal forgiveness during the March 12th, 2024, pre-qualification meeting. However, this determination has surpassed the 18-month period allocated for the submission of a loan application; therefore, a new determination has been completed.

In order to qualify for IIJA/BIL principal forgiveness, a community must score three (3) points using the BIL Principal Forgiveness Eligibility Criteria outlined in the Intended Use Plans. Additionally, a community with DAC status is automatically eligible for BIL principal forgiveness. The District scores 4.5 points using the following criteria:

IIJA/BIL PF DETERMINATION				
	Benchmark		Borrower	Points
1. Five Year % Change in Population	0.61%	>	N/A	N/A
2a: County Job Change	0.00%	>	5.04%	0.5
2b: County Unemployment	4.47%	<	4.72%	
3: Median Household Income, or MHI exceeds 125% of state MHI (-1 point)	\$92,470	>	\$54,897	1
	\$115,588	<		
4: Rates to MHI	0.79%	<	N/A	N/A
5: Project addresses removal of lead or emerging contaminants	Yes		No	0
6: % Minority	40.00%	<	47.85%	1
7: % Households Housing Burdened	50.00%	<	21.62%	0
8: % Population under 200% Poverty Level	40.00%	<	44.31%	1
9: % Population under 200% Poverty Level + % Population over 65 years old	55.00%	<	65.31%	1
10: Meets DAC criteria	Yes		No	0
Total Points Scored:				4.5



SOUTHEASTERN COLORADO

Water Conservancy District

"Your investment in water"

October 17, 2025

CWRPDA Board
1580 N Logan Street, Ste 820
Denver, CO 80203

Dear Authority Board,

People in the counties along the Arkansas River east of Pueblo have weathered enormous challenges over the past 70 years, watching a thriving agriculture-based economy slowly succumb to economic pressures from sales of irrigation water to cities, the whims of weather, inconsistent commodity markets and aging infrastructure. As a result, it is now among the most economically disadvantaged areas in the state of Colorado.

At the top of the list for remedies is the need for a clean supply for drinking water as communities now face the risk of unreliable water sources and water contaminated by radionuclides and other contaminants found in groundwater sources. The Arkansas Valley Conduit (AVC) was selected as the best solution to improve water quality, and the only solution that does not involve costly, less-effective treatment of groundwater. In the future, it will be a driver for economic development as well.

Though the need for the AVC was apparent from the time the Fryingpan-Arkansas Project was authorized by Congress in 1962, it was never built because people in these 39 communities -- ranging in population from as low as 25 to as high as 7,500 -- individually do not have the ability to pay for a dedicated pipeline from Pueblo Reservoir. Only by spreading the cost over the area's 17,000 taps does the AVC become remotely feasible. Through changes in federal legislation initiated by the Southeastern Colorado Water Conservancy District (SECWCD), costs to local water providers were reduced by applying revenues generated by the Fry-Ark Project to AVC and by assigning 65 percent of costs to the federal government. This makes the AVC not only feasible, but desirable in reducing long-term costs to the state and local systems alike.

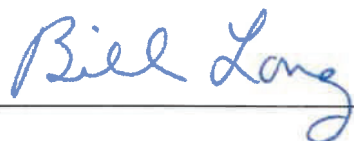
While the communities in the AVC need to be considered as a whole for project cohesion and efficiency, their individual difficulties present financial challenges. Many water systems are reaching the point where major lines and components need to be replaced.

The failure of a well could set a small water system back and create greater pressure on the ability to deliver clean drinking water. The longer these problems are left unchecked, the chances grow of requiring even more expensive repairs and replacements. In fact, some communities already have an assessment in place for repairs completed in previous years and it's estimated they are currently paying \$97.20 to \$117.15 per tap per month for their water service in an area where the median household income averages just around \$50,000 a year.

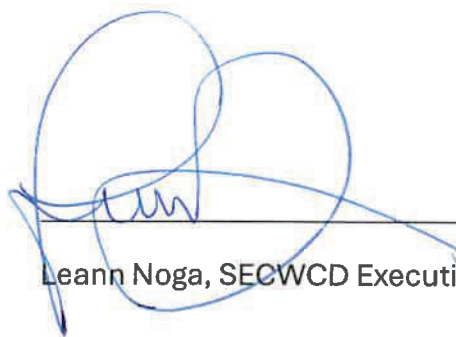
The AVC is a unique project in Colorado and offers an opportunity to leverage many streams of available funds toward improving the quality of water for 50,000 people in Southeastern Colorado when completed.

While the whole of Package 1 does include a population over the DAC requirements, we would like to emphasize that it represents 18 separate communities with a median population of just 346 people per community. We respectfully request the Authority Board approve this business case allowing DAC status for the Southeastern Colorado Water Conservancy District, in order to move forward on the spur and delivery lines of the AVC in the most cost-effective manner possible.

Sincerely,

A handwritten signature in blue ink that reads "Bill Long". The signature is written in a cursive style with a horizontal line underneath it.

Bill Long, SECWCD Board President

A handwritten signature in blue ink that reads "Leann Noga". The signature is written in a cursive style with a horizontal line underneath it.

Leann Noga, SECWCD Executive Director

**COLORADO WATER RESOURCES
AND
POWER DEVELOPMENT AUTHORITY**

RESOLUTION NO. 26-02

**A RESOLUTION FOR APPROVAL OF A DRINKING WATER DIRECT LOAN TO
THE SOUTHEASTERN COLORADO WATER CONSERVANCY 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 Base direct loan, Infrastructure Investment Jobs Act/Bipartisan Infrastructure Law ("IIJA/BIL") General Supplemental direct loan and IIJA/BIL General Supplemental Principal Forgiveness ("PF") from the Drinking Water Revolving Fund from the Southeastern Colorado Water Conservancy 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 ("WQCD") 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 Southeastern Colorado Water Conservancy District in an amount not to exceed \$45,000,000 (*\$14,383,546 of Base direct loan, *\$3,467,300 of Base PF, *\$8,322,644 of IIJA/BIL General Supplemental loan, plus *\$18,826,510 of IIJA/BIL General Supplemental PF, for a total of \$45,000,000 DWRP 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. 26-02 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 Aurora, Colorado on January 29, 2026.

Chair

Secretary

EXHIBIT A***

Borrower: Southeastern Colorado Water Conservancy District

Project: This Project consists of the construction of the first phase of spur and delivery lines associated with the Arkansas Valley Conduit (AVC). The AVC once completed will deliver filtered water to as many as 39 communities east of Pueblo distributed through over 200 miles of pipeline. This project will include constructing 39 miles of spur and delivery lines so that the following 18 communities will have the ability to connect: Town of Fowler, Town of Sugar City, Town of Crowley, Town of Ordway, Town of Olney Springs, Town of Manzanola, City of Rocky Ford, Valley Water Company, Crowley County Water Association, 96 Pipeline Co., Vroman Water Co., Patterson Valley Water Co., Fayette Water Association, Eureka Water Authority, Hilltop Water Co., Newdale-Grand Valley Water Co., West Grand Valley Water, South Swink Water Authority. The AVC water will supplement and/or replace existing water supplies for participants.

Pledge: CWCB Grant

Loan Term: N/A

Interest Rate: N/A

Amount not to exceed: \$45,000,000 (*\$14,383,546 of Base direct loan to be repaid, *\$3,467,300 of Base PF, *\$8,322,644 of IIJA/BIL General Supplemental loan, plus *\$18,826,510 of IIJA/BIL General Supplemental PF, for a total of \$45,000,000 DWRP loan funds)

Subject to the following terms & conditions:

1. This approval for both loan and principal forgiveness will follow the financing concept outlined in the Memorandum Of Understanding ("MOU"). This financing concept includes no repayable debt, as all funding will be provided through grants and principal forgiveness.
2. The funding structure and flow of funds during construction payment requests will be detailed in the loan agreement between CWRPDA and the District.
3. This approval includes no accrual of loan interest. Due to the unique financing structure, an upfront cost recovery fee may be collected. The cost recovery fee (if applicable) will be detailed in the loan agreement and paid at or near closing in accordance with recent established board policy.

* - Estimated PF and direct loan amounts through the BIL program. The exact amount will be based on the IIJA/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.

** - The terms and monetary amounts set forth in Part 1 hereto under the IJJA/BIL General Supplemental loan and the IJJA/BIL General Supplemental PF loan are premised upon the Authority's understanding of and expectations for the resources available to it from the base federal Capitalization Grants and the IJJA/BIL. These amounts, and the allocation of funds available to the Project from each source, are subject to change, amendment, and/or rescission depending upon the policies, procedures, and budgetary adjustments adopted by the federal administration. If such changes in policies and procedures or budgetary adjustments are adopted by the federal administration, the Authority reserves the right to review and adjust the terms and monetary amounts set forth herein in a subsequent action. Further, the loan agreement authorized by this resolution is subject to non-execution, cancellation, delay, rescission, or alteration depending upon the terms and conditions, quantities, or availability of federal funds provided under existing or future Capitalization Grants. In addition, funding for this and other approved projects may be re-evaluated under the priority scoring system implemented by the Board for all projects based on changes in the availability of anticipated funds. This re-evaluation may result in the funding of some but not all previously-authorized projects, including the project for which the execution of a loan agreement has been authorized by this resolution. The loan agreement authorized by this resolution shall include a term by which Applicant shall hold the Authority harmless for any costs or damages resulting from a change in federal policies, procedures, or funding that results in the requirement that the Authority cancel, delay, rescind, or alter its terms.

*** - The terms and monetary amounts authorized hereunder are premised upon the Authority's understanding of and expectations for the resources available to the Applicant under agreement with the Colorado Water Conservation Board (currently \$30 million in state grant funds (HB20-1403 and SB23-177) and \$90 million in loan funds (HB20-1403) to Applicant's enterprise). These amounts, and the allocation of funds available to the Project from each source, may be subject to change, amendment, and/or rescission depending upon the policies, procedures, and budgetary adjustments adopted by the State of Colorado. If such changes in policies and procedures or budgetary adjustments are adopted by the State of Colorado, the Authority reserves the right to review and adjust the terms and monetary amounts set forth in this Resolution 26-02 in a subsequent action. Further, the loan agreement authorized by this Resolution is subject to non-execution, cancellation, delay, rescission, or alteration depending upon the terms and conditions, quantities, or availability of funds provided under future State of Colorado authorizations. The loan agreement authorized by this resolution shall include a term by which Applicant shall hold the Authority harmless for any costs or damages resulting from a change in State of Colorado policies, procedures, or funding that results in the determination that the Authority cancel, delay, rescind, or alter its terms.



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

January 20, 2026

TO: Project Finance Committee and Karl Ohlsen

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

RE: Review of the Bailey Water and Sanitation District Disadvantaged Community ("DAC") Business Case
Drinking Water Revolving Fund ("DWRF")

The Division of Local Government has forwarded to the DWRF Committee its analysis of the above-listed project. The DWRF Committee, composed of representatives from the Division of Local Government, the Water Quality Control Division, and the Authority, has reviewed the Disadvantaged Communities ("DAC") Business Case and agreed to forward the request to the Authority's Project Finance Committee with the following recommendation:

Bailey Water and Sanitation District Business Case

The Bailey Water and Sanitation District (the "District"), located in Park County, is seeking approval of a DAC Business Case to allow for potential access to a reduced interest rate through the DWRF program, and DAC approval would qualify the District to receive Infrastructure Investment Jobs Act/Bipartisan Infrastructure Law ("IIJA/BIL") Principal Forgiveness ("PF") and/or DAC PF, if available. If the District is approved for DAC status it would automatically be approved for IIJA/BIL benefits. The District is currently not qualified for IIJA/BIL nor DAC eligibility. The proposed project will include the expansion of the facility's hydraulic capacity from 30 gallons per minute ("gpm") to 40 gpm, additional treatment and pre-treatment processes for heavy metals, as well as the construction of a second infiltration gallery, which will increase the raw water supply, and a new water treatment plant ("WTP") building with adequate space. The District submitted a Project Needs Assessment ("PNA") on February 3, 2023, and it was determined the District did not qualify for DAC status at the time. However, the District was approved for a DAC Business Case on October 6, 2023, due to no geographically specific Median Household Income ("MHI") data, and a Median Home Value ("MHV") that was well below the benchmark. The District received a \$215,000 Design & Engineering Grant following approval of the Business Case. The 18-month approval window for the District to apply for a loan under this eligibility ended on April 5, 2025. Since the last Business Case, the MHI estimate for the block group has roughly doubled from \$64,745 using ACS 17-21 to \$127,188 using ACS 19-23, with a much higher reliability in the estimates (14.08% CV compared to a 52.85% CV). In 2020, the block groups in Park County changed which may partially explain this difference in numbers. However, the District's MHV is still extremely low with a current MHV estimate of \$347,891, up only slightly from \$335,720 in 2023, suggesting that the block group geography used for the District's MHI estimate may not be representative of the District. Furthermore, the impact of the proposed debt burden and the associated rate increases will pose a substantial burden to the community, in which a substantial percentage of customers already struggle to pay their monthly rates, and the District will meet both s4b and s5b at loan application. Due to the lack of geographically specific data and anticipated cost burden of the proposed loan, we forward the District's request to the board with a neutral recommendation.

<u>Factor</u>	<u>Entity Figures</u>	<u>Benchmark</u>	<u>Qualify?</u>	<u>Notes</u>
P1: MHI	\$127,188	<=\$73,976	No	Reliable with a 14.08% CV. Margin of error is +/- \$29,462
P2: MHV	\$347,891	<=\$401,760	Yes	Assessor data
P3: County Unemployment or County Jobs	3.20% 31.04%	>=4.47% <= 0%	No	
S1: County MHI	\$95,450	<=\$73,976	No	
S2: Population change	N/A	<=0.0%	N/A	
S3: AV/Households	\$54,877	<=\$24,308	No	
S4a: Current system debt	0.00%	>0.64%	No	With the additional debt from the proposed loan, the District is projected to meet this benchmark at loan application.
S5a: Current system cost	3.15%	>2.12 %	Yes	

Attachments: Bailey Water and Sanitation District DWRF 2026 DAC Business Case and DWRF 2023 DAC Business Case

Recommendation

The Board has three options regarding this DAC business case: approval of both DAC and BIL eligibility, approval of the BIL eligibility only (only allowing for BIL benefits), or denial of the request. Based on the attached Business Case for the District, staff forwards a neutral recommendation to the Project Finance Committee. Any approvals are subject to limits, caps, maxes, and availability of PF funds in place at the time of loan application.

Note: A Zoom conference call has been scheduled for **Tuesday, 9:30 a.m. January 20, 2026**. The link to join via online is: <https://us06web.zoom.us/j/82702499740?pwd=BEa2iqAT2uLtGfSvFrekdMhWbW0Ho4.1>. If you prefer to dial in, the call-in number is: **1-719-359-4580**, and the Meeting ID is **827 0249 9740**. The passcode is: **992410**.

2026 BUSINESS CASE REQUEST

Bailey Water and Sanitation District ("The District"), Park County

Recommendation:	Neutral Recommendation	<u>Project Budget</u>	
Est. Project Total:	\$3,793,384	DWRF Loan:	\$3,578,384
Est. Loan Request:	\$3,578,384	2023 D&E Grant:	\$215,000
Pledge:	Water & sewer revenue	Total:	\$3,793,384

Project Description: The proposed project will include the expansion of the facility's hydraulic capacity from 30 gallons per minute (gpm) to 40 gpm, additional treatment and pre-treatment processes for heavy metals, as well as the construction of a second infiltration gallery, which will increase the raw water supply, and a new water treatment plant (WTP) building with adequate space.

Recommendation: On October 6, 2023, the District's business case was approved on the basis of there being no geographically specific Median Household Income (MHI) data for the District, and with a Median Home Value (MHV) that was well below the benchmark. The District received a \$215,000 Design & Engineering Grant following approval of the business case. The 18-month window period for the District to apply for a loan under this eligibility determination ended on April 5, 2025.

As a small, unincorporated community, there is still no geographically-specific MHI data for the District. The MHI estimate for the block group the District is in roughly doubled from \$64,745 using ACS 17-21 to \$127,188 using ACS 19-23. Additionally, the block group MHI estimate is now highly reliable with a 14.08% CV, whereas the previous estimate was unreliable with a CV of 52.85%. In 2020, the block groups in Park County changed which may partially account for the substantial difference between the ACS 17-21 and the ACS 19-23 MHI estimates.



However, the District's MHV is still extremely low with a current MHV estimate of \$347,891, up only slightly from \$335,720 in 2023, suggesting that the block group geography used for the District's MHI estimate may not be representative of the District. Furthermore, the impact of the proposed debt burden and the associated rate increases will pose a substantial burden to the community, in which a substantial percentage of customers already struggle to pay their monthly rates, and the District will meet both s4b and s5b at loan application.

Due to the lack of geographically specific data and anticipated cost burden of the proposed loan, we forward the District's request to the board with a neutral recommendation.

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

2026 BUSINESS CASE REQUEST
Bailey Water and Sanitation District ("The District"), Park County

<u>Factor</u>	<u>Entity Figures</u>	<u>Benchmark</u>	<u>Qualify?</u>	<u>Notes</u>
P1: MHI	\$127,188	<=\$73,976	No	Reliable with a 14.08% CV. Margin of error is +/- \$29,462
P2: MHV	\$347,891	<=\$401,760	Yes	Assessor data
P3: County Unemployment or County Jobs	3.20% 31.04%	>=4.47% <= 0%	No	
S1: County MHI	\$95,450	<=\$73,976	No	
S2: Population change	N/A	<=0.0%	N/A	
S3: AV/Households	\$54,877	<=\$24,308	No	
S4a: Current system debt	0.00%	>0.64%	No	With the additional debt from the proposed loan, the District is projected to meet this benchmark at loan application.
S5a: Current system cost	3.15%	>2.12 %	Yes	

Scoring one of the three required points, the District is not currently eligible for IIJA/BIL principal forgiveness (PF). The District's funding package will ultimately depend on the amount of the loan request and availability of funds. However, based on current funding levels and PF caps/maxes, there are a few potential funding scenarios for illustration only:

Scenario 1: \$3,578,384 million loan (no IIJA/BIL or DAC PF; no funds available or ineligible).

Scenario 2: \$2,078,384 million loan; \$1,500,000 million IIJA/BIL PF (IIJA/BIL eligible, DAC business case rejected or no funds available).

Scenario 3: \$1,119,186 million loan; \$2,459,198 million IIJA/BIL PF; potential for DAC PF, if available; (business case approved; DAC eligible)

Explanation of Factors

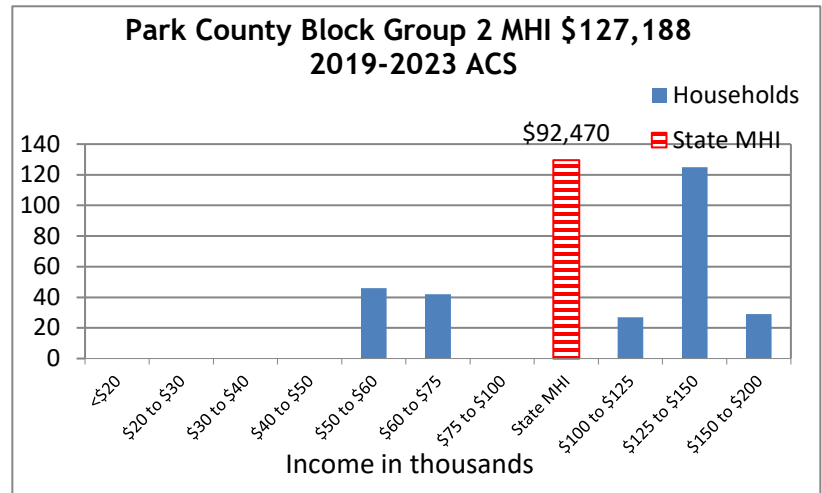
Existing debt as of December 31, 2024: The District has no debt as of December 31, 2024.

P1: The MHI of the block group that encompasses the District exceeds the benchmark with a reliable CV of 14.08%. With a margin of error of \$29,462, there is a 95% level of confidence that the actual MHI of the block group falls somewhere between \$97,725 and \$157,010.

2026 BUSINESS CASE REQUEST

Bailey Water and Sanitation District ("The District"), Park County

The block group contains about 657 people, a little less than three times the District's population. While the District's MHI might be lower than the block group as a whole, it is uncertain whether enough of the households in the District have low enough incomes to meet the benchmark. Only 88 households out of 300 households in the block group have incomes that fall between \$50,000 and \$75,000. 92 of the District's 118 taps are residential, so it is possible that nearly all of the block group's lower income households are in the District. This would be supported by the low MHV and the District's assertion that many of the residents are retirees or on fixed incomes.



So while the block group may not be representative of the District, as the District contends, it is unclear if the MHI of the District would be below the DAC benchmark.

P2: Assessor data for the District shows the MHV to be well below the benchmark at 69% of state MHV. As discussed on page one, the 2025 MHV (\$347,891) is only a \$12,171 increase from the 2023 MHV (\$335,720). The current MHV is only 69% of the state's, which is estimated at \$502,200 in the ACS 19-23 data. The District states that these homes are mostly small parcels and older homes.

Comparatively, the MHV of the block group is \$585,800, significantly higher than that of the District. This supports the idea that the District may be a lower-income pocket within the block group.

P3: Park County's unemployment rate was lower than the benchmark and the County experienced a 31.04% increase in jobs in the past 10-years.

The County has a median age of 52, compared to state median of 38. The top economic drivers in the county are retirees, commuters, tourism, households with public assistance (not retirees), and agribusiness. Correspondingly, the top job sectors are construction, government, professional, scientific, and technical, retail, accommodation and food services.

