COLORADO WATER RESOURCES and POWER DEVELOPMENT AUTHORITY
9:00 A.M. – December 4, 2026
Hybrid Meeting – In-person and via Zoom
Authority Conference Room
1580 N. Logan St, Suite 810, Denver, CO 80203
https://us06web.zoom.us/j/81512289372?pwd=sbrMLhW9HWpgyYZeag3hoiWHn7Dmjc.1
OR call-in number **1-719-359-4580**
Meeting ID: **815 1228 9372**
Passcode: **442944**

TENTATIVE 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 Mike Fabbre
2. **Pledge of Allegiance**
3. **Roll Call, Declaration of a Quorum & Introduction of Guests**
4. **Consent Agenda Approval**
5. **Approval of Minutes –** October 2, 2026
6. **Agency and Other Reports**
   - (a) Report of Lobbyist – Christine Arbogast
   - (b) Report of AVC – Leann Noga
   - (c) Report of CWCB – Kirk Russell
   - (d) Report of WQCD – Ron Falco
   - (e) Report of DOLA – Cynthia Thayer
7. **Authority Reports**
   - (a) Public and/or Board Member Comment
   - (b) Report of Chair – Mike Fabbre
     - Resolution of Appreciation, Resolution No. 26-46
   - (c) Report of Treasurer – Roy Heald
   - (d) Report of Executive Director – Keith McLaughlin
     - AVC MOU Amendment
     - CEOS Project Update
   - (e) Manager's Report
     - Accounting
     - Finance
     - Office
   - (f) Report of Legal Counsel – Karl Ohlsen
8. **Drinking Water Revolving Fund**
   - (a) Leveraged/Direct/Interim/DAC Program Interest Rates for 2027
   - (b) Additions/Modifications/Deletions to the Project Eligibility List for Joint Resolution
   - (c) Lookout Mountain Water District, Request to Delay First Payment
   - (d) Principal Forgiveness Limits and Recommendations
   - (e) Disadvantaged Community Criteria Updates
   - (f) State Revolving Fund 2026 Series A Bond Sale Results
   - (g) Status of Projects
9. **Water Pollution Control Revolving Fund**
   - (a) Loan Applications
     - Boulder County Eldorado Springs Local Improvement District No. 3, Resolution No. 26-47
     - Holly Hills Water and Sanitation District, Resolution No. 26-48
     - Mountain Water and Sanitation District, Resolution No. 26-49
     - Three Lakes Water and Sanitation District Supplemental, Resolution No. 26-50
   - (b) Leveraged/Direct/Interim/DAC Program Interest Rates for 2027 – *same as 8(a)*
   - (c) Additions/Modifications/Deletions to the Project Eligibility List for Joint Resolution
   - (d) Principal Forgiveness Limits and Recommendations – *same as 8(d)*
   - (e) Disadvantaged Community Criteria Updates – *same as 8(e)*
   - (f) State Revolving Fund 2026 Series A Bond Sale Results – *same as 8(f)*
   - (g) Status of Projects

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10. Small Hydropower Loan Program
- (a) Leveraged/Direct/Interim/DAC Program Interest Rates for 2027 – *same as 8(a)*
- (b) Status Report

11. Water Revenue Bonds Program
- (a) Leveraged/Direct/Interim/DAC Program Interest Rates for 2027 – *same as 8(a)*
- (b) Status Report

12. Committee Reports
- (a) Project Finance Committee – Minutes from November 2026
- (b) Personnel Committee
  - 2027 Salary Ranges
- (c) Budget & Audit Committee
  - Adjustments to the 2026 Budget
  - Adjustments to the 2027 Budget
  - Resolution No. 26-51 and Resolution No. 26-52
- (d) Board Program Work Session

13. Legislative Issues and Other Business
- (a) Legislative Issues and other Business of Interest to the Authority

14. Arrangements for Future Meetings

January 28, 2027 – 2:00 pm, Hyatt Regency Aurora Denver Conference Center (Tentative Date, in conjunction with the Colorado Water Congress Annual Convention)
March 4, 2027 – Board Program Work Session (TBD)
March 5, 2027 – Board Meeting 9:00 am, Denver
April 22, 2027 – Board Program Work Session (TBD)
April 23, 2027 – Board Meeting 9:00 am, Denver
June 3, 2027 – Board Program Work Session (TBD)
June 4, 2027 – Board Meeting 9:00 am, Denver
August 18, 2027 – Board Meeting 2:00 pm, Steamboat Springs (Tentative, in conjunction with the Colorado Water Congress Summer Conference)
October 8, 2027 – Board Meeting 9:00 am, TBD
December 2, 2027 – Board Program Work Session
December 3, 2027 – Board Meeting 9:00 am, Denver

15. Adjournment

SLIDES

Yellow highlights = Items also included in the BPWS packet
**** *and italics* = New items (superscript [1]) or updated items (superscript [2]) included in the final packet**

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CONSENT AGENDA

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Colorado Water Resources
and
Power Development Authority

BOARD MEETING MINUTES

October 2, 2026

Call to Order
Chair Chris Treese called the meeting to order at 8:00 a.m. in the DoubleTree Durango Riverview Board Room, located at 501 Camino Del Rio, Durango, Colorado, 81301, 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), Roy Heald, Matthew Shuler, Steve Vandiver, Patti Wells (Virtual), 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: Agenda item 8(a) Drinking Water Revolving Fund loan applications for Town of Saguache, Resolution No. 26-40 and City of Trinidad, Resolution No. 26-41; and agenda item 9(a) Water Pollution Control Revolving Fund loan application for Cucharas Sanitation and Water District, Resolution No. 26-43. After hearing no comments, a motion was made to approve the Consent Agenda, as presented.
Motion: Bruce Whitehead
2nd: Matthew Shuler
Vote: Motion carried unanimously

Approval of Minutes – August 19, 2026
The August 19, 2026, Minutes were presented for approval. A motion was made to approve the Minutes of August 19, 2026, as submitted.
Motion: Eric Wilkinson
2nd: Karen Wogsland
Vote: Motion carried unanimously

Agency and Other Reports
6(a) Report of the Lobbyist
Christine Arbogast, CWRPDA Lobbyist, conveyed that no progress was made on Appropriations Bills before Congress adjourned, and that it is likely the Continuing Resolution will need to be extended. She mentioned that when Congress enacts a yearlong Continuing Resolution, it does not include earmarks/ Congressionally Directed Spending, which benefits the Authority. Ms. Arbogast expressed that Congress' general attitude is that cuts proposed by the administration on water infrastructure cannot be made. Next,

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she reported that the Water Resources Development Act ("WRDA") bill passed the House with only nine no votes, which is important because it is a vehicle for the reauthorization of the SRFs and possibly for the Clean Water SRF formula change legislation. During the midterm election recess, staff will be negotiating the differences between the two WRDA bills from the House and the Senate and will attempt to reconcile as many differences as possible.

6(b) Arkansas Valley Conduit ("AVC")
Leann Noga, Executive Director of Southeastern Colorado Water Conservancy District ("the District"), provided an update on the successful contract negotiations with the Bureau of Reclamation ("the Bureau") on September 1, 2026, with a signing ceremony on October 7, 2026. She indicated that the major portions of the contract include an OM&R cost share during construction and that the District and the Bureau can mutually agree to pause construction if needed. She then provided an update on the SRF loan with the Authority, noting that a final agreement has been reached that addresses all previously identified issues. The agreement will go to the District's Board of Directors for approval on October 15, 2026, with the loan anticipated to be executed in late November. She concluded her report with updates on the participants' meeting, contractor award, construction of the AVC trunk line and injection site, and design of the spur and delivery lines.

6(c) Report of Colorado Water Conservation Board ("CWCB")
Kirk Russell, Finance Section Chief, asserted that the CWCB met on September 16 and 17, where three new loans were approved and one loan payment deferral was approved. The CWCB Finance Committee met on September 15 to discuss various topics, including the status of the Construction Fund and Severance Tax Perpetual Base Fund, and the recommendations for CWCB's annual Projects Bill. He then reported on the Water Supply Reserve Fund Grants, Water Plan Grants, Severance Tax Revenues, and Colorado's Near-Term Contribution Program. Chair Treese requested that Mr. Russell provide information regarding Prop 137 as well as information on department priorities related to the future of severance tax at the next meeting.

6(d) Report of Water Quality Control Division ("WQCD")
Ron Falco, Safe Drinking Water Program Manager, began by discussing the rulemaking hearing held on August 10 to consider adopting revisions to the Colorado Primary Drinking Water Regulations, Regulation #11, and to adopt the Lead and Copper Rule Improvements. He also reported that the WQCC will hold an administrative action hearing for the FY 2027 Intended Use Plans and provided updates on the budget, the pre-qualification meetings, the Test and Fix Program, and the Coaching and Training. He concluded by mentioning the sewage spill into the Arkansas River, its impact, the efforts WQCD has been taking, including sampling and testing.

6(e) Report of Department of Local Affairs ("DOLA")
Victor Chen, Water and Wastewater Program Manager, began by referring to the written report, noting that DOLA remains hopeful of having another Energy Impact Assistance Fund funding cycle at the end of the 2026 calendar year. Mr. Chen reported that severance and federal mineral lease projections were revised downward. He concluded the report stating that the outreach & education committee tentatively plans to host an outreach webinar at the end of October.

Authority Reports
7(a) Public and/or Board Member Comment
There were no comments from the public. Director Bruce Whitehead relayed former Board member Bob Wollf's appreciation to the Authority for committing the remaining ALP/Long Hollow funds to the La Plata basin, and he thanked staff for coordinating the Durango trip, and the Board for making the trip to visit southwestern Colorado projects.

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7(b) Report of the Chair
Chair Treese echoed the thanks to staff and the Board for their travels to Durango.

7(c) Report of the Treasurer
Director Karen Wogsland, Board Secretary/Treasurer, conveyed that she likes the accounting graphs and charts included in the materials, and thanked staff for them. She then invited Justin Noll, Controller, to provide the report. Mr. Noll indicated that financials are through August and on September 1, 2026, Authority staff completed debt service in the amount of $9M in Drinking Water bond principal and interest payments and $12.2M in Water Pollution Control bond principal and interest payments. On September 2, 2026, $24M in Drinking Water and $31M in Water Pollution Control was deallocated into the Authority's reloan account. Chair Treese requested a fix to page 31 of the Treasurer's report. He requested that the word "expected" be updated to "expended." A motion was made to approve the Treasurer's Report.
Motion: Mike Fabbre
2nd: Karen Wogsland
Vote: Motion carried unanimously

7(d) Report of the Executive Director
Keith McLaughlin, Executive Director, began by thanking Steve Harris, former Board member, for attending the meeting. He also thanked the City of Durango, Russ Howard and Trent Taylor for hosting the site tours the previous day. Mr. McLaughlin then reported on the meeting with EPA Region 8 and EPA headquarters (Washington, D.C.) staff and reminded the Board that EPA *has cited* the Authority for not currently obligating the Wastewater funds *within a year*, *as recognized through their* metric (Fund Use Rate aka Program Pace). He indicated that staff are proactively taking steps to improve all clean water pace numbers and *should meet the metric in the future*. Next, Mr. McLaughlin conveyed that he met with Nicole Rowan, WQCD Director, to discuss the programs, staffing, set-asides, and Drinking Water Revolving Fund perpetuity, and they are taking the concerns seriously and are working collaboratively to address them. He is hoping to provide history and background on the Drinking Water program at the next Budget & Audit Committee or BPWS meeting and set up a process for moving forward that everyone agrees to. He briefly mentioned the harassment prevention training that staff participated in on September 10, and a high-level update on the AVC. Mr. McLaughlin stated that there will be three committee meetings for the December Board meeting (Project Finance Committee, Personnel, and Board Program Work Session) and that staff will work with the Chairs of those committees to get those meetings scheduled. He concluded by noting the following staff anniversaries: 1. Desiree Perea, Accounting Technician, 2-year anniversary on August 29; 2. Daniel Lockard, Financial Analyst I, 1-year anniversary on September 1; 3. Cheryl Gantner, Records Systems Clerk, 14-year anniversary on October 1; and 4. Stephanie Hines, Senior Accountant I, 3-year anniversary on October 9. There was a brief conversation about the letter that was drafted in support of the Clean Water Allotment Modernization Act and the Act's inclusion in the WRDA bill.

Appointment of Authority General Counsel, Resolution No. 26-36
Jim Griffiths, Deputy Director, presented Resolution No. 26-36 and asserted that the Authority is required to annually review and appoint general counsel. Staff is recommending reappointment of Carlson, Hammond, & Paddock LLC, and specifically Karl Ohlsen as principal to act as general counsel to the Authority Board. A motion was made to approve Resolution No. 26-36.
Motion: Steve Vandiver
2nd: Eric Wilkinson
Vote: Motion carried unanimously

Appointment of Assistant Treasurer, Resolution No. 26-37
Jim Griffiths presented Resolution No. 26-37 and stated that the Bylaws of the Authority provide for the service of such other officers of the Authority as the Board may from time to time appoint and recommend

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Justin Noll to be reappointed to act as Assistant Treasurer to perform the duties and functions of the Treasurer, as necessary, for a two-year term. A motion was made to approve Resolution No. 26-37.
Motion: Karen Wogsland
2nd: Matthew Shuler
Vote: Motion carried unanimously

Appointment of Assistant Secretary, Resolution No. 26-38
Jim Griffiths presented Resolution No. 26-38 and stated that biennially the Authority adopts a Resolution to appoint Assistant Secretaries to assist in the execution of various loan, bond-related and administrative documents, as deemed necessary. The Authority would like to reappoint Deputy Director Jim Griffiths, Controller Justin Noll, Finance Director Wesley Williams, Assistant Finance Director Ian Loffert, and Office Manager Heather Newton as Assistant Secretaries to a term of two years to perform the duties and functions of the Secretary at such times as may be necessary. A motion was made to approve Resolution No. 26-38.
Motion: Bruce Whitehead
2nd: Mike Fabbre
Vote: Motion carried unanimously

CEOS Project Update
Jim Griffiths reported that Authority staff and partner agencies have up to two working meetings per week with Enable to develop the software that will manage the SRF programs and the project remains on schedule.

7(e) Accounting Manager's Report
Justin Noll, Controller, provided a brief update on the IRS payroll issue, indicating that the issue has been resolved and that he is awaiting the official Form 4666 to confirm closure. Mr. Noll also provided an update on the server migration, stating it is nearing completion. He also noted that our IT contract is up for renewal, which will be reviewed, and that staff have looked into other IT companies for comparison. He concluded his report by announcing that Stephanie Hines has been promoted to Senior Accountant.

7(e) Finance Manager's Report
Wesley Williams, Finance Director, referred to the finance director's report included in the materials and highlighted the interest rates, and noted that staff is beginning work on a fall bond issue and the borrowers will obtain up to 85% of the Authority's AAA rate. He then reviewed the table regarding the loans executed over the last five years; the current capacity gauges; and the metrics for 2026, highlighting that the Authority has helped approximately 150,000 Colorado residents with safe drinking and clean water. Mr. Williams provided an update on the Montezuma County Local Improvement District No. 2023-1 Upper Road 42 loan approval, stating that they may be withdrawing their approved application due to the high cost to homeowners, but Authority staff are trying to work with them to determine if there are other options. He also provided an update on the North Washington Water and Sanitation District's project, noting that the District is nine acre-feet under the 2,000 acre-feet requirement for submitting a water efficiency plan to CWCB, which will allow the loan to be executed shortly.

2025 EPA Annual Reports: DWRF & WPCRF
Wesley Williams provided background on the EPA audits and presented the DWRF and WPCRF EPA Annual reports, highlighting that there are typically no recommendations and that the Authority typically receives a clean audit. However, this year the WPCRF program received the following required action item: Colorado WPCRF did not meet the required timely and expeditious indicators for committing the funds within one year, and the state is required to draft a written plan by November 16, 2026, that details how Colorado will meet this metric in the future.

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Investment Policy Review
Jim Griffiths reported that the Authority Investment Policy gets reviewed annually by the Board and this year contains several staff-recommended changes shown in red and highlighted in yellow on the policy. Section IX of the Investment Policy requires that "the investment policy be formally approved and adopted by the Authority's Board and reviewed annually". Therefore, any changes to the policy will need to be approved and adopted by the Authority Board. Directors Wells and Wilkinson requested several edits and minor changes that were incorporated by staff. A motion was made to approve the policy as amended.
Motion: Karen Wogsland
2nd: Roy Heald
Vote: Motion carried unanimously

7(e) Office Manager's Report
Heather Newton, Office Manager, began by passing around a sign-up sheet for the January 2027 CWC Annual Convention. She then provided brief updates on the scanning project and the Authority's health insurance plans, reporting that the Authority will remain with PERACare as the health insurance provider for 2027. Next, Ms. Newton reported on HB 26-1413 and HB 26-1026. HB 26-1413 amends the existing Colorado military leave requirement, requiring public-sector employers to expand the paid military leave from three to four weeks, effective July 2, 2026. HB 26-1026 requires all PERA-affiliated employers to offer the PERAPlus 457 plan and the Roth option, with an implementation date of January 1, 2027. A motion was made to approve these required changes and incorporate them into the employee handbook.
Motion: Eric Wilkinson
2nd: Matthew Shuler
Vote: Motion carried unanimously

7(f) Report of Legal Counsel
Karl Ohlsen, General Counsel, conveyed that he has been working on the AVC agreement and incorporating the required language for this unique agreement. He also stated that everything has been approved for Karval Water Authority.

9(a) Pagosa Springs Sanitation General Improvement District, Resolution No. 26-45 (moved up)
Ian Loffert, Assistant Finance Director, introduced Kyle Rickert, Project Manager, and Maggie McHugh, Consulting Engineer from Pagosa Springs Sanitation General Improvement District, and thanked them for attending the meeting in person. Mr. Loffert also introduced Joey McLiney, Senior Managing Director/Town Financial Advisor; April Hessman, Town Clerk/Finance Director; and Nick Freelen, Operations Manager, who joined virtually. He then referred to the PFC meeting and the credit report, reporting that Pagosa Springs Sanitation General Improvement District ("the District") is seeking a Water Pollution Control Revolving Fund ("WPCRF") direct loan in the amount of $3,000,000 at 1.75% interest for 30 years (comprised of a $1,530,000 IIJA base direct loan and $1,470,000 IIJA principal forgiveness) with an estimated $28.91 rate increase. The project consists of constructing a new lift station, force main, and emergency overflow vault; constructing additional emergency overflow vaults at existing lift stations throughout the District; and replacing failing collection system segments. Mr. Loffert referred to the email he sent to the Board regarding answers to questions that arose during the PFC meeting. He began by reiterating the response regarding the service area and displayed the map showing the service area versus the Town boundaries. He then reviewed the response to the next question about the 2025 Revenue Bond Issue, explained why the reserves increased so much in 2025, and concluded by addressing the question about the sales tax ballot language, stating that the sewer fund may be used only for sewer system improvements. Mr. Loffert explained that the District plans to execute the loan, backed by the sewer enterprise fund, and transfer revenue from the sales tax as needed to cover rate covenants and debt service while carefully maintaining enterprise status for the next one to two years. Once the loans are executed, the District will transfer the full amount authorized by the ballot language, which will be more than enough to

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cover current and future debt service. This application comes with a favorable recommendation from the SRF Committee and a neutral recommendation from the PFC. The District thanked the Board for considering their application and indicated that they are available to answer any questions. There was a brief discussion about the recent flooding in Pagosa Springs and FEMA funding; further clarification about the sales tax. A motion was made to approve Resolution No. 26-45, with the clarifications provided.
Motion: Bruce Whitehead
2nd: Steve Vandiver
Vote: Motion carried unanimously

Drinking Water Revolving Fund

8(a) Bristol Water and Sanitation District, Resolution No. 26-39

Kevin Carpenter, Senior Financial Analyst I, referred to the PFC meeting and the credit report, reporting that Bristol Water and Sanitation District ("the District") is seeking a Drinking Water Revolving Fund ("DWRF") direct loan in the amount of $1,659,000 at 1.75% interest for 30 years (comprised of a $756,371 IIJA base direct loan and $902,629 IIJA principal forgiveness) with an estimated rate increase of $30.54. This project is to address combined radium for which the District was issued an enforcement order for exceeding the maximum contaminant level (MCL) in its potable water supply. The project consists of installing a new Water Treatment Plant, Hydrous Manganese Dioxide (HMO) equipment, constructing evaporative tanks for the waste stream, and complete site work. This application comes with a favorable recommendation from both the SRF and PFC committees. Mike Vagher, President of the District, reported that, per guidance from their bond counsel, they will not increase tax rates, but they did establish an enterprise fund. Mr. Vagher also addressed the non-compliance issue with the 2006 Authority loan, reporting that the debt-to-income ratio was affected in 2022 when debt was retired, which raised the rate. He also reported that the District has already begun increasing user rates, as doing so to come into compliance with the enforcement orders is their only option at this time. There was a brief conversation about how and who would operate the facility, and what other alternatives were explored. It was noted that CDS funds have not yet been approved for the District, though an application was submitted. A motion was made to approve Resolution No. 26-39.
Motion: Roy Heald
2nd: Matthew Shuler
Vote: Motion carried unanimously

8(b) State Revolving Fund 2026 Series A Bond, Resolution No. 26-42

Kevin Carpenter referred to the bond resolution included in the board packet, which authorizes the sale of the SRF 2026 Series A Revenue Bond issue. The bond issue includes one DWRF project for Penrose Water District for approximately $3M and one WPCRF project for City of Burlington for approximately $8.5M; both were previously approved by the Board. The projects total just under $11.5M, of which approximately $7.5M of the cost will be funded by the bond proceeds from this sale, while the remaining costs will be funded with SRF funds, reloan dollars, or capitalization grants. Mr. Carpenter reviewed the parameters, stating that the numbers are higher than the estimates to provide some cushion in case of any large market shifts. He reviewed Section 2.03 and noted that the not-to-exceed amount is $14M, with a net interest cost not to exceed 7.5% and a final maturity date not to exceed September 1, 2059. Next, he reviewed Section 2.03, paragraph 6, noting that this provides the flexibility to complete the bond issue either through a negotiated or competitive sale process. Currently, the bond sale is tentatively scheduled as a competitive bond sale for Thursday, November 5, 2026, with a closing date of Tuesday, November 24, 2026. A motion was made to approve Resolution No. 26-42.
Motion: Mike Fabbre
2nd: Karen Wogsland
Vote: Motion carried unanimously

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8(c) Status of Projects
To save time, this agenda item was skipped.

Water Pollution Control Revolving Fund
9(a) Town of Hugo, Resolution No. 26-44
Wesley Williams referred to the PFC meeting and the credit report, reporting that the Town of Hugo ("the Town") is seeking a Water Pollution Control Revolving Fund ("WPCRF") direct loan in the amount of $1,559,900 at 1.75% interest for 30 years (comprised of a $795,549 IIJA base direct loan and $764,351 IIJA principal forgiveness) with an estimated rate increase of $20.83. This project includes replacement of the sanitary sewer main, manholes and the reconnection of the lines. Other components include surface restoration, which will consist of asphalt and gravel replacement. Mr. Williams asserted that since the PFC meeting, this credit has become much stronger and noted that there were three outstanding questions. One concerned the rate study, the next concerned the Town's willingness to increase user rates, and the third concerned why the expenses increased as shown in the 2024 audit. Mr. Williams reported that the Town has submitted its most recent audit, dated September 30, 2025, which showed that operating expenses had decreased to a more reasonable level. He explained that the expenses were related to project preparation (e.g., consulting fees). Next, he noted that staff has received a draft resolution from the Town for a $22.00 rate increase, which will be presented to their Board later this month. This application comes with a favorable recommendation from both the SRF and PFC committees. Sara Lancaster, Clerk Administrator, addressed the Board regarding the rate study and reported that the Town is conducting a rate study with the Colorado Rural Water Association, with results scheduled to be presented at the October Board meeting. Ms. Lancaster clarified that their draft resolution requests a $20.00 rate increase which the Town Board is requesting a $10.00 increase in 2027, followed by the remaining $10.00 in 2028. Mr. Williams stated that a tiered rate increase is possible, and Authority staff would work with them to structure loan payments accordingly. A motion was made to approve Resolution No. 26-44 with the conditions that are outlined.
Motion: Karen Wogsland
2nd: Eric Wilkinson
Vote: Motion carried unanimously

9(c) Status of Projects
To save time, this agenda item was skipped.

Small Hydropower Loan Program
10(a) Status of Projects
To save time, this agenda item was skipped.

Water Revenue Bonds Program
11(a) Status of Projects
To save time, this agenda item was skipped.

Project Finance Committee
Committee Chair Bruce Whitehead noted that the Project Finance Committee ("PFC") met on Friday, September 25, 2026. Chair Whitehead stated that the Minutes accurately reflect the discussions and recommendations made.

Budget & Audit Committee
Committee Chair Karen Wogsland noted that the Committee met on Friday, September 25, 2026, and commented that the Minutes are reflective of the meeting, but she requested that the discussion about future engagement and collaboration with WQCD be added to the Minutes. Chair Wogsland invited Justin Noll to present the Forvis Mazars engagement letter and the 2027 budget.

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Approval of Forvis Mazars 2026 Audit Engagement
Controller Justin Noll presented the 2026 audit engagement letter from Forvis Mazars, which outlines the engagement guidelines, audit objectives, and responsibilities included in the Board materials. He reviewed the engagement fees, which will be $103,975, with a possible additional fee of $9,475 if an additional single audit needs to be completed. This came with a favorable recommendation from the Budget & Audit Committee. A motion was made to approve the Forvis Mazars engagement letter to conduct the audit of the Authority's 2026 financial statements.
Motion: Karen Wogsland
2nd: Steve Vandiver
Vote: Motion carried unanimously

Presentation of the 2027 Budget
Controller Justin Noll reiterated that the Committee met on September 25, 2026, and discussed the initial draft 2027 budget, further stating that procedurally, this is the initial review of the proposed budget, and staff is seeking authorization to publish the Authority's draft 2027 budget for public inspection at this time. Adjustments to the budget can still be made between now and December 2026, at which time the final budget will be approved. Mr. Noll then briefly reviewed key portions of the Water Operations Fund ("WOF") budget, including a $58,000 increase in staff salaries, representing a 3% increase for raises, and a $19,500 or 23% increase in employee benefits for health care premiums. This increase includes two new plans being offered by Kaiser in 2027, with the highest premium budgeted. In the WOF, there is also a budgeted increase of $10,000 for Technical Support Activities due to a potential increase in IT services, a decrease of $10,000 in the Records Retention line item due to the completion of the scanning project in 2026, and an increase of $12,000 in Machines for a new firewall. Mr. Noll outlined the administrative expenses in the SRF programs, as well as the changes in Bond Proceeds and Leveraged Loans Made in both of the SRF programs. This comes with a favorable recommendation from the Budget & Audit Committee. A motion was made to authorize publication of the Colorado Water Resources & Power Development Authority's draft 2027 budget for public inspection.
Motion: Karen Wogsland
2nd: Bruce Whitehead
Vote: Motion carried unanimously

Director Vandiver thanked WQCD for providing their draft 2027 budget and expressed his appreciation for their efforts on the FTE reduction and their commitment to meet with Keith McLaughlin to keep working towards their goals. He stated that he still has concerns about the continued growing balances of unspent set-aside money.

Nominating Committee
Keith McLaughlin reported that the Nominating Committee met on Wednesday, September 23, 2026, to recommend a slate of Board officers for 2026 through 2028. The Nominating Committee recommendation to the full Board **was to move** Director Fabbre into the role of Chair, Director Wogsland move into the role of Vice-Chair, and Director Heald move into the role of Secretary/Treasurer. He noted that the Minutes are included in the Board material, and invited committee members to provide comments. Director Fabbre asserted that he is open to filling any role suggested by the Board and staff, and that he would not be offended if someone else would prefer to fill any of the officer positions. He also expressed his appreciation for the recommendation and Directors Wogsland and Heald echoed the same sentiments. A motion was made to accept the recommended slate of officers.
Motion: Matthew Shuler
2nd: Steve Vandiver
Vote: Motion carried unanimously

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Legislative Issues and Other Business

Keith McLaughlin began by reporting on the new Board member appointments, noting that the Executive Orders had been received and that Directors Chris Treese and Bruce Whitehead had both been reappointed but subject to Senate confirmation. He expressed his thanks to both Directors for their willingness to continue serving on the Board. He then reported that the Continuing Resolution ("CR") was signed on September 2, 2026, to keep the government funded past the midterms, and noted that, under the CR, the implementation and finalization of the OMB Rule 26-0034 were blocked until after the midterms.

Arrangement for Future Meetings

Chair Treese conveyed that all Board meetings are scheduled for 2027 and are included in the Board material as well as on the Authority's website.

Adjournment

Chair Treese adjourned the meeting at 11:30 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.

BACK TO AGENDA

ARKANSAS VALLEY CONDUIT MONTHLY REPORT

Thursday, November 19, 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 avc@secwcd.com or view it at https://www.secwcd.org/



AVC Committee

The next meeting date has not been determined. Watch for the date on our Web site.

https://www.secwcd.org/

Want to learn more about the AVC?

If your organization would like to learn more about the AVC, contact Chris Woodka, 719-289-0785, or email chris@secwcd.com

Read past issues

To read past issues, visit our Web site:

https://secwcd.org/project/arkansas-valley-conduit/



Work continues this month by Thalle Construction on the foundation for the AVC injection site, part of the Reclamation Sub-Project. The plant will remove residual ammonia and chlorine from AVC water.

AVC CM/CG selection process underway

The Southeastern Colorado Water Activity Enterprise issued requests for proposals (RFP) for construction manager/general contractor (CM/GC) and met with candidates on October 29, 2026. There was a good turnout, with about 25 contractors or subcontractors interested in the project.

The information was shared at the November 3, 2026 AVC Committee meeting.

The CM/CG is being chosen for the construction of spur and delivery lines under a $45 million loan from the State Drinking Water Revolving Fund (SRF).

The goal is to choose the CM/GC by the end of this year, and to begin construction of spur and delivery lines through Rocky Ford in early 2027. This stage of work is expected to take two years to reach Rocky Ford.

PROGRESS REPORT

Federal Construction

- To date, about 12 miles of a 122-mile trunk line from Pueblo to Lamar has been completed. A contract for the next five miles has been awarded to Pate Construction.
- Work is continuing on the Injection Site, which will stabilize water quality for the entire pipeline.
- Design work continues for the entire pipeline.

Federal Funding

- The 2024 cost estimate is $1.3 billion.
- $613 million has been received to date.
- $261 million has been obligated or spent.

Repayment

- Participants will repay 35%, with miscellaneous revenues reducing their share of federal construction.
- Reclamation and the Southeastern Colorado Water Conservancy District have negotiated the Repayment Contract.
- Federal legislation is needed to extend the payment period and reduce the interest rate.

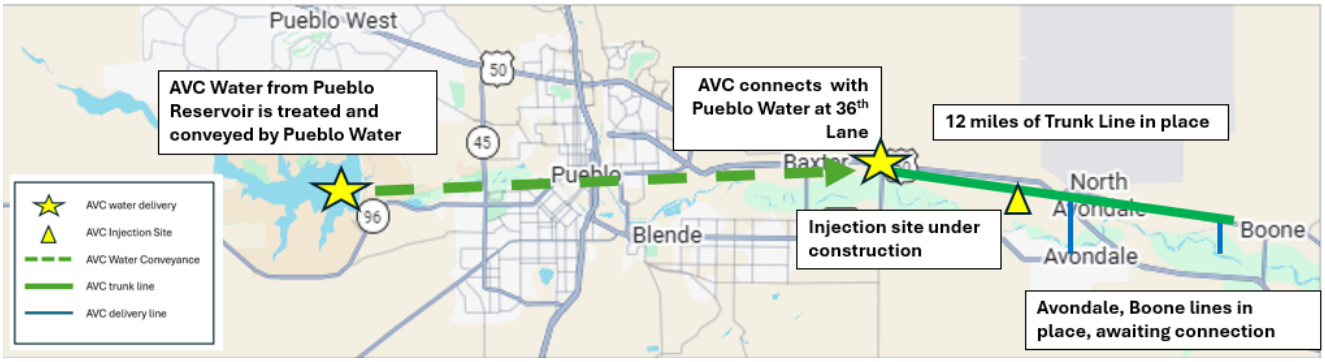
Enterprise Construction

- Two of 38 delivery lines have been constructed.
- The Enterprise is building delivery lines to connect with the trunk line. Requests for proposals went out October 19, and a pre-bid meeting was October 29.
- Design work is continuing on the next section through Rocky Ford for 12 water systems. Vaults for other participants will be part of the trunk line construction.

Enterprise Funding

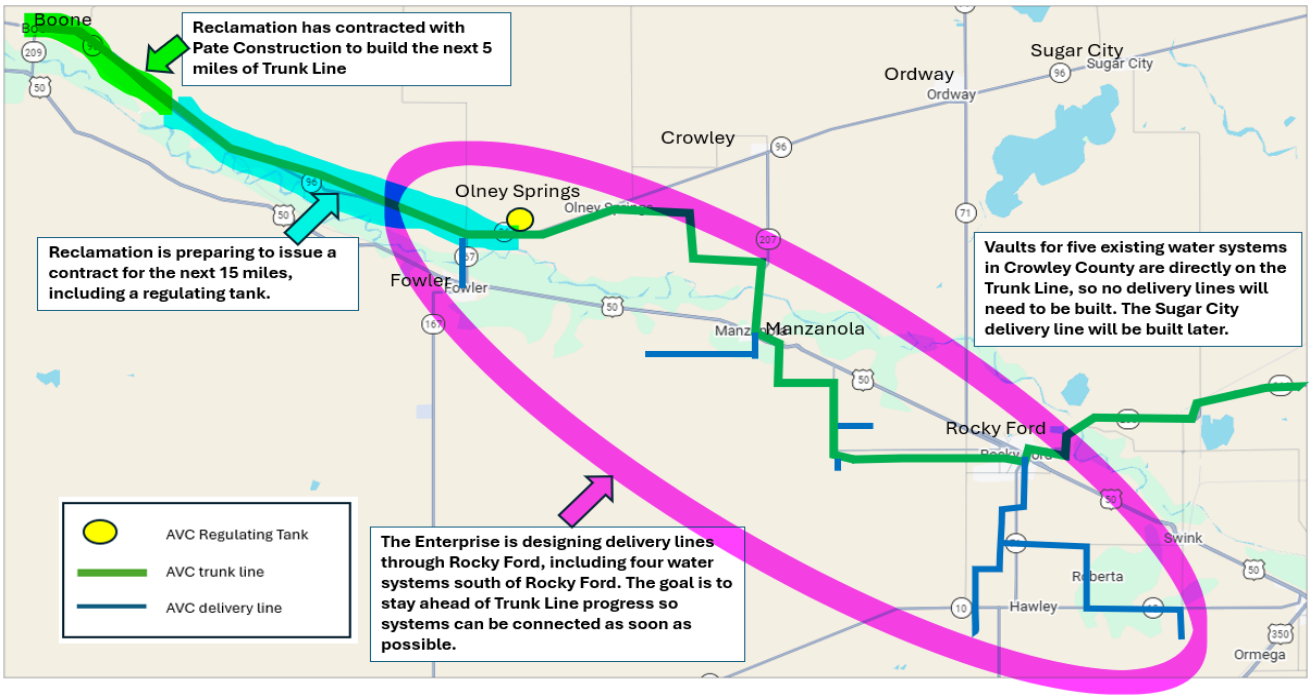
- The Enterprise has commitments for $90 million in loans and $30 million in grants from the Colorado Water Conservation Board (CWCB).
- The Enterprise has secured approval for $45 million in funding from the State Revolving Fund, part of which will be matched by the CWCB grant. The loan agreement is expected to be executed by the end of the year.
- Participants and the Enterprise have obligated or spent $10.4 million, including $4.8 million from the Enterprise Fund, $3.2 million in American Rescue Plan Act (ARPA) funds and $2.4 million from participants under Memoranda of Agreement.

AVC Project Update



Pueblo to Boone

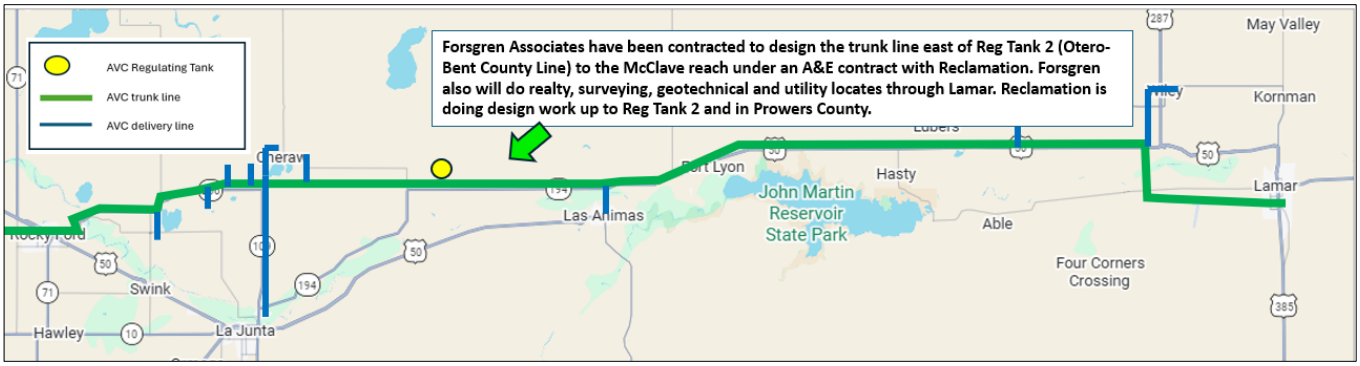
AVC Water is stored in Pueblo Reservoir. The 2022 3-party contract between the District, Reclamation and Pueblo Water provides initial treatment and conveyance of water for the first 15 miles of the AVC project. The AVC Trunk Line begins at 36th Lane. Reclamation constructed 12 miles of Trunk Line to Boone from 2023-2036, and is completing the Injection Site, which will remove trace ammonia and chlorine. The District's Enterprise constructed the Avondale and Boone connections in 2023.



Boone to Rocky Ford

Reclamation has issued a contract to Pate Construction for the next five miles of AVC Trunk Line from Boone, with a second contract in the works for the next 15 miles and a Regulating Tank that is needed to moderate the flow of the gravity-fed pipeline. The District's Enterprise is working on design under the first package of spur and delivery lines using $45 million in state loans and grants. At the current time, no delivery lines are needed for Olney Springs, Crowley, Ordway, Crowley County Water Association and 96 Pipeline because they will use existing infrastructure and connect directly at the Trunk Line.

AVC PROJECT UPDATE



ROCKY FORD TO LAMAR

The Enterprise will design spur and delivery lines for Packages 2 and 3 following construction of spur and delivery lines in Package 1. The west-to-east progression matches the Reclamation work program.

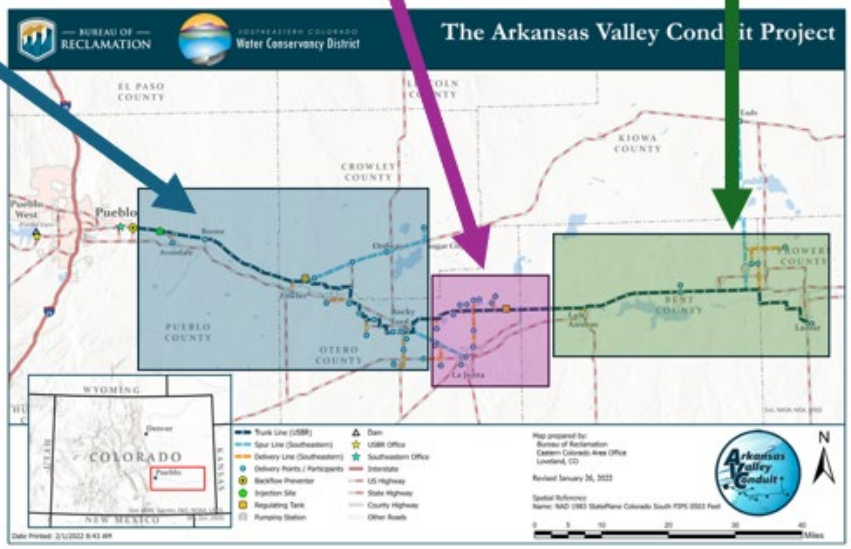
AVC Enterprise Sub-Project

Package 1
Avondale Water and Sanitation
Town of Boone
Town of Fowler
Town of Olney Springs
Town of Crowley
Town of Ordway
Crowley County Water Association
96 Pipeline Company
Sugar City
Manzanola
Valley Water Company
Vroman Water Company
Patterson Valley Water
Fayette Water Association
Eureka Water Company
City of Rocky Ford
Hilltop Water Company
Newdale-Grand Valley Water Company
West Grand Valley Water Inc.
South Swink Water Company

Package 2
Riverside Water Company
North Holbrook Water Company
West Holbrook Pipeline Company
Holbrook Center Soft Water Association
Beehive Water Association
Town of Cheraw
South Side Water Association
East End Water Association
City of La Junta
Town of Swink
Bent's Fort Water Company
Homestead Improvement Association

Package 3
City of Las Animas
McClave Water Association
Hasty Water Company
May Valley Water Association
Town of Wiley
City of Lamar

- AVC participants split into three packages for state funding purposes
- Design & construction paced to keep ahead of Trunk Line construction
- *Goal:* Funding sources arranged to minimize impact on participants



La Junta gets grant to upgrade water plant

La Junta will receive $29.15 million over the next three years to upgrade its water treatment plant and processes for dealing with brine created by its reverse osmosis plant.

The grant comes through the Colorado Department of Public Health and Environment and Environmental Protection Agency Emerging Contaminants in Small or Disadvantage Communities Program, to deal with PFAS (per- and polyfluoroalkyl substances) in drinking water.



LaJunta's reverse-osmosis treatment facilities will be upgraded using $29.15 million in grant money.

"These improvements are needed to handle emerging contaminants, not just PFAS, but also lithium and manganese. A side benefit is that it will take care of selenium in our discharge," said Tom Seaba, La Junta Director of Water and Wastewater Treatment.

La Junta gets its water from a well field that draws from the Arkansas River alluvial plane. Upstream sources contribute the emerging contaminants. A new reverse-osmosis train will be added to provide three-phase treatment of water. Currently, there is a two-phase system, that runs concentrate water from the initial treatment through filters for a second time. The three-phase system will improve recovery of water to 98.5 percent.

The brine generated from the system will be evaporated through drying ponds, which will reduce La Junta's discharge of selenium into the Arkansas River. The brine now is discharged along with sewered return flows.

La Junta is in the process of applying for additional funding through the State Drinking Water Revolving Fund (SRF) loan for $14.9 million to replace aging water lines throughout the city. The loan includes about 45 percent principle forgiveness.

"These improvements will be needed even with AVC water," Seaba said. "This is a step toward conservation that is needed for all communities in our arid climate."

Arkansas Valley Conduit Monthly Report

Thursday, October 15, 2026

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AVC Committee

The next meeting date has not been determined. Watch for the date on our Web site.

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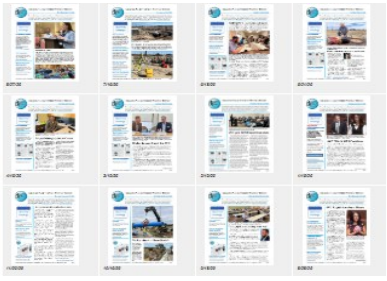

Read Past issues

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https://www.secwcd.org/



Reclamation Missouri Basin Acting Regional Director Marlon Duke (left) inspects a golden frying pan held by Southeastern Board President Bill Long. The frying pan was among those that were sold for $100 each in the 1950s to promote the Fryingpan-Arkansas Project.

Reclamation, District Sign Repayment Contract

A contract to repay the federal government for the Arkansas Valley Conduit (AVC) was signed Wednesday, October 7, 2026, by the Southeastern Colorado Water Conservancy District and the Bureau of Reclamation.

"This is an incredibly important day for the District, Reclamation and all of our constituents for the AVC," said Bill Long, president of the District Board of Directors. "We still have a long way to go, but we are moving forward. This is an important milestone."

Long held up one of the golden frying pans that were sold up and down the Arkansas Valley in the 1950s to

Continued on Page 4



Arkansas Valley Conduit Committee Chairman Kevin Karney talks about his role as an Otero County Commissioner in 2000 to revive the AVC.

BACK TO AGENDA

AVC Project At a Glance

Progress Report



Federal Construction

To date, about 12 miles of a 122-mile trunk line from Pueblo to Lamar has been completed. A contract for the next five miles has been awarded to Pate Construction of Pueblo.

Work is continuing on the Injection Site, which will stabilize water quality for the entire pipeline.

Design work continues for the entire pipeline.

Federal Funding

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$613 million has been received to date.

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Repayment

Participants will repay 35%, with miscellaneous revenues reducing their share of federal construction.

Reclamation and the Southeastern Colorado Water Conservancy District have negotiated the contract.

Federal legislation is needed to extend payment period and reduce the interest rate.

Enterprise Construction

The Enterprise is building delivery lines to connect with the trunk line. Request for Proposals for Construction Manager/General Contractor (CMGC) will go out this month.

Two of 38 delivery lines have been constructed.

Design work is continuing on the next section through Rocky Ford (17 water systems). Meetings are continuing with participants to finalize details.

Enterprise Funding

The Enterprise has commitments for $90 million in loans and $30 million in grants from the Colorado Water Conservation Board (CWCB).

The Enterprise has secured approval for $45 million in funding from the State Revolving Fund, part of which will be matched by the CWCB grant.

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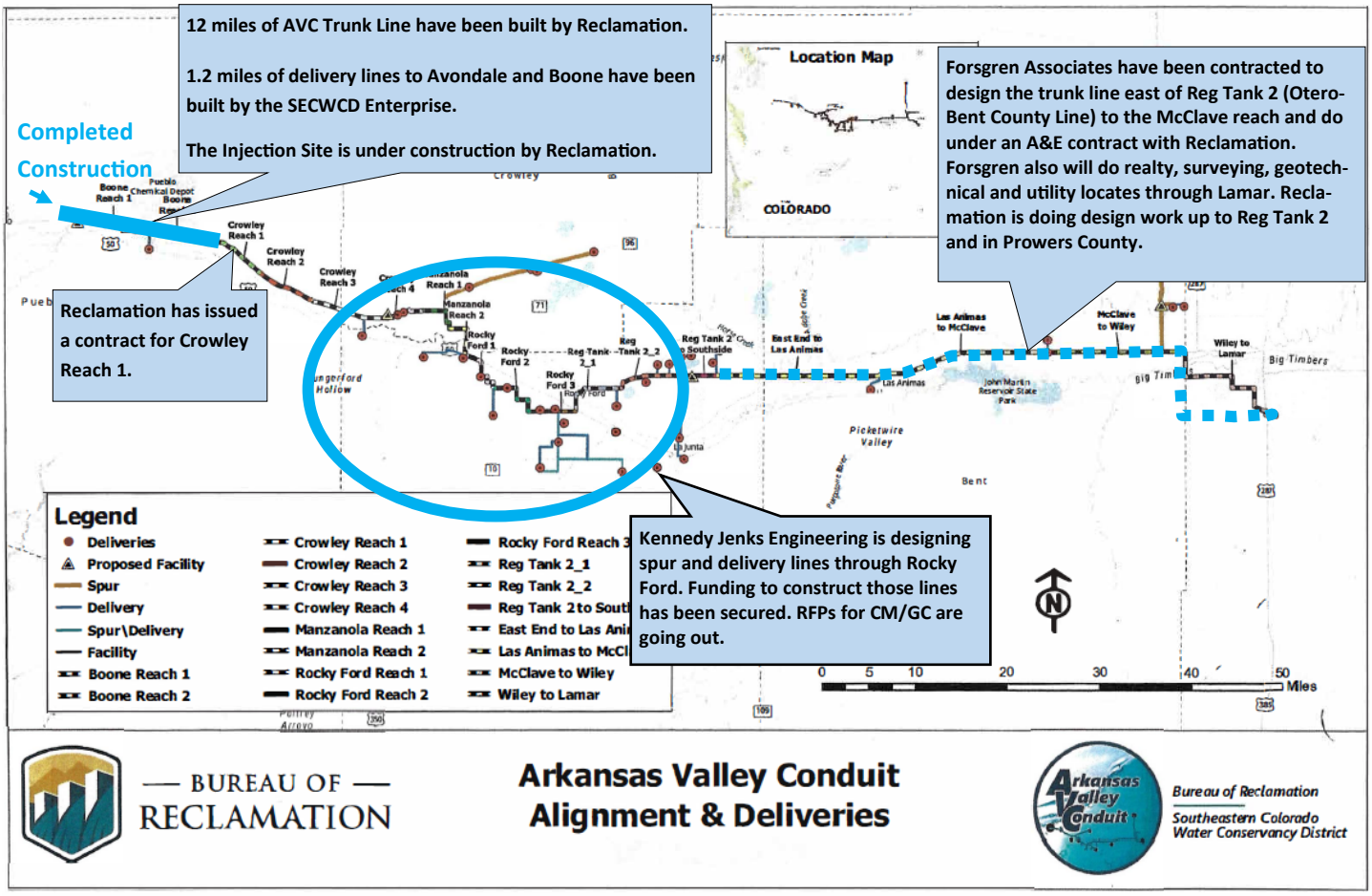

Participants Get Update at Meeting

The Bureau of Reclamation and Southeastern Colorado Water Conservancy District hosted a meeting to share updates about the Arkansas Valley Conduit Project (AVC) with participants.