With a higher age population, the District may serve a higher proportion of customers operating on a fixed income, who may be disproportionately impacted by the costs of this project. This supports the District's statement that many of the residents are retirees or on fixed incomes.

S1: The County's MHI exceeded the benchmark.

S2: The data to calculate the 10-year population change is not available for Districts. According to the District, the population has remained mostly stagnant for the past 20 years. Additionally, no development within the district is expected as the area is confined by the geography and adjacent US Forest Service lands.

2026 BUSINESS CASE REQUEST

Bailey Water and Sanitation District ("The District"), Park County

S3: The District's assessed value per housing unit exceeded the benchmark.

S4a: With no current debt, the District did not meet the s4a benchmark. However, the District will meet the s4b benchmark at loan application. When considering the anticipated \$3,578,384 loan request, the District will meet the s4b benchmark (0.64%) at 8.72%.

S5a: The District met the s4a benchmark (2.12%) at 3.15%. Additionally, the District will meet the s5b benchmark (1.94%) at loan application at 4.79%.

Eligibility Determination for Infrastructure Investment and Jobs Act (IIJA)/ Bipartisan Infrastructure Law (BIL) Principal Forgiveness:

Since the District's 2023 business case expired, the District is currently ineligible for IIJA/ BIL principal forgiveness. In order to qualify for IIJA/BIL principal forgiveness, a community must score three (3) points using the IIJA/BIL Principal Forgiveness Eligibility Criteria outlined in the Intended Use Plans. Additionally, a community with DAC status is automatically eligible for IIJA/BIL principal forgiveness. The District scores 1 point using the following criteria:

IIJA/BIL PF DETERMINATION				
	Benchmark		Borrower	Points
1. Five Year % Change in Population	0.61%	>	0.00%	1
2a: County Job Change	0.00%	>	31.04%	0
2b: County Unemployment	4.47%	<	3.20%	
3: Median Household Income, or MHI exceeds 125% of state MHI (-1 point)	\$92,470	>	\$127,188	-1
	\$115,588	<		
4: Rates to MHI	0.79%	<	1.21%	1
5: Project addresses removal of lead or emerging contaminants	Yes		No	0
6: % Minority	40.00%	<	15.22%	0
7: % Households Housing Burdened	50.00%	<	2.67%	0
8: % Population under 200% Poverty Level	40.00%	<	8.37%	0
9: % Population under 200% Poverty Level + % Population over 65 years old	55.00%	<	31.96%	0
10: Meets DAC criteria	Yes		No	0
Total Points Scored:				1

January 7, 2026

Board of Directors
Colorado Water Resources and Power Development Authority
1580 Logan Street, Suite 620
Denver, Colorado 80203

Re: Bailey Water and Sanitation District

Members of the CWRPDA Board of Directors:

The Bailey Water and Sanitation District (District) respectfully requests your consideration regarding designation of the District as a disadvantaged community (DAC). The District's business case was previously approved by the Colorado Water & Power Development Authority (CWRPDA) on October 6, 2023, and a design and engineering grant was approved on March 15, 2024. The District was unable to achieve the start of construction prior to the 18-month expiration of that approval (i.e. April 6, 2025) for a number of reasons outside of their control. The following letter provides an update on the project, reasons construction was delayed, and the rationale for the District to again be designated as a DAC. The previous request letter from the District to CWRPDA dated September 18, 2023, is attached for reference.

The District has made tremendous progress on the planning and design of the new water treatment facility since receiving the design and engineering grant. The District completed design of the new water treatment facility with W2 Engineers, LLC and Element, a Bowman Company. A contractor (Glacier Construction Company, Inc.) has been selected via a competitive bid for a construction manager at-risk (CMAR) role in the project. The guaranteed maximum price from Glacier based on the 90% design totaled \$3,119,930.00 (including a 5% contingency). For reference, this represents approximately \$25,160.73 in potential debt to each of the 124 customer accounts.

The primary delay to the project involved a purchase and sale agreement for land adjacent to the existing water treatment facility and water supply point of diversion (North Fork of the South Platte River). The District had been working diligently with the landowner since February 2022, but it took until May 2025 to finalize and sign the agreement. The District is in the process of completing the preclosing conditions within the agreement, and anticipates approval of the minor subdivision by Park County Board of County Commissioners by April 2026, and formally closing the sale through the title company shortly thereafter.

The project was also delayed by other steps required during the design process. First, the design was delayed 5 months from the date of the DAC business case approval until the design and engineering grant was awarded. Second, design work was impacted due to limited site access of the land prior to the purchase and sale agreement. Third, the project was delayed due to a moratorium imposed in March 2025 by Park County on new water and wastewater treatment facilities. The District pleaded their case with Park County and on November 12, 2025, it was acknowledged by the Board of County Commissioners (BOCC) that the moratorium did not apply to replacement of existing facilities (i.e. the District's project), however, the District's minor subdivision application was not accepted until after that determination. All of these delays were beyond the District's control.

The District requests that CWRPDA again reviews a business case for designating the District as a DAC. There are several reasons to consider this request. The primary argument is that the census block group 2 tract 1.01 is not representative of the District's customers. The District serves a small area concentrated in the southeast corner of the block group and primarily serves small parcels and older homes with lower home values than the surrounding area which consists of larger lots and larger and/or newer homes. Reviewing the District's customers shows that of the 124 accounts, 32 are commercial, leaving only 92 residential accounts, or a population of approximately 230, representing only 35% of the block group population (657). This is further evidence that the block group is not representative of the District's customers. On the District's most recent billing register (December 2, 2025), there were 30 accounts with late payment fees, an indication of economic hardship. Many of the residents are retired and on fixed incomes. An income survey would likely show the median household income (MHI) is less than the threshold for DAC status and much less than the MHI shown in the census data.

The District boundary is confined due to topography (unable to serve surrounding higher elevations) and adjacent undevelopable United States Forest Service land. There are no pending developments, and no way for the District to generate capital improvement funds through growth. The District also has not changed substantially in the past 20 years with the number of customers remaining steady.

The project is needed to ensure water quality for the District through construction of a modern water treatment facility that meets current design criteria, capacity, and redundancy requirements. The District can only proceed with the project with the principal forgiveness and low interest loans that come with DAC status. The District was previously granted DAC status and has received funding for this project from the Park County (\$19,680.00) and CWRPDA (\$209,840.00), critical investments that allowed the project to get started. Please consider re-designation of the District as a DAC so that work can be completed.

Sincerely,



Chip Thomas, President
Bailey Water and Sanitation District

2025 SRF Disadvantaged Community Criteria**Loan Terms**

Amount of Loan:	\$ 3,578,384
Interest Rate:	3.25%
Term (years):	20
Annual Payment:	\$ 244,724

Applicant:	
Test Result	
	N
	N
	N

		Benchmark	Applicant	Result
Current Population (2024)	<=	10,000	235	Y
Population 5 years ago (2020)			235	
Population 10 years ago (2015)				

Primary Factors

P1	MHI (Place)	<=	\$ 73,976	127,188	N
	Margin of Error (MOE)	±		29,462	Sub
	Reliability (CV)	<=	18.00%	14.08%	Y
P2	MHV (Place)	<=	\$ 401,760	347,891	Y
	Margin of Error (MOE)	±			
	Reliability (CV)	<=	18.00%		
P3	24 Month Unemployment (County)	>=	4.47%	3.20%	N
	or 10 Year % Chng. Jobs (County)	<=	0.00%	31.04%	N
	Jobs (2023)			5,560	
	Jobs (2014)			4,243	

Priority Factor Count	1
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Secondary Factors

S1	MHI (County)	<=	\$ 73,976	95,450	N
	Margin of Error (MOE)	±		14,028	
	Reliability (CV)	<=	18.00%	8.93%	Y
S2	10 Year % Chng. Population	<=	0.00%	#DIV/0!	#DIV/0!
S3	Assessed Value / Housing Unit	<=	\$ 24,308	\$54,877	N
	Assessed Value			5,158,417	
	Total Housing Units			94	
S4	Current Debt / Tap / MHV	>	0.64%	0.00%	N
WS	Current + Projected Debt/Tap/MHV	>	0.64%	8.72%	Y
	S4b 80th percentile		1.71%	8.72%	Y
S5	System Full Cost / Tap / MHI	>	2.12%	3.15%	Y
	Projected Rate @ 110% Coverage	>	1.94%	4.79%	Y
	S5b 80th percentile		3.04%	4.79%	Y

Secondary Factor Count	1
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System Data for S4 and S5: To be completed by DLG

Taps or EQR's	118
Total Debt	0
Principal & Interest	0
Operating Expenses (including operating transfers out)	449,486
Depreciation	23,509

DISADVANTAGED COMMUNITIES (DAC) BUSINESS CASE (2023)
Bailey Water and Sanitation District (“the District”), Park County

Recommendation:	APPROVAL	Funding sources:	Est. DWRF Loan	\$943,592
Est. Project Total:	\$2,243,592		EIAF (pending)	\$1,000,000
Est. Amount of Loan:	\$943,592		Park County Land and Water	\$300,000
Pledge:	Water & sewer revenue		Trust Fund Grant (pending)	
			Total	\$2,243,592

Project Description: The proposed project intends to address copper and zinc that enter the District’s distribution system through the South Platte River and construct a new treatment plant building. The treatment plant improvements will allow for the removal of copper and zinc at the treatment plant. The improvements will also expand the facility’s hydraulic capacity through the construction of a second infiltration gallery at the source.

Recommendation: Due to the lack of geographically specific data and anticipated cost burden of the proposed loan, we recommend approval of the District’s request for Disadvantaged Community (DAC) status. If approved, the District will have access to:

- a Design and Engineering Grant
- a reduced interest rate for the first \$3 million repayable loan
- base program and Bipartisan Infrastructure Law (BIL) principal forgiveness



The District missed qualifying for DAC status due to a lack of geographically specific MHI data. However, geographically specific data was available for Median Home Value and was well-below the DAC benchmark, suggesting that the broad geography represented by the District’s MHI estimate may not be representative of the District. Furthermore, the impact of the proposed debt burden and the associated rate increases will pose a substantial burden to the community, and the District will meet two secondary factors at loan application.

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

<u>Factor</u>	<u>Entity Figures</u>	<u>Benchmark</u>	<u>Qualify?</u>	<u>Notes</u>
P1: MHI	\$64,745	<=\$64,147	Unreliable	
P2: MHV	\$335,720	<=\$397,500	Yes	Geographically specific assessor data was used to calculate this benchmark.
P3: County Unemployment or County Jobs	3.50% 22.72%	>=5.61% <= 0%	No	
S1: County MHI	\$77,775	<=\$64,147	No	
S2: Population change	17.35%	0.00%	No	
S3: AV/Households	\$41,047	<=\$23,022	No	
S4: Current system debt	0.00%	>0.82%	No	With the additional debt from the proposed loan, the District is projected to meet this benchmark at loan application.
S5: Current system cost	3.89%	>2.22%	Unreliable	When calculated using the upper limit of the MHI estimate, the District’s value (2.08%) did not meet the benchmark.

DISADVANTAGED COMMUNITIES (DAC) BUSINESS CASE (2023)
Bailey Water and Sanitation District (“the District”), Park County

				However, the District is projected to meet this benchmark at loan application.
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While the District is not currently eligible as a disadvantaged community, the District is currently eligible for BIL principal forgiveness. The District’s funding package will ultimately depend on the amount of the loan request and availability of funds. However, assuming all co-funding is secured and funding is still available, there are a few potential funding scenarios:

1. DAC business case is approved - District can access both BIL and DAC funding
 - Approximately 50% to 80% principal forgiveness
 - \$300,000 Design & Engineering grant
 - \$4.14 to \$15.34 per tap per month projected rate increase
2. DAC business case is denied - District can only access BIL funding
 - Approximately 50% principal forgiveness
 - \$21.82 per tap per month projected rate increase

If no BIL or DAC funding is available at the time of loan application, the District is projected to need a \$46.96 per tap per month rate increase to take on the proposed \$943,592 loan. If the District is unable to secure the pending co-funding sources, this amount increases to an additional \$116.24 per tap per month to afford a \$2,243,592 loan.

Explanation of Factors

Existing debt as of December 31, 2021: The District has no existing debt.

P1: Block group data was available, but was highly unreliable and represented an area much larger than the District. The block group includes 611 households in northeast Park County, whereas the District only serves 115 of those households. Furthermore, the block group MHI estimate was \$64,745 with a margin of error of \$56,283. As such, the actual MHI of the block group falls within a very large range - from \$8,462 to \$121,028. Tract data similarly had a large margin of error, with the actual MHI estimate ranging from \$54,871 to \$120,865.

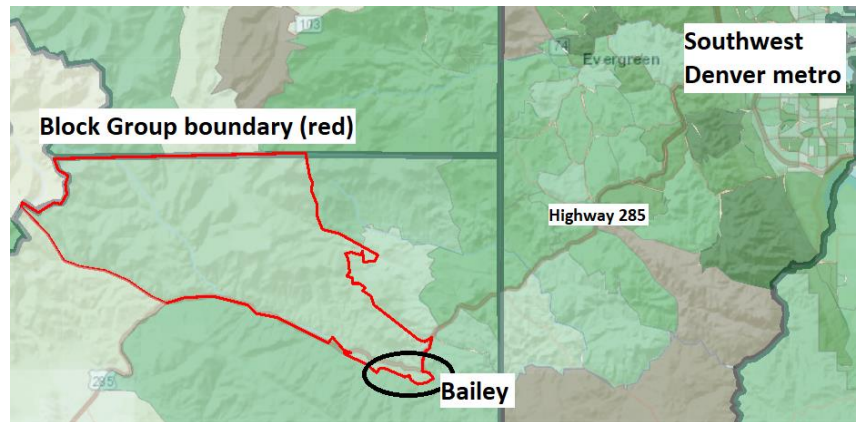


Figure 1. The block group is much larger than the District

For the past four years, the block group that represents the District has had a similarly unreliable, wide-ranging MHI estimate.

MHI by ACS Geography			
ACS - Geography	MHI	MOE	CV
Block Group	\$64,745	± \$56,283	52.85%
Tract	\$87,868	± \$32,997	22.83%
Park County	\$77,775	± \$5,900	4.61%

P2: The District met the MHV benchmark with an MHV of \$335,720. MHV was calculated using assessor data specifically for properties within the District. This suggests that the broad geography represented by the District’s MHI estimate may be inflated and not representative of the District.

P3: Park County did not meet either benchmark - the County’s 24-month unemployment rate is less than the benchmark needed for DAC status and the County’s jobs have grown the past ten years.

DISADVANTAGED COMMUNITIES (DAC) BUSINESS CASE (2023)
Bailey Water and Sanitation District (“the District”), Park County

S1: Park County’s MHI of \$77,775 exceeds the benchmark by \$13,628.

S2: The District’s number of taps has remained relatively steady since 2019, and the District does not anticipate any upcoming major developments.

S3: The District’s assessed value per household did not meet the benchmark.

S4a: Since the District does not currently have any debt, the District’s current debt per tap to MHV did not meet the benchmark. However, with the proposed loan, the District’s projected debt per tap to MHV (2.44%) would exceed the DAC benchmark (0.82%). The District is also planning to take on an additional loan through USDA for a wastewater project with similar timing, which will further increase the community’s debt burden.

S5a and S5b: The District’s current system cost per tap compared to MHI is unreliable, due to an unreliable MHI estimate. Without the proposed debt, data limitations make it challenging to evaluate the system’s current cost burden for community members.

However, with the proposed additional debt, the District meets the S5b benchmark (2.07%) at both the high and low ends of its potential MHI range (2.40% to 34.35%). This suggests that, with the proposed debt, the system is very expensive for the size of the District and residents will likely spend a greater portion of their income on utility costs compared to the state average.

Eligibility Determination for Bipartisan Infrastructure Law (BIL) Principal Forgiveness:

As of the Project Needs Assessment review letter on May 10, 2023, the District is eligible for BIL DWRF principal forgiveness. In order to qualify for BIL DWRF principal forgiveness, a community must score three points using the BIL Principal Forgiveness Eligibility Criteria outlined in the Intended Use Plans. Additionally, a community with DAC status is automatically eligible for BIL principal forgiveness.

The District scored four points using the following criteria and population data that was available at that time:

BIL PF DETERMINATION				
	Benchmark		Borrower	Points
1. Five Year % Change in Population	0.95%	>	0.00%	1
2a: County Job Loss	0.00%	>	22.72%	0
2b: County Unemployment	5.61%	<	3.50%	
3: Median Household Income, or MHI exceeds 125% of state MHI (-1 point)	\$80,184	>	\$77,775	1
	\$100,230	<		
4: Rates to MHI	1.44%	<	2.36%	1
5: Project addresses removal of lead or emerging contaminants	Yes		No	0
6: % Minority	30.00%	<	11.59%	0
7: % Households Housing Burdened	35.00%	<	30.52%	0
8: % Population under 200% Poverty Level	35.00%	<	14.23%	0
9: % Population under 200% Poverty Level + % Population over 65 years old	55.00%	<	58.54%	1
Total Points Scored:				4

For BIL eligibility, county MHI was used as substitute data for the District because both block group and tract data were unreliable. A statistical t-test confirmed that the county data was an acceptable substitute for block group data.

2023 SRF Disadvantaged Community Criteria**Loan Terms**

Amount of Loan:	\$ 943,592
Interest Rate:	3.00%
Term (years):	20
Annual Payment:	\$ 63,083

Applicant:	Bailey WSD		
	Test Result	Conditions met to be DAC	
	N	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	

		<u>Benchmark</u>	<u>Applicant</u>	<u>Result</u>	<u>Notes on Data Used</u>
Current Population (2021)	<=	10,000	288	Y	
Population 5 years ago (2017)			275		
Poulation 10 years ago (2012)			223		
<u>Primary Factors</u>					
MHI (Place)	<=	\$ 64,147	64,745	N	Block group data.
Margin of Error (MOE)	±		56,283	Sub	
Reliability (CV)	<=	18.00%	52.85%	N	
MHV (Place)	<=	\$ 397,500	335,720	Y	Park County assessor data.
Margin of Error (MOE)	±				
Reliability (CV)	<=	18.00%			
24 Month Unemployment (County)	>=	5.61%	3.50%	N	
or 10 Year % Chng. Jobs (County)	<=	0.00%	22.72%	N	
Jobs (2021)			5,190		
Jobs (2012)			4,229		

Priority Factor Count

1

Secondary Factors

MHI (County)	<=	\$	64,147	77,775	N		
Margin of Error (MOE)	±			5,900			
Reliability (CV)	<=		18.00%	4.61%	Y		
10 Year % Chng. Population	<=		0.00%	29.44%	N		
Assessed Value / Housing Unit	<=	\$	23,022	\$41,046.70	N		
Assessed Value				4,720,370			
Total Housing Units				115			
Current Debt / Tap / MHV	>		0.82%	0.00%	N	If MHV CV > 18%, calculate result at top of band	Result
Current + Projected Debt/Tap/MHV	>		0.82%	2.44%	Y		
S4b 80th percentile			2.50%	2.44%	N		
System Full Cost / Tap / MHI	>		2.22%	3.89%	Y	If MHI CV > 18%, calculate result at top of band	Result
Projected Rate @ 110% Coverage	>		2.07%	4.49%	Y		
S5b 80th percentile			3.09%	4.49%	Y		

Secondary Factor Count

1

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

Taps or EQR's	115
Total Debt	0
Principal	0
Interest	0
Operating Expenses	264,866
Operating Transfers Out	0
Depreciation	24,561

September 18, 2023

Board of Directors
Colorado Water Resources and Power Development Authority
1580 Logan Street, Suite 620
Denver, Colorado 80203

Re: Bailey Water and Sanitation District

Members of the CRWPDA Board of Directors:

The Bailey Water and Sanitation District (District) respectfully requests your consideration regarding designation of the District as a disadvantaged community (DAC). The District was established in 1967 and serves the unincorporated town of Bailey in northeastern Park County, Colorado. The District has 116 customers with an approximate population of 300. The history of customers from 2012-2023 is provided in the table below.

Year	Customers	Year	Customers
2012	98	2018	111
2013	98	2019	114
2014	100	2020	115
2015	100	2021	115
2016	99	2022	114
2017	110	2023	116

The District provides water and sanitary sewer service to the commercial customers listed below.

Apartments	Coney Island	PCCC House (church)
Aspen Peak Cellars	Cutthroat Cafe	R and R Roofing
Bailey Business Building	Deer Creek Realty	Riverbend Restaurant
Bailey Dental	Fairplay Flume	Rosalie's Market
Bailey Propane	Knotty Pine	Sasquatch Outpost
Bailey Self Service (gas station)	Mad Jacks Brewery	Smiling Pig
Blossoming Boutique	Moore Lumber	Storage Units
BSS Rental	Park County Animal Control	Sudz (Laundry)
Chimney Docs	Park County Main Building	Sunrise Solutions
China Village Apartments	Park County Search and Rescue	United States Post Office
China Village Restaurant	Park County Sheriff's Office	Women's Crisis Center

The list includes several Park County offices and other vital services to the region (post office, newspaper, dentist, crisis center, etc.). The District also provides bulk water sales that provides drinking water to various property owners outside the District boundaries. The overall customer base has been consistent for several years and there are no major developments upcoming within the District boundaries.

The District needs to replace both the water and wastewater treatment facilities. Both facilities were constructed over 50 years ago and have reached the end of their useful life. Both facilities do not comply with industry standards and State of Colorado design criteria that would be used today to construct proper facilities. In addition, the new discharge permit for the wastewater treatment facility includes discharge limits for copper and zinc, the source of which is the North Fork of the South Platte River where the District obtains its drinking water supply.