About 20 people attended in person, with another 15 online. Along with participants, the Colorado Department of Health and Public Environment, Senate offices and Enterprise consultants attended.

Reclamation Area Manager Jeff Rieker and Project Manager Derek Mickle explained the Reclamation Sub-Project (See details on Pages 2-3). The major news was the issue of a contract for Crowley Reach 1 to Pate Construction.

Enterprise Sub-Project Updates were given by Executive Director Leann Noga, Project Manager Hunter Willits, Project Engineer Trevor Singleton and Water Resources Engineer Robert Banham. Work continues on design for the next 17 connections to AVC and land acquisition. A model is being developed to determine the feasibility of operation and maintenance costs for water delivery prior to completion of the entire AVC. The District is still working to develop policies for allocations and return flows.

AVC Federal Update

Passage of HR 131, which reduces the interest rate and extend the repayment period to make the participant cost share affordable remains our top priority.

Senators Michael Bennet and John Hickenlooper are working with Representatives Lauren Boebert and Jeff Hurd to have the bill embedded in the Water Resources and Development Act, which has passed the House.

Congress returns to session in November, so we'll know more next month.

AVC Repayment Contract Signing



The Arkansas Valley Conduit Repayment Contract was signed Wednesday, October 7, 2026 at Southeastern Colorado Water Conservancy District in Pueblo. From left: Tara Kinsey, Reclamation Resource Services Manager; Jeff Rieker, Reclamation Eastern Colorado Area Officer Manager; Marlon Duke, Reclamation Missouri Basin Regional Director; Bill Long, Southeastern District President; Kevin Karney, Southeastern AVC Committee Chairman; and Leann Noga, Southeastern District Executive Director.

Continued from Page 1

raise money to promote the Fryingpan-Arkansas Project, and effort that eventually led to President John F. Kennedy signing the Fry-Ark Project legislation. The AVC is the final project element of that original Fry-Ark project legislation.

"Without the Arkansas Valley Conduit, the Valley will not be developed as it would have been otherwise. You cannot attract industry without a supply of clean water," Long said.

Marlon Duke, acting Reclamation regional director for the Missouri Basin, also recalled the past in his remarks, talking about Reclamation's role since 1902 to provide water for the Western United States through partnerships such as the AVC.

"With every challenge, the team has come together for both of our organizations. We want to see it through all the way; every mile, every delivery point,"

Kevin Karney, chairman of the District's AVC Committee, was an Otero County Commissioner when the AVC was relaunched in 2000. Karney was a member of the group searching for a way to provide better quality water for the Lower Arkansas Valley.

"The only solution that has risen to the top is the Arkansas Valley Conduit," Karney said.

Reclamation and the District are building the AVC in a collaborative project, with Reclamation building the 130-mile trunk line from Pueblo to Lamar and the District building spur and delivery lines to connect 38 water systems to the trunk line. The total cost of the project is estimated to be $1.4 billion.

The AVC will provide water to 50,000 people served by cities, towns, water districts and private water companies.

Participants are required under federal law to pay 35 percent of the AVC's cost. Any costs incurred by the District for construction of spur and delivery lines will be credited to the 35 percent repayment. The remainder will be repaid with miscellaneous revenues generated from the Fryingpan-Arkansas Project (mainly from excess storage capacity contracts in Pueblo Reservoir).

The contract defines the responsibilities for design and construction, facilities ownership, and when the repayment period will start with substantial completion of the AVC. Reclamation will retain ownership of the trunk line and related facilities it is building, as well as the SCADA (Supervisory Control and Data Acquisition) System. The District will construct and own the delivery lines, and any SCADA system implemented must comply with federal cybersecurity requirements.

The Contract reaffirms Pueblo Water's role for conveyance of AVC water using capacity in its system in accordance with the conditions outlined in the 2022 Three-Party Contract between Reclamation, the District and Pueblo Water.

Provisions are included that would allow delivery of AVC water to participants before the AVC Project is completed. The Contract defines how costs for water delivered, supplies, and various services will be divided between the District and Reclamation prior to completion of construction.

When the AVC is substantially complete, responsibility for all OM&R costs will be transferred to the District on behalf of participants The District is developing a cost model in order to provide reliable estimates of operation, maintenance and replacement (OM&R) at partial and full capacity.

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COLORADO
Water Quality Control Division
Department of Public Health & Environment

Board Report - Colorado Water Resources & Power Development Authority

December 4, 2026

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1. **WQCC actions (current and future)**
2. **WQCD highlights**
   - 2.1. Emerging issues/status updates/success stories
   - 2.2. Budget
   - 2.3. Legislative
   - 2.4. Grants and Loans 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

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1. WQCC actions (current and future)

Past WQCC actions include:

- The WQCC met on October 13, 2026. The WQCC held a Public Comment Informational Hearing and Town Hall to hear comments on any water quality concerns. The WQCC held a written comment-only rulemaking hearing to adopt changes to Regulation #101: Water Quality Civil Penalty Inflation Adjustment Regulation. There was a rulemaking hearing to consider changes to Regulation #41: Basic Standards for Groundwater and Regulation #42: Site-Specific Water Quality Classifications and Standards for Groundwater. The WQCC held a routine review informational hearing for Regulation #102: Water Quality Control Division Fees. The WQCC held an administrative action hearing for the FY 2027 Intended Use Plans.
- The WQCC met on November 9, 2026. At this meeting, they approved two Water Quality Management Plans presented by two 208 Planning Agencies (NWCCOG and NFRWQPA). The commission held the triennial review informational hearing for Regulations #31 - #38, where they set the scope for the June 2027 rulemaking hearing.

Upcoming rulemaking hearings and briefings include:

- The commission will meet on December 14, 2026. This meeting will be 100% virtual. The commission will hear a briefing on Grand Lake clarity. At this meeting, the commission will reserve time on the meeting agenda for public comment at the beginning of the meeting.
- 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 Budget

- In coordination with CWRPDA Staff, the division submitted a revised budget request in November. In our initial August submission, the division included a $100,000 line item for Information Management, specifically for the EnABLE (previously CEOS) Annual O&M and Hosting. At that time, we noted that division and Authority staff were evaluating the appropriate funding arrangement to determine whether the division budget, the Authority budget, or both entities should cover these costs. After the Authority confirmed it would pay these costs directly, the division removed the EnABLE O&M and Hosting line item from our 2027 budget request.

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- At the December Board meeting, the board will hear a presentation from Jeff Zajdel, the Project Manager overseeing the transition from CEOS to the new platform, CoSIP (Colorado State Revolving Fund Infrastructure Portal).

2.2 Legislative

- The Colorado legislative session ended on May 13, 2026, and will begin again on January 11, 2027.

2.3. Grants and Loans Unit Updates

- Siobhan Yoest was named a national finalist for the Council of Infrastructure Financing Authority (CIFA) Rising Star award. She was chosen for her dedication, initiative, and leadership on the Arkansas Valley Conduit project.

Pre-qualification Meetings 09/10/2026 - 11/10/2026			
Entity	**Date**	**Estimated Project Cost**	**Program**
Town of Seibert	09/02/2026	$6,512,500	DWRF
Town of Ophir	09/14/2026	$1,900,000	DWRF
Red Rock Valley Estates Water District	10/12/2026	$450,000	DWRF
Cherokee Metropolitan District	10/27/2026	$82,000,000	DWRF
Pinewood Springs Water District	11/19/2026	$6,500,000	DWRF
Delta County Ginters Grove Public Improvement District	11/23/2026	$1,167,000	WPCRF

- Test and Fix
  - Collaboration between CDPHE, Colorado Department of Early Childhood Education (CDEC), and the Division of Early Learning and Licensing and Administration (DELLA) continues to ensure that all facilities can achieve compliance with HB-26-1391.
  - As of Nov. 1, 2026, the program has enrolled 1,100 child care facilities and 350 schools. The technical assistance contractors will be reaching out to the 300 remaining childcare's directly to enroll them in the program before the end of the year.
  - As of Nov. 1, 2026, the program has tested 400 child care buildings and 80 schools totaling 4400 fixtures.
- EC-SDC
  - The five subawards totaling $2.4 million were officially announced at the end of September. To find the list of awards on the EC-SDC website, scroll down to and click on the Past Awards/Program Impact section. That section tracks the entities funded under the program—organized by RFA Cycle and awardee tier—including the projects awarded to address PFAS and manganese in drinking water.

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3. Safe Drinking Water Program

3.1. Project Reporting

The 2026 Assistance Grants program has total funding of $150,000 with no one project receiving more than $30,000. All work on the awarded projects must be completed by December 31, 2026. Of the 91 applications and referrals received, seven awards totaling $149,000 went under contract as follows:

- Town of Aguilar. $30,000 to update the meter reading system and customer taps; project completed under budget at $29,787.63.
- Calvary Boulder Valley. $3,000 to install a shed to house water treatment equipment; in progress.
- Divide South Water Users' Water Association. $17,000, to install a backup generator for the distribution system; project completed under budget at $16,572.64.
- East Florence Water Association. $30,000 to replace a master meter and install a backflow prevention device and bypass line; in progress.
- Heartwood Ranch Homeowners Association. $15,000 to replace the mainline isolation valve in the distribution system; project completed under budget at $8,580.00.
- McClave Water Association. $24,000 to replace non-functioning isolation valves in the distribution system; in progress.
- Officers' Christian Fellowship. $30,000 to install automated chemical feed pumps at two drinking water sources; in progress.

The 2027 Assistance Grants program notice of funding availability was published on the first of September, and the applications and referrals are under committee review. Notification of awards and contracting is anticipated to be completed in the first quarter of 2027.

3.2. Source water protection

- No new source water protection grants were awarded during the current reporting period.
- Colorado Rural Water Association (CRWA) continues to work on source water protection planning and Wildland Fire Decision Support (WFDSS) projects. The Division is currently working on the option letter for renewing CRWA's contract for calendar year 2027. The anticipated contract renewal amount is approximately $300,000, based on pending program discussions with CRWA. The funding for this source water projection work is from WPCRF projects budget ($150,000) and the Wellhead set-aside budget ($150,000).

3.3. Coaching and training

- Unit staff continues foundational training for new hires—covering the LAU curriculum, unregistered water system visits, monitoring schedules, and surface water considerations—while actively advancing to higher technical levels and developing new curriculum. These efforts are expanding the group's overall capacity.
- Unit staff continues to assist in implementing the Colorado Water Sector Cybersecurity Plan, support fall 2026 flood response and recovery for small water and wastewater facilities, and enhance WQCD emergency response redundancy.

Training Title	Date of Delivery	Location	Water Professionals in Attendance	Public Water Systems represented
Sanitary Survey Prep	9/16/26	Webinar	8	7
Monitoring and Operating for	10/7/26	Webinar	5	4

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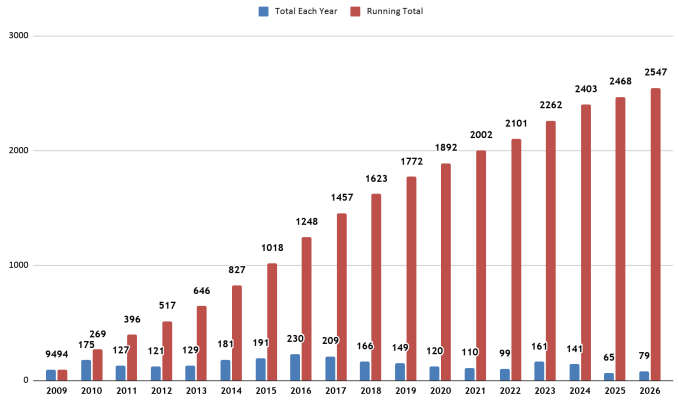
Regulatory Compliance				
Sanitary Survey Prep	10/21/26	Buena Vista	4	8
Monitoring and Operating for Regulatory Compliance	11/4/26	Canon City	43	38
Asset Management	11/5/26	Webinar	2	1
Total year to date	**Calendar year 2026**	**Colorado**	**591**	**448**

- The 2026 annual running monthly average is 88% of all systems that received one-on-one assistance are making at least one improvement.
- Total coaching and training events:



- 2026 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):

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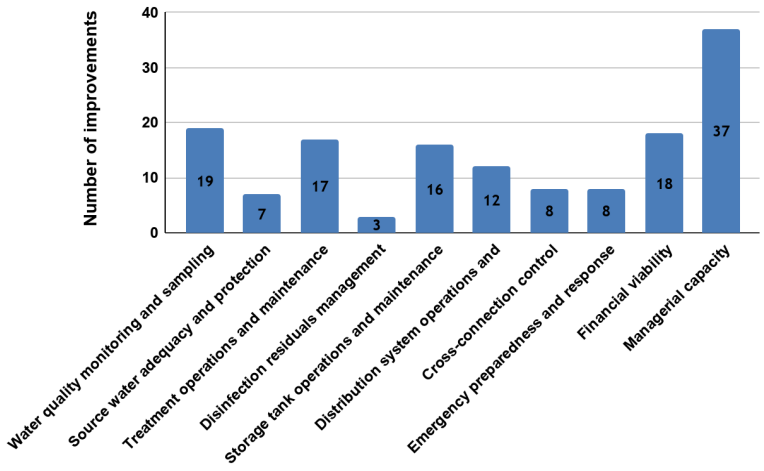
BACK TO AGENDA



4. Clean Water Program

4.1. Clean Water Program Updates

- The Clean Water Coach is leading the 2027 Colorado Clean Watersheds Needs Survey to identify and document Colorado's Clean Water infrastructure capital investment needs.

4.2. 2026 WPCRF Projects Budget

Program Projects	Current Contract Amount	Balance
CRWA (#1)	$150,000.00	$19,442.09
LABA (line 238 on COA) (#2)	$24,160.00	$19,563.56
SGS - LABA (#2)	$51,000.00	$35,054.00
YSI INV	$14,840.00	$1,150.00
DSV Support (#3)	$71,601.83	$0.00
CSU E-rams (#4)	$129,986.00	$68,234.72
#5 Roadmap Studies and Standards Development - Streams Nutrients		
#6 Roadmap Treatment Competition/Synergy Study, scoping	$0.00	$0.00
Job Store (#7)	$23,580.00	$0.00
#8 Small community support and coaching	$0.00	$0.00
CSU - SWQMP (#9)	$74,944.00	$19,156.81
#10a TMDL Temp Aide	$70,774.00	$70,774.00

BACK TO AGENDA

COLORADO
Water Quality Control Division
Department of Public Health & Environment

#10b TMDL model support (Tetra Tech)	$27,394.00	$19,394.00
#10c TMDL model support (CSU)	$50,000.00	$16,453.00
#10d TMDL Fountain Creek Bike Tour	$1,800.00	$0.00
ERG - Temperature (#11)	$46,500.00	$14,334.76
Hydros (#11)	$40,000.00	$24,270.40
CO School of Mines- Baseline Groundwater Study (#12)	$30,677.73	$9,086.94
Test America Laboratories Eurofins (#12)	$79,321.00	$28,964.10
Aquatics Assoc. Benthic Macroinvertebrate Sampling Efforts (#13)	$15,000.00	$15,000.00
ERG - Field Sampling (#14 & #5)	$91,526.60	$23,014.24
SGS - #15 Water Quality Analytical Support	$92,000.00	$0.00
CSU-Cowpea (#16)	$8,000.00	$7,067.54
BSA Env (#5)	$3,635.00	$0.00
Tisch Env (filters)	$8,533.86	$0.00
Tisch Env (filters)	$9,959.73	$9,959.73
Onward	$35,000.00	$35,000.00
Irrigation System Efficiency Project - Lower Arkansas Valley Water Conservancy District	$20,000.00	$20,000.00
Barr Eng - Biotic Ligand Model Support	$14,200.00	$14,200.00
Job Store TempDW Infrastructure Data into Econ Tool	$27,500.00	$27,500.00
Cadmus - Clean Watersheds Needs Survey Contractor	$35,000.00	$35,000.00
Tetra Tech - Low flow tool additions and technical support	$40,000.00	$40,000.00
Total	**$1,286,933.75**	**$572,619.89**

BACK TO AGENDA

COLORADO
Department of Local Affairs
Division of Local Government

To: Colorado Water Resources and Power Development Authority Board

From: Cynthia Thayer & Victor Chen, Division of Local Government

Date: December 4, 2026

Re: DOLA Agency Update

Governor Transition

The Division and DOLA are working with the Governor-elect's transition team to prepare for the incoming Weiser administration.

Energy and Mineral Impact Assistance (EIAF) Program

The Division announced an EIAF application cycle of $15,000,000 funded by the Federal Mineral Lease revenues. Severance tax revenues have not been sufficient to fund EIAF. Tier I (up to $200,000) and Tier II ($200,001 to $750,000) applications will be accepted.

- Application period opens: November 2, 2026
- Application period closes: December 2, 2026
- Final awards: March 2027

Outreach & Education

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

Upcoming

- No activities scheduled. Planning for 2027 regional workshops will begin soon.

Completed (since the last board meeting)

- SRF Webinar held on October 30. The agenda included an overview of the SRF program as well as updates on WPCRF capacity and post-IIJA/BIL SRF funding landscape. There were approximately 70 attendees out of approximately 150 registrants.

Small and Rural Communities Technical Services Program

DOLA and RESPEC wrapped up projects with the Town of Parachute (sewer lift station condition and replacement options) and Delta County Ginters Grove Public Improvement District (data analysis for water accountability). Delta County Ginters Grove Public Improvement District has since submitted a pre-qualification form to begin the SRF process.

BACK TO AGENDA

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COLORADO WATER RESOURCES AND POWER DEVELOPMENT AUTHORITY
AUTHORITY CASH TRANSACTIONS for the MONTH ENDING SEPTEMBER 30, 2026

CHECKS

Date	Check#	Payee	Description		Amount
9/15/2026	340	ABM Parking Services	Monthly Parking Passes	$	125.00
9/15/2026	341	Carlson, Hammond & Paddock	Legal Services for August 2026	$	4,353.53
9/15/2026	342	Lincoln National Life Insurance	Monthly Life Insurance	$	1,219.29
9/15/2026	343	MyTech Partners, Inc.	Monthly Software and Tech Support, Migration to Hyper-V	$	9,937.05
9/15/2026	344	Town of Peetz	Planning Grant No. 1	$	5,460.80
9/15/2026	345	US Bank Corporate Card	Noll, Williams, Griffiths, Newton, Loffert, & McLaughlin Credit Card Expenses	$	14,647.31
9/29/2026	346	ABM Parking Services	Monthly Parking	$	2,880.00
9/29/2026	347	Automated Business Technologies	Monthly Copier/Scanner Contract	$	24.88
9/29/2026	348	Interlynk	Monthly Phone	$	75.00
9/29/2026	349	Town of Crestone	Planning Grant No. 1	$	9,900.00
			TOTAL CHECKS	**$**	**48,622.86**

WIRE TRANSFERS INCOMING/(OUTGOING)

Date	Payee	Description	Amount
09/11/26	Authority Checking	Colorado Water Congress Sub-Lease Income - September 2026	6,717.00
09/29/26	Authority Checking	Transfer from COLOTRUST to Authority Checking	500,000.00
		TOTAL WIRE TRANSFERS	**$ 506,717.00**

ACH TRANSFERS INCOMING/(OUTGOING)

Date	Payee	Description	Amount
9/9/2026	Clearfly	Monthly Phone Services	(223.10)
9/11/2026	PERA	Authority Staff PERA & 401k Contributions	(30,702.85)
9/14/2026	Inova	Payroll Processing Fee	(373.50)
9/14/2026	Authority Staff	Payroll	(44,311.70)
9/14/2026	IRS and Colorado Department of Revenue	Federal and State Payroll Withholdings	(11,059.93)
9/15/2026	Cheryl Gantner	Reimbursement for Sympathy Flowers	(140.30)
9/15/2026	Chris Treese	CWC Conference and Board Meeting Travel	(250.82)
9/15/2026	CivicPlus, LLC	Monthly Streamline	(811.50)
9/15/2026	Image Audiovisuals, Inc.	AV Services for August 2026 Board Meeting	(450.00)
9/15/2026	Kevin Carpenter	Reimbursement for Mid-Year Reviews	(64.49)
9/15/2026	Office Depot	Office Supplies	(29.69)
9/15/2026	Robert Half	Temp Services	(1,531.33)
9/15/2026	US Bank	Monthly Service Charge	(898.78)
9/28/2026	PERA	Authority Staff PERA & 401k Contributions	(30,737.36)
9/29/2026	Lumen	Monthly Internet	(338.28)
9/29/2026	Employers Council Services	Annual Membership Dues	(3,995.00)
9/29/2026	Ian Loffert	SDA Conference Travel	(110.96)
9/29/2026	Keith McLaughlin	Colorado River Water Users Assoc. Conference Registration and Travel, Mid-Year Review	(1,290.72)
9/29/2026	Kevin Carpenter	SDA Conference Travel	(132.01)
9/29/2026	Kogovsek and Associates	Monthly Consulting Services	(2,000.00)
9/29/2026	PBV-1580 Logan St.	Monthly Lease Payment - October 2026	(24,472.47)
9/29/2026	Peak Digital Office Solutions	Professional services to migrate and upgrade Laserfiche server	(618.75)
9/29/2026	Robert Half	Temp Services	(1,275.04)
9/29/2026	Taft Stettinius & Hollister LLP	Legal Services through Augut 31, 2026	(375.00)
9/29/2026	Authority Staff	Payroll	(44,798.09)
9/29/2026	IRS and Colorado Department of Revenue	Federal and State Payroll Withholdings	(10,933.72)
9/30/2026	PERA	PERACare Insurance Payment	(22,606.54)
		SUBTOTAL	**$ (234,531.93)**

TOTAL CASH TRANSACTIONS for the MONTH ENDING SEPTEMBER 30, 2026 $ 320,807.93

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Colorado Water Resources and Power Development Authority
November US Bank Credit Card Detail
Statement Ending on November 10, 2026

Cardholder	Transaction Date	Transaction Amount	Payee	Description
Keith McLaughlin	11/7/2026	$ 70.43	Steuben's Uptown	Staff Lunch
		$ 70.43		
Justin Noll				
		$ -		
Jim Griffiths	10/26/2026	$ 105.22	Target	Supplies for Staff Breakfast
Jim Griffiths	10/29/2026	$ 760.79	United Airlines	CIFA Conference Travel
		$ 866.01		
Wesley Williams	10/26/2026	$ 30.00	Canva	Monthly Canva Subscription
Wesley Williams	10/28/2026	$ 83.19	Wall Street Journal	Monthly Wall Street Journal Subscription
		$ 113.19		
Ian Loffert				
		$ -		
Valerie Lovato	10/28/2026	$ 1,200.00	CGFOA	Certified Public Finance Officer Program Registration
		$ 1,200.00		
Heather Newton	10/13/2026	$ 45.81	Cheryl's Cookies	Thank you gift for Russ Howard for Durango Pumping Plant tour
Heather Newton	10/13/2026	$ 47.37	Cheryl's Cookies	Thank you gift for Joe Wise for Santa Rita WRF tour
Heather Newton	10/14/2026	$ 50.00	Zoom	Large Participant Meeting for SRF Webinar
Heather Newton	10/21/2026	$ 229.42	King Soopers	Groceries for Office
Heather Newton	10/22/2026	$ 25.91	King Soopers	Dessert for Staff Lunch
Heather Newton	10/23/2026	$ 345.17	MOD Pizza	Staff Lunch for Open Enrollment Meeting
Heather Newton	11/6/2026	$ 68.32	Santiago's Burritos	Breakfast for Staff to Celebrate Completion of Scanning Project
Heather Newton	11/9/2026	$ 106.54	Lehrer's Flowers	Thank you gift for Marcella Peralez Holswort
		$ 918.54		
	Total	$ 3,168.17		

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Colorado Water Resources and Power Development Authority
October US Bank Credit Card Detail
Statement Ending on October 12, 2026

Cardholder	Transaction Date	Transaction Amount	Payee	Description
Keith McLaughlin	9/16/2026	$ 130.57	Cala Pub & Restaurant	SDA Conference Travel Meal
Keith McLaughlin	9/30/2026	$ 517.28	Derailed Pour House	Board Meal
Keith McLaughlin	10/2/2026	$ 445.49	Ska Brewing Company	Board Meal
Keith McLaughlin	10/1/2026	$ 613.38	Steamworks Brewing Company	Board Meal
Keith McLaughlin	10/2/2026	$ 393.54	Avis	Car Rental for Staff for Board Meeting and Site Tours
		$ 2,100.26		
Justin Noll	9/10/2026	$ 378.38	Adobe	Monthly Subscription
Justin Noll	9/10/2026	$ 21.36	Cheba Hut	Lunch with MyTech
Justin Noll	9/10/2026	$ 303.06	Comcast	Monthly Subscription
Justin Noll	9/15/2026	$ 21.99	Network Solutions	Annual Domain Renewal
Justin Noll	9/15/2026	$ 239.98	GoDaddy	Annual Standard SSL Renewal
Justin Noll	9/26/2026	$ 174.95	Amazon	Docking Station
Justin Noll	9/29/2026	$ 40.00	CGFOA	Class Registration
Justin Noll	9/30/2026	$ 53.91	Lyft	Board Meeting/Site Tours Travel
Justin Noll	9/30/2026	$ 36.20	Mile High Deli	Board Meeting/Site Tours Travel Meal
Justin Noll	10/1/2026	$ 65.21	Speedway	Gas for Rental Car for Board Meeting and Site Tours
Justin Noll	10/1/2026	$ 15.13	Durango Coffee Company	Board Meeting/Site Tours Travel Meal
Justin Noll	10/2/2026	$ 58.20	Lyft	Board Meeting/Site Tours Travel
Justin Noll	10/3/2026	$ 4.12	SkyDine	Board Meeting/Site Tours Travel Meal
Justin Noll	10/2/2026	$ 393.54	Avis	Car Rental for Staff for Board Meeting and Site Tours
Justin Noll	10/10/2026	$ 303.06	Comcast	Monthly Subscription
Justin Noll	10/10/2026	$ 378.38	Adobe	Monthly Subscription
		$ 2,487.47		
Jim Griffiths	9/24/2026	$ 56.58	Safeway	Ice Cream Social Supplies
Jim Griffiths	10/2/2026	$ 26.75	Speedway	Gas for Rental Car for Board Meeting and Site Tours
		$ 83.33		
Wesley Williams	9/26/2026	$ 30.00	Canva	Monthly Subscription
Wesley Williams	9/30/2026	$ 83.19	Wall Street Journal	Monthly Subscription
Wesley Williams	9/29/2026	$ 407.80	Southwest Airlines	CIFA Conference Travel
Wesley Williams	10/6/2026	$ 283.40	Southwest Airlines	CIFA Conference Travel
Wesley Williams	10/6/2026	$ 183.40	United Airlines	CIFA Conference Travel
		$ 987.79		
Ian Loffert	9/15/2026	$ 43.17	Cala Pub & Restaurant	SDA Conference Travel Meal
		$ 43.17		
Heather Newton	9/10/2026	$ 421.96	Torchy's Tacos	Staff Lunch
Heather Newton	9/14/2026	$ 69.00	Boost	Annual King Soopers Boost Membership
Heather Newton	9/23/2026	$ 9.94	USPS	Postage for Mailing Card and PAFR to Mike Brod
Heather Newton	9/25/2026	$ 13.32	Amazon	Curtain Holders for Office
Heather Newton	10/1/2026	$ 31.37	Speedway	Gas for Rental Car for Board Meeting and Site Tours
Heather Newton	10/2/2026	$ 393.54	Avis	Car Rental for Staff for Board Meeting and Site Tours
Heather Newton	10/7/2026	$ 49.77	Edible Arrangements	Thank You Gift for Trent Taylor for Site Tours
Heather Newton	10/8/2026	$ 99.25	Edible Arrangements	Get Well Gift for Jim Griffiths
Heather Newton	10/8/2026	$ 9.35	USPS	Postage for Re-mailing Card and PAFR to Mike Brod
Heather Newton	10/8/2026	$ 320.42	Chipotle	Staff Lunch
Heather Newton	10/8/2026	$ 12,336.25	Double Tree Durango	Lodging for Board Members and Staff for Board Meeting and Site Tours
		$ 13,754.17		
	Total	$ 19,456.19		

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Colorado Water Resources and Power Development Authority

UNAUDITED COMPARATIVE BALANCE SHEET

	As of 09/30/2026	As of 09/30/2025
ASSETS:		
Cash and Cash Equivalents:		
Cash - US Bank (Checking Account)	$ 479,964.71	$ 702,263.43
State Treasurers Cash Pool	1,770,712.28	1,660,390.28
COLOTRUST Checking Investment Account	34,360,387.68	28,109,925.91
State Treasurers Cash Pool-Self Insurance Fund	1,547,139.00	1,548,183.00
State Treasurers Cash Pool-La Plata River Escrow	140,049.73	135,487.73
COLOTRUST - Authority Project Accounts	137,478.81	137,000.25
COLOTRUST - Authority (Vilas) Project Account		-
COLOTRUST - SHLP Project Accounts	5,318,837.60	4,566,189.47
COLOTRUST - Interim Loan Projects	-	-
Total Cash and Cash Equivalents	43,754,569.81	36,859,440.07
Interest Receivable on Investments		
Interest Receivable on Loans:		
Interim Loans (I-Loans)		-
Small Hydro Loan Program (SHLP)	-	-
Authority Loans	-	-
ALP Water Rights Purchase Loan	3,705.00	7,410.00
Interest Receivable-Leases	838.75	1,016.43
Accounts Receivable - Misc		
Reimbursement Receivable - WPCRF	899,912.54	809,078.92
Reimbursement Receivable - DWRF	917,689.75	915,380.53
Loans Receivable:		
Interim Loans (I-Loans)		
Small Hydro Loan Program (SHLP)	5,417,232.65	5,854,186.11
Authority Loans	179,562.61	188,252.68
ALP Water Rights Purchase Loan	1,604,092.84	1,815,974.58
Loan Receivable - WPCRF State Match	-	2,538,200.00
Loan Receivable - DWRF State Match	-	3,821,000.00
Leases Receivable	201,299.87	243,943.47
Prepaid Expenses	1,580.67	
Deposits	21,592.16	21,592.16
Depreciable Assets	71,009.54	108,218.72
Less: Accumulated Depreciation	(52,242.88)	(92,206.11)
Lease Assets	746,280.46	936,820.15
TOTAL ASSETS	**$ 53,767,123.77**	**$ 54,028,307.71**
Deferred Outflows:		
Pension Contributions	$ 317,823.65	$ 285,456.30
Investment Earnings Difference	63,995.92	258,931.21
Experience Difference	85,272.40	58,274.88
Proportional Share Change	126,581.70	420,957.70
Change in Assumptions		
HCTF Contributions	15,729.26	14,141.11
HCTF Investment Earnings Difference	186.32	2,758.49
HCTF Experience Difference		
HCTF Proportional Share Change	3,437.69	4,528.89
HCTF Change in Assumptions	630.23	1,048.85
LIABILITIES and EQUITY:		
Accounts Payable Trade	$ -	$ 11.50
Lease Liability	983,583.15	1,193,187.43
Interest Payable-Leases	4,098.30	4,971.62
Deposit - Sub Lease	4,925.00	4,925.00
Prepayment Payable		
Other Accrued Expenses	(2.70)	(18.28)
Flexplan Spending Withheld	4,917.74	668.78
Due to Authority		
Project Costs Payable - Long Term		
Accrued Vacation and Sick Leave	509,100.00	422,721.90
Pension Liability	2,905,361.67	3,565,077.32
HCTF Liability	54,960.08	89,191.01
Total Liabilities	4,466,943.24	5,280,736.28
Deferred Inflows:		
Proportional Share Change	$ 263,893.39	$ 116,448.51
Experience Difference	$ 12,123.09	$ 18,930.37
Change in Assumptions	22,528.51	
Investment Earnings Difference		
HCTF Experience Difference		18,280.56
HCTF Proportional Share Change	14,533.68	11,910.37
HCTF Change in Assumptions	17,567.98	9,457.25
HCTF Investment Earnings Difference		
Leases	151,719.72	190,456.68
Net Assets:	49,542,414.91	49,292,951.53
Net Income / (Loss)	(110,943.58)	135,233.59
TOTAL LIABILITIES and EQUITY	**$ 53,898,414.57**	**$ 54,708,921.40**

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Colorado Water Resources and Power Development Authority

UNAUDITED INCOME STATEMENT
Budget To Actual
Calendar Year-To-Date as of September 30, 2026

	Budget For 2026	Actual Year-To-Date	Balance	% Actual/ Budget
INCOME:				
Interest on investments - COLOTRUST	$ -	$ 956,191.65	$ (956,191.65)	0%
Interest on investments - COLOTRUST-Interim Loan Project	-	1,306.18	(1,306.18)	0%
Interest on investments - STCP	-	73,348.00	(73,348.00)	0%
Investment interest income - from WPCRF	-	-	-	0%
Investment interest Income - from WRBP	-	-	-	0%
Subtotal Interest on Investments	930,000.00	1,030,845.83	(100,845.83)	111%
Interest on Investments - STCP-La Plata River Escrow	-	3,045.00	(3,045.00)	0%
Interest on loans	354,500.00	60,266.98	294,233.02	17%
Interest on leases	-		-	0%
Lease income	64,000.00	52,525.39	11,474.61	82%
Gain/Loss on sale of assets	-		-	0%
Miscellaneous income	-	1,075.94	(1,075.94)	0%
TOTAL INCOME	$ 1,348,500.00	$ 1,147,759.14	$ 200,740.86	85%
EXPENSES:				
Board Expenses:				
Per diems & PERA on per diems	$ 25,000.00	$ 12,900.00	$ 12,100.00	52%
Travel, lodging, meals, etc.	50,000.00	34,951.05	15,048.95	70%
Meeting expenses	25,000.00	4,682.90	20,317.10	19%
Memberships	15,000.00	11,140.00	3,860.00	74%
Board insurance	30,000.00		30,000.00	0%
Total Board Expenses	145,000.00	63,673.95	81,326.05	44%
Salary Expenses:				
Staff salaries	1,822,000.00	1,252,087.08	569,912.92	69%
Temporary services	60,000.00	23,566.76	36,433.24	39%
Third Party Payroll & HR Services	8,000.00	3,822.91	4,177.09	48%
Annual vacation and sick leave accrual	100,000.00		100,000.00	0%
Total Salary Expenses	1,990,000.00	1,279,476.75	710,523.25	64%
Employee Benefits:				
Pension expense*	382,000.00	267,496.85	114,503.15	70%
Healthcare trust expense	19,000.00		19,000.00	0%
Medical and dental insurance	316,000.00	162,766.44	153,233.56	52%
HRA reimbursement	-	7,655.58	(7,655.58)	0%
LTD/Life insurance	15,500.00	16,853.76	(1,353.76)	109%
Medicare - employer's match	28,000.00	17,634.62	10,365.38	63%
Denver city tax - employer's match	800.00	560.00	240.00	70%
401k Match	52,000.00	29,277.81	22,722.19	56%
State Workman's Comp. Insurance	4,000.00	2,267.00	1,733.00	57%
Tuition reimbursement	25,000.00	10,000.00	15,000.00	40%
Public transportation incentive	1,400.00		1,400.00	0%
Total Employee Benefits	843,700.00	514,512.06	329,187.94	61%
Outside Services Employed:				
General legal fees	100,000.00	29,452.55	70,547.45	29%
General consulting services	70,000.00	18,276.00	51,724.00	26%
Audit and budgetary fees	30,000.00	22,218.00	7,782.00	74%
Total Outside Services	200,000.00	69,946.55	130,053.45	35%
Employee / Administrative Expenses:				
Travel, lodging, meals, etc.	25,000.00	20,538.36	4,461.64	82%
Registration and training fees	15,000.00	5,480.00	9,520.00	37%
Contributions and sponsorships	45,000.00	29,625.00	15,375.00	66%
Dues, subscriptions and publications	15,000.00	8,070.42	6,929.58	54%
Total Employee / Administrative Expenses	100,000.00	63,713.78	36,286.22	64%

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Colorado Water Resources and Power Development Authority

UNAUDITED INCOME STATEMENT
Budget To Actual
Calendar Year-To-Date as of September 30, 2026

	Budget For 2026	Actual Year-To-Date	Balance	% Actual/ Budget
General Office Expenses:				
Office rent and deposits	352,000.00	266,276.45	85,723.55	76%
Interest expense-leases*	70,000.00		70,000.00	0%
Telephone and internet charges	20,000.00	8,698.25	11,301.75	43%
Postage and delivery fees	3,500.00	123.75	3,376.25	4%
Copying and printing costs	9,000.00	1,681.31	7,318.69	19%
Office supplies	19,000.00	13,458.94	5,541.06	71%
Technical support activities	110,000.00	62,176.50	47,823.50	57%
Office insurance	9,000.00	6,788.33	2,211.67	75%
Records retention	30,000.00	1,218.76	28,781.24	4%
Total General Office Expenses	622,500.00	360,422.29	262,077.71	58%
Office Assets Expenses:				
Furniture & fixtures	25,000.00	13,741.77	11,258.23	55%
Machines	58,000.00	16.86	57,983.14	0%
Computer software	90,000.00	64,443.14	25,556.86	72%
Depreciation expense	-		-	0%
Machine maintenance & maintenance contracts	15,000.00	531.97	14,468.03	4%
Other expense	-		-	0%
Office improvements	100,000.00	79,271.87	20,728.13	79%
Total Office Assets Expenses	288,000.00	158,005.61	129,994.39	55%
TOTAL OPERATING EXPENSES	$ 4,189,200.00	$ 2,509,750.99	$ 1,679,449.01	60%
Expenses Allocated to Programs:				
Salaries allocated to project expenses	(43,000.00)	(10,471.00)	(32,529.00)	24%
Allocated salaries expense - WPCRF	(495,000.00)	(325,340.00)	(169,660.00)	66%
Allocated employee benefits - WPCRF	(301,000.00)	(184,740.79)	(116,259.21)	61%
Allocated overhead expense - WPCRF	(294,000.00)	(177,069.57)	(116,930.43)	60%
Allocated salaries expense - DWRF	(468,000.00)	(297,495.00)	(170,505.00)	64%
Allocated employee benefits - DWRF	(284,000.00)	(169,039.13)	(114,960.87)	60%
Allocated overhead expense - DWRF	(257,000.00)	(152,129.99)	(104,870.01)	59%
Total Allocated Expenses to Programs	(2,142,000.00)	(1,316,285.48)	(825,714.52)	61%
NET OPERATING EXPENSES	$ 2,047,200.00	$ 1,193,465.51	$ 853,734.49	58%
Approved Projects Expenses:				
WRBP Expenses	120,000.00	57,014.72	62,985.28	48%
La Plata River Escrow Expenses	-		-	0%
Small Hydro Loan Program expenses	25,000.00	8,222.49	16,777.51	33%
Small Hydro Loan Program Planning & Design Grants	165,000.00	-	165,000.00	0%
Watershed Protection & Forest Health Program Expenses	65,000.00	-	65,000.00	0%
Principal Forgiven -Loans Receivable	-	-	-	0%
Other Potential Projects	1,000,000.00	-	1,000,000.00	
Total Project Expenses	$ 1,375,000.00	$ 65,237.21	$ 1,309,762.79	5%
TOTAL EXPENSES	$ 3,422,200.00	$ 1,258,702.72	$ 2,163,497.28	37%
OPERATING INCOME / (LOSS)		**$ (110,943.58)**		
Transfers In / (Out)				
Change in Net Position		**$ (110,943.58)**		

*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

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Colorado Water Resources and Power Development Authority
Financial Highlights
September 30, 2026

Account Balances:	YIELD:	BALANCE:
Unrestricted:		
Cash - US Bank (Checking Account)	0.00%	$ 479,964.71
State Treasurers Cash Pool	3.61%	$ 1,770,712.28
COLOTRUST Checking Investment Account (Average Daily Yield)	3.89%	$ 34,360,387.68
COLOTRUST Authority Loan Account (Average Daily Yield)	3.89%	$ 137,478.81
Board Designated:		
State Treasurers Cash Pool - La Plata River Escrow	3.61%	$ 140,049.73
State Treasurers Cash Pool - Self Insurance Fund	3.61%	$ 1,547,139.00
Restricted:		
COLOTRUST - I Loan Projects (Average Daily Yield)	3.89%	$ -
SHLP Loan Program	3.89%	$ 5,318,837.60
SHLP Project Accounts	3.89%	$ -

WPCRF State Match Receivable		Budget	Balance
Loans Receivable - WPCRF State Match 1/1/2026			2,538,200.00
State Match Transferred to Holding Account		3,000,000.00	-
Repayment from WPCRF Administrative Fees	(2,538,200.00)	(3,000,000.00)	(2,538,200.00)
Loans Receivable - WPCRF State Match YTD Balance			$ -

DWRF State Match Receivable		Budget	Balance
Loans Receivable - DWRF State Match 1/1/2026			3,821,000.00
State Match Transferred to Holding Account		6,000,000.00	-
Repayment from DWRF Administrative Fees	(3,821,000.00)	(6,000,000.00)	(3,821,000.00)
Loans Receivable - DWRF State Match YTD Balance			$ -

Interim Loans Receivable	Budget	Balance
I Loans Receivable 1/1/2026		-
I Loan Funds Drawn	7,000,000.00	-
I Loan Repayments	(7,000,000.00)	-
I Loans Receivable YTD Balance		$ -

	1/1/2026 Balance	Misc Additions/ Subtractions	Admin Draws	St Match Loan Payment	9/30/2026 Balance
Admin Fee Accounts					
WPCRF - COLOTRUST	$ 19,474,330.69	6,531,286.26	(2,298,137.30)	(2,538,200.00)	$ 21,169,279.65
DWRF - COLOTRUST	$ 20,741,995.97	7,168,144.33	(525,192.32)	(3,821,000.00)	$ 23,563,947.98

	9/30/2026 Reloan Balance	Project Grant Funds Available	Bond Proceeds Available	Project Costs Payable (obligated)	9/30/2026 Unobligated Funds
SRF Reloan Accounts					
WPCRF - COLOTRUST	$ 136,729,389.85	45,765,652.15	11,804,014.15	(60,472,710.77)	$ 133,826,345.38
DWRF - COLOTRUST	$ 129,107,600.12	156,115,807.32	19,002,624.98	(129,052,653.50)	$ 175,173,378.92

BACK TO AGENDA

BACK TO AGENDA

Drinking Water Revolving Fund

Unaudited Statement of Net Position

As of September 30, 2026

Current Assets:	
Cash & Equivalents	$ 152,671,548
Federal Grants Receivable	415,624
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	153,087,172
Noncurrent Assets:	
Restricted Assets:	
Cash & Equivalents	39,201,009
Investments	7,030,100
Advance Receivable	-
Loans Receivable	504,075,883
Leases Receivable	-
Capital Assets-Equipment, Net of	
Accumulated Depreciation	-
Lease Assets	-
Other Assets	-
Total Noncurrent Assets	550,306,992
Total Total Assets	**703,394,164**
Deferred Outflows-Refundings	**59,596**
Deferred Outflows-Pension	**-**
Deferred Outflows-OPEB	**-**
Current Liabilities:	
Project Costs Payable - Current	-
Bonds Payable	-
Unearned Revenue	-
Lease Liability	-
Accrued Interest Payable	-
Accounts Payable-Borrowers	4,913,196
Interest Payable-Leases	-
Due to Other Funds	-
Accounts Payable-Other	-
Other Liabilities	-
Total Current Liabilities	4,913,196
Noncurrent Liablities	

Created on 11/16/2026

BACK TO AGENDA

BACK TO AGENDA

Drinking Water Revolving Fund

Unaudited Statement of Net Position

As of September 30, 2026

Project Costs Payable - Long Term	82,159,167
Advance Payable	-
Bonds Payable, net	102,675,000
Unearned Revenue	-
Lease Liability	-
Pension Liability	-
HCTF Liability	-
Debt Service Reserve Deposit	-
Other Liabilities	1,022,559
Total Noncurrent Liablities	185,856,726
Total Liabilities	**190,769,922**
Deferred Inflows-Refundings	**-**
Deferred Inflows-Pension	**-**
Deferred Inflows-OPEB	**-**
Deferred Inflows-Leases	**-**
Restricted	512,683,837
Unrestricted	-
Fund Net Position	**$ 512,683,837**

Created on 11/16/2026

BACK TO AGENDA

BACK TO AGENDA

Drinking Water Revolving Fund

Unaudited Statement of Changes in Net Position

As of September 30, 2026

Operating Income	
Operating Revenues:	
Administrative Fee	4,116,130
Total Operating Revenues	4,116,130
Total Operating Income (Loss)	4,116,130
Noncapital Subsidies Received (Provided)	
EPA Grants - Pass Through	28,048,537
EPA Grants	4,606,834
EPA Set Asides	(4,606,834)
Loan Principal Forgiven	(11,918,920)
Operating Transfers In/(Out)	6,275
Total Noncapital Subsidies	16,135,892
Total Operating Income (Loss) & Noncapital Subsidies	20,252,022
Other Nonoperating Revenues (Expenses):	
Interest on Investments	4,330,547
Interest on Bonds	(3,112,337)
Interest on Loans	2,506,445
Total Nonoperating Revenues (Expenses)	3,724,655
Total Change in Net Position	**23,976,677**
Fund Net Position-Beginning of Year	**488,707,160**
Fund Net Position	$ 512,683,837

Created on 11/16/2026

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Water Pollution Control Revolving Fund

Unaudited Statement of Net Position

As of October 31, 2026

Current Assets:	
Cash & Equivalents	$ 163,930,087
Federal Grants Receivable	71,062
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	164,001,149
Noncurrent Assets:	
Restricted Assets:	
Cash & Equivalents	41,798,042
Investments	-
Advance Receivable	-
Loans Receivable	562,482,237
Leases Receivable	-
Capital Assets-Equipment, Net of	
Accumulated Depreciation	-
Lease Assets	-
Other Assets	-
Total Noncurrent Assets	604,280,279
Total Total Assets	**768,281,428**
Deferred Outflows-Refundings	**93,336**
Deferred Outflows-Pension	**-**
Deferred Outflows-OPEB	**-**
Current Liabilities:	
Project Costs Payable - Current	-
Bonds Payable	-
Unearned Revenue	-
Lease Liability	-
Accrued Interest Payable	-
Accounts Payable-Borrowers	6,242,798
Interest Payable-Leases	-
Due to Other Funds	-
Accounts Payable-Other	-
Other Liabilities	-
Total Current Liabilities	6,242,798
Noncurrent Liablities	

Created on 11/16/2026

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Water Pollution Control Revolving Fund

Unaudited Statement of Net Position

As of October 31, 2026

Project Costs Payable - Long Term	48,872,296
Advance Payable	-
Bonds Payable, net	124,290,000
Unearned Revenue	-
Lease Liability	-
Pension Liability	-
HCTF Liability	-
Debt Service Reserve Deposit	-
Other Liabilities	3,992,671
Total Noncurrent Liablities	177,154,967
Total Liabilities	**183,397,765**
Deferred Inflows-Refundings	**-**
Deferred Inflows-Pension	**-**
Deferred Inflows-OPEB	**-**
Deferred Inflows-Leases	**-**
Restricted	584,976,999
Unrestricted	-
Fund Net Position	**$ 584,976,999**

Created on 11/16/2026

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Water Pollution Control Revolving Fund

Unaudited Statement of Changes in Net Position

As of October 31, 2026

Operating Income	
Operating Revenues:	
Administrative Fee	4,875,527
Total Operating Revenues	4,875,527
Total Operating Income (Loss)	4,875,527
Noncapital Subsidies Received (Provided)	
EPA Grants - Pass Through	19,584,234
Grants From The State	3,941,000
Loan Principal Forgiven	(4,839,364)
Operating Transfers In/(Out)	(6,274)
Total Noncapital Subsidies	18,679,596
Total Operating Income (Loss) & Noncapital Subsidies	23,555,123
Other Nonoperating Revenues (Expenses):	
Interest on Investments	4,960,949
Interest on Bonds	(3,772,651)
Interest on Loans	2,930,255
Total Nonoperating Revenues (Expenses)	4,118,553
Total Change in Net Position	**27,673,676**
Fund Net Position-Beginning of Year	**557,303,322**
Fund Net Position	$ 584,976,999

Created on 11/16/2026

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Water Pollution Control Revolving Fund

Unaudited Statement of Net Position

As of September 30, 2026

Current Assets:	
Cash & Equivalents	$ 157,898,670
Federal Grants Receivable	71,062
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	157,969,732
Noncurrent Assets:	
Restricted Assets:	
Cash & Equivalents	39,423,510
Investments	-
Advance Receivable	-
Loans Receivable	566,533,642
Leases Receivable	-
Capital Assets-Equipment, Net of	
Accumulated Depreciation	-
Lease Assets	-
Other Assets	-
Total Noncurrent Assets	605,957,152
Total Total Assets	**763,926,884**
Deferred Outflows-Refundings	**93,336**
Deferred Outflows-Pension	**-**
Deferred Outflows-OPEB	**-**
Current Liabilities:	
Project Costs Payable - Current	-
Bonds Payable	-
Unearned Revenue	-
Lease Liability	-
Accrued Interest Payable	-
Accounts Payable-Borrowers	6,187,545
Interest Payable-Leases	-
Due to Other Funds	-
Accounts Payable-Other	-
Other Liabilities	-
Total Current Liabilities	6,187,545
Noncurrent Liablities	

Created on 11/16/2026

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Water Pollution Control Revolving Fund

Unaudited Statement of Net Position

As of September 30, 2026

Project Costs Payable - Long Term	51,917,946
Advance Payable	-
Bonds Payable, net	124,290,000
Unearned Revenue	-
Lease Liability	-
Pension Liability	-
HCTF Liability	-
Debt Service Reserve Deposit	-
Other Liabilities	3,992,672
Total Noncurrent Liablities	180,200,618
Total Liabilities	**186,388,163**
Deferred Inflows-Refundings	**-**
Deferred Inflows-Pension	**-**
Deferred Inflows-OPEB	**-**
Deferred Inflows-Leases	**-**
Restricted	577,632,057
Unrestricted	-
Fund Net Position	**$ 577,632,057**

Created on 11/16/2026

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Water Pollution Control Revolving Fund

Unaudited Statement of Changes in Net Position

As of September 30, 2026

Operating Income	
Operating Revenues:	
Administrative Fee	3,593,680
Total Operating Revenues	3,593,680
Total Operating Income (Loss)	3,593,680
Noncapital Subsidies Received (Provided)	
EPA Grants - Pass Through	17,373,664
Loan Principal Forgiven	(4,146,731)
Operating Transfers In/(Out)	(6,275)
Total Noncapital Subsidies	13,220,658
Total Operating Income (Loss) & Noncapital Subsidies	16,814,338
Other Nonoperating Revenues (Expenses):	
Interest on Investments	4,378,137
Interest on Bonds	(3,772,652)
Interest on Loans	2,908,912
Total Nonoperating Revenues (Expenses)	3,514,397
Total Change in Net Position	**20,328,735**
Fund Net Position-Beginning of Year	**557,303,322**
Fund Net Position	$ 577,632,057

Created on 11/16/2026

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WRBP

Unaudited Statement of Net Position

As of September 30, 2026

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	4,261,420
Investments	-
Advance Receivable	-
Loans Receivable	46,660,000
Leases Receivable	-
Capital Assets-Equipment, Net of	
Accumulated Depreciation	-
Lease Assets	-
Other Assets	128,825
Total Noncurrent Assets	51,050,245
Total Total Assets	**51,050,245**
Deferred Outflows-Refundings	**141,199**
Deferred Outflows-Pension	**-**
Deferred Outflows-OPEB	**-**
Current Liabilities:	
Project Costs Payable - Current	-
Bonds Payable	-
Unearned Revenue	-
Lease Liability	-
Accrued Interest Payable	-
Accounts Payable-Borrowers	3,300,670
Interest Payable-Leases	-
Due to Other Funds	-
Accounts Payable-Other	-
Other Liabilities	-
Total Current Liabilities	3,300,670
Noncurrent Liablities	

Created on 11/16/2026

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WRBP

Unaudited Statement of Net Position

As of September 30, 2026

Project Costs Payable - Long Term	-
Advance Payable	-
Bonds Payable, net	46,660,000
Unearned Revenue	-
Lease Liability	-
Pension Liability	-
HCTF Liability	-
Debt Service Reserve Deposit	960,750
Other Liabilities	-
Total Noncurrent Liablities	47,620,750
Total Liabilities	**50,921,420**
Deferred Inflows-Refundings	**-**
Deferred Inflows-Pension	**-**
Deferred Inflows-OPEB	**-**
Deferred Inflows-Leases	**-**
Restricted	270,023
Unrestricted	-
Fund Net Position	**$ 270,023**

Created on 11/16/2026

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WRBP

Unaudited Statement of Changes in Net Position

As of September 30, 2026

Other Nonoperating Revenues (Expenses):	
Interest on Bonds	(1,438,388)
Interest on Loans	1,249,404
Total Nonoperating Revenues (Expenses)	(188,984)
Total Change in Net Position	**(188,984)**
Fund Net Position-Beginning of Year	**459,008**
Fund Net Position	$ 270,023

Created on 11/16/2026

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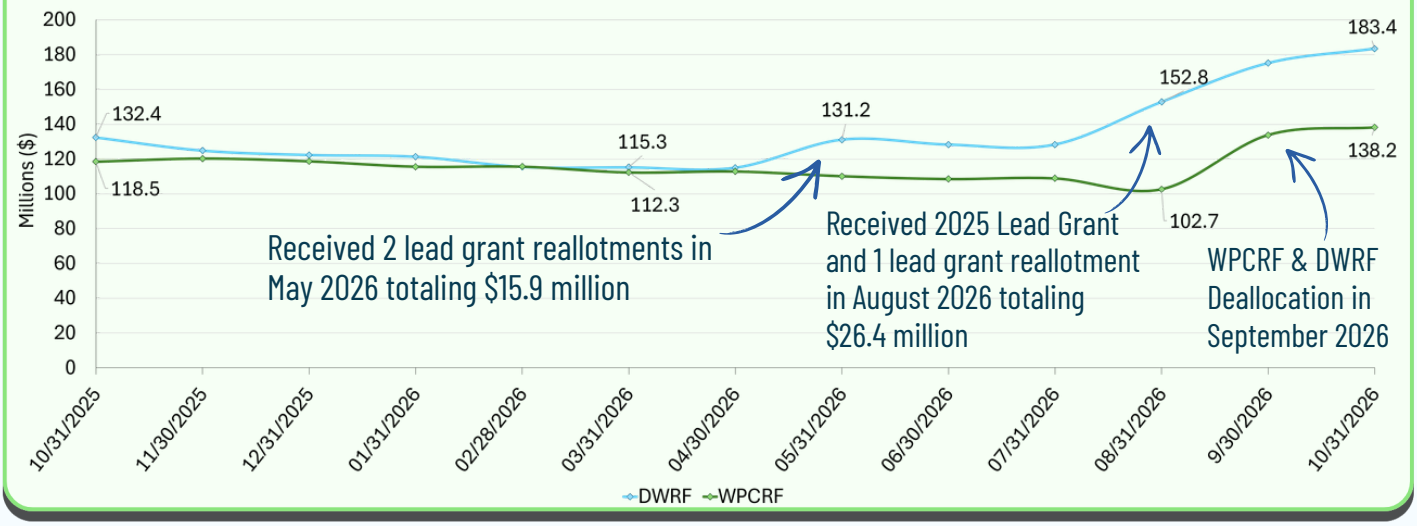
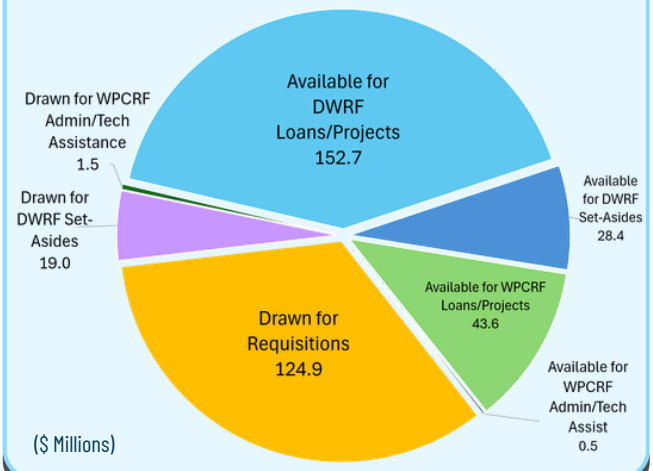
ALL PROGRAMS ACTIVITY

AS OF OCTOBER 31, 2026

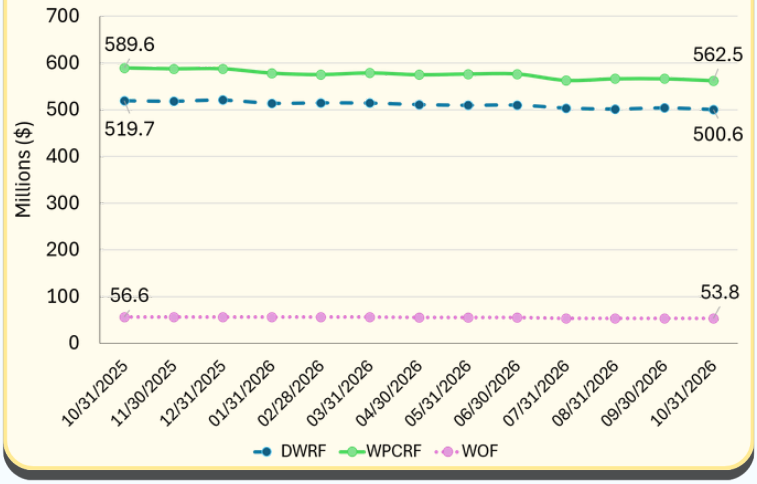
UNOBLIGATED RELOAN FUNDS



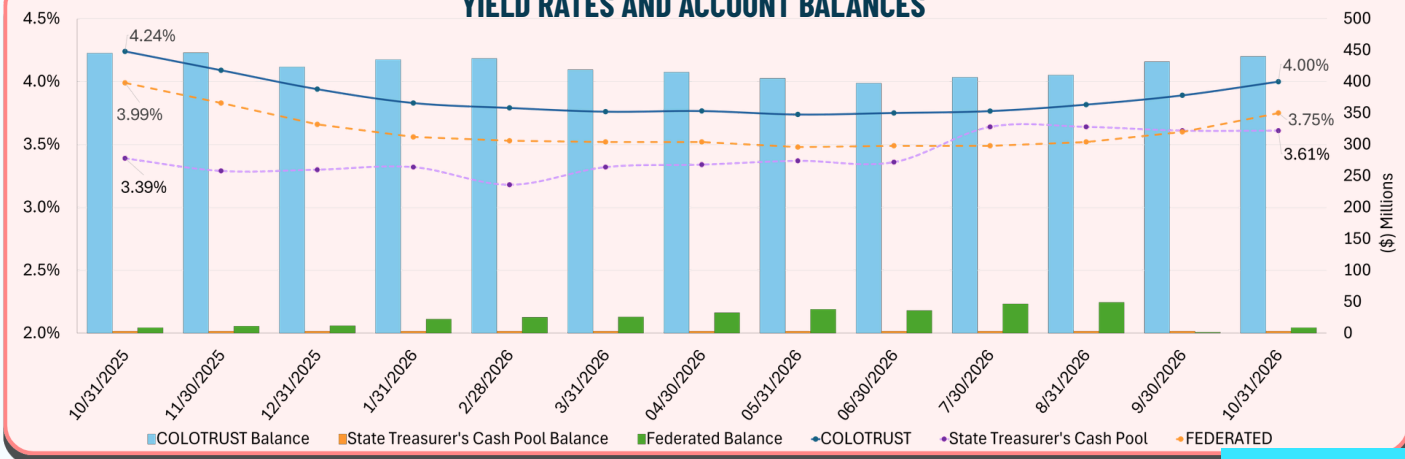
OPEN CAPITALIZATION GRANT FUND USAGE



LOANS RECEIVABLE



YIELD RATES AND ACCOUNT BALANCES



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DWRF ACTIVITY

JANUARY 2026 - OCTOBER 2026

LOAN AND BOND ACTIVITY

16 New Loans
$18.3 Million Total

▲ $8.2 Million Repayable

✚ $10.1 Million PF

Debt Service
$10.6 Million Total

Principal: $7.5 Million

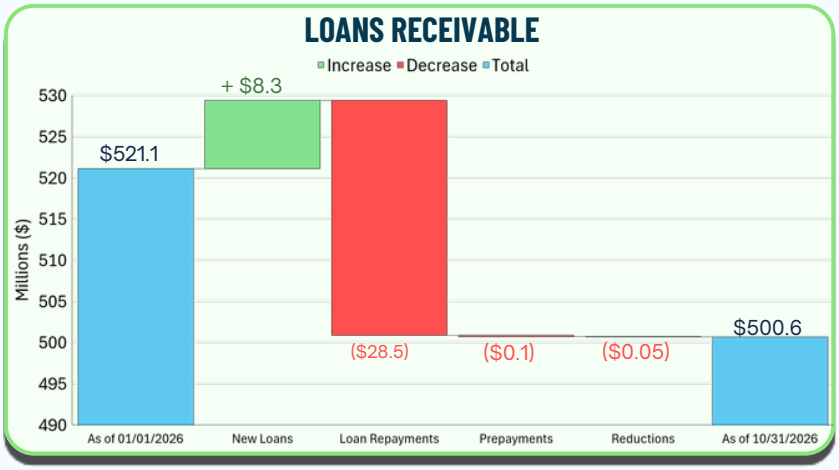
Interest: $3.1 Million

4 Loan Reductions
$0.1 Million Total

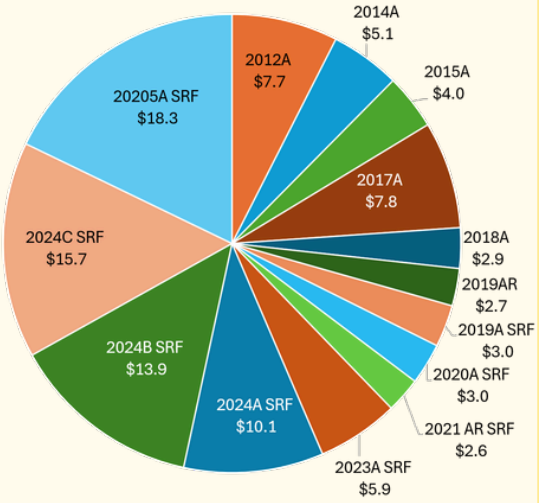
▼ $0.05 Million Repayable

— $0.10 Million PF

LOANS RECEIVABLE



BONDS PAYABLE

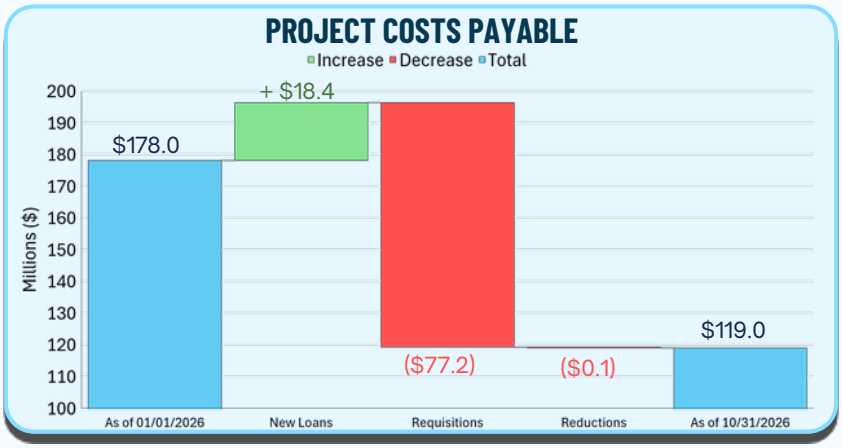


Total Bonds Outstanding: $102.7

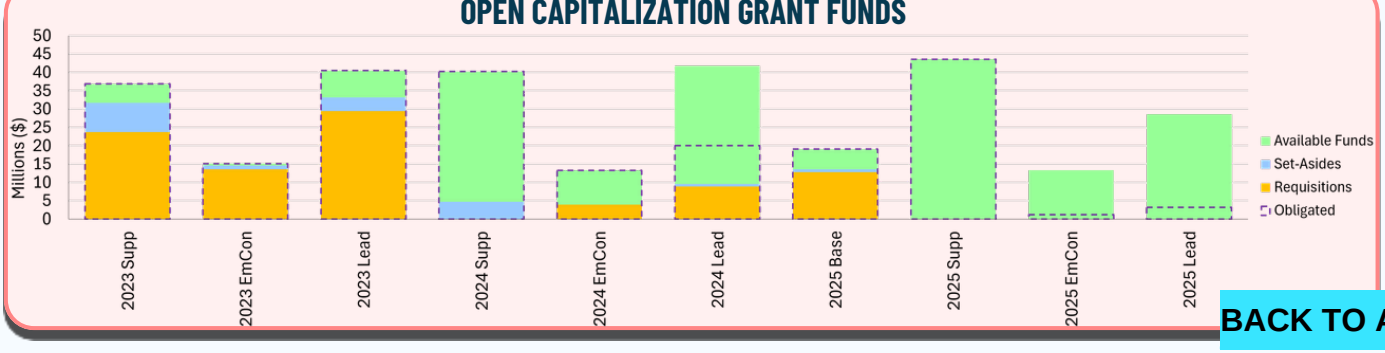
Total Number of Borrowers: 28

($ Millions)

PROJECT COSTS PAYABLE



OPEN CAPITALIZATION GRANT FUNDS



BACK TO AGENDA

BACK TO AGENDA

WPCRF ACTIVITY

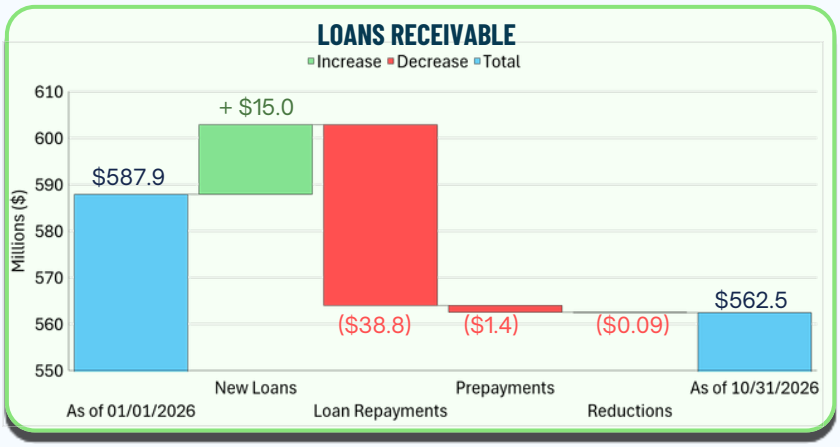
JANUARY 2026 - OCTOBER 2026

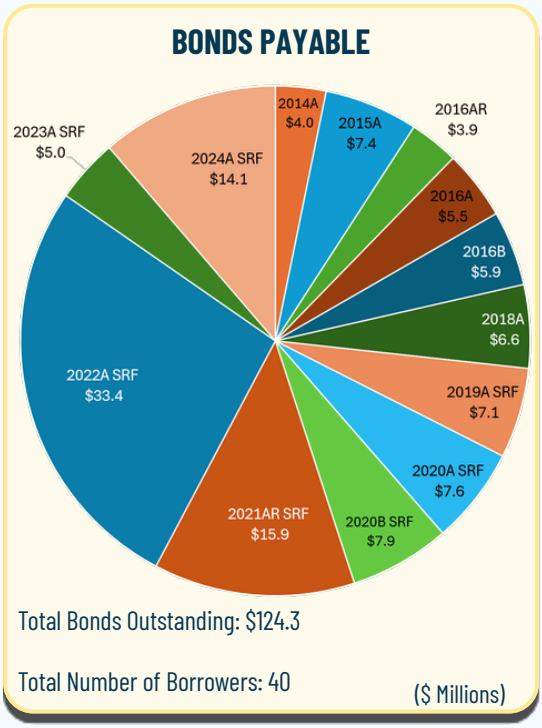
LOAN AND BOND ACTIVITY

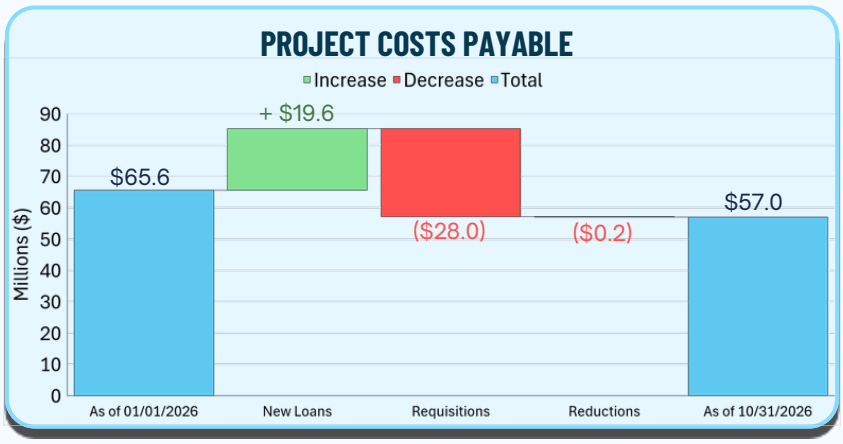
14 New Loans
$19.6 Million Total
▲ $15.0 Million Repayable
✚ $4.6 Million PF

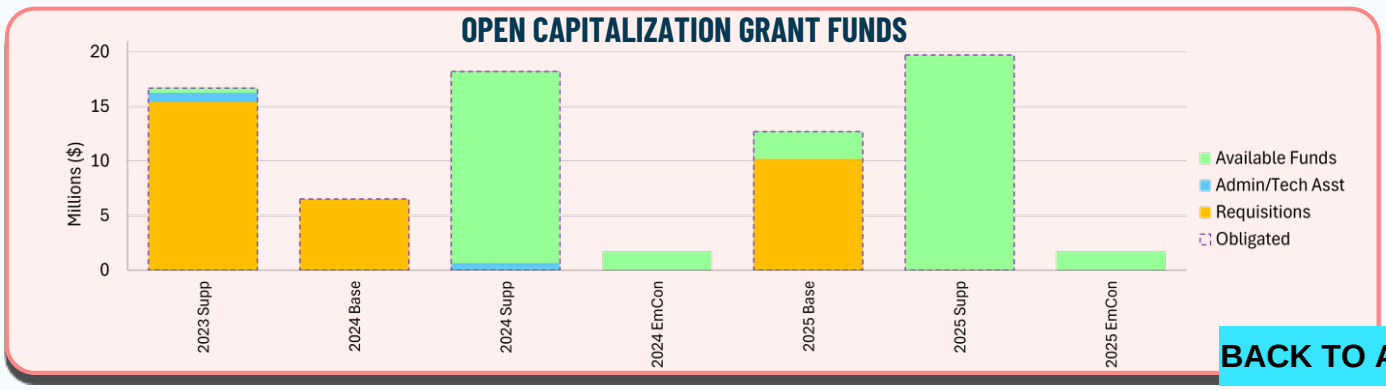
Debt Service
$17.8 Million Total
Principal: $12.1 Million
Interest: $5.7 Million

1 Loan Reduction
$0.2 Million Total
▼ $0.09 Million Repayable
— $0.09 Million PF









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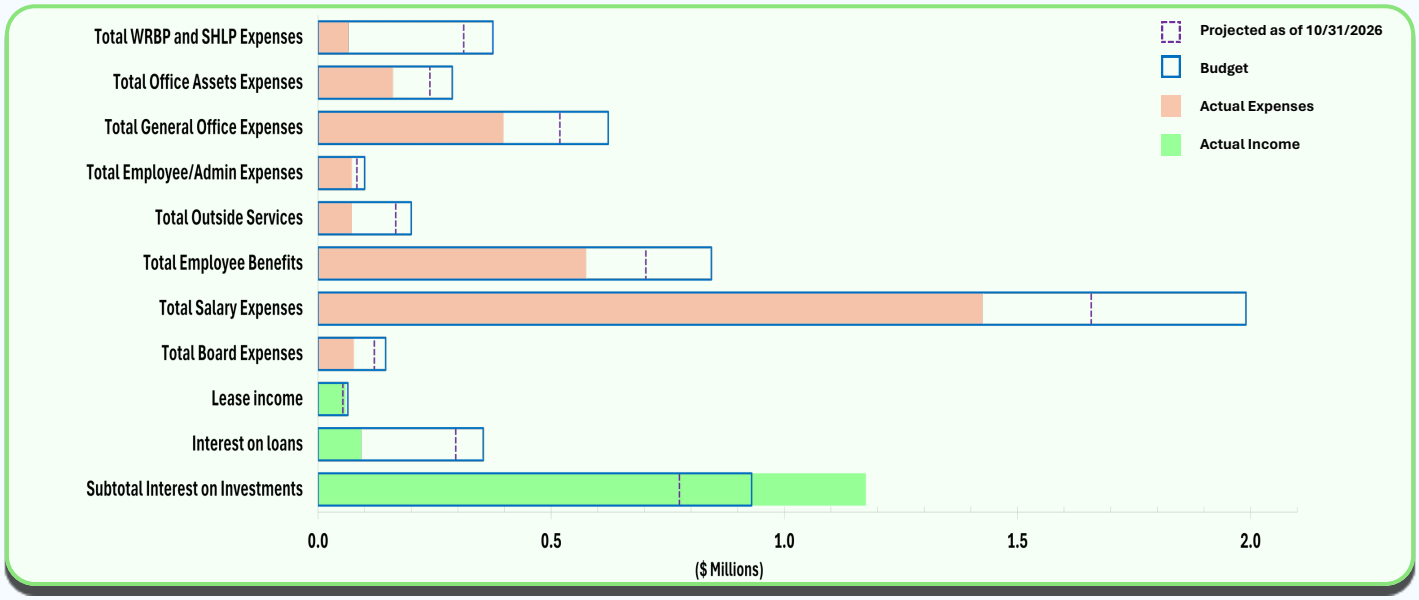
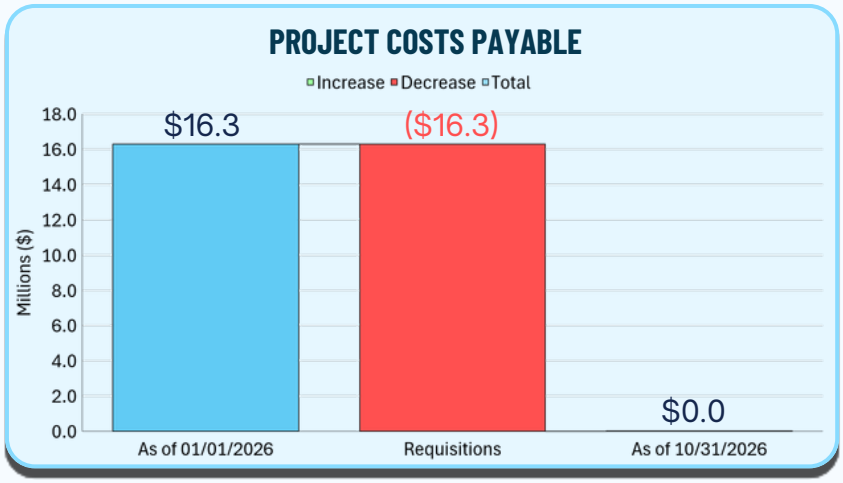
WOF ACTIVITY

JANUARY 2026 - OCTOBER 2026

BUDGET VS. ACTUAL



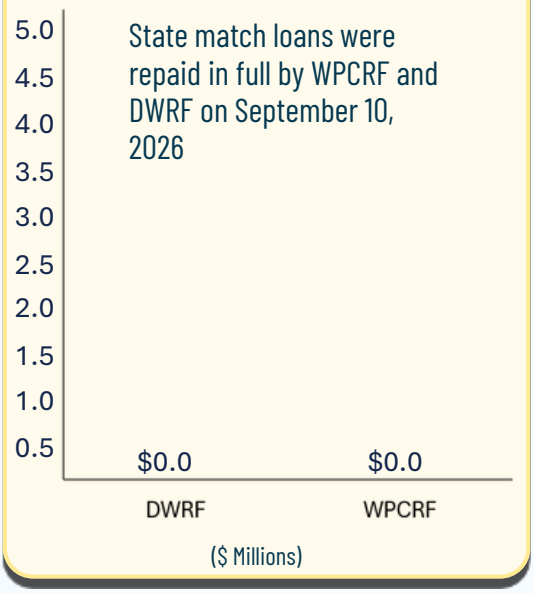
PROJECT COSTS PAYABLE



No New Loans

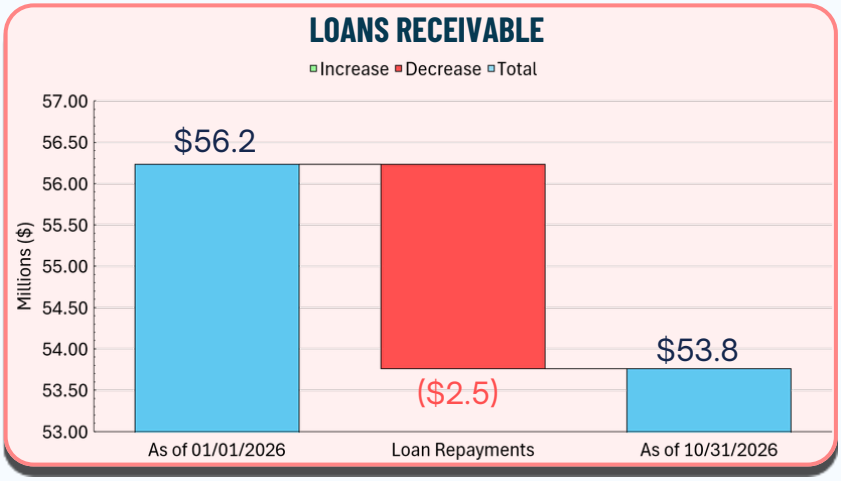
10 Requisitions
$16.3 Million Total

STATE MATCH RECEIVABLE



State match loans were repaid in full by WPCRF and DWRF on September 10, 2026

LOANS RECEIVABLE



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BACK TO AGENDA

COLORADO WATER RESOURCES & POWER DEVELOPMENT AUTHORITY
The Amp - Suite 820, 1580 N. Logan Street, Denver, Colorado 80203-1942
303/830-1550 · Fax 303/832-8205 · info@cwrpda.com

MEMORANDUM

December 4, 2026

TO: **Board of Directors and Karl Ohlsen**

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

RE: **Amendment to the Memorandum of Understanding (MOU) among Southeastern Colorado Water Conservancy District, Otero County, Colorado Water Conservation Board and the Colorado Water Resources and Power Development Authority**

The MOU provides a specific framework for a unique financing concept for spur and delivery lines off of the Arkansas Valley Conduit. The attached amendment to the original MOU dated September 19, 2025 provides for changes to bank account types and adds a specific bank to be used by Otero County.

All parties are in general agreement with the changes. Otero County requested that the changes be memorialized in an amendment to the original MOU and for these changes to be reviewed with and approved by all parties.

Board Action Requested: Motion to approve the first amendment to the above referenced original MOU with non-material changes to be made by the Executive Director in consultation with legal counsel (amendment attached to this memo).

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BACK TO AGENDA

Attachment 1

First Amendment
To
Memorandum of Understanding
Between the
Southeastern Colorado Water Conservancy District,
Otero County,
The Colorado Water Conservation Board,
and
Colorado Water Resources and Power Development Authority

This First Amendment to the Memorandum of Understanding entered on September 19, 2025 ("Original MOU"), among the Southeastern Colorado Water Conservancy District (the "District" and/or "SECWCD") acting by and through its Water Activity Enterprise ("SECWAE"), the County of Otero ("County"), the Colorado Water Conservation Board ("CWCB"), and the Colorado Water Resources and Power Development Authority ("Authority") is effective as of November ____, 2026, under the terms and conditions set forth herein. The parties to this First Amendment may be collectively referred to herein as the "Parties."

RECITALS

WHEREAS, the Parties entered into the Original MOU which, in part, authorized the County to serve as the fiscal agent to receive and administer CWCB AVC Grant Funds for use in the design, engineering, and construction of the AVC spur and delivery lines by SECWAE.

WHEREAS, the Original MOU provided that the CWCB AVC Grant Funds would be maintained in an escrow account to be administered by the County for the repayment of loans issued by the Authority.

WHEREAS, the Parties desire to amend the Original MOU to reflect their common understanding that the CWCB AVC Grant Funds may be held in a checking account maintained by the County and dedicated exclusively for the administration of the CWCB AVC Grant Funds.

Accordingly, pursuant to Part VIII.I of the Original MOU, the Parties agree to amend the Original MOU as follows:

1. **Defined Terms; Effectiveness**: Capitalized terms used and not defined in this First Amendment will have the meaning set forth in the Original MOU. All modifications to the Original MOU commence as of the effective date of this First Amendment, unless stated otherwise.

2. **Amendment to Defined Term**. Wherever the term "Escrow Account" appears in the Original MOU, it shall be deemed to refer to, and is hereby replaced by, the term "Checking Account."

3. **Amendment to Purpose, Part 1.** Part 1 of the Original MOU shall be amended by replacing the term "escrowing" with "administering," such that this term reads, in

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pertinent part, "for the CWCB and Otero County to aid in administering CWCB AVC Grant Funds as the source of repayment of Authority loans."

4. **Amendment to Parties' Responsibilities, Part II.E.2**. Part II.E.2 shall be amended and superseded in its entirety, as follows:

The Parties, coordinated by Otero County, will engage Colorado Bank and Trust to hold the CWCB AVC Grant Funds in one or more checking accounts (the "Checking Account"). The Checking Account will identify Otero County as the administrator and will allow Otero County to direct the release of funds from the Checking Account to the Authority to repay the Authority repayable loan funds plus any administrative costs eligible for reimbursement under the agreement awarding the CWCB AVC Grant Funds, upon receipt of a requisition approved by the CWCB and submitted by the Authority. The Checking Account may be interest bearing, and Otero County will be entitled to receive any interest accrued to the Checking Account. The Checking Account shall not be closed until all CWCB AVC Grant Funds, or any supplemental funds subsequently provided, have been properly distributed to repay any outstanding Authority repayable loan amounts, unless otherwise agreed in writing by mutual agreement of all Parties. Otero will act as fiscal agent for the duration of the two-year loan period, however, if the loan term is extended for any reason past its original two- year term, the Parties agree to negotiate in good faith with respect to a potential extension, or modification of the fiscal agent administration period.

5. **Amendment to Project Plan and Implementation, Part III.A(1).** Part III.A(1) shall be amended to delete the word "escrow," such that this term reads, in pertinent part, "agreements providing for the reservation and security of specific CWCB AVC Grant Funds for the purpose of securing each Authority loan to SECWAE, and for the release of such funds upon the substantial completion, or other mutually-agreed upon schedule, of each spur and related delivery lines;"

Entered this _____ day of _____ 2026.

Southeastern Colorado Water Conservancy Enterprise

By: _____
Date

County of Otero

By: _____
Date

Colorado Water Conservation Board

By: _____
Date

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Colorado Water Resources and Power Development Authority

By: _____
Date

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COLORADO WATER RESOURCES &
POWER DEVELOPMENT AUTHORITY
The Amp – Suite 820, 1580 N Logan Street, Denver, Colorado 80203-1942
303/830-1550 · Fax 303/832-8205 · info@cwrpda.com

MEMORANDUM

December 4, 2026

TO: **Members of the Board of the CWRPDA and Karl Ohlsen**

FROM: **Wesley Williams, Finance Director**
Daniel Lockard, Financial Analyst I

RE: **Lookout Mountain Water District (the "District") – DBS26F525 – Request to Defer Loan Repayment Commencement Date**

On October 22, 2026, to better align the loan repayment schedule with the District's revised construction timeline, the Executive Director approved a 90-day temporary postponement of the District's initial loan repayment from November 1, 2026, to February 1, 2027, to allow time for staff to propose this one-year adjustment to the CWRPDA Board. This postponement was made pursuant to the authorization outlined in the Executive Director Authorization and Approval Signer memo approved March 6, 2020, and further updated as of June 5, 2025.

To further accommodate its construction timeline, the District is requesting a delay in the commencement of its debt service payments. This would bring the debt service date more in line with its repayments to construction vendors, which is set to begin during construction. The District is requesting that debt service repayment begin in November 2027, following closer to the planned construction start date of June 1, 2027. If approved, fully amortized debt service payments remain unchanged at $81,812.44. There are no changes to any current indicators from the attached credit report that was approved at the June 2026 Board meeting.

Recommendation: Staff is seeking a motion from the Board to approve the District's loan repayment commencement deferment request.

Attachments: District's Request for Deferral of Loan Repayments
June 2026 DWRF Credit Report

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Lookout Mountain Water District
PO Box 17780
Golden, CO 80402
303-526-2025
www.lookoutmountainwaterdistrict.org

October 30, 2026

Colorado Water Resources and Power Development Authority Board of Directors
c/o Keith McLaughlin, Executive Director
1580 Logan Street, Suite 620
Denver, Colorado 80203

Re: Formal Request for Deferral of Loan Repayments – Drinking Water Revolving Fund 2026 Direct Loan #DBS26F525

Dear Mr. McLaughlin:

The Lookout Mountain Water and Sanitation District (the "District") has a DWRF 2026 Direct Loan dated September 11, 2026, (Loan #DBS26F525) with the Colorado Water Resources and Power Development Authority (the "Authority"). On October 22, 2026, the Authority, by and through its Executive Director, approved the District's request to defer the loan repayment due November 1, 2026 for a period of 90 days, until a longer deferment request could be reviewed by the full Board at an appropriate Board meeting. Currently, under the "First Amendment to Loan Agreement", dated October 27, 2026, the new loan repayment schedule is as follows:

- Interest Accrual Date: Beginning as of **January 1, 2027**
- First Debt Service Payment: Deferred until **February 1, 2027**
- Subsequent Debt Service Payments: Rescheduled to the **1st of February and August annually**

The District appreciates this accommodation as well as the opportunity to submit a formal, longer deferment request. As such, the District now respectfully submits this formal request for consideration and approval by the Authority and its Board of Directors. Specifically, pursuant to Sections 3.03(a), 6.04, and 6.07 of the Loan, the District respectfully requests that the Authority approve a further modification of and amendment to the loan as follows:

- Amendment of the Loan Repayment Dates. The semi-annual repayment dates as set forth in Section 3.03 (a) of the 2026 Loan Agreement shall further amended to read as follows: "**semi-annually on May 1st and November 1st**".
- Amendment of Loan Repayment Commencement Date. The Loan Repayment Commencement Date set forth in Exhibit B (8) and Exhibit C of the 2026 Loan Agreement shall further be amended to begin on the following date: "**November 1, 2027**".

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- Amendment of the Interest Date. The Interest Date set forth in Exhibit C of the 2026 Loan Agreement shall further be amended to begin on the following date: "**November 1, 2027**".

The District requests this deferral to better accommodate its cash planning and construction timeline. Specifically, the District understood the loan to be analogous to a construction loan rather than a cash-availability loan. The District had planned to make repayments with the amortization starting at the end of the construction phase rather than on the full amount immediately. The construction plans, as outlined in the 2025 District election, are for mainline capital improvements including relining the tar-lined steel pipe in areas west from Bergen Park and south of I-70 (known as Phase 1 of LMWD's plan to eliminate tar-lined pipe and upgrade the District's water distribution system).

Construction on these mainline capital improvements has not begun and, as such, disbursements to construction vendors have not been initiated. To accommodate the misunderstanding and to align with the District's 2027 construction plans, the District requests the loan repayment commencement date be extended a year to November 1, 2027.

The requested deferral will allow the District additional time to plan for the annual budget(s) and certification(s) of its mill levy. The District believes that the requested extension is reasonable and appropriate under the circumstances and will support its long-term financial stability and ability to meet its repayment obligations to the Authority.

The District remains committed to fulfilling its obligations under the loan agreement and does not seek forgiveness or reduction of any outstanding principal or interest. Rather, the District requests an adjustment to the repayment commencement date, together with such corresponding modifications to the repayment schedule and loan documents as may be necessary and mutually agreed upon.

Accordingly, the District respectfully requests that Authority staff present this request to the Authority's Board of Directors for consideration and approval at its next available meeting, preferably on December 4, 2026. The District requests that the Authority consider and approve the proposed modification pursuant to Section 6.04 of the Loan Agreement, subject to mutually acceptable documentation of the revised repayment obligations.

Again, the District appreciates the Authority's continued support and consideration of this request and is prepared to provide any additional financial information or documentation necessary to facilitate its review. We apologize for the misunderstanding and the additional work it created.

Sincerely,

Lookout Mountain Water District

By: _____
Kyle Schroeder, Treasurer

cc: Coaty and Woods, P.C.; Butler Snow, LLP

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Previously approved for reference

DWRF LOAN CREDIT REPORT (2026)

Lookout Mountain Water District ("The District"), Jefferson County

Previously approved for reference

Recommendation:	**APPROVAL**
Loan Request:	$3,000,000
Interest Rate & Term:	3.50% & 30 years
Annual Debt Service:	$162,320
Pledge:	General Obligation
Current Rate and Mill Levy:	$86.85, 16.543 Mills
Estimated Mill Levy Increase:	3.704 Mills

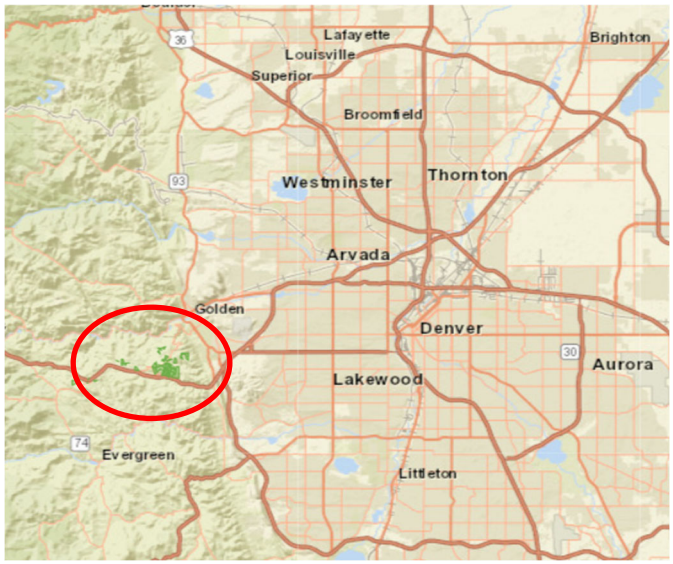
Project Budget

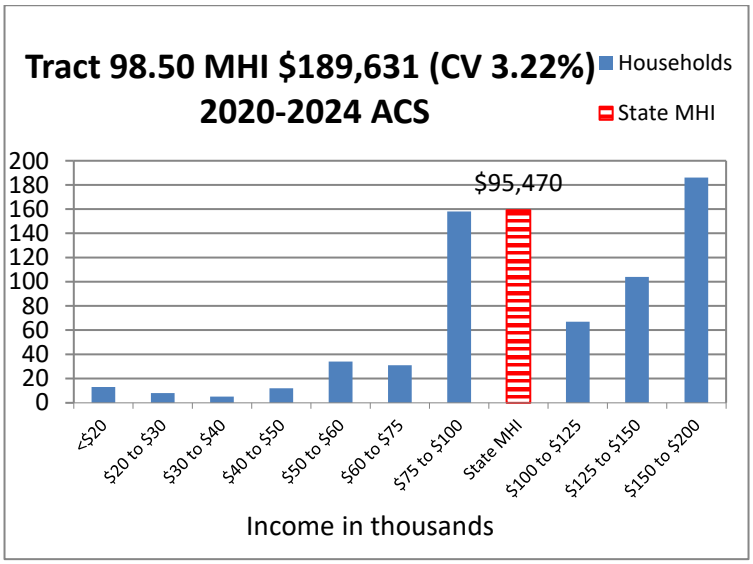
DWRF Loan:	$3,000,000
Reserves:	$1,240,248
Congressionally Directed Spending (CDS) - pending:	$959,752
Total:	$5,200,000

PROJECT DESCRIPTION: This project will replace tar-lined steel pipe and is part of the District's effort to address the enforcement order for disinfection byproducts.

COMMUNITY PROFILE: Lookout Mountain Water District	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**Avg. Annual Change**
District Population			1,268	1,270	1,273	1,275	1,275	0.15%
Jefferson County Population	583,138	580,840	576,580	577,599	578,437			-0.20%
Jefferson County Jobs	289,459	295,676	302,704	308,429	309,057			1.65%
Number of Water Taps			507	508	509	510	510	0.15%
Assessed Value ($000)			$35,068	$34,403	$43,825	$43,766	$44,871	6.36%
Actual Value ($000)			$404,269	$405,920	$543,868	$578,802	$615,575	11.08%

BORROWER BRIEF: The District is located in the western foothills of Jefferson County, covering an area roughly to the north of I-70 southwest of Golden.





RECOMMENDATION: The District serves a bedroom mountain residential community in Jefferson County. This proposed loan is necessary to address the enforcement order for disinfection byproducts. The cost of the project will create some debt burden for the community. However, there is community support for the project and the District's voters recently authorized debt and property tax increases to pay for the proposed loan. The District's finances are in good condition and rates have been raised annually for at least the past five years. We therefore recommend the DWRF Committee approve a $3,000,000 direct loan to the Lookout Mountain Water District.

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PROJECT SUMMARY:

System summary: Water is produced at the water treatment facility and flows via gravity to an intermediate pump station. A pump station boosts pressure and provides water to a water storage tank. Water flow is then transmitted under gravity to downhill users and passes through pressure reducer valves (PRVs) along the way.

The District owns the Upper Beaver Brook Reservoir (397.4 AF) and the Lower Beaver Brook Reservoir (28.98 AF) and associated dams as its source water infrastructure. These reservoirs are adequate to deliver source water to the water treatment facility. The District also owns the Lookout Mountain Reservoir (125.97 AF) that currently receives water from flushing operations at the end of the main. This water is used for water rights exchanges.

Pretreatment begins with oxidation using sodium permanganate, coagulation, and pH adjustment using sodium hydroxide. These chemicals pass through a static mixer and then through flocculation and sedimentation tanks. The water then passes through basket strainers prior to the microfiltration membrane skids. The permeate is disinfected with sodium hypochlorite in a baffled clearwell before entering the distribution system.

Reason/need: The system is currently under an Enforcement Order for the exceedance of disinfection byproducts (TTHMs and HAA5s). The oversized diameter of the existing transmission mains (14" and 20") results in an increased volume of water in the line, and with the low water usage, it increases the time the water is in the pipeline, also referred to as water age. The elevated water age results in an increase in the contact time between chlorine and organic matter. This leads to an increase in the formation of disinfection byproducts. Additionally, the existing pipe is a tar-lined steel pipe that is believed to contribute to the water quality issues. The project is part of the District's effort to address the enforcement order for disinfection byproducts and will significantly reduce the water age in these sections of the main.

System Compliance: The Lookout Mountain Water District is currently under an enforcement order. The project is intended to return the system to compliance.

Project Delivery Method: Design/Bid/Build

Contingency: 10% of the project cost is included as contingency. In the event that project costs exceed the loan amount, the District will reduce the linear footage of pipes to be replaced.

CURRENT INDICATORS:	2022	2023	2024	Weak		Average		Strong	
Total Debt per Capita ($):	4,363	4,280	4,510	X	>$2,000		$1,000 - 2,000		<$1,000
Total + New Debt/Capita ($):			6,868	X	>$2,000		$1,000 - 2,000		<$1,000
Total Debt/Tap ($):	10,907	10,701	11,276	X	>$5,000		$2,500 - 5,000		<$2,500
Total Debt + New Debt/Tap ($):			17,169	X	>$5,000		$2,500 - 5,000		<$2,500
Current Water Debt/Tap ($):	10,907	10,701	11,276	X	>$2,000		$1,000 - 2,000		<$1,000
Current Water + New Water Debt/Tap ($):			17,169	X	>2,000		$1,000 - 2,000		<$1,000
Total Debt/Assessed Value:	16%	16%	13%		>50%		25-50%	X	<25%
Total Debt + New Water Debt/Assessed Value:			20%		>50%		25-50%	X	<25%
Total Debt/Actual Value:	1.37%	1.34%	1.06%		>10%		5-10%	X	<5%
Total Debt + New Water Debt/Actual Value:			1.61%		>10%		5-10%	X	<5%
Curr. Water Debt + New Debt/Tap/MHI:			9.05%		>20%		10-20%	X	<10%
Water Fund Current Ratio (CA/CL):	127%	156%	132%		<100%	X	100-200%		>200%
Water Fund Reserves/Current Expense:	74%	90%	85%		<50%	X	50-100%		>100%
Water Operating Ratio (OR/OE):	90%	85%	96%	X	<100%		100-120%		>120%
Coverage Ratio (TR-OE)/DS:	231%	355%	517%		<110%		110-125%	X	>125%
Coverage Ratio (TR-OE)/DS Excluding Tap Fees:	216%	332%	492%		<110%		110-125%	X	>125%
Coverage Ratio with New Loan:			279%		<110%		110-125%	X	>125%
Coverage Ratio with New Loan Excluding Tap Fees:			266%		<110%		110-125%	X	>125%
Current Annual Water Rates/MHI:			0.47%		>3.0%		1.5-3.0%	X	<1.5%
Current Water Rates + New Water Debt Service/MHI:			0.64%		>3.0%		1.5-3.0%	X	<1.5%
Operation and Maintenance Reserve:			105%		<25%		25-50%	X	>50%
			Total:	**7**		**2**		**12**	

FINANCIAL ANALYSIS: Of the twenty-one current indicators calculated, twelve are rated strong, two are average and seven are considered weak. Overall, the indicators illustrate that although customers may be burdened by the District's current debt, rates are affordable, and the District has the ability to pay for near- and long-term obligations. Weak indicators reflect that the proposed loan will be a burden on the community. Multiple indicators should be considered as illustrative purposes because the pledge will be property tax revenue.