The source of the copper and zinc in the North Fork of the South Platte River is due to historic mining activity upstream. Segments of the river in Hall Valley, Handcart Gulch, and Geneva Creek are 303(d) listed for copper and/or zinc (and other metals too). As the river is the source of drinking water for the District, it then becomes the source of copper and zinc at the wastewater treatment facility that must now be removed before being discharged back into the river from where it came.

The District completed project needs assessments (PNA) for both facilities in January 2023. The cost opinion for a new water treatment facility was \$2.2 million, and the cost opinion for a new wastewater treatment facility was \$5.8 million. The District faces a total cost of \$8.0 million to modernize their facilities and comply with the new discharge permit, which represents a cost of almost \$70,000 per customer.

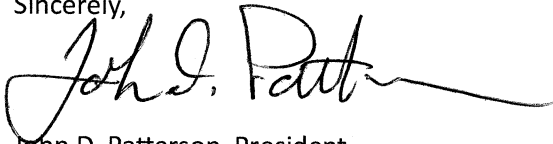
The District is of the opinion that there is not sufficient resolution in the census data to accurately assess the median household income (MHI) within the District boundaries. If accurately assessed, the MHI would likely be below the 80% state MHI threshold that would define them as a DAC. Anecdotal evidence from board members alone suggests that the MHI has dropped even further in just the past 2 years due to known retirements/unemployment within their immediate family and friends.

In summary, the District feels the following three items are compelling reasons for designation as a DAC:

1. The District is likely below the 80% state MHI threshold and would qualify as a DAC.
2. The District is facing \$8.0 million for new water and wastewater treatment facilities (\$70,000/customer).
3. The District continues to be impacted by historic mining activities.

Please carefully consider our request for designation as a DAC. The District has already increased the water and sanitary sewer service fees from \$35/month to \$70/month in an effort to begin raising funds for the upcoming projects. Additional rate increases will be implemented as project costs and funding are sorted out. However, with only 116 customers, \$8.0 million is an insurmountable amount of revenue for the District to generate in a reasonable timeframe. Funding for these facilities hinges on assistance in all aspects of the projects, including design/engineering and construction, in order for it to make sense to move forward.

Sincerely,



John D. Patterson, President
Bailey Water and Sanitation District



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@cwprda.com

MEMORANDUM

January 29, 2026

TO: Board of Directors and Karl Ohlsen

FROM: Wesley Williams, Finance Director

RE: Karval Water Authority ("KWA") Loan Approval Term Extension
Drinking Water Revolving Fund Loan Program ("DWRP")

On August 21, 2024, the Authority's Board of Directors approved a \$1,074,740 DWRP direct loan to the Karval Water Authority ("KWA"), consisting of \$385,237 in BIL General Supplemental loan funds and \$689,503 in BIL General Supplemental principal forgiveness, for a total loan package of \$1,074,740. The project includes drilling a second well, replacing distribution piping, looping the distribution system, installing new gate valves, replacing meters, installing a new backup generator, replacing a fire hydrant, rehabilitating nitrate treatment control valves, and replacing hydropneumatic tanks at the existing treatment plant.

As stated in the DWRP Intended Use Plan (the "IUP"), all loan approvals are valid for a period of eighteen months. KWA's eighteen-month approval period is scheduled to expire on February 21, 2026. KWA has experienced delays related to the requirements outlined in Resolution 24-25 (attached for reference), as well as the time required for review and approval of the associated documentation. As a result, staff is requesting a one-year extension to allow additional time for continued coordination and negotiation of the direct loan and to provide sufficient time for Karl and Butler Snow to review and approve all items outlined in Resolution 24-25 prior to execution.

Recommendation

Staff recommends that the Board approve an extension of the current loan approval for KWA's DWRP direct loan for a period of one year, extending the approval through February 21, 2027.

Attachments: Karval Water Authority's 2024 DWRP Credit Report
Karval Water Authority's Resolution 24-25

DWRF LOAN CREDIT REPORT

Karval Water Authority ("The Water Authority"), Lincoln County

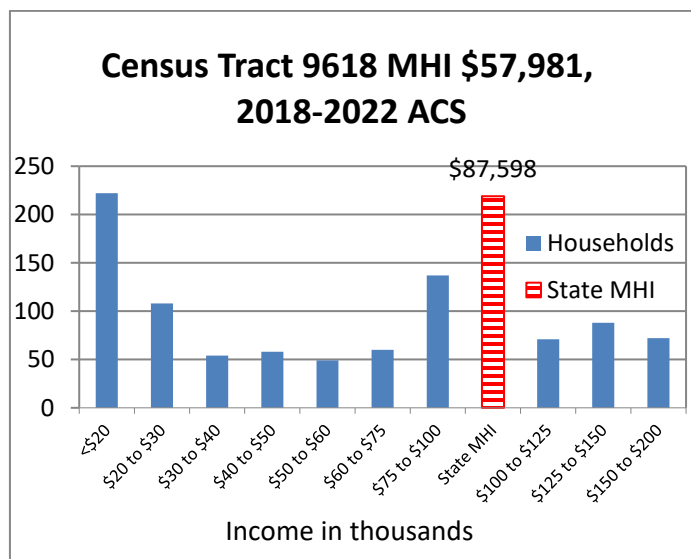
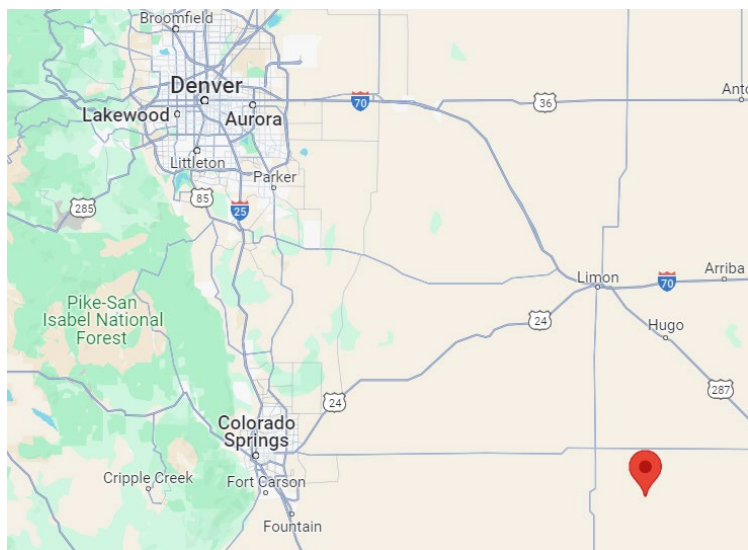
Recommendation:	CONDITIONAL APPROVAL	<u>Project Budget</u>	
Total SRF Request:	\$1,074,740	DWRF Loan:	\$385,237
Interest Rate & Term:	1.75%, 30 years	DWRF BIL Principal Forgiveness:	\$689,503
Annual Debt Service:	\$16,560	D&E and Planning Grant:	\$175,160
Pledge:	Water revenues	2023 CDBG:	\$452,000
Current Rate:	\$55.00	2023 USBR-Small Scale WaterSMART Grant	\$83,100
Estimated Rate Increase:	\$30.31	Total:	\$1,785,000

PROJECT DESCRIPTION: The Water Authority will be drilling a second well, replacing distribution piping, looping the distribution system, installing new gate valves, replacing meters, installing a new backup generator, replacing a fire hydrant, performing rehabilitation on the nitrate treatment control valves and replacing the hydropneumatic tanks in existing treatment plant.

COMMUNITY PROFILE:

Karval Water Authority	2018	2019	2020	2021	2022	2023	2024	Avg. Annual Change
Water Authority Population			93	93	95	93	93	0.00%
Lincoln County Population	5,621	5,642	5,662	5,470	5,513			-0.48%
Lincoln County Jobs	3,176	3,149	3,120	3,072	3,090			-0.68%
Number of Water Taps			37	37	38	37	37	0.00%
Assessed Value (\$000)							1,179	
Actual Value (\$000)							6,169	

BORROWER BRIEF: Karval is a small rural unincorporated community located on the Eastern Plains in southern Lincoln County, approximately 80 miles east of Colorado Springs on State Highway 94 and approximately 56 miles south of Limon on State Highway 71.



RECOMMENDATION: The Water Authority serves a rural agricultural community in Lincoln County. This proposed loan is necessary to drill an additional well in addition to making improvements to the water distribution and treatment system. The drinking water system and community are small and the cost of the proposed project is high, which will burden the community. However, the Water Authority has been successful to obtaining grant funding from multiple sources to reduce the debt burden. We therefore recommend the DWRF Committee approve a \$385,237 Disadvantaged Community direct loan and \$689,503 in BIL principal forgiveness to the Karval Water Authority subject to the loan covenants (both the standard and additional proposed covenants) and conditions listed at the end of this credit report and to be incorporated into the resolution (including any modifications and additions made to these covenants/conditions by the Authority Board of Directors during the approval process).

PROJECT SUMMARY:

System summary: The water system consists of 37 taps that serve approximately 102 consumers. The Water Authority receives water from a groundwater source. Raw water from the well is pumped and first treated through two parallel anion exchange filters for removing nitrate. After nitrate treatment, water is then pumped to the clearwell for disinfection and then goes out to distribution.

Reason/need: The Water Authority will benefit from the addition of another source for redundancy and reliability to meet demand. This will also improve the system's firefighting capacity. The system currently experiences low water pressure at the dead ends of the distribution system and looping the lines will correct this issue as well as issues with water age. In addition, the system experiences an average water loss of 48.4%. The replacement of the distribution lines will significantly reduce water loss. Performing rehabilitation on the nitrate treatment system will ensure continued removal of nitrate.

System Compliance: The Water Authority 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: 10.6% of total project cost included as contingency.

CURRENT INDICATORS:	2020	2021	2022	Weak	Average	Strong
Total Debt per Capita (\$):	72	54	35	>\$2,000	\$1,000 - 2,000	X <\$1,000
Total + New Debt/Capita (\$):			4,090	X >\$2,000	\$1,000 - 2,000	<\$1,000
Total Debt/Tap (\$):	179	134	87	>\$5,000	\$2,500-5,000	X <\$2,500
Total Debt + New Debt/Tap (\$):			10,225	X >\$5,000	\$2,500-5,000	<\$2,500
Current Water Debt/Tap (\$):	179	134	87	>\$2,000	\$1,000 - 2,000	X <\$1,000
Current Water + New Water Debt/Tap (\$):			10,225	X >2,000	\$1,000 - 2,000	<\$1,000
Total Debt/Assessed Value:			281%	X >50%	25-50%	<25%
Total Debt + New Water Debt/Assessed Value:			32,955%	X >50%	25-50%	<25%
Total Debt/Actual Value:			54%	X >10%	5-10%	<5%
Total Debt + New Water Debt/Actual Value:			6,298%	X >10%	5-10%	<5%
Curr. Water Debt + New Debt/Tap/MHI:			18%	>20%	X 10-20%	<10%
Water Fund Current Ratio (CA/CL):		175%	136%	<100%	X 100-200%	>200%
Water Fund Reserves/Current Expense:	41%	82%	74%	<50%	X 50-100%	>100%
Water Operating Ratio (OR/OE):	117%	150%	124%	<100%	100-120%	X >120%
Coverage Ratio (TR-OE)/DS:	217%	488%	282%	<110%	110-125%	X >125%
Coverage Ratio (TR-OE)/DS Excluding Tap Fees:	217%	488%	282%	<110%	110-125%	X >125%
Coverage Ratio with New Loan:			26%	X <110%	110-125%	>125%
Coverage Ratio with New Loan Excluding Tap Fees:			26%	X <110%	110-125%	>125%
Current Annual Water Rates/MHI:			1.14%	>3.0%	1.5-3.0%	X <1.5%
Current Water Rates + New Water Debt Service/MHI:			1.89%	>3.0%	X 1.5-3.0%	<1.5%
Operation and Maintenance Reserve:			81%	<25%	25-50%	X >50%
Total:			9		4	8

FINANCIAL ANALYSIS: Of the twenty-one current indicators calculated, eight are rated strong, four are average and nine are considered weak. Overall, the indicators illustrate a small system that is facing a large capital project that will cause debt burden. The strong indicators show a good operating ratio. The weak indicators reflect a small system that will experience debt burden as a result of the size of the proposed project.

- The financial analysis was performed based on limited financial information (full financial statements including income statements and balance sheets were only available for 2021 and 2022) provided for Karval Water Users, Inc. Karval Water Users, Inc. is a private nonprofit corporation that previously provided water services to the community. Karval Water Authority was established in October 2023 for the purpose of owning and operating the water system. Karval Water Authority and its legal

counsel have indicated that all revenues and expenses previously associated with Karval Water Users, Inc. will become revenues and expenses for the newly formed Karval Water Authority. This financial analysis operates on this assumption, which will require legal verification.

- Based on 2022 financial information, coverage with the proposed loan is 26%. Additional annual revenue of about \$15,277, or \$34.41 per tap per month, would increase the coverage ratio to 110%.
- 2022 financials included a \$1,654 debt payment to Lincoln County for a loan for drinking water system improvements which will be repaid in 2024. If this debt payment is removed from the projected coverage ratio calculation, the projected coverage ratio increases to 24%. Additional annual revenue of about \$13,457, or \$30.31 per tap per month, would increase the coverage ratio to 110%.
- From 2019 through 2022, revenues consistently covered expenses with revenues exceeding 110% of expenses for all of those years.
- Projections submitted by the Water Authority show operating expenses increasing by 2% annually. The projections indicate that there will be a significant rate increase in the first year of the loan payment and that rates will be increased by 5% annually if the Water Authority is not projected to meet the 110% coverage ratio requirement.
- Without principal forgiveness, the projected coverage ratio declines to 8%. Additional annual revenue of about \$56,257, or \$126.70 per tap per month, would increase the coverage ratio to 110%.

Additional Project Financing

The Water Authority submitted a Community Development Block Grant (CDBG) application for \$600,000 and received a \$452,000 award in 2022. The Water Authority also submitted a USBR-Small Scale WaterSMART Grant for \$83,100, which was awarded in 2023.

DESCRIPTION OF THE LOAN:

An estimated \$385,237 loan with a thirty-year term with two payments annually at an interest rate of 1.75% will cost the Water Authority approximately \$16,560 in debt service annually. The Water Authority also qualifies for \$801,877 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	\$70,078	>=	\$57,981	Y	S1: County MHI	\$70,078	>=	\$59,167	Y
P2: MHV	\$465,900	>=	\$244,100	Y	S2: Population Loss	0.00%	>=	N/A	N/A
P3: County Unemployment	5.38%	<=	2.87%	N	S3: Assessed Value per Housing unit	\$24,963	>=	\$31,855	N
County Job Loss	0.00%	>=	3.90%	N	S4b: Curr. and Proj. System Debt	0.30%	<	11.94%	Y
					S4b: 80th Percentile	1.05%	<	11.94%	Y
					S5b: Proj. System Cost Per Tap to MHI	1.08%	<	4.78%	Y
					S5b: 80th Percentile	1.63%	<	4.78%	Y

Based on 2018-2022 American Community Survey data, the Town met the requirements of a DAC, qualifying under scenario #1 by meeting the benchmarks for P1 and P2.

Due to its projected rates to MHI and MHV exceeding the 80th percentile, the Town qualifies for the lowest interest rate available (Category 2 DAC, 1.75%).

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 Water Authority scores six points as shown below.

BIL PF DETERMINATION				
	Benchmark		Borrower	Points
1. Five Year % Change in Population	0.71%	>	1.40%	0
2a: County Job Loss	0.00%	>	3.90%	0
2b: County Unemployment	5.38%	<	2.87%	
3: Median Household Income, or MHI exceeds 125% of state MHI (-1 point)	\$87,598	>	\$57,981	1
	\$109,498	<		
4: Rates to MHI	0.81%	<	1.14%	1
5: Project addresses removal of lead or emerging contaminants	Yes		No	0
6: % Minority	40.00%	<	4.89%	0
7: % Households Housing Burdened	50.00%	<	26.62%	0
8: % Population under 200% Poverty Level	40.00%	<	33.61%	0
9: % Population under 200% Poverty Level + % Population over 65 years old	55.00%	<	58.05%	1
10: Meets DAC criteria	Yes		Yes	3
Total Points Scored:				6

As a disadvantaged community, the Water Authority 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 64.155%, the Water Authority qualifies for approximately \$689,503 in principal forgiveness, leaving an estimated loan of \$385,237.

ECONOMIC ANALYSIS: The Water Authority has a 2022 population estimated at 93 and has not changed since 2018. Lincoln County has experienced a decrease of 0.48% in population since 2018. The state population increased at an average annual rate estimated 0.71%.

The community's economy is typical of Eastern Plains agricultural communities without a historical railroad presence. The region's economy is dominated by agriculture, government, retail, gasoline stations, and health services in addition to a significant portion of retirees.

The region's largest employers consist of Lincoln Health Community Hospital, with 125 employees; Lincoln County, with 120 employees; Genoa-Hugo School District, with 42 employees; and Karval School District, with 16 employees.

Because the system is small, several users account for more than 3% utilization. These users include Karval School District RE-23, Lincoln County Shop, and several residents.

ORGANIZATIONAL ANALYSIS:**Bond Rating**

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

Organizational Structure

The Water Authority is a Water Authority governed by a five-member board of directors and was formed by an agreement between Lincoln and Crowley Counties under 29-2-204.2 C.R.S. in October 2023. The board of directors are appointed by the Lincoln County Board of County Commissioners. The Water Authority provides water service. Approximately 0.5 full-time employees staff the water utility. The water utility is overseen by the ORC who reports to the Water Authority Board.

- The Water Authority was formed in 2023, adopted a 2024 budget, and is in compliance with Colorado statutory budgeting requirements. All assets of the Karval Water Users Association will be owned by the Water Authority, with the exception of water rights. The water rights will be leased to the Water Authority.
- The Water Authority indicated that it will complete an audit for submission to the Office of the State Auditor by the June 30th deadline.
- The Water Authority maintains general liability insurance coverage through the Addison Insurance Company.
- There are currently no pending lawsuits against the Water Authority.
- There have been no recall elections in the last ten years.

Technical/Managerial/Financial (TMF)

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

- Managerial Criterion #M-1: Legal Ownership of System. Ownership of the drinking water system appears unclear but we defer to WQCD's evaluation of this criterion.
- Financial Criterion #F-6: General Liability Insurance. While proof of insurance was provided for Karval Water Users, Inc, the Karval Water Authority is required to maintain general liability insurance.
- Financial Criterion #F-1 User Charge System. The Water Authority must be prepared to raise rates to meet the 110% coverage ratio requirement of the SRF loan.

Capital Improvement Plan

As part of the application process, the Water Authority submitted a capital improvement schedule through 2045, which anticipates capital outlay of \$65,000 for rehabilitation of filter media and replacement of pumps and motors to be funded from reserves.

Intergovernmental

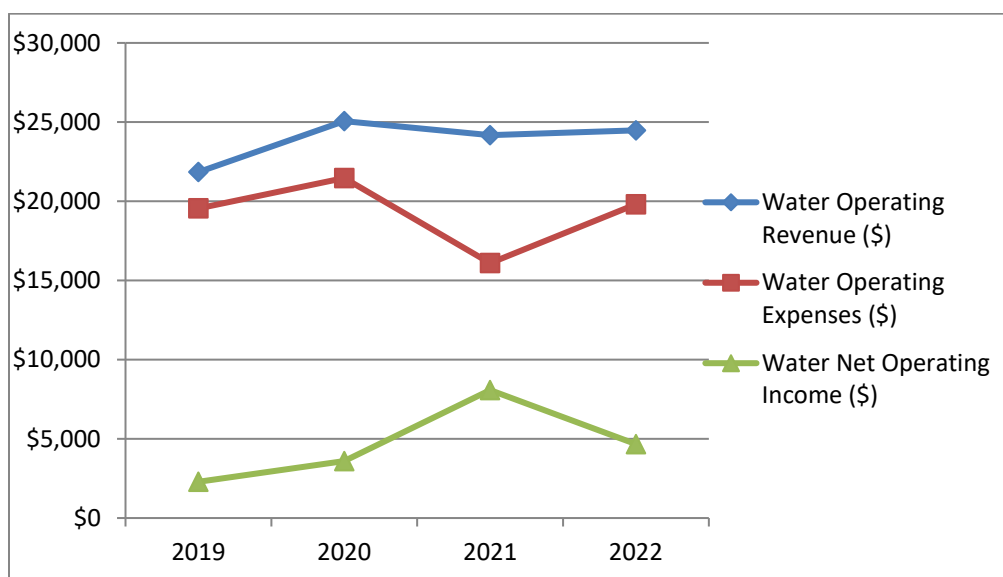
The Water Authority was formed by an agreement between Lincoln and Crowley Counties titled Karval Water Authority Establishing Contract which was executed on October 6, 2023. The agreement continues until terminated by a written resolution and unanimous vote of the Water Authority Board of Directors in favor of termination and ratification of such termination by the Commissioners of Lincoln and Crowley Counties. The agreement does not permit termination as long as the Water Authority has outstanding bonds, notes, or other obligations unless provision for full payment of such obligations has been made by the Board of Directors. In the event of termination, Lincoln and Crowley Counties will determine the conveyance of system assets.

REVENUE ANALYSIS:

The Water Authority provided limited financial information for the Karval Water Users, Inc. nonprofit corporation in the form of tax filings and income statements and bank reconciliation statements for years 2019 through 2022. The Water Authority indicated that the full revenues and expenses of Karval Water Users, Inc. will be transferred to the Water Authority. Revenues appear to be stable and sufficient to cover operating expenses. Operating expenses increased in 2020 but declined in 2021.