- The District supports its operations with property tax revenue, which is not included in the operating ratio indicator. Property tax has comprised between 41% to 52% of total revenue in the years analyzed. If the property tax ratio were included in the operating ratio, based on the 2024 financial statements, the 2024 ratio would be strong at 188% indicating adequate revenue to cover expenses.
- Because of voter authorization to use property tax revenues to repay the proposed loan, fluctuations in operating revenue and expenses have a smaller impact on the District's ability to repay the proposed loan.
- Coverage ratio calculations are for illustration only. Based on 2024 financial information, coverage with the proposed loan is 279% with tap fee revenue and 246% without tap fee revenue.
- District voters passed a ballot measure by a vote of 508 to 109 authorizing $3,000,000 in debt and property taxes to be increased up to $200,000 annually for the proposed project. The District intends to increase the mill levy as authorized to cover debt service for this proposed loan.
- Multiple indicators should be considered for illustrative purposes as the pledge will be property tax revenue.

Additional Project Financing
The District submitted an application for Congressionally Directed Spending funds for the amount of $959,752.

DESCRIPTION OF THE LOAN:
A $3,000,000 direct loan with a thirty-year term, two payments annually at an interest rate of 3.50% will cost the District approximately $162,320 in debt service annually.

ECONOMIC ANALYSIS: The District has a 2026 population estimated at 1,275 and has grown at an average annual rate of 0.15% since 2022. Jefferson County has experienced a decrease of 0.20% in population since 2020. The state population increased at an average annual rate estimated 0.73%.

The County's economy is dominated by professional, scientific, and technical services; health care and social assistance; retail trade; accommodation and food services; and construction.

The District reports that its largest employers consist of Clear Creek School District, with 50 employees; Foothills Fire Protection District, with 30 employees; City and County of Denver, with 25 employees; Jefferson County, with 20 employees; and Highland Ambulance Rescue, with 10 employees.

The District reports that no customer accounts for more than 3% of utilization. However, the Clear Creek School District accounts for 2.2% of the system's total utilization and 5.8% of the District's total 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 not sell more than 2,000 acre-feet of water per year.

Organizational Structure
The District is a Title 32 Article 1 water district governed by a five-member board of directors' form of government and was organized in 1988. The District provides water services. There are no full-time employees in the water utility. All operations and daily matters are overseen by contractors, who coordinate with the District manager. On long-term issues and direction, the District's legal council will coordinate with the District's administrator and President of the Board.

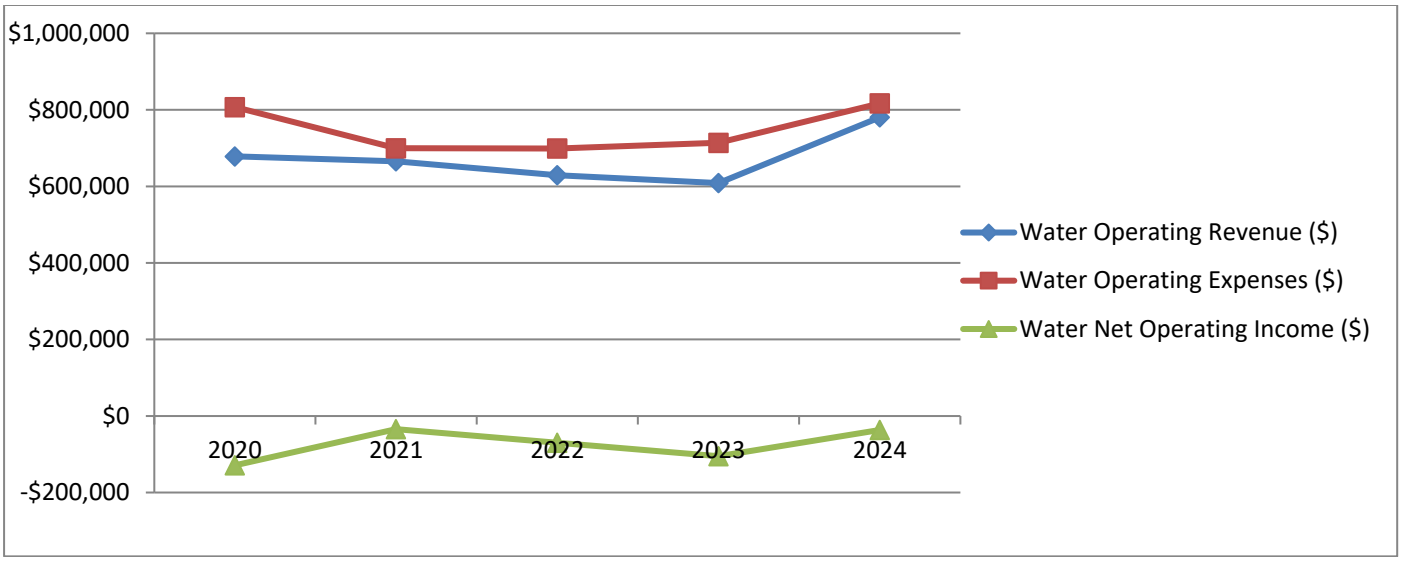
- The District has generally been in compliance with Colorado statutory budgeting and auditing requirements for the past five years.
- The District maintains general liability insurance coverage through the Colorado Special Districts Property and Liability Pool.
- There are currently no pending lawsuits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

Capital Improvement Plan
As part of the application process, the District submitted a capital improvement plan, which anticipates capital outlay of $18,900,000 for the proposed project, replacement of remaining tar-lined pipe in the transmission main, and replacement of lateral distribution piping, to be funded from a combination of reserves, grants, and loans. The District intends to complete these improvements within 20 years.

REVENUE ANALYSIS:
The District supports operations with property taxes in addition to user charges, which covered an average of 90% of expenses in the past five years. Property taxes averaged 43% of total revenue over the past five years. Total revenue far exceeded operating expenses in all years examined. In January 2024, the District began charging a capital infrastructure fee to all users, in addition to increasing base rates by 12%. This caused an increase in operating revenue between 2023 and 2024. Operating expenses increased in 2024 due to the increase in contract costs for the District's operator, as well as higher-than-normal maintenance repairs at the water treatment plant. The District supports operations with property and specific ownership taxes, which are not included in the net operating income calculation. The District has not historically issued or offered new taps. Instead, it retains taps revoked for nonpayment of fees and sells them to new customers at below market prices if the property will connect to a high-cost lateral. The District can also refer customers with taps for sale if their documentation is in order. This approach aims to increase density on high-cost laterals, thereby reducing replacement costs per household.

TRENDS	2020	2021	2022	2023	2024	2025	2026
Monthly Water Rate ($)	43.00	44.00	45.00	57.80	73.80	81.85	86.85
Residential Water Tap Fee ($)	1,150	1,150	1,150	1,475	1,650	1,950	1,950
Mill Levy	17.700	17.700	17.700	18.099	16.543		
Total Water Revenue ($)	1,334,374	1,359,448	1,400,218	1,446,928	1,799,649		
Tap/Development Fees ($)	47,038	46,662	45,432	46,309	115,709		
Property Tax Revenue ($)	549,378	573,455	619,758	617,671	751,560		
S.O. Tax Revenue ($)	41,900	43,197	42,613	44,561	42,969		
Water Operating Revenue ($)	678,349	665,563	629,216	608,809	780,784		
Water Operating Expenses ($)	807,041	699,599	699,120	713,741	817,130		
Water Net Operating Income ($)	-128,692	-34,036	-69,904	-104,932	-36,346		
Total Debt ($)	2,759,305	5,657,548	5,530,003	5,436,224	5,739,244		
Water Debt Service ($)	271,210	215,385	303,659	206,591	190,126		
Water Debt Service/Tap/Month ($)	44.93	35.47	49.91	33.89	31.13		
Water Fund Reserves ($)	671,739	693,766	740,092	824,200	858,264		

Ratios	2020	2021	2022	2023	2024	Average
Operating Revenue as % of Total Revenue	51%	49%	45%	42%	43%	46%
Operating Revenue as % of Expenses	84%	95%	90%	85%	96%	90%
Tap Fee Revenue as % of Total Revenue	3.5%	3.4%	3.2%	3.2%	6.4%	4.0%



Recent Rate Increases
The District's most recent rate increase of $5 was implemented in January 2026.

User Charges
The District's current monthly water rate is estimated at $86.85 compared to the 2024 estimated state median of $60.61. The District's average monthly water rate is based on typical residential consumption of 3,300 gallons per month. In addition to the base rate, users pay a monthly capital infrastructure fee of $20. Users pay a $57.25 base rate up to 3,000 gallons and a volume charge of $0.032 per gallon for consumption from 3,001 to 5,000 gallons. From consumption between 5,001 to 7,000 gallons, a $0.042 per gallon volume charge is applied. For consumption between 7,001 to 10,000 gallons, a $0.063 per gallon volume charge is applied. For consumption between 10,001 to 13,000 gallons, a $0.095 per gallon volume charge is applied. For consumption exceeding 13,001 gallons, a $0.098 per gallon volume charge is applied.

Both residential and commercial users follow the same rate structure.

The District also has a tax-exempt rate structure. Users that fall into this category include the Clear Creek School District. These users are charged a higher rate structure based on the lack of property taxes collected. Users under this category also pay a monthly capital infrastructure fee of $20. Users pay a $176 base rate for up to 3,000 gallons and a volume charge of $0.070 for consumption between 3,001 and 7,000 gallons. For consumption between 7,001 to 10,000 gallons, a $0.085 per gallon volume charge is applied. For consumption exceeding 10,001 gallons, a $0.1065 per gallon volume charge is applied.

Contributed Capital
Revenue from tap fees has ranged from $45,432 to $115,709 and has averaged 4% of total water revenue during the last five years. The District's most recent water tap fee rate increase occurred in 2025.

- Residential and commercial water tap fees are $1,950.

Current System Utilization		
	Usage	Revenue
Residential	92%	85%
Non-residential (per EQR)	8%	15%

Current Fee Summary	
Tap size	Water user/tap fees
¾"	$86.85/$1,950
¾"	$86.85/$1,950

Property Tax
The District proposes to pay for the loan with property tax revenues. On November 4, 2025, the District secured voter approval for a $3,000,000 increase in debt with a maximum annual repayment of $200,000. The ballot issue authorizing the debt and tax increases passed 508 to 109. In 2024, the District's mill levy was 16.543 compared to the state average of 6.450.

Using the 2024 assessed value of $43,825,591, a mill levy of increase of 3.704 would be necessary to generate enough revenue for a debt service of $162,320 if only new property taxes were used to repay the loan.

Property Tax Analysis	2020	2021	2022	2023	2024
Mill levy	17.700	17.700	17.700	18.099	16.543
Assessed Value (000)	31,673	31,900	35,068	34,403	43,825
Property tax revenue	549,378	573,455	619,758	617,671	751,560
%Property tax revenue/total revenue	41%	43%	46%	44%	52%

DEBT as of December 31, 2024

Executed	Lender	Term End	Pledge	Outstanding	Interest Rate	Annual payment
2016	Colorado Water Conservation Board	2048	Water System Revenue	$2,385,324	3.25%	$144,668
2021	Colorado Water Conservation Board	2054	Water System Revenue	$3,353,950	2.05%	$150,784

LOAN COVENANTS: The Lookout Mountain Water District (the "District") will have to meet the Authority's 3-month operations and maintenance reserve fund covenant on an annual basis. The District has no existing debt with the Authority, including the SRF programs.

Prepared by: Monica Munoz-Revelo and Victor Chen
Date: May 12, 2026

Project #141652D-I
Cost Categories:

- Construction – Transmission and Distribution: 90%
- Other: 10%

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May 12, 2026

DWRF Credit Report
Lookout Mountain Water District, Jefferson County, CO
Using most recent data available
(Census, audits, local records)

Estimated Population - 2024	1,273
Number of Water Taps/Customers - 2024	509
Total Assessed Valuation - 2024	$43,825,000
Actual Value of All Real Property - 2024	$543,868,000
Median Household Income (MHI) - 2023	$189,631
Monthly Water Rate - 2024	$73.80
Water Operating Revenue - 2024	$780,784
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.]	$1,799,649
Water Tap and System Development Fee Revenue - 2024	$46,309
Water Operating Expense - 2024	$817,130
Water Current Expense - 2024	$1,007,256
Water Debt - 2024	$5,739,244
Total Debt - 2024	$5,739,244
Water Fund Reserves - 2024	$858,264
Water Debt Service - 2024	$190,126
New Water Debt [Requested DWRF loan amount.]	$3,000,000
Requested DWRF Loan Term	30
Requested DWRF Loan Interest Rate	3.50%
New Loan's Annual Water Debt Service (two payments annually)	$162,320

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Current Indicators (2024)
Lookout Mountain Water District
(Water)

1	Total Debt	$5,739,244	÷	Population	1,273	=	$4,510
	New Debt	$3,000,000	÷	Population	1,273	=	$2,358
	Total Debt + New Debt	$8,739,244	÷	Population	1,273	=	$6,868
2	Total Debt	$5,739,244	÷	Number of Taps	509	=	$11,276
	New Debt	$3,000,000	÷	Number of Taps	509	=	$5,894
	Total Debt + New Debt	$8,739,244	÷	Number of Taps	509	=	$17,169
3	Total Debt	$5,739,244	÷	Assessed Value	$43,825,000	=	13.10%
	New Debt	$3,000,000	÷	Assessed Value	$43,825,000	=	6.85%
	Total Debt + New Debt	$8,739,244	÷	Assessed Value	$43,825,000	=	19.94%
4	Total Debt	$5,739,244	÷	Actual Value	$543,868,000	=	1.06%
	New Debt	$3,000,000	÷	Actual Value	$543,868,000	=	0.55%
	Total Debt + New Debt	$8,739,244	÷	Actual Value	$543,868,000	=	1.61%
5	Current Water Debt	$5,739,244	÷	Number of Taps	509	=	$11,276
	(Current Water Debt + New Water Debt) / Number of Taps	$17,169	÷	MHI	$189,631	=	9.05%
6	Current Ratio (CA / CL)						
	Current Assets	$3,516,232	÷	Current Liabilities	$2,657,968	=	132%
7	Reserve/Expense Ratio						
	Reserves	$858,264	÷	Current Expenses	$1,007,256	=	85%
8	Operating Ratio (OR / OE)						
	Operating Revenues	$780,784	÷	Operating Expenses	$817,130	=	96%
9	Coverage Ratio [(TR - OE) / DS]						
	Total Revenues	$1,799,649	-				
	Minus Operating Expenses	$817,130					
	=	$982,519	÷	Current Debt Service	$190,126	=	517%
10	Coverage Ratio Excluding Tap and Development Fee Revenue	$982,519					
	Minus Tap and Development Fee Revenu	$46,309					
	=	$936,210	÷	Current Debt Service	$190,126	=	492%
11	Projected Coverage Ratio						
	Total Revenues	$1,799,649					
	Minus Operating Expenses	$817,130					
	=	$982,519		Total Debt Service (with new loan)	$352,446	=	279%
12	Projected Coverage Excluding Tap and Development Fee Revenue	$982,519					
	Minus Tap and Development Fee Revenu	$46,309					
	=	$936,210	÷	Total Debt Service (with new loan)	$352,446	=	266%
13	Current Debt Service	$190,126	÷	Number of Taps	509	=	$373.53
	Annual New Water Debt Service	$162,320	÷	Number of Taps	509	=	$318.90
14	2024 Annual Water Rate (Monthly Rate x 12)	$885.60	÷	MHI	$189,631	=	0.47%
	2024 Annual Water Rate + New Annual Debt Service Per Tap	$1,204.50	÷	MHI	$189,631	=	0.64%
15	Current 2024 Monthly User Charge						$57.80
	(Debt Service on DWRF Loan / 2024 Taps / Month)						$26.58
	Total						$84.38
16	Operation and Maintenance Reserve						
	Reserves	$858,264	÷	Operating Expenses	$817,130	=	105%

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MEMORANDUM

December 04, 2026

TO: **Board of Directors and Karl Ohlsen**

FROM: **Wesley Williams, Finance Director**
Ian Loffert, Assistant Finance Director and Compliance Officer

RE: **Disadvantaged Communities (DAC) Criteria Updates – Final Criteria Selection**

At the August 2026 Board meeting, staff presented detailed options for modifying the existing IIJA/BIL criteria to replace the current existing DAC eligibility criteria with a points-based methodology while still meeting Federal requirements for DAC review methodology. The Board provided feedback and requested further consideration of several issues related to community affordability, data availability (substituting MHV for MHI where possible), project need, and system ownership. The DAC Subcommittee has since evaluated the Board's feedback and refined the proposed criteria. Staff's recommendations are provided below, with additional detail included in the attached memorandum.

Staff Recommendations: Staff recommends continuing development of a points-based DAC methodology developed and used for IIJA and seeks Board approval of the proposed DAC criteria below to be included in the benchmark and weighting analyses. Based on the attached DAC Subcommittee memorandum and review that includes detailed metrics, staff recommends the following:

Broad Criterion Category	Recommendation
Population ≤ 10,000	Retain
Population Growth/Loss	Retain
Jobs/Unemployment	Retain
Median Household Income (MHI)	Retain
Rates as % of MHI	Retain
Minority Population	Retain
Housing-Burdened Population	Retain
Population Below 200% of Poverty Level	Retain
Poverty + Population Over 65	Retain
Median Home Value (MHV)	Retain
Assessed Value per Household	Retain
Current and Projected System Debt per Tap Relative to MHV	Retain
System Full Cost/Required Revenue per Tap Relative to MHI	Retain
Mobile Home Communities	Add

Board Action: Motion to approve the DAC criteria as outlined above to be included in the development of a revised DAC scoring methodology for the post-IIJA SRF.

Next Steps: Upon Board approval of the proposed criteria, staff will conduct data analysis to establish appropriate benchmarks, point allocations, and an overall DAC qualification threshold. Staff will return to the Board with the proposed scoring methodology for review and approval at a future Board meeting. The Business Case process would remain available to address unique circumstances not adequately captured by the proposed criteria.

Attachments: November 2026 DAC Criteria Updates DAC Subcommittee Memo – Final Criteria Selection

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MEMORANDUM

To: SRF Committee

From: DAC Subcommittee

Date: November 24, 2026

Re: DAC Criteria Updates - Final Criteria Selection

Background/Reason and Need

After presenting the Authority Board with detailed options for modifying IIJA/BIL criteria to replace existing Disadvantaged Community (DAC) eligibility criteria at the August 2026 Board meeting, the Board discussed several issues. Below is an analysis and recommendations regarding those issues: Median Household Value (MHV) as a direct substitute for Median Household Income (MHI), broader consideration of project need (such as water hauling as a criterion), broader consideration of affordability issues, and a criterion for system ownership. After the issue analysis and recommendations is a list of the proposed criteria which were refined at the direction of the Board.

Staff seeks Board approval of the following proposed criteria. After approval of the criteria, staff will perform data analysis for establishing benchmarks, a number of points associated with each criterion, and a total points threshold for DAC status to be presented for review and approval by the Board.

Issue Analysis and Recommendations

- Median Household Value (MHV) as a direct substitute for Median Household Income (MHI)
    - Background: The Board has expressed concerns with how the existing process deals with applicants that do not have representative data for Median Household Income (MHI) or whose population is too small for the Census Bureau to provide a reliable estimate for MHI. The proposed criteria reduces the relative importance of MHI in making DAC determinations. The Clean Water Act requires states to consider income when formulating affordability criteria so staff believes it would be inconsistent with federal statute to completely remove MHI from the DAC criteria. MHI is used as a proxy to measure income,

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and MHV is used as a proxy to measure wealth. While there is a very strong correlation between them, staff does not believe that they are directly substitutable for the purposes of affordability analysis. Every year, DOLA conducts entirely separate analyses for MHI and MHV by comparing each Colorado municipality's MHI to the cost of running its water or wastewater systems as well as its MHV to municipal debt. An example of the difference between MHI and MHV came about during the property tax policy issues earlier this decade. While MHVs were rising due to surging housing demand and rapidly increasing property prices, many individuals and communities expressed that their actual wealth and their ability to afford the cost of living did not improve with the increased assessed value of their homes.

    - Recommendation: The proposed criteria reduce the relative importance of MHI in DAC determinations. MHV is incorporated into multiple proposed DAC criteria. Given the differences in what MHI and MHV measure, staff recommends adopting the proposed criteria as presented without substituting MHV for MHI in all of the criteria.
- Broader consideration of project need (such as water hauling as a criterion)
    - Background: The Authority Board discussed broader consideration of project need or urgency in the context of a lack of a usable water supply (e.g., contamination, hauling water, failing system). The Priority Points scoring system considers similar needs such as inadequate supply, system deterioration, WQCD enforcement, drought resilience, security, among other considerations in order to prioritize projects that address multiple needs when funding is limited.
    - Recommendation: Broader consideration of project needs is incorporated into the Priority Points scoring system to ensure funding for systems that have a lack of usable water supply, as well as other needs. Based on staff understanding of federal statute, DAC criteria should focus on affordability issues, which would be addressed in the proposed criteria that analyze rates compared to housing burden, poverty, age, debt compared to MHV, MHI, and system cost compared to MHI. In cases where the need for a project is not adequately addressed by the DAC criteria or there are other unique need considerations for a project, staff recommends the continued use of the business case process for DAC determinations.
- Broader consideration of affordability issues
    - Background: The Authority Board discussed broader consideration of affordability issues in the context of low population, high project cost, and other extreme need reasons. The most common affordability issue is brought on by a combination of low population and high project cost.
    - Recommendation: Several of the proposed criteria address the number of taps or number of households, as well as considering how the operational cost and indebtedness of borrowers are impacted. These are benchmarked against DOLA's statewide compendium of municipal finances. Projects with high project costs in small communities should meet more of the proposed criteria (such as

debt compared to MHV, rates compared to MHI, and system cost compared to MHI) than other more affordable projects. In rare cases where the affordability for a project is not adequately addressed by the DAC criteria, or there are other unique need considerations for a project, staff recommends the continued use of the business case process for DAC determinations.

- A DAC criterion regarding system ownership
    - Background: Currently, SRF loans can only be made to entities that own and control the water or wastewater system. The SRF program supports system consolidation efforts and has funded several successful projects to tie in smaller systems with larger systems.
    - Recommendation: A consolidation effort, while generally costly, is not, by itself, an indication of affordability issues. High costs of a consolidation project would be measured by several of the proposed criteria below, including rates to MHI, percentage of population living under 200% of the poverty level, current & projected debt to MHV, and system full-cost per tap to MHI or required revenue per tap to MHI. If the cost of a consolidation effort presents affordability issues, staff believes those issues would be reflected in the proposed indicators.

Proposed DAC Criteria

Population Limit

The current population limit for DACs is 10,000. Staff does not recommend changing this threshold because funding small communities remains a priority for the SRF program.

Proposed DAC Criteria

1. Population loss or growth slower than the state's over 5 years (benchmark is 0.61%). (1 point). Total possible score of 1 point.
    a. Data source: State Demography Office population data or number of taps used to estimate population
2. Jobs/Unemployment
    a. County-level job loss over 10-years. (0.5 points)
    b. Counties with ≥ a 24-month average unemployment rate that exceeds the state's plus 1% (benchmark is 4.47%). (0.5 points)
    c. Data source: Bureau of Labor Statistics
3. Median Household Income
    a. Community MHI less than the State MHI (benchmark is $92,470): (1 point)
    b. Community MHI exceeds 125% of the State MHI (benchmark is $115,588): (-1 point).
    c. Data source: Census Bureau American Communities Survey 5-year estimates (ACS)
4. Rates compared to MHI exceed the ratio of estimated annual median rates to state Median Household Income.

   a. Benchmarks are 1.35% for combined sewer and drinking water, 0.79% for water, and 0.56% for sewer. (1 point)
   b. Data source: ACS and DLG Compendium of municipal finances
5. The percentage of the population within a community that identifies as minority. (benchmark is 40%) (1 point)
   a. Data source: ACS
6. The percentage of the population within a community that is housing-burdened. (benchmark is 50%). (1 point)
   a. Data source: ACS
7. The percentage of the population within a community living under 200% of the poverty level. (benchmark is 40%). (1 point)
   a. Data source: ACS
8. Combined percent of population living under 200% of poverty level + percent of population over 65 years is greater than or equal to two-thirds of communities in the state (benchmark is 55%). (1 point)
   a. Data source: ACS
9. Median Home Value (1 point)
   a. Community MHV less than 80% of State MHV (benchmark is $431,520)
   b. Data Source: ACS and County Assessor data
10. Assessed value/household (1 point)
   a. The community's total assessed value is below the median for Colorado municipalities.
   b. Data Source: ACS and County Assessor data
11. Current & projected system debt per tap to MHV (1 point, used for DAC 1/DAC 2)
   a. Debt per tap to MHV is greater than that of the median Colorado municipality.
   b. Data source: ACS and DLG Compendium of municipal finances
12. System full-cost per tap to MHI or required revenue per tap to MHI (1 point, used for DAC 1/DAC 2)
   a. Full cost is greater than the median Colorado municipality or required revenue is greater than the median Colorado municipality.
   b. Data source: ACS and DLG Compendium of municipal finances
13. Mobile home communities (1 point)
   a. Mobile home parks that meet DOLA's definition automatically qualify as a disproportionately impacted community under the state definition. Private mobile home parks are not eligible for SRF funding. At the August 2026 Board meeting, the Board indicated that it was not in favor of using this criterion as an automatic qualifier outside of the points threshold.

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DWRF SET ASIDE UPDATE
November 24, 2026

Program	Grant Year	Grant Amount	Funds Remaining	% Complete
	1997-2025 Base	$ 18,185,904	$ 0	100%
Admin	2022-2024 IIJA/BIL Supplemental	$ 4,507,960	$ 0	100%
	2022 IIJA/BIL Emerging Contaminants	$ 597,080	$ 0	100%
	2022 IIJA/BIL Lead	$ 666,450	$ 0	100%
	2023 IIJA/BIL Emerging Contaminants	$ 535,360	$ 315,683	41%
	2023 IIJA/BIL Lead	$ 1,304,000	$ 883,716	32%
	2024 IIJA/BIL Emerging Contaminants	$ 350,000	$ 350,000	0%
	2024 IIJA/BIL Lead	$ 600,000	$ 600,000	0%
	2025 IIJA/BIL Supplemental	$ 1,744,640	$ 1,744,640	0%
	2025 IIJA/BIL Emerging Contaminants	$ 350,000	$ 350,000	0%
	2025 IIJA/BIL Lead	$ 417,000	$ 417,000	0%
	Totals	**$ 29,258,394**	**$ 4,661,039**	**84%**
	1997-2022 Base	$ 8,429,320	$ 0	100%
SSTTA	2022 IIJA/BIL Supplemental	$ 156,420	$ 0	100%
	2023 IIJA/BIL Supplemental	$ 737,680	$ 218,951	70%
	2024 IIJA/BIL Supplemental	$ 737,680	$ 737,680	0%
	2025 IIJA/BIL Supplemental	$ 741,472	$ 741,472	0%
	Totals	**$ 10,802,572**	**$ 1,698,103**	**84%**
	2000-2024 Base	$ 33,103,428	$ 0	100%
PWSS	2022-2023 IIJA/BIL Supplemental	$ 3,382,100	$ 0	100%
	2022 IIJA/BIL Lead	$ 3,600,000	$ 0	100%
	2023 IIJA/BIL Lead	$ 3,260,000	$ 0	100%
	2023 IIJA/BIL Emerging Contaminants	$ 1,000,000	$ 180,317	82%
	2024 IIJA/BIL Supplemental	$ 3,200,000	$ 670,082	79%
	2024 IIJA/BIL Lead	$ 3,280,000	$ 2,630,816	20%
	2024 IIJA/BIL Emerging Contaminants	$ 900,000	$ 900,000	0%
	2025 IIJA/BIL Supplemental	$ 4,361,600	$ 4,361,600	0%
	2025 IIJA/BIL Emerging Contaminants	$ 900,000	$ 900,000	0%
	2025 IIJA/BIL Lead	$ 2,865,000	$ 2,865,000	0%
	Totals	**$ 59,852,128**	**$ 12,507,815**	**79%**
	1997-2024 Base	$ 35,493,580	$ 0	100%
Cap. Development	2022-2023 IIJA/BIL Supplemental	$ 3,382,100	$ 0	100%
	2024 IIJA/BIL Supplemental	$ 3,000,000	$ 2,352,966	22%
	2025 IIJA/BIL Supplemental	$ 4,361,600	$ 4,361,600	0%
	Totals	**$ 46,237,280**	**$ 6,714,566**	**85%**
	1997-2022 Base	$ 18,020,416	$ 0	100%
Well Head	2022 IIJA/BIL Supplemental	$ 391,050	$ 0	100%
	2023 IIJA/BIL Supplemental	$ 1,300,000	$ 439,108	66%
	2024 IIJA/BIL Supplemental	$ 1,100,000	$ 1,100,000	0%
	2025 IIJA/BIL Supplemental	$ 1,308,480	$ 1,308,480	0%
	Totals	**$ 22,119,946**	**$ 2,847,588**	**87%**

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M E M O R A N D U M
November 25, 2026

TO: Project Finance Committee and Karl Ohlsen

FROM: Wesley Williams, Finance Director
Giorgi Gazashvili, Financial Analyst II
Daniel Lockard, Financial Analyst I
Emma Tucker, Financial Analyst I

RE: Review of the Boulder County Eldorado Springs Local Improvement District No. 3, Holly Hills Water and Sanitation District, Mountain Water and Sanitation District, and Three Lakes Water and Sanitation District Supplemental Loan Request
Water Pollution Control Revolving Fund ("WPCRF")

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

Boulder County Eldorado Springs Local Improvement District No. 3
The Boulder County Eldorado Springs Local Improvement District No. 3 (the "District"), located in Boulder County, is seeking a direct loan through the WPCRF loan program in the amount of *$1,000,000. The project consists of upgrades to the Eldorado Springs Wastewater Treatment Facility ("WWTF") in order to protect South Boulder Creek from discharges in excess of permit limits, ultimately preventing enforcement action. The upgrades will improve sampling accuracy, eliminate faulty readings, improve process performance and denitrification, and improve the electrical controls. In addition, a backup generator will be installed to improve resiliency. The District's project was authorized by SJR 24-004.

Recommendation
Based on the attached credit report, staff recommends that the Project Finance Committee forward to the Board a recommendation authorizing staff to begin negotiating a WPCRF Base direct loan with the District in the amount of *$1,000,000, subject to the District increasing property assessments, as necessary, to take on the debt. The loan will be for a term of 20 years, at an interest rate of 3.25%. The Board will consider this request on December 4, 2026.

Holly Hills Water and Sanitation District
The Holly Hills Water and Sanitation District (the "District"), located in Arapahoe and Denver Counties, is seeking a direct loan through the WPCRF loan program in the amount of *$2,000,000. The project consists of upgrading the sanitary sewer system to include replacing collection lines, manholes, and service connections. The District's project was authorized by HJR 19-1005.

Recommendation
Based on the attached credit report, staff recommends that the Project Finance Committee forward to the Board a recommendation authorizing staff to begin negotiating a WPCRF Base direct loan with the District in the amount of *$2,000,000. The loan will be for a term of 30 years, at an interest rate of 3.50%. The Board will consider this request on December 4, 2026.

Mountain Water and Sanitation District
The Mountain Water and Sanitation District (the "District"), located in Jefferson County, is seeking a direct loan through the WPCRF loan program in the amount of *$3,279,252. This project consists of collection system improvements, including cured-in-place pipe lining and manhole rehabilitation. The District's project was authorized by SJR 12-003.

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During staff negotiations with the District to execute the loan, the District expressed interest in paying for this loan with property tax revenue. The District has not yet secured voter approval to take on the proposed debt, and plans on putting forth the ballot question to approve additional debt to the residents of the District in the May 2027 election. Doing so would increase total revenue by $291,135, making a rate increase no longer necessary.

Recommendation

Based on the attached credit report, staff recommends that the Project Finance Committee forward to the Board a recommendation authorizing staff to begin negotiating a WPCRF Base direct loan with the District in the amount of *$3,279,252, subject to the District receiving voter approval and increasing rates, as necessary, to take on additional debt. The loan will be for a term of 25 years, at an interest rate of 3.50%. The Board will consider this request on December 4, 2026.

Three Lakes Water and Sanitation District

The Three Lakes Water and Sanitation District (the "District"), located in Grand County, is seeking a supplemental Base direct loan through the WPCRF loan program in the amount of *$1,538,400. The District previously received WPCRF funding for this project as a $1,774,639 direct loan with a 20-year term at an interest rate of 3.25%. The loan was executed on May 5, 2026. Due to changing market conditions and an adjusted project scope, the total project cost has increased, and additional funding is needed to complete the project. The project consists of improvements to the sewage collection system, including retrofitting the collection system with inpipe heating cables around Grand Lake and installing additional manholes for system maintenance. The project has an estimated useful life exceeding 20 years. The District's project was authorized by SJR 10-004.

Recommendation

Based on the attached credit report update, staff recommends that the Project Finance Committee forward to the Board a recommendation authorizing staff to begin negotiating a supplemental Base direct loan with the District in the amount of *$1,538,400. The loan will be for a term of 20 years, at an interest rate of 3.25%. The Board will consider this request on December 4, 2026.

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

Note: A Zoom conference call has been scheduled for **Wednesday, 9:00 a.m. November 25, 2026**. The link to join via online is:
https://us06web.zoom.us/j/87272256870?pwd=iZklVotibxUL0yCx2LVxanxyEKzlg1.1
If you prefer to dial in, the call-in number is: **1-719-359-4580**, and the Meeting ID is **872 7225 6870**. The passcode is: **764058**.

Attachment:
Boulder County Eldorado Springs Local Improvement District No. 3 2026 WPCRF Credit Report
Holly Hills Water and Sanitation District 2026 WPCRF Credit Report
Mountain Water and Sanitation District 2026 WPCRF Credit Report
Three Lakes Water and Sanitation District 2026 WPCRF Credit Report Update and 2026 WPCRF Credit Report

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WPCRF LOAN CREDIT REPORT (2026)

Boulder County Eldorado Springs Local Improvement District No. 3 ("The LID"), Boulder County

Recommendation:	**APPROVAL**
Loan Request:	$1,000,000
Interest Rate & Term:	3.25%, 20 years
Annual Debt Service:	$68,389
Pledge:	Special Assessment Revenue
Current Rate:	$106.14
Est. Special Assessment:	Est. $775.55/property/year

Project Budget

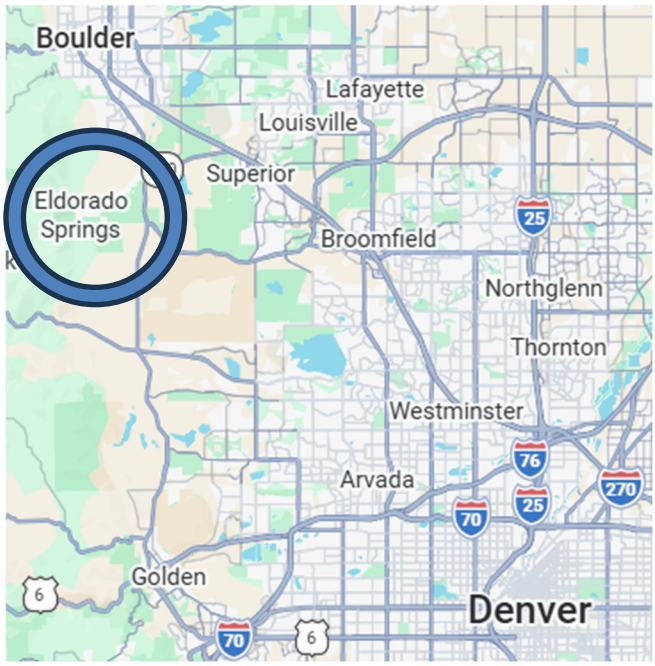
WPCRF Loan:	$1,000,000
Total:	$1,000,000

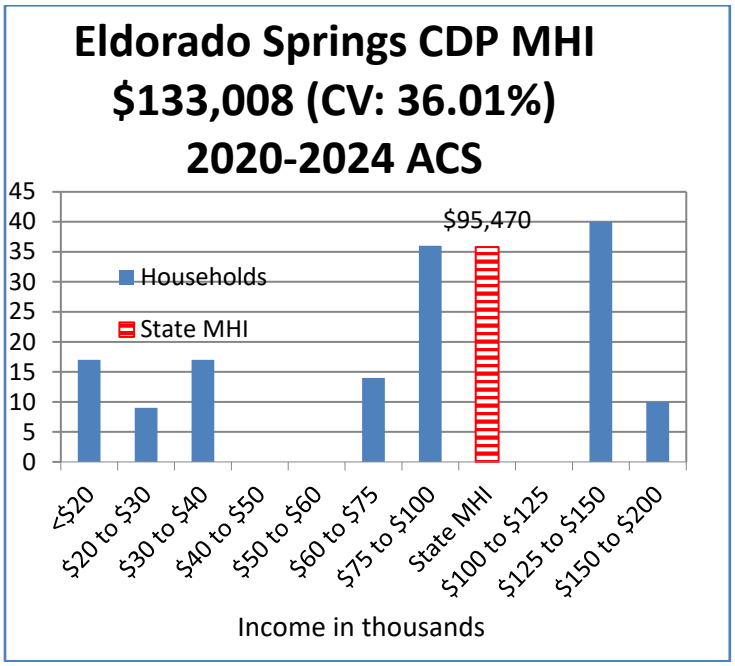
PROJECT DESCRIPTION: Boulder County Eldorado Springs Local Improvement District No. 3 ("the LID"), is upgrading the Eldorado Springs Wastewater Treatment Facility (WWTF) in order to protect South Boulder Creek from discharges in excess of permit limits, ultimately preventing enforcement action. The upgrades will improve sampling accuracy, eliminate faulty readings, improve process performance and denitrification, and improve the electrical controls. In addition, a backup generator will be installed to improve resiliency.

COMMUNITY PROFILE: Eldorado Springs LID #3	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**Avg. Annual Change**
District Population			238	238	243	243	243	0.52%
Boulder County Population	330,951	327,135	328,029	328,337	329,996			-0.07%
Boulder County Jobs	219,186	227,216	234,346	237,266	235,177			1.78%
Number of Sewer Taps			95	95	97	97	97	0.52%
Assessed Value ($000)*						6,770	6,777	0.10%
Actual Value ($000)						90,522	86,683	-4.24%

*Assessed values not provided by Assessor before 2025

BORROWER BRIEF: The Boulder County Eldorado Springs Public Improvement District ("the PID") serves a small community and operates a wastewater treatment system in the unincorporated community of Eldorado Springs. PID residents voted 99 to 23 to create Eldorado Springs Local Improvement District No. 3 ("the LID") to take on the debt for this proposed project and to also provide a repayment source from special property assessments. Both the PID and the LID, which share boundaries, are located approximately eight miles southwest of the City of Boulder just east of Eldorado Canyon State Park.





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RECOMMENDATION: The PID provides wastewater services to a small community in Boulder County. PID voters approved a ballot measure creating the Local Improvement District No. 3 ("the LID") under the PID, and the LID will be the borrower for the life of the proposed loan. The ballot measure also authorized special property assessments to repay the loan. This proposed loan is necessary to prevent violations and exceeding discharge limits. The PID serves a small number of taps and has not covered expenses consistently with revenues. However, voters approved the creation of the LID to provide special assessment revenue specifically for this proposed loan and project. We therefore recommend the WPCRF Committee approve a $1,000,000 loan to the Boulder County Eldorado Springs Local Improvement District No. 3.

PROJECT SUMMARY:

System summary: Eldorado Springs is a small, unincorporated community of approximately 243 residents, located in Boulder County along CO State Highway 93 and adjacent to Eldorado Canyon State Park. The WWTF is a Sequencing Batch Reactor package plant discharging to South Boulder Creek. It is permitted for 32,000 gallons per day, with typical flows around 15,000–20,000 gallons per day.

Reason/need: In 2008, the community worked with Boulder County to replace its numerous dated and failing Onsite Wastewater Treatment Systems (OWTS) with a central WWTF and a pressurized collection system. The packaged plant was considered a cost-effective system when it was installed in 2008; however, the system is missing aspects of a traditional wastewater treatment facility that limit its performance. During various reporting periods between 2020 and 2025, the WWTF exceeded effluent limitations for ammonia, nitrogen, E. coli, and suspended solids. Additionally, the facility has exceeded organic loading capacity on several occasions. Because of the resulting CDPHE Notice of Violation, the County completed a detailed engineering study that identified necessary plant upgrades to protect water quality in Boulder Creek.

System Compliance: Boulder County (Permit No. CO0047651, effective April 1, 2017, was modified October 1, 2021, and has been administratively continued since March 31, 2022) received violations on September 11, 2025, for failure to comply with permit effluent limitations (Ammonia, TIN, and E. coli), failure to monitor and properly report, and failure to comply with expansion requirements. In response to the Notice of Violation, Boulder County submitted a plan and timeline for interim and long-term measures to address the issues identified above by the end of 2027, which WQCD approved. The project is intended to return the system to compliance.

Project Delivery Method: Design/Bid/Build.

Contingency: 22% of the total project cost is included as contingency.

CURRENT INDICATORS:	2023	2024	2025		Weak		Average		Strong
Total Debt per Capita ($):	900	448	0		>$2,000		$1,000 - 2,000	X	<$1,000
Total + New Debt/Capita ($):			4,124	X	>$2,000		$1,000 - 2,000		<$1,000
Total Debt/Tap ($):	2,249	1,120	0		>$5,000		$2,500 - 5,000	X	<$2,500
Total Debt + New Debt/Tap ($):			10,309	X	>$5,000		$2,500 - 5,000		<$2,500
Current Sewer Debt/Tap ($):	2,249	1,120	0		>$2,000		$1,000 - 2,000	X	<$1,000
Current Sewer + New Sewer Debt/Tap ($):			10,309	X	>$2,000		$1,000 - 2,000		<$1,000
Total Debt/Assessed Value:	N/A	N/A	0.00%		>50%		25-50%	X	<25%
Total Debt + New Sewer Debt/Assessed Value:			15%		>50%		25-50%	X	<25%
Total Debt/Actual Value:	N/A	N/A	0.00%		>10%		5-10%	X	<5%
Total Debt + New Sewer Debt/Actual Value:			1.10%		>10%		5-10%	X	<5%
Curr. Sewer Debt + New Debt/Tap/MHI:			7.75%		>20%		10-20%	X	<10%
Sewer Fund Current Ratio (CA/CL):	251%	175%	182%		<100%	X	100-200%		>200%
Sewer Fund Reserves/Current Expense:	77%	37%	13%	X	<50%		50-100%		>100%
Sewer Operating Ratio (OR/OE):	73%	74%	72%	X	<100%		100-120%		>120%
Coverage Ratio (TR-OE)/DS:	-11%	-28%	-51%	X	<110%		110-125%		>125%
Coverage Ratio (TR-OE)/DS Excluding Tap Fees:	-29%	-28%	-51%	X	<110%		110-125%		>125%
Coverage Ratio with New Loan:			-32%	X	<110%		110-125%		>125%
Coverage Ratio with New Loan Excluding Tap Fees:			-32%	X	<110%		110-125%		>125%
Current Annual Sewer Rates/MHI:			0.64%		>3.0%		1.5-3.0%	X	<1.5%
Current Sewer Rates + New Sewer Debt Service/MHI:			1.17%		>3.0%		1.5-3.0%	X	<1.5%
Operation and Maintenance Reserve:			19%	X	<25%		25-50%		>50%
			Total:	**10**		**1**		**10**	

FINANCIAL ANALYSIS: The financials presented in this credit report reflect the Boulder County Eldorado Springs Local Improvement District that was created to finance the sewer system project associated with the previous WPCRF loan. After the previous SRF loan was paid off in 2025, the LID associated with that loan was dissolved per statute. The financials and indicators are presented for

BACK TO AGENDA

illustration only. In the November 3, 2026 election, PID voters approved $1,000,000 in new debt to finance this proposed project and authorized creating a new LID to repay the loan through special property assessments. Of the twenty-one current indicators calculated, 10 are rated strong, one is average, and 10 are considered weak. Overall, the indicators illustrate a small system with a weak operating ratio. The strong indicators show that the debt is relatively affordable when compared to assessed and actual values. The weak indicators reflect increasing operating expenses. However, the PID increased rates by $34.67 in 2026. Furthermore, these financials and indicators do not represent the new LID which will be created for the sole purpose of financing this proposed project with special property assessments.

- Based on 2025 financial information from the now-dissolved LID and removing debt service on the previous WPCRF loan, which was paid off in 2025, coverage with the proposed loan is -84%.
- However, voters authorized the PID to create a new LID to service the loan. Based on 97 taps and estimated annual debt service of $68,389, the required special property assessment is estimated at $775.55 annually per tap to meet the 110% coverage ratio requirement.
- Special assessments will be collected by the Boulder County Treasurer using the annual property tax notice. Assessments may be paid in full in the first year or can be paid in installments over the life of the loan. The assessment will be due in full upon receipt and constitute a perpetual lien assessed on each property and shall have priority over all other liens excepting general tax liens. Property owners that choose to pay the assessment in installments will pay the annual portion plus interest for a period of up to twenty years. The installment payments will be assessed using the annual property tax notice and are payable in the same manner as property taxes.
- Annual property taxes and special improvement assessments are payable either in two installments, the first due by the last day of February and the last due by June 15th, or in a single payment on or before the last day of April.
- Projections submitted by the PID show operating expenses and operating revenues from rates increasing by approximately 2% annually.

DESCRIPTION OF THE LOAN:

A $1,000,000 loan with a twenty-year term, two payments annually at an interest rate of 3.25% will cost the LID approximately $68,389 in debt service annually.

ECONOMIC ANALYSIS: Based on the State Demographer's estimate of 2.5 people per tap, the LID has a 2026 population estimated at 243 and has grown at an average annual rate of 0.52% since 2020. Boulder County has experienced a decrease of 0.07% in population since 2020. The state population increased at an average annual rate estimated at 0.73%.

Boulder County's economy is dominated by professional and business services, followed by government and health services.

The area's largest employers consist of Eldorado Natural Spring Water with 38 employees and Rocky Mountain Fire District with 12 employees.

Eldorado Natural Spring Water accounts for 8.89% of system usage and revenues.

ORGANIZATIONAL ANALYSIS:

Bond Rating

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

Organizational Structure

The wastewater system is owned, operated, and maintained by the Boulder County Eldorado Springs Public Improvement District (PID), which was formed by resolution of the Boulder County Board of County Commissioners in 2024 to operate and manage the wastewater system in the Eldorado Springs community. The County created the PID in anticipation of the 2005 LID dissolution that was associated with the previous WPCRF loan, which was repaid in 2025. A LID is a financing mechanism created by a county or a county PID to finance the cost of a public improvement through special assessments. At the November 3, 2026, election PID voters approved forming a LID under Section 30-20-512.5 C.R.S. (which allows PIDs to form LIDs) for the purpose of collecting special assessment revenue for this proposed loan. Approximately 0.5 full-time employees staff the sewer utility. The sewer utility is overseen by the contracted ORC who reports to the PID.

- The County has generally been in compliance with Colorado statutory budgeting and auditing requirements for the past five years.
- The County maintains property insurance and liability insurance through Ironshore Specialty Insurance and Obsidian Specialty Insurance.
- There are currently no pending lawsuits against the PID or LID.

- There have been no recall elections in the last ten years.

Capital Improvement Plan
As part of the application process, the PID submitted its capital improvement plan, which comprises the wastewater treatment facility improvements for this proposed project. The PID intends to develop a multi-year capital improvement and asset replacement plan following completion of the proposed project.

Intergovernmental
In 2026, an intergovernmental agreement was executed between Boulder County and the PID to assign contracts, the wastewater permit, management, and operations previously associated with the LID under the County's previous WPCRF loan to the PID. The County and the PID agreed to enter into a 25-year agreement for the property where the wastewater treatment facility is located, leasing it to the PID for $1 per year. The County will appropriate a budget in the County PID Fund based on the approval of a loan/advance from the County General Fund for the purpose of starting this proposed project. The County agreed to provide staff resources for PID operations, including a liaison to the Advisory Committee, limited engineering support, limited legal support, limited risk management support, and limited budgeting and financial analysis support. The term of the agreement expires on December 31, 2051, unless the parties terminate it earlier by mutual agreement.