TRENDS	2018	2019	2020	2021	2022	2023	2024
Monthly Water Rate (\$)		35.00	55.00	55.00	55.00	55.00	55.00
Residential Water Tap Fee (\$)		500	500	500	500	500	500
Total Water Revenue (\$)	15,214	21,843	25,061	24,174	24,476		
Tap/Development Fees (\$)	0	0	0	0	0		
Water Operating Revenue (\$)	15,214	21,843	25,061	24,174	24,476		
Water Operating Expenses (\$)	15,904	19,554	21,468	16,095	19,810		
Water Net Operating Income (\$)	-690	2,289	3,593	8,079	4,666		
Water Debt (\$)	11,796	9,206	6,616	4,962	3,308		
Total Debt (\$)	11,796	9,206	6,616	4,962	3,308		
Water Debt Service (\$)	0	2,590	1,654	1,654	1,654		
Water Debt Service/Tap/Month (\$)			3.73	3.73	3.63		
Water Fund Reserves (\$)	0	7,560	9,499	14,616	15,974		

Ratios	2018	2019	2020	2021	2022	Average
Operating Revenue as % of Total Revenue	100%	100%	100%	100%	100%	100%
Operating Revenue as % of Expenses	96%	112%	117%	150%	124%	126%
Tap Fee Revenue as % of Total Revenue	0%	0%	0%	0%	0%	0%



Recent Rate Increases

The Water Authority's most recent rate increase of the usage rate from \$2.00 per 1,000 gallons for usage over 7,500 gallons to \$2.50 was implemented in September 2023.

User Charges

The Water Authority's current monthly water rate is estimated at \$55.00 compared to the 2022 estimated state median of \$59.19. The Water Authority's average monthly water rate is based on typical residential consumption of 3,215 gallons per month. Users pay a \$55.00 base rate up to 7,500 gallons and a volume charge of \$2.50 per 1,000 gallons for consumption over 7,500 gallons. All users pay the same water rates.

Contributed Capital

There has been no revenue from tap fees in the past five years.

- Water tap fees are \$500.

Current System Utilization		
	Usage	Revenue
Residential	90.2%	94.2%
Commercial (School)	9.8%	5.8%

Current Fee Summary	
Tap size	Water user/tap fees
¾"	\$55.00/\$500
¾"	\$55.00/\$500

DEBT as of December 31, 2022

Executed	Lender	Term End	Pledge	Outstanding	Interest Rate	Annual payment
2019	Lincoln County	9/1/2024	N/A	\$3,309	0%	\$1,654

LOAN COVENANTS: The Water Authority 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 Water Authority has no current debt with the Authority, including the SRF programs.

Prepared by: Victor Chen
Date: August 6, 2024

Project # 160291D-Q
Cost Categories:
Planning and Design Only (non-construction) 16%
Construction - Treatment 1%
Construction - Transmission and distribution 56%
Construction - Source 19%
Other 8%

**COLORADO WATER RESOURCES
AND
POWER DEVELOPMENT AUTHORITY**

RESOLUTION NO. 24-25

**A RESOLUTION FOR APPROVAL OF A DRINKING WATER DIRECT LOAN TO
THE KARVAL WATER AUTHORITY 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 Karval Water Authority (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 Karval Water Authority in an amount not to exceed \$1,074,740 (*\$385,237 of BIL General Supplemental loan to be re-paid, plus *\$689,503 of BIL General Supplemental PF direct loan, for a total of \$1,074,740 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. 24-25 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 Colorado Springs, Colorado on August 21, 2024.

Chair

Secretary

EXHIBIT A

Borrower:	Karval Water Authority
Project:	The Water Authority will be drilling a second well, replacing distribution piping, looping the distribution system, installing new gate valves, replacing meters, installing a new backup generator, replacing a fire hydrant, performing rehabilitation on the nitrate treatment control valves and replacing the hydropneumatic tanks in existing treatment plant.
Pledge:	Water System Revenue
Loan Term:	Up to 30 Years
Interest Rate:	1.75%
Amount not to exceed:	\$1,074,740 (*\$385,237 of BIL General Supplemental loan to be repaid, plus *\$689,503 of BIL General Supplemental PF direct loan, for a total of \$1,074,740 DWRF loan funds)

Subject to the following terms & conditions:

1. Meet all mandatory TMF requirements.
2. The Applicant increasing user rates, if necessary, sufficiently to meet the Authority's rate covenant prior to loan execution.
3. CWRPDA counsel's review of final water lease agreement between the Karval Water Users Association and the Karval Water Authority.
4. Karval Water Authority and Karval Users Association recording the water lease agreement.
5. CWRPDA counsel's review of the Association's water rights decree.
6. Karval Water Authority counsel's review and opinion that the Karval Water Users Association followed all charter/bylaws/association rules when transferring the water assets from the Association to the Karval Water Authority.

* - 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.

COLORADO WATER RESOURCES
AND
POWER DEVELOPMENT AUTHORITY

RESOLUTION NO. 26-03

APPROVING A RENEWAL OF
THE DWRF TRUSTEE AND
C U S T O D Y AGREEMENTS WITH U. S.
BANK TRUST COMPANY, N.A.

WHEREAS, pursuant to the Safe Drinking Water Act Amendments of 1996 and C.R.S. Section 37-95-107.8, the Authority holds and manages the Drinking Water Revolving Fund and makes loans and provides financial assistance therefrom for drinking water projects of governmental agencies, and other eligible entities; and

WHEREAS, U.S. Bank Trust Company, N.A., has been appointed and acted as Trustee and Custodian for the Drinking Water Revolving Fund pursuant to an agreement that is to expire on February 8, 2026 (the "DWRF Trustee Agreement"); and

WHEREAS, an agreement has been reached between the Authority and the Trustee to renew the DWRF Trustee Agreement, and, in connection therewith, to set certain fees for Trustee, Paying Agent, Escrow Agent, Registrar, and Loan Servicer services; and

WHEREAS, it is the desire of the Authority to renew and extend the DWRF Trustee Agreement through February 8, 2029.

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

1. The proposed renewal of the DWRF Trustee Agreement, substantially in the form attached hereto as Exhibit A, is approved and adopted;
2. The Executive Director and the Assistant Secretary of the Colorado Water Resources and Power Development Authority are authorized and directed to execute the renewal of the DWRF Trustee Agreement.

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. 26-03 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 Aurora, Colorado on January 29, 2026.

Chair

Secretary



Global Corporate Trust
950 17th Street, 5th
Denver, CO 80202

Exhibit A
CUSTODIAN FEE SCHEDULE

U.S. Bank Trust Company, National Association (“U.S.Bank”) Global Corporate Trust
Schedule of Fees to provide to Trustee, Loan Servicer, Registrar, Transfer Agent,
Escrow Agent and Paying Agent Services

Trustee Agreement

Colorado Water Resources and Power Development Authority (the “Authority”)
Leveraged/Bond Administration for:
Drinking Water Revolving Fund (DWRF)
Water Pollution Control Revolving Fund (WPCRF)
Water Revenue Bonds Program (WRBP)

Effective 2/8/2026 through 2/8/2029

Acceptance Fee: Per New Series		\$3,150.00
A one-time fee covering our initial review of documents, account set-up and normal duties and responsibilities related to the closing. This fee is payable at closing.		
Annual Trustee Fee: Per Series		\$4,200.00
An annual fee that covers normal trustee, registrar and paying agent duties as defined by the governing documents; electronic and/or hard copy trust account statements; access to our Investment Advisory Services group to assist with investment of bond proceeds. This fee is payable annually on a calendar year basis in advance per series and will not be prorated in the event of early termination.		
Annual Leveraged Loan Administration Fee		
Annual Fee During Construction:	Per Loan	\$340.00
Annual Fee Post Construction:	Per Loan	\$230.00
An annual fee that covers invoicing of loan payments to the Borrowers; requisition processing; collection and monitoring of loan payments; and reporting status of payments to Authority. Annual Loan Administration fees for new bond issues will be prorated from the day of the bond closing and in the event of early termination.		
Annual Refunding Escrow and other Escrow Agent Fees: (Per Refunding Escrow)		\$500.00
For services of the agent described in the refunding escrow or other escrow agreement. This fee is payable annually in advance per year and is not subject to proration in the event of early termination. NOTE: The Issuer may elect to pay a one-time fee at closing which covers normal duties and responsibilities through final maturity.		



Global Corporate Trust
950 17th Street, 5th
Denver, CO 80202

Legal Counsel Fees and Expenses:	As Incurred
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U.S. Bank may use external legal counsel to review the financing documents, and will charge those legal fees and expenses at cost. In the event that the transaction should fail to close or if U.S. Bank determines not to participate in the transaction through no fault of its own, U.S. Bank reserves the right to charge the Issuer for legal fees and expenses incurred during the document negotiation phase of the transaction. Except in the case of an "event of default" as defined in the bond documents, U.S. Bank agrees to only employ or consult outside legal counsel with prior approval from the Authority.

Investments:

U.S. Bank does not charge 12b1, sweep fees or asset management fees on funds invested in U.S. Bank Money Market Funds or any other fund offered by our corporate trust department. However, we do reserve the right to charge transaction fees related to investments outside of the U.S. Bank investment offerings, based on the following: 1) \$25 per purchase/sale for US Government or Agency securities, including State and Local Government Series (SLGs); and other marketable securities which settle through the Depository Trust and Clearing Corporation or the Federal Reserve; guaranteed investment contracts, repurchase contracts or forward purchase/put contracts; and 2) \$25 per purchase/sale for local bank Certificates of Deposits.

Fees for the initial set-up and review of Guaranteed Investment Contracts, Repurchase Agreements and Forward Purchase/Delivery/Put Contracts shall be \$1,000.00. In addition, should any investment agreement or contract be substituted, collateralized or amended, additional charges may apply.

Fees for non-standard agreements, physical securities or other transactions requiring manual processing, or for the investment of funds held outside the bank will be negotiated separately.

Out-of-Pocket Expenses:	As Incurred
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Extraordinary Fees:	As Appraisal
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Extraordinary fees are payable to the Trustee for duties or responsibilities not expected to be incurred at the outset of the transaction, not routine or customary, and not incurred in the ordinary course of business. Payment of extraordinary fees is appropriate where particular inquiries, events or developments are unexpected, even if the possibility of such things could have been identified at the inception of the transaction. Extraordinary services might include, without limitation, amendments or supplements, specialized reporting, non-routine calculations, foreign currency conversions, UCC filings including continuations and terminations, optional redemptions, use of investments not automated with the Trustee's trust accounting system, and actual or threatened litigation or arbitration proceedings.



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I, on behalf of the undersigned, am duly authorized to sign on behalf of and bind the undersigned and hereby confirm receipt and agreement with all of the terms and conditions of this Schedule of Fees.

ACCEPTED BY:

Colorado Water Resources and Power Development Authority

By: _____

Print Name: _____

Title: _____

Date: _____

DWRF SET ASIDE UPDATE
January 13, 2026

Program	Grant Year	Grant Amount	Funds Remaining	% Complete
Admin	1997-2024 Base	\$ 17,421,704	\$ 0	100%
	2022-2023 IJA/BIL Supplemental	\$ 2,897,360	\$ 0	100%
	2022 IJA/BIL Emerging Contaminants	\$ 597,080	\$ 0	100%
	2022 IJA/BIL Lead*	\$ 666,450	\$ 0	100%
	2023 IJA/BIL Emerging Contaminants	\$ 535,360	\$ 365,435	32%
	2023 IJA/BIL Lead	\$ 1,304,000	\$ 1,005,226	23%
	2024 IJA/BIL Supplemental	\$ 1,610,600	\$ 315,160	80%
	2024 IJA/BIL Emerging Contaminants	\$ 350,000	\$ 350,000	0%
	2024 IJA/BIL Lead	\$ 600,000	\$ 600,000	0%
	2025 Base	\$ 764,200	\$ 170,829	78%
	2025 IJA/BIL Supplemental	\$ 1,744,640	\$ 1,744,640	0%
	2025 IJA/BIL Emerging Contaminants	\$ 350,000	\$ 350,000	0%
Totals		\$ 28,841,394	\$ 4,901,291	83%
SSTA	1997-2022 Base	\$ 8,429,320	\$ 0	100%
	2022 IJA/BIL Supplemental	\$ 156,420	\$ 0	100%
	2023 IJA/BIL Supplemental	\$ 737,680	\$ 563,535	24%
	2024 IJA/BIL Supplemental	\$ 737,680	\$ 737,680	0%
	2025 IJA/BIL Supplemental	\$ 741,472	\$ 741,472	0%
	Totals	\$ 10,802,572	\$ 2,042,687	81%
PWSS	2000-2024 Base	\$ 33,103,428	\$ 0	100%
	2022-2023 IJA/BIL Supplemental	\$ 3,382,100	\$ 0	100%
	2022 IJA/BIL Lead	\$ 3,600,000	\$ 0	100%
	2023 IJA/BIL Lead	\$ 3,260,000	\$ 1,540,060	53%
	2023 IJA/BIL Emerging Contaminants	\$ 1,000,000	\$ 653,968	35%
	2024 IJA/BIL Supplemental	\$ 3,200,000	\$ 2,386,400	25%
	2024 IJA/BIL Lead	\$ 3,280,000	\$ 3,280,000	0%
	2024 IJA/BIL Emerging Contaminants	\$ 900,000	\$ 900,000	0%
	2025 IJA/BIL Supplemental	\$ 4,361,600	\$ 4,361,600	0%
	2025 IJA/BIL Emerging Contaminants	\$ 900,000	\$ 900,000	0%
Totals		\$ 56,987,128	\$ 14,022,029	75%
Cap. Development	1997-2024 Base	\$ 35,493,580	\$ 0	100%
	2022 IJA/BIL Supplemental	\$ 782,100	\$ 0	100%
	2023 IJA/BIL Supplemental	\$ 2,600,000	\$ 977,011	62%
	2024 IJA/BIL Supplemental	\$ 3,000,000	\$ 3,000,000	0%
	2025 IJA/BIL Supplemental	\$ 4,361,600	\$ 4,361,600	0%
	Totals	\$ 46,237,280	\$ 8,338,611	82%
Well Head	1997-2022 Base	\$ 18,020,416	\$ 0	100%
	2022 IJA/BIL Supplemental	\$ 391,050	\$ 0	100%
	2023 IJA/BIL Supplemental	\$ 1,300,000	\$ 1,047,916	19%
	2024 IJA/BIL Supplemental	\$ 1,100,000	\$ 1,100,000	0%
	2025 IJA/BIL Supplemental	\$ 1,308,480	\$ 1,308,480	0%
	Totals	\$ 22,119,946	\$ 3,456,396	84%

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
AND
POWER DEVELOPMENT AUTHORITY

RESOLUTION NO. 26-04

APPROVING A RENEWAL OF
THE WPCRF TRUSTEE AND
C U S T O D Y AGREEMENTS WITH U.S.
BANK TRUST COMPANY, N.A.

WHEREAS, pursuant to the federal Water Quality Act of 1997 and C.R.S. Section 37-95-107.6, the Authority holds and manages the Water Pollution Control Revolving Fund and makes loans and provides financial assistance therefrom for wastewater treatment projects of governmental agencies; and

WHEREAS, U.S. Bank Trust Company, N.A., has been appointed and has acted as Trustee and Custodian for the Water Pollution Control Revolving Fund pursuant to an agreement that is to expire on February 8, 2026 (the "WPCRF Trustee Agreement"); and

WHEREAS, an agreement has been reached between the Authority and the Trustee to renew the WPCRF Trustee Agreement, and, in connection therewith, to set certain fees for Trustee, Paying Agent, Escrow Agent, Registrar, and Loan Servicer services; and

WHEREAS, it is the desire of the Authority to renew and extend the WPCRF Trustee Agreement through February 8, 2029.

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

1. The proposed renewal of the WPCRF Trustee Agreement, substantially in the form attached hereto as Exhibit A, is approved and adopted;
2. The Executive Director and the Assistant Secretary of the Colorado Water Resources and Power Development Authority are authorized and directed to execute the renewal of the WPCRF Trustee Agreement.

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. 26-04 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 Aurora, Colorado on January 29, 2026.

Chair

Secretary



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Exhibit A
CUSTODIAN FEE SCHEDULE

U.S. Bank Trust Company, National Association (“U.S. Bank”) Global Corporate Trust
Schedule of Fees to provide to Trustee, Loan Servicer, Registrar, Transfer Agent,
Escrow Agent and Paying Agent Services

Trustee Agreement

Colorado Water Resources and Power Development Authority (the “Authority”)
Leveraged/Bond Administration for:
Drinking Water Revolving Fund (DWRF)
Water Pollution Control Revolving Fund (WPCRF)
Water Revenue Bonds Program (WRBP)

Effective 2/8/2026 through 2/8/2029

Acceptance Fee: Per New Series	\$3,150.00
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A one-time fee covering our initial review of documents, account set-up and normal duties and responsibilities related to the closing. This fee is payable at closing.

Annual Trustee Fee: Per Series	\$4,200.00
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An annual fee that covers normal trustee, registrar and paying agent duties as defined by the governing documents; electronic and/or hard copy trust account statements; access to our Investment Advisory Services group to assist with investment of bond proceeds. This fee is payable annually on a calendar year basis in advance per series and will not be prorated in the event of early termination.

Annual Leveraged Loan Administration Fee		
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Annual Fee During Construction:	Per Loan	\$340.00
Annual Fee Post Construction:	Per Loan	\$230.00

An annual fee that covers invoicing of loan payments to the Borrowers; requisition processing; collection and monitoring of loan payments; and reporting status of payments to Authority. Annual Loan Administration fees for new bond issues will be prorated from the day of the bond closing and in the event of early termination.

Annual Refunding Escrow and other Escrow Agent Fees: (Per Refunding Escrow)	\$500.00
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For services of the agent described in the refunding escrow or other escrow agreement. This fee is payable annually in advance per year and is not subject to proration in the event of early termination. NOTE: The Issuer may elect to pay a one-time fee at closing which covers normal duties and responsibilities through final maturity.



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Legal Counsel Fees and Expenses:	As Incurred
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U.S. Bank may use external legal counsel to review the financing documents, and will charge those legal fees and expenses at cost. In the event that the transaction should fail to close or if U.S. Bank determines not to participate in the transaction through no fault of its own, U.S. Bank reserves the right to charge the Issuer for legal fees and expenses incurred during the document negotiation phase of the transaction. Except in the case of an "event of default" as defined in the bond documents, U.S. Bank agrees to only employ or consult outside legal counsel with prior approval from the Authority.

Investments:

U.S. Bank does not charge 12b1, sweep fees or asset management fees on funds invested in U.S. Bank Money Market Funds or any other fund offered by our corporate trust department. However, we do reserve the right to charge transaction fees related to investments outside of the U.S. Bank investment offerings, based on the following: 1) \$25 per purchase/sale for US Government or Agency securities, including State and Local Government Series (SLGs); and other marketable securities which settle through the Depository Trust and Clearing Corporation or the Federal Reserve; guaranteed investment contracts, repurchase contracts or forward purchase/put contracts; and 2) \$25 per purchase/sale for local bank Certificates of Deposits.

Fees for the initial set-up and review of Guaranteed Investment Contracts, Repurchase Agreements and Forward Purchase/Delivery/Put Contracts shall be \$1,000.00. In addition, should any investment agreement or contract be substituted, collateralized or amended, additional charges may apply.

Fees for non-standard agreements, physical securities or other transactions requiring manual processing, or for the investment of funds held outside the bank will be negotiated separately.

Out-of-Pocket Expenses:	As Incurred
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U.S. Bank does not typically charge out-of-pocket expenses, but reserves the right to charge for any significant, unanticipated out-of-pocket expenses incurred, which may include, but is not limited to, application for CUSIPs, and travel associated with bond closings and Board meetings held outside of Denver. U.S. Bank agrees to only incur out-of-pocket expenses with prior approval from the Authority.

Extraordinary Fees:	As Appraisal
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Extraordinary fees are payable to the Trustee for duties or responsibilities not expected to be incurred at the outset of the transaction, not routine or customary, and not incurred in the ordinary course of business. Payment of extraordinary fees is appropriate where particular inquiries, events or developments are unexpected, even if the possibility of such things could have been identified at the inception of the transaction. Extraordinary services might include, without limitation, amendments or supplements, specialized reporting, non-routine calculations, foreign currency conversions, UCC filings including continuations and terminations, optional redemptions, use of investments not automated with the Trustee's trust accounting system, and actual or threatened litigation or arbitration proceedings.



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Terms and Conditions

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I, on behalf of the undersigned, am duly authorized to sign on behalf of and bind the undersigned and hereby confirm receipt and agreement with all of the terms and conditions of this Schedule of Fees.

ACCEPTED BY:

Colorado Water Resources and Power Development Authority

By: _____

Print Name: _____

Title: _____

Date: _____

WPCRF ALLOTMENTS UPDATE
January 13, 2026

Program	Grant Year	Grant Amount	Funds Remaining	% Complete
Admin	2022-2023 IIJA/BIL Supplemental	\$ 1,236,400	\$ 0	100%
	2024 IIJA/BIL Supplemental	\$ 727,640	\$ 71,062	90%
	*2025 IIJA/BIL Supplemental	\$ 0	\$ 0	0%
	Totals	\$ 1,964,040	\$ 71,062	96%

Program	Grant Year	Grant Amount	Funds Remaining	% Complete
Technical ("Technical") Assistance	2022 IIJA/BIL Supplemental	\$ 284,720	\$ 0	100%
	2023 IIJA/BIL Supplemental	\$ 333,480	\$ 333,065	0%
	2024 IIJA/BIL Supplemental	\$ 363,820	\$ 363,820	0%
	*2025 IIJA/BIL Supplemental	\$ 0	\$ 0	0%
	Totals	\$ 982,020	\$ 696,885	29%

*No Admin or Technical budget requested on 2025 IIJA/BIL Supplemental allotments.