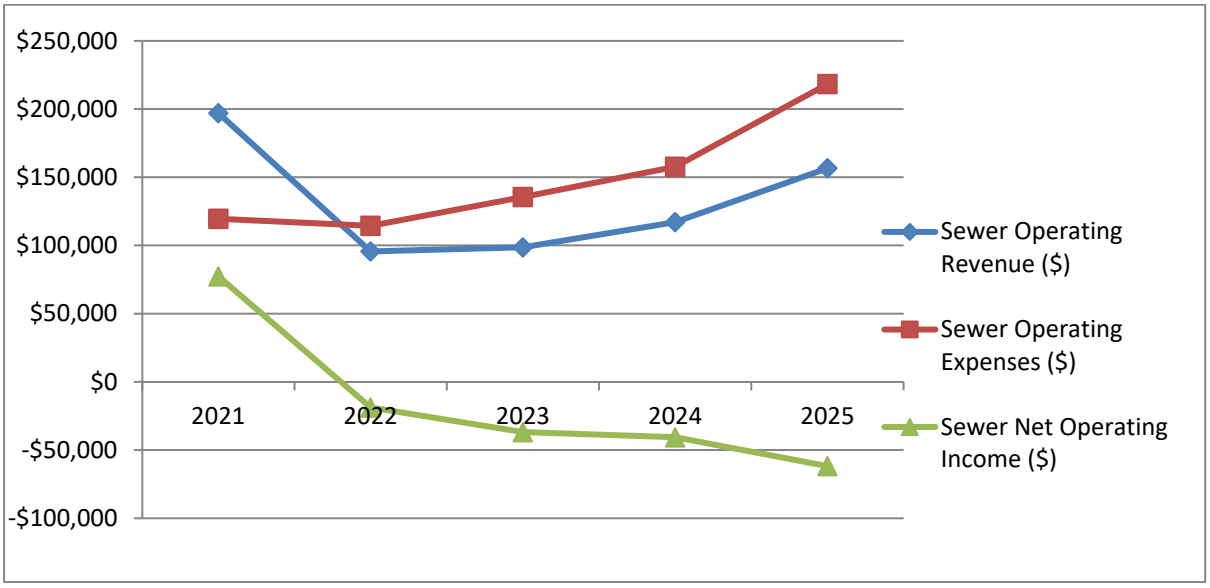
REVENUE ANALYSIS:

The PID will pay for the proposed loan with the new LID which will impose special assessments on properties based on equivalent residential units (EQRs) that are relative to the number of bathrooms in a property. The below financial trends represent the now-dissolved LID, which was associated with the previous WPCRF loan, and are presented for illustration only. Neither the PID (formed in 2025) nor the new LID have audited financials for analysis or presentation in this credit report.

Operating revenues have not covered operating expenses for the wastewater system due to substantial increases in operating costs. Additional operator cost, chemical cost, and additional replacement grinder pumps have all contributed to increasing operating expenses. Addressing the facility's regulatory violations have also increased operating expenses. In response, the County raised rates twice recently in 2024 and 2026. The most recent rate increase was $34.67 in 2026. Based on 97 taps this should generate approximately $40,336 in additional annual revenues to help cover expenses. Furthermore, the County's ongoing work plan has established an annual budget and rate evaluation to review expenses, revenues, capital needs, and reserves. This will allow the County (and the PID and LID) to identify potential shortfalls earlier and adjust rates as necessary to maintain financial sustainability. County oversight of the PID has recently been transferred to the Business Operations Division to establish more consistent budget monitoring.

TRENDS	2021	2022	2023	2024	2025	2026
Monthly Sewer Rate ($)		38.29	38.29	71.47	71.47	106.14
Residential Sewer Tap Fee ($)		13,875	13,875	13,875	13,875	13,875
Total Sewer Revenue ($)	210,819	114,253	122,839	126,191	161,245	
Tap/Development Fees ($)	13,067	18,029	20,281	0	0	
Sewer Operating Revenue ($)	196,941	95,611	98,645	117,095	156,642	
Sewer Operating Expenses ($)	119,579	114,417	135,508	157,695	218,366	
Sewer Net Operating Income ($)	77,362	-18,806	-36,863	-40,600	-61,724	
Sewer Debt ($)	413,126	315,111	213,666	108,671	0	
Total Debt ($)	413,126	315,111	213,666	108,671	0	
Sewer Debt Service ($)	112,474	112,474	112,474	112,474	112,474	
Sewer Debt Service/Tap/Month ($)		98.66	98.66	96.63	96.63	
Sewer Fund Reserves ($)	248,930	234,299	191,799	98,760	41,639	

Ratios	2021	2022	2023	2024	2025	Average
Operating Revenue as % of Total Revenue	93%	84%	80%	93%	97%	88%
Operating Revenue as % of Expenses	165%	84%	73%	74%	72%	99%
Tap Fee Revenue as % of Total Revenue	6.20%	16%	17%	0.00%	0.00%	9.6%



Recent Rate Increases
The PID's most recent rate increase of $34.67 was implemented on April 1, 2026.

User Charges & System Utilization
The PID's current estimated average monthly residential sewer rate is $106.14 compared to the 2024 estimated state median of $44.65. Users pay a quarterly operating fee based on the EQR. For each EQR, users are billed a quarterly rate of $319.42. Most customers of the system are between 1 and 1.5 EQR.

Contributed Capital
Revenue from tap fees has ranged from zero to $20,281 and has averaged 10% of total sewer revenue during the last five years. The PID's most recent sewer tap fee rate increase occurred in 2021.

- Residential sewer tap fees are $13,875 per equivalency (EQR). Commercial sewer tap fees will have EQR assigned to the new construction or use on a case-by-case basis. Direct costs applicable to the connection of a property to the wastewater system are also paid for by the property owner.

Current System Utilization			**Current Fee Summary**	
	Usage	Revenue	Tap size	Sewer user/tap fees
Residential	91.1%	91.1%	¾"	$106.14/$13,875
Non-residential (per EQR)	8.9%	8.9%	¾"	Case by case determination

DEBT as of December 31, 2025
Neither the PID nor the LID has any debt as of December 31, 2025.

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

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

Prepared by: Victor Chen
Date: November 10, 2026

Project # 240011W-B
Cost Categories: Secondary Treatment (Category 1): 100%

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November 10, 2026

WPCRF Credit Report
Eldorado Springs Local Improvement District, Boulder County, CO
Using most recent data available
(Census, audits, local records)

Estimated Population - 2024	**243**
Number of Sewer Taps/Customers - 2025	**97**
Total Assessed Valuation - 2025	**$6,770,000**
Actual Value of All Real Property - 2025	**$90,522,000**
Median Household Income (MHI) - 2024	**$133,008**
Monthly Sewer Rate - 2025	**$71.47**
Sewer Operating Revenue - 2025	**$156,642**
Sewer Total Revenue - 2025 **[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.]**	**$161,245**
Sewer Tap and System Development Fee Revenue - 2025	**$0**
Sewer Operating Expense - 2025	**$218,366**
Sewer Current Expense - 2025	**$330,840**
Sewer Debt - 2025	**$0**
Total Debt - 2025	**$0**
Sewer Fund Reserves - 2025	**$41,639**
Sewer Debt Service - 2025	**$112,474**
New Sewer Debt [Requested WPCRF loan amount.]	**$1,000,000**
Requested WPCRF Loan Term	**20**
Requested WPCRF Loan Interest Rate	**3.25%**
New Loan's Annual Sewer Debt Service (two payments annually)	**$68,389**

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Current Indicators (2025)

Boulder County Eldorado Springs Local Improvement District

(Sewer Only)

1	Total Debt	$0	÷	Population	243	=	$0
	New Debt	$1,000,000	÷	Population	243	=	$4,124
	Total Debt + New Debt	$1,000,000	÷	Population	243	=	$4,124
2	Total Debt	$0	÷	Number of Taps	97	=	$0
	New Debt	$1,000,000	÷	Number of Taps	97	=	$10,309
	Total Debt + New Debt	$1,000,000	÷	Number of Taps	97	=	$10,309
3	Total Debt	$0	÷	Assessed Value	$6,770,000	=	0.00%
	New Debt	$1,000,000	÷	Assessed Value	$6,770,000	=	14.77%
	Total Debt + New Debt	$1,000,000	÷	Assessed Value	$6,770,000	=	14.77%
4	Total Debt	$0	÷	Actual Value	$90,522,000	=	0.00%
	New Debt	$1,000,000	÷	Actual Value	$90,522,000	=	1.10%
	Total Debt + New Debt	$1,000,000	÷	Actual Value	$90,522,000	=	1.10%
5	Current Sewer Debt	$0	÷	Number of Taps	97	=	$0
	(Current Sewer Debt + New Sewer Debt) / Number of Taps	$10,309	÷	MHI	$133,008	=	7.75%
6	Current Ratio (CA / CL)						
	Current Assets	$92,374	÷	Current Liabilities	$50,735	=	182%
7	Reserve/Expense Ratio						
	Reserves	$41,639	÷	Current Expenses	$330,840	=	13%
8	Operating Ratio (OR / OE)						
	Operating Revenues	$156,642	÷	Operating Expenses	$218,366	=	72%
9	Coverage Ratio [(TR - OE) / DS]						
	Total Revenues	$161,245	-				
	Minus Operating Expenses	$218,366					
	=	-$57,121	÷	Current Debt Service	$112,474	=	-51%
10	Coverage Ratio Excluding Tap and Development Fee Revenue	-$57,121					
	Minus Tap and Development Fee Revenu	$0					
	=	-$57,121	÷	Current Debt Service	$112,474	=	-51%
11	Projected Coverage Ratio						
	Total Revenues	$161,245					
	Minus Operating Expenses	$218,366					
	=	-$57,121		Total Debt Service (with new loan)	$180,863	=	-32%
12	Projected Coverage Excluding Tap and Development Fee Revenue	-$57,121					
	Minus Tap and Development Fee Revenu	$0					
	=	-$57,121	÷	Total Debt Service (with new loan)	$180,863	=	-32%
13	Current Debt Service	$112,474	÷	Number of Taps	97	=	$1,159.53
	Annual New Sewer Debt Service	$68,389	÷	Number of Taps	97	=	$705.05
14	2025 Annual Sewer Rate (Monthly Rate x 12)	$857.64	÷	MHI	$133,008	=	0.64%
	2025 Annual Sewer Rate + New Annual Debt Service Per Tap	$1,562.69	÷	MHI	$133,008	=	1.17%
15	Current 2025 Monthly User Charge						$71.47
	(Debt Service on WPCRF Loan / 2025 Taps / Month)						$58.75
	Total						$130.22
16	Operation and Maintenance Reserve						
	Reserves	$41,639	÷	Operating Expenses	$218,366	=	19%

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WPCRF LOAN CREDIT REPORT (2026)

Holly Hills Water and Sanitation District ("The District"), Arapahoe and Denver Counties

Recommendation:	**APPROVAL**
Loan Request:	$2,000,000
Interest Rate & Term:	3.50% & 30 years
Annual Debt Service:	$108,213
Pledge:	Sewer System Revenue
Current Rate:	$43.85
Estimated Rate Increase:	$0.00

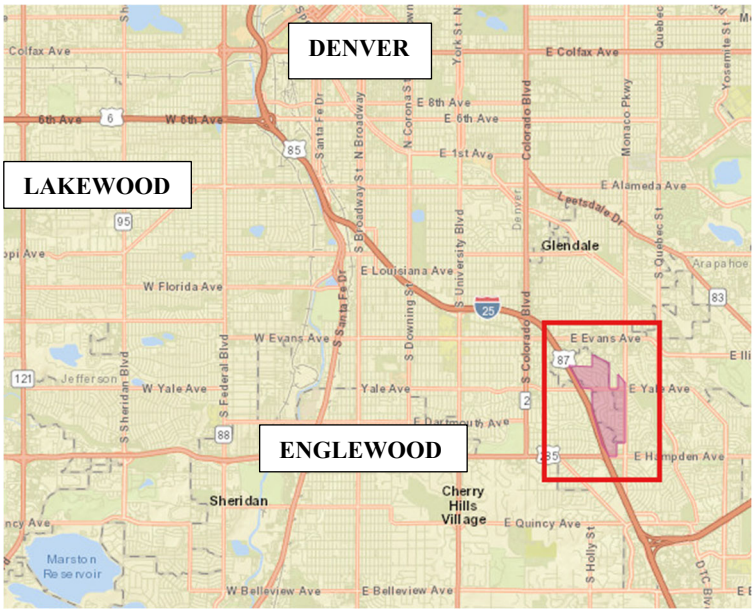
Project Budget

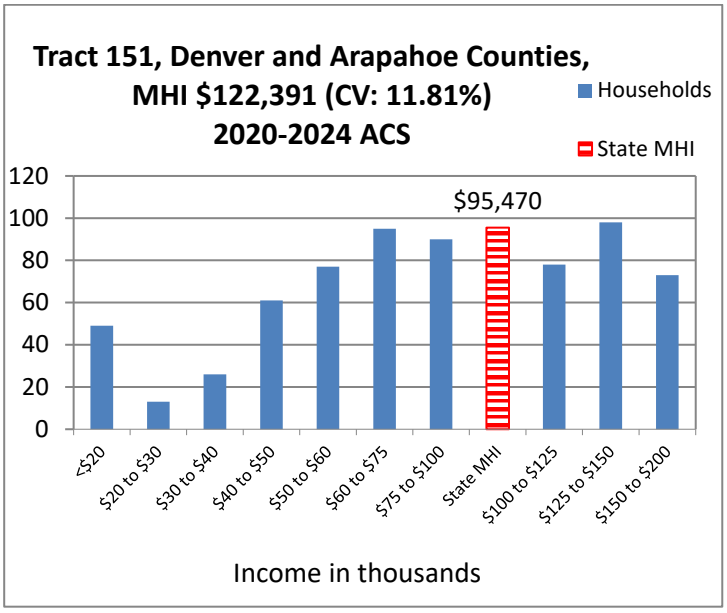
WPCRF Loan:	$2,000,000
Reserves:	$1,186,700
Total:	$3,186,700

PROJECT DESCRIPTION: The project involves upgrading the sanitary sewer system to include replacing collection lines, manholes, and service connections.

COMMUNITY PROFILE: Holly Hills Water & Sanitation District	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**Avg. Annual Change**
District Population			2,435	2,435	2,435	2,435	2,435	0.00%
Arapahoe County Population	655,288	656,858	658,069	661,564	666,557			0.43%
Denver County Population	717,626	711,487	714,747	720,885	728,309			0.37%
Arapahoe County Jobs	384,063	395,160	404,763	413,989	413,617			1.87%
Denver County Jobs	566,503	594,880	634,112	651,859	647,941			3.41%
Number of Sewer Taps			974	974	974	974	974	0.00%
Assessed Value ($000)			67,650	66,058	76,597	76,892	75,076	2.64%
Actual Value ($000)			756,074	768,106	982,857	983,283	969,440	6.41%

BORROWER BRIEF: The District is located in the south-central portion of the Denver metropolitan area in north-central Arapahoe County, directly adjacent to the southeastern border of the City and County of Denver. It lies approximately eight miles southeast of downtown Denver.





RECOMMENDATION: The District serves a metropolitan community in Arapahoe and Denver Counties. This proposed loan is necessary to modernize the current collection system. The District is in a strong financial position to take on the proposed loan, and no rate increase is projected to be necessary. We therefore recommend the WPCRF Committee approve a $2,000,000 loan to the Holly Hills Water and Sanitation District.

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PROJECT SUMMARY:

System summary: The District serves the Holly Hills neighborhood in southern Denver. This infrastructure encompasses approximately 54,000 linear feet of sanitary sewer collection lines and 230 manholes. The wastewater is conveyed through two metering vaults and flows into Metro Water Recovery interceptors for treatment.

The collection system relies on gravity flow and operates without any lift stations. Constructed primarily during the 1950s, the system features a variety of pipe materials including clay, concrete, PVC, CIPP, and slip-lined pipe. The majority of manholes consist of brick, though select structures have been replaced with precast concrete.

Reason/need: This project will modernize the collection system, meet design standards for pipe size and slope, and eliminate the occurrence of multiple drop manholes.

System Compliance: The District is in compliance. The project is primarily intended to maintain compliance and increase system resiliency.

Project Delivery Method: Design/Bid/Build

Contingency: 10% of the total project cost is included as contingency

CURRENT INDICATORS:	2023	2024	2025	Weak		Average		Strong	
Total Debt per Capita ($):	0	0	0		>$2,000		$1,000 - 2,000	X	<$1,000
Total + New Debt/Capita ($):			821		>$2,000		$1,000 - 2,000	X	<$1,000
Total Debt/Tap ($):	0	0	0		>$5,000		$2,500 - 5,000	X	<$2,500
Total Debt + New Debt/Tap ($):			2,053		>$5,000		$2,500 - 5,000	X	<$2,500
Current Sewer Debt/Tap ($):	0	0	0		>$2,000		$1,000 - 2,000	X	<$1,000
Current Sewer + New Sewer Debt/Tap ($):			2,053	X	>$2,000		$1,000 - 2,000		<$1,000
Total Debt/Assessed Value:	0.00%	0.00%	0.00%		>50%		25-50%	X	<25%
Total Debt + New Sewer Debt/Assessed Value:			2.60%		>50%		25-50%	X	<25%
Total Debt/Actual Value:	0.00%	0.00%	0.00%		>10%		5-10%	X	<5%
Total Debt + New Sewer Debt/Actual Value:			0.20%		>10%		5-10%	X	<5%
Curr. Sewer Debt + New Debt/Tap/MHI:			0.00%		>20%		10-20%	X	<10%
Sewer Fund Current Ratio (CA/CL):	553%	536%	888%		<100%		100-200%	X	>200%
Sewer Fund Reserves/Current Expense:	213%	267%	358%		<50%		50-100%	X	>100%
Sewer Operating Ratio (OR/OE):	99%	100%	96%	X	<100%		100-120%		>120%
Coverage Ratio (TR-OE)/DS:	N/A	N/A	N/A		<110%		110-125%	X	>125%
Coverage Ratio (TR-OE)/DS Excluding Tap Fees:	N/A	N/A	N/A		<110%		110-125%	X	>125%
Coverage Ratio with New Loan:			527%		<110%		110-125%	X	>125%
Coverage Ratio with New Loan Excluding Tap Fees:			245%		<110%		110-125%	X	>125%
Current Annual Sewer Rates/MHI:			0.41%		>3.0%		1.5-3.0%	X	<1.5%
Current Sewer Rates + New Sewer Debt Service/MHI:			0.50%		>3.0%		1.5-3.0%	X	<1.5%
Operation and Maintenance Reserve:			358%		<25%		25-50%	X	>50%
			Total:	**2**		**0**		**19**	

FINANCIAL ANALYSIS: Of the twenty-one current indicators calculated, nineteen are rated strong, none are average and two are considered weak. Overall, the indicators illustrate a system with no current debt and exceptionally strong liquidity and coverage metrics. The strong indicators show zero existing debt, robust cash reserves, high fund ratios, and strong coverage capability, confirming the District can easily absorb the proposed debt without raising rates to meet loan covenants. The weak indicators reflect that operating expenses have recently exceeded operating revenues (although the District uses property tax to cover operations), and the proposed debt presents some burden on a per-tap basis.

- The operating ratio has been decreasing in the years examined as operating expenses have exceeded operating revenues. The District has property tax as part of its fund that is not considered in this calculation. If property tax were to be included as revenue in this calculation, the operating ratio would increase to 135% for the 2025 year, which would place the District under the “strong” category. Main drivers in increases in operating expenses are increases in sewage system costs and infrastructure repairs, replacements, and improvements.
- Based on 2025 financial information, coverage with the proposed loan is 527% with tap fee revenue and 245% without tap fee revenue. No additional revenue is projected to be needed to meet coverage ratio requirements.

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- The District has made strong capital contributions in the years examined in preparation for the proposed project. The increase in the District's fund reserves-to-current expense ratio from 213% in 2023 to 358% in 2025 demonstrates excellent liquidity and financial positioning to support project demands. Moreover, even in the event of emergency repairs or unexpected cost increases, the District can fully absorb these expenses by using these funds without drawing on net operating revenues, which are available to continue debt service payments.

DESCRIPTION OF THE LOAN:

A $2,000,000 loan with a thirty-year term, two payments annually at an interest rate of 3.50% will cost the District approximately $108,213 in debt service annually.

ECONOMIC ANALYSIS: Based on the State Demographer's estimate of 2.5 people per tap, The District has a 2026 population estimated at 2,435 and has remained consistent since 2022. Denver County has experienced an increase of 0.37% in population since 2020. The state population increased at an average annual rate estimated at 0.73%.

The region's economy is dominated by professional, scientific, and technical services; health care and social assistance; retail trade; accommodation and food services; and local government services. The area's largest employers consist of Safeway Stores, with 125 employees; Highpointe Assisted Living, with 75 employees; Holly Ridge Elementary School, with 55 employees; Holly Hills Elementary School, with 55 employees; and Colorado Athletic Club, with 50 employees.

The District does have customers who account for more than 3% of the system's total revenue. These are: Veranda High Point apartment complex, with 14% of the system's total revenue; and Plaza de Monaco Condominiums, with 5.4%.

ORGANIZATIONAL ANALYSIS:

Bond Rating

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

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

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

Organizational Structure

The District is a Title 32, Article 1 special district governed by a five-member board of directors and was organized in 1952. The District provides water and wastewater services. The utility does not have any full-time employees as all District functions are outsourced to third-party consultants. The sewer utility is overseen by an Operator in Responsible Charge (ORC) and an engineer, who then reports to the board of directors, with coordination of the district manager.

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

Capital Improvement Plan

As part of the application process, the District submitted a capital improvement schedule through 2060, which anticipates capital outlay of $10,153,600 for a sanitary sewer replacement project, annual repairs, manhole replacements, and clay and pipe collection system replacements to be funded from reserves and loans.

Intergovernmental

The District maintains two agreements with the Metro Wastewater Reclamation District ("MWRD" or "Metro"), and one with the Denver Water Board (DWB):

- Metro Wastewater Reclamation District ("MWRD" or "Metro"):
    - The Special Connectors Agreement, originally dated December 20, 1983 (and amended through January 1, 2007), provides that MWRD will receive, treat, and dispose of sewage delivered by the District. Under this agreement, the District pays annual estimated charges assessed through a predetermined formula with final adjustments based on meter flows, content, and actual costs billed or credited over the two succeeding years. Additionally, the District collects MWRD tap connection fees for new connections and remits them directly to MWRD, while retaining title and responsibility for all sewer line maintenance and future construction costs within its boundaries. The agreement

is effective for 45 years from the contract date or until January 1 following the final payment of the last outstanding bond or note issued by MWRD, whichever is later, and continues on a year-to-year basis thereafter.

- The Agreement for the Delegation of Pretreatment/Industrial Waste Control Program Responsibilities, dated April 1, 2005, delegates responsibility to MWRD for conducting the District's Pretreatment Program obligations. This agreement is perpetual.

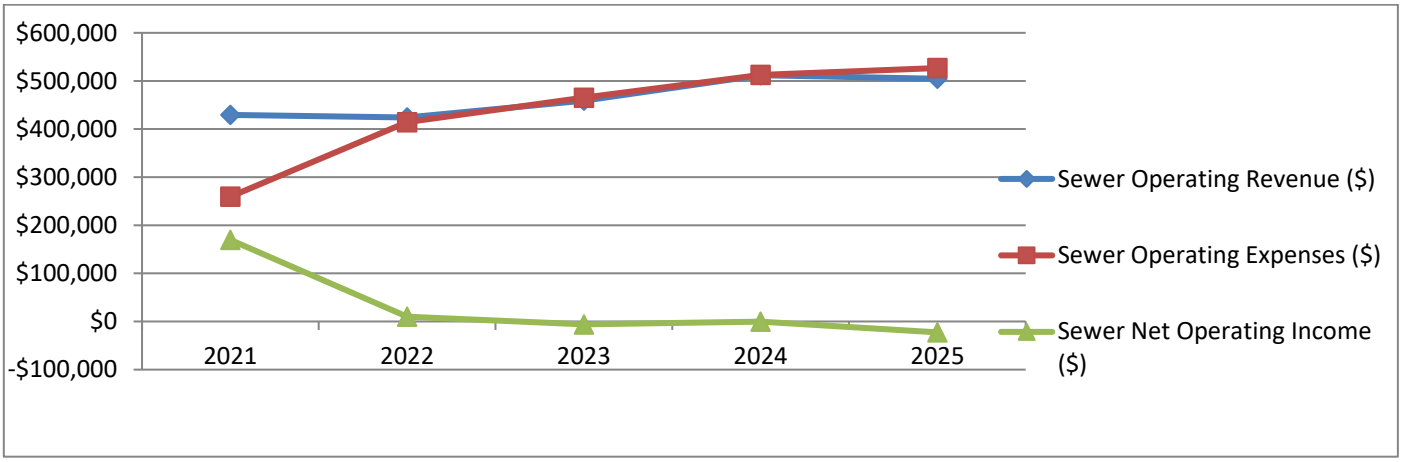
- Denver Water Board ("DWB"): The District entered into a Water Service Agreement in 1997 with DWB for the distribution of potable water within the District's contract service area. Under this agreement, DWB provides complete water services to the District's citizens, including meter reading, billing and collections, and line maintenance. The term terminates upon mutual agreement of the parties.

REVENUE ANALYSIS:

From 2023 to 2025, the District had negative net operating income. However, the District supports operations through property and specific ownership taxes, which are not included in the net operating income calculation. Operating expenses have been increasing in the years examined. The District states that these increases are mainly due to the increase in overall cost in treatment and infrastructure replacement, repairs and improvements due to the ageing of the system. In 2021, the District authorized a resolution adopting a facilities renovation fee in the amount of $100 per single family residential (payable at the rate of $25 per quarter) to defray the cost of renovating, replacing, and to the extent necessary, operating the District's sanitary sewer system, which led to an overall increase in revenue. In 2025, tap and development fees increased again due to the Hills Elementary School being remodeled and added on, which required a larger tap. Reserves have increased, which the District mindfully did in order to fund the proposed project. Overall, total operating revenue is on a positive trend and has increased each year in the five years examined.

TRENDS	2021	2022	2023	2024	2025	2026
Monthly Sewer Rate ($)	38.25	38.25	40.15	41.75	41.75	43.85
Residential Sewer Tap Fee ($)	8,680	9,420	10,240	11,040	11,820	12,140
Mill Levy	2.716	2.719	2.716	2.716	2.716	
Total Sewer Revenue ($)	515,514	794,120	863,225	964,990	1,097,612	
Tap/Development Fees ($)	86,115	170,385	170,734	172,280	305,711	
Property Tax	0	180,524	178,587	206,870	206,394	
S.O. Tax	0	9,974	10,732	11,004	10,716	
Sewer Operating Revenue ($)	429,398	424,205	459,024	512,134	504,599	
Sewer Operating Expenses ($)	259,606	414,279	465,119	512,532	527,062	
Sewer Net Operating Income ($)	169,792	9,926	-6,095	-398	-22,463	
Sewer Debt ($)	0	0	0	0	0	
Total Debt ($)	0	0	0	0	0	
Sewer Debt Service ($)	0	0	0	0	0	
Sewer Debt Service/Tap/Month ($)	0	0	0	0	0	
Sewer Fund Reserves ($)	283,348	757,300	992,802	1,366,860	1,884,966	

Ratios	2021	2022	2023	2024	2025	Average
Operating Revenue as % of Total Revenue	83%	53%	53%	53%	46%	61%
Operating Revenue as % of Expenses	165%	102%	99%	100%	96%	117%
Tap Fee Revenue as % of Total Revenue	17%	21%	20%	18%	28%	19%



Recent Rate Increases
The District's most recent rate increase of $2.10 was implemented in January 2026.

User Charges & System Utilization
The District's current estimated average monthly residential sewer rate is $43.85 compared to the 2024 estimated state median of $44.65. The District utilizes a quarterly billing system. Users pay a minimum quarterly charge of $43.85, which covers the first 7,500 gallons of consumption, or the sum of the property's actual winter usage (December, January, February) multiplied by $5.85 per 1,000 gallons rate if it exceeds the minimum 7,5000 gallons of consumption. Both residential and commercial users follow this same structure.

Users are also billed a quarterly $25 facilities renovation fee in addition to those charges detailed above.

Contributed Capital
Revenue from tap fees has ranged from $86,115 to $305,711 and has averaged 19% of total sewer revenue during the last five years. The District's most recent sewer tap fee rate increase occurred in January 2026. Users in the District must also pay an equal-in-cost charge connection fee to Metro Wastewater Reclamation District.

- Residential sewer tap fees are a total cost of $12,140.
- Commercial sewer tap fees start at total cost of $24,280 for a ¾'' tap and increases with size. Taps which are 6'' or larger are determined by Metro Wastewater District formula (which is based on approved domestic meter sizes and flow/strength parameters).

Current System Utilization		
	Usage	Revenue
Residential	65%	60%
Non-residential (per EQR)	35%	40%

Current Fee Summary	
Tap size	Sewer user/tap fees
¾"	$43.85/$12,140
¾"	$43.85/$24,280

DEBT as of December 31, 2025
The District has no current existing debt.

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

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

Project #190361W-H
Cost Categories: Sewer System Rehabilitation: 100%

Prepared by: Monica Munoz-Revelo
Date: November 10, 2026

BACK TO AGENDA

November 10, 2026

WPCRF Credit Report
Holly Hills Water and Sanitation District, Denver County, CO
Using most recent data available
(Census, audits, local records)

Estimated Population - 2024	**2,435**
Number of Sewer Taps/Customers - 2025	**974**
Total Assessed Valuation - 2025	**$76,892,000**
Actual Value of All Real Property - 2025	**$983,283,000**
Median Household Income (MHI) - 2024	**$122,391**
Monthly Sewer Rate - 2025	**$41.75**
Sewer Operating Revenue - 2025	**$504,599**
Sewer Total Revenue - 2025 **[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.]**	**$1,097,612**
Sewer Tap and System Development Fee Revenue - 2025	**$305,711**
Sewer Operating Expense - 2025	**$527,062**
Sewer Current Expense - 2025	**$527,062**
Sewer Debt - 2025	**$0**
Total Debt - 2025	**$0**
Sewer Fund Reserves - 2025	**$1,884,966**
Sewer Debt Service - 2025	**$0**
New Sewer Debt [Requested WPCRF loan amount.]	**$2,000,000**
Requested WPCRF Loan Term	**30**
Requested WPCRF Loan Interest Rate	**3.50%**
New Loan's Annual Sewer Debt Service (two payments annually)	**$108,213**

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Current Indicators (2025)

Holly Hills Water and Sanitation District

(Water & Sanitation)

1	Total Debt	$0	÷	Population	2,435	=	$0
	New Debt	$2,000,000	÷	Population	2,435	=	$821
	Total Debt + New Debt	$2,000,000	÷	Population	2,435	=	$821
2	Total Debt	$0	÷	Number of Taps	974	=	$0
	New Debt	$2,000,000	÷	Number of Taps	974	=	$2,053
	Total Debt + New Debt	$2,000,000	÷	Number of Taps	974	=	$2,053
3	Total Debt	$0	÷	Assessed Value	$76,892,000	=	0.00%
	New Debt	$2,000,000	÷	Assessed Value	$76,892,000	=	2.60%
	Total Debt + New Debt	$2,000,000	÷	Assessed Value	$76,892,000	=	2.60%
4	Total Debt	$0	÷	Actual Value	$983,283,000	=	0.00%
	New Debt	$2,000,000	÷	Actual Value	$983,283,000	=	0.20%
	Total Debt + New Debt	$2,000,000	÷	Actual Value	$983,283,000	=	0.20%
5	Current Sewer Debt	$0	÷	Number of Taps	974	=	$0
	(Current Sewer Debt + New Sewer Debt) / Number of Taps	$2,053	÷	MHI	$122,391	=	1.68%
6	Current Ratio (CA / CL)						
	Current Assets	$2,124,234	÷	Current Liabilities	$239,268	=	888%
7	Reserve/Expense Ratio						
	Reserves	$1,884,966	÷	Current Expenses	$527,062	=	358%
8	Operating Ratio (OR / OE)						
	Operating Revenues	$504,599	÷	Operating Expenses	$527,062	=	96%
9	Coverage Ratio [(TR - OE) / DS]						
	Total Revenues	$1,097,612	-				
	Minus Operating Expenses	$527,062					
	=	$570,550	÷	Current Debt Service	$0	=	#DIV/0!
10	Coverage Ratio Excluding Tap and Development Fee Revenue	$570,550					
	Minus Tap and Development Fee Revenu	$305,711					
	=	$264,839	÷	Current Debt Service	$0	=	#DIV/0!
11	Projected Coverage Ratio						
	Total Revenues	$1,097,612					
	Minus Operating Expenses	$527,062					
	=	$570,550	÷	Total Debt Service (with new loan)	$108,213	=	527%
12	Projected Coverage Excluding Tap and Development Fee Revenue	$570,550					
	Minus Tap and Development Fee Revenu	$305,711					
	=	$264,839	÷	Total Debt Service (with new loan)	$108,213	=	245%
13	Current Debt Service	$0	÷	Number of Taps	974	=	$0.00
	Annual New Sewer Debt Service	$108,213	÷	Number of Taps	974	=	$111.10
14	2025 Annual Sewer Rate (Monthly Rate x 12)	$501.00	÷	MHI	$122,391	=	0.41%
	2025 Annual Sewer Rate + New Annual Debt Service Per Tap	$612.10	÷	MHI	$122,391	=	0.50%
15	Current 2025 Monthly User Charge						$41.75
	(Debt Service on WPCRF Loan / 2025 Taps / Month)						$9.26
	Total						$51.01
16	Operation and Maintenance Reserve						
	Reserves	$1,884,966	÷	Operating Expenses	$527,062	=	358%

BACK TO AGENDA

BACK TO AGENDA

WPCRF LOAN CREDIT REPORT (2026)

Mountain Water and Sanitation District ("The District"), Jefferson County

Recommendation:	**CONDITIONAL APPROVAL**
Loan Request:	$3,279,252
Interest Rate & Term:	3.50% & 25 years
Annual Debt Service:	$197,896
Pledge:	Water and Sewer Revenues, General Obligation
Current Rate:	$97.96 (W&S)
Estimated Rate Increase:	$10.47

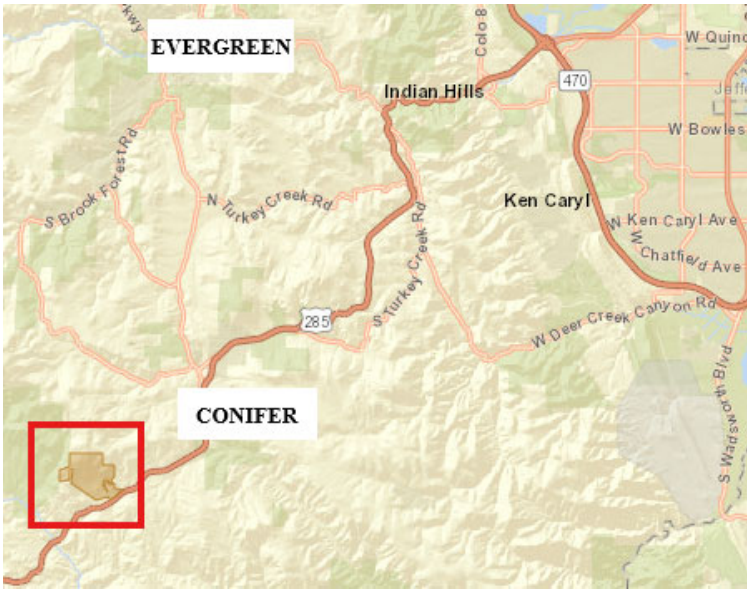
Project Budget

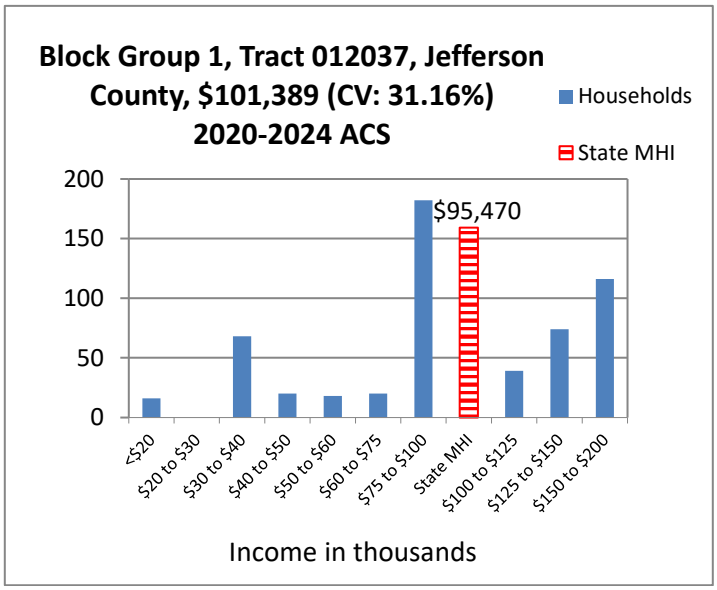
WPCRF Loan:	$3,279,252
Total:	$3,279,252

PROJECT DESCRIPTION: This project consists of collection system improvements, including cured-in-place pipe lining and manhole rehabilitation.

COMMUNITY PROFILE: Mountain Water and Sanitation District	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**Avg. Annual Change**
District Population			973	973	973	973	973	0.00%
Jefferson County Population	583,138	580,840	576,580	577,599	578,437			-0.20%
Jefferson County Jobs	289,900	296,102	303,115	309,185	309,778			1.67%
Number of Sewer Taps			389	389	389	389	389	0.00%
Number of Water Taps			389	389	389	389	389	0.00%
Assessed Value ($000)			16,328	15,902	19,386	19,380	18,703	3.45%
Actual Value ($000)			203,663	203,661	256,167	277,375	261,555	6.45%

BORROWER BRIEF: The District is located in the foothills of the Front Range in southwestern Jefferson County, serving the Kings Valley community along U.S. Highway 285, approximately 32 miles southwest of the City of Denver and three miles southwest of central Conifer.





RECOMMENDATION: The District serves a small, residential-mountain community in Jefferson County. This proposed loan is necessary to upgrade the aging wastewater collection system to prevent heavy seasonal groundwater leaks, enhance system dependability, and lessen emergency maintenance. The addition of the proposed debt will burden ratepayers, and rate increases will be necessary to meet rate covenants. However, the District continuously increased rates in a yearly manner. We therefore recommend the WPCRF Committee approve a $3,279,252 WPCRF base direct loan to the Mountain Water and Sanitation District on the conditions that rates are increased to meet the 110% coverage ratio and that voters approve the proposed loan.

BACK TO AGENDA

BACK TO AGENDA

PROJECT SUMMARY:

System summary: The District is located approximately three miles southeast of Conifer in Jefferson County and spans approximately 640 acres. The District provides potable water and wastewater treatment services to approximately 389 taps. Water and wastewater consumers within the District are predominantly single-family residences that discharge domestic sewage to the wastewater treatment plant (WWTP). Elevations within the district area vary approximately 1,000 feet with the WWTP located near the lowest elevation. A gravity collection system conveys sewage from the users to the WWTP. The facility discharges to an unnamed tributary that ultimately flows to Gooseberry Gulch.

Reason/need: The collection system is approximately 40 years old and has reached the end of its useful life. The system experiences significant inflow and infiltration (I&I). The WWTP experiences higher flows in the spring months, indicating that runoff is infiltrating the system. Improvements to the collection system will reduce I&I, improve the reliability of the system, and limit the amount of emergency repairs needed.

System Compliance: The District is in compliance with the conditions of its discharge permit, and the project is primarily intended to maintain compliance.

Project Delivery Method: Design/Bid/Build.

Contingency: 0% of the total project cost is included as contingency. This project consists of collection system pipe relining and manhole rehabilitation and the scope will be reduced to accommodate cost if needed.

CURRENT INDICATORS:	2023	2024	2025		Weak		Average		Strong
Total Debt per Capita ($):	1,362	1,208	1,054		>$2,000	X	$1,000 - 2,000		<$1,000
Total + New Debt/Capita ($):			4,426	X	>$2,000		$1,000 - 2,000		<$1,000
Total Debt/Tap ($):	3,406	3,021	2,635		>$5,000	X	$2,500 - 5,000		<$2,500
Total Debt + New Debt/Tap ($):			11,065	X	>$5,000		$2,500 - 5,000		<$2,500
Current Sewer Debt/Tap ($):	3,406	3,021	2,635	X	>$2,000		$1,000 - 2,000		<$1,000
Current Sewer + New Sewer Debt/Tap ($):			11,065	X	>$2,000		$1,000 - 2,000		<$1,000
Total Debt/Assessed Value:	8.33%	6.06%	5.29%		>50%		25-50%	X	<25%
Total Debt + New Sewer Debt/Assessed Value:			22%		>50%		25-50%	X	<25%
Total Debt/Actual Value:	0.65%	0.46%	0.37%		>10%		5-10%	X	<5%
Total Debt + New Sewer Debt/Actual Value:			1.55%		>10%		5-10%	X	<5%
Curr. Sewer Debt + New Debt/Tap/MHI:			11%		>20%	X	10-20%		<10%
Sewer Fund Current Ratio (CA/CL):	316%	260%	229%		<100%		100-200%	X	>200%
Sewer Fund Reserves/Current Expense:	79%	89%	77%		<50%	X	50-100%		>100%
Sewer Operating Ratio (OR/OE):	71%	95%	97%	X	<100%		100-120%		>120%
Coverage Ratio (TR-OE)/DS:	55%	123%	210%		<110%		110-125%	X	>125%
Coverage Ratio (TR-OE)/DS Excluding Tap Fees:	55%	123%	210%		<110%		110-125%	X	>125%
Coverage Ratio with New Loan:			91%	X	<110%		110-125%		>125%
Coverage Ratio with New Loan Excluding Tap Fees:			91%	X	<110%		110-125%		>125%
Current Annual Sewer Rates/MHI:			1.11%		>3.0%		1.5-3.0%	X	<1.5%
Current Sewer Rates + New Sewer Debt Service/MHI:			1.61%		>3.0%	X	1.5-3.0%		<1.5%
Operation and Maintenance Reserve:			93%		<25%		25-50%	X	>50%
			Total:	**7**		**5**		**9**	

FINANCIAL ANALYSIS: Of the twenty-one current indicators calculated, nine are rated strong, five are average and seven are considered weak. Overall, the indicators illustrate a financially solid entity with manageable existing debt and low-rate burden, but one that will be burdened by proposed loan. The strong indicators show low existing debt relative to property values, strong liquidity, healthy O&M reserves, and favorable rate affordability relative to Median Household Income (MHI) even with the addition of the proposed debt. The weak indicators reflect the high burden of the proposed project debt in a per tap and per capita basis, and the need to increase revenues to meet coverage ratio requirements.

- The operating ratio has increased in the years examined but remains in the weak category (97%) as operating expenses have exceeded operating revenues. The District uses property tax revenue, which is not considered in the operating ratio calculation, to support operations. If property tax were included in this calculation, the operating ratio would increase to 138% for the 2025 year, which would place the District under the "strong" category.
- Based on 2025 financial information, coverage with the proposed loan is 91%. Additional annual revenue of about $67,554, or $14.47 per tap per month, would increase the coverage ratio to the required 110%.

BACK TO AGENDA

- Due to ongoing drought conditions, the District adopted a resolution which restructured its tiered rates in July 2026. This increased volume charges for a total of $4 for typical residential consumption. With this adjustment, the projected rate increase drops to $10.47.
- The District presents an operations and maintenance reserve of 93% based on their 2025 financials, which is strong.

DESCRIPTION OF THE LOAN:

A $3,279,252 loan with a twenty-five-year term, two payments annually at an interest rate of 3.50% will cost the District approximately $197,896 in debt service annually.

ECONOMIC ANALYSIS: Based on the State Demographer's estimate of 2.5 people per tap, the District has a 2026 population estimated at 973 and has remained consistent since 2022. Jefferson County has experienced a decrease of 0.20% in population since 2020. The state population increased at an average annual rate estimated at 0.73%.

The region's economy is dominated by professional, scientific, and technical services; health care and social assistance; retail trade; accommodation and food services; and construction. The area's largest employers consist of Kings Valley Marketplace, with twenty employees; and Kum & Go LLC, with five employees.

ORGANIZATIONAL ANALYSIS:

Bond Rating

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

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

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

Organizational Structure

The District is a Title 32 Article 1 special district governed by a 5-member board of directors and was organized in 1963. The District only provides domestic water and sewer services. Approximately two full-time employees staff the sewer utility. The sewer utility is overseen by the ORC and district manager, who reports to the board of directors.

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

Capital Improvement Plan

As part of the application process, the District submitted a capital improvement schedule through 2028, which anticipates capital outlay of $3,279,251 for collection line upgrades and manhole upgrades to be funded from approved debt.

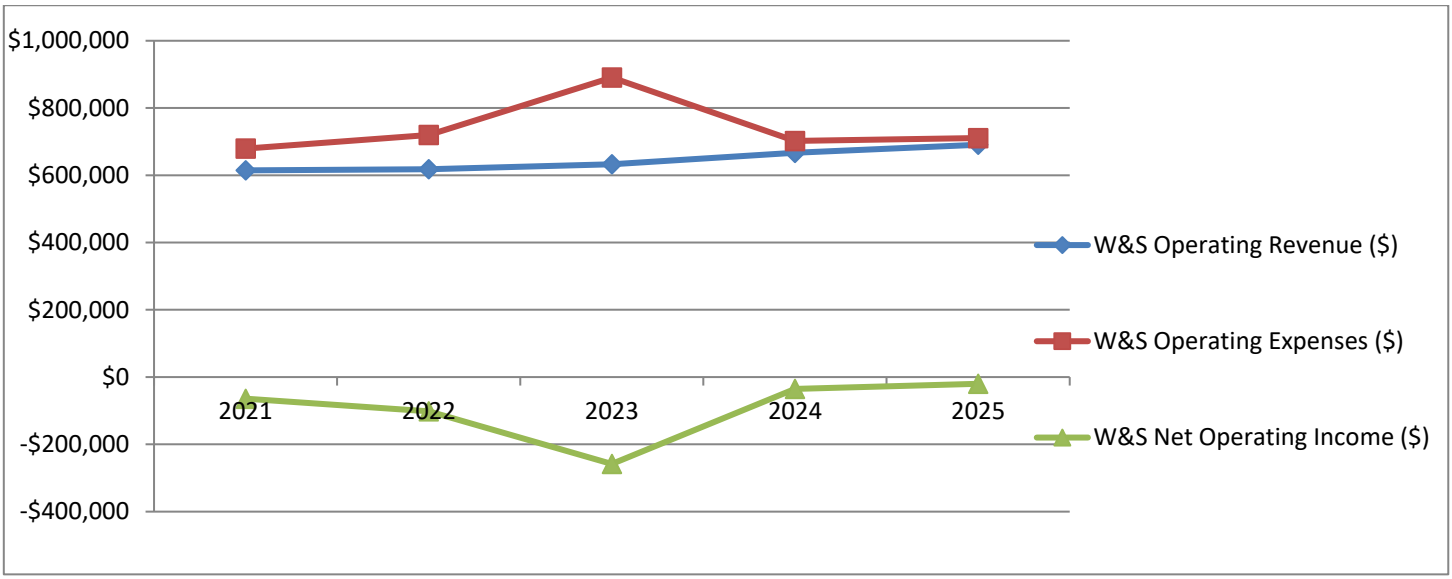
REVENUE ANALYSIS:

The District had negative net operating income over the five years examined. However, the District supports operations through property and specific ownership taxes, which are not included in the net operating income calculation. The mill levy has fluctuated as it is adjusted as needed to generate the revenue needed to make required payments on its outstanding loans, which also depends on the District's assessed valuation for any given year. In 2024, the levy was temporarily reduced to provide a TABOR mill levy refund for 2020 through 2023. Total revenues were sufficient to cover operating costs and debt service in four of the last five years. Total revenue increased in 2022 because higher tap-in development fees were collected from new construction completed in 2022. Operating expenses increased in the years examined, with the District noting that they fluctuate year to year based on the maintenance, operations, and projects performed in any given year. In 2023, this number spiked due to a change in operational needs, and more maintenance projects were incurred. Reserves have decreased in the five years examined. This is largely due to higher accounts payable from increased professional services (e.g., consulting, sludge disposal), chemicals used for operations, repairs, payroll taxes, and insurance.