COLORADO WATER RESOURCES
AND
POWER DEVELOPMENT AUTHORITY

RESOLUTION NO. 26-05

APPROVING THE RENEWAL OF
TRUSTEE AND CUSTODY AGREEMENTS WITH
U.S. BANK TRUST COMPANY, N.A.
FOR PROGRAMS OPERATED IN THE AUTHORITY'S
WATER OPERATIONS FUND

WHEREAS, the Colorado Water Resources and Power Development Authority ("Authority") issues bonds under its Water Revenue Bond Program under which U.S. Bank Trust Company, N.A., was appointed and has acted as Trustee pursuant to an Agreement (the "WRBP Trustee Agreement") that is to expire on February 8, 2026; and

WHEREAS, the Authority also issues Direct Loans under its Water Operations Fund through the SHLP, Interim Loan Program, and Authority loans and U.S. Bank Trust Company, N.A., has acted as Custodian for accounts and loan repayments on such Direct Loans; and

WHEREAS, Agreements have been reached between the Authority and the Trustee to renew and to enter into Trustee and Custody Agreements for the Authority's Water Operations Fund, Direct Loans, and, in connection therewith, to set certain fees for Trustee, Paying Agent, Escrow Agent, Registrar, Loan Servicer, and Custodian services; and

WHEREAS, it is the desire of the Authority to renew and extend the WRBP Trustee Agreement, and enter into the Custody Agreement, all for terms through February 8, 2029.

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

1. The proposed renewals of the WRBP Trustee Agreement substantially in the forms attached hereto as Exhibit A are approved and adopted;
2. The proposed Custody Agreements substantially in the form attached as Exhibit A are approved and adopted;
3. The Executive Director and the Assistant Secretary of the Colorado Water Resources and Power Development Authority are authorized and directed to execute the renewals of the WRBP Trustee Agreement, and the Custody Agreement.

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. 26-05 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 Aurora, Colorado on January 29, 2026.

Chair

Secretary



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Exhibit A
CUSTODIAN FEE SCHEDULE

U.S. Bank Trust Company, National Association (“U.S.Bank”) Global Corporate Trust
Schedule of Fees to provide to Trustee, Loan Servicer, Registrar, Transfer Agent,
Escrow Agent and Paying Agent Services

Trustee Agreement

Colorado Water Resources and Power Development Authority (the “Authority”)
Leveraged/Bond Administration for:
Drinking Water Revolving Fund (DWRF)
Water Pollution Control Revolving Fund (WPCRF)
Water Revenue Bonds Program (WRBP)

Effective 2/8/2026 through 2/8/2029

Acceptance Fee: Per New Series		\$3,150.00
A one-time fee covering our initial review of documents, account set-up and normal duties and responsibilities related to the closing. This fee is payable at closing.		
Annual Trustee Fee: Per Series		\$4,200.00
An annual fee that covers normal trustee, registrar and paying agent duties as defined by the governing documents; electronic and/or hard copy trust account statements; access to our Investment Advisory Services group to assist with investment of bond proceeds. This fee is payable annually on a calendar year basis in advance per series and will not be prorated in the event of early termination.		
Annual Leveraged Loan Administration Fee		
Annual Fee During Construction: Per Loan		\$340.00
Annual Fee Post Construction: Per Loan		\$230.00
An annual fee that covers invoicing of loan payments to the Borrowers; requisition processing; collection and monitoring of loan payments; and reporting status of payments to Authority. Annual Loan Administration fees for new bond issues will be prorated from the day of the bond closing and in the event of early termination.		
Annual Refunding Escrow and other Escrow Agent Fees: (Per Refunding Escrow)		\$500.00
For services of the agent described in the refunding escrow or other escrow agreement. This fee is payable annually in advance per year and is not subject to proration in the event of early termination. NOTE: The Issuer may elect to pay a one-time fee at closing which covers normal duties and responsibilities through final maturity.		



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Legal Counsel Fees and Expenses:	As Incurred
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I, on behalf of the undersigned, am duly authorized to sign on behalf of and bind the undersigned and hereby confirm receipt and agreement with all of the terms and conditions of this Schedule of Fees.

ACCEPTED BY:

Colorado Water Resources and Power Development Authority

By: _____

Print Name: _____

Title: _____

Date: _____

BOARD PROGRAM WORK SESSION

Minutes and Recommendations

December 4, 2025

Board Members: Mike Fabbre (Committee Chair), Chris Treese, Lucas Hale, Matthew Shuler, Steve Vandiver (virtual), Patti Wells (joined at 3:40 p.m.), Eric Wilkinson, Bruce Whitehead, and Karen Wogsland

Authority Staff: Keith McLaughlin, Jim Griffiths, Justin Noll, Wesley Williams, Kevin Carpenter, Heather Newton, and Giorgi Gazashvili

Others Present: Karl Ohlsen (virtual), Alex Hawley (virtual), Desi Santerre (virtual), Cynthia Thayer, Aly Ulibarri (virtual), Armando Herald (virtual)

Chair Mike Fabbre called the Board Program Work Session (“BPWS”) to order at 3:30 p.m. in the Authority’s conference room and via video/audio teleconferencing. He welcomed attendees and noted that Director Vandiver joined online, and Director Patti Wells was absent. He then invited Wesley Williams, Finance Director, to present agenda item #1.

Drinking Water Revolving Fund (“DWRF”) and Water Pollution Control Revolving Fund (“WPCRF”) Eligibility Lists

Wesley Williams remarked that the eligibility lists for the Drinking Water Revolving Fund and Water Pollution Control Revolving Fund must undergo an annual update per our statutes and the EPA. Mr. Williams provided the history, process, and timelines for the lists and indicated that entities must be on the list in order to receive funding for their projects. The eligibility lists, once approved by the Water Quality Control Commission, are modified to create a Joint Resolution and then submitted to the Colorado General Assembly. The Joint Resolution must be introduced to the General Assembly by January 15th and signed by the Governor by April 1st. Mr. Williams broadly reviewed the DWRF and WPCRF additions, modifications, and deletions for 2026 and highlighted the changes in number of projects and project cost estimates from 2025 to 2026, indicating an increase in need for water projects in Colorado. The DWRF Eligibility List included 11 additions, 1 deletion, and 34 modifications, for a total of 571 projects representing an estimated \$34 billion in funding need. The WPCRF Eligibility List included 9 additions, 1 deletion, and 20 modifications, for a total of 398 projects representing an estimated \$25 billion in funding need. A motion was made to approve the 2026 Drinking Water Revolving Fund and Water Pollution Control Revolving Fund eligibility lists and to incorporate the additions, modifications, and deletions into a Joint Resolution with the provision that staff can modify the list following further review and discussion with the Water Quality Control Division and to place on the consent agenda.

Motion: Karen Wogsland

2nd: Matthew Shuler

Vote: Motion carries unanimously

Principal Forgiveness Limits and Recommendations

Wesley Williams referenced the memo included in the BPWS materials which states that the State Revolving Fund (“SRF”) staff consistently reviews program demand, future projects and their estimated costs (“project pipeline”), and current, available levels of loan and Principal Forgiveness (“PF”) funding. Staff has agreed to make PF limit recommendations at the June and December Board meetings, and more often, as needed.

As a result of the 2025 DWRF and WPCRF Base capitalization grants, required PF, in addition to growing unallocated DWRF and WPCRF PF balances, and growing DWRF demand and project pipeline, staff is recommending two changes: 1. for DWRF IJA Supplemental, increase PF to \$2.5 million for DACs, and increase PF to \$1.5 million for IJA-eligible non-DACs; and 2. for WPCRF IJA Supplemental, increase PF to \$500,000 for IJA-eligible non-DACs. Staff recommends that the Board approve the recommended changes to the DWRF and WPCRF IJA Supplemental program PF limits as outlined in the table in the BPWS materials and above. A motion was made to recommend approval of the staff recommendations, as outlined above, and place it on the consent agenda.

Motion: Bruce Whitehead

2nd: Lucas Hale

Vote: Motion carries unanimously

Economic Update and Leveraged/Direct/Interim/DAC Program Interest Rates for 2026

Wesley Williams reminded the Board Program Work Session about the last economic update earlier in the year which covered the turbulent first six months of 2025, and then highlighted key events that occurred in the second half of 2025 to include the government shutdown, the GDP, job reports and inflation, the US FED interest rates, mergers and acquisitions, and recession risk indicators. Next, Kevin Carpenter presented information on the flattening yield curve, USDA and CWCB’s interest rates, the 30-year treasury yield, and the 2025 fall bond interest rate the Authority would have received if the Authority participated in a bond sale. Based on all the presented information staff recommends no changes to current interest rates. The Board concurred with staff recommendations to maintain interest rates at current levels for 2026. As no adjustments were made, no formal action was required. Market conditions will be monitored to determine if future interest rate changes are warranted.

State Revolving Fund (“SRF”) Prioritization Model - Open Loan Application Cycles

Wesley Williams provided background information on the loan application cycles noting in June 2024, the Board approved the new SRF Prioritization Model and incorporated it into the 2025 IUP, which was implemented on January 1, 2025. Overall, the Prioritization Model has generally functioned as staff anticipated; however, there is one adjustment related to the OPEN and LIMITED loan cycles that staff is recommending. With the revised model now in place, staff has observed a notable decrease in SRF application activity during the second half of the year. The structure of seven loan cycles, including two OPEN cycles for all projects and five LIMITED cycles for priority projects, has provided reliable funding for those projects with the greatest need. However, the lower-than-expected utilization during the later cycles has resulted in uneven workload throughout the year.

Giorgi Gazashvili presented data supporting the recommendation for the change in open loan application cycles. Staff is requesting the Board authorize two additional OPEN cycles on April 5th and June 5th to help balance application volume across the year, provide communities with additional opportunities to seek financing during a period of reduced demand, and support more consistent staff workflow. These additional cycles do not modify the prioritization structure previously approved by the Board but instead provide operational flexibility and better meet borrowers' construction schedules. There was discussion about how other states are prioritizing projects, whether the April cycle should remain a limited cycle, leveraged loan cycles and concern that loan applications will still be front-loaded at the beginning of the year. A motion was made to approve the recommended changes to the SRF prioritization model as outlined above and presented on page 37 of the BPWS packet.

Motion: Karen Wogsland

2nd: Eric Wilkinson

Vote: Motion carries unanimously

Committee Chair Fabbre adjourned the meeting at 5:54 p.m.

**COLORADO WATER RESOURCES
&
POWER DEVELOPMENT AUTHORITY**

PROJECT FINANCE COMMITTEE
MEETING AGENDA

January 20, 2026
Committee meeting at 9:30 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, Kevin Carpenter, Giorgi Gazashvili, and Daniel Lockard

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

AGENDA

1. DWRP Loan Application and DAC Business Case:

- Southeastern Colorado Water Conservancy District (IIJA/BIL and Base) – Direct Loan Request – Jim (**Board Action**)
- Bailey Water and Sanitation District – DAC Business Case – Kevin (**Board Action**)

Note: A Zoom conference call has been scheduled for **Tuesday, 9:30 a.m. January 20, 2026**. The link to join via online is: <https://us06web.zoom.us/j/82702499740?pwd=BEa2iqAT2uLtGfSvFrekdMhWbW0Ho4.1> If you prefer to dial in, the call-in number is: **1-719-359-4580**, and the Meeting ID is **827 0249 9740**. The passcode is: **992410**.



COLORADO WATER RESOURCES & POWER DEVELOPMENT AUTHORITY

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

PROJECT FINANCE COMMITTEE MINUTES

January 20, 2026

9:30 a.m. Zoom Conference Call

PROJECT FINANCE COMMITTEE

MEMBERS PRESENT:

Bruce Whitehead (Chair), Eric Wilkinson, Mike Fabbre, Karen Wogsland, Chris Treese (ex officio)

STAFF/COUNSEL:

Keith McLaughlin, Jim Griffiths, Wesley Williams, Ian Loffert, Kevin Carpenter Valerie Lovato, Danica Rowe, Giorgi Gazashvili, Heather Newton

DOLA:

Desiree Santerre, Cynthia Thayer, Victor Chen, Monica Munoz-Revelo,

WQCD:

Aly Ulibarri, Alex Hawley, Armando Herald, Sean Oliver, Erick Worker, Ana Ruiz, Kathy Boyer, Jeff Zajdel, Siobhan Yoest

OTHER BOARD MEMBERS:

Steve Vandiver, Patti Wells

The Project Finance Committee conference call was brought to order at 9:30 a.m. by Chair Whitehead.

DRINKING WATER REVOLVING FUND ("DWRF") PROGRAM

- **Southeastern Colorado Water Conservancy District**

Jim Griffiths presented the Southeastern Colorado Water Conservancy District's ("District") request for a DWRF Infrastructure Investment Jobs Act/Bipartisan Infrastructure Law ("IIJA/BIL") General Supplemental Disadvantaged Communities ("DAC") direct loan through the DWRF loan program in the total amount of \$45,000,000, comprised of *\$14,383,546 Base direct loan, *\$3,467,300 Base Principal Forgiveness ("PF"), *\$8,322,644 IIJA/BIL direct loan, and *\$18,826,510 IIJA/BIL PF. The total loan package will be *\$22,706,190 repayable loan and *\$22,293,810 PF. The District qualifies for IIJA/BIL eligibility and had a Business Case approved at the December 2025 Board meeting for Disadvantaged Community ("DAC") status. The District is responsible for constructing the spur and delivery lines that will deliver clean drinking water to 39 communities via the Arkansas Valley Conduit trunkline ("AVC"). Many of these communities are disadvantaged and have been using groundwater contaminated with naturally occurring radionuclides or salinity. This project will allow the communities to replace or use blending to provide safe drinking water from Pueblo Reservoir.

Chair Whitehead asked about the President's Veto and how that would affect the funding of the first phase of this project, which is building the trunklines. Mr. Griffiths explained that the District has enough funds to almost finish the trunklines. In case there is no more federal funding, they will rescind the funds, which is something that the Authority does on a regular basis. Mr. McLaughlin added some more context, citing the progress of the trunkline, which is through Boone, and then explained that the District has enough funding to build the trunkline up to the City of Rocky Ford, but it would need to secure additional funding to finish the trunkline.

Director Treese asked about the rescission process and why the Authority would do this instead of other options. Mr. Griffiths explained that the funding in hand would be a good stopping point for the first phase of the project and reiterated that the rescission process is a simple and common process for the Authority to implement when projects come in under budget.

Director Wells asked for some clarifications on what the Veto means in regard to the availability of the funds and in terms of the cost of the funding for the District. Mr. Griffiths confirmed that the money is still available to the District, and that the project essentially became more expensive for the participants. Mr. McLaughlin added that staff will check with the District to confirm the differences in numbers. Director Wells shared her support for the project despite some of the difficulties and her desire for the Authority to show the participants that they are not alone.

Director Wilkinson asked for clarification on the upfront cost recovery fees and if the Authority is considering waiving that fee. Mr. Griffiths explained staff's reasoning for including the cost recovery fee in the Memorandum Of Understanding ("MOU") and credit report and gave some context to previous Board discussions on the topic. Mr. Griffiths added that it is up to the Board to exclude such fees from the approved loan conditions, if desired.

Director Treese asked for further clarification on the timing of the Board's decision to include or exclude the cost recovery fee. Mr. Griffiths said at this Board meeting would be the appropriate time to set the fee or to authorize staff to negotiate the fee. Director Treese asked if there are any other risks associated with the funding of the project. Mr. Griffiths and Mr. McLaughlin responded there is a certain level of risk, but the District is confident that the funding will be there for project. Staff will reach out to the District with this question, in order to provide a more thorough answer at the Board meeting.

Director Whitehead asked about a scenario where there may be some cost overruns and if the funds could be used for other costs instead of the District rescinding them. Mr. Griffiths explained that the Authority could amend the project description on the loan agreement to include any other eligible costs that may be left over. Furthermore, this is also a very common practice in the State Revolving Fund ("SRF") program.

Director Wogsland asked about the effects of the Veto regarding the Colorado Water Conservation Board ("CWCB") funding, the costs for the participants, and the risks for the Authority. Mr. Griffiths explained that staff have already been working with several communities and they want to connect. However, Mr. Griffiths agreed with the point raised regarding the participants backing out due to costs, which could affect the revenue stream of the District. Staff have recently talked with CWCB and they are still on Board with this funding package. Mr. Griffiths added that there's no financial or repayment risk; however, there may be a reputational risk if the project does not finish construction. Mr. McLaughlin added that the project is necessary and the participants want to connect, because there are agreements with the communities to connect. However, the risk of the project is that the trunklines will be built and no one will connect. The Veto increased this risk by raising the cost for the communities to connect to the AVC.

Director Wilkinson asked for further clarification on the Veto and if the participants are receiving any federal funding other than the SRF program. Mr. Griffiths explained that most of the federal funding coming from the Bureau of Reclamation is going to the District to build the trunkline and not to the participating communities. The SRF and the U.S. Department of Agriculture ("USDA") programs are the ones working directly with the communities looking to connect to the AVC. Mr. Griffiths added that the Veto makes it more costly for those communities to connect by not allowing for federal loan forgiveness, or cutting of the rates, etc. Director Wilkinson followed up by sharing his concerns regarding any additional funding sources the District might pursue with unfavorable terms. Mr. Griffiths agreed with this point and responded that the federal funding is just for the trunk line and the District might have to reconsider some additional funding sources due to the changes in terms caused by the Veto. Director Wilkinson asked when the trunk and spur lines are completed that the District and the participants will be obligated with the operation and maintenance ("O&M") of the lines. Mr. Griffiths responded that is his understanding as well and that the District may have agreements with the participants, so they share in the cost of the O&M for the lines. Mr. McLaughlin responded that he is not sure if the Veto affects future money only and could have an effect on the current funding so he will pass that question to Leann Noga of SECWCD.

Chair Whitehead added he would like to include the upfront cost recovery fee with the approval of this request when it is presented to the Board. Mr. Griffiths added some context to how the Authority came up with the cost recovery fee estimate and suggested the staff take another look at the number before the Board meeting.

Director Wogsland asked for clarification on what is in the MOU regarding the cost recovery fees. Mr. Griffiths responded that he believes there are no specific numbers in the MOU, but there is an ability for the SRF to charge such fees.

Director Wilkinson added he liked Mr. Griffiths' idea of providing a good estimate for the upfront cost recovery fee at the Board meeting for the Board to consider. Director Treese agreed with Director Wilkinson and added some of his concerns regarding setting a precedent. Director Treese believes in the exclusion of AVC to the cost recovery fee policy and suggested further discussion on this topic at the Board meeting.

Director Wells asked for further clarification on the language of the MOU on the ability to charge a fee. Mr. Griffiths gave some context to the decision-making process on why the ability to charge a fee was included in the MOU, which is related to the timing of the payments, not allowing for any interest earnings. Director Wells shared her thoughts that the application discussion should not be dominated by this topic. Mr. Griffiths suggested that the Board can pass this responsibility to staff to come up with a reasonable number for this fee.

Director Wogsland shared her thoughts on the topic and believes that the Authority should charge a fee, because there are some Private Non-Profits ("PNPs") involved in this project, therefore it could be setting a precedent. Mr. Griffiths reiterated that he will review the meeting minutes and come to the Board meeting with a revised recommendation.

Director Wogsland made a motion to forward the loan application to the full Board with a favorable recommendation, subject to all applicable terms and conditions, with direction for staff to review the loan further and to provide a recommendation to the full Board regarding the cost recovery fee.

Motion: Karen Wogsland

2nd: Chris Treese

Vote: Motion Carried

- **Bailey Water and Sanitation District**

Kevin Carpenter presented the Bailey Water and Sanitation District's ("District") DAC Business Case request. The District is seeking approval of a DAC Business Case to allow for potential access to a reduced interest rate through the DWRP program, and DAC approval would qualify the District to receive IJJA/BIL PF and/or Base DAC PF, if available. The District was previously approved for a DAC Business Case on October 6, 2023; however, the 18-month window period for District to apply under this approval has expired. The proposed project will include the expansion of the facility's hydraulic capacity, additional treatment and pre-treatment processes for heavy metals, as well as the construction of a second infiltration gallery, and a new water treatment plant ("WTP") building.

Director Whitehead asked for clarification on the Board's ability to extend that window and asked if the District could've applied during that window. Mr. Carpenter responded that the 18-month window has not been extended in the past and that the Board has actually tightened the window for the DAC period to 12 months. Mr. Carpenter then added it could be a combination of the District being slower to respond due to not having all cost estimates in place and other project delays as being the reason they did not submit an application within the 18-month window. However, the District has now applied for a loan alongside the Business Case request, signaling that they are ready to move forward with this project.

Director Wells shared her concerns on the changes between the 2023 and 2025 data, associating it with new higher income additions to the block group, which could be skewing the data. Director Wells added that she would prefer to have some additional information regarding how the data has increased over the 2-year period and who is included in the block group. Ms. Santerre responded that the big jump in data could be associated with how the District uses comparisons to the ACS data, as the Demographer's office stated comparing data sets to each other. This is not advised for the Business Cases and DOLA is considering taking comparisons out of future Business Cases.

Director Whitehead added his interpretation of the data, which is that the previous data was not reliable and the current data presented is reliable.

Director Treese agreed with Director Whitehead's comments on the reliability of the data, noting the Coefficient of Variation ("CV") percentages.

Director Treese asked for clarification on the three scenarios presented in the Business Case. Mr. Carpenter and Mr. Loffert clarified that the Board has the ability to approve the District for DAC and IJJA/BIL benefits, IJJA/BIL benefits only, or neither (denial).

Director Wogsland asked about the reason for the unreliability of the 2023 block group data. Ms. Santerre answered that the most likely reason is the lack of responses associated with the survey data, especially for a small District. Director Wogsland asked if staff could take a look at what changed. Ms. Santerre added that she will look to see who is included in the Block group data and report to the Board.

Director Wogsland followed up with a clarification question about the secondary factors on the DAC criteria. Mr. Carpenter responded that the difference comes down to Category 1 vs Category 2 DAC determination.

Director Wilkinson asked about how the Median Home Value ("MHV") value is being calculated, because there is a big difference between the Median Household Income ("MHI") and the MHV values. Ms. Santerre explained that these are two different data sources and it also depends on what type of entity is being evaluated. In this case, the data came from the Assessor's office.

Director Wilkinson further shared his concerns about the reliability of the data and shared his thoughts on how close a decision this is. He shared his support for the Business Case, due to previous determinations and the District being ready to apply and move forward.

Director Wells shared her thoughts on the Business Case and the letter that was submitted by the District, citing that the District would meet the hardship criteria (secondary factors S4b and S5b) at the time of the loan.

Director Wogsland shared her concerns regarding the weight of the P1 criteria, citing previous Business Cases where the P1 MHI criteria has been an issue. Director Wogsland agreed with Director Wilkinson's comments on the closeness of the Business Case and offered a definitional distinction between the reliability vs the representation of the data.

Director Treese asked if the District is even able to meet scenario three, considering the reliability of the MHI data. Mr. Carpenter clarified that the MHI data is reliable; however, the argument in the Business Case is that it is not representative of the District, and scenario three would not come into play in this case.

Director Whitehead shared his opinion on the process of the Business Case, citing previous decisions made by the Board where the data was unreliable.

Director Wogsland asked about some similar previous examples where this has happened. Mr. McLaughlin added that staff has seen the data change on most projects, but this is a unique case because it was a drastic change. Ms. Ulibarri added that the project did have delays and SRF staff has provided the District with D&E funds, which requires a loan application to fully utilize. The District has shared that the project is unaffordable and will not move forward with the project without receiving PF.

Director Fabbre shared his thoughts on the complexity of the request and followed up with the County moratorium referenced in the letter provided by the District and if that played a role on the delays on this project. Mr. Carpenter said he will pass that question to the District to be addressed at the Board meeting.

Director Wells pointed out that the population of the District is a third of the block group and it is not too far of a stretch to say the MHI is not reflective of the District. Mr. Loffert shared a comparison of the Block group data used for the two Business Cases and shared that the Block group did not significantly change; however, the District is much smaller than the Block group.

Director Vandiver shared his thoughts on this request and stated that he'd like to have further discussion at the Board meeting.

Director Wilkinson made a motion to forward the DAC Business Case request to the full Board with a favorable recommendation to approve the Business Case, due to the MHI data being non-representative of the District.

Motion: Eric Wilkinson

2nd: Karen Wogsland

Vote: Motion Carried with one in opposition (Director Treese)

The meeting was adjourned at 11:17 a.m.

* - Estimated PF and direct loan amounts through the IIJA/BIL and/or Base programs. The exact amount will be based on the IIJA/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.



S O U T H E A S T E R N C O L O R A D O

Water Conservancy District

"Your investment in water"

December 16, 2025
For Immediate Release
Contact: Chris Woodka
(719) 289-0785

Finish the AVC Act passes Senate

Federal legislation that will help build the Arkansas Valley Conduit (AVC) at an affordable cost to participants cleared the U.S. Senate on Tuesday, December 16, 2025 by unanimous acclamation.

Senator Michael Bennet spoke on the Senate floor Tuesday on the importance of the "Finish the Arkansas Valley Conduit Act."

"This is the last component of the Fryingpan-Arkansas Project, a federal diversion and storage project approved by Congress in 1962," Bennet said. "This lowers the interest rate and provides more flexibility in payment. ... This relieves a huge challenge to these communities, many of whom must now rely on contaminated drinking water."

Bennet was joined by Senator John Hickenlooper and Representatives Lauren Boebert and Jeff Hurd, who secured passage of an identical bill in the House of Representatives in July.

The bill reduces interest payments and allows for a federal determination of economic hardship to relieve payment obligations. This will allow local communities more flexibility to finish their investments in this critical project.

The Southeastern Colorado Water Conservancy District sought the legislation in 2024, after the estimated cost of the project doubled because of inflation in the construction industry.

"We cannot thank Colorado's Congressional delegation enough for the effort they put into making this bill a reality," said Bill Long, President of the Southeastern District board. "The

AVC has always enjoyed bipartisan support, but this effort was simply above and beyond in terms of importance to the people of Southeastern Colorado.”

Upon completion, the Arkansas Valley Conduit would provide access to clean water to 50,000 residents in 39 communities in Southeast Colorado, including Pueblo, Bent, Prowers, Kiowa and Baca Counties. The project was authorized in 1962 and was delayed because of the cost to the participants. AVC Construction began in 2023, and continues to progress.

Trump vetoes bipartisan bill to fund clean water pipeline in southeastern Colorado

The “Finish the Arkansas Valley Conduit” act was supposed to help rural communities on the Eastern Plains pay for their share of the long-delayed pipeline

Chuck Murphy 3:59 AM MST on Dec 31, 2025



A heavy equipment operator places a section of 30-inch diameter pipe into a trench during construction of the Arkansas Valley Conduit Sept. 26, 2023 near Pueblo, Colo. Upon completion, the conduit, a 130-mile, \$350-million pipeline, will deliver filtered water to 50,000 people in southeastern Colorado. (Mike Sweeney, Special to The Colorado Sun)

A plan to help local communities pay their share of the long-sought Arkansas River Valley conduit passed Congress with strong bipartisan support, but came up one vital signature short of becoming a reality.

President Donald Trump on Monday vetoed the “Finish the Arkansas Valley Conduit Act” despite its sponsorship by fellow Republicans and the significant benefits it would provide to southeastern Colorado, where his support runs deep. The conduit, which broke ground in 2023, will provide clean water for farming, factories and households. The bill would have given local communities 100 years to pay back no-interest federal loans for their share of the project.

“Enough is enough,” Trump said in a veto message to Congress. “My administration is committed to preventing American taxpayers from funding expensive and unreliable policies. Ending the massive cost of taxpayer handouts and restoring fiscal sanity is vital to economic growth and the fiscal health of the nation.”

That’s not how everyone sees it.

The Congressional Budget Office estimated the bill would cost the federal government less than a half million dollars. The U.S. Bureau of Reclamation calls the conduit a “major infrastructure project that, upon completion, will provide reliable municipal and industrial water to 39 communities in southeast Colorado.”

The project would also provide badly needed jobs for the area.



“This isn’t a frivolous project,” Southeastern Colorado Water Conservancy District Senior Policy and Issues Manager Chris Woodka said. “It’s a project that meets federally mandated standards for water quality to ensure that 50,000 people are drinking clean, not carcinogenic, water.”

Woodka said the water district is working with the congressional delegation to figure out next steps, and won’t give up on the project.

The bill passed via voice vote in the House and unanimous consent in the Senate. That huge Congressional support for the project would seem to make the veto ripe for an override, but that would require testing the will of Republican leaders in both chambers to allow a vote and take on their party’s leader. Such a challenge to Trump is no sure thing.

Legislation authorizing and funding completion of the project is perhaps the most impactful bill sponsored by Republican U.S. Rep. Lauren Boebert during her time in Congress. And while she didn’t raise the specter of a veto override, she nonetheless was not shy about expressing her displeasure with the president.

“President Trump decided to veto a completely non-controversial, bipartisan bill that passed both the House and Senate unanimously,” Boebert said in prepared statement. “If this administration wants to make its legacy blocking projects that deliver water to rural Americans; that’s on them.”

Boebert also questioned the president’s motives for the veto, suggesting it might be retribution because she helped ensure a vote on releasing files related to Jeffrey Epstein, who died in jail while await trial on sex trafficking allegations.

“I sincerely hope this veto has nothing to do with political retaliation for calling out corruption and demanding accountability,” Boebert said. “Americans deserve leadership that puts people over politics.”

Republican U.S. Rep. Jeff Hurd was a cosponsor of the House version of the bill, while Democratic U.S. Sens. Michael Bennet and John Hickenlooper introduced it in the Senate.

Democrats in Colorado’s delegation were also quick to label the veto an act of reprisal, with Bennet posting on X: “This isn’t governing. It’s a revenge tour.”

Hickenlooper added on X that “Congress should swiftly overturn this veto.”

The project has been on the drawing board since the 1960s. It was designed to eventually stop groundwater withdrawals in the area, which can produce water tainted with radioactivity.

The 130-mile conduit would bring water from Pueblo Reservoir to Bent, Kiowa, Crowley, Otero, Prowers and Pueblo counties. The original legislation required the state and communities to fund 100 percent of the cost, but President Barack Obama and Congress opened the door to federal funding in 2009.

“The vetoed legislation did not authorize new construction spending or expand the federal government’s original commitment,” Hurd said in his statement about the veto. “More than \$200 million has already been invested, alongside significant state and local contributions. Further delay risks stranding taxpayer dollars and leaving communities without a viable path to meeting drinking water standards.”

Groundbreaking on part of the project actually took place in 2023, but it was always known that federal funding would be needed to complete the entire conduit.

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standards.

WATER

Arkansas Valley pipeline has about 3 years of cash left to keep building, despite presidential veto

But local and state officials say without more help from the feds, the project to bring safe drinking water to southeastern Colorado will be halted again



Jerd Smith

3:59 AM MST on Jan 20, 2026



A workers aligns a section of 30-inch pipe into the Arkansas Valley Conduit ditch near Avondale Sept. 22, 2025. A number of towns in the lower Arkansas Valley that have water quality issues have contracted to receive water from the \$1.39 billion 130-mile Arkansas Valley

Conduit upon its completion. The conduit was authorized by Congress as part of the Fryingpan-Arkansas Project in 1962 and will deliver filtered water ready for treatment from Pueblo Reservoir over 65 years later. (Mike Sweeney, Special to The Colorado Sun)

Water officials and Colorado’s congressional representatives are scrambling to find an affordable path forward for communities in the Lower Arkansas Valley who had hoped the federal government would help them lower their costs for a critical clean water pipeline.

President Donald Trump vetoed the bipartisan Finish the Arkansas Valley Conduit Act on New Year’s Eve, and despite Colorado’s efforts, Congress on Jan. 8 **declined to override** the veto.

Construction on the **\$1.39 billion pipeline began in 2023**. There’s enough money left from the \$500 million appropriated by Congress to continue building for another three to five years, according to Bill Long, president of the board for the Pueblo-based Southeastern Water Conservancy District. The district operates the federal Fryingpan-Arkansas Project and is overseeing pipeline construction for the U.S. Bureau of Reclamation.



This Fresh Water News story is a collaboration between The Colorado Sun and Water Education Colorado. It also appears at wateredco.org.

That means the **pipeline should eventually reach Rocky Ford**, a point roughly halfway between its start east of Pueblo Reservoir and its endpoint farther east, near Lamar. “It’s when we get to the second half of the project where it will be challenging to build and repay our portion of the debt,” Long said. “Without this legislation there will be a point where we will have to stop.”

“We may have to wait this administration out”

What comes next isn’t clear, though members of Colorado’s congressional delegation and water officials in the Lower Arkansas Valley said they are evaluating their options for taking another run at the issue in Congress.

“Obviously things are up in the air,” Long said.

“Sooner rather than later we may be looking at a new piece of legislation, but the question is would this administration be amenable to a new piece of legislation. If we can’t find something, we may have to wait this administration out,” he said.

Waiting for clean water in the Lower Arkansas Valley is nothing new.

First envisioned as part of the U.S. Bureau of Reclamation’s Fryingpan-Arkansas Project in 1962, the pipeline languished on paper for decades because of high costs. The 130-mile pipeline starts just east of Pueblo and will extend out to Lamar, serving 39 communities.

The need for clean water in the Lower Arkansas Valley became apparent in the 1950s — earlier, by some accounts — when wells drilled near the Arkansas River were showing a range of toxic elements, including naturally occurring radium and selenium. Both can cause severe health problems, including bone cancer and lung issues if high amounts are consumed.

Without safe drinking water, towns in the region have either had to haul water or install expensive reverse osmosis plants to purify their contaminated well water.

Things changed on **the stalled project in 2023, when Congress directed some \$500 million toward the pipeline.**

The legislation would have gone further, allowing the repayment terms on the loans from the federal government to be extended to 75 years, up from 50 years, and to cut interest rates in half, from 3.046% to 1.523%. The legislation also would have allowed the project to be classified as one of hardship, a move that may have allowed the U.S. Bureau of Reclamation to forgive some loan payments if a case for economic hardship could have been made.

The conduit project is also partially funded with grants and loans from state agencies, including the Colorado Water Resources and Power Development Authority.

 **READ MORE**



In Rocky Ford, watermelons, ditches and the Arkansas River tie a community to its past and inform its future

► FULL STORY

“The act was an important step in making this project affordable,” said Keith McLaughlin, executive director of the Colorado Water Resources and Power Development Authority. “Obviously we’re disappointed.”



Tandy Bitner fills a pair of water coolers on Sept. 23 at the May Valley Water station in Wiley. Groundwater in the area exceeds maximum contaminant levels for radium and end users have to treat their drinking water with a reverse osmosis system or water softening system. Or, they can purchase treated water from May Valley Water. (Mike Sweeney, Special to The Colorado Sun)

Colorado politicians say they’re still working to push legislation through. The bipartisan act was sponsored by Colorado Republican U.S. Reps. Lauren Boebert and Jeff Hurd, whose congressional districts take in the communities to be served by the pipeline, and Democratic U.S. Sens. John Hickenlooper and Michael Bennet.

Trump’s veto of the measure is widely seen as being the result of ongoing conflicts between his administration and Colorado Gov. Jared Polis, a Democrat, including a request to pardon former **Mesa County Clerk Tina Peters, who is serving a nine-year prison term** for orchestrating a data breach of her county’s elections equipment. Polis so far has declined to intervene in that case, although he did describe Peters’ sentence as “harsh,” leading some to speculate that he might commute it. In a statement, Polis said he was hopeful that Congress would ultimately succeed in approving some form of aid to help complete the conduit.

Neither Boebert nor Hurd responded to a request for comment. But Hickenlooper said that the congressional delegation continues to work on a new path forward.

“The people of southeastern Colorado have waited 60 years for clean, safe drinking water. We’re continuing to work with our partners in the delegation to complete the Arkansas Valley Conduit and deliver on the federal government’s promise,” Hickenlooper said in an email.

Feds release draft report outlining management plans for Colorado River's future

The report is the next major step in a contentious, yearslong process to replace current management rules for the river's key reservoirs, which end this fall

Shannon Mullane 12:43 PM MST on Jan 9, 2026



The Colorado Cattlemen's Agricultural Land Trust conservation easement on the historic Nottingham Ranch above Bond includes senior water rights equalling 163 cubic-feet-per-second of flows on the Colorado River. (Todd Winslow Pierce, Special to The Colorado Sun)

The Bureau of Reclamation on Friday released a draft of options for how to manage the Colorado River water supply for years to come — one that could break a logjam in negotiations among states over the river's future.

The federal agency, seven states, 30 tribal nations and Mexico — along with environmental, industrial, recreational and other groups — have been debating for years how to manage the Colorado River's key reservoirs once the current

management rules end in August. Friday's draft report is the next major step in deciding how to replace those rules.

"Colorado looks forward to reviewing the report. Questions about the draft EIS should be directed to the Department of Interior and Bureau of Reclamation," the state's Colorado River team said in an email to The Colorado Sun.

"The Department of the Interior is moving forward with this process to ensure environmental compliance is in place so operations can continue without interruption when the current guidelines expire," Andrea Travnicek, the department's assistant secretary for water and science, said in a news release Friday. "The river and the 40 million people who depend on it cannot wait. In the face of an ongoing severe drought, inaction is not an option."

The more than 1,600-page report, called a draft environmental impact statement, is a required step in a yearslong process under the National Environmental Policy Act to replace the expiring management rules. It details five alternatives for how to manage the water supply, including one required "no action" option.



These options come from the feds — not basin states. The Department of the Interior and its subagency, the Bureau of Reclamation, called on the seven basin states, including Colorado, to agree on a management plan. If they can agree, it would become the preferred alternative, i.e., the final game plan for the basin, federal officials have said.

Those state leaders, however, have been at an impasse since early 2024, when they released competing management proposals. They missed a deadline in November to share high-level glimpse of a unanimous proposal, and they failed to share updates on progress again in December.

They have disagreed over everything from which reservoirs should be managed under the post-2026 rules to how long the rules will last. One major sticking point: How will the basin cut back on water use in its driest years, and who will feel the pain the most?

The four Upper Basin states — Colorado, New Mexico, Utah and Wyoming — have been operating as a single bloc. They've repeatedly asserted that they are already forced to make cuts in dry years and should not be required to cut back more.

These states are closer to the headwaters of the Colorado River and its major tributaries and their water users often do not have large upstream reservoirs to help pace the flow of water downstream.

Colorado's largest reservoir, Blue Mesa, is dwarfed by the immense reservoirs further downstream — Lake Powell, on the Utah-Arizona border, and Lake Mead, on the Arizona-Nevada border.

Lake Powell and a downstream reservoir, Lake Mead, can store up to 53.9 million acre-feet (Blue Mesa's capacity is about 940,000). Both lakes Powell and Mead, which make up about 92% of the reservoir storage capacity in the entire Colorado River Basin, have fallen to about a third of their individual capacities because of prolonged drought, a changing climate and persistent human demands.

One acre-foot equals 325,851 gallons of water, or roughly the annual water use of two to four urban households.

The three Lower Basin states — Arizona, California and Nevada — have said they've also cut back on their water use and future shortages need to be shared among all seven basin states.

In the basin's driest years, these water shortages could force large cities like Phoenix to dip into other water supplies and farmers and ranchers to end seasons early. They could impact hydroelectric power generation, local economies and even the nation's food system.

State officials were still firm on their disagreements at the basin's largest gathering, the Colorado River Water Users Association conference last month in Las Vegas.

"As long as we keep polishing those arguments and repeating them to each other, we are going nowhere," John Entsminger, the governor-appointed negotiator for Nevada, told the gathering.

Historically, the federal agencies have stepped in to facilitate agreements among states on water issues. In 2023, they released a similar draft of management alternatives for the basin before 2026. The options showed the water cuts the federal government was willing to consider — and encouraged states to agree on their own solution after months of disagreement.

Water watchers around the basin will have a chance to comment on the post-2026 alternatives during a public comment period from Jan. 16 to March 2. The federal agency will also host two virtual meetings to share more details on the draft Jan. 29 and Feb. 10.

The draft alternatives are designed to cover a broad range of potential outcomes after 2026, the executive summary said. The five alternatives are:

- "No action" alternative
- Basic coordination alternative
- Enhanced coordination alternative
- Maximum operational flexibility alternative
- Supply driven alternative

Some options include water cuts in the Lower Basin of up to 4 million acre-feet. Several call for conservation in the Upper Basin of 200,000 acre-feet each year or up to 350,000 acre-feet over the first 11 years.

Lower Basin officials have already offered to conserve 1.5 million acre-feet per year and proposed cuts of up to 3.9 million acre-feet per year to balance the basin's water supply in its driest years.

The Upper Basin officials have emphatically opposed mandatory conservation amounts, committing instead to voluntary conservation efforts.

“Colorado is committed to protecting our state’s significant interests in the Colorado River and continues to work towards a consensus-based, supply-driven solution for the Post-2026 operations of Lake Powell and Mead,” the state’s prewritten statement said.

The basic coordination alternative outlines what could be implemented in 2027 if states cannot agree, according to the executive summary of the alternatives.

Under this option, Lake Powell would primarily release between 7 million and 8.23 million acre-feet per year, even if much less water flows into the reservoir. (In the 2025 water year, about 5.4 million acre-feet of water entered Lake Powell.)

The Lower Basin states could face shortages of up to 1.48 million acre-feet under this alternative.

The alternatives reflect input gathered during more than 100 meetings. The enhanced coordination option, for example, draws from tribal and federal input. The maximum operational flexibility analysis pulls from proposals shared by conservation organizations, and the supply driven option incorporates elements of competing state proposals.

In some cases, the draft analysis sets up guidelines for how water should be managed. In others, the federal plans walk the line, offering broad parameters to give states wiggle room to negotiate.

Interior’s proposal is for the post-2026 agreement to last for about 20 years. That would cut out discussions of longer periods, like 50 years, that have been floated.

More recently, state officials have suggested a shorter, ramp-up period to help them adapt to whatever cuts and water management changes are finalized. The Secretary of the Interior is open to that option if it helps states reach consensus, the executive summary said.

It focused on lakes Mead and Powell — although it kept the door open for other upstream and downstream actions.

(Which reservoirs are included has long been a contentious issue among states. Upper Basin states don't want upstream reservoirs to be drained to supply thirsty downstream metropolises. Lower Basin states want water in all federal reservoirs to be counted as part of the basin's water supply.)

The federal report did not identify a preferred option because it did not have a joint agreement from the basin states, the report said.

Looking ahead, time is ticking down to find a way to balance the basin's supply and demand.

Water savings accounts at lakes Mead and Powell are critically low — and the amount of water flowing into them varies widely from year to year. Climate models show the basin is looking at a drier future.

The basin is facing a central trade-off: balancing the potentially profound impacts of water cuts with the need to maintain reservoir storage, the federal report said.

“If conditions do not improve, achieving a balance is more difficult, and, under critically dry futures, even large and unprecedented reductions may not be enough to stabilize storage,” the report said.

Shannon Mullane Colorado River Reporter

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Shannon Mullane writes about the Colorado River Basin and Western water issues for The Colorado Sun. She frequently covers water news related to Western tribes, Western Slope and Colorado with an eye on issues related to resource management,... **More by Shannon Mullane**



E-Newsletter | December 2025



Final Chimney Hollow Virtual Tour and Timelapse Videos

A new reservoir built for 11 water providers and a power utility is nearly complete, and the Northern Water video team has taken the opportunity to show off the work that has gone into the final push to the finish.