TRENDS	2021	2022	2023	2024	2025	2026
Monthly Water and Sewer Rate ($)	82.04	85.33	88.74	93.96	93.96	97.96
Residential Sewer Tap Fee ($)	14,500	14,500	14,500	14,500	14,500	14,500
Residential Water Tap Fee ($)	14,500	14,500	14,500	14,500	14,500	14,500
Mill Levy	20.167	18.069	17.292	8.910	14.900	14.900
Total Revenue ($)	934,582	991,778	973,997	887,156	1,025,693	
Tap/Development Fees ($)	0	43,500	0	0	0	
Property Tax	269,123	295,040	274,870	180,210	291,135	

S.O. Tax	21,237	20,233	19,763	11,197	19,750
W&S Operating Revenue ($)	614,849	617,971	632,869	666,834	690,941
W&S Operating Expenses ($)	679,301	719,756	890,895	702,097	710,562
W&S Net Operating Income ($)	-64,452	-101,785	-258,026	-35,263	-19,621
W&S Debt ($)	1,625,000	1,475,000	1,325,000	1,175,000	1,025,000
Total Debt ($)	1,625,000	1,475,000	1,325,000	1,175,000	1,025,000
W&S Debt Service ($)	150,000	150,000	150,000	150,000	150,000
W&S Debt Service/Tap/Month ($)	32.13	32.13	32.13	32.13	32.13
W&S Fund Reserves ($)	1,004,610	1,026,370	818,700	760,884	664,094

Ratios	2021	2022	2023	2024	2025	Average
Operating Revenue as % of Total Revenue	66%	62%	65%	75%	67%	67%
Operating Revenue as % of Expenses	91%	86%	71%	95%	97%	86%
Tap Fee Revenue as % of Total Revenue	0.00%	4.39%	0.00%	0.00%	0.00%	1.10%



Recent Rate Increases
The District's most recent rate increase of $4 was implemented in June 2026.

User Charges & System Utilization
The District's current estimated average monthly water and sewer residential rate is $97.96 compared to the 2024 estimated state median of $44.65. The District's average monthly rate is based on typical residential consumption of 2,238 gallons per month. The District charges a combined water and sewer rate based on total volume consumed and a base charge for service. While the District utilizes a tiered structure in which volumetric rates increase as usage goes up, the water and sewer costs are presented as a single combined rate on ratepayers' bills. All customers pay a base minimum charge of $54.23, with tiered volumetric charges applied in addition to the base charge. Tier 1, for consumption between 1,000–2,000 gallons, is charged at $32.09 per 1,000 gallons ($16.37 water/$15.72 sewer). Tier 2, for consumption between 2,001–4,000 gallons, is charged at $48.92 per 1,000 gallons ($24.95 water/$23.97 sewer). Tier 3, for consumption between 4,001–6,000 gallons, is charged at $75.00 per 1,000 gallons ($38.25 water/$36.75 sewer). Finally, Tier 4, for consumption from 6,001 gallons and above, is charged at $100.00 per 1,000 gallons ($51.00 water/$49.00 sewer).

Both residential and commercial users follow the same structure.

Users can also be charged $25 per 1,000 gallons of consumption in addition to those charges stated above if the District is required to purchase water from contracted suppliers due to drought or other emergency situations or conditions.

Contributed Capital
Revenue from tap fees has ranged from $0 to $43,500 and has averaged 1.10% of total water and sewer revenue during the last five years. The District's most recent sewer tap fee rate increase occurred in 2014.

Residential users pay a combined rate for water and sewer services with the addition of a capital improvement fee. In total, new users pay a total of $43,500 ($14,500 for sewer, $14,500 for water, and $14,500 for the capital improvement fee). Commercial tap fees are determined individually based on square footage, usage, and system impact relative to a single-family equivalent, with a mandatory minimum charge of $43,500.

Current System Utilization		
	Usage	Revenue
Residential	95.96%	96.01%
Non-residential (per EQR)	4.04%	3.99%

Current Fee Summary	
Tap size	Water and Sewer user/tap fees
¾"	$97.96/$43,500
¾"	$97.96/$43,500

Property Tax

The District proposes to pay for the loan with property tax revenues. The District's 2025 water and sewer fund revenues were from user charges, property tax, specific ownership tax, and interest earnings. The District has not yet secured voter approval to take on the proposed debt, and plans on putting forth the ballot question to approve additional debt to the residents of the District in the May 2027 election. In 2025, the District's mill levy was 14.900 compared to the state average of 5.024 for water and sewer districts.

Property Tax Analysis	2021	2022	2023	2024	2025
Mill levy	20.167	18.069	17.292	8.910	14.900
Assessed Value (000)	13,344	16,328	15,902	19,386	19,380
Property tax revenue	269,123	295,040	274,870	180,210	291,135
% Property tax revenue/total revenue	29%	30%	28%	20%	28%

DEBT as of December 31, 2025

Executed	Lender	Term End	Pledge	Outstanding	Interest Rate	Annual payment
2011	CWRPDA-DWRF	2031	General Obligation	$275,000	0%	$50,000
2012	CWRPDA-WPCRF	2032	General Obligation	$750,000	0%	$100,000

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

The City has met the Loan Covenants on their DWRF direct loan dated 2011 and WPCRF loan dated 2012 with the Authority. The City has also had no debt service payment issues.

Prepared by: Monica Munoz-Revelo
Date: November 10, 2026

Project #141081W-Q
Cost Categories:
- Infiltration/Inflow (Category IIIA): 80%
- Sewer System Rehabilitation (Category IIIB): 20%

BACK TO AGENDA

November 10, 2026

WPCRF Credit Report
Mountain Water and Sanitation District, Jefferson County, CO
Using most recent data available
(Census, audits, local records)

Estimated Population - 2024	973
Number of Sewer Taps/Customers - 2025	389
Total Assessed Valuation - 2025	$19,380,000
Actual Value of All Real Property - 2025	$277,375,000
Median Household Income (MHI) - 2024	$101,389
Monthly Water and Sewer Rate - 2025	$93.96
Water and Sewer Operating Revenue - 2025	$690,941
Water and Sewer Total Revenue - 2025 [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.]	$1,025,693
Water and Sewer Tap and System Development Fee Revenue - 2025	$0
Water and Sewer Operating Expense - 2025	$710,562
Water and Sewer Current Expense - 2025	$860,562
Water and Sewer Debt - 2025	$1,025,000
Total Debt - 2025	$1,025,000
Water and Sewer Fund Reserves - 2025	$664,094
Water and Sewer Debt Service - 2025	$150,000
New Water and Sewer Debt [Requested WPCRF loan amount.]	$3,279,252
Requested WPCRF Loan Term	25
Requested WPCRF Loan Interest Rate	3.50%
New Loan's Annual Sewer Debt Service (two payments annually)	$197,896

BACK TO AGENDA

BACK TO AGENDA

Current Indicators (2025)
Mountain Water and Sanitation District
(Water and Sewer)

1	Total Debt	$1,025,000	÷	Population	973	=	$1,054
	New Debt	$3,279,252	÷	Population	973	=	$3,372
	Total Debt + New Debt	$4,304,252	÷	Population	973	=	$4,426
2	Total Debt	$1,025,000	÷	Number of Taps	389	=	$2,635
	New Debt	$3,279,252	÷	Number of Taps	389	=	$8,430
	Total Debt + New Debt	$4,304,252	÷	Number of Taps	389	=	$11,065
3	Total Debt	$1,025,000	÷	Assessed Value	$19,380,000	=	5.29%
	New Debt	$3,279,252	÷	Assessed Value	$19,380,000	=	16.92%
	Total Debt + New Debt	$4,304,252	÷	Assessed Value	$19,380,000	=	22.21%
4	Total Debt	$1,025,000	÷	Actual Value	$277,375,000	=	0.37%
	New Debt	$3,279,252	÷	Actual Value	$277,375,000	=	1.18%
	Total Debt + New Debt	$4,304,252	÷	Actual Value	$277,375,000	=	1.55%
5	Current Water and Sewer Debt	$1,025,000	÷	Number of Taps	389	=	$2,635
	(Current Water and Sewer Debt + New Water and Sewer Debt) / Number of Taps	$11,065	÷	MHI	$101,389	=	10.91%
6	Current Ratio (CA / CL)						
	Current Assets	$1,177,803	÷	Current Liabilities	$513,709	=	229%
7	Reserve/Expense Ratio						
	Reserves	$664,094	÷	Current Expenses	$860,562	=	77%
8	Operating Ratio (OR / OE)						
	Operating Revenues	$690,941	÷	Operating Expenses	$710,562	=	97%
9	Coverage Ratio [(TR - OE) / DS]						
	Total Revenues	$1,025,693	-				
	Minus Operating Expenses	$710,562					
	=	$315,131	÷	Current Debt Service	$150,000	=	210%
10	Coverage Ratio Excluding Tap and Development Fee Revenue	$315,131					
	Minus Tap and Development Fee Revenu	$0					
	=	$315,131	÷	Current Debt Service	$150,000	=	210%
11	Projected Coverage Ratio						
	Total Revenues	$1,025,693					
	Minus Operating Expenses	$710,562					
	=	$315,131		Total Debt Service (with new loan)	$347,896	=	91%
12	Projected Coverage Excluding Tap and Development Fee Revenue	$315,131					
	Minus Tap and Development Fee Revenu	$0					
	=	$315,131	÷	Total Debt Service (with new loan)	$347,896	=	91%
13	Current Debt Service	$150,000	÷	Number of Taps	389	=	$385.60
	Annual New Water and Sewer Debt Serv	$197,896	÷	Number of Taps	389	=	$508.73
14	2025 Annual Water and Sewer Rate (Monthly Rate x 12)	$1,127.49	÷	MHI	$101,389	=	1.11%
	2025 Annual Water and Sewer Rate + New Annual Debt Service Per Tap	$1,636.22	÷	MHI	$101,389	=	1.61%
15	Current 2025 Monthly User Charge						$93.96
	(Debt Service on WPCRF Loan / 2025 Taps / Month)						$42.39
	Total						$136.35
16	Operation and Maintenance Reserve						
	Reserves	$664,094	÷	Operating Expenses	$710,562	=	93%

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COLORADO
Department of Local Affairs
Division of Local Government

TO: Wesley Williams and Members of the Board of the CWRPDA
FROM: Peter Dieterich, DLG
SUBJECT: Three Lakes Water and Sanitation District ("the District")
WPCRF Credit Report Update
DATE: November 10, 2026

Project Budget	
WPCRF Supp. Base Loan:	$1,538,400
2026 WPCRF Base Loan:	$1,774,639
Reserves:	$227,990
TOTAL:	$3,541,029

The project consists of improvements to the sewage collection system, including retrofitting the collection system with in-pipe heating cables around Grand Lake and installing additional manholes for system maintenance. The project has an estimated useful life exceeding 20 years.

The District previously received WPCRF funding for this project in the amount of $1,774,639 as a WPCRF base loan with a 20-year term, at an interest rate of 3.25%. However, initial bidding yielded no results, and subsequent bids received were twice the original estimate due to scope adjustments and market conditions. To complete the full scope of the heat tracing project and avoid raw wastewater discharges into Grand Lake, the District is requesting a supplemental WPCRF loan of $1,538,400 (13.17% of the total project cost is included as contingency).

When compared to the original 2026 credit report (which used 2024 financials), the District's 2025 financials show an improved operating position, with net operating income increasing and cash reserves rising. Evaluating the proposed $1,538,400 supplemental loan against 2025 finances show that, while the combined debt service increases to $389,709 annually, it remains a manageable debt burden and maintains an exceptional coverage ratio of 318% excluding tap fees. With monthly user rates increasing $4.25 since 2024, no further rate increases are projected to be required. We therefore recommend the WPCRF Committee approve a $1,538,400 supplemental WPCRF base direct loan with the same terms as the original loan, to the Three Lakes Water and Sanitation District.

CURRENT INDICATORS:	**2023**	**2024**	**2025**	**Weak**		**Average**		**Strong**	
Total Debt per Capita ($):	356	339	323		>$2,000		$1,000 - 2,000	X	<$1,000
Total + New Debt/Capita ($):			459		>$2,000		$1,000 - 2,000	X	<$1,000
Total Debt/Tap ($):	890	848	803		>$5,000		$2,500 - 5,000	X	<$2,500
Total Debt + New Debt/Tap ($):			1,140		>$5,000		$2,500 - 5,000	X	<$2,500
Current Sewer Debt/Tap ($):	890	848	803		>$2,000		$1,000 - 2,000	X	<$1,000
Current Sewer + New Sewer Debt/Tap ($):			1,140		>$2,000	X	$1,000 - 2,000		<$1,000
Total Debt/Assessed Value:	2.03%	1.32%	1.24%		>50%		25-50%	X	<25%
Total Debt + New Sewer Debt/Assessed Value:			1.76%		>50%		25-50%	X	<25%
Total Debt/Actual Value:	0.17%	0.11%	0.10%		>10%		5-10%	X	<5%
Total Debt + New Sewer Debt/Actual Value:			0.15%		>10%		5-10%	X	<5%
Curr. Sewer Debt + New Debt/Tap/MHI:			1.23%		>20%		10-20%	X	<10%
Sewer Fund Current Ratio (CA/CL):	1,487%	1,573%	1,818%		<100%		100-200%	X	>200%
Sewer Fund Reserves/Current Expense:	351%	366%	401%		<50%		50-100%	X	>100%
Sewer Operating Ratio (OR/OE):	166%	145%	151%		<100%		100-120%	X	>120%
Coverage Ratio (TR-OE)/DS:	567%	630%	554%		<110%		110-125%	X	>125%
Coverage Ratio (TR-OE)/DS Excluding Tap Fees:	482%	438%	463%		<110%		110-125%	X	>125%
Coverage Ratio with New Loan:			398%		<110%		110-125%	X	>125%
Coverage Ratio with New Loan Excluding Tap Fees:			332%		<110%		110-125%	X	>125%
Current Annual Sewer Rates/MHI:			0.58%		>3.0%		1.5-3.0%	X	<1.5%
Current Sewer Rates + New Sewer Debt Service/MHI:			0.61%		>3.0%		1.5-3.0%	X	<1.5%
Operation and Maintenance Reserve:			462%		<25%		25-50%	X	>50%
			Total:	**0**		**1**		**20**	

BACK TO AGENDA

COLORADO
Department of Local Affairs
Division of Local Government

Financial Analysis

Based on 2025 financial information for this supplemental loan, of the twenty-one current indicators calculated, twenty were rated strong and one was considered average (Current Sewer + New Sewer Debt/Tap). Overall, the indicators illustrate a manageable debt burden for users, accompanied by a strong operating ratio and high reserves that enable the District to pay for the project. The strong indicators show an ability to meet near- and long-term obligations, while the average indicator reflects moderate debt.

When factoring in the original 2026 loan debt and the proposed supplemental loan with 2025 finances, nineteen indicators are strong, while two are considered average. Only one indicator changed from the original 2026 credit report (using 2024 financials) when assuming the new loan package: Current Sewer Debt/Tap shifted from strong to average.

- Based on 2025 financials alone, the coverage ratio for this $1,538,400 WPCRF supplemental loan is 398% with tap fee revenue, and no rate increase is projected to be necessary to meet the 110% coverage ratio.
- When considering the full $121,416 annual payment for the original 2026 $1,774,639 WPCRF loan with the 2025 financials, the coverage ratio with the proposed loan drops to 300% with tap fee revenue, but a rate increase is still not projected to meet the 110% coverage ratio.
- While the two average indicators reflect incremental debt addition, the strong indicators confirm that the debt is affordable for the community based on the District's assessed value, actual value, tap count, and MHI. Additionally, the District continues to maintain strong reserves as well as current and coverage ratios.
- The District has proactively adjusted rates, increasing monthly sewer fees to $45.00 in 2025 and $47.25 in 2026. No further increase is projected to be necessary.

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November 10, 2026

WPCRF Credit Report
Three Lakes WSD, Grand County, CO
Using most recent data available
(Census, audits, local records)

Estimated Population - 2024	**11,310**
Number of Sewer Taps/Customers - 2025	**4,555**
Total Assessed Valuation - 2025	**$294,558,000**
Actual Value of All Real Property - 2025	**$3,533,471,000**
Median Household Income (MHI) - 2024	**$93,009**
Monthly Sewer Rate - 2025	**$45.00**
Sewer Operating Revenue - 2025	**$2,642,663**
Sewer Total Revenue - 2025 **[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.]**	**$3,241,863**
Sewer Tap and System Development Fee Revenue - 2025	**$245,063**
Sewer Operating Expense - 2025	**$1,755,288**
Sewer Current Expense - 2025	**$2,023,581**
Sewer Debt - 2025	**$3,656,342**
Total Debt - 2025	**$3,656,342**
Sewer Fund Reserves - 2025	**$8,108,574**
Sewer Debt Service - 2025	**$268,293**
New Sewer Debt [Requested WPCRF loan amount.]	**$1,538,400**
Requested WPCRF Loan Term	**20**
Requested WPCRF Loan Interest Rate	**3.25%**
New Loan's Annual Sewer Debt Service (two payments annually)	**$105,210**

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Current Indicators (2025)

Three Lakes WSD

(Sewer Only)

1	Total Debt	$3,656,342	÷	Population	11,310	=	$323
	New Debt	$1,538,400	÷	Population	11,310	=	$136
	Total Debt + New Debt	$5,194,742	÷	Population	11,310	=	$459
2	Total Debt	$3,656,342	÷	Number of Taps	4,555	=	$803
	New Debt	$1,538,400	÷	Number of Taps	4,555	=	$338
	Total Debt + New Debt	$5,194,742	÷	Number of Taps	4,555	=	$1,140
3	Total Debt	$3,656,342	÷	Assessed Value	$294,558,000	=	1.24%
	New Debt	$1,538,400	÷	Assessed Value	$294,558,000	=	0.52%
	Total Debt + New Debt	$5,194,742	÷	Assessed Value	$294,558,000	=	1.76%
4	Total Debt	$3,656,342	÷	Actual Value	$3,533,471,000	=	0.10%
	New Debt	$1,538,400	÷	Actual Value	$3,533,471,000	=	0.04%
	Total Debt + New Debt	$5,194,742	÷	Actual Value	$3,533,471,000	=	0.15%
5	Current Sewer Debt	$3,656,342	÷	Number of Taps	4,555	=	$803
	(Current Sewer Debt + New Sewer Debt) / Number of Taps	$1,140	÷	MHI	$93,009	=	1.23%
6	Current Ratio (CA / CL)						
	Current Assets	$8,580,450	÷	Current Liabilities	$471,876	=	1818%
7	Reserve/Expense Ratio						
	Reserves	$8,108,574	÷	Current Expenses	$2,023,581	=	401%
8	Operating Ratio (OR / OE)						
	Operating Revenues	$2,642,663	÷	Operating Expenses	$1,755,288	=	151%
9	Coverage Ratio [(TR - OE) / DS]						
	Total Revenues	$3,241,863	-				
	Minus Operating Expenses	$1,755,288					
	=	$1,486,575	÷	Current Debt Service	$268,293	=	554%
10	Coverage Ratio Excluding Tap and Development Fee Revenue	$1,486,575					
	Minus Tap and Development Fee Revenu	$245,063					
	=	$1,241,512	÷	Current Debt Service	$268,293	=	463%
11	Projected Coverage Ratio						
	Total Revenues	$3,241,863					
	Minus Operating Expenses	$1,755,288					
	=	$1,486,575		Total Debt Service (with new loan)	$373,503	=	398%
12	Projected Coverage Excluding Tap and Development Fee Revenue	$1,486,575					
	Minus Tap and Development Fee Revenu	$245,063					
	=	$1,241,512	÷	Total Debt Service (with new loan)	$373,503	=	332%
13	Current Debt Service	$268,293	÷	Number of Taps	4555	=	$58.90
	Annual New Sewer Debt Service	$105,210	÷	Number of Taps	4555	=	$23.10
14	2025 Annual Sewer Rate (Monthly Rate x 12)	$540.00	÷	MHI	$93,009	=	0.58%
	2025 Annual Sewer Rate + New Annual Debt Service Per Tap	$563.10	÷	MHI	$93,009	=	0.61%
15	Current 2025 Monthly User Charge						$45.00
	(Debt Service on WPCRF Loan / 2025 Taps / Month)						$1.92
	Total						$46.92
16	Operation and Maintenance Reserve						
	Reserves	$8,108,574	÷	Operating Expenses	$1,755,288	=	462%

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Principal Forgiveness and Priority Point Scoring

Applicant: Three Lakes WSD
DWRF or WPCRF: WPCRF

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

BIL Principal Forgiveness

Eligible for BIL principal forgiveness? No

Eligible BIL principal forgiveness percentage: No

Amount of principal forgiveness awarded (accounting for any applicable cap/max: $0.00

Priority Point Scoring

Total WQCD Score:	5
DOLA Affordability Score:	5
Total Score:	10

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2026 IUP WPCRF Priority Point Calculations

Entity Name:	Three Lakes WSD
Date of Scoring	11/10/2026
SRF Phase:	Loan app
DOLA Score:	5
DAC:	Not DAC

Benchmarks

$95,470 2020-2024 State MHI estimate

P1	**MHI**		$93,009	97%
	<50% of state MHI	35		
	Between 51% and 80% of state MHI	20		
	Between 81% and 100% of state MHI	5		
	>100% state MHI	0		
S5a	**User Fees (current SEWER rate at 110%/tap/MHI)**		0.25%	
	Rates are > 1.14%	45		
	Rates are between 0.80% and 1.14%	25		
	Rates are < 0.80%	0		
	OR			
S5a	**User Fees for a combined water & sewer fund**			
	Rates are > 2.70%	45		
	Rates are between 2.03% and 2.70%	25		
	Rates are < 2.03%	0		
S4a	**Current SEWER debt per tap compared to MHV**		0.05%	
	Debt is > 0.53%	45		
	Debt is between 0.15% and 0.53%	25		
	Debt is < 0.15%	0		
	OR			
S4a	**Current water & sewer debt (for combined systems)**			
	Debt is > 1.26%	45		
	Debt is between 0.57% and 1.26%	25		
	Debt is < 0.57%	0		
	Population served		11,310	
	Less than 500	35		
	Between 500 and 1,000	25		
	Between 1,000 and 2,000	20		
	Between 2,000 and 5,000	15		
	Betweeen 5,000 and 10,000	5		
	>10,000	0		
S3	**Assessed Value/Household**		92,396	
	AV per household is < $12,722	35		
	AV per household is between $12,272 and $24,337	20		
	AV per household is between $24,337 and $46,151	10		
	AV per household is greater than $46,151	0		

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BACK TO AGENDA

Previously approved
For reference

WPCRF LOAN CREDIT REPORT (2026)

Three Lakes Water and Sanitation District ("The District"), Grand County

Previously approved
For reference

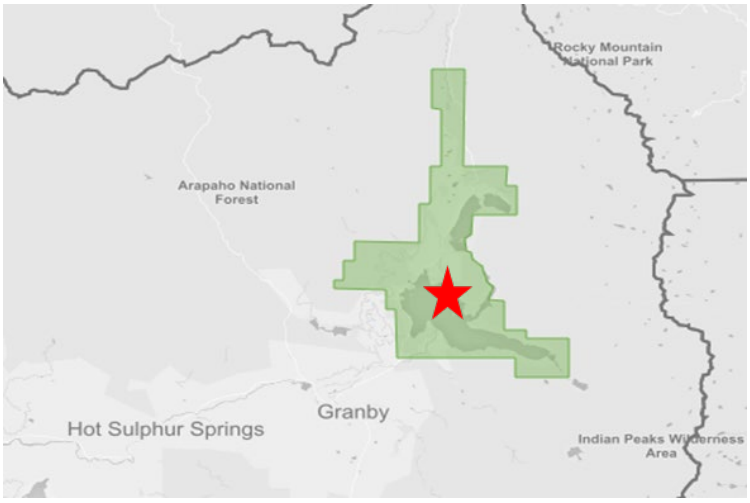
Recommendation:	**APPROVAL**
Loan Request:	$1,774,639
Interest Rate & Term:	3.25%, 20 years
Annual Debt Service:	$121,367
Pledge:	Sewer System Revenue
Current Rate:	$47.25
Estimated Rate Increase:	$0.00

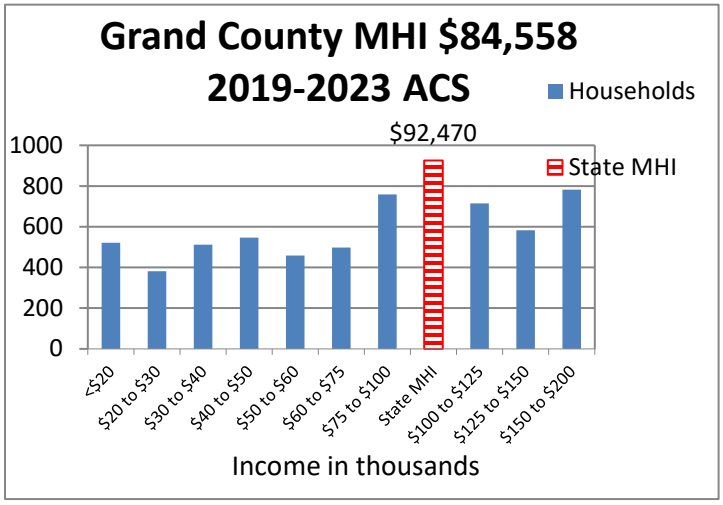
Project Budget	
WPCRF Base Direct Loan:	$1,774,639
Sewer Fund Reserves:	$227,990
Total:	$2,002,629

PROJECT DESCRIPTION: The project consists of improvements to the collection system, including retrofitting the collection system with in-pipe heating cables and installing additional manholes for system maintenance.

COMMUNITY PROFILE: Three Lakes WSD	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**Avg. Annual Change**
District Population		11,083	11,155	11,265	11,310	11,388	0.68%
Grand County Population	15,750	15,863	15,759	16,000	16,202		0.71%
Grand County Jobs	8,872	9,446	9,747	10,007	10,286		3.77%
Number of Sewer Taps		4,433	4,462	4,506	4,524	4,555	0.68%
Assessed Value ($000)		171,412	199,055	197,385	290,930	294,558	14.49%
Actual Value ($000)		1,939,905	2,310,903	2,356,256	3,456,261	3,533,471	16.17%

BORROWER BRIEF: The District is located about 5 miles northeast of the Town of Granby in the northeastern portion of Grand County and encompasses Grand Lake, Shadow Mountain Lake, and Granby Lake.





RECOMMENDATION: The District is comprised mostly of second homes and serves a resort community in Grand County. This proposed loan is necessary to reduce maintenance costs and prevent the direct discharge of raw wastewater to Grand Lake by replacing the heat tracing system. The District maintains strong reserves, the operating ratio is consistently strong, and a rate increase is not required to cover the debt service. We therefore recommend the WPCRF Committee approve a $1,774,639 WPCRF base direct loan to the Three Lakes Water and Sanitation District.

BACK TO AGENDA

PROJECT SUMMARY:

System summary: The District serves the community around Grand Lake and the surrounding area in northeastern Grand County. The District operates and maintains their sewage collection, transmission, and wastewater treatment systems. The District provides sanitary sewer services to more than 3,000 residential and 140 commercial properties across approximately 59 square miles. The district does not provide drinking water. The system includes a 2.0 MGD treatment plant, 115 lift stations, and an extensive collection system.

Reason/need: The current in-pipe heat tracing system is failing in the sewage collection system around Grand Lake. The failure is increasing periodic maintenance due to freezing and emergency clearing of wastewater mains adjacent to Grand Lake. Given the sewage collection system location, this could result in the direct discharge of raw wastewater to Grand Lake if the heat tracing system is not replaced.

System Compliance: The District is following the conditions of its discharge permit, and the project is primarily intended to maintain compliance.

Project Delivery Method: Design/Bid/Build.

Contingency: 13.17% of the total project cost is included as contingency.

CURRENT INDICATORS:	2022	2023	2024	Weak		Average		Strong	
Total Debt per Capita ($):	375	356	339		>$2,000		$1,000 - 2,000	X	<$1,000
Total + New Debt/Capita ($):			496		>$2,000		$1,000 - 2,000	X	<$1,000
Total Debt/Tap ($):	937	890	848		>$5,000		$2,500 - 5,000	X	<$2,500
Total Debt + New Debt/Tap ($):			1,240		>$5,000		$2,500 - 5,000	X	<$2,500
Current Sewer Debt/Tap ($):	937	890	848		>$2,000		$1,000 - 2,000	X	<$1,000
Current Sewer + New Sewer Debt/Tap ($):			1,240		>$2,000	X	$1,000 - 2,000		<$1,000
Total Debt/Assessed Value:	2.10%	2.03%	1.32%		>50%		25-50%	X	<25%
Total Debt + New Sewer Debt/Assessed Value:			1.76%		>50%		25-50%	X	<25%
Total Debt/Actual Value:	0.18%	0.17%	0.11%		>10%		5-10%	X	<5%
Total Debt + New Sewer Debt/Actual Value:			0.15%		>10%		5-10%	X	<5%
Curr. Sewer Debt + New Debt/Tap/MHI:			1.34%		>20%		10-20%	X	<10%
Sewer Fund Current Ratio (CA/CL):	1,256%	1,487%	1,573%		<100%		100-200%	X	>200%
Sewer Fund Reserves/Current Expense:	308%	351%	366%		<50%		50-100%	X	>100%
Sewer Operating Ratio (OR/OE):	170%	166%	145%		<100%		100-120%	X	>120%
Coverage Ratio (TR-OE)/DS:	491%	567%	630%		<110%		110-125%	X	>125%
Coverage Ratio (TR-OE)/DS Excluding Tap Fees:	390%	482%	438%		<110%		110-125%	X	>125%
Coverage Ratio with New Loan:			475%		<110%		110-125%	X	>125%
Coverage Ratio with New Loan Excluding Tap Fees:			330%		<110%		110-125%	X	>125%
Current Annual Sewer Rates/MHI:			0.61%		>3.0%		1.5-3.0%	X	<1.5%
Current Sewer Rates + New Sewer Debt Service/MHI:			0.63%		>3.0%		1.5-3.0%	X	<1.5%
Operation and Maintenance Reserve:			422%		<25%		25-50%	X	>50%
			Total:	**0**		**1**		**20**	

FINANCIAL ANALYSIS: Of the twenty-one current indicators calculated, twenty are rated strong and one is average. Overall, the indicators illustrate the District is well-equipped to take on the proposed debt without burdening its customers. The strong indicators show a reasonable amount of current and proposed debt relative to community size and resources, ample revenue to pay short and long-term obligations, and strong reserves.

- Based on 2024 financial information, coverage with the proposed loan is 433% with tap fee revenue and 301% without tap fee revenue. No additional annual revenue is estimated to be needed to meet the 110% debt coverage ratio.
- The District is pledging $227,990 in reserves. The District currently holds an operation and maintenance reserve of 422% totaling $2,034,107. The District maintains sufficient resources for this pledge.
- The District's operating ratio is consistently strong, meaning operating revenue exceeds operating expenses. However, it has declined in each of the last three years as expenses have risen.

Additional Project Financing
The District is using $227,990 in sewer reserves for this project.

DESCRIPTION OF THE LOAN:

An estimated $1,774,639 loan with a twenty-year term with two payments annually at an interest rate of 3.25% will cost the District approximately $121, 367 in debt service annually.

ECONOMIC ANALYSIS: The District has a 2024 population estimated at 11,310 and has grown at an average annual rate of 0.68% since 2020. Grand County has also experienced an increase of 0.71% in population since 2020. The state population increased at an average annual rate estimated at 0.95%.

The District's location on the west side of Rocky Mountain National Park means that tourism and recreation dominate the region's economy. Tourism alone makes up over 50% of the region's economic base. The County's largest industries are resort tourism, second home tourism, and retirees well behind. The County's top employment sectors in 2024 were accommodation and food services; local government; arts, entertainment and recreation; construction; and retail.

The District believes the area's largest employers are the Town of Grand Lake, the US Forest Service, The National Parks Service, Northern Water Conservancy District, and Sagebrush BBQ & Grill. However, the District does not have access to data from local employers. There are no customers that account for more than 3% utilization.

ORGANIZATIONAL ANALYSIS:

Bond Rating

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

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

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

Organizational Structure

The District is a Title 32 Article 1 special district organized in 1989. The District is governed by a five-member board of directors. Approximately seven full-time employees staff the sewer utility. There are five operators and two administrative staff. The sewer utility is overseen by the superintendent, who reports to the district manager.

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

Capital Improvement Plan

As part of the application process, the District submitted a thirty-year capital improvement schedule, beginning in 2017, which anticipates capital outlay of $33,510,000 for lift station and collection system improvements, and updating their rate study for 2026. These projects are to be funded by user fees. The District budgets for the completion of several projects each year and adjusts accordingly based on District priorities. The District is also working on building a reserve for emergencies.

Intergovernmental

The District has agreements in place with the Columbine Lake Water District (signed 1990, revised 1994), North Shore Water District (signed 1996, revised 2018), and the Grand Lake Metropolitan Recreation District (signed 2006). The Columbine Lake and North Shore agreements authorize the Three Lakes District to provide operation, maintenance, and administrative services, and the Grand Lake agreement authorizes operator-in-charge services only to a small water system. The Columbine Lake and Grand Lake agreements allow for unilateral termination upon 30 days' notice. The North Shore agreement requires 90-day notice, except in the occurrence of malfeasance. These agreements were all renewed in 2024.

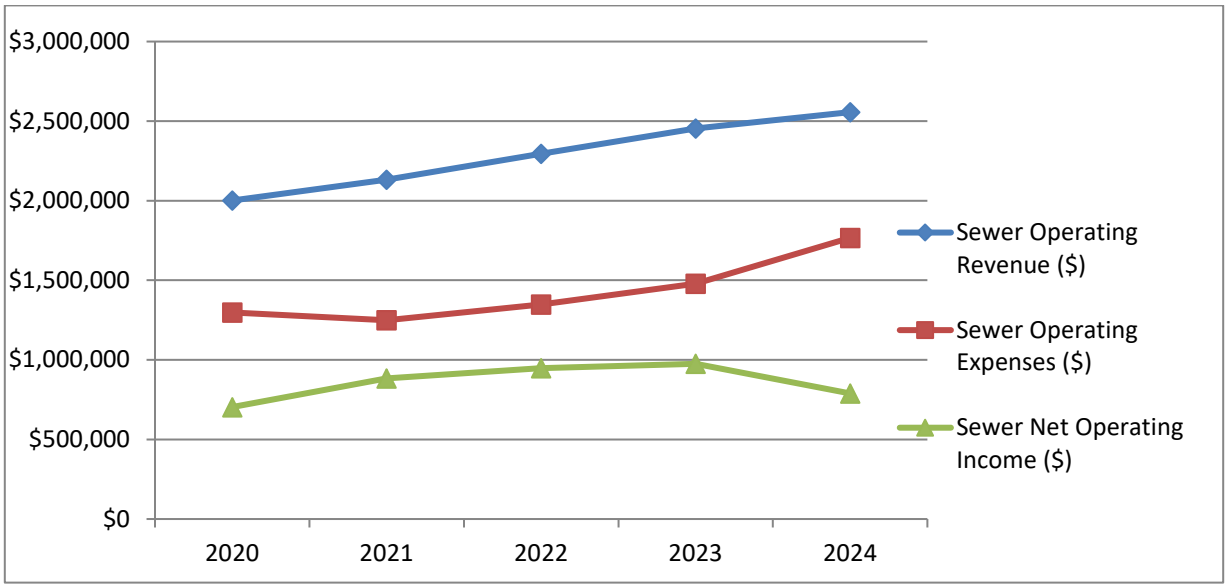
An IGA was signed July 28, 2018 with the Town of Grand Lake. Pursuant to this agreement, the District exchanges no charge sanitary services to the Town for equivalent no charge water services for the District. The agreement also provides for mutual assistance, including manpower and equipment, as needed for emergency repairs and occasional maintenance. The agreement will be automatically renewed on each anniversary of the execution date and may be cancelled with 90 days' written notice. This agreement was renewed in 2024.

REVENUE ANALYSIS:

Revenue has steadily and consistently increased as a result of consistent annual rate increases of $2.00-$2.25. Expenses mostly followed the same trends, apart from a significant increase of 2023 and 2024 attributed to unexpected projects and rising costs. For example, the District's sludge hauling costs and volume increased 25%; chemicals, utilities, material, and constructions costs rose 10%, and unexpected repairs to the office building cost $60,000. The District is experiencing steady growth from home building and commercial development and is projecting continued growth of approximately ten taps per year for the foreseeable future.

TRENDS	2020	2021	2022	2023	2024	2025	2026
Monthly Sewer Rate ($)			39.00	41.00	43.00	45.00	47.25
Residential Sewer Tap Fee ($)			10,500	10,500	10,500	10,500	10,500
Total Sewer Revenue ($)	2,258,825	2,509,1892	2,659,974	2,995,134	3,451,624		
Tap/Development Fees ($)	231,245	333,700	270,900	226,525	514,031		
Sewer Operating Revenue ($)	2,001,347	2,132,238	2,295,724	2,454,353	2,556,526		
Sewer Operating Expenses ($)	1,297,842	1,248,876	1,347,946	1,479,113	1,766,689		
Sewer Net Operating Income ($)	703,505	883,362	947,778	975,240	789,837		
Sewer Debt ($)	4,229,400	4,349,210	4,181,677	4,010,411	3,835,328		
Total Debt ($)	4,229,400	4,349,210	4,181,677	4,010,411	3,835,328		
Sewer Debt Service ($)	215,745	267,057	267,167	267,432	267,418		
Sewer Debt Service/Tap/Month ($)	4.09	5.02	4.99	4.95	4.93		
Sewer Fund Reserves ($)	3,195,397	4,010,567	4,968,176	6,136,453	7,447,166		

Ratios	2020	2021	2022	2023	2024	Average
Operating Revenue as % of Total Revenue	89%	85%	86%	82%	74%	83%
Operating Revenue as % of Expenses	154%	171%	170%	166%	145%	161%
Tap Fee Revenue as % of Total Revenue	10%	13%	10%	8%	15%	11%



Recent Rate Increases
The District's most recent rate increase of $2.25 was implemented on January 1, 2026.

User Charges & System Utilization
The District's current monthly sewer rate is a flat $47.25 per SFE compared to the 2024 estimated state median of $44.65. Fees are collected quarterly and are based on SFEs.

Contributed Capital
Revenue from tap fees has ranged from $226,525 to $514,031 and has averaged 10% of total sewer revenue during the last five years. The District's most recent sewer tap fee rate increase occurred in 2020.

- Residential and commercial sewer tap fees are $10,500.

Current System Utilization		
	Usage	Revenue
Residential	97%	86%
Non-residential (per EQR)	3%	14%

Current Fee Summary	
Tap size	Sewer user/tap fees
¾"	$47.25/$10,500
¾"	$47.25/$10,500

DEBT as of December 31, 2024

Executed	Lender	Term End	Pledge	Outstanding	Interest Rate	Annual payment
2014	CWRPDA-WPCRF	2035	Sewer Revenue	$1,067,516	2%	$123,942
2020	CWRPDA-WPCRF	2049	Sewer Revenue	$2,588,825	2.5%	$144,098

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

The District has met its loan covenants on their WPCRF loans from 2014 and 2020 and have had no debt service payment issues.

Prepared by: Peter Dieterich
Date: February 10, 2026

Project # 141512W-H

Cost Categories:
Sewer System Rehabilitation (Category IIIB) – 100%

Previously approved
For reference

BACK TO AGENDA

February 18, 2026

WPCRF Credit Report
Three Lakes WSD, Grand County, CO
Using most recent data available
(Census, audits, local records)

Estimated Population - 2024	**11,310**
Number of Sewer Taps/Customers - 2024	**4,524**
Total Assessed Valuation (in thousands) - 2024	**$290,930**
Actual Value of All Real Property (in thousands) - 2024	**$3,456,261**
Median Household Income (MHI) - 2023	**$84,558**
Monthly Sewer Rate - 2024	**$43.00**
Sewer Operating Revenue - 2024	**$2,556,526**
Sewer 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.]**	**$3,451,624**
Sewer Tap and System Development Fee Revenue - 2024	**$514,031**
Sewer Operating Expense - 2024	**$1,766,689**
Sewer Current Expense - 2024	**$2,034,107**
Sewer Debt - 2024	**$3,835,328**
Total Debt - 2024	**$3,835,328**
Sewer Fund Reserves - 2024	**$7,447,166**
Sewer Debt Service - 2024	**$267,418**
New Sewer Debt [Requested WPCRF loan amount.]	**$1,774,639**
Requested WPCRF Loan Term	**20**
Requested WPCRF Loan Interest Rate	**3.25%**
New Loan's Annual Sewer Debt Service (two payments annually)	**$121,367**

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Current Indicators (2024)

Three Lakes WSD

(Sewer Only)

1	Total Debt	$3,835,328	÷	Population	11,310	=	$339
	New Debt	$1,774,639	÷	Population	11,310	=	$157
	Total Debt + New Debt	$5,609,967	÷	Population	11,310	=	$496
2	Total Debt	$3,835,328	÷	Number of Taps	4,524	=	$848
	New Debt	$1,774,639	÷	Number of Taps	4,524	=	$392
	Total Debt + New Debt	$5,609,967	÷	Number of Taps	4,524	=	$1,240
3	Total Debt	$3,835,328	÷	Assessed Value	$290,930,000	=	1.32%
	New Debt	$1,774,639	÷	Assessed Value	$290,930,000	=	0.61%
	Total Debt + New Debt	$5,609,967	÷	Assessed Value	$290,930,000	=	1.93%
4	Total Debt	$3,835,328	÷	Actual Value	$3,456,261,000	=	0.11%
	New Debt	$1,774,639	÷	Actual Value	$3,456,261,000	=	0.05%
	Total Debt + New Debt	$5,609,967	÷	Actual Value	$3,456,261,000	=	0.16%
5	Current Sewer Debt	$3,835,328	÷	Number of Taps	4,524	=	$848
	(Current Sewer Debt + New Sewer Debt) / Number of Taps	$1,240	÷	MHI	$84,558	=	1.47%
6	Current Ratio (CA / CL)						
	Current Assets	$7,952,592	÷	Current Liabilities	$505,426	=	1573%
7	Reserve/Expense Ratio						
	Reserves	$7,447,166	÷	Current Expenses	$2,034,107	=	366%
8	Operating Ratio (OR / OE)						
	Operating Revenues	$2,556,526	÷	Operating Expenses	$1,766,689	=	145%
9	Coverage Ratio [(TR - OE) / DS]						
	Total Revenues	$3,451,624	-				
	Minus Operating Expenses	$1,766,689					
	=	$1,684,935	÷	Current Debt Service	$267,418	=	630%
10	Coverage Ratio Excluding Tap and Development Fee Revenue	$1,684,935					
	Minus Tap and Development Fee Revenu	$514,031					
	=	$1,170,904	÷	Current Debt Service	$267,418	=	438%
11	Projected Coverage Ratio						
	Total Revenues	$3,451,624					
	Minus Operating Expenses	$1,766,689					
	=	$1,684,935		Total Debt Service (with new loan)	$388,785	=	433%
12	Projected Coverage Excluding Tap and Development Fee Revenue	$1,684,935					
	Minus Tap and Development Fee Revenu	$514,031					
	=	$1,170,904	÷	Total Debt Service (with new loan)	$388,785	=	301%
13	Current Debt Service	$267,418	÷	Number of Taps	4524	=	$59.11
	Annual New Sewer Debt Service	$121,367	÷	Number of Taps	4524	=	$26.83
14	2024 Annual Sewer Rate (Monthly Rate x 12)	$516.00	÷	MHI	$84,558	=	0.61%
	2024 Annual Sewer Rate + New Annual Debt Service Per Tap	$542.83	÷	MHI	$84,558	=	0.64%
15	Current 2024 Monthly User Charge						$43.00
	(Debt Service on WPCRF Loan / 2024 Taps / Month)						$2.24
	Total						$45.24
16	Operation and Maintenance Reserve						
	Reserves	$7,447,166	÷	Operating Expenses	$1,766,689	=	422%

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Previously approved
For reference

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Principal Forgiveness and Priority Point Scoring

Applicant: Three Lakes WSD
DWRF or WPCRF: WPCRF

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

BIL Principal Forgiveness

Eligible for BIL principal forgiveness? No

Eligible BIL principal forgiveness percentage: 0%

Amount of principal forgiveness awarded (accounting for any applicable cap/max: $0.00

Priority Point Scoring

Total WQCD Score:	5
DOLA Affordability Score:	5
Total Score:	10

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For reference

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2025 IUP WPCRF Priority Point Calculations

Entity Name:	Three Lakes Water and Sanitation District
Date of Scoring	2/18/2026
SRF Phase:	Loan app
DOLA Score:	5
DAC:	Not DAC

	Benchmarks			
$92,470	**2019-2023 State MHI estimate**			
P1	**MHI**		$84,558	91%
	<50% of state MHI	35		
	Between 51% and 80% of state MHI	20		
	Between 81% and 100% of state MHI	5		
	>100% state MHI	0		
S5a	**User Fees (current SEWER rate at 110%/tap/MHI)**		0.68%	
	Rates are > 1.17%	45		
	Rates are between 0.84% and 1.17%	25		
	Rates are < 1.17%	0		
	OR			
S5a	**User Fees for a combined water & sewer fund**			
	Rates are > 2.98%	45		
	Rates are between 2.12% and 2.98%	25		
	Rates are < 2.12%	0		
S4a	**Current SEWER debt per tap compared to MHV**		0.14%	
	Debt is > 0.67%	45		
	Debt is between 0.16% and 0.67%	25		
	Debt is < 0.16%	0		
	OR			
S4a	**Current water & sewer debt (for combined systems)**			
	Debt is > 1.49%	45		
	Debt is between 0.64% and 1.49%	25		
	Debt is < 0.64%	0		
	Population served		11,310	
	Less than 500	35		
	Between 500 and 1,000	25		
	Between 1,000 and 2,000	20		
	Between 2,000 and 5,000	15		
	Betweeen 5,000 and 10,000	5		
	>10,000	0		
S3	**Assessed Value/Household**		91,001	
	AV per household is < $12,721	35		
	AV per household is between $12,271 and $24,308	20		
	AV per household is between $24,308 and $46,143	10		
	AV per household is greater than $46,143	0		

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WPCRF ALLOTMENTS UPDATE
November 24, 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	$	0	100%
	*2025 IIJA/BIL Supplemental	$	0	$	0	0%
	Totals	**$**	**1,964,040**	**$**	**0**	**100%**

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	$	174,627	48%
	2024 IIJA/BIL Supplemental	$	363,820	$	363,820	0%
	*2025 IIJA/BIL Supplemental	$	0	$	0	0%
	Totals	**$**	**982,020**	**$**	**538,447**	**45%**

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

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COLORADO WATER RESOURCES
&
POWER DEVELOPMENT AUTHORITY

PROJECT FINANCE COMMITTEE
MEETING AGENDA

November 25, 2026
Committee meeting at 9:00 a.m.

Via Zoom Conference Call

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

Authority Staff: Keith McLaughlin, Jim Griffiths, Heather Newton, Danica Rowe, Wesley Williams, Ian Loffert, Kevin Carpenter, Giorgi Gazashvili, Daniel Lockard, and Emma Tucker

Others present: Alex Hawley, Aly Ulibarri, James Wheatley, Cynthia Thayer, Victor Chen, and Peter Dieterich

AGENDA

1. **WPCRF Loan Applications:**

    - Boulder County Eldorado Springs Local Improvement District No. 3 (Base) – Direct Loan Request – Gio **(Board Action)**

    - Holly Hills Water and Sanitation District (Base) – Direct Loan Request – Daniel **(Board Action – Staff recommends consent agenda)**

    - Mountain Water and Sanitation District (Base) – Direct Loan Request – Emma **(Board Action)**

    - Three Lakes Water and Sanitation District (Base) – Supplemental Direct Loan Request – Daniel **(Board Action – Staff recommends consent agenda)**

Note: A Zoom conference call has been scheduled for **Wednesday, 9:00 a.m. November 25, 2026**. The link to join via online is: https://us06web.zoom.us/j/87272256870?pwd=iZklVotibxUL0yCx2LVxanxyEKzlg1.1 If you prefer to dial in, the call-in number is: **1-719-359-4580**, and the Meeting ID is **872 7225 6870**. The passcode is: **764058**.

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PERSONNEL COMMITTEE
MEETING AGENDA
December 2, 2026

Location- Online only via Zoom conference call – 9:00 a.m.-10:30 a.m.

Personnel Committee Members: Chair-Patti Wells, Eric Wilkinson, Steve Vandiver, Roy Heald, and Mike Fabbre (ex officio); *All Board members are strongly encouraged to attend.*

Authority staff: Keith McLaughlin, Jim Griffiths

Agenda

1. 2027 Salary Ranges Recommendation and Economic Data- (possible action)

2. 2026 Authority & Executive Director Goals - Results and Highlights (discussion only)

3. 2027 Authority & Executive Director Goals - (discussion only)

4. Executive Director Performance – Personnel Committee and Board members discuss the Executive Director's 2026 performance - (possible action)

Note: A Zoom conference call has been scheduled for Wednesday, December 2, 2026, 9:00 a.m.
The link to join via online is:
https://us06web.zoom.us/j/81248878669?pwd=jmAZAZf9ZQ3FdF3TyXeHmo4MSU6iqG.1

If you prefer to dial-in, the call-in number is: 1-719-359-4580, and the Meeting ID is **812 4887 8669**. The passcode is: **329820.**

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COLORADO WATER RESOURCES &
POWER DEVELOPMENT AUTHORITY
Logan Tower Bldg - Suite 820, 1580 Logan Street, Denver, Colorado 80203-1942
303/830-1550 · Fax 303/832-8205 · info@cwrpda.com

MEMORANDUM

November 24, 2026

TO: **CWRPDA Board of Directors**

FROM: **Keith McLaughlin, Executive Director**

RE: **2027 Staff Salary Ranges**

Based on the material provided to the Personnel Committee and recommendation from Employers Council, the following salary ranges are recommended for 2027: They represent a 3% increase over year 2026.

Position	**2027 Salary Ranges**
Interdepartmental Admin. Specialist I	$50,727 to $76,090
Office Manager/Executive Asst.	$70,946 to $106,420
Accounting Clerk/Technician	$48,987 to $73,480
Accountant I	$57,855 to $86,783
Accountant II	$65,879 to $98,818
Financial Analyst I	$65,879 to $98,818
Financial Analyst II	$70,946 to $106,420
Senior Accountant I	$77,534 to $116,301
Senior Accountant II	$100,507 to $150,761
Senior Financial Analyst I	$82,771 to $124,156
Senior Financial Analyst II	$105,575 to $158,363
Assistant Controller	$121,538 to $182,307
Asst. Finance Director/Compliance	$121,538 to $182,307
Deputy Controller	$135,136 to $202,704
Deputy Finance Director	$135,136 to $202,704
Controller	$144,427 to $216,640
Finance Director	$144,427 to $216,640
Deputy Director	$163,641 to $242,823
Executive Director	$185,812 to $278,718

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COLORADO WATER RESOURCES
POWER DEVELOPMENT AUTHORITY
1580 N Logan Street-suite 820, Denver, Colorado 80203
303/830-1550 · Fax 303/832-8205 · info@cwrpda.com

MEMORANDUM
December 4, 2026

TO: **Authority Board of Directors**
Karl Ohlsen

FROM: **Keith McLaughlin, Executive Director**
Justin Noll, Controller

RE: **Adjustments to the 2026 Budget**

Now that year-end expenditures can be closely estimated, several budget line items have been or are expected to be exceeded. Board approval is not needed because changes were not made across spending groups. The reclassifications are changes I am allowed to approve but are listed for your information. The explanation for the changes is discussed below.

Water Operations Fund

For Your Information:
Board Expenses:
With the increase in fuel prices and the board traveling to Durango for its board meeting, board travel costs will be close to being over budget. An increase to board travel is needed to account for these increases:

Budget Line Item	2026 Approved Budget	Adjustment	2026 Amended Budget
Travel, lodging, meals, etc.	50,000	5,000	55,000
Board insurance	30,000	(5,000)	25,000

LTD/Life Insurance:
An employee was terminated at the end of the year in 2025. Their unemployment costs were paid in 2026. The Colorado Water Resources and Power Development Authority's (Authority) budget did not include unemployment costs. Therefore, an increase to this line item is needed:

Budget Line Item	2026 Approved Budget	Adjustment	2026 Amended Budget
Medical and dental insurance	316,000	(11,000)	305,000
LTD/Life insurance	15,500	11,000	26,500

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Employee / Administrative Expenses:
With the increase in fuel prices and the staff traveling to Durango for its board meeting, travel costs are over budget. An increase to board travel is needed to account for these increases:

Budget Line Item	2026 Approved Budget	Adjustment	2026 Amended Budget
Travel, lodging, meals, etc.	25,000	7,000	32,000
Registration and training fees	15,000	(3,000)	12,000
Contributions and sponsorships	45,000	(2,000)	43,000
Dues, subscriptions and publications	15,000	(2,000)	13,000

Water Pollution Control Revolving Fund

Estimated Expenses:
Arbitrage payments were higher than anticipated in 2026. An increase is needed to cover the budget shortfall:

Budget Line Item	2026 Approved Budget	Adjustment	2026 Amended Budget
Arbitrage Rebate Payments	700,000	500,000	1,200,000
Project Costs Paid-Direct Loans	90,000,000	(500,000)	89,500,000

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2027 BUDGET NARRATIVE

The Colorado Water Resources and Power Development Authority (the "Authority") was created by the General Assembly in 1981 as a political subdivision of State government and by statute is subject to the uniform budget laws as set forth in Article I of Title 29, C.R.S. The Authority was created to initiate, acquire, construct, maintain, repair and operate projects or cause the same to be operated pursuant to a lease, sublease or other agreement with any person or governmental agency, and may issue its bonds and notes payable solely from revenues to pay or refinance the cost of such projects.

During 2026, the Authority was awarded grants by the U.S. Environmental Protection Agency (EPA). The Water Pollution Control Revolving Fund (WPCRF) and the Drinking Water Revolving Fund (DWRF) received capitalization grants totaling $0 and $28.7 million, respectively.

The Authority's budget contains three enterprise funds. The Water Operations Fund budget includes the Authority's administrative operating budget as well as the capital budgets for the Water Revenue Bonds Program (WRBP), the Watershed Protection and Forest Health Projects program (WPFHP) and the Small Hydropower Loan Program (SHLP). The other two funds are the Drinking Water Revolving Fund and the Water Pollution Control Revolving Fund. By the end of 2026, the Authority had executed loans totaling over $3.6 billion (WRBP $542.0 million, WPCRF $1.7 billion, DWRF $1.2 billion, SHLP $10.6 million and other programs $154.0 million).

In preparing the budget for 2027, the Authority has considered Article X, Section 20 of the Colorado Constitution (the Taxpayers Bill of Rights or "TABOR") and the associated requirements of issuing multiple fiscal year obligations.

The Authority uses the accrual basis of accounting in budget preparation.

WATER OPERATIONS FUND

ESTIMATED RESOURCES

Upon creation of the Authority in 1981, under 37-95-101, C.R.S., $30 million was appropriated to fund the Authority. Since that time, the Authority has successfully managed the funds through a closely monitored investment program. The Authority continues to cover operating expenses from accumulated interest earnings on its cash reserves. Repayments of interim loans and the WPCRF and DWRF state match loans are also included as resources. At the end of 2026, the Authority completed 45 years of operation. The Authority received $12.6 million from the State for the 20% state match on the IIJA capitalization grants.

Since the WRBP, WPFHP and SHLP loan programs are not operated as separate funds, loan interest income, loan principal payments and bond proceeds for these programs are included as resources in the Water Operations Fund.

Although no WPFHP loan applications have been received, the Authority has budgeted $30 million in bond proceeds resources for 2026.

BACK TO AGENDA

OPERATING EXPENSES

The Authority currently consists of three departments (Accounting, Administrative and Finance) with sixteen authorized positions. Fifteen will be filled in January 2027. The Records Clerk position was eliminated in November 2026 and will not be filled going forward. Operating expenses include Board of Directors, employee, and overhead costs that are not allocable to the financing programs.

CAPITAL EXPENSES

Expenditures budgeted for the WRBP, WPFHP, SHLP and La Plata River Project line items include administrative and bond issuance costs associated with these programs. The Authority makes loans to entities that require a "bridge" or interim loan prior to obtaining long-term financing from bonds issued by the Authority in the DWRF, WRBP or the WPCRF Programs.

The WRBP program provides loans, funded with revenue bonds issued by the Authority, to local governmental agencies. Projects are funded that are not eligible under the state revolving fund programs or due to insufficient loan capacity in those programs. The Authority provides subsidies to the cost of issuing these bonds.

EPA Clean Water and Drinking Water State Revolving Fund (SRF) federal capitalization grants, excluding the 2009 ARRA grants, require a 20% state match. The IIJA capitalization grants require a 10% state match on the supplemental funding for 2022 and 2023, then 20% for years 2024-2026. The Water Operations Fund advances cash to the SRFs, as needed for the state match, by using a State Match Loan. The 2026 Water Operations Fund budget contains state match cash advances of $6.0 million to the WPCRF and $7.0 million to the DWRF.

BACK TO AGENDA

DRINKING WATER REVOLVING FUND

In 1995, under 37-95-107.8 C.R.S., the DWRF was established within the Authority in anticipation of the passage of a reauthorized Safe Drinking Water Act. The Authority was designated as the administrator of the fund and authorized through its bonding capabilities and other resources to provide the 20% state match to the Federal grant funds. For 2026, state match may be provided by a combination of an advance from the Water Operations Fund, unrestricted capital in the DWRF or from administrative fees generated by DWRF loans. The 20% state match for the 2026 IIJA grants will be provided by the state legislature.

The Safe Drinking Water Act was reauthorized in August 1996. The Act authorized the creation of a State Revolving Fund Program ("SRF") similar to the SRF program authorized under the Clean Water Act. However, the Safe Drinking Water Act also allowed the states to set aside funds from each capitalization grant to address various requirements under the Act. The funding for the DWRF program is provided from federal funds, state match funds, administrative funds, bond proceeds and loan repayments from the borrowers. Since inception, the DWRF has been awarded $860 million in capitalization grants. Of this amount, $690 million has been deposited in the DWRF for loans and $170 million has been set aside for administration, source water assessment and protection, small system training and technical assistance, wellhead protection, capacity development and public water system supervision.

Although federal funding for 2027 is uncertain at this time, the Authority budgeted for a 2026 grant award of up to $22.0 million. The 2027 loan capacity of the DWRF is estimated to be $200.0 million.

This Fund is maintained separately from the Authority's funds and, as with the WPCRF, a portion of loan repayments are available for re-loan when they are no longer needed for security purposes or to pay bond debt service.

WATER POLLUTION CONTROL REVOLVING FUND

In 1988, 37-95-107.6, C.R.S., created the WPCRF that allowed the State to participate in the SRF program initiated by the Federal "Water Quality Act of 1987." The Authority was designated as the administrator of the fund and authorized through its bonding capabilities and other resources to provide the 20% state match to the federal grant funds. The 10% state match for the 2022 and 2023 IIJA grants and 20% for the 2024-2026 IIJA grants was provided by the state legislature. Through 2026, the Environmental Protection Agency has awarded $506 million in capitalization grants to the Authority for the WPCRF program.

The funding for this program is provided from federal funds, state match funds, administrative funds, bond proceeds and loan repayments from the borrowers. As loan principal is repaid, deallocated funds become available for new loans under the financial structure of this program.

Although federal funding for 2026 is uncertain at this time, the Authority budgeted for a 2027 grant award of up to $13.0 million. The 2026 loan capacity for the WPCRF is estimated to be $225.0 million.

This Fund is maintained separately from the Authority's funds and, as with the DWRF, loan repayments are available for re-loan when they are no longer needed for security purposes or to pay bond debt service.

BACK TO AGENDA

BACK TO AGENDA

COLORADO WATER RESOURCES & POWER DEVELOPMENT AUTHORITY

WATER OPERATIONS FUND BUDGET

PROPRIETARY FUND TYPE - ENTERPRISE FUND

JANUARY 1, 2027 to DECEMBER 31, 2027

DESCRIPTION	ACTUAL PRIOR YEAR 2025	ESTIMATED CURRENT YEAR 2026	BUDGET YEAR 2026	**BUDGET 2027**	**Changes**
ESTIMATED RESOURCES:					
Authority Investment Interest Income	1,519,298.00	1,200,000.00	930,000.00	930,000.00	-
WPCRF State Match Loan Repayment	1,306,000.00	2,500,000.00	6,000,000.00	4,000,000.00	(2,000,000.00)
DWRF State Match Loan Repayment	5,051,358.00	4,000,000.00	7,000,000.00	6,000,000.00	(1,000,000.00)
WRBP Loan Interest Income	2,315,716.00	2,341,397.00	7,300,000.00	6,100,000.00	(1,200,000.00)
WRBP Loan Principal Repayments	1,760,000.00	1,990,000.00	23,100,000.00	20,000,000.00	(3,100,000.00)
WRBP Bond Proceeds	-	-	100,000,000.00	50,000,000.00	(50,000,000.00)
WRBP Refunding Bond Proceeds	-	-	30,000,000.00	30,000,000.00	-
Interim Loan Principal Repayments	-	-	7,000,000.00	7,000,000.00	-
Interim Loan Interest Income	-	-	200,000.00	200,000.00	-
Water Rights Purchase Principal Repayments (Durango)	209,836.00	214,000.00	215,000.00	220,000.00	5,000.00
Water Rights Purchase Interest Income (Durango)	36,089.00	32,000.00	33,000.00	30,000.00	(3,000.00)
Authority Loan Principal Repayments (Cokedale, Genoa)	8,656.00	8,725.00	8,800.00	8,800.00	-
Authority Loan Interest Income (Genoa)	1,509.00	1,440.00	1,500.00	1,500.00	-
Small Hydro Loan Principal Payments	431,457.00	440,500.00	445,000.00	450,000.00	5,000.00
Small Hydro Loan Interest Income	127,182.00	118,205.00	120,000.00	110,000.00	(10,000.00)
Watershed Protection & Forest Health Prgm Loan Principal	-	-	1,700,000.00	1,700,000.00	-
Watershed Protection & Forest Health Prgm Loan Interest	-	-	2,000,000.00	2,000,000.00	-
Watershed Protection & Forest Health Prgm Bond Proceeds	-	-	30,000,000.00	30,000,000.00	-
Interest Income-La Plata Escrow Fund	4,451.00	4,100.00	-	4,000.00	4,000.00
Income from Sub-Lease (Colorado Water Congress)	68,688.00	66,000.00	64,000.00	79,000.00	15,000.00
Miscellaneous Revenue	1,566.00	1,000.00	-	-	-
TOTAL AVAILABLE RESOURCES	12,841,806.00	12,917,367.00	216,117,300.00	158,833,300.00	(57,284,000.00)
OPERATING EXPENSES:					
BOARD EXPENSES					
Per Diems	16,200.00	18,000.00	25,000.00	25,000.00	-
Travel, Lodging, Meals, etc.	27,698.00	59,200.00	50,000.00	~~65,000.00~~ 70,000.00	20,000.00
Meeting Expenses	17,236.00	13,300.00	25,000.00	25,000.00	-
Memberships	8,125.00	13,645.00	15,000.00	20,000.00	5,000.00
Board Insurance	-	-	30,000.00	30,000.00	-
Sub-total	69,259.00	104,145.00	145,000.00	170,000.00	25,000.00

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BACK TO AGENDA

COLORADO WATER RESOURCES & POWER DEVELOPMENT AUTHORITY

WATER OPERATIONS FUND BUDGET

PROPRIETARY FUND TYPE - ENTERPRISE FUND

JANUARY 1, 2027 to DECEMBER 31, 2027

1,880,000.00

DESCRIPTION	ACTUAL PRIOR YEAR 2025	ESTIMATED CURRENT YEAR 2026	BUDGET YEAR 2026	**BUDGET 2027**	**Changes**
SALARIES EXPENSE					
Staff Salaries	1,569,049.00	1,679,100.00	1,822,000.00	~~1,880,000.00~~ 1,835,000.00	13,000.00
Temporary Services	32,328.00	30,525.00	60,000.00	60,000.00	-
Third Party Payroll & HR Services	3,587.00	5,400.00	8,000.00	8,000.00	-
Annual Employment Vacation and Sick Leave Accrual	97,949.00	20,000.00	100,000.00	100,000.00	-
Less: Salaries Allocated to Project Expenses	(28,177.00)	(18,000.00)	(43,000.00)	(46,000.00)	(3,000.00)
Sub-total	1,674,736.00	1,717,025.00	1,947,000.00	1,957,000.00	10,000.00
EMPLOYEE BENEFITS					
Pension Expense	317,824.00	355,000.00	382,000.00	~~395,000.00~~ 385,500.00	3,500.00
Healthcare Trust Expense	15,729.00	15,729.00	19,000.00	~~20,100.00~~ 19,500.00	500.00
Medical and Dental Insurance & HRA	213,812.00	219,000.00	316,000.00	335,500.00	19,500.00
Life and LT Disability Insurance and Unemployment Cost	13,550.00	17,200.00	15,500.00	~~40,600.00~~ 80,000.00	64,500.00
Medicare - Employer's Match	22,779.00	23,700.00	28,000.00	~~28,400.00~~ 27,500.00	(500.00)
Denver City Tax - Employer's Match	588.00	765.00	800.00	800.00	-
401k Match	37,488.00	39,000.00	52,000.00	~~55,000.00~~ 53,600.00	1,600.00
State Workman's Compensation Insurance	2,844.00	2,267.00	4,000.00	4,000.00	-
Tuition Reimbursement	15,689.00	10,000.00	25,000.00	25,000.00	-
Public Transportation Incentive	-	-	1,400.00	1,400.00	-
Sub-total	640,303.00	682,661.00	843,700.00	932,800.00	89,100.00
OUTSIDE SERVICES EMPLOYED					
General Legal Fees	37,542.00	36,500.00	100,000.00	~~125,000.00~~ 150,000.00	50,000.00
General Consulting Services	46,719.00	25,500.00	70,000.00	70,000.00	-
Audit and Budgetary Fees	25,413.00	22,218.00	30,000.00	30,000.00	-
Sub-total	109,674.00	84,218.00	200,000.00	250,000.00	50,000.00
EMPLOYEE / ADMINISTRATIVE EXPENSES					
Travel, Lodging, Meals, etc.	21,692.00	20,000.00	25,000.00	~~30,000.00~~ 35,000.00	10,000.00
Registration and Training Fees	3,739.00	10,000.00	15,000.00	~~20,000.00~~ 25,000.00	10,000.00
Contributions & Sponsorships	29,675.00	35,000.00	45,000.00	45,000.00	-
Dues, Subscriptions, and Publications	10,261.00	13,000.00	15,000.00	15,000.00	-
Sub-total	65,367.00	78,000.00	100,000.00	120,000.00	20,000.00

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BACK TO AGENDA

COLORADO WATER RESOURCES & POWER DEVELOPMENT AUTHORITY

WATER OPERATIONS FUND BUDGET

PROPRIETARY FUND TYPE - ENTERPRISE FUND

JANUARY 1, 2027 to DECEMBER 31, 2027

DESCRIPTION	ACTUAL PRIOR YEAR 2025	ESTIMATED CURRENT YEAR 2026	BUDGET YEAR 2026	**BUDGET 2027**	**Changes**
GENERAL OFFICE EXPENSES					
Office Rent Expense	231,240.00	350,000.00	352,000.00	357,000.00	5,000.00
Interest expense-leases	54,058.00	$44,000.00	70,000.00	45,000.00	(25,000.00)
Telephone, Internet Charges and Web Site Fees	10,978.00	11,500.00	20,000.00	20,000.00	-
Postage and Delivery Fees	114.00	200.00	3,500.00	3,000.00	(500.00)
Copying, Printing and Advertising Costs	5,397.00	3,700.00	9,000.00	9,000.00	-
Office Supplies	17,239.00	18,300.00	19,000.00	20,000.00	1,000.00
Technical Support Activities	78,361.00	91,000.00	110,000.00	120,000.00	10,000.00
Office Insurance	6,731.00	800.00	9,000.00	9,000.00	-
Records Retention	1,714.00	1,700.00	30,000.00	~~20,000.00~~ 10,000.00	(20,000.00)
Sub-total	405,832.00	521,200.00	622,500.00	593,000.00	(29,500.00)
OFFICE ASSETS EXPENSES					
Furniture and Fixtures	3,837.00	19,000.00	25,000.00	12,000.00	(13,000.00)
Machines	28,449.00	10,000.00	58,000.00	70,000.00	12,000.00
Computer Software	84,414.00	90,000.00	90,000.00	~~105,000.00~~ 112,000.00	22,000.00
Machine Maintenance and Maintenance Contracts	2,950.00	1,300.00	15,000.00	15,000.00	-
Office Improvements	22,525.00	82,000.00	100,000.00	30,000.00	(70,000.00)
Sub-total	142,175.00	202,300.00	288,000.00	239,000.00	(49,000.00)
OPERATING EXPENSES ALLOCATED TO OTHER FUNDS: WPCRF and DWRF					
Allocated Salaries Expense - WPCRF	(395,340.00)	(429,000.00)	(495,000.00)	(525,000.00)	(30,000.00)
Allocated Employee Benefits - WPCRF	(217,799.00)	(244,000.00)	(301,000.00)	(315,000.00)	(14,000.00)
Allocated General Overhead Expenses - WPCRF	(196,442.00)	(214,400.00)	(294,000.00)	(294,200.00)	(200.00)
Allocated Salaries Expense - DWRF	(385,120.00)	(384,000.00)	(468,000.00)	(513,000.00)	(45,000.00)
Allocated Employee Benefits - DWRF	(212,947.00)	(218,000.00)	(284,000.00)	(308,000.00)	(24,000.00)
Allocated General Overhead Expenses - DWRF	(181,289.00)	(185,300.00)	(257,000.00)	(281,500.00)	(24,500.00)
Sub-total	(1,588,937.00)	(1,674,700.00)	(2,099,000.00)	(2,236,700.00)	(137,700.00)
SUB-TOTAL: OPERATING EXPENSES	1,518,409.00	1,714,849.00	2,047,200.00	2,025,100.00	(22,100.00)

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COLORADO WATER RESOURCES & POWER DEVELOPMENT AUTHORITY

WATER OPERATIONS FUND BUDGET

PROPRIETARY FUND TYPE - ENTERPRISE FUND

JANUARY 1, 2027 to DECEMBER 31, 2027

DESCRIPTION	ACTUAL PRIOR YEAR 2025	ESTIMATED CURRENT YEAR 2026	BUDGET YEAR 2026	**BUDGET 2027**	**Changes**
CAPITAL EXPENSES:					
APPROVED PROJECTS					
Water Revenue Bonds Program Expenses	83,010.00	97,000.00	120,000.00	123,000.00	3,000.00
Small Hydroelectric Power Program Expenses	7,597.00	12,200.00	25,000.00	25,000.00	-
Watershed Protection & Forest Health Program Expenses	-	-	65,000.00	65,000.00	-
Small Hydroelectric Power Program Planning & Design Grants	-	15,000.00	165,000.00	165,000.00	-
WPCRF State Match Loan	2,538,200.00	2,500,000.00	3,500,000.00	6,000,000.00	2,500,000.00
DWRF State Match Loan	3,821,000.00	4,000,000.00	6,000,000.00	7,000,000.00	1,000,000.00
Small Hydroelectric Power Loan Draws	-	-	10,000,000.00	5,000,000.00	(5,000,000.00)
Interim Loans	-	-	7,000,000.00	7,000,000.00	-
Sub-total	6,449,807.00	6,624,200.00	26,875,000.00	25,378,000.00	(1,497,000.00)
POTENTIAL PROJECTS					
Other Potential Projects	-	-	1,000,000.00	1,000,000.00	-
Sub-total	-	-	1,000,000.00	1,000,000.00	-
WATER REVENUE BONDS PROGRAM					
WRBP Bond Interest Expense	2,356,404.00	2,234,304.00	4,800,000.00	4,400,000.00	(400,000.00)
WRBP Bond Principal Payments	1,760,000.00	1,990,000.00	23,100,000.00	20,000,000.00	(3,100,000.00)
WRBP Bond Issuance Expense	6,642.00	-	3,000,000.00	1,500,000.00	(1,500,000.00)
WRBP Loans Made	-	-	100,000,000.00	50,000,000.00	(50,000,000.00)
WRBP Refunding Escrow Payments	-	-	30,000,000.00	30,000,000.00	-
WRBP Refunding Issuance Costs	-	-	900,000.00	900,000.00	-
Sub-total	4,123,046.00	4,224,304.00	161,800,000.00	106,800,000.00	(55,000,000.00)
WATERSHED PROTECTION & HEALTHY FORESTS PROGRAM					
Watershed Protection & Forest Health Program Bond Interest	-	-	2,000,000.00	2,000,000.00	-
Watershed Protection & Forest Health Program Bond Principal	-	-	1,700,000.00	1,700,000.00	-
Watershed Protection & Forest Health Program Bond COI	-	-	1,500,000.00	1,500,000.00	-
Watershed Protection & Forest Health Program Loans Made	-	-	30,000,000.00	30,000,000.00	-
Sub-total	-	-	35,200,000.00	35,200,000.00	-
SUB-TOTAL: CAPITAL EXPENSES	10,572,853.00	10,848,504.00	224,875,000.00	168,378,000.00	(56,497,000.00)
OPERATING and CAPITAL EXPENSES	12,091,262.00	12,563,353.00	226,922,200.00	170,403,100.00	(56,519,100.00)
AVAILABLE RESOURCES OVER / (UNDER) EXPENSES	750,544.00	354,014.00	(10,804,900.00)	(11,569,800.00)	(764,900.00)
Beginning Water Operations Fund Net Position - January 1	49,799,289.00	50,549,833.00	50,549,833.00	50,903,847.00	354,014.00
Ending Water Operations Fund Net Position - December 31	50,549,833.00	50,903,847.00	39,744,933.00	39,334,047.00	(410,886.00)

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COLORADO WATER RESOURCES & POWER DEVELOPMENT AUTHORITY

WATER POLLUTION CONTROL REVOLVING FUND BUDGET

PROPRIETARY FUND TYPE - ENTERPRISE FUND

JANUARY 1, 2027 to DECEMBER 31, 2027

DESCRIPTION	ACTUAL PRIOR YEAR 2025	ESTIMATED CURRENT YEAR 2026	BUDGET YEAR 2026	**BUDGET 2027**	**Changes**
ESTIMATED RESOURCES:					
Net Investment Interest Income	5,831,127.00	5,000,000.00	4,900,000.00	4,900,000.00	-
Administrative Fee Income	7,632,853.00	7,800,000.00	7,200,000.00	7,600,000.00	400,000.00
Loan Interest Income	5,317,608.00	5,400,000.00	6,200,000.00	7,400,000.00	1,200,000.00
Capital Contributions - EPA	16,418,021.00	21,000,000.00	30,000,000.00	30,000,000.00	-
Capital Contributions - Colorado State Match	2,538,200.00	2,000,000.00	3,000,000.00	4,000,000.00	1,000,000.00
Loan Principal Repayments	52,379,386.00	52,202,449.00	41,500,000.00	43,700,000.00	2,200,000.00
WPCRF Bond Proceeds	-	3,500,000.00	60,000,000.00	40,000,000.00	(20,000,000.00)
Refunding Bond Proceeds	-	-	40,000,000.00	40,000,000.00	-
TOTAL AVAILABLE RESOURCES	90,117,195.00	96,902,449.00	192,800,000.00	177,600,000.00	(15,200,000.00)
ESTIMATED EXPENSES:					7,375,347.00
Bond Interest Expense	6,179,006.00	5,500,000.00	7,000,000.00	7,200,000.00	200,000.00
Administrative Expenses*	5,962,330.00	5,548,600.00	6,936,177.00	~~7,375,347.00~~ 7,323,697.00	387,520.00
Planning Grants to Small Local Governments	12,613.00	100,000.00	315,000.00	360,000.00	45,000.00
Authority State Match Loan Payments	1,306,000.00	2,538,200.00	6,000,000.00	6,000,000.00	-
Transfer Administrative Fees to DWRF	460,480.00	225,000.00	500,000.00	530,000.00	30,000.00
Bond Principal Payments	20,105,000.00	12,100,000.00	14,000,000.00	15,000,000.00	1,000,000.00
Loan Principal Forgiveness	6,940,542.00	6,000,000.00	10,000,000.00	10,000,000.00	-
Payment To Refunded Bond Escrow	-	-	39,600,000.00	39,600,000.00	-
Refunding Bonds Issuance Cost	-	-	400,000.00	400,000.00	-
Arbitrage Rebate Payments	-	1,200,000.00	700,000.00	800,000.00	100,000.00
WPCRF Leveraged Loans Made	-	10,000,000.00	120,000,000.00	75,000,000.00	(45,000,000.00)
Project Costs Paid - Direct Loans	22,816,660.00	34,000,000.00	90,000,000.00	65,000,000.00	(25,000,000.00)
Capital Asset Acquisitions	-	-	5,000.00	5,000.00	-
TOTAL WPCRF EXPENSES	63,782,631.00	77,211,800.00	295,456,177.00	227,218,697.00	(68,237,480.00)
AVAILABLE RESOURCES OVER / (UNDER) EXPENSES	26,334,564.00	19,690,649.00	(102,656,177.00)	(49,618,697.00)	53,037,480.00
Beginning WPCRF Net Position - January 1	538,375,732.00	564,710,296.00	564,710,296.00	584,400,945.00	19,690,649.00
Ending WPCRF Net Position - December 31	564,710,296.00	584,400,945.00	462,054,119.00	534,782,248.00	72,728,129.00

*Includes expenses from the WQCD. The Board has approved multiple year, future expenses for the WQCD that are not included in the current year budgeted amount.

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COLORADO WATER RESOURCES & POWER DEVELOPMENT AUTHORITY

DRINKING WATER REVOLVING FUND BUDGET

PROPRIETARY FUND TYPE - ENTERPRISE FUND

JANUARY 1, 2027 to DECEMBER 31, 2027

DESCRIPTION	ACTUAL PRIOR YEAR 2025	ESTIMATED CURRENT YEAR 2026	BUDGET YEAR 2026	**BUDGET 2027**	**Changes**
ESTIMATED RESOURCES:					
Net Investment Interest Income	6,680,070.00	5,160,000.00	4,300,000.00	4,300,000.00	-
Administrative Fee Income - Loans	8,426,827.00	8,700,000.00	8,500,000.00	8,300,000.00	(200,000.00)
Transfer Administrative Fees from WPCRF	460,480.00	225,000.00	500,000.00	530,000.00	30,000.00
Loan Interest Income	4,178,656.00	4,200,000.00	5,400,000.00	5,500,000.00	100,000.00
Capital Contributions - EPA	89,478,298.00	41,800,000.00	80,000,000.00	70,000,000.00	(10,000,000.00)
Capital Contributions - Colorado State Match	3,821,000.00	3,000,000.00	6,000,000.00	6,000,000.00	-
EPA Grant Set Aside Income	11,750,200.00	12,420,000.00	14,875,000.00	13,175,000.00	(1,700,000.00)
Loan Principal Repayments	28,081,500.00	30,000,000.00	32,600,000.00	33,500,000.00	900,000.00
DWRF Bond Proceeds	18,825,000.00	1,500,000.00	50,000,000.00	40,000,000.00	(10,000,000.00)
Refunding Bond Proceeds	-	-	30,000,000.00	30,000,000.00	-
TOTAL AVAILABLE RESOURCES	171,702,031.00	107,005,000.00	232,175,000.00	211,305,000.00	(20,870,000.00)
ESTIMATED EXPENSES:					
Bond Interest Expense	4,491,058.00	4,700,000.00	5,800,000.00	5,700,000.00	(100,000.00)
Administrative Expenses*	4,359,337.00	4,300,000.00	5,650,686.00	~~5,563,381.00~~ 5,511,731.00	(138,955.00)
Planning Grants to Small Local Governments	99,798.00	120,000.00	295,000.00	325,000.00	30,000.00
Authority State Match Loan Payments	5,051,358.00	3,821,000.00	7,000,000.00	7,000,000.00	-
Bond Principal Payments	6,975,000.00	7,455,000.00	10,500,000.00	10,500,000.00	-
Loan Principal Forgiveness	55,714,834.00	25,000,000.00	80,000,000.00	70,000,000.00	(10,000,000.00)
Payment To Refunded Bond Escrow	-	-	29,700,000.00	29,700,000.00	-
Refunding Bonds Issuance Cost	-	-	300,000.00	300,000.00	-
DWRF Leveraged Loans Made	31,713,084.00	5,000,000.00	100,000,000.00	75,000,000.00	(25,000,000.00)
Project Costs Paid - Direct Loans	102,424,272.00	35,000,000.00	198,000,000.00	103,000,000.00	(95,000,000.00)
EPA Capitalization Grant Set-Asides (excluding Admin. Exp)	8,405,688.00	9,670,000.00	12,125,000.00	9,525,000.00	(2,600,000.00)
Arbitrage Rebate Payments	-	88,897.00	600,000.00	700,000.00	100,000.00
Capital Asset Acquisitions	-	-	5,000.00	5,000.00	-
TOTAL DWRF EXPENSES	219,234,429.00	95,154,897.00	449,975,686.00	317,266,731.00	(132,708,955.00)
AVAILABLE RESOURCES OVER / (UNDER) EXPENSES	(47,532,398.00)	11,850,103.00	(217,800,686.00)	(105,961,731.00)	111,838,955.00
Beginning DWRF Net Position - January 1	447,721,564.00	400,189,166.00	400,189,166.00	412,039,269.00	11,850,103.00
Ending DWRF Net Position - December 31	400,189,166.00	412,039,269.00	182,388,480.00	306,077,538.00	123,689,058.00

*Includes expenses from the WQCD. The Board has approved multiple year, future expenses for the WQCD that are not included in the current year budgeted amount.

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2027 APPROVED WATER OPERATIONS FUND
BUDGET DOCUMENTATION

ESTIMATED RESOURCES

Authority Investment Interest Income - Income from authorized investments in the State Treasurer's Cash Pool and COLOTRUST	930,000
WPCRF State Match Loan Repayment - repayment amount of Authority funds loaned to the WPCRF to provide the 20% State Match.	4,000,000
DWRF State Match Loan Repayment - repayment amount of Authority funds loaned to the DWRF to provide the 20% State Match.	6,000,000
WRBP Loan Interest Income - Received from loan recipients	6,100,000
WRBP Loan Principal Repayments - Received from loan recipients	20,000,000
WRBP Bond Proceeds-provides for potential loan activity in the program.	50,000,000
WRBP Refunding Bond Proceeds-includes the potential refunding of certain bond issues,	30,000,000
Interim Loan Principal Repayments-assumes any loans made are repaid with the year.	7,000,000
Interim Loan Interest Income - charged only on outstanding balances.	200,000
Water Rights Purchase Principal Repayments - City of Durango took out a $4 million loan to purchase 3,800 acre ft. of the Authority's water rights in the Animas La Plata Project.	220,000
Water Rights Purchase Interest Income - Interest on the City of Durango loan.	30,000
Authority Loan Principal Payments - The Authority refinanced 2 of Cokedale's loans with DOLA at 0% and the refinancing of a USDA loan for Genoa at 1.5%	8,800
Authority Loan Interest Income - loan interest on existing Authority loans (Genoa)	1,500
Small Hydro Loan Principal Payments- principal payments annually.	450,000
Small Hydro Loan Interest Income - loan interest on existing and potential loans.	110,000
Watershed Protection & Forest Health Prgm Loan Principal Repayments - new loan program, principal payments annually.	1,700,000
Watershed Protection & Forest Health Prgm Loan Interest - estimated loan interest on potential loans.	2,000,000
Watershed Protection & Forest Health Prgm - Bond Proceeds	30,000,000
La Plata River Escrow Fund-Interest Income	4,000
Income from Sub-Lease - The Authority will lease the whole floor it is on and sub-lease part of it to the Colorado Water Congress	79,000
Miscellaneous Revenue - Cost Recovery rate received from the ALPWCD water rights Installment purchase.	0
TOTAL AVAILABLE RESOURCES	$ 158,833,300

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OPERATING EXPENSES

BOARD EXPENSES

Per Diems	Allows for the attendance of nine Board members at seven meetings.	$	25,000
Travel, Lodging, Meals, etc.	Actual amounts vary depending on member expenses in conjunction with meeting attendance. Included in this item are costs for board meetings held at locations outside of Denver.		70,000
Meeting Expenses	Refreshments, meals, room rental, visual aids, etc., for meetings, including the additional off-site meetings.		25,000
Memberships	Membership dues to Colorado Water Congress, Council of Infrastructure Financing Authorities, Employers Council, Colorado Municipal League, and other related associations.		20,000
Board Insurance	Public Official D&O Insurance - Authority is currently self insured due to sharp rise in policy premiums. Should those rates become cost beneficial during the year, a policy may be purchased.		30,000
	Sub-total	$	170,000

SALARIES EXPENSE

Salaries Expense	The amount assumes: fully staffed at 16, and also includes annual staff salary adjustments. The Personnel Committee meets in December to review personnel compensation with the Executive Director. Also Includes 0.5 part-time FTE.	$	1,835,000
Employment/Temporary Services	Employment agency fees if a candidate is hired. Also includes Includes costs for temporary help on an as needed basis.		60,000
Third Party Payroll & HR Services	Third party payroll vendor to process semi-monthly payroll, quarterly reporting and year-end reporting. Third party HR software for employee reviews and other HR documents.		8,000
Annual Employment Vacation and Sick Leave Accrual	To cover accrued annual vacation and sick leave compensation upon termination of employment.		100,000
Less: Salaries Allocated to Project Expenses	Labor costs allocated to other project expenses (Animas-La Plata, Small Water Resources Projects Program, Water Revenue Bonds Program, Small Hydro Loan Program and Bark Beetle Bond Program)		(46,000)
	Sub-total	$	1,957,000

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EMPLOYEE BENEFITS			
Pension Expense	The Authority's contributions to PERA. The actual expense could be higher. We budget for contributions, not the expense recorded.	$	385,500
Healthcare Trust Expense	1.02% of the Authority's portion contributed to PERA. This is a subsidy PERA provides for heath insurance to keep premiums down for retiree's. The actual expense could be higher. We budget for contributions, not the expense recorded.		19,500
Medical and Dental Insurance & HRA Plan	Cost includes coverage for staff of 16, and includes a minimal PERACare premium increase. The amount is reduced by the implementation of 20% employee premium cost sharing.		335,500
Employee Insurance	Amount for employees' long term disability, and life insurance, plus Unemployment Provision (self insured).		80,000
Medicare - Employer's Match	Authority must pay 1.45% of gross salary to match the employees' Medicare tax withheld.		27,500
Denver City Tax - Employer's Match	Denver Occupational Tax - The employer's portion of this tax is $4 / month per employee.		800
401k Match	Authority Match up to 3% of employee's contributions. Will match 20% of the 3% the first year and an additional 20% every following year until year 5. After year 5 if the employee is employed at the Authority, they will receive the entire 3% they did not receive over the 5 year period.		53,600
State Workman's Compensation Insurance	The amount of coverage, premiums, etc., is set by statute. Includes coverage for nine board members.		4,000
Tuition Reimbursement	Covers cost of tuition for employees who are receiving additional education in order to enhance skills for their positions.		25,000
Public Transportation Incentive	The budgeted amount includes use of public transportation.		1,400
	Sub-total	$	932,800
OUTSIDE SERVICES EMPLOYED			
General Legal Fees	General legal services for the Authority. The balance of other legal services are charged to other programs.	$	150,000
General Consulting Services	Covers financial, technical and other consulting services for potential projects, legislative issues, employee flex/HRA plan consulting, etc. Also includes fees associated with pre-employment background checks and drug testing.		70,000
Audit and Budgetary Fees	Includes annual audit expenses and budget expenses for the Authority. Audit expenses for WPCRF, DWRF, WRBP are incorporated into the respective programs.	$	30,000
	Sub-total	$	250,000
EMPLOYEE / ADMINISTRATIVE EXPENSES			
Travel, Lodging, Meals, etc.	Includes staff expenses to attend board meetings, workshops, seminars, conferences, and other meetings. Covers additional board meetings to be held at locations outside of Denver.	$	35,000
Registration and Training Fees	Registration fees for attending conferences, meetings, workshops, and continuing education classes.		25,000
Contributions & Sponsorships	Funding provided to various organizations (CSU, Water Ed. Foundation, Colorado Water Congress etc), Memorial donations.		45,000
Dues, Subscriptions, and Publications	Dues to professional organizations, periodical, subscriptions, and costs of other published materials.		15,000
	Sub-total	$	120,000

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GENERAL OFFICE EXPENSES			
Office Rent Expense	Includes rent and parking costs based upon the lease renewal and prorata increase in operating expenses.	$	357,000
Interest Expense-Leases	Interest expense charged on leases	$	45,000
Telephone and Internet Charges	Phone system equipment lease and monthly fees, internet access and website fees.internet access and website fees.		20,000
Postage and Delivery Fees	Covers postage for all U.S. Mail and Authority deliveries. Federal Express and local delivery service charges are allocated to the various programs as specified.		3,000
Copying, Printing and Advertising Costs	Covers the copying and/or printing costs for stationery, envelopes, business cards, the Authority annual report, any newsletters, brochures and other marketing costs that are not otherwise allocated to the financing programs, by a commercial printer. Also includes advertising for new hires and ads in conference programs.		9,000
Office Supplies	Covers the purchase of standard office supplies, cost of recycling pickup, etc.		20,000
Technical Support Activities	Computer hardware/software technical support for local area network, e-mail server, Laserfiche, accounting system.		120,000
Office Insurance	Amount for property, casualty and general liability insurance, plus employee dishonesty coverage.		9,000
Records Retention	Includes off site storage for permanent records, computer software, back-up tapes, and retrieval of boxes.		10,000
	Sub-total	$	593,000
OFFICE ASSETS EXPENSES			
Furniture and Fixtures	Allows for purchase of additional furniture or fixtures.	$	12,000
Machines	Upgrades to IT system including laptop computers, printers, copiers, servers and tablets.		70,000
Computer Software and maintenance plans.	Server operating system upgrades, additional software upgrades, Office 365 and Accounting & Laserfiche agreements.		112,000
Machine Maintenance and Maintenance Contracts	Coverage for copier, postage equipment, telephone system, printers and other equipment or office repairs.		15,000
Office Improvements	Potential costs for miscellaneous improvements to the office space including any significant repairs or modifications.		30,000
	Sub-total	$	239,000
	SUB-TOTAL: OPERATING EXPENDITURES	$	4,261,800

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OPERATING EXPENSES ALLOCATED TO OTHER FUNDS:		
Allocated Salaries Expense- WPCRF	$	(525,000)
Allocated Employee Benefits- WPCRF		(315,000)
Allocated General Overhead Expenses - WPCRF		(294,200)
Allocated Salaries Expense- DWRF		(513,000)
Allocated Employee Benefits- DWRF		(308,000)
Allocated General Overhead Expenses - DWRF		(281,500)
Sub-total	$	(2,236,700)
SUB-TOTAL: NET OPERATING EXPENSES	$	2,025,100

CAPITAL EXPENSES

APPROVED PROJECTS		
Water Revenue Bonds Program	Includes Authority expenses allocated to WRBP - trustee fees, arbitrage rebate calculations, allocated labor costs, marketing etc.	123,000
Small Hydroelectric Power Program Expenses	Direct loan program-includes Authority staff time and direct costs associated with implementing and marketing the loan program.	25,000
Watershed Protection & Forest Health Program Expenses	Loan/bond program-includes Authority staff time and direct costs associated with implementing the program.	65,000

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Small Hydroelectric Power Program Planning Grants	A program that provides matching grants of up to $15,000 per entity for assisting in the planning and design of small hydro-power units, prior to applying for a loan from the Authority.	165,000
WPCRF State Match Loans	Moneys to be transferred to the WPCRF to provide for the 20% State Match based upon anticipated 2026 grant award. Also includes potential state match for BIL Grants.	6,000,000
DWRF State Match Loans	Moneys to be transferred to the DWRF to provide for the 20% State Match based upon anticipated 2026 grant award. Also includes potential state match for BIL Grants.	7,000,000
Small Hydroelectric Power Loan Draws	Includes maximum remaining amount of loan funds approved for current year of the program.	5,000,000
Interim Loans	Money from Authority operating cash for all programs as needed. Potential interim loans in 2026	7,000,000
	Sub-total	$ 25,378,000
POTENTIAL PROJECTS		
Other Potential Projects	Unknown at this time.	$ 1,000,000
	Sub-total	$ 1,000,000
WATER REVENUE BONDS PROGRAM		
WRBP Bond Interest Expense	Interest expense paid on outstanding bonds.	$ 4,400,000
WRBP Bond Principal Payments	Principal paid on outstanding bonds.	20,000,000
WRBP Bond Issuance Expense	Directly expense all COI expenses, except bond insurance which is amortized.which is amortized.which is amortized.	1,500,000
WRBP Loans Made	WRBP Loans anticipated to be made during 2026 for new projects.	50,000,000
WRBP Refunding Escrow	Deposit of refunding bond proceeds into escrow to defease selected bonds, if market conditions are favorable.	30,000,000
WRBP Refunding Issuance	Costs to issue refunding bonds	900,000
	Sub-total	$ 106,800,000

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WATERSHED PROTECTION & HEALTHY FORESTS PROGRAM

Watershed Protection & Forest Health Program Bond Interest	Bond interest expense assumes bonds are taxable and are outstanding for a portion of the year.	2,000,000
Watershed Protection & Forest Health Program Bond Principal	Bond principal payments.	1,700,000
Watershed Protection & Forest Health Program Bond Issuance (COI)	Issuance costs relating to potential bonds issued.	1,500,000
Watershed Protection & Forest Health Program Loans Made	Potential loans that may be funded from bond proceeds of the new loan program.	30,000,000
	Sub-total	$ 35,200,000

SUB-TOTAL: CAPITAL EXPENSES	$ 168,378,000
TOTAL OPERATING and CAPITAL EXPENSES	$ 170,403,100
AVAILABLE RESOURCES OVER/(UNDER) EXPENSES - WATER OPERATIONS FUND	$ (11,569,800)
Beginning Water Operations Fund Net Position - January 1, 2027	$ 50,903,847
Ending Water Operations Fund Net Position - December 31, 2027	$ 39,334,047

2027 RECONCILIATION OF WATER OPERATIONS FUND OPERATING EXPENSES BUDGET

TOTAL OPERATING EXPENSES PER THE WATER OPERATIONS FUND BUDGET	$ 2,025,100
ADD BACK OPERATING EXPENSES ALLOCATED TO OTHER PROGRAMS:	
Allocated Salaries Expense- WPCRF	525,000
Allocated Employee Benefits- WPCRF	315,000
Allocated General Overhead Expenses- WPCRF	294,200
Allocated Salaries Expense- DWRF	513,000
Allocated Employee Benefits- DWRF	308,000
Allocated General Overhead Expenses- DWRF	281,500
SUB-TOTAL: OPERATING EXPENSES ALLOCATED TO OTHER PROGRAMS	$ 2,236,700
TOTAL OPERATING EXPENSES FOR THE WATER OPERATIONS FUND BUDGET BEFORE ALLOCATIONS TO OTHER PROGRAMS	$ 4,261,800

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2027 APPROVED WATER POLLUTION CONTROL REVOLVING FUND
BUDGET DOCUMENTATION

ESTIMATED RESOURCES

Net Investment Interest Income - earned by all accounts in the WPCRF Program	$	4,900,000
Administrative Fee Income - Received from loan recipients		7,600,000
Loan Interest Income - Received from loan recipients		7,400,000
Capital Contributions - EPA - Total project and administration expense grant draws		30,000,000
Capital Contributions - Colorado State Match - 20% matching funds transferred to the WPCRF Match Holding Account upon grant award for 2026		4,000,000
Loan Principal Repayments - Received from loan recipients		43,700,000
WPCRF Bond Proceeds - anticipated leveraged loans to:		40,000,000
Refunding Bond Proceeds - refunding would be transacted if market conditions are favorable		40,000,000
TOTAL AVAILABLE RESOURCES	$	177,600,000

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ESTIMATED EXPENSES

Bond Interest Expense - Interest on Clean Water Bonds			$ 7,200,000
Administrative Expenses - Covers the administrative costs of the following three agencies:			7,323,697
Authority		2,090,200	
	Allocated Labor/Benefit Costs	840,000	
	Allocated General Overhead Exp.'s	294,200	
	Consulting, Inspection and Other Activities	200,000	
	Legal Fees	70,000	
	Audit/Accounting Fees	70,000	
	Trustee Fees	140,000	
	Arbitrage Rebate Calculations	26,000	
	Other Direct Expenses (Travel, Training, Postage, marketing, etc.)	50,000	
	New Information Management System	400,000	
WQCD-	Water Quality Control Division FTEs=13.05	5,004,372	
DLG -	Colorado Dept. of Local Affairs FTEs=2	191,625	
	Small and Rural Communities Technical Services Contractor	37,500	
Planning Grants to small local governments (Paid from loan admin fees)			360,000
Authority State Match Loan payments represent the repayment of loan principal to the Authority for providing the 20% State Match. Funds will be provided from the loan administrative fees collected, if available.			6,000,000
Transfer of Administrative Fees to the DWRF - will be used to pay Authority administrative costs not eligible from the Admin set aside, thus freeing up DWRF loan admin fees to provide the state match funds and/or reimbursement of the state match loan.			530,000
Bond Principal Payments - Principal payments on Clean Water Bonds			15,000,000
Loan Principal Forgiveness -Includes potential Design & Engineering (D&E) grants to qualifying borrowers. If not all D&E grants are issued, the remainder of funds will be used to reduce direct loan borrowers principal.			10,000,000
Payment To Refunded Bond Escrow - refunding would be transacted if market conditions are favorable			39,600,000
Refunding Bond Issuance Costs			400,000
Other Expenses - PUT agreement fees, arbitrage rebate payments to US Treasury, etc.			800,000
WPCRF Leveraged Loans Made - Total bond proceeds and State Match provided by the Authority on leveraged loans			75,000,000
Project Costs Paid - Direct Loans - Construction proceeds requested from the fund during the calendar year on direct loans			65,000,000
Capital asset acquisitions			5,000
TOTAL EXPENSES			$ 227,218,697
AVAILABLE RESOURCES OVER/(UNDER) EXPENSES - WATER POLLUTION CONTROL REVOLVING FUND			$ (49,618,697)
Beginning WPCRF Net Assets - January 1, 2027			$ 584,400,945
Ending WPCRF Net Assets - December 31, 2027			$ 534,782,248

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2027 APPROVED DRINKING WATER REVOLVING FUND
BUDGET DOCUMENTATION

ESTIMATED RESOURCES

Net Investment Interest Income - earned by all accounts in the DWRF Program	$	4,300,000
Administrative Fee Income - Received from loan recipients		8,300,000
Transfer Administrative Fees from WPCRF		530,000
Loan Interest Income - Received from loan recipients		5,500,000
Capital Contributions - EPA - Estimated actual EPA draws to be made		70,000,000
Capital Contributions - Colorado State Match		6,000,000
Set Asides - EPA Draws (including Administrative Expenses)		13,175,000
Loan Principal Repayments - Received from loan recipients		33,500,000
DWRF Bond Proceeds - anticipated leveraged loans to: Potential borrowers not specifically identified		40,000,000
Refunding Bond Proceeds - refunding would be transacted if market conditions are favorable		30,000,000
TOTAL AVAILABLE RESOURCES	$	211,305,000

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ESTIMATED EXPENSES

Bond Interest Expense - Interest on Drinking Water Bonds			$ 5,700,000
Administrative Expenses - Covers the administrative costs of the following three agencies:			5,511,731
Authority		2,032,500	
	Allocated Labor/Benefit Costs	821,000	
	Allocated General Overhead Exp.'s	281,500	
	Consulting, Inspection and Other Activities	200,000	
	Legal Fees	70,000	
	Audit/Accounting Fees	70,000	
	Trustee Fees	120,000	
	Arbitrage Rebate Calculations	20,000	
	Other Direct Expenses (Travel, Training, Postage, marketing, etc.)	50,000	
	New Information Management System	400,000	
WQCD-	Water Quality Control Division FTEs= 15.05	3,250,106	
DLG -	Colorado Dept. of Local Affairs FTEs=2	191,625	
	Small and Rural Communities Technical Services Contractor	37,500	
Planning Grants to small local governments (Paid from loan admin fees)			325,000
Authority State Match Loan payments represent the repayment of loan principal to the Authority for providing the 20% State Match. Funds will be provided from the loan administrative fees collected, as available.			7,000,000
Bond Principal Payments - Principal payments on Drinking Water Bonds.			10,500,000
Loan Principal Forgiveness -Includes potential Design & Engineering (D&E) grants to qualifying borrowers. If not all D&E grants are issued, the remainder of funds will be used to reduce direct loan borrowers principal.			70,000,000
Payment To Refunded Bond Escrow - refunding would be transacted if market conditions are favorable			29,700,000
Refunding Bond Issuance Costs			300,000
DWRF Leveraged Loans Made - Total bond proceeds and State Match provided on leveraged loans.			75,000,000
Project Costs Paid - Direct Loans (Construction loan proceeds requisitioned)			103,000,000
EPA Capitalization Grant Set-Asides - Disbursements (excluding administration)			9,525,000
	Base Grant		
	Well Head Protection	-	
	Small Systems Technical Training (SSTTA)	-	
	Capacity Development	-	
	Public Water Systems Supervision (PWSS)	-	
	BIL Grant-Supplemental		
	Well Head Protection	1,175,000	
	Small Systems Technical Training (SSTTA)	675,000	
	Capacity Development	2,325,000	
	Public Water Systems Supervision (PWSS)	2,600,000	
	BIL Grant-Emergent Contaminants (EC)		
	Public Water Systems Supervision (PWSS)	950,000	
	BIL Grant-Lead		
	Public Water Systems Supervision (PWSS)	1,800,000	
Arbitrage Rebate Payments Anticipated			700,000
Capital asset acquisitions			5,000
TOTAL EXPENSES			$ 317,266,731
AVAILABLE RESOURCES OVER/(UNDER) EXPENSES - DRINKING WATER REVOLVING FUND			$ (105,961,731)
Beginning DWRF Net Assets - January 1, 2027			$ 412,039,269
Ending DWRF Net Assets - December 31, 2027			$ 306,077,538

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COLORADO
Department of Public Health & Environment

November 20, 2026

Mr. Keith McLaughlin, Executive Director
Colorado Water Resources and Power Development Authority
1580 Logan Street
Denver, Colorado 80203

Re: Revised 2027 Water Quality Control Division Budget - EnABLE O&M Adjustment

Dear Mr. McLaughlin:

This letter updates and formally revises the 2027 Water Quality Control Division (Division) budget request originally submitted on August 28, 2026. Following our recent coordination, Colorado Water Resources and Power Development Authority (Authority) staff have confirmed that the Authority will directly pay the Annual Operations and Maintenance (O&M) and Hosting costs for the EnABLE system from the CWRPDA budget.