In the final [Chimney Hollow Reservoir Project Virtual Tour](#), the project team gives a look at the project nearly complete, as well as an overview on what it's like to demobilize a project of this size.

Northern Water has been monitoring the work since before the groundbreaking of the project in August 2021. From a camera located on the ridge above reservoir site, images have been recorded daily to bring the public a view of the action. You can also watch the entire construction of the Chimney Hollow Reservoir Project from August 2021 through October 2025, in the [final timelapse video](#).



Initial Water Delivery into Chimney Hollow Reservoir Delayed

Northern Water and the Chimney Hollow participants have decided to allow more time to gather additional water quality data before initial delivery of water into Chimney Hollow Reservoir. As a result, the initial delivery of water into the reservoir that was scheduled for November 2025 has been postponed. This initial delivery of water into Chimney Hollow is now expected in early 2026; Northern Water will update the public once the delivery is scheduled.

After the discovery of naturally occurring uranium at Chimney Hollow Reservoir, many avenues of data collection have been initiated to learn more about this situation and inform mitigation decisions. In mid-October, Northern Water announced that a small amount of water (less than two percent of the total capacity) would be moved into the reservoir to allow time for real-time data collection and investigations to advance. Once additional data has been collected and further evaluations have been completed, those plans will resume. Project participants have not expected or planned for delivery of water to occur for several years, and this postponement will not affect community water supplies.

While the discovery of mineralized uranium has caused Northern Water and the Chimney Hollow participants to modify its plans, uranium is an issue that can be safely managed. The new reservoir remains an important part of securing future water supply needs for Northern Colorado. Please visit the [Water Quality page on our website](#) where we have included more information and a list of Frequently Asked Questions



Project Participants Celebrate Construction Wrap Up

The Northern Water Municipal Subdistrict Board of Directors and project participants gathered on site in November to commemorate the completion of construction at Chimney Hollow Reservoir.

Continue to Receive Updates from Northern Water by Signing Up for Northern Water E-Waternews

This will be the last regular edition of the Chimney Hollow Reservoir Project newsletter. Although we will have sporadic updates throughout the filling of Chimney Hollow Reservoir, the best way to stay in the loop on regional water news and updates on other Northern Water projects, sign up for Northern Water E-Waternews, our main monthly e-newsletter.

If you are currently signed up for the Chimney Hollow Project e-newsletter, you will not be automatically added to Northern Water E-Waternews. [You must opt in and sign up to receive those updates.](#)

[Sign Up for E-Waternews](#)

Stay Connected

Visit the Northern Water [website](#) for the latest news and project highlights.

Also, connect with us on [Facebook](#), [LinkedIn](#) and [X](#)!



About Chimney Hollow Reservoir

The Chimney Hollow Reservoir Project is a collaboration between 12 Northeastern Colorado water providers to improve the reliability of, or make firm, water supplies from the Windy Gap Project. Chimney Hollow Reservoir will be located just west of Carter Lake in Larimer County to provide dedicated storage to supply a reliable 30,000 acre-feet of water each year for future generations.

Northern Water

220 Water Ave. | Berthoud, CO 80513

800-369-RAIN (7246) | www.northernwater.org



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Colorado Water Resources and Power Development Authority

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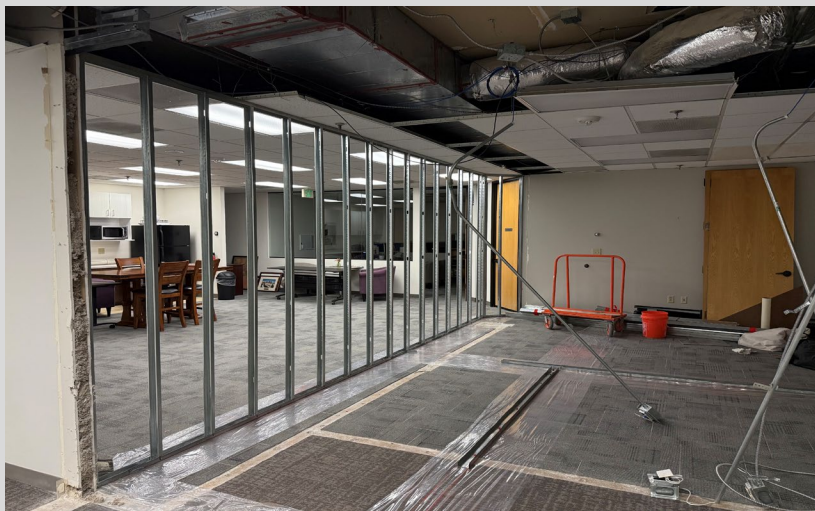
**January 29, 2026
Board Meeting**

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Colorado Water Resources and Power Development Authority

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Construction Update

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Construction Update Continued

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Construction Update Continued

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Construction Update Continued

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Construction Update Continued

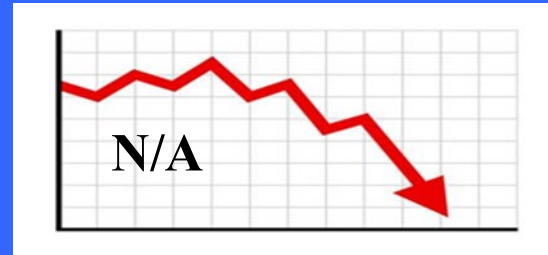
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Southeastern CO Water Conservancy District – DWRF

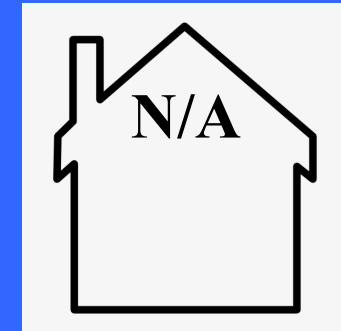
Resolution No. 26-02 , IIJA/BIL and Base Direct Loan



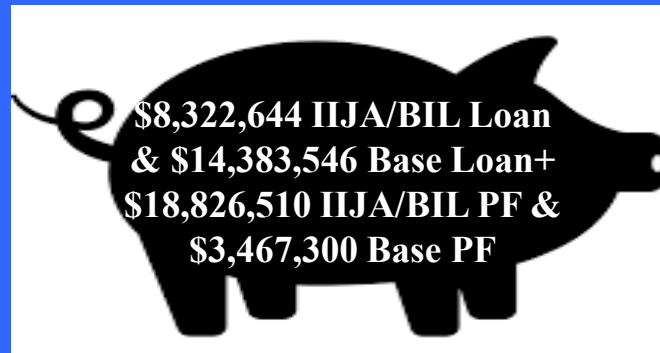
Interest Rate =



Term =



Loan Amount =



PFC Recommends =

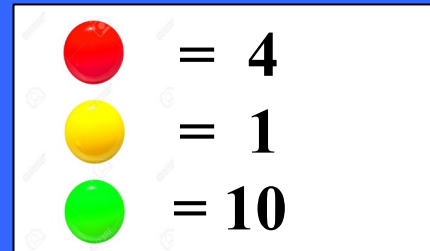


Pledge = CWCB Grant

Subject To =



Indicators =



Additional Info =

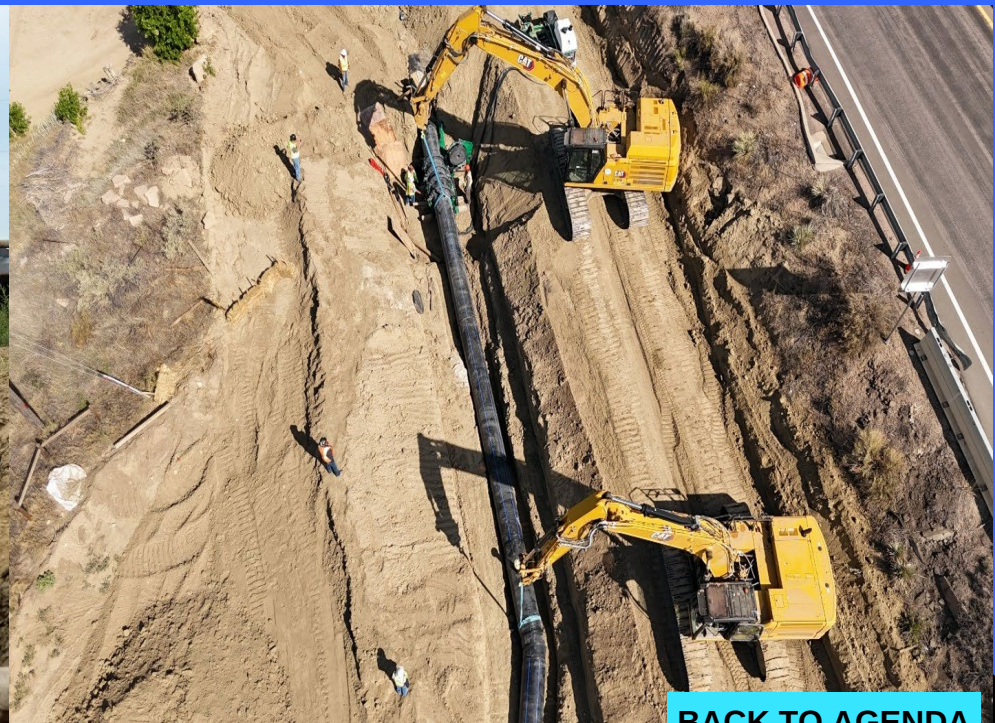
O&M Reserve = **737%**
Bid process = DBB
Contingency = 18%

Southeastern CO Water Conservancy

District - DWRF



The District is responsible for constructing the spur and delivery lines that will deliver clean drinking water to 39 communities via the Arkansas Valley Conduit trunkline (“AVC”). Many of these communities are disadvantaged and have been using groundwater contaminated with naturally occurring radionuclides or salinity. This project will allow the communities to replace or use blending to provide safe drinking water from Pueblo Reservoir.



Bailey Water and Sanitation District - DAC Business Case



The proposed project will include the expansion of the facility's hydraulic capacity from 30 gallons per minute (gpm) to 40 gpm, additional treatment and pre-treatment processes for heavy metals, as well as the construction of a second infiltration gallery, which will increase the raw water supply, and a new water treatment plant (WTP) building with adequate space.

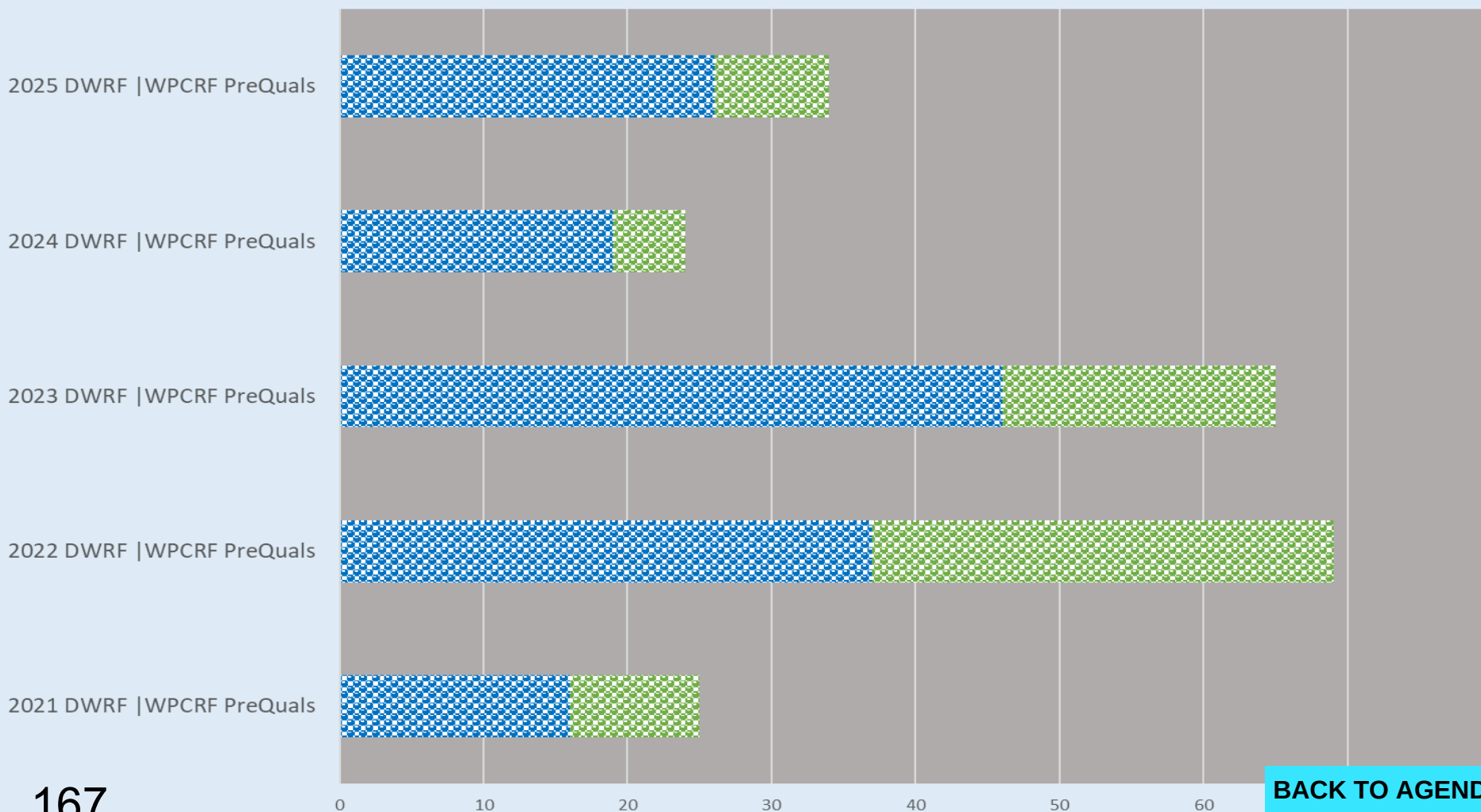
<u>Factor</u>	<u>Entity Figures</u>	<u>Benchmark</u>	<u>Qualify?</u>	<u>Notes</u>
P1: MHI	\$127,188	$\leq \$73,976$	No	Reliable with a 14.08% CV. Margin of error is +/- \$29,462
P2: MHV	\$347,891	$\leq \$401,760$	Yes	Assessor data
P3: County Unemployment or County Jobs	3.20% 31.04%	$\geq 4.47\%$ $\leq 0\%$	No	
S1: County MHI	\$95,450	$\leq \$73,976$	No	
S2: Population change	N/A	$\leq 0.0\%$	N/A	
S3: AV/Households	\$54,877	$\leq \$24,308$	No	
S4a: Current system debt	0.00%	$> 0.64\%$	No	With the additional debt from the proposed loan, the District is projected to meet this benchmark at loan application.
S5a: Current system cost	3.15%	$> 2.12\%$	Yes	