In our initial August submission, the division included a $100,000 line item for Information Management, specifically for the EnABLE (previously CEOS) Annual O&M and Hosting. This was allocated as $50,000 to the Drinking Water State Revolving Fund (DWSRF) budget and $50,000 to the Water Pollution Control Revolving Fund (WPCRF) budget. At that time, we noted that division and Authority staff were evaluating the appropriate funding arrangement to determine whether these costs should be paid from the division budget, the Authority budget, or shared between both entities.

With the Authority's confirmation that it will pay these costs directly, the division removed the EnABLE O&M and Hosting line item from our 2027 budget request. Attached are the revised 2027 budget spreadsheets reflecting this adjustment.

We greatly appreciate the Authority's willingness to support the EnABLE system's operational costs and your ongoing partnership in funding water quality projects in Colorado.

4300 Cherry Creek Drive South, Denver, CO 80246-1530
P 303-692-2000 | www.colorado.gov/cdphe
Jared Polis, Governor | Jill Hunsaker Ryan, MPH, Executive Director

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My team and I are available as needed to review these revisions or answer any additional questions.

Sincerely,

Digitally signed by Nicole Rowan
Date: 2026.11.19 12:22:13 -07'00'

Nicole Rowan, P.E.
Director
Water Quality Control Division
Colorado Department of Public Health and Environment

Cc: Ron Falco, CDPHE
Tyson Ingels, CDPHE
Michael Roach, CDPHE
MaryAnn Nason, CDPHE
Joy Moore, CDPHE
Amsalework Kassa, CDPHE
Kateri Salk, CDPHE
Justin Noll, CWRPDA

Attachments: Attachment 1- 2027 DWSRF, WPCRF, and IIJA DWSRF Set-Asides Budgets
Attachment 2 - 2027 Proposed WPCRF Priority Project List

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Attachment 1

Drinking Water State Revolving Fund
2027 Budget Request

	2026 Approved Budget	CY2027 Request
Base Personal Services/Fringe Benefits	**$ 869,746**	**$ 915,530**
Base	**6.10 FTE**	**6.10 FTE**
4% Federal Grant		
Loan Admin Fees	$ 869,746	$ 915,530
IIJA Personal Services/Fringe Benefits*	**$ 1,856,786**	**$ 1,663,601**
Supplemental	**2.20 FTE (6.15 E)**	**0.8 FTE (6.15 E)**
4% Federal Grant	$ 1,294,588	$ 1,167,111
Emerging Contaminant	**1.30 FTE (0.0 E)**	**1.3 FTE (0.0 E)**
4% Federal Grant	$ 207,351	$ 216,679
Lead Service Line	**1.40 FTE (0.80 E)**	**0.8 FTE (0.8E)**
4% Federal Grant	$ 354,847	$ 279,810
Base DWRF Admin Activities	**$ 150,000**	**$ 150,000**
Excellence Program		
4% Federal Grant		
Loan Admin Fees	$ 150,000	$ 150,000
Base Operating & Travel	**$ 15,375**	**$ 15,375**
General O&T		
4% Federal Grant		
Loan Admin Fees	$ 15,375	$ 15,375
IIJA Operating & Travel	**$ 41,913**	**$ 41,913**
General O&T		
4% Federal Grant	$ 41,913	$ 41,913
Information Management	**$ 30,000**	**$ -**
IIJA Supplemental 4% Federal Grant		$ -
Base Loan Admin Fees	$ 30,000	$ -
Indirect Rates^^	**$ 490,325**	**$ 463,687**
4% Federal Grant	$ 330,374	$ 296,759
Loan Admin Fees	$ 159,951	$ 166,927
Total	**$ 3,454,145**	**$ 3,250,106**
Total 4% Federal Grant	$ 2,229,073	$ 2,002,273
Total Loan Admin Fees	$ 1,225,072	$ 1,247,833

Fringe benefits: Included in salary figures. The percentage of basic salary varies depending on employee benefit selections and may include health, life,
disability, and dental insurance.

Adminstrative fees: The WQCD reviewed the proposed uses of administrative fees and confirmed they align with EPA guidance on allowable expenses.

* "E" denotes FTE reassigned from base program funding to IIJA funding.

^^ Indirect costs should be paid from the applicable grant being billed. On-site rate: 17.4%; flow-through rate: 3.3%.

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Water Pollution Control Revolving Fund
2027 Budget Request

	2026 Approved Budget	CY2027 Request
Base Personal Services/Fringe Benefits	**$ 1,855,886**	**$ 1,950,079**
Base	**12.05 FTE**	**12.05FTE**
4% Federal Grant	$ 636,491	$ 663,027
Loan Admin Fees	$ 1,219,396	$ 1,287,052
IIJA Personal Services/Fringe Benefits	**$ 679,661**	**$ 687,918**
Supplemental	**3.10 FTE**	**3.0 FTE**
4% Federal Grant	$ 454,661	$ 462,918
Emerging Contaminant		
4% Federal Grant		
2% Technical Assistance Set Aside		
Federal Grant	$ 225,000	$ 225,000
Base Operating & Travel	**$ 37,852**	**$ 37,852**
General O&T		
4% Federal Grant	$ 20,342	$ 20,342
Loan Admin Fees	$ 17,510	$ 17,510
IIJA Operating & Travel	**$ 25,000**	**$ 25,000**
General O&T		
4% Federal Grant	$ 25,000	$ 25,000
Base WPCRF Admin Activities	**$ 1,500,000**	**$ 1,775,000**
Program Priority Projects		
Loan Admin Fees	$ 1,300,000	$ 1,300,000
Disaster Support/Contingency		
Loan Admin Fees	$ 200,000	$ 200,000
Post-Wildfire NPS Project Request		
Loan Admin Fees		
Clean Watersheds Needs Survey		
Loan Admin Fees		$ 275,000
Information Management	**$ 30,000**	**$ -**
IIJA Supplemental 4% Federal Grant		$ -
Base Loan Admin Fees	$ 30,000	$ -
Indirect Rates^^	**$ 520,237**	**$ 528,523**
Federal Grant	$ 236,900	$ 242,954
Loan Admin Fees	$ 283,337	$ 285,569
Total	**$ 4,648,636**	**$ 5,004,372**
Total Federal Grant	$ 1,598,394	$ 1,639,241
Total Loan Admin Fees	$ 3,050,242	$ 3,365,131

Fringe benefits: Included in salary figures. The percentage of basic salary varies depending on employee benefit selections and may include health, life,
disability, and dental insurance.
Adminstrative fees: The WQCD reviewed the proposed uses of administrative fees and confirmed they align with EPA guidance on allowable expenses.

^^ Indirect costs should be paid from the applicable grant being billed. On-site rate: 17.4%; flow-through rate: 3.3%.

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Drinking Water State Revolving Fund
2027 IIJA Grant Set Aside Budget

Non-Admin Set Aside Programs	Approved 2026 IIJA Supplemental Budget*	**Requested 2027 IIJA Supplemental Budget***	Approved 2026 IIJA Emerging Contaminants Budget	**Requested 2027 IIJA Emerging Contaminants Budget**	Approved 2026 IIJA Lead Service Line budget	**Requested 2027 IIJA Lead Service Line budget**	Total Approved 2026 Budget	**Total Requested 2027 Budget**
Well Head Protection	$1,400,000	**$1,175,000**					$1,400,000	**$1,175,000**
Small Systems Technical Training (SSTTA)	$675,000	**$675,000**					$675,000	**$675,000**
Capacity Development	$2,700,000	**$2,325,000**					$2,700,000	**$2,325,000**
Public Water Systems Supervision (PWSS)	$2,800,000	**$2,600,000**	$950,000	**$950,000**	$3,600,000	**$1,800,000**	$7,350,000	**$5,350,000**
Total Set Asides	$7,575,000	**$6,775,000**	$950,000	**$950,000**	$3,600,000	**$1,800,000**	$12,125,000	**$9,525,000**

* The EPA approved scope of work for the supplemental set-asides covers both base and IIJA activities and budget may be used to draw down both IIJA and base set-aside balances.

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Attachment 2

Water Pollution Control Revolving Fund
2027 Project List

Project Number	Project Title	Cost of Project	What are the project purpose(s) and anticipated deliverables? How does it further the division's mission?
1	Source Water Protection - contract for CRWA	$150,000	This money was negotiated to continue to support CRWA through 2028
2	Permitting Support and Optimization	$350,000	Primary Division Objective - reduce permit backlog - this will help with that effort. The division is embarking on developing a Salesforce system to replace the existing CEOS system. This system is critical in maintaining and reducing permit backlog. We process 2/3rds of our permit universe through this system with each certificate being processed in approximately 4-10 business days. We are seeking to maintain and reduce that turnaround time with a more functional and adaptable system, ultimately freeing up capacity to support backlog reduction.
3	eRAMS modules maintenance	$130,000	Maintain systematic analysis, planning and outreach tools on the eRAMS platform and continue support for internal and external end users. The anticipated deliverables are: module maintenance that ensures current (e.g., accessing current data and databases), user-friendly and accessible tools; systematic troubleshooting to resolve any reported issues with use of the modules; outreach events to promote the use of the tools; and server space to house the tools.
4	Water Quality Analytical Support and Field Sampling	$170,000	Support to collect water quality samples to support a variety of division programs. Some, but not all of this budget will inform Aquatic Life Use assessments that will aid in determining use impairments on the biennial 303(d) List, and updating WQCC Policies 10-1 and 98-1. Additionally, data results will help the division better understand benthic macroinvertebrate communities in intermittent streams and will be used to address a number of provisionally listed segments that are on the 303(d) list of impaired waters.
5	Pikes Peak rain garden	$50,000	Expand a residential rain garden program for homeowners in El Paso County. The anticipated deliverables are: rain gardens; outreach materials; list of priority locations/partners.
6	Source identification in support of Total Maximum Daily Load, Advance Restoration Plan and Protection Plan development and implementation	$100,000	Onsite wastewater treatment system study. The anticipated deliverables are: a report that evaluates onsite wastewater treatment system contributions of pollutants to surface water; prioritized areas for pollutant reduction activities; list of partners to support future activities.
7	Temperature source identification model planning document	$50,000	A modeling plan to meet the division's cross-program objectives for temperature source identification. The anticipated deliverables are: a document that will include a review of available hydrological models applicable at different watershed scales, data input needs, and ability to simulate temperature loading scenarios from BMPs implementation.
8	Temperature monitoring and analysis	$50,000	There are areas across the state where temperatures are exceeding the adopted temperature standards. More information is needed to understand these areas. This project could include field work, data management systems, data analysis, future restoration planning or standards development efforts.
9	Selenium modeling to support ARP development	$50,000	Additional scenarios on an existing calibrated SWAT+ model to support the development of the Lower Arkansas 1c ARP. The anticipated deliverables are: model input and output files; results of scenario runs; summary of output/outcomes that will be incorporated into the Lower Arkansas 1c ARP.
10	Measurable Results	$80,000	The measurable results program measures the chemical, physical and microbiological changes in water near point source and nonpoint source pollution control activities funded through the Water Pollution Control Revolving Fund and 319 Non-point Source program. Studying water quality near these projects before and after helps determine the effectiveness of project operations as well as the planning and prioritization of future resources.
11	Roadmap Studies and Standards Development: Nutrients	$70,000	Obtain periphyton data for Streams Nutrients diatom-based multimetric index development
12	Economic Limitations Tool Project: Drinking water data collection, implementation case studies, implementation & affordability data collection, and regional utility data collection	$50,000	**DW data:** Collect, organize, and document drinking water utility financial, infrastructure, and operational data to support incorporation of DW into Econ tool evaluations and feasibility planning discussions. Deliver utility datasets, supporting documentation, data gap analyses, and recommendations for future data collection efforts. **Schedule Validation(Harvey):** Evaluate tool assumptions and outputs through case studies and stakeholder engagement. **Implementation Data (RCAC):** rural utility outreach, operator engagement, utility data collection, and implementation feedback. **utility data (208s):** Collect and organize regional utility, flow, infrastructure, and spatial data to support statewide feasibility analyses.
	Subtotal	**$1,300,000**	
	Contingency and natural disaster support	**$200,000**	
	TOTAL BUDGET	**$1,500,000**	

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COLORADO
Department of Local Affairs
Division of Local Government

MEMORANDUM

To: Justin Noll, CWRPDA
From: Eric Bergman, Division Director
Date: August 21, 2026
Re: 2027 WPCRF and DWRF Budgets

DOLA's request for the calendar year 2027 is $458,248.45. This request includes an additional $75,000 in calendar year 2027 for the Small Community Water & Wastewater Technical Services.

With respect to future activities of the Division, we plan to continue to support Intended Use Plan (IUP) development, identify and educate potential SRF borrowers, conduct outreach efforts and produce publications, perform credit reports, and assist the Authority with direct loan portfolio monitoring. Below are details for DOLA's 2027 budget request. This 2027 calendar year request spans two state fiscal years.

- 2nd half state FY 2027 (Jan. 1, 2027 – June 30, 2027)
- 1st half of state FY 2028 (July 1, 2027 – Dec. 31, 2027)

Other notable features of the budget request include:

- Further reduction of term-limited for IIJA support to 0 FTE.
- Returning total DOLA staffing for WPCRF and DWRF to pre-IIJA level of 2.5 FTE.
- Because EPA IIJA funding expires at the end of 2026, staff which were funded from that source are shifted back to LUMA and EPA Base at pre-IIJA levels. Therefore, LUMA and EPA Base requests increase in the 2027 request although total DOLA staffing is decreased.
- DOLA previously used discretionary severance revenues to cover operating costs (largely costs for Common Policies) for LUMA and EPA Base. DOLA is no longer

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able to cover these operating costs and is budgeting program operating costs directly to each program within the Division of Local Government. This change in in cost allocation methodology caused increased requests for operating costs under LUMA and EPA Base.

- Within DOLA, "Indirect Costs" refers to the Division of Local Government's cost share of the total cost of the DOLA Executive Director's Office (including personnel services, benefits, operating costs, contract costs, etc.). The LUMA program is assessed a flat amount in the Long Bill; for FY27, that amount is $12,843.
- Personal Services reflect the 2nd half of state FY 2027 (HB26-1410 2026-27 Long Bill) of state employee benefit costs such as health and dental. It also includes estimates of these costs for the first half of state FY 2027.
- Operating costs include estimates for rent, IT costs, worker's compensation, risk management, phones, and office supplies.
- Travel estimates assume similar SRF travel as occurred in 2026, including outreach and technical assistance, and certain conferences (such as CIFA and CGFOA).

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DLG 2026 Budget Request								
Calendar Year	**CY2026 Budget**	**1st half CY25 - 1/1/26-6/30/26**	**2nd half CY26 - 7/1/26-12/31/26**	**updated CY26 budget**	**1st half CY27 - 1/1/27-6/30/27**	**2nd half CY27 - 7/1/27-12/31/27**	**2027 Budget Request**
LUMA							
FTE	0.7	0.7	0.7	0.7	2.0	2.0	2.0
Personal Services	$80,354.00	$38,731.93	$41,622.08	$80,354.00	$130,616.18	$137,146.99	$267,763.17
Operating	$10,000.00	$17,394.21	-$7,394.21	$10,000.00	$20,817.00	$20,817.00	$41,634.00
Travel	$6,000.00	$588.80	$5,411.21	$6,000.00	$3,000.00	$3,000.00	$6,000.00
Indirect Cost (per Long Bill)	$27,553.00	$13,776.50	$13,776.50	$27,553.00	$6,421.50	$6,421.50	$12,843.00
Subtotal:	**$123,907.00**	**$70,491.43**	**$53,415.57**	**$123,907.00**	**$160,854.68**	**$167,385.49**	**$328,240.17**
EPA (Base)							
FTE	0.15	0.15	0.15	0.15	0.5	0.5	0.5
Personal Services	$21,976.95	$10,988.48	$11,238.53	$22,227.00	$9,074.25	$9,527.96	$18,602.21
Operating	$72.58	$36.29	$9,963.71	$10,000.00	$13,500.00	$13,500.00	$27,000.00
Travel	$0.00	$0.00	$4,000.00	$4,000.00	$3,000.00	$3,000.00	$6,000.00
Indirect Cost (est. rate = 18.31%)	$8,466.26	$2,011.99	$2,057.77	$4,069.76	$1,661.50	$1,744.57	$3,406.07
Subtotal:	**$38,627.00**	**$13,036.75**	**$27,260.01**	**$40,296.76**	**$27,235.75**	**$27,772.53**	**$55,008.28**
EPA (IIJA)							
FTE	2.65	2.65	2.65	2.65	0	0	0
Personal Services	$270,871.22	$135,435.61	$97,746.39	$233,182.00	$0.00	$0.00	$0.00
Operating	$2,357.39	$1,178.70	$18,821.31	$20,000.00	$0.00	$0.00	$0.00
Travel	$2,444.71	$1,222.36	$14,777.65	$16,000.00	$0.00	$0.00	$0.00
Indirect Cost (est. rate = 18.31%)	$5,459.22	$24,798.26	$17,897.36	$42,695.62	$0.00	$0.00	$0.00
Subtotal:	**$382,912.00**	**$162,634.92**	**$149,242.70**	**$311,877.62**	**$0.00**	**$0.00**	**$0.00**
Small Communities Water and Wastewater Technical Services	$17,585.00	$8,792.50	$66,207.50	$75,000.00	$37,500.00	$37,500.00	$75,000.00
Total	**$621,253.00**	**$254,955.60**	**$296,125.78**	**$551,081.39**	**$225,590.43**	**$232,658.02**	**$458,248.45**
Permanent FTE	2.5	2.5	2.5	2.5	2.5	2.5	2.5
Term limited FTE	0.5	0.25	0.25	0.25	0	0	0
Total FTE	3	2.75	2.75	2.75	2.5	2.5	2.5

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COLORADO WATER RESOURCES & POWER DEVELOPMENT AUTHORITY

BOARD PROGRAM WORK SESSION (BPWS) AGENDA

December 3, 2026
3:00 p.m. – 5:30 p.m.

Board Members: Karen Wogsland (Chair), Mike Fabbre, Eric Wilkinson, Steve Vandiver, Chris Treese, Patti Wells, Matt Shuler, Roy Heald, and Bruce Whitehead.

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

Others present: Cynthia Thayer (DOLA), Victor Chen (DOLA), Alex Hawley (WQCD), Ron Falco (WQCD, Nicole Rowan (WQCD), Mike Beck (WQCD), Amsale Kassa (WQCD), MaryAnn Nason (WQCD), and Joy Moore (WQCD).

AGENDA

1. Economic Update and Interest Rates for all Authority Loan Programs – discussion and possible action. **(Kevin, Wes)**

2. DAC Criteria Modifications Update – discussion and possible action **(Ian, Victor)**

3. Drinking Water Revolving Fund Sustainability Project – discussion only **(Keith, Jim, Alex)**

4. Planning for possible Joint Meeting with the Water Quality Control Commission and the Colorado Water Conservation Board in 2027 and 2028 – discussion only **(Keith, Nicole)**

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November 20, 2026

Speaker Mike Johnson
U.S. House of Representatives
U.S. Capitol
Washington, DC 20515

Majority Leader John Thune
U.S. Senate
U.S. Capitol
Washington, DC 20510

Minority Leader Hakeem Jeffries
U.S. House of Representatives
U.S. Capitol
Washington, DC 20515

Minority Leader Chuck Schumer
U.S. Senate
U.S. Capitol
Washington, DC 20510

Dear Speaker Johnson, Minority Leader Jeffries, Majority Leader Thune, and Minority Leader Schumer,

We, the undersigned organizations, representing state and local governments, agencies, water utilities, labor unions, companies, and engineering and public works professionals nationwide, **urge you to enact a final Water Resources Development Act (WRDA) bill before the end of the year that includes robust authorization for critical drinking water and wastewater infrastructure programs**.

Well maintained water infrastructure is an important part of protecting human health and keeping our economy moving. For close to 85 years, Congress has provided funding for vital infrastructure programs to address water quality challenges and protect our nation's water resources. These long-standing programs are a shining example of successful cooperative federalism and are essential to the strength of our communities. The U.S. Army Corps of Engineers (Corps) authorizations of projects and studies are important to navigation, flood protection and ecosystem restoration in communities and the water infrastructure programs under the U.S. Environmental Protection Agency (EPA) are essential for

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maintaining reliable access to affordable financing and providing clean and safe water for residents and businesses.

We strongly value the support the federal government provides through its biennial WRDA bills. By maintaining high levels of investment across all grant and financing programs, communities can cut financing costs by more than 50 percent[1], which will provide billions in savings to local community ratepayers nationally[2]. Additionally, the projects that a Corps/EPA WRDA bill will support would generate $79.3 billion in economic output, contribute $42.7 billion to the national GDP, and support nearly 305,000 jobs.

Specifically, we support provisions in the Senate's WRDA bill (S. 4949) that reauthorize long-standing EPA programs that are critical to deliver safe, clean water to communities as well as other provisions in both bills including, but not limited to:

- Reauthorizing and increasing the funding for the Clean Water and Drinking Water State Revolving Funds (SRFs) and Water Infrastructure Finance and Innovation Act (WIFIA).
- Maintaining Congress' commitment to helping communities remove contaminants, including lead and PFAS (per- and polyfluoroalkyl substances) from water systems.
- Reaffirming that structural and nonstructural approaches to water resource management are part of the Corps' core mission and clarifying the roles of the Corps and non-Federal partners in these projects.
- Supporting the long-term growth of the water sector workforce.

We once again urge you to act quickly and pass a final WRDA bill that contains both Corps and EPA program authorization before the end of the 119th Congress.

Sincerely,

- American Council of Engineering Companies
- American Public Works Association
- American Society of Civil Engineers
- American Water Works Association
- Association of Metropolitan Water Agencies
- Association of Sate Drinking Water Authorities
- California Association of Sanitation Agencies
- Clean Water Construction Coalition
- Council of Infrastructure Financing Authorities
- International City/County Management Association

[1] Testimony of Jeff Walker on behalf of the Council of Infrastructure Financing Authorities to the House Transportation and Infrastructure Committee (March 11, 2025).
[2] $2.5B in savings to local community rate payers over 20 years through the Drinking Water State Revolving Fund and $4.2B in savings to local community rate payers over 20 years through the Clean Water State Revolving Fund, per their respective 2025 annual reports.

- National Association of Clean Water Agencies
- National Association of Counties
- National Association of Regional Councils
- National Conference of State Legislatures
- National League of Cities
- National Rural Water Association
- National Utility Constractors Association
- National Water Resources Association
- Protect Kids from Lead
- Rural Community Assistance Partnership
- U.S. Conference of Mayors
- U.S. Water Alliance
- Water & Wastewater Equipment Manufacturers Association
- Water Collaborative Delivery Association
- Water Environment Federation
- WateReuse Association

CC:
Representative Sam Graves, Chair, House Committee on Transportation and Infrastructure
Representative Rick Larsen, Ranking Member, House Committee on Transportation and Infrastructure
Representative Brett Guthrie, Chair, House Committee on Energy and Commerce
Representative Frank Pallone, Ranking Member, House Committee on Energy and Commerce
Senator Shelley Moore Capito, Chair, Senate Committee on Environment and Public Works
Senator Sheldon Whitehouse, Ranking Member, Senate Committee on Environment and Public Works
Members of the House Committee on Transportation and Infrastructure
Members of the House Committee on Energy and Commerce
Members of the Senate Committee on Environment and Public Works

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https://www.wsj.com/business/3m-announces-7-4-billion-settlement-in-forever-chemicals-injuries-case-17dd1e41

BUSINESS

3M Announces $7.4 Billion Settlement in 'Forever Chemicals' Injuries Case

Agreement covers up to 120,000 who claim they were hurt by chemicals containing PFAS

By John Keilman
Updated Nov. 3, 2026 7:39 pm ET



3M's headquarters in Maplewood, Minn. BEN BREWER/BLOOMBERG NEWS

Materials maker 3M MMM 9.18% ▲ announced it has agreed to settle long-running litigation brought by thousands of people who claim they were hurt by the so-called forever chemicals known as PFAS.

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The company will pay $7.35 billion over nine years to plaintiffs who have made personal-injury claims related to firefighting foam that contained PFAS. As many as 120,000 plaintiffs could participate in the settlement, 3M said. The agreement is the latest in a string of settlements related to the chemicals.

The company will take a pretax charge of $5.8 billion in the fourth quarter of 2026, which it said represents the present value of the settlement.

"This settlement is a significant milestone for 3M and substantially reduces litigation uncertainty," said 3M Chief Executive Bill Brown.

Michael London, co-lead counsel for the plaintiffs, said diseases covered by the settlement include several types of cancer.

"We think it's a great result," London said. "It's going to allow tens of thousands of people to get compensation for exposure to PFAS."

3M will have a conference call for investors to discuss the settlement Wednesday morning.

3M commercialized PFAS decades ago, using the chemicals for their resistance to heat and stains. They are called forever chemicals because they don't break down in the environment.

Some nonstick cookware and waterproof clothing contained PFAS, but the personal-injury litigation centered on foam used by firefighters to douse jet-fuel blazes. Lawsuits claimed the chemicals have contaminated drinking water and caused health problems.

3M said it began to phase out the compounds at issue in the litigation in 2000, and last year discontinued all manufacturing of PFAS.

Appeared in the November 4, 2026, print edition as '3M to Pay More Than$7 Billion in Chemicals Settlement'.

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John Keilman covers U.S. manufacturing from The Wall Street Journal’s Chicago bureau. He writes about large global companies such as 3M, Harley-Davidson and Whirlpool and has particular interests in factory safety, humanoid robots and physical AI.

Videos

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THE COLORADO SUN

NEWS: WATER

How much water Front Range communities did — and didn't — save this summer

Denver, Aurora, Colorado Springs, Fort Collins and Boulder weigh in on what they learned about consumer behavior



Michael Booth

4:08 AM MDT on Oct 15, 2026 *Updated 12:21 PM MDT on Oct 16, 2026*



A view of the Aurora Reservoir on Thursday, Sept. 24, 2026 in Aurora. (Cheney Orr, The Colorado Sun via Report for America)

▶ **Can Colorado do more with less water?**

You can't make a landscape revolution happen all at once, even when the mercury in the thermometer is flashing a bright, hot "100."

Beleaguered Front Range water utilities responded to historic drought conditions in the just-ended watering season with a variety of mandates, restrictions, price increases, friendly reminders and educational seminars.

The results were decidedly mixed.

With no guarantee that predicted El Niño weather will bring deep powder in the spots drained by Front Range cities, utility experts will be studying their results in case they need to redeploy restrictions in 2027. We asked a handful of cities to tell us what they learned, and to add up the numbers.

Not every water agency measures its savings the same way or uses the same historic period for comparison, so we're presenting their savings in the way they talk about it in their communities.

What happened in Aurora?

Aurora Water's reservoirs traditionally start off the watering season significantly lower than Denver's storage, and with that in mind, the city launches drought restrictions early.

Overall distribution of potable water dropped just under 12% from the 2025 watering season, through Sept. 30, said spokesperson Shonnie Cline. Outdoor watering was a much bigger success, with potable outdoor water deliveries dropping nearly 29% from the year before.

One enforcement advantage for Aurora Water is a historic investment in monitored smart meters for every home in the district. That means central monitors can immediately see, for example, when a given home has turned on outdoor sprinklers for a third day in a week, violating the restriction of two days a week. Denver Water has said some of the capital investment it might have had for smart metering was used instead to speed up replacement of dangerous **lead pipe connections to neighborhoods**.



Water flows down the South Platte River in the Jean K. Tool State Wildlife Area amidst an ongoing drought Wednesday, July 22, 2026, in Morgan County. (Cheney Orr, The Colorado Sun via Report for America)

The monitored system resulted in 4,247 warnings issued across all residential, apartment and commercial accounts, Cline said. From that, 606 fines were issued.

In assessing whether consumers accepted the monitoring and warnings, or were concerned about surveillance or government errors, Aurora Water looked at how many of the warned consumers sent back inquiries for more information on their red flags. Only 249 inquiry forms were returned, Cline said, relatively small compared with the number of warnings.

“This indicates that most customers understood the requirements and were receptive to feedback,” Cline said. Most were “willing to make the necessary changes,” she said, and “appreciated the transparency” that came with monitoring data.

“Most importantly,” Cline said, “customers demonstrated a strong sense of shared responsibility during the drought. They were eager to learn, receptive to outreach, and willing to do their part to reduce use.”

Aurora’s reservoirs sat at 41% full on Oct. 4.

What happened in Denver?

Denver Water set drought targets soaked in ambition, but progress toward those goals was painfully slow.

When Denver announced in the spring it was shooting for 20% overall water savings from recent averages, it also raised prices for the tiers triggered by higher landscape watering. When it became clear over the summer that the utility's 1.5 million urban and suburban customers were only shaving a few percentage points off their overall use even in 100-degree weather, Denver Water publicly scolded owners of large lawns and increased enforcement efforts.



The Matrix Design Group is collaborating with Denver Water and Riverside Cemetery to help transform the natural landscape on the cemetery grounds, using native plants and strategies that can succeed without the use of any irrigation. Joshua Eldridge, right, restoration ecologist for Matrix, and Bea Stratton, Landscape Transformation Program Manager for Denver Water, assess the progress in several native landscape test plots being used to evaluate possible strategies for use on the cemetery grounds on august 10, 2026. (Kathryn Scott, Special to The Colorado Sun)

Denver Water spokesperson Jimmy Luthye broke down the month-by-month savings progress this way, compared with the five-year average for the same month:

- May: 3%
- June: 4%
- July: 8%
- August: 14%
- September: 14%

“Considering we haven’t been on restrictions for a long time, and have never gone straight into mandatory restrictions, we knew it would take some time to see significant water savings, which is why we started with an educational approach,” said Greg Fisher, manager of demand planning and efficiency at Denver Water. “We then saw a steady improvement over the summer, despite continued record-breaking heat and dry conditions.”

As reservoirs dropped and Denver Water wanted more progress, the board voted to make the traditional Oct. 1 end to lawn-watering season a mandate instead of a voluntary cutoff. Anyone using lawn irrigation at all after Oct. 1, can be warned and fined.

“We think that awareness helped lead to a successful end to watering season Oct. 1, as our customer demand is down 24% so far this month,” Fisher said.

Overall seasonal water use was down 9% through September, Denver Water said, saving about 10,800 acre-feet. An acre-foot can serve two to four families for a year. The Oct. 1 lawn cutoff has already boosted overall savings for the year to 10%, Denver Water noted.

Denver Water’s reservoir system is 67% full, compared with an average of 90% in recent years. The agency staff predicts storage could drop to 60% by the time mountain snowpack begins melting next spring.

To boost those savings, Denver Water took in more than 7,500 reports of potential watering violations, sent out 5,000 educational mailers and more than 2,000 formal warnings. From that, 110 fines were issued.

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What happened in Boulder?

They do things differently in Boulder, in so many ways. No mandatory watering restrictions, for example.

Even though the city has been under a “Drought Watch” since May 1, the storage levels in a carefully designed, resilient system were still relatively high, said spokesperson Janine Haan.

“Our water supplies remained above the thresholds this year that would trigger mandatory restrictions,” she said. “Instead, we utilized more water from storage and encouraged community members to voluntarily reduce water use.”

That didn’t work.

For April, when warmer temperatures offered a premonition of the 2026 summer, water use was 15% above Boulder’s five-year average. After moving to Drought Watch, water use dropped, but only to meet the five-year average for the rest of the summer.

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Denver Parks and Recreation irrigation and conservation crews check newly installed sprinklers heads at Harvard Gulch Park on July 17, 2026. In the southwest corner of the park, nine raised heads replace 18 heads formerly covering the

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same space, and will rise above native grasses that use less water than traditional turf. (Michael Booth, The Colorado Sun)

"While we did not see significant reductions, we also did not see increased demand, despite exceptionally hot and dry conditions," Haan said. "Maintaining typical water use during a drought year is a positive outcome."

Consumers absorbed the educational efforts on reducing water use, Haan said, and participated more in information sessions on water-wise landscaping.

Boulder remains under Drought Watch, with reservoirs at 76% full, compared with the average of 88% at this time in a normal year.

What happened in Colorado Springs?

Colorado Springs Utilities entered the scorching summer drought with three years of demand available in reservoir storage. By Sept. 30, the city's reservoir storage had drained to about 2.4 years of demand. Years of available supply is a key metric the city looks at in deciding levels of drought restriction.

Colorado Springs, however, never went to the two-day-a-week watering limit that other large cities adopted in the spring. No more than three days remained the rule.

Given that, the results were fairly predictable. People water when allowed to. Water use through Sept. 30 was 1.7% above the city's 10-year average, spokesperson Jennifer Jordan said, and about 2% higher compared with other recent dry years. Colorado Springs has received only about half its usual precipitation year to date, she said. Moreover, t**he city is serving more customers than the previous years**.

"This is in line with our expectations for water use during a historically hot, dry irrigation season," Jordan said, in response to The Sun's email survey questions.



Melissa Meadows holds a blade of buffalo grass in her yard east of downtown Colorado Springs on a September afternoon. Colorado Springs Utilities works with local homeowners who are interested in trading out thirsty bluegrass for water-wise grasses and other plantings. (Olivia Prentzel, The Colorado Sun)

Colorado Springs sent 8,290 “water use alerts,” 45 formal warnings and three fines, Jordan said. Most of the customers who got the alerts did subsequently cut their use. Many residential and business customers are asking about the utility’s support for alternative, water-saving landscapes, and the city is considering how to boost those programs for next year.

“This year we confirmed that our customers generally understand the relationship between their water use and the water reliability of our system,” Jordan said. “Despite warmer and drier conditions, most customers responded by managing irrigation responsibly and accepting some degree of landscape stress rather than significantly increasing water use.”

What happened in Fort Collins?

It was live and let live in Fort Fun this summer, with only voluntary water savings and no warnings or fines.

Even though Fort Collins' primary water storage at Joe Wright Reservoir is down to 61% of capacity as of Oct. 1, the city emphasized outreach and education all summer instead of day-of-the-week or other restrictions. People were asked to limit outdoor watering to two days a week, in morning and evening hours, but there were no rate increases or enforcement.

The community did respond to outreach, spokesperson Honora Thompson said, with many more people calling in to report others wasting water. The city utility has logged 181 calls reporting leaks or waste so far, compared with 86 last year.

"These are signs customers are paying attention to water use and drought conditions," she said.

The city's array of conservation and education programs are estimated to cut water demand by about 2.3% a year. The city's water efficiency plan targets increasing those savings to 4% within 15 years.

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The End of Supplemental Federal Water Funding Puts New Pressure on State and Local Governments

Reverting to levels that predate 2021 law could widen infrastructure investment gaps

Authors: Mollie Mills and Aleena Oberthur

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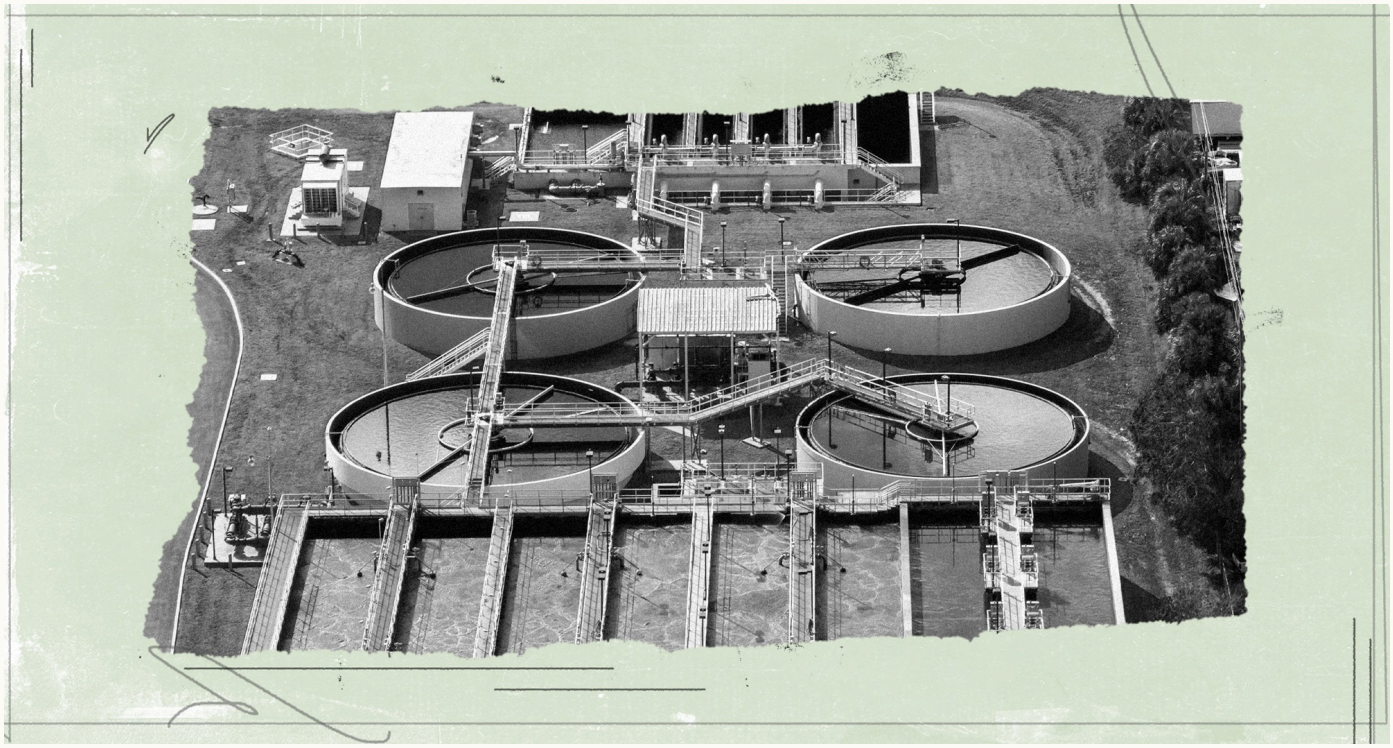

THE PEW CHARITABLE TRUSTS

This is the first piece in a three-part series exploring the end of the IIJA and what's next for states.

The 2021 Infrastructure Investment and Jobs Act (IIJA) marked a historic increase in federal spending for water infrastructure , providing $55 billion from fiscal year 2022 through fiscal 2026. Most of these investments—$43.4 billion—came in the form of supplemental funding to the State Revolving Funds (SRFs), effectively quadrupling annual SRF funding over the five years. (See Figure 1.)

However, the IIJA authorization for supplemental SRF funding ended in September, and federal water investments are expected to decline significantly.

At the same time, underlying infrastructure needs are substantial and growing, and in the coming months and years, state and local governments could face tough choices about whether and how to fund maintenance and upgrades of critical water systems.

Figure 1

Annual Federal Support for State Revolving Funds Quadrupled Under IIJA

Federal water appropriations, 2013-26

Notes: State Revolving Funds are divided into the Drinking Water State Revolving Fund (DWSRF) and Clean Water State Revolving Fund (CWSRF), which provide loans for drinking water and wastewater infrastructure, respectively. Beginning in fiscal year 2022, the chart distinguishes between the programs' regular annual "base" appropriations and the additional funding provided through the infrastructure law.

Sources: U.S. Congress, *FY2026 Appropriations for U.S. Environmental Protection Agency (EPA) Water Infrastructure Programs*. Environmental Protection Agency, *Annual Allotment of Federal Funds to States, Tribes, and Territories*. Environmental Protection Agency, *Clean Water State Revolving Fund (CWSRF) Allotments of Federal Funds to States*, 2013-2026. Environmental Protection Agency, *2017-2021 Allotment of Federal Funds for States, Tribes, and Territories*, 2017-21. Congressional Research Service, Water Infrastructure Financing: History of EPA Appropriations. Congressional Research Service, *Water Infrastructure Financing: History of EPA Appropriations*. Congressional Research Service, *U.S. Environmental Protection Agency Water Infrastructure Programs and FY2021 Appropriations*

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Water infrastructure needs expected to rise

Though significant, the temporary increase in federal SRF appropriations was not nearly enough even to resolve existing deferred maintenance. In fact, IIJA funding addressed only about 5% of the nation's estimated needs. And surveys published by the U.S. Environmental Protection Agency in 2023 and 2024 estimate a combined $1.2 trillion in drinking water and wastewater investment needs over 20 years. Other analyses place the figure even higher: $2.1 to $2.4 trillion over 25 years for drinking water alone.

Further, aging water infrastructure already contributes to frequent failures that impose additional costs on states. The U.S. experienced roughly 300,000 water

main breaks and an estimated $7.6 billion in water loss from pipe leaks in 2018 and 2019, respectively.

According to one study, if federal investments reverted to pre-IIJA levels, the gap between projected water infrastructure needs and available funding could exceed $2.5 trillion over 20 years, potentially forcing states to prioritize a smaller share of projects. This in turn could delay critical upgrades, increase maintenance backlogs, and leave water systems even more prone to costly failures.

Effects on state and local budgets

Even with the influx of federal funding through the IIJA, states and localities have still been responsible for nearly all water infrastructure costs. For instance, federal spending accounted for only about 4% of total public investment in water infrastructure in 2023.

Despite this limited reach, however, the IIJA funds did expand funding for key communities and projects. The law required that a significant portion of funds be provided as forgivable loans or grants, and early data suggests that, as a result, a larger share of SRF assistance reached disadvantaged communities than before the IIJA. As this funding expires, SRF assistance will be less likely to include grants and principal forgiveness and instead be more reliant on standard loans, which can be less affordable for communities with limited resources to repay.

But even communities that can take on additional debt may still face challenges after the IIJA expires. Less low-cost federal financing may lead utilities to rely more on higher-cost borrowing, such as municipal bonds, or rate increases to pay for infrastructure projects. And those higher financing prices will probably be compounded by rising construction, labor, and operating costs, which have already outpaced utilities' ability to meet expenses through existing revenue streams: Only 43% of water utility professionals report being able to cover costs through rates and user fees alone.

At the same time, affordability pressures are also increasing for utility customers. One analysis found that, if water utilities must rely on rate increases alone to fund infrastructure needs, more than 20% of U.S. households could end up spending over 2.5% of their income on water bills by 2050.

IIJA expiration coincides with other fiscal pressures

These funding challenges for states and localities are complicated by a range of other economic factors.

Congress' continued allocation of some SRF appropriations to earmarks—which direct funds toward grants rather than revolving loans—constrains states' ability to recycle limited funds to support future projects. And unlike dedicated grants that help disadvantaged communities, earmarks pull resources from the regular revolving loan pool, reducing the dollars available for statewide priorities. A recent analysis suggests that over 20 years, these earmarks could cost SRFs $19.4 billion, enough to finance roughly 5,700 projects.

In addition, utilities are facing increasingly critical but costly regulatory and environmental demands. For example, the EPA's 2024 drinking water standards for per- and polyfluoroalkyl substances, a key public health protection, are likely to require roughly $1.5 billion a year for treatment infrastructure, monitoring, and compliance. Similarly, lead service line replacement mandates could cost as much as $90 billion. Although the IIJA dedicated funding to help utilities meet these various requirements, those resources, which were only a first step toward paying for necessary upgrades, are expiring just as investment needs are ramping up.

Further, utilities face increasing risks from extreme weather events, aging infrastructure, and cybersecurity threats, all of which necessitate additional investment in system resilience and adaptation. For example, an early estimate suggests that adapting drinking water and wastewater systems to climate impacts could cost $448 billion to $944 billion through 2050.

The IIJA represented a significant expansion of federal water infrastructure investment, but such one-time funding increases are not sufficient to address the sector's long-term needs and decades of deferred maintenance. Although the influx of IIJA money to SRFs accelerated progress on certain projects and enabled communities to address some of their most urgent challenges, significant needs remain.

Without additional federal investments, states and localities will have limited ability to address those needs, especially amid rising project costs and competing fiscal demands.

Mollie Mills is an officer and Aleena Oberthur is a project director with The Pew Charitable Trusts' state fiscal policy project.

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