DWRF - WPCRF

Year Recap: Pre-qualifications

SRF Pre-Qualification Applications Recieved Yearly Comparison

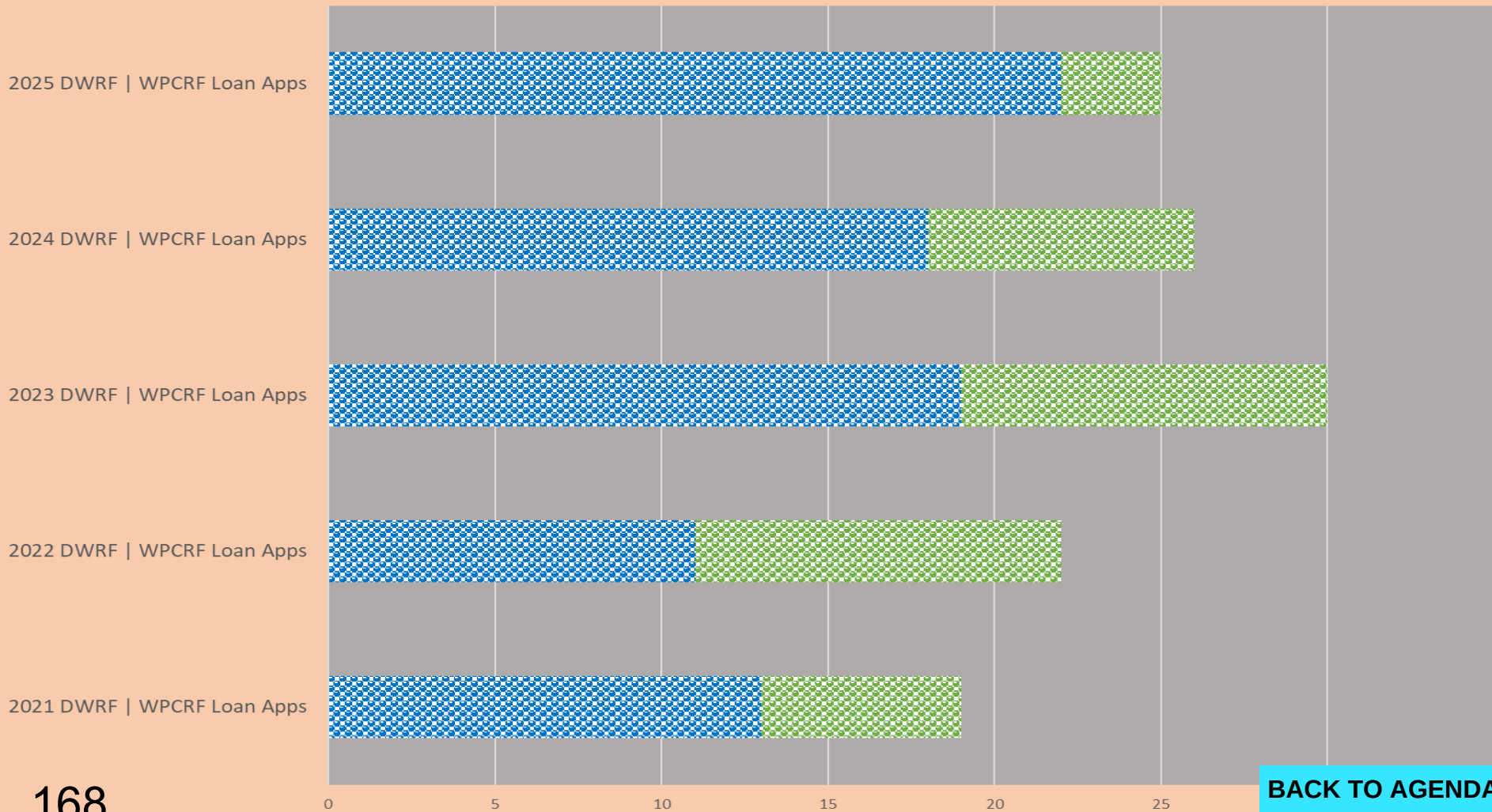




DWRF - WPCRF

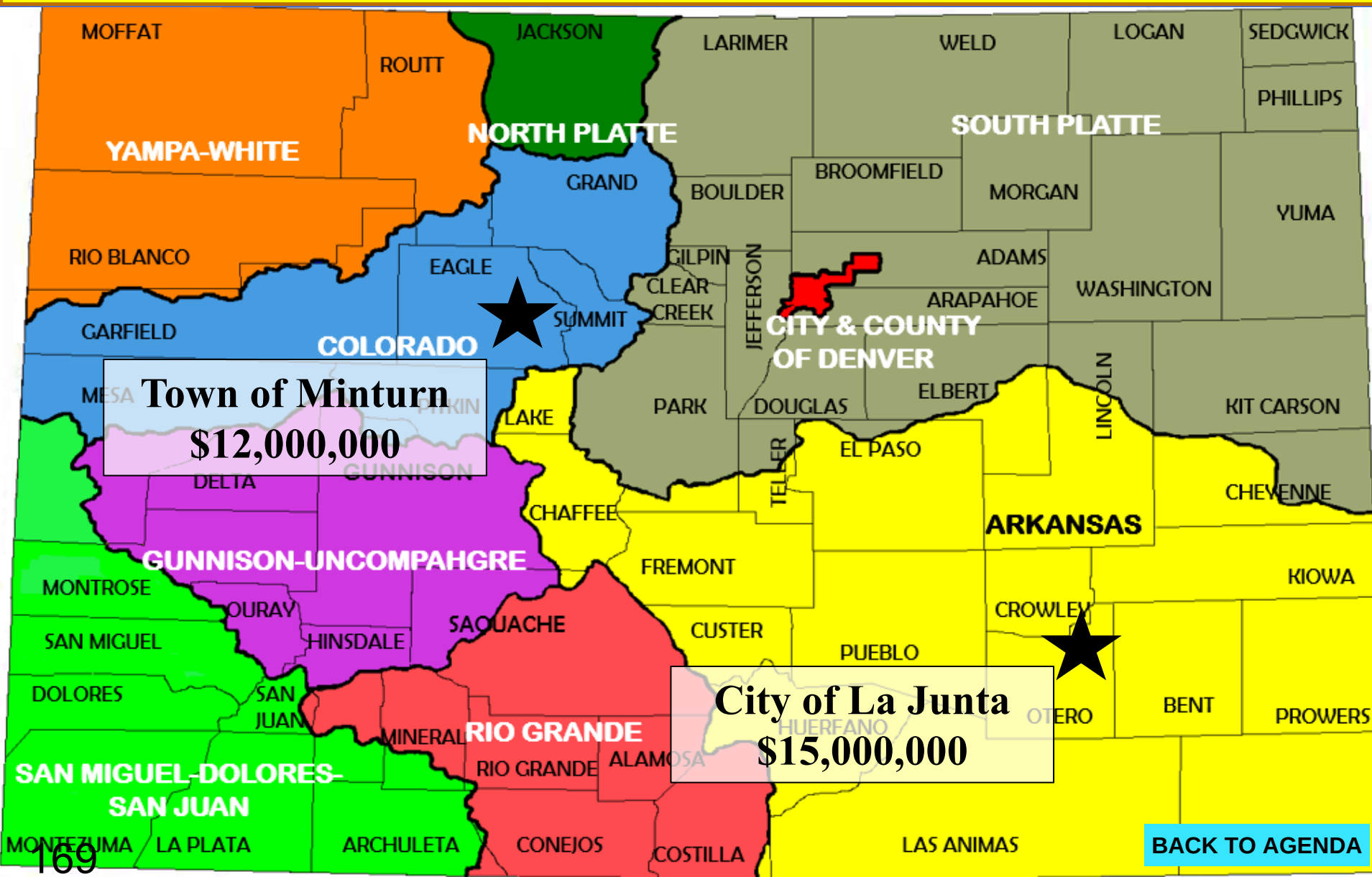
Year Recap: Loan Applications

SRF Loan Applications Received - Yearly Comparison



DWRF January 5th Deadline

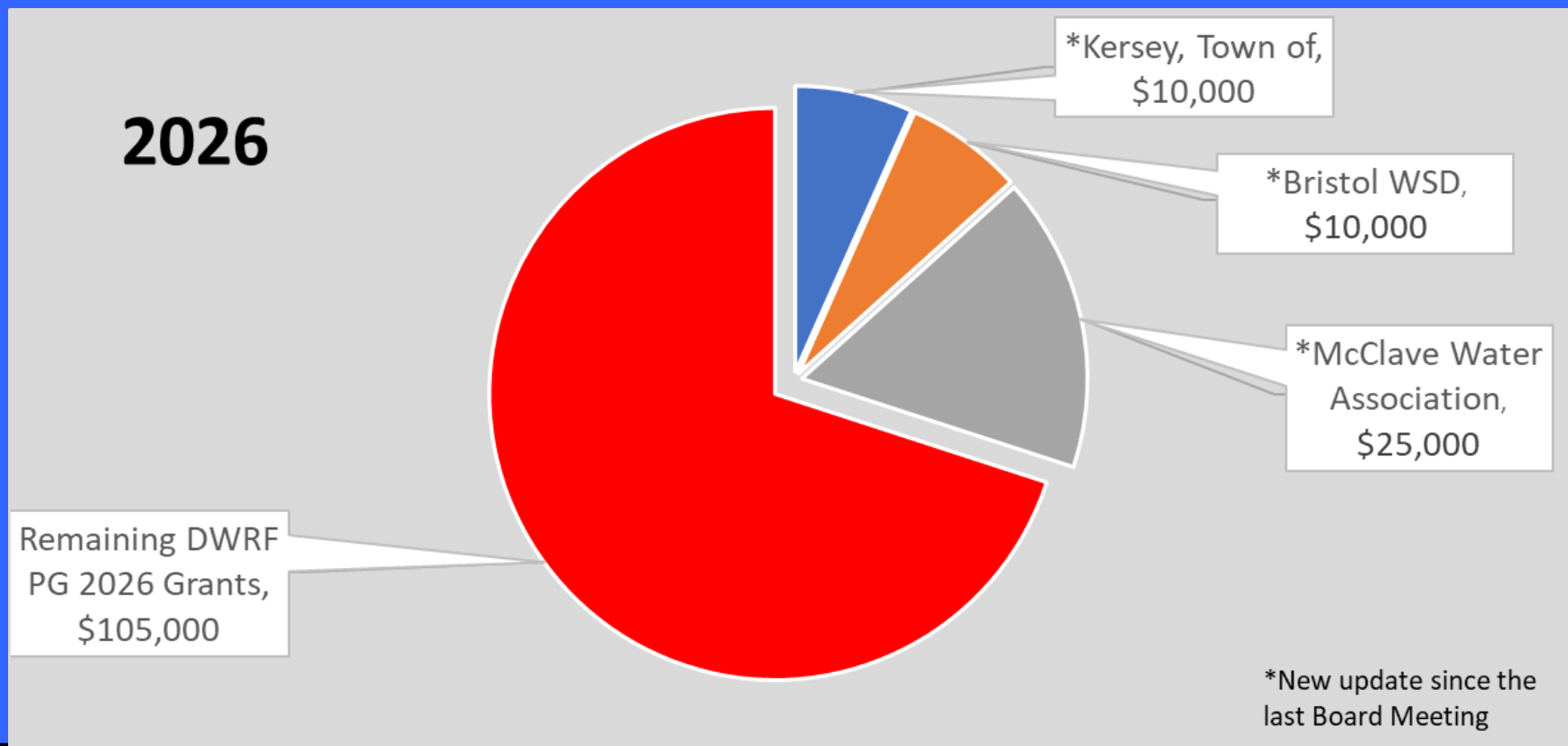
Loan Applications Received

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DWRF Planning Grant Update



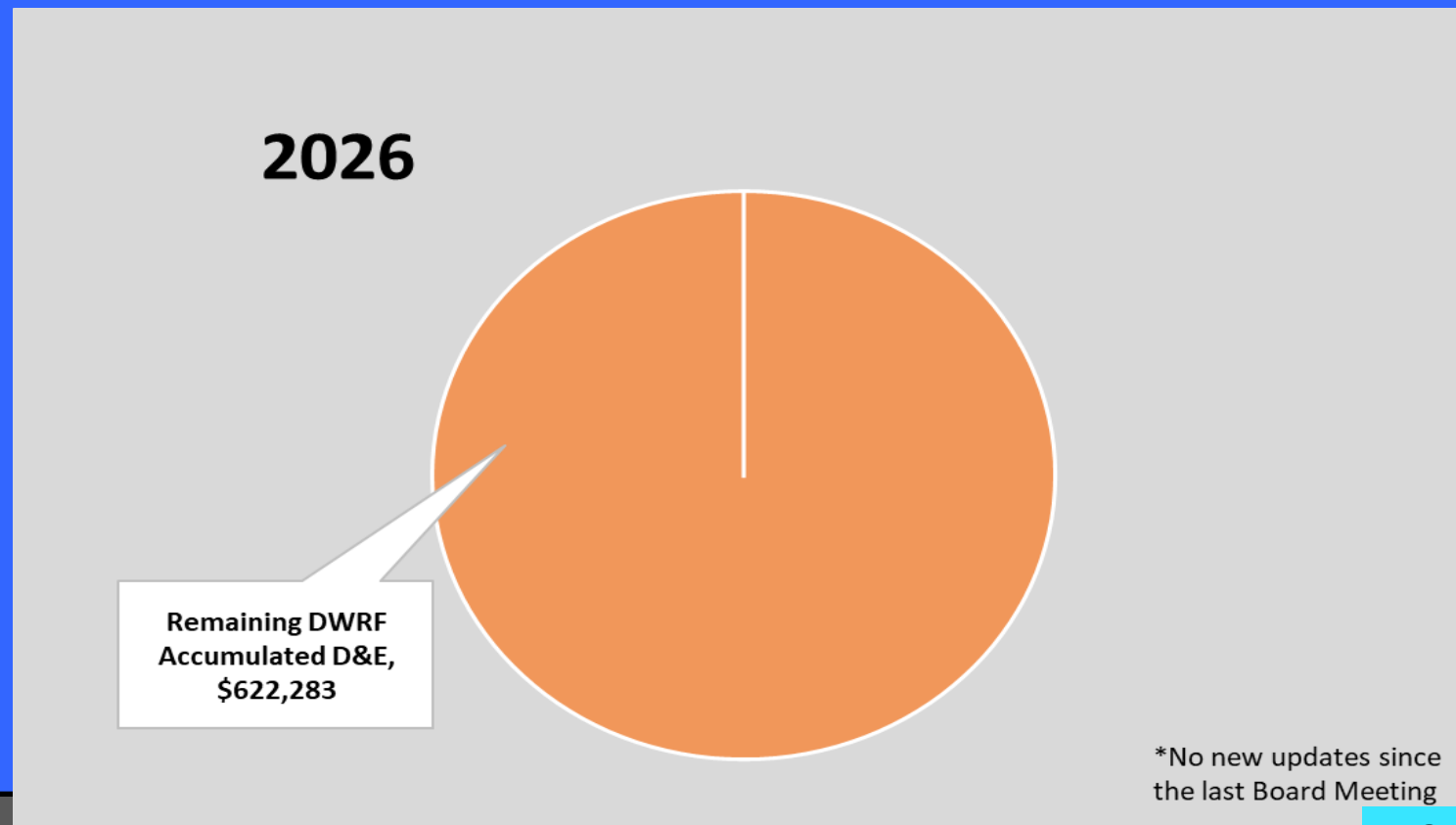
In 2026, the Authority has budgeted \$150,000 for DWRF Planning Grants (PG's). There have been three new PG's awarded since the December Board meeting. There's \$105,000 remaining



DWRF Design and Engineering Grant Update

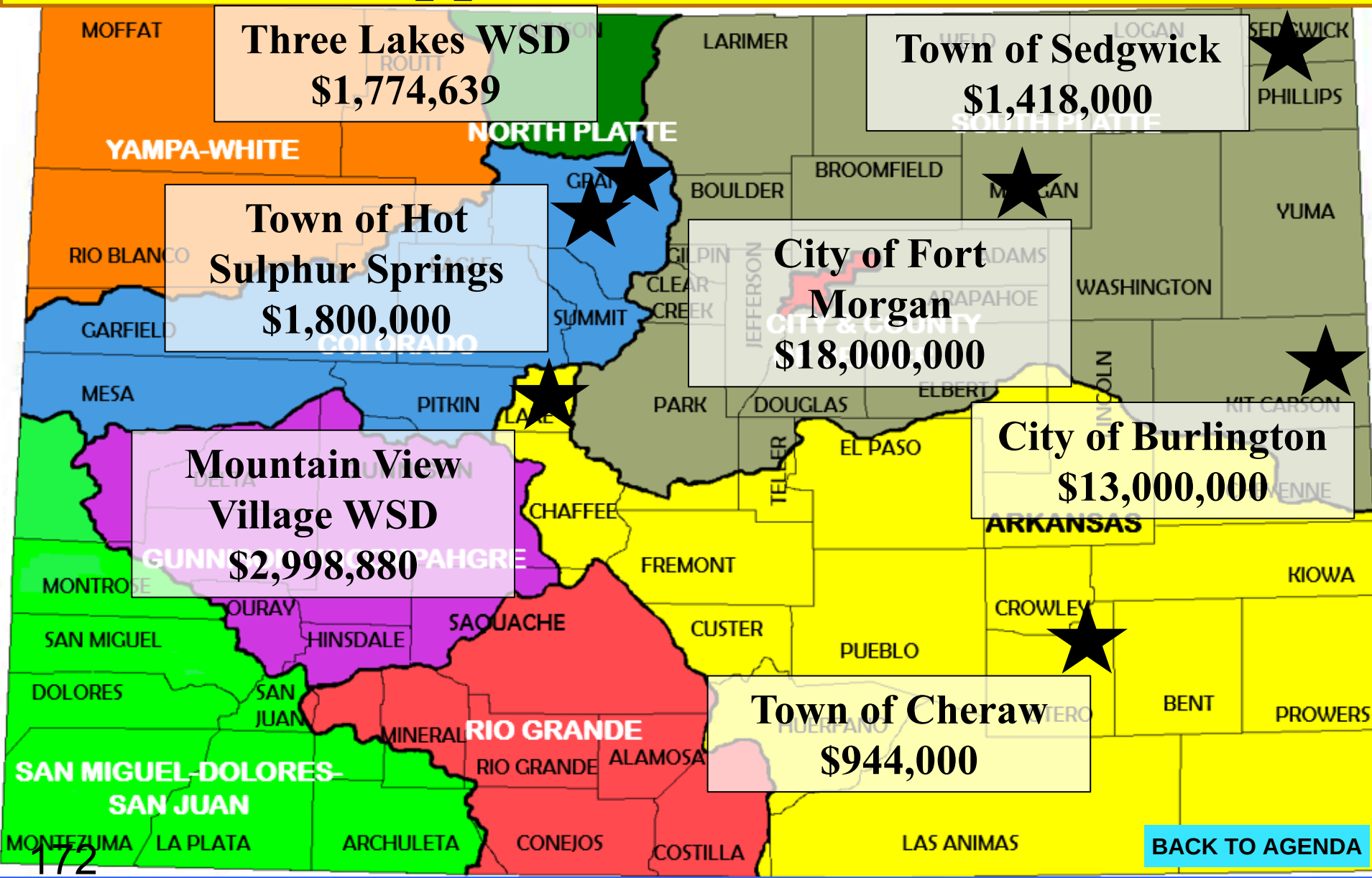


Accumulated D&E additional subsidy funds from the 2025 cap grant is being used to fund current 2026 awarded and executed D&E's, of which there is \$622,283 remaining. There have been no new D&E's awarded since the December Board meeting:



WPCRF January 5th Deadline

Loan Applications Received

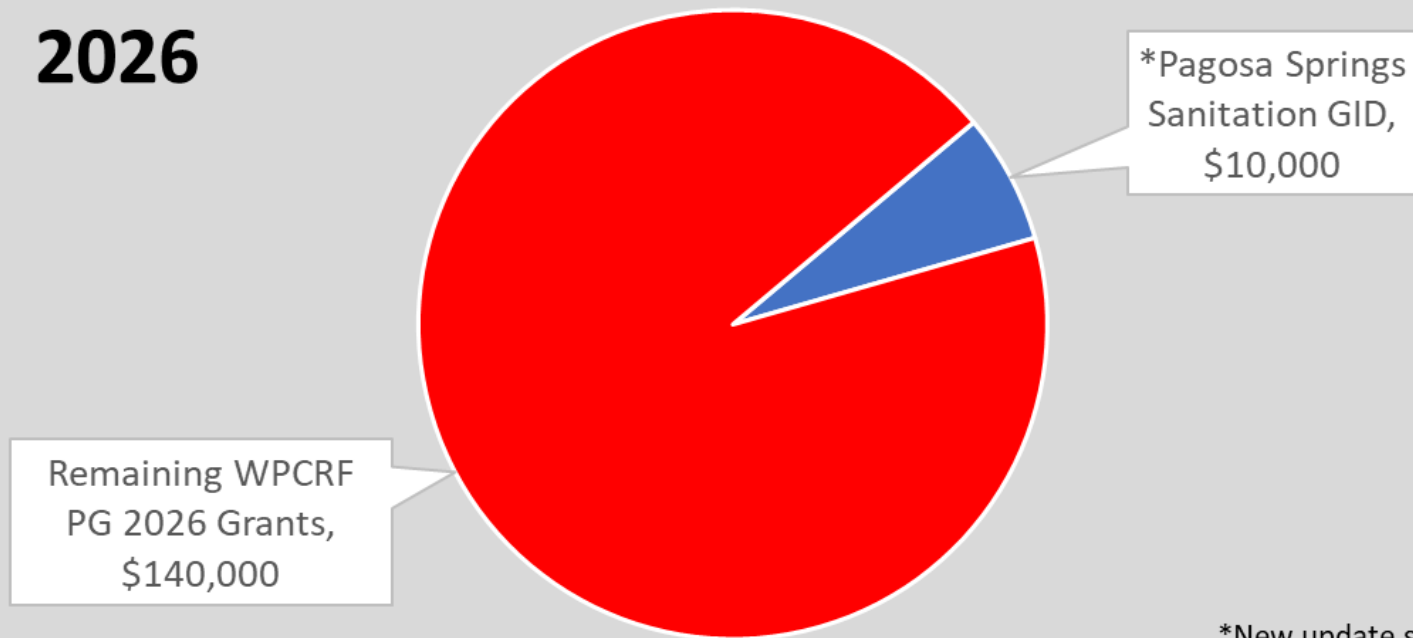
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WPCRF Planning Grant Update



In 2026, the Authority has budgeted \$150,000 for WPCRF Planning Grants (PG's). There has been one PG awarded since the December Board meeting. There's \$140,000 remaining.

2026

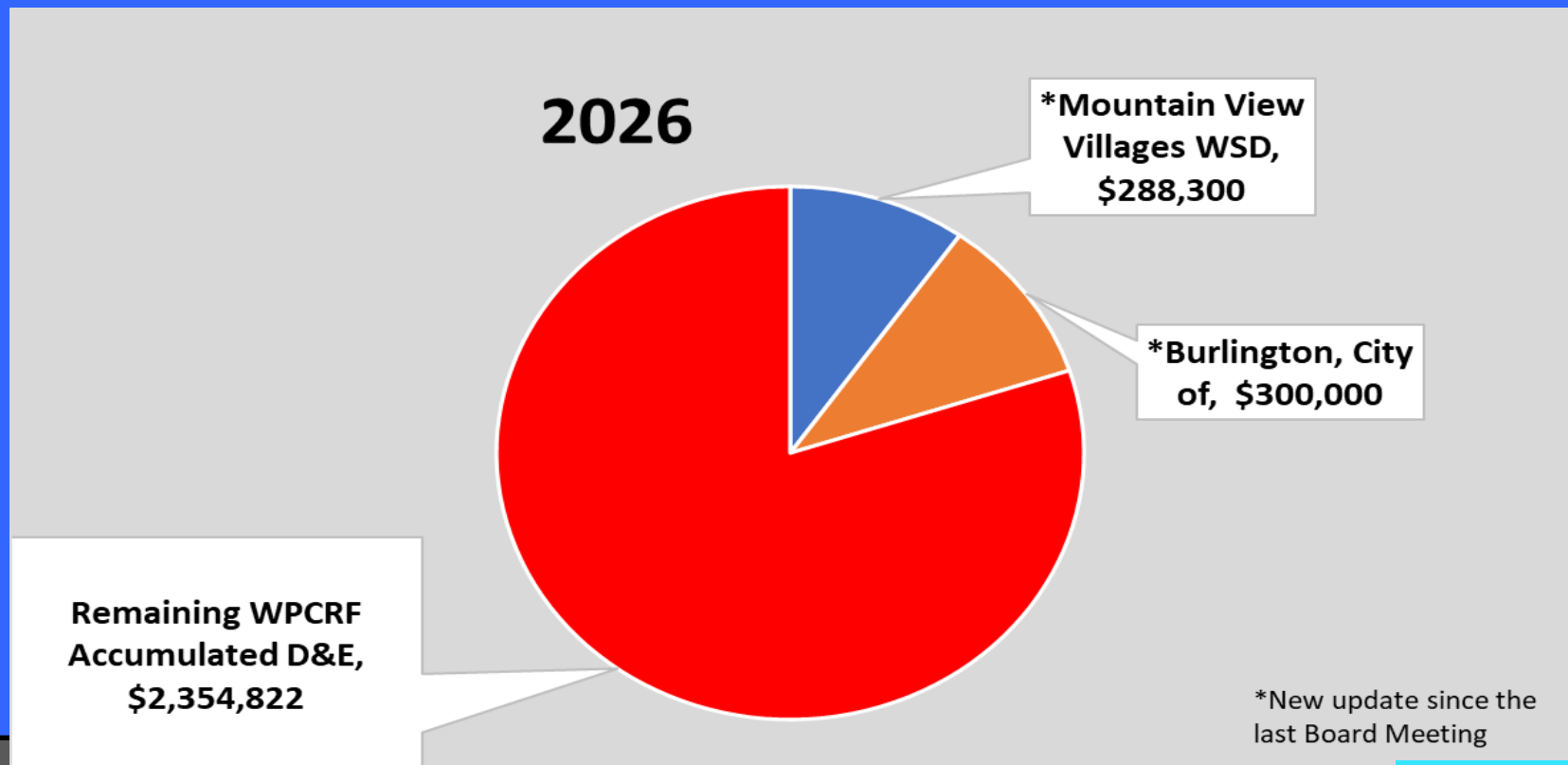


*New update since the last Board Meeting

WPCRF Design and Engineering Grant Update



Accumulated D&E additional subsidy funds from the 2023, 2024 and 2025 cap grants are being used to fund current 2026 awarded and executed D&E's, of which there are \$2,354,822 remaining D&E funds. There have been two D&E's awarded since the December Board meeting.

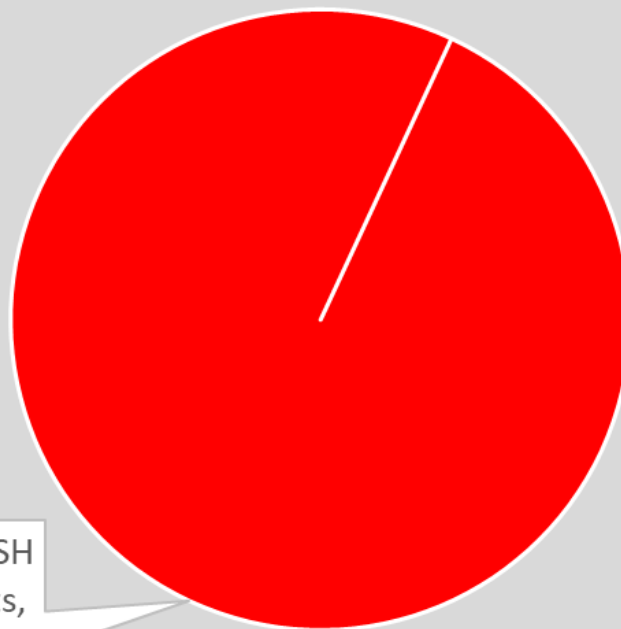


SHLP Matching Grant Update



In 2026, the Authority has budgeted \$150,000 for DWRF Planning Grants (PG's). There have been no PG's awarded since the December Board meeting. There's \$150,000 remaining.

2026



Remaining SH
2026 Grants,
\$150,000